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

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leaders limited to not to exceed 5 minutes. The Chair recognizes the gentleman from Florida [Mr. McCollum] for 5 minutes.

MEANINGLESS PRESIDENTIAL RESPONSE TO SHOT DOWN AMERICAN PLANES

Mr. McCollum. Madam Speaker, today I rise in memory of the four American civilians murdered by Fidel Castro over the weekend, and to condemn the foreign policies of an administration that has placed U.S. national interests in jeopardy around the globe.

I remember a day when killing American civilians had consequences. The murder of an American serviceman by Manuel Noriega's regime pulled the United States. We look at Russia. In Haiti, where it really could make a difference, looking around the world, we look at China today. China is on the verge of being able in the next few years to produce an atomic bomb and a delivery system capable of delivering that bomb to the West Coast of the United States. We are in the process now of training, equipping the forces of the government of Izetbegovic, the Moslem leader of Bosnia. And who does he have as his best friend? Why, my goodness, it is Rafsanjani and the crew in Iran. The Iranians are clearly the ones who want to produce the most terror in the world today. They are determined to spread their radical form of Moslemism, not the traditional form but the radical form, all over the Middle East, the Near East, and anywhere else they can lay their imprint where there is a Moslem country. Izetbegovic is a close ally of Iran; he has been ever since the days of the

The SPEAKER pro tempore. Little more than the withdrawal of a few poorly chosen carrots he dangled endlessly and uselessly in front of Fidel Castro 6 months ago. And that is not all of it. When I look at all of the other foreign policy areas the President has been involved with in the past 3 years, I see problems. In Haiti, we sent our soldiers in there for a purpose that clearly was one that was very difficult to accomplish, if it could even be accomplished in the end. Yes, there is a democratically elected government there now, but in a few days we are going to remove those troops. My experience as chairman of the Subcommittee on Crime and talking to the FBI about their experience there for 7 years last year when they tried to help solve some political murders was that human rights violations are still rampant, and when they got to the highest level of the Haitian Government to interview the witnesses, they were not allowed to, and had to pull our FBI out and they still go unsolved. The problems in Haiti have not gone away.

And yet we look next door in Cuba and we see we have not done anything really about the Castro regime that has been in power for over 35 years where it really could make a difference. Looking around the world, we look at China today. China is on the verge of being able in the next few years to produce an atomic bomb and a delivery system capable of delivering that bomb to the West Coast of the United States. We look at Russia. In Russia today we have a situation where it is very unstable. This summer, we do not know what is going to happen to the Yeltsin regime, yet we do know that we have not one single nuclear missile that has been dismantled yet in Russia or in the former Soviet Union. Who knows what their capabilities are and who is going to be controlling the button on nuclear weapons in the future there. And the spread of these nuclear weapons by China and North Korea to Iran, Pakistan, and elsewhere make it highly probable in the next few years we are going to see, if not a delivery of one of those weapons to the United States, certainly the delivery of one of those weapons to a nation or an interest area of great importance to the United States, and President Clinton does not have an answer to that. He refuses to support a ballistic missile defense system that is workable. He should have supported one a long time ago. It is a very serious consequence when we see all of these developments occurring and no plans to provide the Nation the kind of defense it needs.
Ayatolla Khomeini. We are now in the process of training, equipping his forces, so when we pull out of there in a few months they are going to be the strongest military presence in the former State of Yugoslavia.

I think that is simply the tibid business that we have seen the President announce in the last 24 hours. He has not yet taken a single step that would show the kind of deterrent message that we need to have if we are going to protect our interest abroad. What message does this pattern of behavior send to other nations considering a confrontation with the United States? When strained credibility finally collapses, deterrents for the protection of our interest has not a prayer. Right now it is the military might the President will bring against Taiwan. Rafsanjani and Iran are considering terrorist attacks, and look what we have got with Fidel Castro. I submit we have failed foreign policy, and this weekend the President's response to it is an example of why that foreign policy has failed.

THE FARM BILL
The SPEAKER pro tempore (Mr. Shays). Under the Speaker's announced policy of May 12, 1995, the gentleman from Missouri [Mr. Volkmer] is recognized during morning business for 5 minutes.

Mr. VOLKMER. Mr. Speaker, I did not come here to talk about this. I listened to the gentleman from Florida, and we have a couple more from Florida maybe going to speak on the same issue, and I hear the criticism of the President on the Cuban situation, yet I do not hear him talk about what they would do different than what the President has done, not one. The gentleman from Florida did not mention one thing. I am just waiting to hear what the rest of them have to say. I wonder how many of them want to send troops into Cuba. Should they, should they not? They are from Florida, let them say.

What I really came here to talk about is the autocratic running of this House of Representatives. This is not a democracy in this House any longer. When I say “democracy,” I mean a small “D.” At times back in my 20 years or 19 years before this, we had farm bills come to this House and every one of them, in 1977, 1981, 1985, in 1990, every one of them had an open rule. All amendments that were germane and had been printed in the Record before we took up the bill were eligible to be debated and voted upon. Now, think that is absolutely on Rules of this autocratic leadership under his excellency, the Speaker Gingrich, going to do this afternoon with the rule on this year's farm bill? Should be 1995; it is 1996. They are already late. They are going to restrict the amendments.

There have been 74 amendments noticed to the Committee on Rules. I dare say not more than five or six or seven of this House'skeepers offer amendments to a farm bill that is going to affect our farmers for the next 7 years? What happened to it? Well, all is gone down the drain under this new leadership. They are told, they are telling us, you take what we are going to offer you or leave it; that is all there is to it. I, as a representative of my people, do not have a voice any longer in this House when we deliberate legislation that affects them. I think that is terrible. I think that the American public should wake up to what is going on in this hallowed Hall of democracy, the one that stands firm above all others in this world for democracy. You do not have democracy in this House. It is gone.

We have an autocratic society led by Speaker Gingrich. He only believes that he knows the answers and his people know the answers. The rest of us, that is the majority, we have to go about campaigning. We have to go about trips to far off lands. We have to go about fighting for democracy, for ourselves. Well, I, for one, believe that my people sent me here to represent them and to espouse ideas on this floor of the House when legislation comes about that affects them.

I do not believe that this should be gagged by the Speaker of the House, which is going to happen this year on this farm bill. And what is really amazing about this whole thing is that they are going to tell you, the American public, and the rest of this House that we have to hurry up and get this bill done. Well, folks, we have not been here all month. We have not been here all month. We could have done a farm bill last week. We could have spent a whole week on it, let every Member who has amendments the opportunity to offer it, to debate it and have a vote on it.

Oh, no, we cannot do that. We have to go about campaigning. We have to go about trips to Europe. We have to go about trips to far off lands. We have to do all those things. We cannot work on a farm bill. Well, the real reason is that they do not want some Members to be able to offer their amendments. That is the real reason. They do not want them to have their amendments on the floor. They say their answer to the farm problems, agriculture throughout this Nation, is embodied in their bill. None of the rest of us should have a right to have any say-so in how that legislation affects our farmers.

Now, if that is not an autocratic society, I would like to know what is. Well, maybe it is more like a dictatorship. Maybe that would be more appropriate and the dictatorship where Members do not have an opportunity to express their opinion.

DEADLY MISADVENTURE
The SPEAKER pro tempore (Mr. Shays). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. Goss] is recognized during morning business for 5 minutes.

Mr. Goss. Mr. Speaker, Fidel Castro has done it again. He's caused tragedy and pain and suffering in pursuit of brutal repression. Castro's actions this weekend coupled with Clinton administration foreign policy present the world with another misadventure in the Caribbean, resulting in the apparent death of four innocent human beings and the human rights violations and arrest of dozens of others. Why? Because Fidel Castro is a brutal tyrant, and because the Clinton administration has spent its efforts in Cuba on developing ways to appease Fidel Castro and to ease restrictions on the flow of money and people into the country he has tormented. All the President's foreign policy "B" team has studiously ignored Fidel Castro's track record as a liar and a bullying tyrant and an egregious violator of human rights of people he is supposed to serve, not torment.

Those who closely follow Cuba and have unbiased knowledge of Cuban affairs were deeply saddened, but I guess not really surprised, to hear about the tragic murder of Brothers to the Rescue. This past weekend, much to our surprise, Castro stepped up the embargo's trade. My thoughts went back to the 13th of March tugboat and a long series of similar incidents where innocents were deliberately killed. Added to this is that fact that even as Fidel's jets were scrambling, the crackdown on Cuban dissidents and prodemocracy groups on the ground in Cuba was being stepped up. I hope that this weekend's events will be the wake-up call the White House has needed for so long. The announcement that the White House will support legislation to strengthen the embargo is good news, as long as it follows through on that pledge. Rather than cozying up to this long-time self-avowed enemy of the United States, the administration should step up the pressure on his regime. After all, only last year the Clinton White House leveled a devastating and effective blockade embargo against the poorest people in this hemisphere—against the friendly neighboring country of Haiti. After that, I would think stepping up the embargo on Castro’s Cuba would be easily justified. Part of doing that will mean...
Mr. Alexander. If you wear a silk or custom-made shirt, you are obviously backing the gentleman from New York, Mr. Forbes. If you come in with a stuffed shirt, you are probably backing the majority leader. And if you come in with a brown shirt, I think we know who you are backing. So it has become kind of the shirt war. We can watch these shirts, and we can kind of tell whose side they are on. As I say, if it were not our Government, it could be really funny. There are some days when I think our President looks like the President of the world. How could he do better than have this all surface in the primary? There are other days when I absolutely panic and say, but wait a minute, wait a minute. This could end up coming to fruition. Over this break I had the great, great honor of addressing a pluralism conference in Belfast. I always wear my grandmother's wedding ring. My grandmother was married in Derry, Ireland. And as you know, Ireland has been cursed by the Troubles, as they say euphemistically. And there we were with the University of Ulster and the Dublin City University cohosting this era of pluralism, trying to bring back the peace, thousands of people in the audience. You bring back the peace, trying to recapture the momentum, to put this to an end. Of course my colleagues can imagine, I was absolutely barraged by questions. What in the world is going on in your country? You stand there on solid ground and say, you know, we have gone through lots of pain, we have got all sorts of scars from trying to be a pluralistic nation, but, my goodness, we have got all sorts of benefits, too. And basically the bottom line is we know we cannot go around pitting one group against another group. Yet, they are watching that happen in their newspaper, and they are all scratching their heads saying, wake up, America. For the one time in 100 years, what does this mean? It means that what really happened in 1994 is that many people did not vote at all. They felt, well, if I do not like them, if they are not 100 percent correct, then I am not going to encourage them. That may work for being a consumer, but it does not work for voting. The trouble is, you can get some people in this country because they are not perfect and, heaven forbid, none of us are, then you are still going to have to live under whoever does win. So, you may vote for your imperfect friend and end up with someone who takes the country right off the cliff or in the absolute wrong direction. So I am hoping all of us start making these distinctions between consumerism and voting. And if you are going to have a more serious and stop looking just at their shirts and look at their souls. It is their soul that will be governing this country for the next 4 years, if any of them find themselves in that White House. It is their soul that is going to reflect upon us and on our future and lead this great country into the 21st century.

As we end this century, which was known as the American century, I get goose bumps thinking about it. What will the 21st century be known as? Will we no longer be a player? Will we all be pitted in fighting against each other? I certainly hope not. But I think those are the very, very serious thoughts all Americans must engage in as we watch this Presidential primary continue to unfold.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would inform our guests in the gallery that public displays of approval or disapproval are not permitted.

CREDIT CARD USE BY FEDERAL EMPLOYEES

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Pennsylvania [Mr. Gekas] is recognized during morning business for 5 minutes.

Mr. GEKAS. Mr. Speaker, as everyone in the world knows, the Congress of the United States has been living on a credit card for many, many years now, decades. As a result, we have a huge national debt, and annual deficits that impinge upon the standard of living of every American. Well, now there comes to light that part of the credit card problem is in the Government itself.

Starting sometime in 1993 or 1994, apparently Federal agencies have been allowed to issue credit cards to employees who have to do travel and other work for that particular agency. We have learned through a report by the inspector general in the U.S. Department of Commerce that credit cards have been used not just for travel for governmental purposes but also for jewelry, for liquor, for online computer services, for a variety of things never contemplated for Federal employees to use, to be used in obtaining.

What does this mean? It means that we have a credit card system in play that is being abused and is costing taxpayers money. We did not make this up. This came from an investigation of the inspector general. We have learned that some 500 of these accounts, credit card accounts, had been used for these extraneous purposes, to get extra cash at an ATM facility, to purchase jewelry and liquor. Was that contemplated by the taxpayers of the United States, to give carte blanche, a credit card to Federal employees to spend as they wish?

Some would defend the system and say well, we have a credit card system, that means faster service and less costly ticket buying, et cetera. But is it worth it when we have all these other abuses that we are discussing?
Here is what the executive summary says from this audit report:

Numerous employees have misused the government travel charge card. Such abuses included excessive unpaid charges, use of the card for personal expenses—which have just mentioned—and questionable automatic teller machine advances. A primary reason for the abuse is a lack of management and oversight by agencies.

That is the key phrase that has prompted action on the part of some of us to try to end this drain on taxpayers' resources at a time when we are crying for tightening up the budget and making sure that we do not overspend or abuse the taxpayers' moneys in so many questionable ways.

The other portion of the report that is astounding to me is that when some of this was brought to the attention of the agencies, like in the Office of the Secretary of Commerce, the coordinator, I quote, "The coordinator in the Office of the Secretary gave us oral explanations for some of the questionable accounts but told us that because of other pressing duties, she did not have sufficient time to provide written explanations." Meaning that nothing was effectively accomplished to curb these abuses, buying jewelry on credit cards?

How does that help the Secretary of Commerce's jurisdiction exercise its duties? How does that help the taxpayers back in the homelands who are working hard every day to do their job and try to pay their taxes so that the Government can keep on buying jewelry with credit cards? This kind of explanation, if they do not have time to provide written explanations, has got to come forth in a series of hearings which we plan to hold on this very same subject.

One other thing that is pertinent here that should be known, also coming out from the inspector general's report, is that the blame for all of this goes on how these credit cards were issued, to whom they were issued, what instructions were given, what controls were put in, what arrangements were made with the credit card company to make sure that jewelry and online computer services and liquor could not be purchased on the retail level, those facets of control were never put into place.

So what will these hearings have? I plan on having more or if necessary in my Subcommittee on Commercial and Administrative Law to determine how they were issued, what controls were put on. I have introduced a bill to start off with, to abolish the use of credit cards by Federal employees. We are going to start from there if we are successful and work back to see if any credit cards can be properly used.

THE DEBT CEILING AND WELFARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Michigan [Mr. Levin], is recognized during morning business for 5 minutes.

Mr. LEVIN. Mr. Speaker, I want this afternoon to talk about two issues that are related. The first one is whether the Republicans are going to use the debt ceiling as leverage instead of passing a clean debt ceiling bill. I read this morning there were two different sets of advices coming from within the majority ranks. One was use it as leverage for what is called a change in entitlements, and that came from our colleague from New Jersey, who said, "It is playing with fire. When it comes to this Nation's financial reputation, the stakes are simply too high. We must abandon any strategy of confrontation and resolve this critical issue in the spirit of cooperation."

I hope the majority will heed the advice of the second person. The Republican Party was badly burned by their approach of shutting down the Government with the CR but more importantly the Nation was hurt when I was in the district the last several weeks, I met among others with representatives of veterans organizations who told us the appeals process was already way behind and with the shutdown it became even more delinquent, to the terrible detriment of the veterans of this country.

Second, I want to talk about one of the issues that might be tied to the debt ceiling and that relate to welfare reform. This country badly needs it. It is clear, I think, from the experience of last year, it can be achieved only on a bipartisan basis. In the last session, the Republicans tried it on a strictly partisan route. They produced a bill that did not effectively link welfare to work, and it would have hurt kids. It missed the mark by carrying out the true national interest in welfare reform, breaking cycles of dependency and helping the welfare system, not by punishing them but by moving their parents from welfare to work.

There was no attempt, none whatsoever, to work out differences on a bipartisan basis with Democrats in the House—we do want welfare reform—or with an administration that has been active for years on this.

A hearing was held last week in the Human Resources Subcommittee, on which I sit. Two Governors, among others, presented the NGA proposal. We discussed with the Governors a number of concerns about their proposals.

First of all, their contingency fund, it is not going to protect against a recession. In the recession of the early 1990's, AFDC funding increased over 56 billion in 3 years. The provisions of the Governors' proposal would have much less than that, in fact a third of that over 5 years.

The maintenance of effort provisions in the Governors' proposal need to be looked at further. The way they have crafted that, the result could be a far larger proportion of Federal as compared with State dollars, a substitution of Federal dollars for State moneys including in child care and overall far fewer dollars available to implement welfare reform.

I believe welfare reform must be driven by moving people off of welfare into work. A rebalanced partnership to achieve this does mean more State flexibility, but it must be combined with State accountability and effectiveness.

A third provision that needs much more work relates to how we treat families receiving assistance. There is a broad reference in the NGA proposal, but much more work is clearly needed to ensure that provisions are enforceable and that there are procedural safeguards for individual families seeking assistance.

Likely on Medicaid the Governors' proposal would sever the assurance that when families, when people move from welfare to work, there is health care coverage for their kids.

Fifth, on food stamps, the proposal of the NGA would undermine the Food Stamp Program as a safety net for the children who are covered today.

There is also a clear need to review provisions in the NGA that depend on child care, child welfare, SSI and, clearly, benefits for legal immigrants. These concerns and others will be spelled out in more detail tomorrow in the testimony on behalf of the administration of HHS Secretary Donna Shalala.

The Governors stated in their testimony last week, and I quote, that it is imperative that the congressional process be bipartisan. The House Republicans have a clear choice. They can make a good-faith effort to discuss concerns on a bipartisan basis and attempt to work out differences, or they can proceed as they did last year and as they are beginning to do this year acting on a strictly partisan basis.

I finish with this. I agree with the majority searchers for a political issue, then the outlook for welfare reform is, indeed, dismal. But if the search is for a new structure that reflects where the mainstream of America is, the outlook is more promising.

CASTRO'S ACT OF MURDER

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Florida [Ms. ROS-LEHTINEN] is recognized during morning business for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, as the international community now knows, this past Saturday Cuban tyrant Fidel Castro once again demonstrated his brutal nature after his thugs shot down two United States civilan planes belonging to the humanitarian group, Brothers to the Rescue, killing four innocent young men including American citizens.

Knowing of the long track record of repression and cruelty that the Castro regime has exhibited against the Cuban
people for over three decades, this deplorable act should not surprise anyone. The Clinton administration took some positive steps, but unfortunately they are not strong enough to respond to Castro's cold-blooded act of murder. Instead of seeking a diplomatic solution to the embargo against Castro similar to the one implemented against Haiti over a year ago, the administration settled for lukewarm sanctions which will not do enough to push Castro out of power. How many more people have to be harassed, tortured, and killed before the administration and the international community realize that Castro's tyranny deserves the same if not tougher international sanctions as the ones that were taken against undemocratic regimes in Haiti, in South Africa, in Iraq?

That is why we have asked the President to impose a naval blockade similar to the blockade that was placed against the illegitimate military regime of General Raoul Cedras in Haiti. That is why we have asked the President to go to the U.N. Security Council to get an international embargo against Castro's dictatorship.

For over three decades, a veil of sorrow has covered the island of Cuba. The waters of the Caribbean and the Atlantic Ocean have been transformed by the blood of the thousands of Cubans who throughout the years have fallen prey to the brutal regime of General Raoul Cedras in Haiti. What is the difference between the regimes of General Raoul Cedras in Haiti and Castro? The difference is that the Cuban regime has held the people of Cuba but has held the principles of freedom and democracy hostage throughout the Western Hemisphere.

That beast, Fidel Castro, angered by displays of strong will and free thinking, by manifestations that the Cuban people are determined to defend their right to liberty, planned and executed the murder of four innocent civilians, members of a humanitarian organization, Brothers to the Rescue. There are no mitigating factors, there are absolutely no excuses that the Cuban regime can manufacture which could justify such a blatant act of aggression against innocent Americans whose only sin was to care about the welfare of those risking their lives to flee the Castro tyranny.

However, this most recent action sends a message to the Clinton administration that the United States should not negotiate with terrorists. It reinforces the notion to the Clinton administration and to foreign governments who support this policy of appeasement with Castro that democratic nations built on safeguarding the most basic fundamental rights of its citizens cannot and should not deal with pariah states.

It further emphasizes the need for further strengthening the United States embargo on Cuba that through passage of the Helms-Burton legislation.

The Castro regime must be further isolated. As the Castro regime's circle of friends continues to diminish, the pressure exerted by the Helms-Burton bill will be the devastating blow which could force the Castro regime to succumb to the realities of a free world. Clearly the time to act is now. We hold one of the keys to unlocking the chains that bind the Cuban people, and that key could very well be the Helms-Burton legislation. We must not enter into a new millennium with the people of Cuba in bondage. Let us support the Cuban people in their days of struggle.

THE SUGAR PROGRAM SHOULD BE PHASED OUT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. SERRANO] is recognized during morning business for 5 minutes.

Mr. SERRANO. Mr. Speaker, I first want to join all Americans in expressing my condolences to the families of the pilots who were shot by the Cuban Air Force. This is a tragedy and we should all deeply regret the death of these pilots.

I also believe that the Cuban Government should be brought to trial with this situation in a different way. The planes, if need be, could have been grounded and not destroyed.

My purpose in speaking on this floor today, Mr. Speaker, is to try to reach a point of understanding where we can prevent these tragic issues from taking place in the future and to prevent what I believe is a confrontation that may be coming between the Cuban Government and our Government, perhaps a violent confrontation. The question that needs to be asked is what did our Government know about prior flights by Brothers to the Rescue into Cuban airspace and what did our Government do with this knowledge?

I have the statement, which is public by now, by the Cuban Government that shows in order the documentation of violations of Cuban airspace by planes registered in the United States from May 1994 to the present. In 1994 there was a violation almost every month and similar in 1995. There have been documented press reports about the dropping of anti-Castro leaflets over Cuba by planes registered in the United States.

On the 19th of this year, the French press agency reported that the Cuban Government complained that its airspace had been violated by United States-based planes which dropped anti-Castro leaflets over Cuba. In this same article it mentions that the Miami-based group Brothers to the Rescue issued a statement saying that it had dropped half a million leaflets printed over Cuba with messages against the Castro government. Both of these actions, of dropping leaflets and in some instances buzzing buildings in Cuba, are similar to the actions of the Castro government.

In fact, the White House acknowledged the incident and expressed regret about it, but it is unclear what additional actions were taken. Did our Government take action?

This morning I had a conversation with the counsel's office at the Federal Aviation Administration. They confirmed that they had recommended the FAA that this group had in fact violated Cuban airspace at least on that last occasion, July 13, when they went over Havana.

The death of these pilots is an unfortunate tragic incident that could have been, in my opinion, prevented. We need to find out exactly what happened and how much of the responsibility our own Government bears for this incident. We need answers to prevent a similar tragedy from happening in the future.

Not long ago, we negotiated with the Castro government over the people that were coming over on rafts and came up with an immigration policy. Why not call the Castro government to the table now and hear their grips about their airspace, present to them our feelings about the issue and try to get the minimum reach an agreement on this particular issue?

I believe we should stand together with our colleagues know my position on our whole relationship with Cuba. I am in favor of lifting the embargo and normalizing relations. But I realize that this is not the time for that because one thing that Castro most wants to get over Havana.

We will now support and take great joy in the fact that the United Nations condemned Cuba. But please understand that that does nothing to better the relationship between the two countries or to head off a confrontation. For years the United Nations has been condemning us for our embargo on Cuba, and it has not changed our policy toward the island. I will do something today that is not part of being a good Democrat, I guess, and that is to ask the Republican leadership to conduct a congressional investigation into how much our Government knew about these incidents and the violation of Cuban airspace so that in the future we can prevent this confrontation and this loss of human life.

THE SUGAR PROGRAM SHOULD BE PHASED OUT

The SPEAKER pro tempore. Under the Speaker's announced policy of May
Mr. MILLER of Florida. Mr. Speaker, today I rise to advocate the phaseout of the Government-run sugar program in this country. The Government-run sugar program is a cartel that the Government regulates that is very much anti-free enterprise, it is anti-consumer, it is anti-environment, and it is anti-jobs in this country.

We will have a chance later on this week during the farm bill reauthorization to vote on a 5-year phaseout of this program in the Federal Government. The big government is over, and this is a big government program that should be phased out.

The sugar program in the country today is a big government program that keeps the price of sugar at twice the world price. As part of this reauthorization program on the farm bill, there are lots of good changes in the farm program in the country. Chairman ROBERTS and the committee have done a lot to reduce the role of the Federal Government in farm policy in this country.

There are lots of changes in wheat, corn and such, but not in the sugar program. The sugar program is not reformed in this reauthorization bill. The sugar program is a cartel where the Federal Government controls the total supply of sugar in the United States and keeps the price of sugar at twice the world price. The Federal Government tells every individual sugar farmer in the United States how many pounds of sugar he can sell today. It tells different countries of the world how many pounds of sugar they can sell in the United States. In fact, it is so bad when it tells Australia, for example, that has a free market in sugar, it tells Australia how many pounds of sugar to sell. Australia does not sell it to us at the world price. They sell it to everybody else at the world price of about 12 cents a pound. But, no, no, the United States, we pay 24 cents a pound because we want to pay twice the world price of sugar. Why should the American consumer get gouged like that? That is absolutely wrong.

It is a corporate welfare program. It is corporate welfare because 42 percent of the benefits of this program go to 1 percent of the plantations in this country. There are 33 plantations in this country that get over a million dollar a year benefit from the program. There is no justification for this kind of corporate welfare program.

As I have said before, it is the sugar daddy of all corporate welfare. We want to target corporate welfare, this is one program we should target. In my home State of Florida, 75 percent of the sugar is controlled by two plantations, 75 percent by two companies. That is corporate welfare. It is not the small family farmer that hurt but is some people want to make you think.

Environmentally this has been a bad program for Florida. In 1960, when I finished high school, we had 50,000 acres farmed for sugar in the State of Florida. Today we have 450,000 acres of sugar in the State of Florida. As we have increased the production of sugar every year in Florida, the quality of the Everglades and Florida Bay have been declining.

There is a direct correlation to increased sugar production and the damage that is being done to the Florida Everglades. We need to stop that damage that is hurting our environment. It is hurting our economy in Florida. Just the jobs depending on the people in the Florida Keys are impacted by this, for example. So we need to do something about the damage that sugar is causing to the Florida Everglades.

On jobs in general, the sugar program is causing a loss of jobs because refiners are closing. In the past 10 years we have had to reduce sugar refining capacity by 40 percent because under this bill there is a limited amount of sugar being allowed into this country. And the jobs of the manufacturers, Bob's Candy, the largest candy cane company in the United States is losing jobs. They are the largest manufacturer of candy canes. Candy canes are now coming on cheaper from outside the United States because sugar is so expensive in the United States.

In Canada the price of sugar is almost half the price it is in the United States. That is wrong. The proposal that is in the freedom to farm bill that Chairman Roberts will be bringing to the floor does not reform sugar. It keeps the cartel, it remains anticonsumer, anti-environment, antifree enterprise, and the price of sugar is not changed. So we are not seeing any progress.

Fortunately, and I hope the Committee on Rules will allow, I have a bipartisan proposal, an amendment that I will be offering with the gentleman from New York [Mr. SCHUMER]. We have over 100 cosponsors. This is a 5-year phaseout. I hope my fellow colleagues on both sides of the aisle will join me in advocating a 5-year phaseout.

**FURTHER SANCTIONS AGAINST CASTRO ARE WARRANTED**

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. MENENDEZ] is recognized during morning business for 5 minutes.

Mr. MENENDEZ. Mr. Speaker, I rise as the representative of the second largest concentration of Americans, Americans of Cuban descent in the Nation, to condemn a brutal and cold-blooded, premeditated killing of American citizens, two of them born in the United States, one of them a Vietnam veteran.

I am tired of hearing the word "exile." They are U.S. citizens.

Our response to the killing of American citizens in international airspace has not been sufficient. I am amazed at Members of this House who come here and in essence by their comments brush aside those facts. And they turn against our own government and look to our government as the alleged cause of the death of American lives. There is a slaughter of a person who is American. It is anti-American. It is anti-free enterprise, and it is anticonsumer, anti-environment. It is a brutal government. Castro can come to New York and he can wear an Armani suit. And he can sip Chablis with Madame Mitterrand, but that does not make him a respectable citizen of the international community. His actions would but his actions belie the appearance he tries to give when he comes to visit this country. This ruthless murder came at the end of a week of unprecedented repression in Cuba.

I hear many of my colleagues who disagree with our policy say we want to see peaceful democratic change come to Cuba. So do we. There is a group within Cuba struggling to create peaceful democratic change. Their name is Concilio Cubano, Cuban Council. It is a group of 120 different organizations who simply in the past week wanted to meet, committed to peaceful democratic change within the island, and now are being arrested. We need to recognize under the Universal Declaration of Human Rights and the right that we as Americans enjoy every day to assemble and to have a redress of grievances.

What was the Castro regime's actions? It was to create mass arrests. Over 50 of their national leadership were placed in jail. Dozens of others were placed under house arrest. Women were strip-searched so they would not participate with the organization. One of their leaders who I spoke to on the phone directly from the United States to Cuba, after I spoke with him, that evening he was arrested. He has been sentenced to a year and a half in jail. For what? For speaking out. Nothing less than speaking out, nothing more than that.

Mr. Speaker, I flew with Brothers to the Rescue over a year ago. I was on one of those planes. Their mission has been a search and rescue mission of human lives. They have saved thousands. What does not make him a veteran. Members of this House who come here and in essence by their comments brush aside those facts. And they turn against our own government and look to our government as the alleged cause of the death of American lives. There is a slaughter of a person who is American. It is anti-American. It is anti-free enterprise, and it is anticonsumer, anti-environment. It is a brutal government. Castro can come to New York and he can wear an Armani suit. And he can sip Chablis with Madame Mitterrand, but that does not make him a respectable citizen of the international community. His actions would but his actions belie the appearance he tries to give when he comes to visit this country. This ruthless murder came at the end of a week of unprecedented repression in Cuba.
days. No one knew that they were there. We threw food and water to them and then radioed their location to the U.S. Coast Guard who subsequently rescued them.

Is there any more prolife efforts that one could have than those of Brother Peter to the Rescue? Mr. Speaker, the downing of unarmed defenseless civilian pilots calls for a strong response. The President has taken some actions. He has had our ambassador move in the United States, suspending all charter flights agreeing to move on the Helms-Burton legislation, increasing Radio Marti’s penetration into Cuba. But that is not enough.

I expect the President to announce other measures in the days ahead. Among those measures I would like to see, Mr. Speaker, is to begin to limit all licenses for visits to Cuba, revoking the visas of the Cuban interest section here in Washington and making sure that we have a further economic embargo on the island against the regime, which is the only thing that they have understood to create change within Cuba.

THE DEBT CEILING

The SPEAKER pro tempore. Under the Speaker’s announced policy of May 12, 1995, the gentleman from Michigan [Mr. SMITH] is recognized during morning business for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, this morning the headlines on the Congress Daily, the little newspaper that goes out on the Hill every day, says Senator DOMENICI recommends that the increase in the debt ceiling be used as leverage to make sure we get on a glidepath to a balanced budget. There were 160 of us, Mr. Speaker, as you know very well, that sent a letter to the President of the United States saying that we are not going to vote for an increase in the debt ceiling unless we do get on that glidepath to a balanced budget.

I brought this chart this morning to explain why it is so important that we insist to the full extent of our ability the question has been, how do you get a reluctant President that does not want to cut spending to make some of the changes in these welfare and entitlement programs? We have suggested that we are going to be as vigorous as we can in suggesting that, look, what causes most of the increased debt is the entitlement programs. Therefore, it is not only reasonable but they are inexorable, this debt ceiling increase and changes in some of these welfare entitlement spending programs.

If my colleagues were to take a look at the other provisions of this pie chart, the government defense spending. Everybody agrees now that there has got to be a defense spending. In fact, the administration is suggesting that even now we might need a supplemental to cover the expenses of Bosnia. But the hawks and the doves, the Republicans and Democrats, conservatives and liberals, all of us agree on defense, there is little difference, a plus or minus 10-percent deviation on what the expenditures should be on defense.

So like the entitlement programs, most of defense is now on, if you will, automatic pilot. It is automatically a spending obligation of this country. What is also on automatic pilot is interest rates. So the interest on the national debt last year at $270 billion represented the total budget of the United States just back in 1977.

This country, this Government, and the expenditures that’s Government and this huge bureaucracy continue to grow out of control because politicians in Washington have found sort of an undercover way to expand the size of government without the safeguards and protections of individual citizens that do not want their taxes raised too high. That is by more and more borrowing.

As my colleagues see on this pie chart, the bottom blue part of that pie chart that now represents 50 percent of the $1.6 trillion annual spending is the welfare programs and the entitlement programs, the so-called mandatory spending, that is up half of the Federal budget. As a point of reference, I would just suggest that, if we look back to the year, for example, 1955, mandatory spending only represented 3 percent of the total Federal budget spending.

The Constitution of the United States says that Congress is responsible for controlling the purse strings. It is responsible for spending. But what has happened in the last 40 years is Congress has given away that authority to legislation that says, if you meet these certain qualifications, of age or poverty or whatever, you are automatically entitled to these payments. It is not a question of legislation that is controlled by Congress. A majority in Congress can no longer control or reduce that spending that is using up 50 percent of this Nation’s budget without the consent of the President.

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The Constitution of the United States says that Congress is responsible for controlling the purse strings. It is responsible for spending. But what if we can balance the budget, interest rates would drop 2 percent. If interest rates dropped 2 percent, he and other economists are saying this economy would take off like it has never taken off before in the history of this country and we would have more and better jobs and a stronger economy.

MAINTAIN THE EDUCATION OF OUR YOUNG

The SPEAKER pro tempore. Under the Speaker’s announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 3 minutes.

Mr. PALLONE. Mr. Speaker, over the last 3 weeks, we had what is known as our district work period when we were back in our home States and our home congressional districts and had the opportunity to have forums and town meetings and meet with our constituents and to find out in a way that we have not had the opportunity since August.

One of the things that the Democratic Members of the New Jersey congressional delegation did was to have an education express, where we went back in a bus throughout New Jersey from south Jersey to north and basically got opinions from both high school students and college students about the cuts in Federal education programs that have been proposed by Speaker GINGRICH and the Republican leadership. I was amazed to see how many of these students were concerned and how many were going to be directly impacted by the cuts that not only are proposed in the Gingrich budget but also have started to take place because of the cutbacks in the appropriation levels that have passed this House.

As my colleagues know, since October for education programs, we have not had a regular spending or appropriation bill. Instead we are operating under continuing resolutions, one of which expires on March 15 and has to be renewed if these programs are going to continue this year. We estimate that the funding levels under the current continuing resolution, if continued at the same rate through the rest of this fiscal year, would result in an unprecedented $3 billion cut in education funds, about a 20-percent cut.

I am hopeful that through the grassroots efforts of the education express and many of my colleagues coming back from this 3-week district work period, that we will be able to convince the Republican leadership that this level of cuts in education programs cannot and should not continue in the rest of the fiscal year because of the impact on students, on our young people and their education throughout this country.

I just to highlight a few differences between what the House and the Senate has proposed and what President Clinton and the Democrats have proposed on education, as many know, the national service program, or AmeriCorps,
was started by President Clinton and has been in effect now for a couple of years. About 25,000 AmeriCorps volunteers are earning college money by serving their local communities. The Republican budget proposals, however, would eliminate funding for President Clinton's national service program.

On Pell grants, the President has called for increasing the number and maximum award which would help 375,000 more students benefit from Pell grants by the year 2000. The Republican budget at this time, the resident vetoed deficit 380,000 deserving students a Pell grant college scholarship.

Head Start is another educational program that on a bipartisan basis President Reagan, President Bush and others on the Republican side have advocated Head Start and encouraged it. Yet the GOP budget would deny Head Start benefits to 180,000 children over the next 7 years.

These are just some of the examples of the education programs that would be cut and should not be cut if we are going to the invest in our students and our young people in this country.

WASTE AND WHITELATER

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized during morning freshness.

Ms. JACKSON-LEE of Texas. Mr. Speaker, it was important to be home in the district work break to be able to interact and listen.

I would simply like to ask a reasonable question. Are reasonable men and women. I recall in 1974 when a bipartisan Congress did something that was extremely charging and emotional, and that was to review the Presidency of the United States. It seemed to be in a period of only 1 month they came together in an open manner to uphold the Constitution. Do my colleagues realize that the hearings in the other body, Whitewater hearings, have cost this country $900,000, $900,000? In addition, it is duplicative of the special prosecutor that continues. And now we have them asking to extend it to July, just a month before the conventions. Might I wonder what this is all about? Politics in the worst sort of way?

When we met with educational officials and students throughout my district, I remember a principal in my district, Anita Ellis of Ryan Middle School pleading for Goals 2000 money and full funding of educational dollars to help children in the area. The one thing my colleagues, the gentleman from Texas, Mr. GENE GREEN, and the gentleman from Texas, Mr. BENTSEN, learned is that public education is alive and well in Texas and in Houston, but $900,000 for Whitewater?

Have they learned anything? Are they accomplishing anything? Are they not duplicating the special prosecutor? And yet we do not have a budget. Now there is a question of whether the debt ceiling will be lifted. You know what the crisis in America is all about? People want jobs, and with a debt ceiling that is not lifted, we will not have any jobs.

So I would simply ask the simple question, let us get on with our business and let us stop the folly of Whitewater. Get on with the business of funding education. Get on with the business of the proposed legislation that I have, the Fairness and Equal Opportunity Act of 1996, which will restore the faith of minorities and women that this Government will be open to them for jobs, education, and contracts.

This is the work at hand, not the folly of spending more of our children's education dollars on more work that is already being done by the special prosecutor.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m. Accordingly (at 1 o'clock and 36 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. DUNCAN) at 2 p.m.

PRAYER

The Reverend Dr. Ronald F. Christian, Office of the Bishop, Evangelical Lutheran Church of America, Washington, D.C., offered the following prayer:

Almighty God, the Psalmist prays, The eyes of all look to you, oh Lord, give them meat in due season and, you open your hand and satisfy the desire of every living thing.

And so this day we look to You, oh God, and also pray. For all that we already possess, we offer our gratitude, for our daily bread and all things we need for life and health, we humbly plead, and, for the peace of mind and soul that surpasses that of human design and construction, we make our petition this day.

Oh God, open Your hand of mercy and grace to us all. Where the great tragedy of hatred causes grief and pain, give comfort and hope. Where the great despair of hopelessness brings about a sense of futility and lack of purpose, bring a reason for being and Your love. Hear us oh God, for this is our prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has signed 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. The gentleman from North Carolina [Mr. BALLenger] will lead the membership in the Pledge of Allegiance.

Mr. BALLenger 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.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:


DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, February 23 at 1:30 p.m. and said to contain a message from the President whereby he reports four deferral and four rescission proposals of budget authority under the Congressional Budget and Impoundment Control Act of 1974.

With warm regards,

ROBIN H. CARLE, Clerk, U.S. House of Representatives.

DEFERRALS AND RESCSSION PROPOSALS OF BUDGETARY RESOURCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The Speaker pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report three new deferrals and one revised deferral, totaling $3.6 billion, and four rescission proposals of budgetary resources, totaling $1.40 million.

These deferrals affect the International Security Assistance programs as well as programs of the Agency for International Development. The rescission proposals affect the Department of Defense.


CASTRO: A COLD-BLOODED KILLER

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

Mr. FUNDERBURK. Mr. Speaker, last year, on the floor of the House, I
referred to Fidel Castro as a cold-blooded killer. The Cuban military shutdown of two unarmed American planes is not only a contemptible act of depravity but also reaffirms Castro's title of cold-blooded killer. The four Americans in small Cessnas had no chance against the supersonic war planes sent to intercept and destroy them. For what crimes against humanity were they destroyed? Their crimes were in providing private humanitarian assistance to the Cuban refugees at the open American border. This indecent act reaffirms those old lessons of the cold war period that Communist dictators are totally brutal in their dealing with anyone weaker. They will violate any international law whenever it suits them. Shame on those congressional Democrats who have gone to Cuba in an attempt to normalize relations with this brutal dictator. Shame on President Clinton for waiting for this tragedy before deciding to support the Helms-Burton Cuba liberty bill, of which I was an original cosponsor. Mr. Speaker, it is time for the President of the United States to stop hiding behind the United Nations and send a clear and forceful message to Castro.

MAKE AMERICA STRONGER THROUGH EDUCATION

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

Mr. GENE GREEN of Texas. Mr. Speaker, during the recession I attended an education forum in conjunction with the Assistant Secretary for Elementary and Secondary Education Gerald Tirozzi and Democratic leader Dick Gephardt at Travis Elementary School in my district but students all across the country and Texas. It is wrong, and we should not do it.

THE LOOMING ECONOMIC CRUNCH

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

Mr. BALLenger. Mr. Speaker, President Clinton has now been in the White House 3 years, 1 month, and 1 week. Under his watch, the national debt has gone up, taxes have gone up, and wages have remained stagnant. What is up should be down and what is down should be up.

Some economists now predict that the economy is on the verge of a recession. I hope that they are wrong, but let's not fool ourselves. The Clinton administration has pursued economic and tax policies that slow growth and stifle commercial activity. High taxes discourage risk-takers from expanding businesses, hiring new employees, or from starting new businesses.

Since Clinton took over as President, economic growth has been anemic and clearly has not matched the expansion we saw under President Reagan.

Americans are rightly concerned about a looming economic crunch caused by the antigrowth and pro-tax policies of the Clinton administration.

LET US RETURN TO THE PEOPLE'S BUSINESS

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

Ms. DeLAURO. Mr. Speaker, today the House returns from a month-long recess. Our return to work must begin a turn toward the people's business and away from the extremist special interest agenda that has dominated the first 14 months of this Congress.

The Republican majority has been in power for over a year now. And what do the American people have to show for it? Has this Congress given working men and women what they want and need?

American families want to know they can count on the secure dignified retirement they have worked so hard for. But Republicans in Congress want to cut Medicare and Medicaid.

Hard-working American families need a raise—so they can pay their bills. But congressional Republicans are cutting education and training at a time when workers need better skills to get a raise.

Mr. Speaker, in pursuit of their extremist agenda, the Republicans have launched an assault on working American struggling to get ahead. The American people deserve better. Let us put Congress where it belongs: back on the side of hard-working American families, not dancing to the tune of special interests.

UNCLE SAM RIPPED OFF AGAIN

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

Mr. TRAFICANT. Mr. Speaker, McDonnell-Douglas, the giant defense contractor, once again has ripped off Uncle Sam big time.

Check this out: For a 4- by 7-inch door hook, $9,000; a 2- by 4-inch hinge, $1,200. Reports say they charge $9,000 for a 4- by 8-inch door hook, $9,000; a 2- by 4-inch hinge, $1,200. Reports say they charge in excess of 56 times the normal legal rate.

And after all this, McDonnell-Douglas says, "This is a mistake. We are very sorry." Mr. Speaker, beam me up. This is no mistake. This is a crime, and the criminals so responsible, that is right, criminals should go to jail. Mr. Speaker, "sorry" don't cut it. At least it should not.

Yield back the balance of all this rip-off.

DO NOT DEFAULT ON OUR DEBT PAYMENTS

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

Mr. KENNEDY of Massachusetts. Mr. Speaker, I want to welcome back my colleagues here in the House, particularly the freshman Republicans. I particularly want to give a message of hope to my colleagues over the issue of the threatened default on our national debt payments and the concerns that many senior citizens across this country have that there is an agenda being pursued by this House that will end up forcing the default not only of our debt payments but a default on our commitment to Social Security as well.

I would just issue a warning that if we begin to bounce the checks of our Social Security payments to our commitments to our senior citizens, the senior citizens of this country might very well come back and bounce the freshman class. The truth of the matter is, if we are ever concerned about balancing the budget of this country, we can get no less than five separate versions of a balanced budget passed on the floor of this House today. It might not be the particular version that the freshman Republicans want, but it will be a version that will look out after the best interests of this country.

Mr. Speaker, let us balance the budget. Let us not default on our debt payments.

LET US ADDRESS PROBLEMS FAMILIES CARE ABOUT

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

Mr. DURBIN. Mr. Speaker, I guess I am surprised my Republican colleagues are not here today taking note of the fact it was only a year ago that this
Mr. STEARNS. Mr. Speaker, I want to share with my colleagues an advertisement in the January issue of the Orlando "TV and Visitors Guide". This is in all the motel rooms in Orlando.

It claims that green cards are being issued on a first come, first served basis by making just one phone call. Anyone can get one. The truth is that it is not so easy and private companies are charging money for a free service. Workers are exploited by these misleading and often illegitimate companies.

This is just another example of the problems of the immigration system and how badly the broken system needs to be fixed.

All too often, immigrants bring in their so-called extended family who become dependent upon the welfare state. I am continually asked by my constituents, why is it so easy for noncitizens to receive SSI, food stamps and Medicaid, while those working people obtaining their benefits?

The system, Mr. Speaker, is being abused, with the burden placed on our hard-working citizens. Immigration laws must be reformed to ensure noncitizens are self-reliant, instead of dependent upon the American taxpayers.

IT IS TIME TO GET DOWN TO BUSINESS

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

Mr. PALLONE. Mr. Speaker, we are back now from a 3-week district work period, and I think it is really important that we get down to business.

My constituents that I visited at town meetings and forums over the last 3 weeks all indicated to me they were tired of the Government shutdowns, they were tired of the possibility of the Government going into default. They felt it was really incumbent upon the Republican leadership and Speaker GINGRICH to get down to business, forget about the extremist agitation of the part of the party to try to propagandize this extremist ideology, and instead we should be working in the House of Representatives to try to deal with the economic problems the average American has.

There is still a lot of job instability out there. There is downsizing taking place in the corporate world in New Jersey and throughout this country. These are issues that we must be dealing with.

We cannot continue to hold the Government hostage with possible Government shutdowns or with the possibility of getting into default. We simply have to get down to business. That is the message that must get across to the Republican leadership here in the House of Representatives. The time is now to get the job done.

MISLEADING ADVERTISEMENTS—GET YOUR GREEN CARDS HERE, QUICK AND EASY

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

Mr. STEARNS. Mr. Speaker, I move to suspend the rules and pass the following bill for 1 minute and to revise and extend his remarks.)

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NATIONAL TECHNOLOGY TRANSFER AND ADVANCEMENT ACT OF 1995

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 2196) to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes.

The Clerk read as follows:

Senate amendments: Page 3, line 24, before "field" insert "pre-negotiated".

Page 3, line 4, strike out all after "only" down to and including "finds" in line 5 and insert "in exceptional circumstances and only if the Government determines".

Page 3, after line 15 insert: "This determination is subject to administrative agency and judicial review under section 203(2) of title 35, United States Code.".
the existing bill language, and meets with the original intent of H.R. 2196, as originally passed by the House.

Mr. Speaker, H.R. 2196 will implement long-needed improvements to the body of laws which encourage and stimulate adoption of technologies developed, with Federal research and development dollars, to the private sector. It does this in three principal ways:

First, by providing necessary guidance in defining the intellectual property rights of private sector Cooperative Research and Development Agreement [CRADA] partners for technologies created from joint research and development activities conducted in partnership with Federal laboratories. Industry partners will be assured of having, at minimum, an exclusive license in a prenegotiated field of use for the new technology. This should facilitate prompt commercialization of these discoveries, as well as make a CRADA more attractive at a time when both Federal laboratories and industry need to work closer together for their mutual benefit and our nation's prosperity.

Second, by enhancing incentives for Federal inventors to develop new inventions in their fields of research; and

Third, by allowing Federal labs greater flexibility to use the royalty stream resulting from the commercialization of Federal inventions to develop new inventions in their fields of research; and

Third, by allowing Federal labs greater flexibility to use the royalty stream resulting from the commercialization of Federal inventions to support the work of their laboratories, and reward participants in CRADA activities for their work on successful projects.

At this time, I will not detail at length, the many specific ways in which H.R. 2196 accomplishes these goals, and would refer my colleagues to my December 12, 1995, statement in the Record for fuller information in that regard.

I would note, however, that equally notable to the significant technology transfer provisions contained in H.R. 2196, is language in section 12 that will improve the climate for the Government adoption of private sector-developed, voluntary consensus standards, by directing Federal agencies to focus upon increasing their use of such standards whenever possible.

The effect of this section 12 provision would be a reduction in Federal procurement and operating costs. For example, instead of mandating products built only to special Government-created standards, the Federal Government can cut costs by purchasing off-the-shelf products meeting a voluntary consensus standard that, in the judgment of an agency, meet its procurement requirements. Commercial technology also would benefit from such action through greater opportunities for competitive Government bidding and increased sales to the Government.

Additionally, section 12 gives the National Institute of Standards and Technology important new authority in its organic statute to act as the Federal coordinator for Government entities responsible for the development of technical standards and conformity assessment activities. As a result, the Federal Government can move with greater speed to implement the routine use of voluntary consensus standards and eliminate unnecessary duplication of conformity assessment activities.

Section 12, as amended, has been endorsed by our distinguished colleagues, as well as the standards community, and has been approved by the administration. They are anxious to implement the much-needed clarifications and new Government responsibilities defined in the bill to streamline and improve our Federal standards responsibilities.

Mr. Speaker, I urge support for the amendment, approved by the other body, to H.R. 2196. Since my distinguished colleagues will be discussing the amendment in greater detail, I will only provide an overview of this time.

The Senate amended H.R. 2196 in the following manner:

Made clear that exclusive field-of-use licenses extended to private sector CRADA partners of technologies, developed within joint research projects, shall be less susceptible to good-faith negotiation between the respective parties; and

Ensured that any exercise of march-in rights by a Government entity shall be done only in exceptional circumstances, and would be subject to administrative appeal and judicial review; and

Ensured that transfers of excess laboratory equipment to educational and charitable institutions shall be done subject to Federal property disposal accountablility requirements; and

Tightened the focus of our language, codifying OMB Circular A-119, regarding the adoption of voluntary, consensus standards and conformity assessment activities to ensure that agencies are clear that such efforts are to be conducted with due regard for the requirement of law and within the parameters of agency missions, responsibilities, and budgets as defined by Congress.

Mr. Speaker, this legislation is strongly supported by the administration, our friends in the Federal laboratory system, and the agencies that have responsibility for administering those laboratories. I urge my colleagues to support H.R. 2196, as amended, today so we can send it to the President and give the important new provisions in the bill the full force of law.

Mr. Speaker, before I reserve the balance of my time, I include the following summary and outline of H.R. 2196 and the Senate amendment, which were drafted by the committee staff.
Permits agencies to use royalty revenue for related research in the laboratory, and for related administrative and legal costs.

Allows federal government to require licensing to others only in exceptional circumstances for compelling public health, safety, or regulatory needs while providing administrative appeals and judicial review in such circumstances.

Returns all unused royalty revenue to the Treasury after the completion of the second fiscal year.

Clarifies authority of laboratories, agencies, or departments to donate excess scientific equipment by gift, loan, or lease to public and private schools and nonprofit institutions.

Effect upon Federal scientists/inventors under the act.

Provides the inventor with the first $2,000, and thereafter, at least 15% of the royalties, in each year, accrued for inventions made by the inventor.

Increases individual maximum royalty award to $150,000 per year.

Allows rewards for other lab personnel who substantially assist in the invention.

Restates current law permitting a federal employee to work on the commercialization of his or her invention.

Clarifies that a federal inventor can obtain or retain title to his or her invention in the event the government chooses not to pursue it.

Administrative and management provisions affecting the National Institute of Standards and Technology (NIST).

Provides authority for a shuttle bus service between the NIST Gaithersburg, Maryland campus and the Shady Grove Metro subway station for employees to use in their commute to work.

Expands the NIST Visiting Committee to 15 members, with the requirement that 10 members shall be from United States industry.

Increases the cap on postdoctoral fellowships to 60 positions from 40 positions.

Makes permanent the NIST Personnel Demonstration Project.

Fastener quality act amendments.

Amends the Fastener Quality Act (P.L. 101-592), as recommended by the Fastener Advisory Committee, focusing on heat mill certification, mixing of like-certified fasteners, and sale of fasteners with minor nonconformance.

Provides that it is the sense of Congress that the Malcolm Baldrige National Quality Awards program offers substantial benefits to United States industry, and that all funds appropriated for the program should be spent in support of its goals.

THE NATIONAL TECHNOLOGY TRANSFER AND ADVANCEMENT ACT OF 1995

SUMMARY OF SENATE AMENDMENT TO H.R. 2196

On February 7, 1996, the Senate, by unanimous consent, agreed to an amendment to H.R. 2196 offered by Senator Dole of Kansas, on behalf of Senator Rockefeller of West Virginia and Senator Burns of Montana. The House had passed H.R. 2196 on December 12, 1995.

The Senate-passed amendment was negotiated in conjunction with the House sponsor of H.R. 2196 offered by Senator Dole of Kansas, on behalf of Senator Rockefeller of West Virginia and Senator Burns of Montana. The Senate had passed H.R. 2196 on December 12, 1995.

The Senate amendment to H.R. 2196 reflects technical changes made by this Act as it affects the Bayh-Dole Act. (P.L. 96-517) Section 7. Amendment to Bayh-Dole Act

Section 8. National Institute of Standards and Technology Act amendments.

Provides authority for the National Institute of Standards and Technology (NIST) to have a shuttle bus service between its Gaithersburg, Maryland campus and the Shady Grove Metro subway station for employees to use in their commute to work.

Expands the NIST Visiting Committee from 9 members to 15, with the requirement that 10 members shall be from United States industry.

Increases the cap on postdoctoral fellowship from a maximum of 40 to 60 positions per fiscal year.

Section 9. Research equitement.

Clarifies that a laboratory, agency, or department can donate, loan, or lease excess scientific equipment to public and private schools and nonprofit institutions.

Section 10. Personnel.

Makes permanent the National Institute of Standards and Technology (NIST) Personnel Demonstration Project.

The project has helped NIST recruit and retain the "best and brightest" scientists to meet its scientific research and measurement standards mission.

Section 11. Fastener Quality Act amendments.

Amends the Fastener Quality Act (P.L. 101-592) as recommended by the Fastener Advisory Committee, focusing on heat mill certification, mixing of like-certified fasteners, and sale of fasteners with minor nonconformance.

Amends the Stevenson-Wydler Technology Innovation Act of 1980 (P.L. 96-480) to continue participation in the Federal Laboratory Consortium for Technology Transfer by all federal agencies with major federal laboratories.

Section 2. Title to intellectual property arising from cooperative research and development agreements.

Guarantees an industrial partner to a joint cooperative research and development agreement (CRADA) the option to choose, at a minimum, an exclusive license for a pre-negotiated field of use to the resulting invention.

Section 3. Use of Federal technology.

Sections 11-12. Fastener Quality Act amendments.

Restates existing authorities for National Institute of Standards and Technology (NIST) activities in standards and conformity assessment.

Requires NIST to coordinate among federal agencies, survey existing state and federal practices, and report back to Congress on recommendations for improvements in these activities.

Codifies OMB Circular A-119 requiring federal agencies to adapt and use standards developed by voluntary consensus standards bodies and to work closely with those organizations to ensure that the developed standards are consistent with agency needs.

Section 13. Sense of Congress.

Provides that it is the sense of the Senate that the Malcolm Baldrige National Quality Awards program offers substantial benefits to United States industry, and that all funds appropriated for the program should be spent in support of its goals.
Mr. Speaker, I rise in support of H.R. 2196, the National Technology Transfer and Advancement Act of 1995. I want to thank Mrs. MORELLA for bringing this bill to the floor and say that it has been a pleasure working with her on this legislation.

H.R. 2196 is the first significant update of Federal technology transfer laws in almost 7 years. H.R. 2196 builds on the Federal policy of developing partnerships with industry and is an important step in strengthening private-public partnerships for technology development.

At a time when the pressures of the economy and Wall Street are causing technology development.

provisions of this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks

Ms. JACKSON-LEE of Texas. Mr. Speaker, let me thank very much my distinguished colleagues, the gentleman from Tennessee [Mr. TANNER], a member of the Committee on Science, and to acknowledge the work of the gentleman from Maryland [Mrs. MORELLA]. She has always had a longstanding interest in this area, along with the gentleman from Pennsylvania [Mr. WALKER], our chairman, and the gentleman from California [Mr. BROWN], our ranking member.

I rise to support H.R. 2196. It has some very vital points. I have always said as we debated the funding for NASA, the space station, and as we debated funding of many of the science projects, particularly the Department of Commerce's advanced technology program, that technology and science is in fact the work creator of the 21st century. I think the gentlewoman from Maryland [Mrs. MORELLA] has parted the waters of confusion around technology. What we have created is an even hand between Government and commercial entities with respect to the rights to intellectual property.

One of the features I find very attractive is the awarding to Federal inventors $2,000 in royalties, and of course if there is more, 15 percent above that. What an incentive to applaud and encourage the scientists that we have in our labs around this Nation. Might I add as well one of the major points of creating more opportunities is to educate those who are in the sciences in the higher sciences, if you will. I applaud the bill proponent for increasing the number of doctoral fellowships within the National Institutes of Standards and Technology to help educate the next generation scientists, engineers, and inventors of tomorrow. Mr. Speaker, I also realize many times in our hearings the gentlewoman from Maryland [Mrs. MORELLA] has expressed her interest and concern about girls and women in the sciences. I think that this is a very excellent opportunity to open the doors even more to those populations as we proceed towards the 21st century.

Might I yield to the gentlewoman from Maryland to have her respond, that in fact as we make this more palatable for our scientists, that we also open the doors of opportunity for women and minorities as well in the sciences.

Mrs. MORELLA. Mr. Speaker, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentlewoman from Maryland.

Mrs. MORELLA. Mr. Speaker, there is no doubt we do. We know as we approach the new millennium, that one-third of the new work force will be women and minorities. These are resources we must utilize, and in fact this technology transfer bill will help to move us in that direction.
In this era of strident partisan politics, I am pleased to see efforts such as H.R. 2196, the National Technology Transfer and Advancement Act before the House today. I congratulate Representative Coppola of New York and Representative Morella of Maryland for drafting legislation that promotes the transfer of technologies to the private sector. It is my hope that the bill will provide an impetus for the increased cooperation between the Federal and private sectors in developing new commercial technologies, products, and processes. Our national laboratories are world leaders and it is only common sense to harness their great abilities in assisting and advancing the U.S. industry in the fiercely competitive global economy.

Under this bill, everyone wins: the private sector gains the rights to cutting-edge technology, the Federal Government receives royalty payments which may be used to fuel the fires of innovation and finally, the inventors and project scientists receive royalty compensation for their hard work. In addition to these things, this bill provides for the number of postdoctoral fellowships within the National Institute of Standards and Technology to help educate the scientists, engineers, and inventors of tomorrow. Adding these fellowships will cost the Government very little money but I believe that money is the wisest investment we can make to help ensure the ability of our Nation to compete and prosper in the years to come.

I have voted in favor of this bill in committee and on this floor and as a supporter of everything this bill represents, I intend to do it yet again.

Mr. BROWN of California. Mr. Speaker, I rise in support of the Senate version of H.R. 2196 and urge its passage by the House of Representatives.

The Senate made seven amendments to the House-passed text of H.R. 2196. Some are minor and were added for Senate jurisdictional reasons. Others were requested by the executive branch to make implementation of this legislation easier for the agencies involved. While there may be grounds of minor quibbles with what the Senate has done, we should accept its offer since it is not often that they offer us 99 percent of the loaf.

Three of the Senate amendments are to section 4 of H.R. 2196 which updates intellectual property rights under cooperative research and development agreements. Section 4 provides for the establishment of technology transfer offices within Federal Laboratories to help commercialize important scientific inventions and make it possible for the Government to participate in and use the good work of the voluntary, consensus standards community. In those limited instances when an agency has a good reason not to use a voluntary consensus technical standard, it has the right to do so, provided that its agency head transmits its request to the Office of Management and Budget and that a summary of such explanations is submitted annually to Congress. As I said when this bill originally passed the House, we expect OMB to make this process as painless as possible for agencies and to set up procedures to implement this section in such a way that procurements and regulations are not delayed. While agencies are expected to keep good records of this reason for not using the standards, such a decision is not to be subject to administrative or judicial review.

Therefore, since the changes we are being asked to make are small and in general positive and since the bill as amended still makes important strides forward for NIST, for the Federal Laboratories, and in standards policy, I urge my colleagues to lend their support to this important legislation.

Mr. RICHARDSON. Mr. Speaker, this bill will create more jobs, provide incentives for important scientific inventions, and make it easier to give or loan Federal equipment to our schools.

This measure makes economic sense. It is my hope that this legislation will encourage the development of new technologies and make it easier for the Federal Laboratories to work in conjunction with the private sector. This bill is a step in the right direction and I urge its passage by the House of Representatives.

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For example, if an agriculturally oriented business in New Mexico went to the technology transfer officers at LANL with a problem, Los Alamos would be able to find out if any of the laboratories in the Departments of Agriculture or Interior, for instance, have expertise that can help.

The bill also gives far better incentives to Federal inventors who are an imperative necessity to our national security. Currently, inventors receive only 15 percent of the royalty stream from their inventions, meaning that most of their investments have produced less than $2,000 a year. By changing the calculations so that agencies pay inventors the first $2,000 of the royalties received by the agency for the inventions made by the employee as well as 15 percent of the royalties above that amount, the bill provides these employees with greater incentives and equitable compensation.

Finally, H.R. 2196 clarifies that a Federal laboratory, agency, or department may give, loan, or lease excess scientific equipment to public and private schools and non-profit organizations without regard to Federal property disposal laws, for example, General Services Administration [GSA].

Therefore, if LANL wanted to donate unused equipment to a New Mexico school, it would not have to go through the elaborate legal tape that is now required. Some Labs would rather store their unwanted equipment rather than go through the hassle of GSA disposal.

Mr. Speaker, H.R. 2196 is a bill of importance to the Federal Laboratories. It advocates for the effective use of equipment, and makes it easier to donate equipment to needy schools. The Technology Transfer and Advancement Act of 1995 is good legislation.

Mr. Speaker, Mr. Speaker, I commend the gentlelady from Maryland for her leadership in bringing H.R. 2196, the National Technology Transfer and Advancement Act to the floor.

As Chair of the Science Committee, I am proud of the committee’s rich tradition of promoting technology transfer from our Federal laboratories.

I especially wish to applaud the chairwoman for her bipartisan leadership on this bill and in her ongoing effective technology transfer from our Federal laboratories. H.R. 2196 represents the type of legislation which this Congress must undertake.

I am also very pleased that H.R. 2196 includes amendments to the Fastener Quality Act. These amendments are very important to the fastener industry and the need to include these changes to the current act is clear. The Fastener Advisory Committee was formed to determine if the act would have a detrimental impact on business. The Fastener Advisory Committee was formed with a goal that without their recommendations changes the burden of cost would be close to $1 billion on the fastener industry.

The act addresses the concerns of the Fastener Advisory Committee regarding mill heat transfer and enforcement of the original act’s limited commingling prohibitions. As noted most recently in my December 12, 1995 statement, some of the fastener amendments included in this legislation appear to be designed to appease foreign manufacturers of fasteners (and some changes to the Fastener Quality Act) rather than to protect the safety of American industry and consumers.

No hearings have been held on the need for some of the fastener provisions in this bill nor has any credible evidence been advanced for their inclusion in this legislation. For example, the only reason cited for amending the Fastener Quality Act’s traceability provisions (which Chairman WALKER favorably cited in his statement supporting the original legislation) is that the suppliers of such fasteners are foreign manufacturers and their distributor chums have said. They tell us that the limited commingling requirements are necessary to provide better traceability of fasteners. And they also tell us the costs of putting these requirements into practice are minimal.

Obviously, someone is wrong.

There is much puffing and puffing these days about the need to promote quality in all aspects of American business and government. Yet, the Fastener Quality Act of 1993 has imposed a cost that would be $2,000 a year. By changing the calculations so that agencies pay inventors the first $2,000 of the royalties received by the agency for the inventions made by the employee as well as 15 percent of the royalties above that amount, the bill provides these employees with greater incentives and equitable compensation.

For the American fastener industry, it was demonstrated that the most serious problems with counterfeit and substandard fasteners originated beyond our borders. The motive for making and selling such fasteners is obvious—to cut production costs and increase profits. In weakening the law today, we help makers and sellers of bad fasteners and, in the process, hurt those companies that produce quality products.

At least, enactment of these amendments should lead to promulgation of the long overdue implementing regulations by the National Institute on Standards and Technology. Despite its failure to do so during this Congress and in prior years, I would hope that NIST keep us fully apprised of its efforts to implement and enforce the Fastener Quality Act and that it act aggressively to finalize all implementing regulations as quickly as possible.

Mr. Speaker, I have no further requests for time. I would like to thank our staff folks who have helped put this together and thank our Members who have helped put this together and thank the gentlelady from Maryland.

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

The SPEAKER pro tempore (Mr. DUNCAN). The question is on the motion offered by the gentlelady from Maryland [Mrs. MORELLA] that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 2196.

The question was taken. Mrs. MORELLA. 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.

HOUSING OPPORTUNITY PROGRAM EXTENSION ACT OF 1996

Mr. LAZIO of New York. Mr. Speaker, I move to suspend the rules and pass the Senate amendments to the bill (S. 1494) to provide an extension for fiscal year 1996 for certain program administered by the Department of Housing and Urban Development and the Department of Agriculture, and for other purposes, as amended.

The Clerk read as follows:

S. 1494
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 “Housing Opportunity Program Extension Act of 1996.”

SEC. 2. MULTIFAMILY HOUSING ASSISTANCE.
(a) Section 8 CONTRACT RENEWAL—Notwithstanding section 405(b) of the Balanced Budget and Emergency Supplemental Appropriations Act, 1997, such section 8 contract renewals, and any contracts entered into pursuant thereto, for which the Department of Housing and Urban Development is not provided with an extension for fiscal year 1996 for certain program administered by the Secretary of Housing and Urban Development and the Secretary of Agriculture, and for other purposes, as amended.

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The Clerk read as follows:

S. 1494
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
(b) LOW-INCOME HOUSING PRESERVATION.—
(1) USE OF AMOUNTS.—Notwithstanding any provision of the Balanced Budget Depayment Act of 1995 (Public Law 104–10), or any successor law, which adds, deletes, or otherwise amends, any amounts described in paragraph (2) of this subsection under the authority and conditions provided in the 2nd undesignated paragraph of such Act, as added, amended, or otherwise provided in any future appropriation Act.

SEC. 6. EXTENSION OF FHA MORTGAGE INSURANCE PROGRAM FOR HOME EQUITY CONVERSION MORTGAGES.

(a) EXTENSION PROGRAM.—The first sentence of section 255(g) of the National Housing Act (12 U.S.C. 1714z–20(g)) is amended by striking "September 30, 1996" and inserting "September 30, 2000.

(b) LIMITATION ON NUMBER OF MORTGAGES.—The second sentence of section 255(g) of the National Housing Act (12 U.S.C. 1714z–20(g)) is amended to read as follows: "(2) Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, the authority provided in this subsection, and to the extend of or in such amounts as any funding limit approved in appropriation Acts, the Association shall enter into commitments to issue guarantees under this sub-section in an aggregate amount of $1,000,000,000 during fiscal year 1997. There are authorized to be appropriated to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guarantees issued under this Act by the Housing and Community Development Act of 1974 during fiscal year 1996.

SEC. 7. LIMITATION ON GNMA GUARANTEES OF MORTGAGE-BACKED SECURITIES.

Section 306(g)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1712g(2)) is amended to read as follows: "(2) Notwithstanding any other provision of law, subject only to the absence of qualified requests for guarantees, the authority provided in this subsection, and to the extend of or in such amounts as any funding limit approved in appropriation Acts, the Association shall enter into commitments to issue guarantees under this subsection in an aggregate amount of $50,000,000,000 during fiscal year 1997. There are authorized to be appropriated to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guarantees issued under this Act by the Housing and Community Development Act of 1974 during fiscal year 1996.

SEC. 8. EXTENSION OF MULTIFAMILY HOUSING FINANCE PROGRAMS.

(a) RISK-SHARING PILOT PROGRAM.—The first sentence of section 542(b)(5) of the Housing and Community Development Act of 1992 (12 U.S.C. 1705z–1(a)) is amended—
(1) in the first sentence, by striking "fiscal years 1993 and 1994" and inserting "fiscal year 1996"; and
(2) in the second sentence, by striking "each".

(b) RURAL MULTIFAMILY RENTAL HOUSING.—Section 515(b)(4) of the Housing Act of 1994 (42 U.S.C. 1437f(4)(A)) is amended—
(1) in the first sentence, by striking "fiscal years 1993 and 1994" and inserting "fiscal year 1996"; and
(2) in the second sentence, by striking "each".

(c) ELIGIBLE MORTGAGES.—Section 255(d)(4) of the Housing and Community Development Act of 1994 (42 U.S.C. 5308k(4)) is amended by striking "$1,500,000,000" and inserting "$2,000,000,000".

SEC. 9. SAFETY AND SECURITY IN PUBLIC AND ASSISTED HOUSING.

(a) CONTRACT PROVISIONS AND REQUIREMENTS.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended by striking in subsection (k), in the matter following paragraph (6) —
(1) by striking "on or after such premises" and inserting "on or off such premises"; and
(2) by striking "or criminal" the first place it appears; and
(3) by striking "criminal activity on the property" the first place it appears; and
(4) by striking "criminal conviction records of adult applicants for, or tenants of, public housing for which there is evidence in which the mortgagor occupies 1 of the units;"

(b) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS FOR ASSISTED HOUSING.—Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—
(1) in the section heading by striking "INCOME"; and
(2) by adding at the end the following new subsection:

"(e) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—

(1) IN GENERAL.—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—

(A) that prohibit occupancy in any public housing dwelling unit by, and assistance under section 8 for, any person—

(i) who the public housing agency determines is illegally using a controlled substance; or

(ii) if the public housing agency determines that it has reasonable cause to believe that such person's illegal use of, or pattern of abuse (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 of the project; and

(8) that the public housing agency has determined is illegally using a controlled substance; or

(ii) whose illegal use of a controlled substance or pattern of abuse of alcohol, a public housing agency may consider whether such person

(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); or

(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).

SEC. 10. PUBLIC HOUSING DESIGNATED FOR ELDERLY AND DISABLED FAMILIES.

(a) AUTHORITY FOR DESIGNATION—Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e) is amended to read as follows:

``SEC. 7. (a) AUTHORITY TO PROVIDE DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES.

``(1) generally, the term 'designated housing for elderly and disabled families' means housing

(A) that is designed for occupancy as provided in paragraph (2) for occupancy by only elderly

(families, (B) includes a description of—

(1) the design and related facilities (as such term is defined in section 202(d)(8) of the Cranston-Gonzalez National Affordable Housing Act; and

(2) how the design and related facilities

needed to update the plan. The Secretary

shall conduct a limited review of each

plan submitted to the Secretary under subsection (e). The Secretary shall examine the plan and determinate whether the plan complies with the requirements under subsection (d).

Upon the submission to the Secretary of a plan made in accordance with subsection (d), the Secretary shall extend the effectiveness of the designated project for a period of 2 years. The effectiveness of the designated project may be extended for an additional 2 years upon the Secretary's approval of a plan under subsection (d).

(b) AUTHORIZATION OF APPROPRIATIONS FOR IMPLEMENTATION OF ALLOCATION PLANS—There are authorized to be appropriated for fiscal year 1996 such sums as may be necessary for rental subsidy contracts under the existing housing certificate and Section 8 voucher programs under sections 8 and 9 of the United States Housing Act of 1937 for public housing agencies to implement allocation plans for designated housing under section 7 of such Act that has been approved by the Secretary of Housing and Urban Development.

SEC. 11. ASSISTANCE FOR HABITAT FOR HUMANITY AND OTHER SELF-HELP HOUSING PROVIDERS.

(a) GRANT AUTHORITY.—The Secretary of Housing and Urban Development may, to the extent amounts are available to carry out this section and the requirements of this section are met, make grants for use in accordance with this section to—

(1) Habitat for Humanity International, whose organizational headquarters are located in Americus, Georgia; and

(2) other national or local organizations or consortia that have experience in providing or facilitating self-help housing opportunities.

(b) GOALS AND ACCOUNTABILITY.—In making grants under this section, the Secretary

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Without regard to any other provision of this section, a public housing agency shall be considered to have submitted a plan under this paragraph for purposes of subsection (a) if the Secretary shall approve the plan under section 16(e)(1) of the Cranston-Gonzalez National Affordable Housing Act.

(C) the Secretary or an agency or political subdivision thereof.

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(1) Habitat for Humanity International, whose organizational headquarters are located in Americus, Georgia; and

(2) other national or local organizations or consortia that have experience in providing or facilitating self-help housing opportunities.

(b) GOALS AND ACCOUNTABILITY.—In making grants under this section, the Secretary

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Without regard to any other provision of this section, a public housing agency shall be considered to have submitted a plan under this paragraph for purposes of subsection (a) if the Secretary shall approve the plan under section 16(e)(1) of the Cranston-Gonzalez National Affordable Housing Act.

(C) the Secretary or an agency or political subdivision thereof.

(D) how the design and related facilities

needed to update the plan. The Secretary

shall conduct a limited review of each

plan submitted to the Secretary under subsection (e). The Secretary shall examine the plan and determinate whether the plan complies with the requirements under subsection (d).

Upon the submission to the Secretary of a plan made in accordance with subsection (d), the Secretary shall extend the effectiveness of the designated project for a period of 2 years. The effectiveness of the designated project may be extended for an additional 2 years upon the Secretary's approval of a plan under subsection (d).

(b) AUTHORIZATION OF APPROPRIATIONS FOR IMPLEMENTATION OF ALLOCATION PLANS—There are authorized to be appropriated for fiscal year 1996 such sums as may be necessary for rental subsidy contracts under the existing housing certificate and Section 8 voucher programs under sections 8 and 9 of the United States Housing Act of 1937 for public housing agencies to implement allocation plans for designated housing under section 7 of such Act that has been approved by the Secretary of Housing and Urban Development.

SEC. 11. ASSISTANCE FOR HABITAT FOR HUMANITY AND OTHER SELF-HELP HOUSING PROVIDERS.

(a) GRANT AUTHORITY.—The Secretary of Housing and Urban Development may, to the extent amounts are available to carry out this section and the requirements of this section are met, make grants for use in accordance with this section to—

(1) Habitat for Humanity International, whose organizational headquarters are located in Americus, Georgia; and

(2) other national or local organizations or consortia that have experience in providing or facilitating self-help housing opportunities.

(b) GOALS AND ACCOUNTABILITY.—In making grants under this section, the Secretary

shall take such actions as may be necessary to ensure that—

(1) assistance provided under this section is used to facilitate and encourage innovative housing opportunities through the provision of self-help housing, under which the homeowner contributes a significant amount of sweat equity toward the construction or purchase of new dwellings;

(2) assistance provided under this section for land acquisition and infrastructure development results in the development of not less than 150 new dwellings;

(3) the dwellings constructed in connection with assistance provided under this section are quality dwellings that comply with local building and safety codes and standards and are available at prices below the prevailing market prices;

(4) the provision of assistance under this section establishes and fosters a partnership between the Federal Government and Habitat for Humanity International, its affiliates, and other organizations and consortia, resulting in efficient development of affordable housing with minimal governmental intervention, limited governmental regulation, and significant involvement by private entities;

(5) activities to develop housing assisted pursuant to this section involve community participation in the development of the program carried out by Habitat for Humanity International, in which volunteers assist in the construction of dwellings; and

(6) the dwellings constructed in connection with assistance provided under this section on a geographically diverse basis, which includes areas having high housing costs, rural areas, and areas with other homeownership opportunities that are populated by low-income families unable to otherwise afford housing.

If, at any time, the Secretary determines that the assistance under this subsection cannot be met by providing assistance in accordance with the terms of this section, the Secretary shall immediately notify the applicable Committees in writing of such determination and any proposed changes for such goals or this section.

(c) Allocation.—Of any amounts available for grants under this section—

(1) G.25 percent shall be used for a grant to the organization specified in subsection (a)(1); and

(2) 1.25 percent shall be used for grants to organizations and consortia under subsection (a)(2).

(d) Use.—

(1) PURPOSE.—Amounts from grants made under this section, including any recaptured amounts, shall be used only for eligible expenses in connection with developing new, decent, safe, and sanitary nonluxury dwellings in the United States for families and persons who otherwise would be unable to afford to purchase such dwellings.

(2) ELIGIBLE EXPENSES.—For purposes of paragraph (1), the term "eligible expenses" means costs only for the following activities:

(A) ACQUISITION.—Acquiring land (including financing and closing costs).

(B) INFRASTRUCTURE IMPROVEMENT.—In­stalling, extending, constructing, rehabilit­ating, or otherwise improving utilities and other infrastructure.

Such term does not include any costs for the rehabilitation, improvement, or construction of dwellings.

(e) REGULATIONS OF GRANT FUND.—

(1) IN GENERAL.—Any amounts from any grant made under this section shall be deposited by the grantee organization or consortium for such amounts, administered by such organization or consortium, and available for use only for the purposes under subsection (d). Any interest, fees, or other earnings of the fund shall be deposited in the fund and shall be considered grants under this section.

(2) ASSISTANCE TO HABITAT FOR HUMANITY AFFILIATES.—Habitat for Humanity International may use amounts in the fund established under subsection (a)(2), the Secretary shall ensure that the amounts are used in a manner that results in national geographic diversity among housing developed using such amounts. In making grants under subsection (a)(2), the Secretary shall ensure that the amounts are used in a manner that results in national geographic diversity among housing developed using such grants.

(f) REQUIREMENTS FOR ASSISTANCE TO OTHER ORGANIZATIONS.—The Secretary may make a grant to an organization or consortium under subsection (a)(2) only pursuant to—

(1) an expression of interest under subsection (f)(1) for the purposes under subsection (a)(2), the Secretary shall ensure that the amounts are used in a manner that results in national geographic diversity among housing developed using such grants.

(g) TREATMENT OF UNUSED AMOUNTS.—Upon the expiration of the 6-month period beginning upon the Secretary first providing notice of the availability of amounts for grants under subsection (a)(2), the Secretary shall determine the amount remaining from the aggregate amount reserved under subsection (c)(2) exceeds the amount needed to provide funding in connection with any expressions of interest under subsection (f)(1) made by such date that are likely to result in grant agreements under subsection (i). If the Secretary determines such excess amounts remain, the Secretary shall provide the excess amounts to Habitat for Humanity International by making a grant to such organization or consortium in accordance with this section.

(h) GEOGRAPHICAL DIVERSITY.—In using grant amounts provided under subsection (a)(1), Habitat for Humanity International shall ensure that the amounts are used in a manner that results in national geographic diversity among housing developed using such amounts. In making grants under subsection (a)(2), the Secretary shall ensure that the amounts are used in a manner that results in national geographic diversity among housing developed using such grants.

(i) GRANT AGREEMENT.—A grant under this section shall be made only pursuant to a grant agreement entered into by the Secretary and the organization or consortium receiving the grant, which shall—

(1) require such organization or consortium to use grant amounts only as provided in this section.

(2) provide for the organization or consortia to develop a specific and reasonable number of dwellings using the grant amounts, which number shall be established taking into consideration costs and economic conditions in the areas in which the dwellings will be developed, but in no case shall be less than 100.

(3) require the organization or consortia to use the grant amounts in a manner that leverages other sources of funding (other than grants under this section), including private or public funds, in developing the dwellings;

(4) require the organization or consortium to comply with the other provisions of this section;

(5) provide that if the organization or consortium fails to use any grant amounts within 24 months after such amounts are first disbursed to the organization or consortium, the Secretary shall recapture such unused amounts; and

(6) contain such other terms as the Secretary may require to provide for compliance with the applicable obligations described in subsection (b) and the requirements of this section.

(j) FULFILLMENT OF GRANT AGREEMENT.—If the Secretary determines that an organization or consortium awarded a grant under this section has not, within 24 months after grant amounts are first made available to the organization or consortia, substantially fulfilled the obligations described in subsection (b) and the requirements of this section, the Secretary shall notify the applicable Committees in writing of such determination and any proposed changes for such goals or this section.

(k) RECORDS AND AUDITS.—During the pe­riod beginning on the making of a grant under this section and ending upon close-out of the grant under subsection (l)—

(1) the Secretary awarded the grant under subsection (a)(1) or (a)(2) shall keep such records and adopt such administrative practices as the Secretary may require to ensure compliance with the provisions of this section and the grant agreement, fees, and other earnings of the fund shall be excluded from the amount of the grant.

(l) CLOSE-OUT.—The Secretary shall close out a grant made under this section upon determining that the aggregate amount of any assistance provided under this section is expended, in any event, within 90 days after close-out of all grants under this section is completed, the Secretary shall submit a report to the applicable Committees describing the purposes under this section, the grantees, the housing developed in connection with the grant amounts, and the purposes for which the grant amounts were used.

(2) the Secretary and the Comptroller General of the United States, and any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the grantee organization or consortia and its affiliates that are pertinent to the grant made under this section.

(m) ENVIRONMENTAL REVIEW.—A grant under this section shall be considered to be funds for a special project for purposes of section 306(c) of the Multifamily Housing Property Disposition Reform Act of 1994.

(n) LIMITATION ON CONSTRUCTION OF NEW DWELLINGS.—The Secretary may make a grant to an organization or consortium under subsection (e)(1) by the grantee organization or consortium only to the extent that the aggregate amount of any assistance provided under subsection (a)(2) of the grantee organization or consortium exceeds the amount of the grant. For purposes of this section, the Secretary, fees, and other earnings of the fund shall be excluded from the amount of the grant.

(o) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPLICABLE COMMITTEES.—The term "Applicable Committees" means the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Aff­airs of the Senate.

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

(3) UNITED STATES.—The term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Common­wealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(4) REGULATIONS.—The Secretary shall issue any final regulations necessary to carry out this section not later than 30 days after the date of the enactment of this Act. The Secretary shall take effect upon issuance and may not exceed, in length, 5 full pages in the Federal Register.
SEC. 12. FUNDING FOR SELF-HELP HOUSING ASSISTANCE, NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM, AND CAPACITY BUILDING THROUGH NATIONAL COMMUNITY DEVELOPMENT INITIATIVE.

(a) Authority To Use Assisted Housing Amounts.—To the extent and for the purposes set forth in subsection (b), the Secretary of Housing and Urban Development may use amounts in the account of the Department of Housing and Urban Development known as the Annual Contributions for Assisted Housing account, but only such amounts as—

(1) have been appropriated for a fiscal year that occurs before the fiscal year for which the Secretary uses the amounts; and

(2) have been obligated before becoming available for use under this section.

(b) Fiscal Year 1996.—Of the amounts described in subsection (a), $60,000,000 shall be available to the Secretary of Housing and Urban Development for fiscal year 1996 in the following amounts for the following purposes:

(1) Self-help Housing Assistance.—$40,000,000 for carrying out section 11 of this Act.

(2) National Cities in Schools Community Development Program.—$10,000,000 for carrying out section 930 of the Housing and Community Development Act of 1992 (Public Law 102-550; 106 Stat. 3887).

(3) Capacity Building Through National Community Development Initiative.—$10,000,000 for carrying out section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 13511 note).

SEC. 13. APPLICABILITY AND IMPLEMENTATION.

(a) This Act and the amendments made by this Act shall be construed to have become effective on October 1, 1995.

(b) Implementation.—The amendments made by sections 9 and 10 shall apply as provided in subsection (a) of this section, notwithstanding the effective date of any regulations issued by the Secretary of Housing and Urban Development to implement such amendments or any failure by the Secretary to issue any such regulations.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. Lazio] and the gentleman from Massachusetts [Mr. Kennedy] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. Lazio].

Mr. Lazio of New York. Mr. Speaker, I yield myself such time as I may consume.

Let me begin by thanking my friend and colleague, the ranking member of the Subcommittee on Housing and Community Opportunity, the gentleman from Massachusetts [Mr. Kennedy], for his cooperation and work in trying to bring these extenders to the floor.

Mr. Speaker, S. 1494, the Housing Opportunity Program Extension Act of 1996, is an important bill and, with the amendment being offered by the Banking Committee, will avoid inappropriate and unnecessary hardship.

The Senate passed this legislation on January 24, 1996, to provide guidance to the President in setting the tax levels for existing programs left in question following President Clinton’s veto of H.R. 2099, the VA–HUD and Independent Agencies Appropriations Act. Although the Senate initiatives are well intentioned, it is important that the legislation address initiatives that the House has already passed earlier in this Congress. S. 1494 includes provisions similar to those included in H.R. 117, which passed on October 1, with a recorded vote of 415 to 0. Other provisions of S. 1494 incorporate initiatives from H.R. 1691 passed by voice vote under suspension just 6 days later.

In my amendment to S. 1494 the President said he would like to see a one-strike-and-you’re-out policy against violent criminals in public housing. While we appreciate his leadership, this bill makes clear that we support him. This amendment has been an attack on a senior citizen or defenseless family. We should take steps to protect seniors before criminals are allowed into public housing. Criminals shouldn’t even get up to bat, let alone have the chance to swing and strike out. Simply calling a criminal out after one strike means that there has been one more innocent victim to crime and violence in public housing.

Like H.R. 117, this amendment enables housing authorities to facilities as “elderly only” and prohibit occupancy by individuals who are disabled solely because of alcohol or drug abuse.

The amendment also includes an important initiative from H.R. 117 reauthorizing the very successful Home Equity Conversion Mortgage Program, which allows seniors to hold on to their homes and stay in their neighborhoods. Our amendment increases the number of HECM loans available to older Americans from 30,000 to 50,000 through the year 2000.

As amended, this bill reauthorizes the section 515 rural multifamily housing program, a crucial tool for rural communities to house needy families. Though this program received funds through the Agriculture Appropriations Act of fiscal year 1996 its authorization has expired. This bill allows the money, which has already been appropriated, to be spent for low-income rural families.

Under our amendment we also add a new, innovative rural rental loan guarantee program authorized by the vice chairman of the Housing Subcommittee, Mr. Bereuter, and included H.R. 1691. This program has also received an appropriation but cannot operate without authorization. It is an example of the direction we as a government should be going—providing housing loans in partnership with the private sector, rather than direct loans.

I am well aware of concerns that my distinguished friend from Illinois, Congressman Durbin, has raised with regard to reforming the section 515 program. We all share his concern that the use of Federal dollars should be carefully scrutinized. I applaud the Department of Agriculture’s efforts with regard to reforms in section 515 even absent legislation. I assure the Members that this bill will be dealt with once the Senate has held hearings and debated the matter. I am comfortable authorizing this program for the balance of fiscal year 1996 because of USDA’s efforts and because this program is crucial to the housing needs of low-income families in rural areas who need housing now.

This amendment also changes the Senate bill to support Habitat for Humanity’s tremendously successful self-help volunteer housing program. As originally included in H.R. 1693, Habitat will receive a reprogramming of previously appropriated HUD funds for land acquisition and infrastructure needs to support low-income homeownership opportunities throughout our Nation’s public housing system.

In his State of the Union Address, the President said he would like to see a one-strike-and-you’re-out policy against violent criminals in public housing. While we appreciate his leadership, this bill makes clear that we support him. This amendment has been an attack on a senior citizen or defenseless family. We should take steps to protect seniors before criminals are allowed into public housing. Criminals shouldn’t even get up to bat, let alone have the chance to swing and strike out. Simply calling a criminal out after one strike means that there has been one more innocent victim to crime and violence in public housing.

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achieve a reasonable sense of balance in terms of extending the authorizations on a number of programs that do a great deal of public good in terms of public housing policy. I appreciate the efforts that he made in taking care of some of the concerns that were raised on the Democratic side. I think that his efforts, in particular, with regard to the preservation program, which is an enormously important program affecting literally hundreds of thousands of low-income tenants that without I believe, Mr. Lazio's efforts in particular, could have suffered a very, very difficult fate in terms of being thrown out of their apartments as a result of some of the shortsighted legislation that was passed decades ago that gave landlords the capability of removing lower-income tenants from those buildings once a 20- or 30-year period had passed. Without Mr. Lazio's individual leadership, I doubt that we would have secured the funding that we needed. I very much appreciate the efforts that he made.

I also want to commend the portions of this legislation that Members on both sides, the gentleman from Virginia, Mr. Moran, the gentlemen from Massachusetts, Mr. Blute and Mr. Frank, and others have made in terms of making certain that we have public housing that protects people from drug dealers and others that have disrupted particularly senior public housing from the protections that they need.

We also have provisions in this legislation that continues innovative and creative programs such as the community development block grant home ownership program and the expanded economic development loan authority which is a very creative loan program used by a number of nonprofit builders and others to provide much-needed affordable housing.

As we have seen the affordable housing budget in this country be dramatically reduced, it becomes more and more important that we allow community development corporations, a range of nonprofit builders and others to use the innovative and creative mechanisms that the financiers have come up with to fill the void that has been created.

I think that Mr. Lazio is making an effort to try to achieve that. There are a number of circumstances where I think we have not gone far enough. I would like to mention a couple of those programs.

First, we need to make certain rent reforms, certain rent reforms so that moderate-income tenants can stay in preservation projects. Existing law has the unfortunate effect of charging tenants rents that are higher than what they could get in apartments across the street. HUD is aware of the problem and agrees it has got to be solved. And with the agreement from the gentleman from New York [Mr. Lazio] to be able to work on that in some other piece of legislation that might come up shortly.

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

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

Mr. LAZIO of New York. Mr. Speaker, I know the gentleman has been in close consultation with this gentleman and with myself, and I appreciate his advocacy efforts on behalf of low-income, moderate-income people. We will be working with the gentleman to try and meet the concerns that he has.

Mr. KENNEDY of Massachusetts. Mr. Speaker, the second issue would be also seeking a small change in the preservation law to allow landlords of State-financed projects who have prepaid their Federal mortgages to try to get back into the program if they choose. I am afraid that a number of such owners have already prepaid those mortgages when it was unclear that any funds would become available. In other words, prior to the time that Mr. Lazio made the efforts to actually get this program funded, a number of landlords prepaid. Those tenants are very much at risk and there are a number of tenants that exist in my own district and around other States that are facing imminent displacement and being thrown out of their homes.

If we could take care of that, I know that the gentleman tried very hard and we ran into problems on the Senate side. If the gentleman could briefly indicate that this would be something that he would support well.

Mr. LAZIO of New York. Mr. Speaker, if the gentleman will continue to yield, I would say that again I appreciate the gentleman's concerns on this. We have been working with the department, HUD, and with the Senate to try and come up with some solution that would be agreeable to all parties. We will continue to work with the gentleman on this issue.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I thank the gentleman very much.

I want to say to my good friend, the gentleman from Illinois, Mr. Durbin, that I am very sorry that Mr. Lazio was unable, although he tried to accommodate the concerns that Mr. Durbin has raised very effectively in his role on the Committee on Appropriations with regard to the 515 rural housing program. It is a program that has been rife with problems, rip-offs, and others that has done a tremendous amount of work in trying to reform. Those reforms have been included in legislation that this House has accepted in times past. Yet for some reason that I cannot understand, they were excluded from this bill.

It makes no sense. I understand that the gentleman from Illinois [Mr. Durbin] is going to have more to say about his opposition to this bill as a result of the fact that those reforms were not included.

Again, I think that the overall importance of many of the programs that are being reauthorized is overwhelmingly in favor of this bill. I appreciate again the efforts that the gentleman has made. I want to thank the gentleman and the members of his staff and the members of our staff as well for the efforts that they have made.

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

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to again thank the gentleman from Massachusetts [Mr. Kennedy] for his kind remarks and for his cooperation on this.

I include for the RECORD, Mr. Speaker, a section-by-section analysis regarding S. 1494, as amended:

S. 1494 HOUSING OPPORTUNITY PROGRAM
EXTENSION ACT OF 1995

SECTION-BY-SECTION ANALYSIS OF HOUSE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO S. 1494

Sec. 1. Title: Housing Opportunity Program Extension Act of 1995

Sec. 2. Multifamily housing assistance

Sec. 3. Community development block grant eligible activities

(a) Amends Sec. 907(b)(2) of the Cranston-Gonzalez National Affordable Housing Act by extending an eligible activity, homeowner programs under the Cranston-Gonzalez National Affordable Housing Act of 1995 to a maximum of 50,000 units; and, extends the aggregate limit on the cumulative amount of outstanding loans extended under the section 108 program. This limit is $3.5 billion. The Department will soon hit this limitation. Hence, this provision would increase the aggregate loan limit to $4.5 billion. This provision does not alter the annual loan limitations set forth in Appropriations Acts.

Sec. 4. Extension of rural housing programs

Authorization for rural rental multifamily housing direct loan program (Sec. 515 of the Housing Act of 1949) and extends set-asides within the Sec. 515 program for nonprofit sponsors and underserved areas; this program's previously appropriated funds, provided through the enacted Agriculture Appropriations Act of FY 96, are contingent on authorization.

Sec. 5. Loan guarantees for multifamily rental housing in rural areas

Authorizes a rural rental multifamily housing loan guarantee program, as contained in H.R. 1691, which the House passed on October 30, 1995; this program's previously appropriated funds, provided through the enacted Agriculture Appropriations Act of FY 96, are contingent on authorization.

Sec. 6. Extension of FHA mortgage insurance program for home equity conversion mortgages

Authorizes and extends the HECM program through September 30, 2000, as passed by the House through H.R. 117 on October 24, 1995; increases the mortgage insurance authority to a maximum of $1.5 million, extends eligibility to 1-4 family owner-occupied units.
Sec. 7. GNMA guarantees of mortgage-backed securities

Amends Sec. 306(g)(2) of the National Housing Act by providing an authorization of commitment authority to the Government National Mortgage Association (GNMA) at $310 billion for FY 96.

Sec. 8. Extension of multifamily housing finance programs

Amends Sec. 542(b)(5) of the Housing and Community Development Act of 1992 by extending the FHA multifamily mortgage insurance risk-sharing demonstration through FY 96 and provides authority to insure, underwriting, up to 70% of the lower.

Additionally, Sec. 542(c)(4) of HCDA of 1992 is amended by providing authority to the Housing Finance Agencies to enter FHA risk-sharing agreements up to 12,000 units.

Sec. 9. Safety and security in public and assisted housing

Amends Sec. 6 of the U.S. Housing Act of 1937 to require housing authorities to provide occupancy standards and an expedited grievance procedure for the eviction of tenants, in public housing and other assisted projects, who have a pattern of drug or alcohol abuse.

Sec. 10. Public housing designated for elderly and disabled families

Amends Sec. 7 of the U.S. Housing Act of 1937 to streamline procedures for public housing authorities to designate public housing facilities for elderly, “elderly only,” “disabled only,” or “elderly and disabled families only.” Additionally, this provision provides authority to evict residents in these designated facilities whose pattern of drug and alcohol abuse would jeopardize the safety and security of the elderly and disabled residents. Authorizes such sums as may be appropriated for FY 96 for public housing agencies to implement plans approved by the Secretary for designated housing.

Sec. 11. Assistance for habitat for humanity and other self-help housing providers

Incorporates H.R. 1691, Sec. 2, which passed the House on October 30, 1995 by providing for a self-help housing program for HUD to provide grants to capable non-profit organizations, including Habitat for Humanity, Grand funds must be used for the payment of land and infrastructure costs of single family structures built entirely with donations and contributions of products, volunteer labor and the prospective borrower’s sweat equity.

Sec. 12. Funding for self-help housing assistance, national cities in schools community development program, and capacity building through national community development initiative

Provides authority to use $60 million in appropriated amounts from previous fiscal years to fund (1) self-help housing (Sec. 9) at $40 million, Habitat for Humanity at $25 million and other Self-Help Housing Groups at $15 million), (2) National Cities in Schools Communities at $10 million, and (3) Capacity Building National Community Development Initiative (Sec. 4 of the HUD Demonstration Act of 1993) at $10 million.

Sec. 13. Applicability

Construes effectiveness as of October 1, 1996 and amends sections 9 and 10 of this Act self-executing.

Mr. Speaker, I yield 1 minute to my distinguished colleague, the gentleman from California [Mr. DREIER], a member of the Committee on Rules and one of our two Floor Managers.

Mr. DREIER. Mr. Speaker, I thank the distinguished chairman of the subcommittee for yielding, and I would simply rise and congratulate him and the gentleman from Iowa [Mr. LEACH], and others who have played a key role in this legislation.

Mr. Speaker, this is a very important day because it marks another success for a concept that Speaker GINGRICH and former Secretary has put forward. That success is that being the establishment of Corrections Day. We know that there are a great many laws and regulations which are absolutely preposterous, and Speaker GINGRICH offered the proposal to establish Corrections Day, and so far we, out of this House, passed 11 items under the Corrections Day Calendar. Four have passed both the House and Senate and become public law. If the Senate agrees with this measure that is before us, it will be the fifth, and I believe that we have been able to work with our Corrections Day Advisory Group in a bipartisan way, and that is very, very great testimony to the effort that has come from both Democrats and Republicans in dealing with this issue.

Obviously the issue that has been addressed here is one that has been very near and dear to me. Six years ago I introduced legislation dealing with the issue of drug dealers and public housing. I was looking at the question of the elderly and those who have been tragically victimized, and I believe that the entire package that has been brought forward here will go a long way toward addressing that and other major, serious, and I would simply like to congratulate the subcommittee and the gentleman from New York, Chairman LAZIO and the gentleman from Massachusetts, Mr. KENNEDY, the ranking member, and others who have been involved in this and look forward to another great Corrections Day success here.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 6 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, I am a strong supporter of public housing and the public financed housing is an important part of the life of many American families. In Chicago and in the State of Illinois I have become more closely acquainted with the challenges facing us, not only in the housing, but also in our responsibility as landlords in public housing.

Mr. Speaker, this is a good bill. Most of the bill I think is very positive, and I salute the gentleman from New York for bringing it to the floor. But I would, at the same time, suggest to all of my colleagues, having said that, that they should vote against this bill, and the reason they should vote against it is very simple.

There is one section of this bill, one section of this bill, which is shameful. In 1994, the appropriations subcommittee in which I chaired sent congressional investigators across the country to examine reported abuses in a housing program known as section 515. We found the following: This is a program where the Federal Government literally creates inducements for developers to build multifamily housing in rural areas and, let me add, rural areas could be the suburbs of major cities under the definitions of this bill. They are literally across the United States, and at this time under section 515 there are 16,700 projects and over 440,000 units. This is a big program, and when we investigated it, they found the administration of this program under existing law is nothing short of scandalous, scandalous in the following respects:

We are building these units where they are not needed. Developers come in and get financial inducements and roll the Department of Agriculture into forcing the construction of units where they want to build them. Many times we know as soon as the first shovel hits the ground that building is going to fail and the taxpayers are going to end up holding the bag, but we are stuck with it because of the current law.

And then you know what happens? We find out that when the project fails the owner of the project transfers the project to some other owner. You know what happens in the process? Uncle Sam does not get paid. The taxpayers lose. There is a default.

In our investigation we found in 47 different States in several States taxpayers lost over $10.5 million because the money was transferred, the loan was transferred, and the remaining corporation was judgment proof, taxpayers left holding the bag, another element in the scandal.

And that is not all. Let me tell you this is a very lucrative deal for developers. You know what percentage interest we pay on our home mortgage; what is it 9 percent, 10, 12? You know what they pay to build these buildings at taxpayer expense? One percent mortgages. What a deal. And then we give them a wonderful tax credit to boot.

So these developers have a cash cow to build buildings where they are not needed and, when they default on them, to leave Uncle Sam and the taxpayers holding the bag.

We verified this State after State, across the Nation, presented it to the Committee on Banking and Financial Services and to the Subcommittee on Housing and Financial Services and said clean up this mess. At a time when we are cutting spending for education, when we are cutting spending on Medicare, we can waste literally billions of dollars on this boondoggle?

Do you know what the Subcommittee on Housing and Financial Services said to the Committee on Appropriations? You are right. You are right. We need to change the law. And they did. And they brought it in. And we passed it with an overwhelming vote. And we were moving in the right direction to clean up the program, provide the housing.

But guess what happens today? Along comes the bill and reauthorizes the old program. This bums out again. They are going to be out there with the developers running taxpayers around the
Mr. LAZIO of New York. Mr. Speaker, will the gentleman yield? 

Mr. DURBIN. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Speaker, I appreciate the courtesy of the gentleman.

Let me respond if I can, first, by expressing great sympathy for the gentleman’s frustration. Obviously I share the same sentiment that he has because I have helped shepherd this legislation to the floor and move it through the House. If we were dealing with only a House-passed version and did not have to deal with the other body, we would have no problem, the reforms would be on track.

Mr. DURBIN. Can I say to my friend from New York thank you, but I do not want your sympathy. I would like to see the reform. I really think at a time when taxpayers are being told that we are going to tighten their dollars carefully, that we are going to tighten the belt here, we are not going to let people rip off things. There is no excuse by saying the Senate does not like our reforms. That is not good enough.

I mean the bottom line is we are going to lose millions of dollars, folks. This is a mini-mini version of a savings and loan scandal where taxpayers end up holding the bag when these proprieties fail, and this bill allows it to continue.

But I say to my colleagues in the House, for all of the things in the bill, defeat it today because a section 515 reform is in place to clean it up. The House is going to lose millions of dollars, folks.

Vote “no” on this bill.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE] who was a wonderful advocate of section 117 and of all seniors throughout the Nation.

Mr. BLUTE. Mr. Speaker, I want to commend the gentleman from Iowa, Chairman LEACH, and the gentleman from New York, Chairman LAZIO, for bringing this important bill before the House, and recognize the work of my distinguished colleagues from Massachusetts, Representatives KENNEDY and FRANK, and say that this is a very good bill that this House should pass today.

I would also like to commend to the House the amendment to this bill that will include provisions of a bill that the gentleman from New York, Mr. Speaker, has sponsored, the Housing Safety and Economic Relief Act, last October under the Corrections Day Calendar by a vote of 415 to nothing.

This legislation seeks to right a serious wrong. Today senior citizens in America are living in fear, not just because of crime on the streets but because of crime in their own homes. As a result of an act of this House back in the late 1980’s, drug and alcohol abusers are permitted to live in housing developments designated for the elderly.

I want to remind the House of some of the testimony that we heard in the committee and some of the things that were said on the floor of this House that are occurring all over our great country.

An elderly woman living in a public housing facility, for example, was shaken down for a $1,000 loan by a 38-year-old former drug abuser who lived in her complex.

The Committee on Banking and Financial Services heard testimony last year from a senior citizen in my district in Worcester, MA, and she told horrific stories of harassment, theft, faction, and elderly women petitesified to leave their apartments. The unfortunate irony is that this particular building was known among seniors as one of the best in Worcester prior to passage of the housing amendment in 1988 that allowed for the mixing of young drug and alcohol abusers with senior citizens.

Today, the House can speak on this issue again by voting for the House amendment to S. 1494. This amendment will ensure that public housing authorities are given streamlined procedures to designate public housing facilities as “elderly only.” In addition, this amendment will provide sufficient authority to evict residents in these facilities who have a pattern of drug and alcohol abuse.

Let us face it. There is absolutely no sane reason that former drug addicts should be placed in senior housing, turning the lives of the elderly into living nightmares. In the words of Anneliese Belculfino of Worcester, MA: “I would like for the younger people to have their own building and let the seniors live in peace and without fear for the time they have left.”

Let us end the practice which forces seniors to live in fear of young drug abusers in their apartment complexes. Today, the House can speak on this issue again by voting for the House amendment to S. 1494. The current Speaker from Georgia is being singled out unusually for this money for their land acquisition costs. I am for it. I voted for it in committee. They were a good organization, and I think it is admirable that the Speaker says you are in my State, you do good work, here is $25 million. I would hope that some who do not recognize that the public sector has a role to play would understand that they should generalize this. Yes, it is important for public funds to be made available for good purposes, and it should not just be for organizations that happen to be in the State of the Speaker, and so I am glad about that.

Finally, I also wanted to note what my neighbor and previous speaker said, this bill does go further with the separation of housing, elderly and nonelderly, although we did in 1992 pass legislation that began that process. Today, the Speaker generalizes this. Yes, it is important for public funds to be made available for good purposes, and it should not just be for organizations that happen to be in the State of the Speaker, and so I am glad about that.

This bill will make it easier for some other communities to comply with that, and I think it is a useful thing, but there was one particular part of it that is not something I think is important, and I want to express my sincere appreciation to the chairman for agreeing to it, and I would ask if he would acknowledge this.
One of the problems we have is this. There are some younger people who live with the elderly who are disruptive. I think we would all agree that the great majority of the younger people who are disabled, physically and in other ways disabled, who are put up with in public housing across the country face similar problems. What we have tried to do is to protect the right of the elderly to live by themselves when they wish to do that, without disadvantaging the great majority of people with disabilities who are in fact well-behaved. I think we are all unanimous on this.

One of the things that is in this bill is a provision that authorizes funds to be appropriated, such sums as may be necessary, so that a housing authority which has decided to separate the elderly from the disabled finds that in consequence it has well behaved disabled people who are hurting for housing, it will be able to set section 8 funds aside for them.

I appreciate the gentleman putting this in. This will become law now, but we will need some help with the Committee on Appropriations. I hope the chairman, along with the work he has already done—I know he intends to work to see that the appropriations are made available if they are needed.

Mr. LAZIO of New York. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I appreciate very much the gentleman from Massachusetts [Mr. BLUTE], and was previously passed by the House last fall. S. 1494, as amended, rights this wrong and lets local housing authorities keep senior housing for seniors. This is an authority they have asked for. I urge an aye vote. Let us keep senior housing for seniors and keep seniors living with the elderly who are disruptive.

I include for the Record this news article to which I referred.

The article is as follows:

RAPE VICTIM SUES BHA—SAYS ATTACKER SHOLED Feared by Victim

(By Joseph Malia)

A 52-year-old woman who was raped in her elderly-housing apartment two years ago is suing the Boston Housing Authority for failing to protect her from her assailant, another resident with a history of violence.

The housing authority is responsible because officials knew the assailant, Eric Lee Davis, Jr., was dangerous but failed to evict him, the woman maintains in her Suffolk Superior Court civil suit.

The woman's name was not made public because she was the victim of a sexual crime. "The elderly have been asking for help for years. But the only time the BHA or other agencies take notice is when a lawsuit is filed," said the victim's lawyer, Jeffrey A. Newman. After he was charged, Newman said, Davis was found fit to stand trial and was committed to Bridgewater State Hospital, Newman said. After he was charged, Davis gave police a tape-recorded confession, according to the committee report. BHA officials could not be reached for comment last night.

Davis, who was 38 at the time of the attack, was living with his mother in the Dorchester apartment. By chance, he had made a practice of roaming the hallways unaccompanied, according to court documentation. Davis also "roamed the halls semi-naked, loudly expressed threats and desires to kill various people and to rape various people, including tenants and his own mother; he grabbed various tenants including the rape victim," the lawsuit states.

He also forcibly kissed the victim, and forced his way into elderly tenant apartments, the lawyer says. The lawsuit accuses the BHA and its officials with "deliberate indifference to a known danger . . . the dangerous activities and proclivities of Eric L. Davis."

Mr. KENNEDY of Massachusetts. Mr. Speaker, JOS EPATRICK KENNEDY now yields 2 minutes to the gentleman from Rhode Island, PATRICK JOSEPH KENNEDY.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I thank my cousin for yielding me this time.

Mr. Speaker, I rise in support of this bill on two grounds; first, because it provides our senior citizens with the relief from their fears of being put into senior housing with people who cause no one any problem. This is a provision that authorizes funds to be appropriated, such sums as may be necessary, so that a housing authority which has decided to separate the elderly from the disabled finds that in consequence it has well behaved disabled people who are hurting for housing, it will be able to set section 8 funds aside for them.

It is through his work that the committee authorizes such sums as may be needed, and we will work with the appropriators. I understand this will become law now, but we will need some help with the Committee on Appropriations. I hope the chairman, along with the work he has already done—I know he intends to work to see that the appropriations are made available if they are needed.

Mr. LAZIO of New York. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I appreciate very much the gentleman from Massachusetts [Mr. BLUTE], and was previously passed by the House last fall. S. 1494, as amended, rights this wrong and lets local housing authorities keep senior housing for seniors. This is an authority they have asked for. I urge an aye vote. Let us keep senior housing for seniors and keep seniors living with the elderly who are disruptive.

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This is an authority they have asked for. I urge an aye vote. Let us keep senior housing for seniors and keep seniors living with the elderly who are disruptive.
Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the gentleman from Delaware [Mr. CASTLE], former Governor of Delaware and distinguished member of the Committee on Banking and Financial Services.

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

Mr. Speaker, I would like to thank Chairman Lazio for the opportunity to speak on this legislation, and for his efforts to reform Federal housing programs. I rise in support of S. 1494, the Housing Program Extension Act, with the House amendments this bill will extend a number of necessary housing programs for this fiscal year.

In particular, I support the inclusion of H.R. 117, the Senior Housing Safety Act in this bill, to protect the elderly in public housing from young people with a drug or alcohol problem.

As we all know, HUD is sorely in need of restructuring. The bill before us today is a temporary step toward programs operating for this year. It is critical that we take the next step and completely reform public housing programs. Last November, the House Banking Committee passed H.R. 2406, the U.S. Housing Act. This bill will fundamentally reform, restructure, and streamline Federal housing programs to provide greater flexibility to local housing officials and start the process of giving tenants the opportunity to move out of public housing as soon as they are able.

Mr. Speaker, I support this short-term authorization bill, but I urge the House to take up fundamental housing reform, H.R. 2406, as soon as possible. We owe it to the residents of public housing and the taxpayers of this country.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 2 minutes to my friend, the gentlewoman from Texas, SHELIA JACKSON-LEE.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member for his leadership, and I thank the chairman, as well, for really targeting an issue in which many of us are involved. I have just come back from the district work break in Houston, and participated in an initiative by our city to put 25,000 affordable housing units in our core city area. Part of those units will certainly improve and help elderly citizens. It will help families who have children.

But this authorization process and this S. 1494, along with H.R. 117, combined, answers many questions. One, it helps local governments with their community block grants, because these were expired, and now we are going to add to them. Additionally, I have in my community some 9,000 people on the public housing waiting lists, and with project-based section 8 units now being reinstalled, we now have the opportunity to get more housing along those lines.

I think it is important that with the reverse mortgage program, we actually acknowledge that seniors have had a hard time making ends meet. They are responsible individuals. Why not give them the opportunity to in fact utilize their home equity and to provide for them, to make sure they can make ends meet, and not have this burden, if you wish, of putting that down on the loan or the house is sold.

One of the points that I wanted to make with H.R. 117 is to not throw the baby out with the bath water. That, of course, is the concern about physically challenged or need housing, and the fact that it was not the idea of finding housing for physically challenged, it was the misconstruction of putting those who are suffering from drug and alcohol abuse, adults, mixed with our senior citizens. I hope we will have a plan, of course, that we will continue to give local housing authorities the authority and discretion to have elderly families-only housing, to have disabled families-only housing, and as well, mixed family and children and so forth. They are not forgotten. I think, however, this is a good bill. It protects our senior citizens. I just want to ensure that our disabled children and others who are physically challenged, who are not receiving the appropriate treatment, that they are able to function as adults and are creating illegal activities, will have a place to live, particularly those who are mentally challenged. That has been raised in my community.

I thank the gentleman.

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio [Mr. NEY], a member of the Committee on Banking and Financial Services and a member of the Housing Subcommittee who has truly made his mark.

Mr. NEY. Mr. Speaker, I rise in strong support of the House version of S. 1494, because it reauthorizes five major programs and encourages homeownership in the development in this country. But also, like the previous speakers on both sides of the aisle, I also want to mention that by bipartisan support in the Committee on Banking and Financial Services, we had a good measure come forth, and that has been talked about by the previous speakers. That is inclusion of the language in the revised version of the bill that would allow public housing agencies and landlords who re-qualify, with children, to more easily designate certain dwellings as elderly only, disabled only, or elderly and disabled. I thank the gentleman from New York [Mr. LAZIO] for his perseverance on this issue, and the gentleman from Massachusetts [Mr. BLUTE], of course, for bringing this issue forth.

While there are almost 3,400 public housing developments nationwide, only 10 have been approved by HUD and designated as elderly only. When I served in the State senate, Martin Gould, who is the head of Martins Ferry housing authority in Belmont County, OH, among other directors, had continuously called, because there was always one view coming out of Washington, some rules and regulations, and the directors really did not know what to do. This clarifies it once and for all, adds good protection for our senior citizens, and is the right thing to do.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. HEINEMAN], a distinguished member of the Subcommittee on Housing as well, who has been very helpful to me.

Mr. Speaker, today I rise in strong support of the House amendment to S. 1494, the Housing Opportunity Program Extension Act of 1995. Let me take this opportunity to commend my good friends, Chairman RICK LAZIO and Representative PETER BLUTE for their work crafting this House amendment.

It is critically important that the House pass S. 1494 as amended. This bill incorporates the language of H.R. 117, the Senior Citizens Housing Safety Act of 1997, we have another opportunity to address this issue, and I urge my colleagues to take this opportunity and vote in favor of a bill to help protect senior citizens.

I was proud to be an original cosponsor of H.R. 117, the Senior Citizens Housing Safety Act of 1997, which would extend the Senior Housing Safety Act of 1995. Let me take this opportunity to thank my good friends, Chairman LAZIO and Representative PETER BLUTE for their work crafting this House amendment.

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was not, but I believe that overall, this bill is a positive development, and again, I want to compliment my friend, the gentleman from New York [Mr. Lazio], for the fine work that he has done on this bill.

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me begin by stating this legislation has moved forward in a way that I think this body can be very proud of, in a bipartisan fashion, with the input of both Republican and Democratic members of the subcommittee and the full committee, with changes that have been made based on good reasoning, with an intent to help those people that need our help the most: The first-time home buyers, the senior who is couch-rich but cash-poor and desperately needs that money to remodel their house, the resources to provide opportunity for first-time homebuyers who otherwise would not be able to fulfill their American dream.

This bill begins a process of reform in a very United way. Certainly we will be doing more, proposing more as the year goes on. It certainly begins some reforms that are important, the reform of self-help housing, where we are using as little as $6,000 of Federal dollars, not just a single apartment unit but to build a whole house through Habitat for Humanity and other self-help housing groups that will not be focusing just on the State of Georgia but in every State in the Nation with an assurance in this legislation there will be geographic diversity based primarily on need. That would be very, very important.

This bill will boost homeownership levels in areas where, particularly in underserved areas where we need it desperately. It provides shelter to millions of Americans that will need it. That would otherwise be vulnerable through expiring contracts, and we will be renewing those contracts and the subsidies through this legislation.

I would also want to comment here, Mr. Speaker, that this bill would not have been possible without the cooperation of the staffs on both sides of the aisle. I want to point out one person in particular, Valerie Baldwin, who has dedicated herself and hard-working member of the subcommittee staff. This will be the last time that she will be on the floor as a member of the staff of this authorizing committee. Our loss is the appropriators’ gain, and we hope that that will build a better relationship with the appropriators, frankly, as she moves over there. She has been of indispensable help in drafting this legislation, in advising this chairman and this committee on issues of housing and community opportunity. That should not take away from the other work done by the Democratic and Republican members of the staff and also the Members themselves who serve on the committee.

This has been a truly collaborative effort. It is an effort that I think will bear fruit. As the gentleman from Massachusetts [Mr. Kennedy] remarked, we wish we had gotten the last reforms in there. We will continue to work on those reforms, because they are needed. But we did get significant concessions from the other body. Frankly, we wish we would not have to fight as hard as we do to get these reforms. We say to the gentleman from Massachusetts, with your help and with the members of the other committee, until we get these reforms.

Mr. Speaker, I yield 1 minute to my friend, the gentleman from Nebraska [Mr. BEREUTER], the chairman of the Subcommittee on International Relations.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, thank the gentleman from New York, the subcommittee chairman, for yielding me this time. I will be brief in my comments.

I rise in support of the House amendments to S. 1494. Overall, the bill is a very good piece of legislation, and this Member commends the leadership of the gentleman from New York and others on this subcommittee.

I want to endorse specifically section 5 of the House amendments. This section authorizes a program which this Member sought for years, the Rural Rental Multifamily Housing Loan Guaranty Program. As a matter of fact, we already have conditional appropriations for this legislation. We have been waiting since the previous Congress when the Senate failed to act upon our legislation in order to have the authorizing legislation, but unless we pass this amendment to create what it is, in effect, a new section 515 loan guarantee program, that appropriation will lapse.

It is modeled after the 502 program for single-family housing. It is a very efficient use of our resources. Rather than relying on direct loans, we are relying on loan guarantees.

The default rate of the previous program has been 2.33, an amazing success, having built 24,000 units. I urge support for the House amendment.

Mr. Speaker, despite a conflict which requires this Member to chair a Housing and Community Opportunity Subcommittee hearing on Indian housing, this Member rises today to offer his strong support for the House amendment to S. 1494—the Housing Opportunity Program Extension Act of 1995. Overall, the bill is very good legislation and this Member commends the committee for their hard work.

Today, this Member rises to speak specifically to section 5 of the House amendment. This section authorizes a program which this Member has fought for years: the Rural Rental Multifamily Housing Loan Guarantee Program. Section 5 of this measure is identical to legislation passed by the House in the 103d Congress as part of H.R. 3838, the Housing and Community Development Act of 1994, passed July 22, 1994. This legislation would create a new Federal loan guarantee program for the construction of multifamily rental housing units. Because H.R. 3838 died when the Senate failed to act on it in the last hours of the 103d Congress, this Member introduced legislation to authorize the loan guarantee program.

Currently, the only Federal program allowing development of this type of housing is the Rural Housing and Community Development Section 515 Loan Guarantee Program which has, unfortunately, been plagued with problems. Because of these problems and because Federal funds become more scarce every year, the direct loan program is almost certain to shrink. Therefore, there is a need for a new approach that would cost taxpayers less but still provide equal or greater housing opportunity in rural areas. The new program would be known as the Section 515 Loan Guarantee Program.

This program is not advocating replacing the existing program, but only augment it, at a lower cost, in order to provide at least some more rental housing opportunities needed by a sizable segment of America’s population living in smaller communities. The new program will provide Federal guarantee on loans made to eligible persons by private lenders. Developers will bring 10 percent of the cost of the project to the table, and private lenders will make loans for the balance. The lenders will be given a 100-percent Federal guarantee on the loans they make. Unlike the current 515 program, where the full costs are borne by the Federal Government, only the costs to the Federal Government under the 538 guarantee program will be for administration costs and potential defaults. It should be noted that this program is based on the recent experience with the very successful FmHA 502 Middle Income Loan Guarantee Program for home ownership. That program, which this Member first proposed, has a default rate of only 2.33 percent with over 24,000 units financed since 1991.

Also, Mr. Speaker, you should note that, with bipartisan support on the Appropriations Committee, this Member was successful in advocating the inclusion of $1 million funding for this program in the Department of Agriculture supplemental appropriation for fiscal 1996, making it possible to finance approximately $25 million in guarantees. Therefore, the program can move forward as soon as it is authorized, but the appropriation will be recaptured if the program is not authorized in fiscal 1997.

In closing, history has proven that loan guarantees are a more cost-effective and expeditious use of scarce Federal dollars. As budgets are slashed, this type of program promises to continue to provide Federal assistance available for housing development in America’s nonmetropolitan cities.

Mr. Speaker, this Member urges his colleagues to vote “yea” on this measure.

Mr. LAZIO of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill now under consideration.

The CHAIRMAN pro tempore (Mr. DUNCAN). Is there objection to the request of the gentleman from New York?
Mr. LAZIO of New York. 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 New York [Mr. LAZIO] that the House suspend the rules and pass the Senate bill, S. 1494, as amended.

Mr. LAZIO of New York. 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. The question is on the motion to proceed.

Mr. LAZIO of New York. 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. The question is on the motion to proceed.

Mr. LAZIO of New York. 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.

REPORT FROM THE CONGRESSIONAL BUDGET OFFICE ON UNFUNDED FEDERAL MANDATES

Congressional Budget Office Statement Submitted Pursuant to Section 423(f)(2) of the Congressional Budget Act


Hon. Don Young, Chairman, Committee on Resources, U.S. House of Representatives, The Downtown, DC. Dear Mr. Chairman:

The Unfunded Mandates Reform Act of 1995 (Public Law 104-4) took effect on January 1, 1996. The new law requires the Congressional Budget Office (CBO) and Congressional committees to carry out a number of new activities. I am writing to you today to let you know how CBO plans to fulfill its responsibilities under the new law and to provide you with mandate cost statements for those bills under your jurisdiction that were on the House calendar as of January 23, 1996.

New Responsibilities Under the Act. The new law requires CBO to provide a statement to authorizing committees as to whether reported bills contain federal mandates. If the total direct costs of all mandates in the bill are above a specified threshold in the fiscal year that the mandate takes effect, or in any of the following four years, CBO must provide an estimate of those costs, if feasible, and the basis of the estimate. The threshold is $50 million for intergovernmental mandates and $100 million for private-sector mandates.

Any member may raise a point of order against any bill, amendment, or markup of the committee that would increase the direct costs of federal intergovernmental mandates by more than $50 million unless the bill provides for funding (either by creating direct spending authority or by authorizing future appropriations), and provides a mechanism for terminating or scaling back mandates if agencies determine that there are not sufficient funds to cover those costs. We have enclosed with this letter a more detailed description of the new law and a brief summary of the new responsibilities assigned to CBO and Congressional committees.

Whenever possible in future cost estimates, CBO will be explicit about whether a bill's direct costs, if any, will be in support of potential as possible, particularly those bills that might contain mandates. Because it takes time to prepare mandate analyses, we would greatly appreciate receiving drafts of your legislation rather than the final version so that your legislative agenda for the year. It might also be helpful—for both your committee and ourselves—if your staff would convey early in the process of drafting legislation that might contain mandates. The CBO staff contacts for your committee are: For intergovernmental mandates: The Resource Gulch (225-320); and for private-sector mandates: Elliot Schwartz (226-2940).

Bills on the House Calendar. Enclosed with this letter are two lists of the legislation on the calendar as of January 23, 1996 that is under your committee's jurisdiction: one for intergovernmental mandates and one for private-sector mandates. The lists group the legislation into three categories: those that do not contain mandates as defined in Public Law 104-4, those that contain mandates but whose direct costs are below the relevant thresholds; and legislation that we need to review further. 

We look forward to working with your committee in these new endeavors. Your assistance will be extremely valuable to us as we strive to provide high quality and timely statements of mandate costs to the Congress. If you have any questions about CBO's new activities or about these lists, please feel free to contact me or the staff contacts listed above.

Sincerely,

Jane E. O'Neill, Director.

THE UNFUNDED MANDATES REFORM ACT

CBO's New Responsibilities. The Unfunded Mandates Reform Act (Public Law 104-4) requires the Congressional Budget Office (CBO) to provide a statement to authorizing committees about whether reported bills contain federal mandates. If the total direct costs of all mandates in the bill are above a specified threshold in the fiscal year that the mandate takes effect, or in any of the following four years, CBO must provide an estimate of those costs, if feasible, and the basis of the estimate. The threshold is $50 million for intergovernmental mandates and $100 million for private-sector mandates.

A mandate is defined as any provision in legislation, statute, or regulation that would impose an enforceable duty on state, local, or tribal governments, or the private sector or that would reduce or eliminate the amount of authorization of appropriation for federal financial assistance, or that would increase the costs of existing mandates. Direct costs are defined as amounts that state, local, or tribal governments, or the private sector would impose on the economy. The amounts that states, localities, and tribes "would be prohibited..."
from raising in revenues’ are also included in the definition of “direct costs.” In this way, the act allows for consideration of the impact of federal legislation on the revenue-raising capacity of state and local governments.

The CBO statement must also include an assessment of whether the bill authorizes or otherwise requires states or local governments to cover the direct costs of the mandates. For intergovernmental mandates, the cost statement must estimate the appropriations needed to fund such authorities for up to 10 years after the mandate is effective.

CBO must “to the greatest extent practicable” prepare cost estimates for any federal mandate to which it is required to prepare cost estimates. Federal mandates that are not specifically required to be estimated by CBO include those that do not require the states or local governments to cover the costs of the mandates. For intergovernmental mandates, CBO is directed to solicit information from or comments from the affected state or local government officials.

Enforcement and Implementation Mechanics Related to CBO’s Work

The SPEAKER pro tempore. under previous order of the House, the following Members will be recognized for 5 minutes each.

Mr. BURTON of Indiana. Mr. Speaker, the Presidential campaign, particularly the Republican primary campaign, is in the full swing right now, and there has been a lot of derogatory comments made by one candidate or another about their opponents.

I think we have a good field of Republican candidates, and I wish they would quit the terrible rhetoric about one another and really stick to the facts. I think if they do that, the American people will find them to be the kind of people they want to elect President and will elect the nominee we can all live with and be happy with and can elect in November to the President of the United States.

One of the problems that I have is that there has been a lot of misinformation about one of the candidates,
and I am not taking sides in this Presi-
dential campaign at this point, but I
would like to point out some of the in-
accurate remarks that have been made
in what I believe to be untrue state-
ments.

First of all, they say Pat Buchanan,
one of the leading candidates for Presi-
dent, has been one who wants to put a
wall around the United States and be
a protectionist, and they say the mani-
festation of this is because he opposed
NAFTA and a lot of the jobs going to
Mexico and other parts of the world,
and they have said that this is the
wrong approach and that we should not
be worrying about that.

The fact of the matter is NAFTA has
been a disaster, and Mr. Buchanan is
not wrong.

Let me give you some figures: In 1995,
the U.S. trade deficit with the world
was about $120 billion. That included
a deficit of about $67 billion with Japan,$
40 billion with China, and the deficit with
Mexico and other parts of the world.
And last year, when we signed NAFTA,
we had a $6 billion trade surplus with
Mexico. Now we have a $16 billion trade
deficit. That means we have lost $22
billion in trade with Mexico in the last
2 years, and each one of those billions
of dollars costs the people of this coun-
y 19,000 jobs.

And so since NAFTA was passed, we
have had a net loss of over 300,000 jobs
going to Mexico. V. net loss of 300,000
jobs. I don't think that it is not inaccurate
to say it is not in the best interests of the
people of this country to have busi-
nesses and industries relocate in Mex-
ico to the detriment of American work-
ers because of an unfair trade agree-
ment.

Now, people say why do we have an
unfair trade agreement? "Why do you
say that, Dan?" The reason I say that
is there are several problems with the
NAFTA bill. Mr. Buchanan has talked
about a few of them. One of the problems is the
tariffs on the Mexican side of the bor-
der come down over 15 years. On the
American side of it's border, in many
cases, those tariffs come down in 5
years. That gives the Mexican entre-
preneur or business person a 10-year
advantage, because they are still going
to have tariffs on their side of the bor-
der for American products while we do
not have them here.

Now, the wage rates down there in
some areas of Mexico are very, very
low. You can employ people in the Yu-
catan, including fringe benefits, for
a dollar an hour, and their counterpart
in the United States is being paid any-
where from $10 to $20 an hour. That
labor disparity is one reason to go
down there.

In addition to that, the tariffs not
coming down as quickly on the Mexi-
can side also is an inducement for
American industry to leave here and go
down there. Why would a small labor-
intensive industry let us say, that
manufactures microwave ovens want to
stay here when their competition is in
Mexico at much lower wage rates, sel-
ing into the United States with no tar-
iffs while they are paying much higher
wage rates here in the United States and
they cannot sell into Mexico with-
out an import tariff? And so there is a
real disadvantage for American indus-
tries staying here instead of going
south of the border. Mr. Buchanan talks
about that, and it is something that
has cost us, as I said, over 300,000
jobs.

Let me give you some figures: Im-
ports here increased 51 percent; that is, products coming from
there to here. United States exports
going to Mexico have increased by only
8 percent. So they have got a 33 percent
advantage there. The $5.7 billion trade
surplus I talked about in 1992 is now a
$16 billion trade deficit, costing 300,000
jobs. The companies along the border
are relocating in Mexico because of
these advantages. More workers, in 90
percent of the cases, let me just read
to you, at this rate, taking Jap
iron and China for example, excuse me,
while large corporations made sweep-
 ing predictions that NAFTA would en-
 able them to hire more workers, in 90
percent of the cases these companies
who said they would be able to hire
more workers because of NAFTA have
done no significant steps toward ful-
filling these promises. In fact, accord-
ing to the Department of Labor esti-
mates, many of these leading NAFTA
promoters have laid off workers, in-
cluding GE, Procter & Gamble, Mattel,
and KFC. For example, Wrangler has
closed three manufacturing
plants, lost 700 jobs to Mexico. United
Technologies automotive plant in
St. Mathews, SC, laid off 400 workers
in St. Mathews, SC, laid off 400 workers
to plants in Mexico. Cleveland Mills,
owned by Fruit of the Loom, folded in
December, eliminating 400 jobs. This is
part of the Fruit of the Loom plans to
cut 3,200 jobs, close six plants and move
those operations to other parts of the
world, including Mexico. Eleven El
Paso apparel factories closed down in
the first year alone because of NAFTA,
and the owner of those factories is bring
the last and only dictator to an end. We
need to do, what this country needs
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going to support some modification of this bill. I hope the President will sign the bill in the original form as it passed the House. That is the toughest bill we are going to have. If he cannot, I hope he will at least give us a very tough fight. I have written to Mr. Castro a unified message, and I know my colleague wants to do that, that this country stands together in opposing the human rights violations and the travesty that happened down there last weekend.

I want to thank my colleague once again for his leadership.

Mr. DEUTSCH. I see my colleague from Florida, the first Cuban-American to be a Member of the U.S. Congress, the gentlewoman from Florida [Ms. ROS-LEHTINEN], is on the floor. Another colleague of ours, the gentleman from California [Mr. LANTOS], who is actually a survivor of the Nazi Holocaust, who in an official capacity, not spending any money but going through the U.S. alphabet, as opposed to other people who visited that country, visited that country and met with dis-sidents, people tortured. This is a man who lived through the pre-Holocaust and actual Holocaust time, and described what is going on there, as bad as what was going on in Germany before the Holocaust.

So that is the reality of the situation on the ground 90 miles from our shore, 90 miles from my district, and we have the ability in this Chamber to change that. Hopefully by the end of this week we will take an important significant step and pass the Helms-Burton bill.

PROVIDING FREE AIR TIME TO PRESIDENTIAL CANDIDATES

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

Ms. SLAUGHTER. Mr. Speaker, I rise today to call attention to an article in this morning's Washington Post. Although I cannot say that I have always agreed with Fox Broadcasting Co. Chairman Rupert Murdoch, I am delighted that he has endorsed the idea—my idea—of providing free TV time to political candidates.

Mr. Murdoch has announced that he will give Presidential candidates free air time this fall. Last year, I introduced a bill to provide candidates, free of this kind of access to our airways, and, to give voters a truer picture of the candidates.

Due to obfuscating and expensive political commercials, voters rarely witness candidates truly stand for. The time has come to even the playing field and provide a mechanism to rid our airways of manipulative advertising campaigns, and return elections to the voters.

Mr. Murdoch has challenged his competitors to provide free TV time. I am challenging my colleagues to cosponsor my bill to ensure that broadcasters provide free TV time.

IMPORTANCE OF TRAVEL AND TOURISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. ROTH] is recognized for 5 minutes.

Mr. ROTH. Mr. Speaker, everyone is talking about how the campaign trail people are all talking about jobs, so I would like to address this issue of jobs today in a rational and forthright way.

According to futurist John Naisbitt, three industries will drive the global economy of the 21st century. They are telecommunications, information technology, and travel, tourism.

Rarely does a nation get the chance that we have now to reassess and to restructure our public policy approach to an industry that is slated to be a force of the future. Following the recommendations of the White House Conference on Travel and Tourism which took place here in Washington last October, we now have that chance to reshape our economic future with this monumental industry.

You have heard the statistics before on travel and tourism. Did you know that travel and tourism employs 204 million people worldwide? That is almost as many people as we have living in the United States, minus California. That equals 10 percent of the global work force. One out of every 10 people around the world works in travel and tourism.

In the United States alone, travel and tourism accounts for 1 out of every 10 jobs here in America. Tourism produces $665 billion in tax revenue. More than 10 percent of all capital investment worldwide goes into travel and tourism. Maybe that is why travel and tourism is growing 23 percent faster than the world economy.

America needs a bold agenda for change, change not only in the way we do business, but the new way that we look at the world.

Consider for a moment that the single largest global revenue producer for individuals and governments, travel and tourism, has recently been cut from the U.S. Department of Commerce. I just totally cut it out, yet it is the No. 1 industry in America for jobs. Mr. Speaker, America needs a contingency plan. The Travel and Tourism Partnership Act is that plan. This plan allows the United States to compete globally for tourism dollars against other countries like Canada, Germany, Spain, and Australia, who are very sophisticated in this area and are taking these foreign tourists and therefore these foreign dollars from us.

Even small countries like Malaysia and Tunisia have been spending more on travel and tourism year after year than we have. Now with the closing of the USTTA, U.S. tourism promotion efforts have developed a marketing strategy that repeats that, zero dollars. Anyone who tells you that this is not going to cost American jobs is wrong, dead wrong. It is going to cost us a lot of jobs. In the next 5 years, there will be an increase, an increase, of 50 million travelers worldwide. This represents thousands upon thousands of jobs in America and billions and billions of dollars.

So when people talk to you about what is taking place, talk to them about the Presidential campaign trail today, people talking about jobs, talk to them about travel and tourism, because this is where the jobs will be in the 1990's and the 21st century. This can mean tens of thousands of new jobs for American workers, but it is not going to happen if we in Congress do not have the foresight and take advantage of this remarkable opportunity.

That is why, as chairman of the 304-member Travel and Tourism Caucus, the largest in Congress, I introduced the Travel and Tourism Partnership Act. This act sets forth a complete new approach to marketing the United States. This as a dire emergency plan, rather than just another government-run program, my bill designs a partnership between the tourism industry and the public sector, a device to carry out a more effective marketing plan so we can have jobs and dollars in this country.

This plan is vital to the United States. This is a job creating bill. Virtually all over the world, and particularly in the United States, travel and tourism is the predominant industry for jobs that our people need. With all this potential, the United States is losing its market share to travel and tourism in a growing world market. We must stop this trend.

That is why, on the floor today, to ask you for your help, so that you can say you have done something constructive to promote jobs, private enterprise jobs, right here in America.

This act reflects the recommendation of some 1,700 sophisticated travel and tourism leaders, as well as local, State, and regional tourism officials who participated in the White House conference. By developing this partnership plan, we can create jobs here in America, keep our main streets alive, and pump new tourism dollars into our local economies. With one out of every nine American workers employed by travel and tourism, we cannot afford not to take action. Travel and tourism is the hidden giant in the U.S. economy.

Mr. Speaker, it is time for bold ideas in America, and it is time to chart a course for the future. I urge all of my colleagues who have already cosponsored the Travel and Tourism Partnership Act. We must act, and we must act today. Join us and get involved in this blockbuster industry of the 1990's and the 21st century.

RESPONDING TO A DISASTER IN POOLVILLE, TX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. PETE Geren], is recognized for 5 minutes.
Mr. PETE Geren of Texas. Mr. Speaker, I have the honor of representing the tiny community of Poolville in Parker County, TX, northwest of Fort Worth, TX. Poolville headlined the national news last week with grass fires that burned 1,400 acres, destroyed homes, and charred over 20,000 acres.

I want to thank the Federal, State, and county officials for their dedicated work. They responded innovatively, quickly, and helped divert what could have been an even worse disaster. But, above all, Mr. Speaker, I want to commend the hundreds of volunteer firefighters who fought the blaze until it was finally brought under control, fought it well past the point of their personal exhaustion, and kept going until the job was finished.

Mr. Speaker, the selfless response of the neighbors to the plight of those who were the fire victims, neighbors from hundreds of miles away gave of their time, they gave of their money, they gave of their resources, and they opened their homes to attend to the needs of the fire victims. The response was truly an inspiration.

Mr. Speaker, the Poolville fire was a disaster. The human response to the fire to this disaster, was a triumph of the human spirit.

AN IMPORTANT DAY IN THE LIVES OF ENSLAVED CUBANS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Ms. ROS-LEHTINEN] is recognized for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, certainly today has been a very important day in the lives of the enslaved Cuban people, people who daily cry out for freedom, for democracy, and for justice, because today we are going to have the privilege of inviting family members of the four pilots who were merchant mariners, shot down from the sky by Fidel Castro with his Migs.

Together with the chairman of the Committee on International Relations, the gentleman from New York Ben Gilman and the Western Hemisphere Subcommittee chairman, the gentleman from Indiana, Dan Burton, I have invited the family members of the four deceased pilots murdered by Cuban tyrant Fidel Castro aboard the Brothers to the Rescue aircraft to testify before a congressional hearing of the Committee on International Relations which will take place this Thursday, February 29, at 10 a.m.

I think it is important to put a human face on this barbaric act so that the international community and Members of Congress understand that Castro’s brutal act will forever leave a mark on the loving memories of these pilots who gave their lives to help bring freedom and democracy to Cuba. Today, as I speak throughout the weekend, I spoke to the father of Mario de la Pena, the mother of Carlos Costa, to the sister of Armando Alejandro, Jr. and with the girlfriend of Pablo Morales. And all these individuals have been called time and time again in the international media as Cuban exiles. I think it is important to note that some of these individuals were born right here in the United States. They are U.S. citizens and you, even though they were born here, they feel very fervently in their hearts that dream for freedom and justice to the enslaved people of Cuba.

Many individuals do not know what Brothers to the Rescue is. There is a humanitarian group that came about because they felt great pain when they would see their brothers and sisters in the high seas being taken over by either the seas or the storms or the sharks in the straits between Cuba and Florida. And so these volunteer pilots, none of them on any payroll, on their own started flying humanitarian missions helping our U.S. Coast Guard in identifying where these rafters were in the high seas.

They would drop supplies to them, such as a bottle of water, perhaps a life preserver so that they could continue hanging onto dear life while the valiant members of the U.S. Coast Guard would fly out there to retrieve them and to be reunited with their loved ones.

We congratulate the U.S. Coast Guard for their valiant service, so many years of service to our community and this humanitarian effort, and I think they would say as good a job as they had done without Brothers to the Rescue.

This was another routine flight for the brothers, yet Castro has incorrectly classified them as interfering in his territory, and he sent out his Migs and they shot down these two small planes, Cessna planes from the sky, causing the deaths of what we think is the deaths, they have not, their bodies have not been recovered in spite of the fact that the Coast Guard is in possession of the Coast Guard, resulting in the deaths of these four brave men, some of them, as I point out, U.S. citizens.

Were the Brothers to the Rescue planes breaking the law? I think some Castro apologists want to keep bringing that up. I think President Clinton’s statement, Secretary of State Warren Christopher’s statements, U.S. Ambassador Madeleine Albright’s statements have been very clear and to the point. They said that they were shot down in international territory and this is an illegal act. These were civilian, small unarmed planes where they clearly identified themselves as such. They identified who they were in the plane. And they have testified, the pilots who were there, the eyewitnesses as well as U.S. officials, that this was an illegal act and totally contrary to what is normally practiced by free nations.

Obviously, Castro likes to prove time and time again that he is an upholder of the law. He is an upholder of the law. He is an upholder of the law. He is an upholder of the law. I don’t think he is. I think he is a tyrant. He is a tyrant and he is a tyrant and he is a tyrant.

From time to time, Mr. Speaker, we are called upon to take strong action against what we see as something that is anti-democratic and in my opinion, it is evil. In the past this body took strong action, an economic embargo, against the evil of apartheid. I strongly supported that and I supported that. I think that it is time needed to be released. This country and this Congress came to their aid. Our efforts were successful, Mr. Speaker, and apartheid was ended.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. STEARNS] is recognized for 5 minutes.

Mr. STEARNS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. Goss] is recognized for 5 minutes.

Mr. Goss addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. Riggs] is recognized for 5 minutes.

Mr. Riggs addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

IN SUPPORT OF STRONG ACTION AGAINST FIDEL CASTRO

The SPEAKER pro tempore. Mr. DUNCAN. Under a previous order of the House, the gentlewoman from Florida (Mrs. MEEK) is recognized for 5 minutes.

Mrs. MEEK of Florida. Mr. Speaker, I am one of the gentlewoman from Florida, along with my colleagues, Ileana Ros-Lehtinen and Lincoln Diaz-Balart. I am privileged to rise in strong support of the Helms-Burton bill, which I am a cosponsor on, and also I signed the Cuban Democracy Act. But I did not just sign those bills just for the sake of it, Mr. Speaker, I signed on it because I believe very strongly in the Cuban people and what is happening to them in Castro’s Cuba.

From time to time, Mr. Speaker, we are called upon to take strong action against what we see as something that is anti-democratic and in my opinion, it is evil. In the past this body took strong action, an economic embargo, against the evil of apartheid. I strongly supported that and I supported that. I think that it is time needed to be released. This country and this Congress came to their aid. Our efforts were successful, Mr. Speaker, and apartheid was ended.
Only a few months ago I had the privilege of greeting the elected president of a free democracy and that is South Africa, President Nelson Mandela. If it were not for this Congress, we would not have been able to do this. We supported the economic embargo against the military thugs who terrorized the nation of Haiti. Today Haiti is making strides and moving toward democracy. And I have had the privilege to greet the democratically elected President of Haiti.

Mr. Speaker, the time has come that we take strong and decisive action against Fidel Castro's Cuba. I repeat, it is time that we take strong action. I am not a lawyer in this, I am a democrat. I cannot tell this Government what to do. But I am making a plea for strong action against Castro's Cuba.

It is always difficult, Mr. Speaker, I think, for Americans to understand that they truly have stand in a personal way the suffering of people in other countries. But I am from Miami, Mr. Speaker, which is only 90 miles from Castro's Cuba. The brutality of the situation in Cuba is something that we understand every day. We see what happens with the Cuban people when atrocities are perpetrated against their families who are in Cuba. I do not think anyone that hears my voice would want this to happen to any of their families.

So many of our constituents have fled from Castro's prisons. So many of our constituents still have relatives, mothers and fathers, brothers and sisters. I am asking this Congress to think that our government should help the people of Cuba in the time of their greatest need and in the hour of their greatest hope.

There are those who say that we should invest in Cuba and keep closer ties. This is certainly an option but I do not believe it would be effective. I do not think it will work. Foreign investments in Cuba are used to prop up Castro, not improve the lives of the Cuban people. Castro is desperate, as I perceive it, and I get all my information from people in my district. He is very desperate for foreign currency and he will say and do almost anything to get it. He needs that money. But we do not forget that there is no meaningful economic freedom in Cuba.

Workers prevented from organizing labor unions, a basic economic right we have taken for granted. In fact, under Cuban labor laws employees are actually assigned by the government, not hired by employers. And foreign trade is a monopoly reserved for the privileged friends of the regime.

I could go on and on, Mr. Speaker, telling you the way I feel and the way my constituents feel back in Miami. How can we talk about investing in a regime where workers cannot organize, where employees and workers are exploited and people are still imprisoned for speaking their minds?

We believe very strongly in the freedom of speech and freedom of country because we have a democracy. If it is a Communist regime, we cannot control it. Therefore, we must work hard to make Cuba into a democracy.

We have been successful with that. Mr. Speaker, in the world. So we must not break our record with that. He is clinging to power. I think Castro's government is in its death throes, but it is going to need the help of the United States. The Cuban Liberty and Democracy Solidarity Act of 1995 would tighten this embargo against Castro as we did against the corrupt governments of South Africa and Haiti. I believe it will greatly hasten the fall of Castro's dictatorship.

Mr. Speaker, I look forward to the time in the not too distant future when I can greet here in this Capitol the democratically elected President of a free Cuba as I have greeted others, as I have the democratically elected President of a free South Africa and a free Haiti. They all are in the same situation, governed by a dictator. I strongly urge my colleagues to throw their strength behind the Helms-Burton bill. I do not care who developed this bill, Mr. Speaker. I do not care about the argument over who whatever. Whether this is a bipartisan issue or not. But I am saying, everyone who has any sense of humanitarian work should appeal and do whatever they can to help Cuba. So I urge Members to support Cuba. It will someday be free, democratically.

CASTRO'S TYRANNY

Mr. Speaker, Castro's crimes against humanity began at the very beginning of his regime in 1959 with show trials eradicated by Castro, is connected to a crackdown on Castro's government is in its death throes, but it is going to need the help of the United States. The Cuban Liberty and Democracy Solidarity Act of 1995 would tighten this embargo against Castro as we did against the corrupt governments of South Africa and Haiti. I believe it will greatly hasten the fall of Castro's dictatorship.

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The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. Smith] is recognized for 5 minutes.

Mr. Smith of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

But what we have to ask ourselves is to what extent are we going to permit and until when are we going to permit Castro to act with impunity. Mark my words, Mr. Speaker, if President Clinton does not make it clear to Castro that any further attempts at blackmailing the United States will be met inevitably with a total blockade of Cuba, including oil shipments, mark my word we will see in the next hours another attempt by Castro to blackmail President Clinton.

Mr. Speaker, Castro's crimes against humanity began at the very beginning of his regime in 1959 with show trials that seemed, that recalled, the specter of the Romanovs. He and the crimes continue to this day. In addition to the drug trafficking and the money laundering and counterfeiting and all the crimes that Castro is engaged in, there are additional crimes Mr. Speaker, that clearly qualify as crimes against humanity.

Today I received a message from one opponent within Cuba who is not under arrest at this time, and his suggestion is that the United States Government, support the indictment of Castro as a war criminal; in other words, for crimes against humanity in the International Court of Justice in the Hague.
That would be, Mr. Speaker, the clearest way not only to label Castro as what he is, a criminal who engages in crimes against humanity, but there are few things that could give more hope to the Cuban people and hasten the return of democracy than to label the Cuban tyrant as the war criminal that he is. It is necessary, Mr. Speaker, that Castro be told in no uncertain terms that further blackmail against the United States will not be permitted and that a blockade would ensue forthwith if he begins his campaign of blackmail. These four young men who were murdered on Saturday, my personal friends and constituents, will never be forgotten, and their debts cannot be in vain. We cannot permit the Cuban tyrant to now appropriate the Florida Straits for himself and not only continue with a campaign of terror against the Cuban people, but act as though he is also the ruler and the owner of international waters as well.

President Clinton yesterday announced some steps, which we obviously thank him for, but they were woefully, tragically insufficient. He must sanction truly, truly sanction the Cuban dictatorship, by supporting our Helms-Burton bill, which we are going to pass, we are going to pass in Congress in the next days, and by stating clearly that any attempts by Castro to blackmail the United States will inevitably be met with a total unilateral American blockade that will hasten the collapse of the dictatorship and the return of democracy to Cuba.

THese MURDERS WILL NOT STAND

The SPEAKER pro tempore. Under the Speaker’s announced policy of May 12, 1995, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 60 minutes as the designee of the majority leader.

Mr. SCARBOROUGH. Mr. Speaker, I want to thank those members from the Florida delegation, the gentlewoman from Florida [Mrs. MEKK] and of course the gentleman from Florida [Mr. DIAZ-BALART] and the gentlewoman from Florida [Ms. ROS-LEHTINEN] and all the others that have come to this floor today and decided to speak out for freedom and speak out for those very values that were fought for by our Founding Fathers right for over 200 years ago, and now though the war for freedom is being waged right off our shores, less than 90 miles away from the United States of America. All I can say is this:

As Mrs. LINCOLN stated before, we have had Castro send a strong message. It is time for America to send a strong message to Fidel Castro and let him know that this will not be permitted to stand, let him know that we will not allow this senseless slaughter to stand, that we will not allow these murders of Americans to stand, flying in a Cessna airplane, being gunned down by a Soviet MiG.

Now many of Castro’s apologists in this country and across the world are claiming that these Cessnas may have strayed into Cuban airspace. Well, first of all the facts show that clearly to be false. Fishermen saw the smoke rise and that the wreckage fell clearly outside of Cuban airspace. But even if those apologists wanted to apologize for Castro and claim that the wreckage fell within Cuban air space, which it did not, still it was not justifiable to go after accepted standards of international diplomacy and problem and behavior to have Soviet MiG jets gun down unarmed Cessna airplanes that it clearly shows that Castro is a war criminal and should be treated as such.

I am going to be flying down to the area this weekend, and I certainly invite any other members of the Florida delegation to join me, if they wish. As a member of the Committee on National Security and as a member from Florida of the Committee on National Security, I think it is important that we go there, see exactly what happened and see this first-hand, and I am going to be calling for hearings. Hopefully we can get a field hearing in Miami at the site of where these planes took off and have a hearing to see what happened, now it happened, and what we can do not only to make Castro pay for what he has committed, but more importantly, to finally bring down after decades of his tyrannical rule a government that is illegitimate and is the last remaining Communist dictatorship in the Western Hemisphere. The fight is for freedom and the fight is for American lives, and again it is extremely important that we do not let these senseless slaughters stand.

I, like many others, would like to thank the President for stepping forward and taking the first step yesterday by talking about some sanctions, which are not sweeping, which do not go far enough, but I am hopeful that this is merely the President’s first step. I think we need to step forward with a blockade and let Castro know that it will not stand. I think we need to sit back and even have our military leaders consider selective military strikes against military targets, to let them know that we will not stand back idly and let Americans be killed by a hand of a Communist tyrant. I mean, what is the Federal Government’s responsibility in the end?

We have seen an explosion of proliferation coming into Washington, DC, but what do our Founding Fathers in the Constitution say this Federal Government was supposed to do first and foremost? It was to protect our shores and to protect American lives. We have lost American lives now, and the question is are we going to sit back and do nothing, or are we going to re- respond in a manner that will make Castro think twice before he decides to kill, murder, and maim Americans again? I think we have no choice.

The history of Castro, really indeed the history of civilization and mankind, shows that the only way to stop a tyrant from being a tyrant, the only way to stop a bully from being a bully, the only way to stop a murderer from being a murderer is to step forward with strong enough responses to scare them from ever doing it again.

We could go back to the ages of the Roman Empire when Julius Caesar put down a rebellion and he struck back and explained to them why do we not be lenient and let them back in. Julius Caesar said we cannot do it because the order of our society depends on rewarding those who live by the accepted norms in our society and by punishing those that live outside the accepted norms in our society.

But we do not have to go back to the times of the Roman Empire, the times of Julius Caesar, to see how this plays out. All we have to do is go back to 1984. Do you remember leading up to this, when Muammar Qaddafi went around and took credit for every single act of terrorism across the Mideast and across the world, in fact? And he took credit for it and he claimed that he was striking back against Americans. Fidel Castro did the same thing. Qaddafi’s airplanes were blown up and killed in West Germany, and at that point President Ronald Reagan had enough, and he said that it was our responsibility to protect the lives of Americans wherever they were, either at home or abroad, and he went ahead and issued orders for a selective military strike against one of Qaddafi’s military bases. The strike was successful. The military base was destroyed. And an interesting thing happened, did it not? The next time there was an attack in the Middle East, guess who the first leader was to step out and say he had nothing to do with it? It was Qaddafi, because we taught him a very simple lesson, and that lesson was that we were not going to stand for the slaughter of innocent Americans’ lives.

That is the same message that I am pleading with President Clinton that he will send to Fidel Castro from the White House, it makes the United Nations made a pitiful gesture, hardly even condemning these senseless slaughters. Not having the courage to step forward and call a war criminal a war criminal, they merely provided some words. But let me tell you something, Mr. Speaker, Fidel Castro understands that we are merely inviting another attack.

As the gentleman from Florida [Mr. DIAZ-BALART] mentioned, Castro felt...
he needed to make an example, extract some blood, end some lives, to help extend his own dictatorship in a country that he has run into the ground.

Communism does not work, it did not work for the Soviet Union, it did not work for Eastern Europe, and it has not worked for Fidel Castro. But unlike the Soviet Union, Castro on his tiny island has been able to continue to beat back the will of free-thinking Cubans. This past weekend he took it upon himself to murder four Americans, to murder leaders just how little he feared us. It is time we put the fear of God in Fidel Castro and let him know that this will not stand, and when we hold field hearings, hopefully in Miami in the coming months on this act, and hopefully when we hold hearings up in Washington, DC, we will come up with a clear set of objectives and a clear plan, a clear prescription to rid the Western Hemisphere of this disease we call communism. I want to put it to him and let him know that even if this administration is not going to take the steps required to bring Castro to his knees to pay for these murders, that we in Congress have come up with a plan that the next administration who comes to Washington can pick up and carry through.

These murders will not stand, and they will not stand because the first responsibility of this Federal Government under the Constitution given to us 220 years ago was to protect and defend the States of the United States of America, and we will be promoting freedom and we will be doing what our Founding Fathers wanted us to do with the most noble tradition of Thomas Jefferson, George Washington, and all our other Founding Fathers.

When I was back this weekend I held town hall meetings. Not only were they talking about the need to expand freedom in Cuba and across the globe, many were talking about the need to expand freedom in our own country, in our own backyard. The fight is over for the United States to conquer the world. We are the lone superpower. Now it is time, though, for us to take care of our own backyard, to take care of Castro, and to turn our attention inward and look at some of the problems we are facing in America.

In town hall meetings across northwest Florida, I had so many people come up and tell me to stay the course, to fight for the things you fought for in the 1994 election, to fight for freedom, to fight for personal responsibility, to fight for less government, to fight for less taxes, to fight for less regulation, and to fight for more freedom. That is what we promised to do in 1994 and that is what we have done for the past year.

We lived by a very simple creed. That creed was one that our Founding Fathers told us we were empowered to do in the Constitution. During my campaign and during the campaign of many other conservative Republicans who were elected to this institution in 1994, we talked about Madison and Jefferson and the Constitution. We quoted James Madison, one of the three framers of the Constitution, and talked about the need for a Federal Government and to empower communities and empower families and individuals.

James Madison, who was one of the three framers of the Constitution, said that when we have staked the entire future of the American civilization not upon the power of government, but upon the capacity of each of us to govern ourselves, to control ourselves, and to defend ourselves according to the Ten Commandments of God. That was about freedom. That is what they were fighting about at Lexington, the freedom to get away from a highly centralized, tyrannical dictatorship in England under King George III, the same type of centralized government that we have had and that we see across other parts of the world, in China.

We also talked about Jeffersonian ideals. It was Jefferson who said, "The government that governs least governs best." People respond to that. That is what the electoral revolution of 1994 was about. It was about freedom, freedom to go to work and to make wages and work hard to live the American dream and bring those wages home; and possibly, our thinking for many Americans who are in a bind, possible the chance of starting your own business without interference from Washington, DC, and without interference from your State capital. It is about freedom.

Jefferson, he was not saying the government who governs least governs best because he was antigovernment. That is an important distinction to point out after the tragedies that occurred in Oklahoma City. Jefferson believed in the power of government, but he believed in the power of government and he believed that the most noble thing, the most noble pursuit any government could pursue was the protection of God-given freedoms. That is what the Constitution says, that is what the Declaration of Independence says, and that is what they put into practice in the Bill of Rights.

Many of you, I am sure, have heard presidential candidates talking about years in an amendment. Let me tell you something; of all the amendments we have, the 10th amendment tells us what we should do as a Federal Government more than any other amendment. Again, this is what we campaigned on. The 10th amendment says, "All powers not specifically given to the Federal Government are reserved to the States and reserved to the citizens." Is it not great that in our Constitution, unlike the Soviet Constitution that the Soviets created, many years, that we believed that the authority came from God to the individual. The Soviets believed powers came from the State to the individual, so when the Founders made the two Constitutions, these God-given rights, according to our Founding Fathers, and I am not being a religious extremist here, I am not being a fanatic—I can mention the word God in this Chamber because I am merely quoting what the Founding Fathers said—these God-given rights came from God above to the individual. The Soviets, because it came from the State to the individual, felt like they could take out those rights at any time.

Because of that, when we came to Congress, as freshmen, felt firmly committed to those things we campaigned on, to get the power out of Washington, DC, to get the money out of Washington, DC, to get the bureaucracy out of Washington, DC, and send the money and the power and the authority back to the States, because the Federal Government grew way beyond what our Founding Fathers ever envisioned it would grow.

The first thing we talked about was tax reform. We talked about the need for tax reform. We talked about the need to get the Federal Government out of our pockets. It was very interesting. If you stay in Washington, DC, inside the Beltway long enough, a funny thing starts happening. Your brain gets clouded. You get a brain cloud. It is hard to recognize what reality is.

I will tell you what; back home at my town hall meetings, I found out what reality was. I found out when a young, single father earning less than $30,000 a year, said,

"You know, it is difficult, because they are painting this as tax cuts for the rich and they are saying that we are trying to help out wealthy people." He said,

You have got to stay the course. I am working over 50 hours a week. I have two children. I cannot afford health insurance. I cannot afford to put any money aside for my children's education fund. I cannot afford to pay my bills. And it is because before I get the tax cut, I get the tax cut I am sending 25 percent of it to Washington, DC. You have got to do something to help.

So I started doing a little bit of research. I found out something that was actually shocking, and went completely against the grain of what the most liberal Members of Congress and the most liberal members of the administration have been telling the American people for the past year. I found out that these so-called tax cuts for the rich and for the wealthy did not actually go to the rich and for the wealthy. CBO scored it this way, that 89 percent of the tax relief that we have put on the table goes to working-
class families making less than $75,000. Let me say that again. It is easy to blur the distinctions when you hear somebody get up and yell, They are giving tax cuts for the rich. Our tax relief plan, which will help start a process with respect to that. We are doing for the blue-collar families from Federal Government enslavement, our plan allows working class families earning under $75,000 to get tax relief. Eighty-nine percent of the tax relief in our plan goes to working class families. We have to know that that back down. We cannot be cowed by demagoguery. We have to stay the course.

Mr. Speaker, let us talk about the impact on American families. It is important to recognize that even under our plan that people said cut taxes too much, that even under our plan revenue to the Federal Government in the next several years is going to be increasing by 37 percent. Yet we have the administrations that say we are cutting taxes. Members in this body say we are cutting taxes too much.

We are not cutting taxes too much. The working-class families making less than $75,000 who are getting 90 percent of this tax relief are going to be paying 37 percent more taxes to the Federal Government over the next 7 years. That ain't a tax cut, folks. That is not radical. That is providing real relief to working class families.

Again, we talked about it when we talked about what Castro was doing in Cuba, squashing freedoms; to a much lesser degree, that is what this Federal Government has been doing. It has been moving towards a centralized Federal Government that is trying to take freedom away. Our tax relief plan helps free working class families from the crushing tax burden.

It is also important to recognize that the average middle-class American is going to work 50 percent of their time to pay off taxes, fees, and regulations imposed on them by the Federal, State and local governments. That means that you work from January 1 to June 30 for the Federal Government. You do not get a cent. When you go to work on Monday, you are working for the Federal Government. Go to work on Tuesday, you are working to pay taxes to the Federal Government. When you go to work on Wednesday, you work until lunch, half of your week, paying taxes, fees, and regulations to the government. Let me tell you something, that is not the vision that our Founding Fathers had when they set up this constitutional Republic over 200 years ago. I want to go on and talk about that, what premeditation, decided to knock down planes, shoot down planes and kill the Americans who were murdered this past weekend are every bit as important because you talk about the Cuban people, have got to be scared. So Castro does that very, very well.

The Rescue flight, and notice what he appears all of a sudden in Cuba. February 24. So Castro then says, I have got one of these pilots from Brothers To The Rescue and they are a terrorist group. So this spy have been planted here in the United States to infiltrate Brothers To The Rescue mission there, and on Friday all of a sudden he disappeared. He had gotten married, by the way, in Miami and had some family there. He disappeared. His family did not know where he was. And he appears all of a sudden in Cuba.

So Castro says, I have got one of these pilots from Brothers To The Rescue and they are a terrorist group. So this spy have been planted here in the United States to infiltrate Brothers To The Rescue, and notice what premeditation existed with regard to this murder. Castro knew that on Saturday, February 24, a gentleman who had defected from the Cuban Air Force less than 2 years ago, and he had gone into the base at Guantanamo, he said he was a defector, he had volunteered these men he was in Miami at the Brothers To The Rescue mission there, and on Friday all of a sudden he disappeared. He had gotten married, by the way, in Miami and had some family there. He disappeared. His family did not know where he was. And he appears all of a sudden in Cuba.

As I mentioned before, she was taken to a hospital for surgery. I mean, that is really Orwellian.

If ever there is an example of something that is from 1984, The Brave New World, the horrible novels about the future that we got in the aftermath of these novels. If I can act with impunity against Americans that he holds you, the Cuban people, have got to be scared. So Castro does that very, very purposefully.

Mr. SCARBOROUGH. Reclaiming my time, Mr. Speaker. There is a little more to this story. The fact that it is important because you talk about these flights and, again, I have heard apologists for Castro, the same people who so warmly embraced him back in
October, basically claiming he was a hero when in fact he is the Western Hemisphere’s own version of a little Stalin, these same people are now apologizing for Castro, suggesting that the murders occurred in Cuban airspace.

I want to just bring up briefly and have you discuss this excellent Miami Herald article where we actually had a fisherman say that the murders occurred well within international air space. Can you talk about that for a second? Because this is what I hear on talk radio. When I call in, people are saying, well, but did they strays into the Cuban Air space? Would you mind addressing that?

Mr. DIAZ-BALART. That is such an important issue because, No. 1, obviously even if they had, international law is clear. You do not shoot down unarmed civilian aircraft if they happen to stray over the territory of a country. We do not even shoot down drug dealers when international law does not permit you to shoot down a drug dealer unless that drug dealer is shooting at you or threatening by flying over the land that the drug dealer is flying over.

If you fly the drug dealer, you tell the authorities where they are flying to. So they are reported, but you do not shoot down even criminals, much less unarmed American citizens on a humanitarian mission, over 1,800 flight hours, no blood, no flames, never have they carried even a handgun.

Mr. SCARBOROUGH. An unarmed fisherman says after he got back to the convenience store and a 6-year-old saw the planes being shot down. He says in your mind, this fisherman, Mr. Reilly, says after he got back to the United States, because he did not realize what he had seen, he thought it was shooting practice, because he says, in your mind, this fisherman, you are going to shoot something down with people in it. And then he says the boat was at least 25 miles off Cuba. “I know exactly where we were. It was definitely no doubt in international waters.”

The Florida air space, without having to shoot them down and certainly had the ability to shoot them down. On that score, there is no question but that the act itself was extremely ruthless, and appropriate action and response should be undertaken.

I would immediately say that the actions taken by the State Department and by the President of the United States were appropriate for that time, but they certainly need to stay in consultation with those of us who especially in trying to eradicate this dictator.

Mr. SCARBOROUGH. Reclaiming my time just for 1 minute, I would ask you as a judge, I want to ask you a question. If you had somebody that owned a convenience store and a 6-year-old came in and picked up a pack of gum and started walking out that door, and that convenience store owner had the ability to go over and take the gum out of that child’s hand but instead shot him dead with an assault rifle, as a judge, would you say, well, this is a thief? Even again, I am saying even if they were in Cuban air space, and this shows clearly that they were not, what would you do as a judge?

Mr. HASTINGS of Florida. Mr. SCARBOROUGH, I would certainly not condone the overreaction or the overt action on your analog. But putting this in its proper context, there are international laws that countries that are decent observe. This was an indecent act, and that is putting it mildly.

I really appreciate an opportunity to intervene in this special order, but I just wanted to have it clearly understood, I will have more to say in the appropriate stages, but I did want it understood, certainly by my colleagues, what I am coming.

Mr. SCARBOROUGH. I thank the gentleman and yield back to the gentleman from Florida.

Mr. DIAZ-BALART. At least 20 miles away. At least 8 or 10 miles out of the international line. The boat was at least, the fisherman says that the boat was at least 20 miles off Cuba when he saw the planes being shot down. He says in your mind, this fisherman, Mr. Reilly, says after he got back to the United States, because he did not realize what he had seen, he thought it was shooting practice, because he says, in your mind, this fisherman, you are going to shoot something down with people in it. And then he says the boat was at least 25 miles off Cuba. “I know exactly where we were. It was definitely no doubt in international waters.”

So we have actually eyewitnesses, as also people on a cruise ship saw it from a little more distance; Definitely in international waters.

Mr. SCARBOROUGH. If you could yield just for 1 second, you know, I, by hearing this account, and it is a harrowing account, thinking about a Cessna plane flying and a jet firing these missiles at him, at a Cessna. I am reminded of a common strain that runs through the characteristics of most tyrants, people like Hitler and Stalin and Castro. They are complete and utter cowards, putting a jet up against a Cessna plane flying and a jet firing these missiles at him, at a Cessna. I am reminded of a common strain that runs through the characteristics of most tyrants, people like Hitler and Stalin and Castro. They are complete and utter cowards, putting a jet up against a Cessna plane.

Mr. DIAZ-BALART. Unarmed. Mr. SCARBOROUGH. An unarmed Cessna plane, knowing it is unarmed, knowing the people inside are freedom fighters, knowing that they have committed no acts of violence against Cuba, knowing that they can do nothing to strike back and, unfortunately, calculating that America’s response is going to be weak and tepid. And I think that is where hopefully we can come in as a Congress and urge the President of the United States to do what his duty is and send a strong, strong message to Castro, letting him know that it will not stand.

Mr. HASTINGS of Florida. Mr. Speaker, will the gentleman yield?

Mr. SCARBOROUGH. Yes, I yield to the gentleman from Florida.

Mr. HASTINGS of Florida. Mr. Speaker, I appreciate so very much the gentleman yielding and I appreciate my colleague from Florida and his leadership, as well as the leadership of the gentleman from Florida (Ms. Ros-Lehtinen) and the gentleman from Florida (Mr. Hastings) in this regard. I have just arrived and have not had an opportunity to come to the floor, but I want to make it very clear that I support the action as offered by Lincoln Diaz-Balart and Ileana Ros-Lehtinen and denounce totally the shooting down of unarmed airplanes in either Cuban waters or international waters.

The issue I have heard this argument made about the planes, where they were shot down. I would hate like the dickens to feel that an unarmed airplane coming into the United States with no obvious military mission would be shot down. We have forced planes down from Cuba on Florida air space, without having to shoot them down and certainly had the ability to shoot them down. On that score, there is no question but that the act itself was extremely ruthless, and appropriate action and response should be undertaken.

I would immediately say that the actions taken by the State Department and by the President of the United States were appropriate for that time, but they certainly need to stay in consultation with those of us who especially Lincoln Diaz-Balart and Ileana Ros-Lehtinen, who have a clear understanding of the dynamics that are involved in trying to eradicate this dictator.
President is because these murdered Americans were of Cuban descent, does that not make them American? Are they not, do they not merit to be called American citizens? One of them, my good friend Armando Alejandre, he was a war hero. He went to Vietnam, two tours of duty in Vietnam. Is he not an American? The other two Americans born in the United States, are they not Americans for the President? Why did he not even mention once the fact that these airplanes were American? The airlines in international waters with Americans murdered within them? That was really insulting that not once did the President even choose to call them Americans.

Now, Castro acted with premeditation. The fact that he had, he withdrew the spy that he had planted in Brothers to the Rescue, and to showcase him with lies in Cuba the same day of the downing of the airplanes and the murder of American citizens, that shows the premeditation, the level of premeditation by Castro.

One former military officer who has visited Cuba recently was asked by a high-ranking general in the Cuban Government, would the Clinton administration do if we shot down one of those Brothers to the Rescue airplanes? And he reported back to Warren Christopher.

Mr. SCARBOROUGH. Can you repeat that again? When did that happen?

Mr. DIAZ-BALART. About 4 weeks ago.

Mr. SCARBOROUGH. That is shocking.

Mr. DIAZ-BALART. About 4 weeks ago.

Mr. SCARBOROUGH. They asked what would happen?

Mr. DIAZ-BALART. A delegation of former military people who advocate getting along with Castro, you know, it is a very small group of left-wing former military people that are always advocating for better relations with North Korea, with China, and of course they are advocating for better relations with Castro, they went to Cuba to see the nuclear power plant that Castro is building down there and to meet with the Cuban officials and General del Todo, one of the high-ranking thugs around Castro, asked former Admiral Carroll what would the United States do if we shot down a Brothers to the Rescue plane?

And Carroll came back, and he told Warren Christopher that, so notice how Castro has been planning this for weeks, if not months.

Obviously, what he said the other day, that he is not able to the Cuban people, as I stated before, is if I can kill Americans with impunity, imagine what I can do to you, and the message to the Clinton administration is obviously clear, no respect, and you know he is laughing at the lack of response of the Clinton administration.

But, as you said, if the administration will not protect American lives, we, in Congress, will. We will pass our sanctions bill. We will not permit the murder of these U.S. citizens go unpunished, and I truly believe that the President’s measures were woefully insufficient.

I recommended to him before he announced his insufficient measures yesterday that he announce that any further blackmail by Castro, like the immigration crisis by Castro, like the immigration crisis of 1994, will be met inevitably and immediately by an American embargo of Castro, including oil shipments, and mark my words, that blackmail is coming unless President Clinton can change right now his course of action and convey clearly to Castro that he will face a blockade if he threatens the United States once again.

He believes, Castro believes, that he can once again terrorize President Clinton with blackmail. We, we here in Congress, must pass our sanction bill, as well. I hope that we can get the support of the President. He is moving in our direction but still has not supported the House version, which is the firm version of the Helms-Burton bill, and as I stated before, and I recommended to him before, from a pro-democracy group today, that the United States must seek the indictment of Castro for crimes against humanity in the international court of justice in The Hague.

There are clearly crimes committed in the recent past by Castro, even though his crimes began with the show trials and the firing squads in 1959, but clearly the use of electroshock torture on political dissidents like Nujenio Lesosa, who has been here in Congress with my dear friend, the gentlewoman from Florida [Ms. ROS-LEHTINEN], and today right now, Colonel Enrique Labrada, who has held a pro-democracy demonstration in October or November of last year, is receiving electroshock torture. Colonel Labrada is still in this day receiving electroshock torture.

The murder of unarmed men, women, and children, like in the tugboat that was sunk on July 13, 1994, over 20, over 40 men, women, and children, mostly children, upon the direct order of Castro, that is a crime against humanity. The gentlewoman from Florida [Ms. ROS-LEHTINEN] and I here have received reports of a 10-year-old boy who came with his parents in a small boat and told us how helicopters, it was at night; they were saved by the fact that it was nighttime, were dropping these large sandbags on the raft to sink the raft. A 10-year-old boy told us how he managed to survive that. Of course, the February 24, 1996, murder of American citizens in international waters, those are crimes against humanity that must be punished.

I know President Clinton wish he did not have to confront the Cuba problem. He obviously could like not to have to. But he has to protect, he is constitutionally required to protect, the lives of American citizens. It is his constitutional duty.

We have got this court of justice in The Hague as part of the U.N. structure. We pay a lot of U.S. taxpayer dollars to maintain it. I think it is the appropriate forum to discuss these crimes against humanity, even if we do not go in and arrest them, and I think we should. But even if we do not go in and arrest them, there can be few things that would give more hope and hasten the liberation of Cuba than to label through the indictment in the international court of justice, Castro as the war criminal that he is.

Mr. SCARBOROUGH. Reclaiming my time, I want to recognize another Member from the Miami area in a moment. But let me just say, adding to what you said, you talked about this meeting with Christopher that the information that got to Warren Christopher that they asked what would happen if we went ahead and blew up some of those planes, obviously the response was tepid, and let us go back through our history not only with Castro but, again, American history.

What happened when we blow up the Cuban airplane when North Korea asked what would happen if we invaded South Korea. Harry Truman at the time gave a tepid response, and as a result of it, we had the war that cost tens of thousands of American lives.

We are making the same mistake in China right now. We continue to bow down to Communist oppression in China, and we have done the same thing in Cuba over the past 35 years. So it is no wonder that Castro feels emboldened. I mean, the guy has learned over the years that you can kick America and they are not going to kick back. It goes all the way back to the Bay of Pigs, when America did not fulfill the duty that it was supposed to fulfill, to go in and liberate Cuba then and to bring freedom to the islands, and it has fast-forwarded to a few months ago when they asked what happened we blow up Cuban planes.

I do not want to point fingers, but let us get back to what you said. What would somebody say in the Clinton administration if somebody from us say, Bulgaria said, listen, if some people from Kansas are flying across the Atlantic Ocean and we decided to take them out, what is your response going to be? Do you think that they would have a tepid response to that? No. They would say, we are going into the Andamanda that this is somehow an arm of some militant revolutionary guard. It is Americans who have fought for the American cause in wars, like you said, in Vietnam. They are Americans in America who are fighting for a very American cause of freedom.

Bill Clinton’s administration, I am not pointing directly at Bill Clinton on this one, but the administration has a tepid response, and because of it four Americans are dead today, that we, as a country, should have protected, and now it is our duty to step forward as a Congress and do that.
I yield to the gentlewoman from Florida [Ms. ROS-LEHTINEN].

Ms. ROS-LEHTINEN. I congratulate our colleague from Florida [Mr. SCARBOROUGH] for taking the opportunity to discuss what we believe is an important subject of great significance—solutions that could very well change the nature of relations between our countries, and we hope that they change in the way that will help bring about democracy, freedom, and justice to the enslaved people of Cuba, who have been under the yoke of communism and godless communism for over 35 years.

We have been talking, and the gentleman from Florida [Mr. DIAZ-BALART], with his many years of experience in this, was talking about the crackdown on incidents, the human rights violations. We know that if you are a person who wants to practice your faith, no matter what faith that is, if you are in Castro's Cuba, you are unable to practice your faith, you are unable to worship your God in the way that the only God that is allowed to be worshiped in Cuba is Fidel Castro, and I think that that positive change is going to come about.

The gentleman from Florida [Mr. DIAZ-BALART] has been talking about the change that could be possible in Cuba without Castro, but certainly with Castro there, those changes are going to be very difficult to bring about. Mr. Speaker, why don't we see this as a very sad opportunity, but also as an opportunity nonetheless, to bring further sanctions, and on this we have a very strong bipartisan support, especially in our Florida delegation, whether it is the gentleman from Florida [Mr. HASTINGS], who has always been in favor of freedom and democracy for the enslaved people of Cuba, whether it is our colleague, the gentlewoman from Florida [Mrs. MEKK], who is always there with us, the gentleman from Florida [Mr. GONZALEZ], who has been in a leadership position for us, the gentlewoman from Florida [Ms. BROWN], in fact, if I say all of the names, we will be here for a long time because we have many wonderful colleagues on both sides of the aisle who know and understand the suffering of the Cuban people.

But I wanted to have the gentleman from Florida [Mr. DIAZ-BALART] take this opportunity, if I could, to explain to the American public what has been going on with the nuclear powerplant in Cuba and also to talk a little bit about the lords intelligence facility, which has not been discussed at length, which is also a very important element of our United States-Cuba relations and the Soviet Union, the new Soviet Republics are very much tied in.

The gentleman from Florida [Mr. DIAZ-BALART], what would you say, what is your opinion on those who say that daydreaming what has been going on with the North Korea type of solution to the unsafe, dangerous unsafe nuclear powerplant in Cienfuegos, Cuba, those who say we should go in there and help Castro build the best darn nuclear powerplant that we can get?

Mr. DIAZ-BALART. God save us, God save us, Congresswoman ROS-LEHTINEN, from a North Korea solution for Castro. The reality of the matter is that when the word they were heard North Korea was building some nuclear powerplants, maybe they could use some of that nuclear power for transformation into nuclear weapons. They went in and offered $5 billion to build a reactor for the North Koreans the nuclear powerplants with the promise that in 5 years we can go and inspect. Now, God save us from that solution for Castro, because if Castro has been able to, as he has, blackmail the United States with refugees, because that is what he does, he has already begun, we will see in the next hours, Mr. Speaker, we will see in the next hours, I am very confident that the next hour we will see again some more blackmail using refugees because it works for Castro.

The last time he did it, he got Clinton to sit down with him, and he no longer has the Soviet Union that protects him, because the Soviet Union has had a hand in the end of the missile crisis in 1962 where the United States committed not only to not permit an invasion, to permit anybody to do anything against Castro from anywhere in the hemisphere. It has been comfortable for Castro to rant and rave against the United States since 1962 with the United States as bodyguard. There is no Soviet Union now. The Soviet Union collapsed in 1991, and Bill Clinton got elected in 1992. Castro no longer has the shield of the agreement with the Soviet Union, because there is no Soviet Union, but he managed to get Bill Clinton to sit down at the table and work out a so-called immigration agreement with him, which is a sword, in effect, over the head of Castro because it can be withdrawn at any time, the agreement, and now with sanctions that have to come because the President has a constitutional obligation to protect American citizens, with Castro I have no doubt he will start trying to wield that sword up again, shake that sword again, I will send you refugees. Tyrants cannot be appeased.

Ms. ROS-LEHTINEN. Another thing, if I could, a naval blockade which would enable no supplies to get to Castro, if you could explain how that would work.

Mr. DIAZ-BALART. With regard to your earlier point, which is so important, though, imagine Castro with refugees has been able to blackmail the United States, it is laughable, but it happened with refugees, he has been able to blackmail the United States, and imagine with a nuclear powerplant. That is an accident in the making, because Castro can say, you know, just like he says, what are Castro's codewords for every time he threatens Clinton with an immigration crisis, “I cannot control my borders.” Well, imagine, “I cannot control my safety of my nuclear powerplant,” imagine that. And that is now, that is something that could affect the lives of people in half of this hemisphere if he creates an incident with a nuclear powerplant. So we cannot, because of national security concerns, permit a nuclear powerplant to be built in Cuba during the dictatorship of this madman.

I think what we need to do sooner or later, I am convinced it is going to come anyway, I mean even Neville Chamberlain had to confront the tyrant Hitler. If there is anybody in the history of the 20th century that did not want to have to confront the tyrant Hitler, it was Mr. Neville Chamberlain. I have here “Peace for a Generation,” remember that, Neville Chamberlain, when he came back from Munich, Mr. Duvalier, the Prime Minister of France, if there had ever been a pair of blackmail hopefuls in the history of the 20th century, it did not want to have to challenge Hitler, it was Duvalier and Chamberlain. Even they had to challenge the tyrant Hitler, and the reality of the matter is that President Clinton, whether he likes it or not, unless he does not respect him, and the other day he already called Warren Christopher a cynical lier. I do not think anybody called Warren Christopher that, he is such a diplomat. Castro called him a cynical lier. He is going to continue calling Warren Christopher and Clinton and everyone else names. We have a report of what he called President Clinton. He said his knees shake, that is what he called President Clinton, his knees shake and he has no backbone. That is his description in public of President Clinton. Sooner or later, since he does not respect President Clinton, he is going to continue to blackmail and continue to blackmail and continue to blackmail, and sooner or later the American Government is going to have to help the Cuban people free themselves of that tyrant, then the Cuban Republic will be among the best friends, as traditionally they were, of the American people and American Government, the Cuban Republic, however, independent, free, sovereign, and democratic.

Ms. ROS-LEHTINEN. I am optimistic that day is around the corner, and with the help of all the countries joining together, we will make that dream of freedom a reality for the enslaved people of Cuba.

Mr. SCARBOROUGH. I thank both of you.

Again, we are going to be going down there this Friday, and I am looking forward to input from all the Florida delegation and also those who have suffered under Castro as we try to move the Committee on National Security, our Committee on International Relations, hopefully, field hearings down in Miami, down where the incident occurred, to see what happened and to come up with a strategy to make sure
that such a disaster never happens again. We have no other choice. We must stand up to Castro. We must protect American lives, and we will do that.

Freedom will come to Cuba, and we will win that fight because we have no other choice. We are Americans.

☐ 1700

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Duncan). Pursuant to clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which the motion was entertained.

Votes will be taken in the following order: H. R. 2196, de novo; and S. 1494, de novo.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

NATIONAL TECHNOLOGY TRANSFER AND ADVANCEMENT ACT OF 1995

The SPEAKER pro tempore. The pending business is on the question de novo of suspending the rules and concurring in the Senate amendments to the bill, H. R. 2196.

The Clerk read the title of the bill.

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 concur in the Senate amendments to the bill, H. R. 2196.

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.

HOUSING OPPORTUNITY PROGRAM EXTENSION ACT OF 1996

The SPEAKER pro tempore. The pending business is on the question de novo of suspending the rules and passing the Senate bill, S. 1494, 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. LaZio] that the House suspend the rules and pass the Senate bill, S. 1494, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. Waters] is recognized for 5 minutes.

[Ms. Waters addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

ENVIRONMENTAL PROTECTION STILL VERY MUCH ON THE MINDS OF THE AMERICAN PEOPLE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. Pallone], is recognized for 60 minutes as the designee of the minority leader.

Mr. Pallone. Mr. Speaker, I am not sure that I will use the entire time, but I did want to seek recognition today to talk about environmental concerns, and particularly to point out some of the results of a hearing that our Democratic Task Force held yesterday on February 26. We had a full, I guess, 2 or 3 hours of hearings. We heard from not only the Secretary of the Interior, Mr. Babbitt; the EPA Administrator, Ms. Browner; and also General Attorney Schiffer, but also from a distinguished panel of citizens from around the country who are concerned about environmental protection.

The reason for the task force existence and the reason for the hearing yesterday was because of our concern, Democrats' concern, that the Republican leadership in the House of Representatives has essentially used 1995, our previous year, in order to try to turn back the clock on 25 years of environmental protection in the United States.

For more than a quarter of a century, there has been a consensus, a bipartisan consensus in Congress, as well as with the President, largely with Democratic Congresses and mostly with Republican Presidents, or sometimes Democratic Presidents, but in any case on a bipartisan basis for 25 years this Congress has tried to protect the environment, improve the laws, improve enforcement, improve inspections, so that polluters, whether they be polluters of the air, the water, or our natural resources, would have to stop their efforts to continue the degradation of the environment, and if they did not, they would be penalized severely, hopefully, for their activities that were detrimental to the environment.

In fact, in many ways we can hark back to the days in the 1970's, in the early 1970's, when the Environmental Protection Agency was created under then President Richard Nixon. It was a Democratic Congress, but a Republican President in 1970 who created the Environmental Protection Agency. In fact, the East, largely, was nationalized back in 1970. President Nixon and the Republicans in Congress were very supportive of the efforts to move forward on environmental protection.

But this 25-year consensus, this 25 years, if you will, prior to 1995, when every year stronger environmental protection laws were passed and money was made available for enforcement and inspections for our environmental laws, all of a sudden the consensus was broken and we saw the effort on the part of Speaker Gingrich and the House Republican leadership to roll back environmental protection. And whether it was through authorizing bills or cutbacks, if you will, for these various environmental agencies, all of a sudden there was an effort by the Republican leadership to change this 25-year consensus.

The reason for that I believe very strongly is because of special interests. In other words, corporate interests, the polluters, if you will, were very much behind the Republican leadership in saying look, the time has come to turn back the clock and we expect you to come down to Washington and help us do it easier, make it less stringent, with regard to pollution, and less stringent regulations and less money available for these agencies to do their work was essentially the order of the day.

I feel that it is an obligation, not only of the Democrats but also of moderate Republicans who support the environmental protection agenda, to point out what is happening and how extremist this Republican leadership agenda is that seeks to essentially turn back the clock on environmental protection, because we know that the American people consistently support strong environmental laws and strong enforcement of those environmental laws. In fact, a survey was recently done, which I would like to point to, by American Viewpoint. It pointed out that by greater than a 21 margin, voters have more confidence in the Democratic party to protect the environment, while 72 percent of the Democrats do trust their party to protect the environment.

So the bottom line is that environmental protection is very much still in the forefront of the minds of the American people. They did not elect a Congress in 1994, whether it be under the Republican majority or Democrats in the minority, they did not elect a Congress with the idea that the leadership of the Congress was going to come down here and try to turn back the clock on what is happening in environmental protection.

What I think has been happening though is that in 1995, while this effort was going on on the part of Speaker Gingrich and the Republican leadership, more and more they began to believe that the public, particularly toward the end of the year, that this was not a popular agenda, that destroying environmental laws and turning back the clock was not something
the public was responding to in a favorable way. What we see now is an effort in some ways by the Republican leadership to suggest to their Members that perhaps they should go slow on this agenda, or maybe they should vote for the agenda they want to see, but not give the impression back at home that is what they are doing.

A memo was put out in fact to the Republican membership by one of my colleagues, the gentleman from Texas [Mr. DeLay], suggesting certain action items like tree planting. He suggests that Republicans should sponsor tree planting programs. The following suggests that Republicans should participate in ongoing tree planting programs that would provide Members with earned media opportunities.

He also suggests that perhaps they get involved in local schools and meet with students to talk about recycling or that perhaps they give out conservation awards. He talks about the Teddy Roosevelt Conservation Award, because as you know, President Teddy Roosevelt was known very much as an environmentalist and was a Republican. It says in the memo, using his name, consider establishing a yearly Teddy Roosevelt Conservation Award for someone in your district whose achievements exemplify President Roosevelt’s concern about the environment. He goes on to suggest that perhaps the Republican Members could go door-to-door and hand out tree saplings or get involved in park cleanups or be active in their local zoo.

I am not saying any of these things are bad. I think it is great. I think it is an attempt to say, you know, let’s clean up the local park and certainly good to recognize students or seniors in the community that are involved in conservation efforts and give out the Teddy Roosevelt Award. I greatly admire President Roosevelt.

Again, it points out that historically conservationism, environmentalism, has been bipartisan. But I would venture to suggest that the suggestions of the gentleman from Texas [Mr. DeLay], here he is talking, actually, is in an effort to try to give the impression that Republican Members when they are in their districts are environmentalists or conservationists, but then they come back here and vote very much the other way. They vote for measures that break down environmental protection, that turn the clock back on the environmental protection that we have had for 25 years on a bipartisan basis.

All of us that more efficient Government. I would venture to say that every Member of this House of Representatives would like to see the deficit reduced and like to see a balanced budget, or almost every Member, certainly both Republicans. Certainly I share that point of view. But I do not believe that in an effort to tighten the budget belt, if you will, or an effort to reduce the deficit and eliminate the deficit and balance the budget, that you have to sacrifice environmental protection. I would venture to say that environmental protection more than any other issue, and EPA and the agencies and programs involved in environmental protection, the work that EPA is doing, we have suffered severely by the Republican budget cuts or Republican budget suggestions. And if you look at the continuing resolution, the stopgap spending bill that we are now operating under, at least until March 15, you will notice that environmental protection, those agencies, those programs involved in environmental protection, are cut much more severely than almost any other agency or any other Federal program, again part of the effort to turn back the environmental protection, if not through outright repeal of our laws, then certainly by cutting back on the amount of personnel or the money that is available to the agencies to do investigations, to do enforcement, to bring the polluters to justice, so-to-speak, and penalize them.

As you all know, if you have laws on the books that are very stringent in terms of protecting the environment, it does not do much good if you do not have personnel and check on the polluters, bring them to justice, if you do not have the enforcement and investigation. There is almost no point in having the laws on the books at all.

What I wanted to do in some of the time that I have allotted to me, I wanted to at least initially give some idea in my home State of New Jersey of the impact of the Republican budget cuts. Then, if I could, I will go through some of the data that was provided by some of the speakers at our task force hearings on Monday that indicates exactly how these Republican budget cuts are impacting various environmental agencies.

As far as my home State of New Jersey is concerned, one of the major concerns is the Superfund program. The Superfund program is the national hazardous waste cleanup program. My home State of New Jersey has 107 active Superfund sites, which is more than any other State. Twelve sites have been slated for significant new construction, in other words, remedial and major removal actions will be shut down by the budget cuts that have been proposed.

I am not going to get into all the list of the sites. I would like to submit the list of the Recomp scope line that is that we have at least 12 sites that would see no remedial action, no restoration at all, even though they are on the national priority list.

There are 30 other sites in New Jersey with ongoing work that will experience shutdowns or slowdowns as a result of the budget cuts, with various impacts. So for these other 30, all the work will not stop completely but it will be significantly slowed down. For example, at the Montclair, Glen Ridge, West Orange radium site, the EPA will have to stop cleaning up radium contaminated soil in a residential neighborhood. In disposal sites, buried waste containers would continue to leak contaminants into groundwater. In addition, 34 sites where responsible parties are performing cleanups could be stopped if the region is not provided with funds to oversee those cleanups.

What I am talking about here is the fact that under the Superfund program, if you can find the responsible party, in other words, a polluter who we know caused the pollution to take place, that the Superfund or the Federal dollars have to be used. In most cases, the sites are being cleaned by the polluters, by the responsible parties. And in 34 cases in New Jersey alone, where responsible parties are performing the cleanups, there will not be any kind of Federal oversight of the cleanups, which means that essentially they could be stopped. If the Federal Government cannot go in and see what they are doing, they may not, the polluters may not actually be able to perform the cleanup.

Separate from the Superfund program, there is an impact of these cuts on leaking underground storage tanks. This is another Federal program with Federal dollars involved. There is a reduction from fiscal year 1995 of about $500,000, a half a million dollars, in that program which means 278 cleanups will not be initiated and 303 cleanups will not be completed. So here again an important program, underground storage tanks, leakage from that, again toxic waste, hazardous waste sites that are not going to be cleaned up.

Very important to the State of New Jersey also is the safe drinking water program, not just to New Jersey, this is important nationally. The EPA estimates that more than 6 million residents of New Jersey are served by drinking water systems that violated public health standards last year. The Superfund program, which means 278 cleanups will not be initiated and 303 cleanups will not be completed. So here again an important program, underground storage tanks, leakage from that, again toxic waste, hazardous waste sites that are not going to be cleaned up.

What I am trying to say is that the Republican budget cuts are taking place, in fact, that they are impacting the States in some meaningful way, and it is going to be felt by the people who live there.
New Jersey historically has taken a major interest in efforts to improve our water quality. Historically many of its waterways were severely polluted. According to the EPA, about 85 percent of New Jersey's rivers and streams are too polluted for basic uses like swimming. The goal of the Clean Water Act is fishable, swimable waters. If you cannot achieve those goals, then you are not doing your job here in Congress.

So we have to try to at least move forward in achieving those goals. But under the fiscal year 1996 conference report, again, the Republican proposal, New Jersey stands to lose $52.05 million in clean water funding that would help stop pollution from getting into the State's waters, lakes, and streams as well as in the Atlantic Ocean. This represents a 53 percent cut from the fiscal year 1995 enacted funding level. Also New Jersey's waste water treatment loans and other clean water funding threatens New Jersey beaches through washups of untreated sewage and wastewater. Again, I was elected to Congress for the first time in 1988, after a summer when most of our beaches in New Jersey were closed because of pollution problems, basically debris, medical waste, water quality problems that generated primarily from north New Jersey as well as New York City.

If grants and loans are not available to both New Jersey and New York, particularly in the northern part of the State or the New York metropolitan area, some pollution problems will continue to exist or get worse. The consequence of that is that maybe not this summer certainly but in a few years if the funding is not available to upgrade wastewater treatment to prevent problems related to combined sewage overflow, where it rains and your storm water and debris from your streets get in to basically bypass the sewage treatment plant and end up into the Hudson and then eventually to the coast. In New Jersey, if those problems now begin to be aggravated again because there is not enough Federal dollars going back to the States for wastewater treatment, then we could easily see in a few years down the road a repeat of some of the beach closings and similar type problems that we had in the late 1980's in the State of New Jersey.

These clean water efforts are not just water issues. They are obviously economic issues because so many jobs in the State of New Jersey are dependent upon clean water for tourism during the summer season. In New Jersey now, tourism is one of the most significant industries in the State. And it has a major economic impact, meaning dollars will be lost. The tax dollars will not be coming from the Federal Government if we do not continue our effort to constantly upgrade our sewage treatment systems and effectuate clean water.

The last thing I wanted to talk about is enforcement. In New Jersey, essentially with these Republican budget cuts, the environmental cop will be off the beat as inspections and enforcement efforts will be severely curtailed on the Republican budget proposal which represents a cut of 25 percent below the President's budget request. To wit, we're talking about a 25 percent cut. Decreased inspections due to cuts create public health threats that would have to be addressed by a staff much smaller. In region 2-2 for the EPA includes New Jersey as well as New York—there are reports that as a result of the ongoing budget problems there is a growing backlog of permits which they have been unable to process.

In other words, again, we will not even get to the issue of proper enforcement or inspection because they would not even be able to review the whole question of permits, discharge permits for clean water or permits for any other kind of activity. I see that one of my colleagues from Minnesota is here, Mr. Vento. I am glad that he is joining us here today. I would yield to the gentleman from Minnesota [Mr. Vento]. Mr. Vento, Mr. Speaker, I thank the gentleman for yielding and commend him for his order talking about the environment and the effects of the curtailment of funding that has persisted this fiscal year that began October 1. And for 4 weeks of that period of time the programs that affect the environment, the EPA, the Department of Interior, and numerous other programs that through the Department of Commerce, such as NOAA and so forth were in shutdown. There is no funding for them. That was a contest because there was a difference in priorities, sometimes between the House and the Senate, sometimes within the Senate and the Senate Committee on Agriculture, and, sometimes even with the President that did not agree with the actions of this Republican-led Congress. So for 4 weeks, 20 percent of the time, we ended up spending $1.4 billion in terms of employees' wages that could not work. But more importantly than that is that the cost of that goes well beyond, well beyond the dollars spent on the employees and the work not accomplished, because as we learned on Monday, you and I, that the EPA director, the Secretary of the Interior, the Justice Department is unable to do its job. It is unable to collect the information and the data that they need to, for instance, enforce laws that deal with clean air, that deal with clean water, that deal with toxic substances that might be and do occur regularly in the environment.

The fact is that if you have a shortfall without funding in the collection of the database of information on what is happening, that is the first thing that will raise reasonable doubt in a court of law. I am not an attorney, but I do not think it takes an attorney to understand the fact that when you have holes in your body of knowledge and information, that it is impossible to bring an action, legally, a legal action to in fact enforce these very, very important laws.

And I think that it seems like it is almost a prerequisite of all the Members of Congress to attest that they are, as a condition of their employment, as a condition of their service in this body, that they are all avowed environmentalists. You are, are you? Environmentalists and there are environmentalists. There are those that I am not so interested in what the nomenclature is that they claim or the identity that they claim for themselves as I am in what the actions have been in this Congress and what the consequences are. So I think we ought to understand that when we defund various types of investigatory work, various types of legal work that affects the environment, that we are actually, actually in effect abandoning the very, very effective of those laws that are so important to the protection of our health, to our safety, and to the environment.

This morning I had the opportunity to listen to some of the technical experts from the Department of the Interior, from the Fish and Wildlife Service. And last year what happened, in 1995, is the Congress, through a rescission bill, repealed or forbid, put a moratorium on the listing of threatened or endangered species.

I do not know if the gentleman from New Jersey had mentioned that because I was on my way to the floor, but today we have 243 endangered species of plants and animals that are unable to be listed. We have done all the work on them. We have cooperated with the States. We have gone through the scientific evidence. We have explored all the ramifications of it, that is to say, the Fish and Wildlife Service has, who are legally charged with this, they cannot list these particular species as to their protection.

The general policy, the law signed by Richard Nixon in the early 1970s, the Endangered Species Act, said that we were, as a community, as a Nation, as a policy were going to try and protect these threatened and endangered species. In addition to that, there are 180 some other, 182 other candidates species, that is to say, that are under review. We have a collection of some 425 species that are probable for listing under the Endangered Species Act. And by action of this Congress, we have unilaterally, without a vote on this floor necessarily or any other action, just cut off the funding so no one can do any listing, put a moratorium on it, no funding, no listing, put a moratorium on it.

And the fact is the problems with this grew out of the same sort of attitude in the past administration. The then Bush administration had a lawsuit that was filed on the part of various groups that he was not in fact, they were not, under then Secretary of
Interior Manuel Lujan, actually proceeding properly with the listing of endangered species. They agreed, prior to the new administration taking power, incidentally, that they would accelerate the rate of listing of endangered species.

So when President Clinton and Secretary Babbitt took on the responsibility of the administration in 1993, they already had problems in the sense that there was a significant number of species that had not been listed, plants and animals, basically, of course, caused some degree of acrimony, because it was the sort of fits and starts type of effort with people taking their own, that is to say, an administration taking its political view, its own personal view and superimposing it over what the normal law should be in terms of listing this.

I think the American people have spoken loud and clear with regards to their views and the polls, as we read them, the environmental policies and laws that have been enacted over the past 25 years. I think it is patently ridiculous for this Congress to try to hide behind the spending bills, to fold into them all sorts of changes, dramatic changes they have over reached in terms of the environment. A lot of people want to get up and proclaim, as I said, that they are environmentalists. But when they vote for spending measures and policy changes inherent in the spending measures or shortfalls, I mean we keep saying that most of the damage has not been done to the environment. That is not correct. If you do not fund these, you stop the proper flow of lawsuits. In fact, you destroy the database which is necessary for the prosecution of lawsuits for a long time into the future.

So tremendous damage is being done by this lack of funding. Of course there are some direct policy implications, as I said, with the Endangered Species Act. I think on another occasion we might want to talk about the so-called timber salvage in the clear cutting of old growth forests in the Pacific Northwest and the types of policies that are flowing from that particular law and the lack of consideration of forest health. I mean, we may want to talk about that, but there is enormous damage that is being done and has been done by this Congress because the President cannot spend money that he is not provided. He cannot move forward on legislation when there is no funding. The Congress is absolutely responsible that has a tremendous amount of power in terms of the purse strings, and my problem with this Congress is that it is conducting itself in an irresponsible way by not funding properly the laws that are in place. If you want to change the policy, let us have a vote on this floor, up or down. But to undercut it by not funding these particular policies and hiding behind that particular artifice I think is wrong. I think it is irresponsible, and I think it is inconsistent with the sound policy making that should characterize this body. We ought to be looking at what the impact is on the economy, we ought to be looking at what the scientific evidence is, we ought to be looking at what is morally right or wrong with regards to these issues, and we ought to be looking at what the people we represent think, what their views are. All of that ought to be considered.

But what this is not what is being considered in this instance. What is being considered and what is dominating this Congress on the environment is an overreach, an extremism and anti-environmentalism, an attitude of policy making by anecdote, by not considering properly the issues and how they will effect us, and we are having and this Congress itself is having an adverse effect, a very negative effect, on what the future or what our role is as stewards of that which is going to be left for future generations by destroying our clean water.

The progress we have made I might say has been very grudging, it has been expensive, it has been inconvenient. We have done it because we have taken on and tackled these problems in past decades, and it was not me. I have not been here as long as many that came before us, and it has been bipartisan, but that is not the case now with this Congress. This Congress is ideologically hell bent to undercut the environmental progress and to serve the needs of special interests.

That is how it adds up, that is the bottom line. Look where the money goes, look who benefits from these particular changes. They are not measures to fight the deficit, they are creating an environmental deficit in this country that our grandchildren and children will be living, with a long time. I think these arguments of balancing the budget and claiming that they are doing that on less government—you want less Government, you want dirty air, do you want dirty water, do you want to destroy the pristine resources that we have in this Nation? I think the American public would answer that very loudly with a no, in the negative, and I think that, I hope, this Congress can wake up and stop some of the damage that they are causing by the shortfalls in terms of funding that have persisted and persist right now.

So if we do not stop it, we are going to see a defunded and a much reduced ability of the EPA and the Justice Department, a particular office that we charge with the responsibility, a much reduced ability to carry out that particular responsibility, and I thank the gentleman from New Jersey for asking for this special order and for the work he is doing on the Task Force on the Environment.

Mr. PALLONE. I want to thank my colleague from Minnesota for the statement and the comments that he made. One of the things that the gentleman pointed to was the fact that in many cases the ideology, if you will, that the Republican leadership is articulating really is not true in terms of the actual effect of some of the things that they keep stressing is how they have to cut the budget for environmental protection in order to save money, that somehow that is going to, you know, lead to serious deficit reduction and in fact in fact, in fact for some of the cuts and the changes that they are proposing, it has just the opposite effect. I thought some of the strongest testimony at our hearing yesterday was by the assistant attorney general, the EPA Administrator, where they were pointing out that because of the Government shutdowns, because of the cutbacks in funding for personnel, that they have not been able to basically prosecute the polluters, the penalties that come back as a result of successful prosecution, and they have not been able to find those who violate their permits, and so are actually losing tremendous amounts of money that comes back from the penalties and the loss of income that results from not getting the penalties and the fees from that during this process.

So I think again one of the purposes of this task force is to sort out that truth squad and say, here, look, you are articulating this ideology that you are going to save money, but you are really not because actually we are getting fewer dollars in here, we are not prosecuting, we are not enforcing the law.

Mr. VENTO. If the gentleman would yield, we are losing the data base in order to successfully prosecute in these particular instances, so the $1.4 billion lost for 4 weeks, the underfunding; for instance, they cannot afford to pay people in the field because they do not know if they will be able to come back.

We heard from a third grade student yesterday that had asthma that was effected by the smog, and types of problems that are occurring in the air, and obviously I think that many could benefit from listening to that child, that kid, that was in fact very much affected by the fact that our clean air laws are not being permitted to function, and it is actually causing an adverse effect on his health and his ability to in fact participate in sports and do a variety of other things.

So it is not just the technical aspect, it is a very human aspect of this, and yet there is a sort of a head in the sand attitude with regards to this Republican leadership of extremism and serving the needs of special interests at the same time, they are undercutting the very fundamental basic trust to the people we represent.

Mr. PALLONE. Thank you. Thank you. I would like to yield to the gentlewoman from California.

Ms. PELOSI. I thank the gentleman from New Jersey for yielding and thank him also for his strong leadership on this issue. I am pleased to join
Mr. PALLONE. Absolutely, and I want to thank the gentlewoman from California [Ms. PELOSI] for those remarks, and you know it is interesting, because when we had the hearing yesterday Carol Browner, who is the Administrator of the EPA, pointed out what difficult choices we are going to face over the next few months or the next year if the level of spending or the budget levels that we are operating under now, if this continuing resolution were to continue through the end of the fiscal year, and she specifically said we are talking about the public health.

Again, the gentleman from Minnesota [Mr. VENTO] talked about endangered species, and there are obviously a lot of natural resource issues that we are concerned about, but we are specifically talking about public health and how it will be impacted, and if I can just briefly mention, because it really did not get a full hearing yesterday, but Browner specifically pointed out that under the budget proposed by the Republican leaders the American people are being faced with terrible choices with regard to public health issues. She mentioned will the EPA set effective standards to control Cryptosporidium and disinfection by-products in our drinking water, or will we set standards that will remove 1 billion tons of toxics and other pollutants each year from rivers and lakes, standards to control water pollution from the pulp and paper industry? Will we strengthen our standards for protecting the public against smoke particles of air pollution or will we issue new standards for industrial toxic air pollutants?

These are standards that they were about to embark on in this fiscal year. In other words, if they had this level of funding that was requested by the administration the EPA would be able to move ahead and regulate these industries in that fashion and meet those standards for public health reasons, and I think that with the drinking water standards for the Cryptosporidium and disinfection by-products you have associated health risk like severe gastrointestinal illnesses and increased incidences of cancer with the industrial water pollution standards for metal products, industrial laundries, landfills and incinerators, pollution reduction goals where so many millions of pounds per year would not be taken out of the environment if we do not have the level of funding that was requested.

She talked about with air pollution the need to strengthen small particle standards. She talked about burning diesel fuel, burning garbage, standards that were going to be in place for those this year, and you have associated health risks of eyes, nose and throat irritation, respiratory illnesses, increases in mortality.

Obviously, I would go on and on with this and I would not, but my point is, and I think you made the point very well, is that we are talking about health risks, and that is what this is all about. You know the last 25 years, when on a bipartisan basis the Congress and President sought to improve and strengthen our environmental protection laws and to increase enforcement, were based primarily on the need to protect public health and is certainly one of the reasons why life expectancy is longer, and now there was an article that was in today's paper that said even though people are living longer they are also leading healthier lives, even when they are senior citizens, that they, you know, lead much healthier lives and be able to function in much better ways.

I am very concerned about the fact that what the Republican leadership is proposing here in turning back the clock on environmental protection is really, I am going to have ultimately, if we let it happen, a terrible impact on the Nation's health, but hopefully you and I and the rest of us will make the point over the next few months so that we can prevent this turning back of the clock and maybe even get to some progressive environmental action that will improve the public health.

I would like to yield to the gentlewoman from California [Ms. PELOSI] now for the additional time that she may consume. I know she has something about former Governor Brown that she would like to say.

Ms. PELOSI. Mr. Speaker, I thank the gentleman, and once again want to commend him for his leadership on this.

We have talked about the environment for many years in the Congress. The expression "environment and health" now go hand in hand, as they have for a long time, but, as I say, in the public's mind, and I think that if the public is mugged and understands what is at risk here, then maybe the environment will once again become an issue which has bipartisan support, protecting the environment has bipartisan support, and is no longer an issue of controversy on the House, and if that is so, it will be in due measure, large measure, to your hard work on this, Mr. PALLONE, and I once again commend you.
"Pat" Brown spanned nearly the entire 20th century, and made an indelible mark on the history of California.

Born in San Francisco before the great quake, Edmund G. "Pat" Brown was one of our city's finest citizens, and a state for promoting California. His death last week at the age of 90 was eulogized at a San Francisco funeral Mass at St. Cecilia with the archbishop present, attended by Government officials, civic leaders and citizens. Pat never cease to admire his awesome tenacity. As a public figure in San Francisco, Governor Brown's legibility optimism and energy characterized the spirit of his hometown, San Francisco.

Mourners, thousands of mourners, joined four generations of the Brown family, the Governor's wife of 65 years, Bernice Brown, their four children, 10 grandchildren, and many of their 13 great grandchildren in remembering the personal qualities that distinguished Pat Brown throughout his political career and in his later years as a private man. All of these people had many stories to tell. In the interest of time, I will not go into those stories right now, but they will be stories that will continue to be passed on about this legendary man and his great heart.

Governor Brown's generosity and warmth emanated from his devotion to family. He thrived on the closeness of his close family, championing their ambitions, proudly cheering their successes. From the 1970's to the 1990's, he campaigned for the two children who followed in his political footsteps to hold statewide office: his son, as you know, Jerry Brown, who served as Secretary of State and as California Governor, and daughter Kathleen Brown, who served as California Treasurer, and who won the Democratic nomination for the Governor in 1994.

At the funeral services, though, even though Pat Brown was a very public man, Governor Brown's grandchildren ruled the day. They affectionately recalled that he loved to do whatever the children wanted to do. "He loved us, he loved politics, he loved California, and he loved the law," granddaughter Kathleen Kelly said. She told the crowd that her grandfather cried with joy with learning that she had passed her bar exam to join the profession he so respected.

Though 30 years have passed since he led our State in the Governor's office, Californians are still reaping the benefits of his bold achievements. His accomplishments were many during his years as San Francisco's district attorney, California's attorney general, and the State's Governor for 8 years of tremendous growth. Californians are particularly grateful for the lasting foundation he built to ensure the excellence of California's public system of higher education. Governor Brown was to admire his father's contributions to education as a powerful legacy. His death has generated an outpouring of condolences and expressions of gratitude from people who credit Governor "Pat" Brown for the chance to earn a diploma.

Governor "Pat" Brown set a standard for educational opportunity that we, his benefactors, must strive to maintain. The universities and colleges were a model for the Nation and a cornerstone of the economic prosperity that California enjoyed for decades. Governor Brown created this enduring legacy of access to higher learning by recognizing that California's future is linked to his enthusiasm for investing in the future. The people of our State made that commitment under the Governor's leadership. Now we can pay tribute to his public service by renewing a commitment to today's generation of aspiring students.

No tribute to Governor "Pat" Brown could overlook his dedication to the Democratic Party and its principles, that is democratic with a capital D. An outspoken partisan, he bind party loyalty, articulate Democratic values, and fully participated in the political battles to determine Democratic leadership. He was a politician in the most admirable sense of the term, believing that the true leaders must activate the citizenship in order to achieve their goals.

Democrats will miss Governor Brown's presence at State and national party gatherings and his abundance of options on the pressing issues of the day, but the education and economic infrastructure for he built for all Californians will live long beyond his time among us, and the intangible monuments to his greatness will always be present in his wisdom and vision, inspired by his genuine love of family.

As his daughter Kathleen described her father, he was a man who, for all his accomplishments, was a man of a singular inexhaustible spirit of love. We all will love and long remember and respect him. Let his reflection of the legacy and the person that was California Governor "Pat" Brown.

THE NATIONAL CAMPAIGN TO REDUCE TEEN PREGNANCY

Ms. PELOSI. Mr. Speaker, since I have a few minutes remaining on my time, I believe I have a few minutes remaining on my time, I wanted to associate myself with the time being taken by our colleague, the gentlewoman from North Carolina, [Mrs. CLAYTON], to talk about the promise and potential of our young girls growing up in our Nation today. These young women should have enormous promise and opportunity to succeed and make great and positive change in our world. That opportunity should not be denied or deterred because of the alarming problem of teen pregnancy.

There are many ways to combat the rising rates of teen pregnancy. One is to educate State and community decisionmakers about adolescent pregnancy and its causes.

Another is to educate youth about their options and possibilities. It is possible that many teens would think twice about engaging in unsafe sexual activity if they were able to gain clear awareness of the personal costs and responsibilities associated with becoming pregnant and raising a child.

I applaud the efforts of the National Campaign to Reduce Teen Pregnancy. We should all join with the campaign in its goal to take a clear stand against teen pregnancy and to reduce the teen pregnancy rate by one-third by the year 2005. I was proud to be one of a large group of Members who signed the letter of the gentlewoman from North Carolina [Mrs. CLAYTON] to President Clinton in support of this campaign.

In the interest of time, Mr. Speaker, I will submit the rest of my statement for the Record, because I took this time because it was the time that was available, but the gentlewoman from North Carolina [Mrs. CLAYTON], is our leader on this issue. If there is any time remaining, I would like to yield some of it to the gentlewoman from North Carolina, in addition to the time that she will have on this subject, commend her for her leadership, and thank her for calling us to the floor on this subject today.

Mr. Speaker, I rise today to talk about promise and potential. Young girls growing up in our Nation today should have enormous promise and opportunity to succeed and make great and positive change in our world. That opportunity should not be denied or deterred because of the alarming problem of teen pregnancy.

There are many ways to combat the rising rates of teen pregnancy. One is to educate State and community decisionmakers about adolescent pregnancy and its causes.

Another is to educate youth about their options and possibilities. It is possible that many teens would think twice about engaging in unsafe sexual activity if they were able to gain clear awareness of the personal costs and responsibilities associated with becoming pregnant and raising a child.

I applaud the efforts of the national campaign to reduce teen pregnancy. We should all join with the campaign in its goal to take a clear stand against teen pregnancy and to reduce the teen pregnancy rate by one-third by the year 2005. I was proud to be one of the large group of Members who signed Representative CLAYTON's letter to President Clinton in support of this campaign.

I believe that for this campaign to be successful we need to do much more than take a firm stand against teen pregnancy. To succeed in reducing teen pregnancy, we must succeed in fostering the self-esteem of young girls and boys. We are responsible to let each of them know that there are people who love and support them. That love and support does not have to come from a child of their own. That love is something they can give to themselves—a feeling of self-worth that will allow them to say no in the face of difficult decisions or pressures to be sexually active. That sense of self-worth comes from family, from school and from the community.

Funding for the title X Family Planning Program is also a key component in our fight
against rising rates of teen pregnancy. Preventing unintended pregnancies among sexually active teens through counseling and education is the highest priority of Federal family planning programs.

Community based teen pregnancy prevention programs place strong emphasis on avoidance of unprotected sex, or avoidance of sex completely during the teen years. The community level is where we all need to get involved to assist young people through the difficult prospect of growing up in this uncertain world we have made for them.

We activities like summer youth employment, like school-to-work programs, like after school programs and activities. We can encourage them to become involved in their communities—to volunteer their services to help the lives of others, rather than creating a life in a difficult environment.

And we can definitely help by refusing to make out-of-wedlock childbirth and pregnancy the scapegoat in the welfare reform debate. Denial of AFDC benefits to unwed adolescent mothers is cruel. This is not the way to deter teen pregnancy. This is the way to increase the number of poor women and children in this Nation.

We can achieve a significant reduction in teen pregnancy the same way we can achieve real welfare reform—by offering positive, long-term solutions.

Ms. PELOSI. Mr. Speaker, I yield to the gentleman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I just want to recognize the gentlewoman for joining me. I will have the opportunity to address the House for 5 minutes, but I think your approach is correct, that to indeed approach the community and raise their awareness as to their opportunity to encourage young people to be positive, and at the same time, we provide the young people with the option of development skills and life skills that they would elect to go forward with their lives and develop, and wouldn’t, perhaps, engage in destructive behavior.

I would say part of this is economic, and the other is social. All of us have the responsibility. Finally, to the extent I do have a moment, I would say this is not something that Congress itself can do, this is something that all society has to be part of. I would encourage my colleagues on both sides of the aisle that this is an opportunity where we work can work together. It does not make any difference of party affiliation or politics or philosophy. I think all of us would rather see young people develop their skills and be mature when they became parents. It would give an opportunity for our society to be better. Thank you for allowing me to participate as well.

Ms. PELOSI. It is under your leadership that we are here today.

In closing, Mr. Speaker, I would like to say that in addition to what the gentlewoman is saying, we must do all we can in succeeding to foster the self-esteem of our women and actually our young men today. We are responsible to let each of them know there are people who love and support them, that love and support does not have to come from a child of their own, and that love is something they can give to themselves, a feeling of self-worth that will allow teens to say no in the face of great decisions or pressures. That sense of self-worth comes from the family, from some community.

Once again, Mr. Speaker, unless the gentlewoman from North Carolina would like this time, I would like to yield back the balance of my time. I have spoken on three issues: Supporting the gentlewoman from New Jersey [Mr. Pallone] on the subject of the environment and the gentlewoman from Minnesota [Mr. Vento] on the importance of the environment to the health of the American people; and on the subject of teen pregnancy.

In my close, I would like to say, once again, thank you to Edmond G. Brown, Junior, for the—Edmond G. Brown, "Pat," Senior, for his contribution, I know I speak for every member of the California delegation when I say to the Brown family that we are grateful for their unselfishness with "Pat" Brown in making him part of our State’s history, and his great legacy is one that will live for a long time to come, and extend on behalf of our delegation condolences and deepest sympathy to Mrs. "Pat" Brown.

PARLIAMENTARY INQUIRY
Mr. WELDON of Pennsylvania. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). The gentleman will state it.

Mr. WELDON of Pennsylvania. Mr. Speaker, is it not correct under special orders, the individual managing the time is supposed to be here in the Chamber when the special order is under way?

The SPEAKER pro tempore. The gentleman is correct, ordinarily, but during the first hour the minority leader and the majority leader may reallocate the time that this gentleman from New Jersey indicated that he was going to participate. When the President STDs, the Chamber time is reallocated. When the President under the rug. When the President spoke to the White House Conference on Aging just a month later, in May of 1995, he never mentioned the Medicare trustees’ report. Instead, the President and the liberal House Democrats spent most of last year, and again, the early part of this year, blasting Republican plans to save Medicare. But as I mentioned earlier, according to the New York Times, the Clinton administration had data as far back as last October that indicated that the situation was far worse than predicted.

While the administration had estimated a projected surplus in the Medicare trust fund of $4.7 billion for 1995, in fact the balance in the trust fund fell by $35.7 million; as I mentioned, the first time since 1992 that the trust fund has lost money. So clearly we now know Medicare is headed for bankruptcy and to reverse the soaring spending rate, the exponential spending rate Medicare was on to bankruptcy.

The Clinton administration, of course, tried to sweep these findings under the rug. When the President spoke to the White House Conference on Aging just a month later, in May of 1995, he never mentioned the Medicare trustees’ report. Instead, the President and the liberal House Democrats spent most of last year, and again, the early part of this year, blasting Republican plans to save Medicare. But as I mentioned earlier, according to the New York Times, the Clinton administration had data as far back as last October that indicated that the situation was far worse than predicted.

While the administration had estimated a projected surplus in the Medicare trust fund of $4.7 billion for 1995, in fact the balance in the trust fund fell by $35.7 million; as I mentioned, the first time since 1992 that the trust fund has lost money. So clearly we now know Medicare is headed for bankruptcy even earlier than officials in the Clinton administration had predicted. That is what the New York Times reported, again, 3 weeks ago yesterday.

"We had projected that 1997 would be the first fiscal year with a deficit," said Richard S. Foster, chief actuary of the Federal Health Care Financing Administration, which runs Medicare. "And the trust fund will indeed be hemorrhaging money, the losses are expected to grow," the New York Times reported.

The next day the Washington Post reported the following: "The White House confirmed a report yesterday that suggested that the hospital trust fund may be hemorrhaging even faster than previously expected—ending fiscal 1995 with a balance that was $4.7 billion lower than predicted."

In April 1995 the Medicare Board of Trustees, including three Clinton Cabinet officials and the commissioner, or the Director, of the Social Security Administration, warned Congress and the President that Medicare would be bankrupt by the year 2002 unless it took steps to preserve Medicare from bankruptcy and to reverse the soaring spending rate, the exponential spending rate Medicare was on to bankruptcy.

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While the administration had estimated a projected surplus in the Medicare trust fund of $4.7 billion for 1995, in fact the balance in the trust fund fell by $35.7 million; as I mentioned, the first time since 1992 that the trust fund has lost money. So clearly we now know Medicare is headed for bankruptcy even earlier than 2002, and the President and the liberal House Democrats have no plan to address the House for 5 minutes, but I think your approach is correct, that to indeed approach the community and raise their awareness as to their opportunity to encourage young people to be positive, and at the same time, we provide the young people with the option of development skills and life skills that they would elect to go forward with their lives and develop, and would not, perhaps, engage in destructive behavior.

I would say part of this is economic, and the other is social. All of us have the responsibility. Finally, to the extent I do have a moment, I would say this is not something that Congress itself can do, this is something that all society has to be part of. I would encourage my colleagues on both sides of the aisle that this is an opportunity where we work can work together. It does not make any difference of party affiliation or politics or philosophy. I think all of us would rather see young people develop their skills and be mature when they became parents. It would give an opportunity for our society to be better. Thank you for allowing me to participate as well.

Ms. PELOSI. It is under your leadership that we are here today.

In closing, Mr. Speaker, I would like to say that in addition to what the gentlewoman is saying, we must do all we can in succeeding to foster the self-esteem of our women and actually our young men today. We are responsible to let each of them know there are people who love and support them,
House Democrats have ignored the warnings of the Medicare trustees regarding the system’s impending bankruptcy, and instead they have played politics with Medicare, exploiting and twisting the issue to deceive and scare senior citizens, which is particularly despicable, given the fact that so many of our senior citizens are frail and elderly and vulnerable, and the President has submitted a string of budget plans that all fail to, again, deal with Medicare’s financial crisis.

Unfortunately, as I mentioned, this is the legislation that the President vetoed last November.

In addition to saving Medicare from bankruptcy, we Republicans are taking steps to aid senior citizens despite the President and the liberal House Democrats. As part of our Contract With America, we repeal the tax increase by the Clinton Democrats on social security benefits, a tax increase that takes effect on social security beneficiaries earning as little as $3,400 per year. We offer tax relief for long-term health care insurance premiums and a $1,000 tax deduction for elder care as part of the GOP Balanced Budget Act. Again, these are proposals the President vetoed.

We have passed legislation to increase the social security earnings test so that older Americans can continue to work without punitive taxation, and we passed a law that the President did sign protecting the rights of seniors to live in senior-only housing.

Clearly, colleagues and Mr. Speaker, saving Medicare is not one of the President’s priorities; getting reelected is. Rather than preventing or joining with us to prevent Medicare’s bankruptcy, the President and the liberal House Democrats prefer to play politics. They seized on this issue to try to win back control of the House of Representatives. They are only interested in using this issue, exploiting it for naked political gain. This is a transparent grab at political power, regaining political power.

As much as the President would like it, Medicare problems will not wait a minute until after the November election to be solved. We Republicans have a plan that will save the system for future generations of senior citizens, and the only person standing in the way of their health care security, the only persons standing in the way of health care security for older Americans, is, in fact, President Clinton and the liberal House Democrats.

TEENAGE PREGNANCY
The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under a previous order of the House, the gentleman from North Carolina [Mr. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, teenage pregnancy is a condition that can be controlled and prevented in many instances. Yet, 30 percent of all out-of-wedlock births are to teenagers, below the age of 20. That astonishing reality should be alarming to all in Congress.

No other industrialized nation, with a population comparable to the United States, has a problem of this magnitude.

On the issue of teenage pregnancy, we have the dubious distinction of leading the world.

Why, may you ask, is this problem out of control?

Simply put, it is out of control because we have not taken steps to control it.

That is changing. In January, President Clinton announced a bipartisan “National Campaign To Reduce Teenage Pregnancy.”

The mission of the campaign is, “To reduce teenage pregnancy by supporting values and stimulating actions that are consistent with a pregnancy-free adolescence.”

The goal of the campaign is, “To reduce the teenage pregnancy rate by one-third by the year 2000.”

Neither party, nor politics, nor philosophy should stand against this vital mission and this critical goal.

This is an issue that we should be able to work on regardless of our party affiliation. The mission is difficult, but it can be done. The goal is demanding, but it is within our reach. As we consider how and where to reduce spending, we must not forget that teenage pregnancies cause a heavy burden on the Federal budget.

Medicaid funds, food stamps, and AFDC funds are especially hard-hit by the teenage pregnancy problem.

If we want to balance the budget, let us begin by working to bring some balance to the lives of thousands and thousands of our teenagers, involved in premature childbearing.

Teenage pregnancies cause a heavy burden on our society and it robs teenagers of their youth and robs their children of the benefit of mature parents.

A recent report to Congress on out-of-wedlock childbearing indicates that 35 percent of all out-of-wedlock births are to women over age 25, 35 percent are to women under age 19, and 30 percent are to teenagers.

Thirty percent of all out-of-wedlock births are to teenagers. One objective of welfare reform, shared by both political parties, is to reduce teenage childbearing.

Pending legislation on welfare reform, however, embraces an unreasonable approach to reduce the number of out-of-wedlock births, by denying cash benefits to unwed teenage mothers.

This unreasonable approach is based on the perception that the current system has failed and contends that any proposed change, such as denying children food and medical care, must be a good change. Thus, those who propose eliminating welfare benefits to young unwed mothers argue that their approach can’t make matters any worse than they already are.

Change for the sake of change is empty.

We need change, but we need change for the better. Such proposals appear premised on the belief that if Government ignores teen parents, they will go away or get married.

There is little or no research to support such contentions.

Reason, on the other hand, suggests that even if the belief held true for some, there would be many young children and mothers left destitute.

Reducing teenage childbearing is likely to require more than eliminating or manipulating welfare programs. The underlying causes are economic and social poverty, lack of education, family and community support, adult guidance, and violence are all linked together.

These are not problems isolated to the very poor, but rather problems that cut a wide path across the entire spectrum—very wide and very deep.

There is considerable evidence that life skills training in combination with other social prevention programs have been very effective with young people who use alcohol, drugs, and tobacco and engage in other destructive behaviors.

As a society we must consider an array of programs that foster positive and responsible development of our youth.

URGING SUPPORT FOR THE COMMUNITY RENEWAL PROJECT
The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON of Florida. Mr. Speaker, this morning I attended a press conference held by JIM TALENT and J.C. WATTS to announce a community renewal project that will empower low-income communities. This bill was formulated and designed by the communities that it will effect. Congress went to the community leaders and asked them what will help them in their renewal projects. This initiative is what came out of those conversations.

I want to first of all commend JIM TALENT and J.C. WATTS for meeting with these community leaders and for
listening to them as they formulated the legislation that will help these communities become strong.

A major component of this empowerment initiative is title II, which allows these communities to implement it. Not surprisingly, most of these community leaders made school choice a top priority in their list of essential components for the renewal of their communities.

According to the Center for Neighborhood Urban Development report, low-income parents, who were aware of school choice opportunities, were supportive of school scholarships for their children. Their No. 1 comment was that in order to improve their communities, they must be able to have quality educational choices for their children.

I’d like to direct Members’ attention today’s Washington Times, page A3. The Associated Press is calling today the super Tuesday of school choice. There are a number of school choice events happening today. Today in the other body, they voted on cloture of debate on the D.C. appropriations bill which includes choice scholarships for the low-income students of the District of Columbia. Unfortunately that vote failed by six votes.

In Milwaukee, Parents for School Choice is defending the Milwaukee plan before the Wisconsin Supreme Court and in St. Paul, MN, Governor Carlson’s choice initiative will be debated.

In some parts of this great country, the state of education continues to decay. Despite solutions of more money, more bureaucracy, more regulation, and greater Federal intrusion into our schools, we would all agree things have gotten worse, not better. Our children need the opportunity to pursue a good education. If this educational opportunity is outside their school district, they ought to have a chance to take advantage of it and find their American dream through quality education.

A good education is a key ingredient in ending the cycle of poverty that traps so many of our Nation’s children. This empowerment initiative will liberate the parents of low-income children to choose a school that meets the educational needs of their children.

Mr. Speaker, the 104th Congress has been swamped with bills not looking out for the poor and less advantaged, and simply being a voice for the rich. Well, Mr. Speaker, this bill will dispel that myth. In fact, it challenges these critics to match their rhetoric with their support for this proposal. This bill is targeted to the low-income families and communities—to the people who most need the opportunities of choice in education.

In an article in the Washington Times, Interior Secretary reported that public school teachers in troubled urban districts are much more likely to send their children to private schools than other Americans. A surprising 12.1 percent of all public school teachers and administrators send their children to private schools. In those public school systems considered the worst, an average 32 percent of the public school teachers and administrators send their children to a school outside of the district they work in, frequently to a private school.

I want to encourage my colleagues to seriously consider supporting the Community Renewal Project when it is introduced on the House floor. It is a program that identifies both ideological and political platforms. It is a bill that well help Americans pursue the American dream.

ILLEGAL CUBAN SHOOTDOWN WARRANTS PUNISHMENT OF CASTRO, BUT NOT DESPITE LONG-TERM UNITED STATES INTERESTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. SKAGGS] is recognized for 5 minutes.

Mr. SKAGGS. Mr. Speaker, the Castro regime has acted in callous violation of international law in shooting down an unarmed civilian aircraft. Whether or not the Brothers to the Rescue planes strayed into Cuban airspace hardly matters. No law permits a military fighter plane to shoot down an unarmed civilian aircraft. Civilized people everywhere are rightly outraged by these murders and by the disregard that the Castro regime has shown for human life and human rights.

The families of the pilots and crew who were killed have our sympathy in their tragic loss. These men were dedicated to a noble goal—freedom for the people of Cuba.

We are told that the Cuban MiG pilots made no effort to contact the Brothers to the Rescue pilots, to make the usual warning signals to them, or to escort their small airplanes from the area before firing on them. All this demonstrates a willful failure to follow the internationally agreed-upon rules for dealing with such a nonthreatening approach to national airspace.

Fidel Castro’s desperate response reflects the nature of his regime. He’s again shown us his contempt for international law and his need to isolate the Cuban people from the world community.

The steps the President has taken constitute, for the most part, a reasonable and measured response. The President has properly sought and won international condemnation from an act that flouts international law and norms. The President also has proposed legislation to enable him to use frozen Cuban assets to provide compensation to the victims’ families. I expect to support that proposal. I also think it is reasonable to add some restrictions on travel at this time.

The President’s call for expanding Radio Marti, however, makes sense if and only if Radio Marti is first cleaned-up. The problems that have plagued the operation of Radio Marti are legion and do not reflect well on the management of USIA’s surrogate broadcasting programs.

Mr. Speaker, the Castro regime has been a voice for the rich. Well, Mr. Speaker, this bill will dispel that myth. In fact, it challenges these critics to match their rhetoric with their support for this proposal. This bill is targeted to the low-income families and communities—to the people who most need the opportunities of choice in education.

MISSILE DEFENSE

The SPEAKER pro tempore. Under the Speaker’s announced policy of May 12, 1995, the gentleman from Pennsylvania [Mr. WELDON] is recognized for 60 minutes.

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise this evening to speak, perhaps not for an hour but certainly for some time, on the urgent issues of missile defense and partially in response to the administration’s announcement of a little over a week ago in regard to their missile defense program for this fiscal year and the request to Congress which we anticipate receiving in the next several weeks.

TRIBUTE TO MCLEAN STEVENSON

Mr. Speaker, before I get into that, let me make a few comments about the unfortunate passing during the February work period of McLean Stevenson. Most of our colleagues in this Congress and most of the people around the country know McLean Stevenson as a Hollywood star who made his fame primarily through the program “M*A*S*H.”

However, I want to speak briefly about McLean Stevenson and his commitment to fire and life safety issues. McLean Stevenson, at a young age, was rescued from a house fire by a group of firefighters in his hometown and because of that incident had a lifelong interest in promoting the welfare of firefighters in general and promoting the
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issue of fire and life safety. It was not until he retired from the M.A.S.H. series that he devoted his full time to working on these issues.

In that context, many of us who are involved in the fire and emergency services on Capitol Hill know McLean Stevenson. For the past 3 years he has been a regular attendee at our national fire and emergency services dinner. We have held seven of them here in the Nation's capital, and in the last three of those dinners McLean Stevenson was not just an attendee but one of our speakers, and for the most part one of our most popular and funny speakers. He intertwined with his humor the basic lessons of life safety and concern, the importance of installing smoke detectors in individual residences and multifamily dwellings and talked about his effort nationwide to promote these issues to people both young and old.

McLean Stevenson was to have been, again, our dinner speaker at the dinner on the last of April this year, as he was last year when we had President Clinton as our keynote speaker, and honored the Oklahoma City Fire Department for their heroic efforts in response to the Oklahoma City disaster.

Unfortunately, McLean Stevenson died on the operating table. He was a friend, he was someone who was beloved by the entire fire service of this country, and whose true mark in terms of his life will be remembered in terms of the lives that he helped save by his efforts in promoting fire and life safety issues.

So it is with a deep sense of sadness that I rise to wish his family well and to say that certainly McLean Stevenson has left his mark on all of us. At our dinner in April we will pay appropriate tribute to our friend McLean Stevenson.

Mr. Speaker, I rise tonight, in addition, to respond to the administration's press conference of a little over a week ago, which in itself was a travesty. Many of us had been in contact with the administration in terms of the fiscal year 1997 budget request for missile defense and where the priorities would be in terms of programs.

In fact wrote to both Secretary Perry and Deputy Secretary Kaminski, as well as to General O'Neill expressing my interest in meeting with them before any final decisions were made from a program standpoint relative to missile defense funding for this next fiscal year. In fact, that issue was re-iterated both verbally and in written form.

What really bothered me, Mr. Speaker, was that the administration saw fit, Secretary Perry and Dr. Kaminski, to hold a press conference at 3 o'clock on a Friday afternoon right before a 3-day holiday weekend, giving us no advance warning to Members of Congress except for an attempted phone call to myself the day before and other senior members of the defense committee and a call that I received on the day of the conference by General O'Neill. So there was no attempt in a bipartisan way to reach out to this Congress to work together on the issue of missile defense.

That is particularly troubling, Mr. Speaker, because the single biggest change to the Clinton defense budget made by this body and the other body last year was in the area of missile defense. We plussed up the missile defense accounts by approximately $800 million because of the threat, both the near-term threat and long-term threat. We plussed up the national missile defense accounts, the theater missile defense accounts, as well as ballistic missile defense and Brilliant Eyes, space-based sensing program.

Those changes were made with strong bipartisan support in this House. In fact, when the bill left committee, it had the strongest vote in the 10 years I have been here, 476 to 3. When the bill was brought up on the House floor, for the first time in my 10 years we had 300 Members of the body vote in favor of the defense authorization bill, and that is with the significant changes from the Clinton administration relative to missile defense. So we thought it would be important to establish this new year in a bipartisan tone, working with the administration to try to find common areas.

Unfortunately, that did not occur. The press conference that was held basically announced this administration's continuing policy to decimate defense spending as it relates to missile proliferation and the threat of missile attack, either accidentally or deliberately. The mismatch between rhetoric and reality, and it is large and growing.

In fact, and I hate to make the statement, but after looking at this issue as I have as a member of the National Security Committee and the chair of the Military Research and Development Subcommittee, I am firmly convinced this administration has no commitment to defend America whatsoever and under President Clinton never has. Even the sacred programs now that the Clinton administration said it supported, namely the theater missile defense programs, have been plundered to pay for other modernization needs.

The outstanding question, Mr. Speaker, is that we have boxed our Joint Chiefs into a corner. As we have decimated defense spending, we have driven the leaders of each of our services to look to cut other areas beyond those programs that are important, parochially important to their own services. That has in fact caused the Joint Chiefs to come in and make recommendations, to have draconian cuts in the vital programs important to our national security from the standpoint of missile proliferation.

In addition, the press conference and the announcements of the program by Secretary Perry in fact are in major violation with the law that this Congress passed, most specifically section 234, which provides for specific dates relative to theater missile defense systems. In fact, we right now on the committee are considering whether or not to take legal action in suing the administration over these disconnects with the law.

Mr. Speaker, the concern that I have is that this administration has just not been serious in dealing with the American people and this body on the growing threat that is posted to this Nation and to our free nations in terms of the threat of missile proliferation. That is in spite of requests by the leaders of this administration.

Mr. Speaker, also during the February break there was an article in the Washington Times, which I will include as a part of my statement. The article that was in the Times, Mr. Speaker, cites a letter that was sent a communication by General Luck, Gary Luck, is our commanding officer in Korea. He sent a letter to the Chairman of the Joint Chiefs of Staff, General Shalikashvili, pleading for an enhanced funding profile for the THAAD missile defense system.

Why did he make this plea? Because there are serious concerns on his part as our commanding officer in South Korea relative to the threat posed by North Korea as they develop their missile defense systems, the No Dong and the Taepo Dong-II systems. These systems are sophisticated and pose a real and genuine threat, not just to South Korea and our troops in South Korea, but in fact as Secretary Deutch, the head of the CIA, mentioned in Senate testimony last week, even to the State of Alaska by the year 2000 and beyond.

General Luck made the case to General Shalikashvili that we needed to be able to deploy at least two batteries of THAAD systems at the soonest possible time. General Shalikashvili wrote back to General Luck, an article in which I have asked to put in the Record has the exact quotations from General Shalikashvili, that he is not able to fully fund the THAAD Program at what they thought was going to be the deployment program established last year by the Congress, and also a priority of this administration, because of the budgetary pressures and the need to fund other priorities in the military.

So here we have the Chairman of the Joint Chiefs of Staff, Mr. Speaker, asking for what he calls an enhanced budget for General Luck in South Korea that we cannot give him the resources he needs, not because they are not warranted, and General Shalikashvili even mentions he fully supports the THAAD development, but because we have boxed the leadership of the military into a corner where they cannot fund the most basic priorities, and therefore have to cut wherever possible.
Mr. Speaker, this is outrageous. In fact, this communications and this request by General Luc and the negative response by General Shalikashvili reminds me of a situation that occurred several years ago. That situation was when our commanding general in Somalia came to Washington DC to the Pentagon, which ultimately went to then Secretary of Defense Les Aspin. That communique, Mr. Speaker, said that the commanding officer in Somalia said that he needed additional back-up to protect the welfare of our troops.

That request for additional support was denied. It was only after 18 of our young troops were killed in a massacre in Mogadishu that Secretary Aspin came up on the Hill along with Secretary of State Warren Christopher and addressed a bipartisan group of over 300 Members of the House and Senate assembled in one of the Capital meeting rooms, and under questioning Secretary Aspin said that he denied the additional support for the troops requested by the command officer in Somalia because of the political climate in Washington. This is the first time, Mr. Speaker, since Vietnam, that we have had a situation by saying that it has denied the support to protect American troops for a political reason.

That is exactly what we are seeking here in Korea. Out commanding officer in South Korea is concerned about the safety of our troops. He has communicated that to the Chairman of the Joint Chiefs of staff, and the response by the administration is we agree with you, we would like to help you, but there is just not enough money, so we will have to risk the lives of those troops in terms of protection from a missile attack by the North Koreans. Mr. Speaker, that is outrageous.

Mr. Speaker, during the debate of the defense authorization bill last year, we went over and worked with the administration on missile defense. Mr. Speaker, as the chairman of the Subcommittee on Research and Development, I made sure that at every possible opportunity we were not forcing something down the administration's throat that they could not live with.

Some in my party, Mr. Speaker, as you know, wanted to have language in the defense bill that would have immediately caused a problem with the ABM treaty. They wanted a multiguided system for deployment of a national missile defense system in the bill. I argued against that, Mr. Speaker.

The ultimate compromise bill that we presented to the President did not contain any language that would have violated the ABM Treaty. In fact, everything we did in our bill, Mr. Speaker, General Malcolm O'Neill, the administration's point person on missile defense, acknowledged publicly would be in compliance with the ABM Treaty. But what did President Clinton do when he vetoed the bill? He said that he had concerns about the possible impact of our bill on the ABM Treaty.

Mr. Speaker, that statement was absolutely outrageous. What we did in the bill said that we should look to those threats that are there now. The most immediate threats, Mr. Speaker, are those posed by countries that either have the capability now, like Russia with SS-20s or SS-CSS-2 and SS-CSS-4, that have the potential in a few short years to have their missiles reach the shores of Alaska or Hawaii; or to have the threat posed by the Russians aggressively selling off the SS-20s and SS-CSS that is currently their mainstay in their missile system. An SS-25 has a range of 10,000 kilometers and it is mobilized launched. The Russians are now actively marketing that system to any nation that will buy it as a space launch vehicle. Once a rogue nation gets an SS-25, Mr. Speaker, without the nuclear tip on it, bit perhaps with a chemical, biological or conventional weapon, that poses an immediate threat to the mainland United States for which we have no system today that can shoot down one of those missiles. The American people, when you tell them that, they are amazed. They cannot believe that with our focus on defending this country, we today have no capability to shoot down an incoming ICBM. But the fact is, Mr. Speaker, we do not.

A further outrage is the Russians do. Under the ABM Treaty, each of the two signatory countries is allowed to have an operational ABM system that can be operated from a single site. The Russians have had an operational ABM system since 1985. The system protects 80 percent of their population for the last 15 years. In fact, Mr. Speaker, the Russians have upgraded that system several times.

When I was in Moscow last month, I asked to visit one of the ABM sites. The Russians said they would take me back a week later. I could visit it, but they would not let me visit it the week I was there. But we all know and they know and acknowledge publicly they have an operational ABM system. We do not, Mr. Speaker. We do not have an operational ABM system. We have no capability if, in fact, a rogue nation deliberately or accidentally launches one missile aimed at America.

Now, it doesn’t matter whether it is aimed at New York and hits Miami, the fact is that we have no protection against a rogue launch against this Nation. Now, the administration said they didn’t want to support the bill because it would violate the ABM Treaty. So we were very careful and we came up with provisions in the bill that said, OK, two branches of our services today have acknowledged publicly that they can build a system compliant with the ABM that, in fact, would protect all 50 States. And I am so embarrassed that is exactly what we called for in the bill.

It wasn’t until after President Clinton vetoed the Defense authorization bill the first time that Mal O’Neill, the head of BMD for the Clinton administration, came out publicly and verified what I had been saying all along. And that is, yes, the Army has a variant of an existing single-site system. And the Air Force has a variant of the current Minuteman system. And the Secretary of Defense, Aspin, ND, that with a modest upgrade over 4 years can provide a limited protection for all 50 States. Totally treaty compliant.

Cost? The administration and President Clinton has railed on about numbers in the $20 and $30 billion range. Mr. Speaker, I have had briefings. The Army says it can deploy a modified system in 4 years for a cost of less than $5 billion. The Air Force says they can modify the Minuteman, again a single-site system, again deployable in 4 years for a cost of less than $3 billion.

Mr. Speaker, there you have it. Working with the administration’s own leadership and the military, we put together a scenario where we can protect the American people and we can do it at a cost of less than $4 to $5 billion and deploy it within 4 years. Each of those systems would provide a thin layer of protection against incoming missiles up to 10 with a 90 percent effective rate. Today we have no such system. And under the administration’s revised program, we won’t have a system. They are talking about a 3-year option and then making a decision after 3 years. Mr. Speaker, we can’t wait 6 years. We can’t wait 3 years.

When the administration finally realized that we had, in fact, dealt with the ABM compliance issue and that we had, in fact, offered in our bill language to take existing technology, which the Air Force and the Army says they can do for the cost that I have mentioned, they realized they no longer had an ABM issue, even though they had requested that a year ago. Everyone who knows the issues technically knew that he didn’t know what he was talking about, and the ABM Treaty was not, in fact, jeopardized by our actions in the bill. Even his own people said so. So they raised a new issue, Mr. Speaker.

They then said through people like Bob Bell for the National Security Council at the White House, they said, well, there is no threat, we don’t see a threat emerging. I have been down the road the first time since I have been here, they politicized an intelligence study that was released early to minority Members in the other body that said that the Defense authorization bill had overstated the threat. Now, that was in early December, Mr. Speaker. On December 15—actually before December 15, I requested the briefing, the closed briefing, security briefing of the NIA, the updated assessment from our intelligence community.

I was so embarrassed by the briefing and so outraged by the lack of depth in the briefing, and I had staffers from both the National Security Committee...
and the intelligence committee with me, that I got up and said to the briefer, Dave Lazius from the CIA, that it was not worth my time to sit through.

They did not answer the most fundamental questions upon which the results of the briefing were based. In fact, Secretary Deutch later agreed with me the briefing was not what it should have been and has asked me to sit through a rebrief which I have agreed to do.

Mr. Speaker, the brief, parts of which have been leaked to the media, not by the Congress but by the administration itself, made the case that there is really no threat, we don't have to worry. Less than a week after the administration deliberately in a political manner leaked out parts of that which is supposed to be a secret brief on intelligence relative to the threat from rogue nations. Less than a week later, the Washington Post, on December 15, ran a story.

Now, Mr. Speaker, this story is important. It is important because it gets to the heart of what we are talking about here. The Washington Post story documented that the Jordanian intelligence agency, working with the Israeli intelligence agency, had intercepted a shipment of sophisticated advanced accelerometers and gyroscopes. Now what is so important about a shipment of advanced accelerometers and gyroscopes? And I can't divulge the exact number. It is a classified number. But we know how many were confiscated in this country.

Mr. Speaker, those advanced accelerometers and gyroscopes were going from Russia to Iraq. In fact, that is where they were intercepted. Mr. Speaker, the threat question in question can only be used for a long-range ICBM. Now Mr. Speaker, we have been told that there is no threat from a long-range intercontinental ballistic missile coming from Iraq. Then why would there be advanced accelerometers and gyroscopes going to Iraq from Russia? And should we not question the Russians about why this technology transfer was taking place? Because if, in fact, they were taking place, that is a violation of the missile control technology regime.

So Mr. Speaker, when I was in Russia for a week back in January, on my seventh trip there, meeting in the Kremlin with President Yeltsin’s key defense, energy, economic and other colleagues and meeting with Ambassador Pickering and our staff at the Embassy, in Moscow, I asked the question, what is the Russian response to the technology transfer of equipment that can be used for a long-range ICBM from Moscow to Baghdad? Ambassador Pickering said we haven't asked them yet. And the Russians said, we don't know what you are talking about, even though it was a story in the Washington Post, even though we had the documents in our hands, we thought we had been confiscated by the intelligence community in both Jordan and Israel, that no one knows about this.

I can't believe it, Mr. Speaker. Here we have a technology transfer that is a direct violation of the missile technology control regime that only has one fundamental end use purpose, and that is to give the Iraqis the capability for the long-range missile that we know Saddam Hussein has deployed and we haven't even asked the Russians how it happened.

Now here is the problem, Mr. Speaker. If those items were stolen from Russia, that is a problem because that means the Russians don't have adequate controls over the advanced technology that would help Iraq or another nation build a long-range ICBM. But, Mr. Speaker, if the Russians did know they were being transferred and being sold to Iraq, that is a problem because that is not allowable under the MTCR.

And perhaps, Mr. Speaker, that is why the administration hasn't asked the question. Because this administration, back in August and September of last year, was very, very quick, without much attention from this Congress, although I asked questions of the administration at that time, rushed Russia into the MTCR. Because they wanted Russia to become a player in the countries who would abide by the controls put into play by the missile technology control regime.

The problem this administration knows, Mr. Speaker, is if they ask the question about the technology being transferred, not to try to stop it, nor to impose economic sanctions against Russia. And if they apply economic sanctions against Russia, that means we undermine Boris Yeltsin's leadership and perhaps cause turmoil inside of Russia and instability in this country, an election year.

Mr. Speaker, that is absolutely the worst reason not to question the Russians about the transfer of technology that could ultimately pose a threat to our country. It undermines our confidence in the intelligence community assessing for us in a logical way without sanitization which is really occurring in terms of missile proliferation and technology proliferation around the world. I wrote a three-page letter to President Clinton asking him, and I would ask unanimous consent at this time, Mr. Speaker, to include my letter in the RECORD.

The SPEAKER pro tempore. Without objection.

Mr. WELDON of Florida. Asking the President some very specific questions about the technology transfer and I am still waiting for a response 1 month later. I also, Mr. Speaker, had a three-page letter drafted to the intelligence community and asked for specific responses to questions about the upgraded intelligence assessment that was used by the minority party in the Senate to say we don't really have a threat to worry about. At least since a couple of years ago focusing on specific issue areas; namely, the environment, energy, defense, foreign policy, and relations, as well as other issues that are going to
come up in the forefront, like the econom-
omy, health care, adoption laws, and so forth. That letter from you, Mr. Speak-
er, was delivered to Mr. Selezniov by me. In addition, I met with members of the
four major political parties in Mos-
cow to convince them that it was in
their interest to have more formal re-
lationships with Members of the Re-
publican and Democrat Parties in the
Congress. I met with the Yablok
Party, Zhirinovsky's party, the Com-
munist Party and Yavlinsky's party, and
everyone was extremely positive from all of them.
But you know, Mr. Speaker, and we ex-
pect, by the way the Ambassador,
the Washington Ambassador from Rus-
sia will be in my office tomorrow where
I will meet with him, Ambassador
Aleksey Arbatov where we will discuss the
Russian administration, Mr. Selezniov's response to your letter, Mr. Speak-
er, to establish this new forum, as well as your letter also out-
lining a proposal to establish a direct
internet linkage where Members of the Congress and members of the Russian
Duma can communicate through si-
multaneous translation in a written
form back and forth on an instantane-
ous basis.
There are concrete propos-
als that we have made. These are con-
crete actions, Mr. Speaker, that we are
taking on an ongoing basis. Last year I
hosted over 100 members of the Duma in my office. My goal is the same
goal as President Clinton and that is to
build a solid relationship between Rus-
sia that encourages economic growth,
that encourages democratization and
encourages the reforms you have been
seeing in Russia. But the difference,
Mr. Speaker—and this is a key dif-
ference, this administration wants to
sanitize and ignore the realities of the
Russian military threat.

The key thing that we have to under-
stand, Mr. Speaker, is that the leaders of the Russian military are the same
leaders who led the Soviet military;
they have not changed. They are not a
part of the reform movement and many of
the actions being proposed by the
leadership of the Russian military po-
tentially pose a threat to this coun-
try's security.

Mr. Speaker, I think the Russian peo-
ple want us to call their military lead-
ership when things occur which they
even cannot ask in their own country
about, yet this administration tends to
want to put its head in the sand and
not acknowledge issues that occur like the
 threats posed by the transfer of
the SS-25 technology and the threat
that poses to the United States in
terms of a rogue nation getting that
capability.

It reminds me, Mr. Speaker, the Clin-
ton's administration policy reminds me
of my first amendment that I offered
on the floor of the House in 1987. At
that time there was a debate in this
Congress that was going on about the
ABM Treaty much like there is now,
and on that debate, Mr. Speaker, the
liberals were saying that we should ad-
opt the amendment of the
ABM Treaty. My amendment was
very simple. It said the Russians in
fact were in violation of the ABM Trea-
ty because they had installed a large
fader-phased radar system in a town
called Krasnoyarsk. My amendment
passed the House 418 to zero; no Mem-
ber voted against it. But many of the
liberals who voted for it stood up on this
floor, Mr. Speaker, and they said it
was not an important issue. The Rus-
sians just built that radar for space
tracking purposes. They do not plan to
use it in violation of the ABM Treaty;
that has never been their intent. It is
an accidental location. Yes, it is a
technical violation of the ABM, but it
does not really matter because it is not
leaving Russia. Any leakage, any mis-
ment and certainly would not be used
against the United States.

That was in 1987, Mr. Speaker. In
1995, General Voitinsev in the Rus-
sians' Military Historical Journal was
interviewed that by 1995 the Russians
for 18 years was the commander of Russian
air and space defense for the entire
Soviet Union. In the interview he was
asked about Krasnoyarsk radar, Mr.
Speaker, and his response to the ques-
tion was that he was to be replaced by
the Krasnoyarsk radar where it was by at-
that-time General Ogarkov. General
Ogarkov was ordered to place it there
by the Politburo, the ruling body in the
Communist Party and in the Soviet
Union. So here we have the 18-year
commander of air and space defense
command for the Soviet Union now ad-
mitting in a public record in Russia
that he was ordered to place the radar
where it was in direct violation of the
ABM Treaty. Simply allow the Soviet
Union to break out of the ABM
Treaty and have battle management
capability that would directly threaten
the United States.

So, Mr. Speaker, we have to under-
stand the context in which the Russian
military operates. There are some in
our Congress and there are some in the
White House who want to do whatever
they can to bolster up Boris Yeltsin,
and what I am saying is, Mr. Speaker,
that is not something that we are doing
frankly with the Russians. When they violate a
treaty, we have got to call them on it.
When they violate by sending equip-
ment or technology to Iraq, we have
got to call them on it. When they want to
send SS-25 technology out around the
world as a space launch capability,
we have got to call them on that.

Mr. Speaker, that is in our interest
and it is in the interest of the Russian
people that we understand what is
going on and that we will not be
complacent and we protect ourselves to
be. But Mr. Speaker, that is not hap-
pening in this administration. This ad-
ministration wants to lift up the rug,
bury everything under the rug and say
do not worry, everything is OK. Mr.
Speaker, it is not OK, and I am not
about advocating massive increases in
funding in these areas. Every dollar
that we plused up, Mr. Speaker, last
year was done so with the request of
General O'Neill is President Clinton's point person on missile
defense.

In fact, Mr. Speaker, General O'Neill is
retiring this May. Right before our
break in January I got wind that he
was retiring. I talked to him, tried to
convince him to stay on because I have
confidence in him. I think he is a great
American and a great leader. I put to-
gether a letter, Mr. Speaker, asking
Secretary Perry to reconsider and ask
General O'Neill to reconsider and stay
on as head of BMDO. Within 1 hour I
was able to get 22 Members of this body
who were the leaders on defense issues
to sign that letter asking that General
O'Neill stay on, 12 Democrats and 10
Republicans. Everyone from Mur-
tha to Floyd Spence to the key lead-
ers on both sides of the aisle on defense
issues signed that letter asking to keep
General O'Neill on board. Why? Be-
cause we in a bipartisan way have con-
figured him in them. He did not do that.
He decided and announced this past week
that he is going to retire. I got the
word, Mr. Speaker, through the grape-
vine of the Pentagon that the adimin-
istration, to further downplay the whole
potential threat for missile defense,
that they were going to replace Gen-
eral O'Neill, who is a three-star gen-
eral, with a two-star, and the notion
was that if Bill Clinton won the elec-
tion by lowering it to a two-star posi-
tion there would not be as much visi-
ability. But if a Republican won the
Presidential election, then the Penta-
gon would elevate it back up to three-
star to give it the visibility it war-
rants.

Mr. Speaker, that is outrageous.
I will say that when I raised this
issue with Dr. Kaminski he said
he would not support that and felt that
the appropriate level of support that
has been displayed by General O'Neill
continues. The program outlined by this
administration is not logical, it is not
based on threat, it is not based on re-
ality and we are getting away from that
with every ounce of energy in our bod-
ies this year, Mr. Speaker. In fact,
tomorrow we will have our first missile
defense hearing. Thursday I was sup-
poused to have General O'Neill come
in along with the Air Force and the
Army. I am still scheduled to have that
hearing on Thursday, where they can
talk about their national missile de-
fense capabilities. But, Mr. Speaker,
unfortunately I heard in a phone call
from General O'Neill yesterday that he
was being told by someone in the ad-
ministration not to come before my com-
mittee. Perhaps there is something
that he cannot say or per-
haps the administration does not want

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it on the record again that, in fact, the people who are responsible for these programs are going to say directly opposite of what the Commander in Chief said, that in fact we can deploy a system that is not in violation of the ABM Treaty?

Well, I can tell you this, Mr. Speaker. I am having a hearing on Thursday, and I am having a hearing with General O'Neill and with General Garner from the Army and with the general from the Air Force to talk about but if it is not there, we will have empty seats, and we will let the people of America decide.

Now, the Pentagon said we are sure we want them to come in because Dr. John Caminski has not briefed the Congress on the program needs for this year. Mr. Speaker, that hearing has nothing to do with program needs. All we are talking about is what capability do we have now, what capability do we have now, and can we in fact deploy systems in the Air Force or in the Army using existing capabilities at a low cost that can give us some protection?

So, Mr. Speaker, if there is anyone in the Pentagon listening tonight, we are going to use this hearing to bring our priorities to you, and I hope you show up because if you do not show up, we are going to have the hearing anyway.

Mr. Speaker, beyond that hearing we are going to have 10 hearings this year on the missile defense programs, on the Russian command and control problems. We are going to have a hearing on joint, dual American-Russian cooperation in missile defense programs. We are going to have a hearing on the standpoint of political implications of the ABM from Russia's standpoint, just as I have asked the Speaker, their Duma, on the political implications of the ABM from our standpoint.

We are going to have the most aggressive debate in this country's history on the proliferation of missiles, and I would hope in the end, Mr. Speaker, that when we have to make a final decision on a defense bill that it will be based on fact and not rhetoric.

It troubles me though, the direction I see the administration going. The week before we left for the February work break, Mr. Speaker, we were called in as members of the Committee on National Security and we were told the administration was going to ask for a $3 billion reprogramming request from this year's defense bill. Now this administration, who is telling the American people we do not have enough money for defense, we do not have enough money for the priorities of missile defense. General Shalikashvili's letter to General Luck saying we would like to help you, but we do not have enough money for that and to protect our troops in Korea, this administration was asking for a reprogramming, Mr. Speaker. One of the items was to reprogram $80 million of DOD money to train the police force in Haiti. Now, Mr. Speaker, to me that is outrageous.

I live near Philadelphia. Philadelphia could use $80 million for its police force. So could New York. I think Washington, DC could use $80 million to train its police force. But this administration wants to reprogram $80 million of this year's DOD money to pay to train the Haitian police force, and they are telling us they do not have enough money for their priorities. This administration wants us to reprogram $200 million to pay the Jordanians to build the road that President Clinton signed. $200 million out of this year's defense bill to assist Jordan in coming to the peace table; not coming out of State Department funds, not being appropriated publicly, but in a reprogramming request coming from this administration out of this year's DOD dollars.

Third, the administration wants to reprogram money for nation building in Bosnia. Now we are not asking the Russians to aggressively work for the French or any other NATO country. We are going to reprogram money from out DOD budget to nation build in Bosnia.

Mr. Speaker, those are some of the outrages that I feel, but one that really got my attention during the break more than anything else dealt with the B-2 bomber. Mr. Speaker, I chair the Research and Development Subcommittee for the Committee on National Security, and I have consistently opposed the B-2 bomber this past year despite intense pressure from my party leadership, and the reason is not that I think the technology is bad, it is not. It is because we cannot afford it.

In the current budget environment we cannot afford to buy more B-2s. But that battle was fought on the floor and those that supported the B-2, some of the most liberal Members who hate defense spending voted for it and we fundedit. I think it was a mistake. But the administration has not given up. It is trying to go out to southern California, Mr. Speaker, just this past month and have a press conference and say to the workers working on the B-2, I think we ought to take another look at whether or not to build more B-2 bombers. Mr. Speaker, that is absolutely outrageous. Talk about hypocrisy, Mr. Speaker, that a President who says that we put too much money into the defense bill, that we plused up programs we should kill, we should not even be talking about a study to determine whether or not we should build more B-2s. For those poor workers out in California who may be watching, Mr. Speaker, I would ask them to ask the President when that study's expected back. I would tell them it is probably the week after the November election and that is when the report will come back, no more B-2s.

Mr. Speaker, what I am saying in summary of this year's DOD money is, to stop playing politics with the defense of our country. Missile defense and the programs and priorities we have are not a Republican issue. Every gain that we made last year was done with support from my colleagues on the other side of the aisle. They were in the forefront of this debate. They were in the forefront on the committee, on the House floor, in the Senate, as well as the House of Representatives.

Well, I can tell you this, Mr. Speaker, just as if Don Young's Alaska is threatened by a missile from North Korea, every one of us needs to pay attention, and that is exactly the situation, Mr. Speaker, just as if Don Young's Alaska is threatened by a missile that can potentially hit parts of Alaska from North Korea.

This year, Mr. Speaker, we are going to lay the facts on the table through the expansive series of hearings that we are going to have, in the subcommittee, in the full committee, starting tomorrow, through briefings we are going to have. We are going to make the case that it is in our interest to work with the Russians to convince them that they have more of a threat from missile proliferation than we do. In the end, we have got to work together in the countries that defend America, and the people of Russia and freedom loving people everywhere, just as we are doing with Israel.

Mr. Speaker, we have helped Israel build the prototypes for what will be the national missile defense system; it is called the Aero Program. The taxpayers of this country have put a half a billion dollars into that program and it is justified, it is a good program, and it is good to give Israel the security they deserve. Why do not the American people deserve the same security? Why should we build a system that can protect the people of Israel from a missile attack and leave the people of America vulnerable?

That is the question we have to answer, Mr. Speaker, and we can do it without massive increases in funding, we can do it with a very careful and deliberate approach that builds upon our technology. We will will deal with the threat we have today and build and allow us the options down the road to build a more elaborate defense capability, a more robust defense capability.

Does this mean that eventually the ABM treaty may have to be renegotiated? Absolutely. Absolutely. Mr. Speaker, while I am not willing to take the treaty on this year, I am one who is firmly convinced the treaty has outlived its usefulness. But we need to understand the political considerations in Russia if we negotiate that treaty head on. My proposal is to grab the hand of the Russians and work with them to show them that we are no longer in a bipolar world with just two countries, with offensive military missile capability. We now have North Korea, we have Communist China, we have Iraq trying to get long-range missile capabilities, and it is in our interest to work together.
That should be the approach we use this year. Mr. Speaker, that will be the approach that I use as we begin our hearing process, and as we move forward to provide security for the people of this country with our fiscal year 1997 budget request.

Mr. Speaker, I include for the Record the Washington Times article of February 15, 1996, and the letter to President Clinton of January 30, 1996. The material referred to follows:

[From the Washington Times, Feb. 15, 1996]

**PLEA FOR MISSILE DEFENSE IN KOREA FAILS**

The chairman of the Joint Chiefs of Staff has declined to back the commander of U.S. forces in Korea in seeking to reverse a Pentagon decision to delay a new missile-defense system urgently needed in Korea to protect U.S. troops from North Korean missile attack.

Gen. John Shalikashvili, chairman of the Joint Chiefs of Staff, in a cable told Gen. Gary Luck, the commander in Korea, that the Pentagon plans to scale back funds for the Theater High-Altitude Area Defense (THAAD) and pay for other weapons modernization programs.

The Shalikashvili cable calls into question Clinton administration support for building effective theater missile defense in the face of an urgent menace from North Korea. The North Koreans have tested a longer-range missile known as the No Dong.

The Shalikashvili cable also indicates that a joint defense policy decision has not in line with new provisions of the 1996 defense authorization bill, signed into law Saturday by President Clinton.

The authorization law orders the defense secretary to restructure regional missile defense programs to make Patriot PAC-3, THAAD and two Navy systems, known as interceptors for lower and upper tier, top-priority programs. The law sets specific dates—all by 1999—for developing the first systems of the models. Full-scale deployment is set for 2000 for THAAD, and by 2001 for upper tier.

Gen. Shalikashvili stated in the cable that the primary purpose of a review of missile defense needs to "free up dollars for critically underfunded areas of recapitalization."

The proposed competition in 2002 or 2003 between THAAD and Navy upper tier could delay production of the wide-area defense system by three to five years, Gen. Shalikashvili added.

More than a dozen Senate Republicans, including top party leaders, wrote to Defense Secretary William Perry last fall urging him not to delay THAAD.

Any slowdown in THAAD development would be considered "a declaration by the administration of a lack of commitment to theater missile defense," two senators wrote in a Nov. 7 letter to Mr. Perry.

**MISSILE DEFENSE**

[Excerpts of a cable sent to Gen. Gary Luck, commander of U.S. forces in Korea, from Gen. John Shalikashvili, chairman of the Joint Chiefs of Staff, on Jan. 19.]

In response to Ref. A [a cable from Gen. Luck of Dec. 11], Ballistic Missile Defense programs are under internal DoD review to evaluate the cost-effectiveness strategies for meeting validated theater missile defense requirements. The primary objective is to free up dollars for critically underfunded areas of recapitalization. For this reason the Joint Requirements Oversight Council (JROC) is recommending THAAD funding at a minimum level necessary to continue development and fielding of a shoot-off with the Navy theater-wide ballistic missile defense system in 2002-2003.

"My expectation is that this JROC plan, if adopted, will possibly delay an upper tier production decision three to five years. Full impacts of this JROC course of action under consideration are beyond the service and Office of the Secretary of Defense Ballistic Missile Defense Organization. I understand your concern. A final decision has not been made. Will keep you advised."

CONGRESS OF THE UNITED STATES,


President William J. Clinton,
The White House,
Washington, D.C.

Dear Mr. President: I am writing to express my concern about the recent attempted shipment of Russian missile components to Iraq. While this shipment, which included gyroscopes and accelerometers designed for use in long-range missiles, was intercepted in Jordan, it raises serious questions about the Russian government's willingness or ability to halt proliferation.

The Moscow press reported that the Russian government sanctioned the shipment or not, the events which transpired underscore the fact that Russia is at best unreliable or at worst unwilling to fulfill its MTCR obligations.

Recently, I traveled to Russia and met with members of the Duma. I was told that President Yeltsin and officials of Rosvooruzheniya, the main Russian state arms export company, Russian government had already been informed of all knowledge of this highly reported incident. Rosvooruzheniya officials were aware of the attempted transfer, but denied any involvement. I also met with Russian ambassador Pickering, who indicated that the United States neither sought nor received any information or explanation from the Russian government about the attempt.

This recent incident is not the first time that Russia has transferred missile technology to non-MTCR states. In 1993, Russia sold an associated production technology for cryogenic rocket engines to India. Recently, Russia transferred missile components to Brazil. To this very day, Russia continues to aggressively market a variant of its SS-25 missile under the guise of a "space launch vehicle."

If nonproliferation agreements are to have any meaning, they must be aggressively enforced through careful evaluation of the application of sanctions for violations. I believe that the Russian shipment of missile components deserves a forceful response from the United States. I am deeply troubled by the U.S. government's apparent inaction in this regard. I would appreciate answers to the following questions in that regard:

1. Has the United States demanded from the Russian government a detailed explanation of the attempted shipment of gyroscopes and accelerometers to Iraq? If so, when did this occur and through what channels? If not, why not?
2. Has the Russian government responded, and what was the substance of the response? Does the Administration find it credible?
3. Do you believe that this shipment occurred with or without the knowledge of the Russian government, and what does your administration's commitment to ensure the viability of U.S. nonproliferation agenda?
4. Why have sanctions not been imposed on Russia as a result of the attempted transfer of MTCR-prohibited missile components? What does the failure to impose sanctions, as required by U.S. law, say about the Administration's commitment to ensure the viability of the MTCR regime? Why wouldn't this set a dangerous precedent for others that might seek to circumvent or violate MTCR guidelines?
5. Russia's ascension to the MTCR regime as a full member imposes certain obligations on it that this incident demonstrates Russia is unwilling or unable to fulfill. What does that Administration intend to do to ensure full Russian compliance with its MTCR obligations in the future? Without acting firmly now in response to the attempted transfer to Iraq, why should Russia believe that similar transfers will carry severe consequences in the future?
6. Please provide the dates and topic concerising the Missile Trade Analysis Group since the Russian shipment was reported.
7. Please list and describe all instances which raised U.S. concerns regarding compliance with the MTCR, all instances since 1987 in which the U.S. government considered imposing sanctions on a "foreign government or entity," whether sanctions were in fact imposed, and against whom; how long those sanctions remained in effect, and the reason why they were lifted.
February 27, 1996

Thank you for responding to these serious issues.

Sincerely, Curt Weldon, Member of Congress.

WHAT WILL HAPPEN TO HEALTH CARE REFORM?

The SPEAKER pro tempore (Mr. Taylor of North Carolina). Under a previous order of the House, the gentleman from Washington [Mr. McDermott] is recognized for 60 minutes.

Mr. McDermott. Mr. Speaker, 3 years ago President Clinton announced that he wanted to provide Americans with health insurance that can never be taken away. The congressional leadership has publicly bragged, in both bodies, that they killed health care reform. My concern tonight is, what is their alternative? Now, we have in the Senate presently, the other body, a bill languishing, the Kennedy-Kassebaum bill, that gives minimal protection, and yet not even that bill can get out of the other body, so the question is, what is going to happen? It seems to me that the history of this issue needs to be reviewed.

As you may know, it was a mere 150 years ago that the first surgery was done under anesthesia at the Harvard School of Medicine. Perhaps that is a good place to begin this examination of where we have been in health care and where we are going.

Many in my generation retain a deeply etched image of a painting depicting a physician sitting beside the bed of a small child while the parents huddled pitifully in the background. The title of the painting is something like "Waiting for the Crisis." Physicians 100 years ago could do very little beyond setting fractures, amputating, and administering a variety of empirically tested concoctions.

Physicians were among the most broadly educated in the society and, as such, they were highly respected and expected to participate fully in the civic life of the society.

Even earlier, one of the most prominent physicians in the American Colonies was Benjamin Rush; as a Member of the Continental Congress, Dr. Rush signed the Declaration of Independence.

Eventually, he was defeated for re-election, but he spent the remainder of his professional career improving the lot of prisoners and the mentally ill in Pennsylvania. That was the last time a psychiatrist served in the Congress before I arrived in 1963.

Maybe some of you see a moral there in.

Advances in the diagnosis and treatment of disease between 1846 and 1946 were painfully slow. Services were rendered to patients by individual physicians who were paid on a fee-for-service basis.

Health insurance was a rare commodity, and thousands of people simply did without the treatment that was available because they could not pay for it. Others paid what they could when they could.

There was no expectation of a societal response to the need for universal health care.

I am speaking only of the United States here because you must remember that, in 1883, Otto von Bismarck instituted government-sponsored health care for German miners as a preemptive strike to halt the spread of socialism.

The 1930's were, of course, a time of great turmoil in this country and, during that period, President Franklin Roosevelt proposed a system of universal health care for all Americans. He did so at the same time that he was proposing Social Security, and the political weight of the two programs proved too great.

So he decided to separate the two proposals and to wait until the next Congress to complete his health care proposal. Unfortunately, the Second World War interfered with his plan.

Meanwhile, in typical American fashion, the American people were beginning to develop their own responses to the lack of health care.

For example, the Kaiser construction company was building dams in rural Washington State. Mr. Kaiser recognized the need to make doctors and hospitals available to his employees who were working at dangerous jobs in isolated areas.

Thus were planted the seeds of prepaid health insurance. And during the war, more and more employers, eager to maintain a healthy and reliable workforce, began to offer health coverage.

At the end of the war, a wage and price freeze was imposed on the American economy.

But smart and thoughtful labor leaders found a way around this constriction on wages by inventing a concept called a benefit package, which was primarily a health insurance program to pay for doctor visits and hospitalizations.

Nonunion companies suddenly realized that they did not also provide a benefit package for their employees, so they soon would have union organizers working the floors of their plants and offices. So, they, too, provided a benefit package.

Emerging around the same time as employment-based health insurance, the prepaid coverage seeds sown by Kaiser construction were working vigorously. Antipsychotic medications recast the speedy death from cancer less likely. Antibiotics revolutionized both infectious disease treatment and postoperative infections. Kidney dialysis formed the groundwork for transplant therapy. Noninvasive imagery such as CAT scans and MRI's made diagnosis more precise, and complicated surgeries more likely of success.

Bone marrow transplants and other cancer treatments made certain and speedy death from cancer less likely. Antipsychotic medications recast the treatment of the severest mental disorders.

When I walked into the ICU recently to visit my 90-year-old father, it struck me that nothing in that area of the hospital existed when I graduated from the University of Illinois Medical School in 1963. Only the human body remained essentially the same, except, of course, the hip and knee replacements and the cardiac bypass surgeries and the heart valves.

If you consider even briefly all of this rapid and turbulent change, you will appreciate the trepidation with which employers and the health insurance industry viewed the modern landscape of health care delivery and, especially, financing.

Health care delivery in this country has been conducted primarily by individual providers paid through a fee-for-service system.

As more treatment and procedures have been developed, the costs of care have risen exponentially.

The system, financed by employers, offered no guarantee of continued coverage either during employment or after leaving employment. Only union contracts in certain cases guaranteed coverage during employment.

Nonunion employees had no protection whatsoever.

The other system of delivery and financing was an adaptation of the cooperative movement that emphasized control by the recipients of the system's services.

Keep in mind that the insurance industry did not leap willingly into the mix and only reluctantly accepted the risk of insuring the health of individuals. They were hesitant, I expect, because they had no experience on which to base their rates.

It is against this historical backdrop of health care delivery and financing that we must view the medical developments of the postwar period. It was an era in which medical science and technology literally exploded. What is possible today was hardly conceivable to even the most imaginative scientist after the war.

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Health care delivery in this country has been conducted primarily by individual providers paid through a fee-for-service system.

As more treatment and procedures have been developed, the costs of care have risen exponentially.
Employers and insurers began to seek ways to provide coverage to employees while simultaneously controlling expenditures. Unfortunately, they sought cost controls in a system with no incentive whatsoever to limit expenditure. Aided by the system suggested, if a treatment for a given condition is known, shouldn’t everyone with the condition receive it?

To further complicate the mosaic which we call our health system—I would call it a system—In 1965 the Federal Government entered the scene to provide coverage to two groups not covered by the private sector because they are not employed.

The programs created to cover these two groups are Medicare and Medicaid. They were designed to address the health needs of the elderly, the disabled, and poor women and children.

Neither the governmental nor the employer-based system had agreed upon definition of what constituted adequate care, or who should pay what portion of the bill for whom.

Thus, we have, in this country, a hopelessly fragmented health care delivery and payment schemes. The extent and quality of the health care you receive depends upon your age, where you live, for whom you work, the race or ethnic group to which you belong, and finally, your economic status.

The inconsistencies within our present system are truly mind-numbing, and the call for reform of both delivery and financing comes from all quarters.

As the cacophony of voices for reform began to rise, thoughtful minds examined other models of health care delivery and financing.

Because the cooperatives had been relatively successful in delivering good care at relatively low costs, they attracted the attention of those who, on the one hand, wanted to continue to provide health coverage to their employees but, on the other hand, worried increasingly about the costs of doing so. Stories began to appear in the press, noting, for example, that the Chrysler Corp. was spending more on its payments to Blue Cross of Michigan than it was for the steel in its automobiles.

The cooperative model of health care delivery was very democratic; it gave a large role to its consumers both in defining the scope of benefits and in the selection of providers. The doctors were salaried and the organizations were run by executives responsible to a consumer board.

It was a functional structure, but one that did not correspond to the political views of most employers in this country.

Yet, another significant factor contributing to the present crisis in health care financing is the gradual globalizing of the economy.

The United States emerged from the war in 1945 as practically the only functioning, productive nation in the world.

But the World Bank, the International Monetary Fund, the Marshall plan, and countless other economic initiatives restored economic stability and prosperity to many countries.

As these nations regained strength, they became America’s vigorous competitors. By 1980, the United States had lost its financial dominance in many spheres within the economic universe.

A widely held view insisted that production of competitively priced goods and services required curtailment of health care costs.

Plans supported by employers began to disappear. Deductibles, co-pays, and restrictions on the scope of services became commonplace as employers tried to control the costs of the health care benefits they offered.

Where labor and management once had squabbled only rarely over the costs of employee health benefits, they now saw these costs gradually becoming a source of ongoing friction and escalating conflict.

Today, reduction of existing health benefits is the single most common cause of strikes by American workers.

As the quest for cost control became more urgent employers began to scrutinize the activities of insurance companies.

In a booming economy, insurance companies took employers’ premium payments, paid employees’ claims, and paid dividends to stockholders.

They gave relatively little attention to cost control, in part because employers were not pressing for it, and in part because the insurers could simply overcome losses with the next year’s inevitable rate hike.

But when the economy tightened, this traditional casual dismissal of cost controls no longer worked.

Multistate companies became exasperated with varying State legislative mandates and the inquiring eyes of State insurance commissioners; many began to opt for the self-insurance alternative offered by ERISA legislation.

Small and medium-sized employers became increasingly agitated as their health care costs spiralled and their profit margins shrank.

They began to do one of two things: As they were not required by law to provide health insurance to their employees, some simply dropped coverage; and others began to complain to their insurers.

Employer-based health insurance peaked in 1980; it has been declining steadily since.

All of these factors led to the shrinking coverage that now leaves 40 million Americans without any health insurance whatsoever. A majority of these people belong to families in which at least one person works full-time.

As employers continued to drop the health insurance policies that covered their workers, insurers understandably sought ways to satisfy the cost and coverage concerns of their departing policy holders.

Eventually they seized upon a system of cost-controlled health care delivery known as the health maintenance organization, or HMO.

Let me take a moment here to define what I mean by HMO: A health maintenance organization is a healthcare delivery system in which every subscriber pays a fixed monthly fee that is paid to a fixed group of salaried healthcare providers, mostly physicians, to provide a guaranteed package of benefits to the subscribers.

Although HMO’s had existed in this country since the 1940’s, they tended to be small cooperatives, not-for-profit entities controlled by the consumers they served. HMO’s offered managed care, that is, a predetermined range of medical services for a predetermined charge. Of course, they were considered suspect by the traditional medical establishment.

Now back to our narrative: Insurance companies gradually recognized the lucrative potential of HMO’s adapted to the for-profit free market.

So they devised a new type of HMO to deliver health care to policyholders and profits to stockholders. To do so, they scuttled the old cooperative approach of consumer control and doctors’ participation in the program’s structure.

In its place, they constructed a system of ‘managed care’ designed primarily to yield generous profits.

Accountants took the place of physicians and consumers, and managed care has come to mean a tightly controlled arrangement in which profitability determines the availability of care.

This decision of the insurance industry to fashion a scheme of coverage and payment that excluded involvement of both consumers and providers set us on our present course.

Insurers have created a system designed to maximize industry profits by incorporating financial incentives that drive providers from the giving appropriate—but-expensive patient care.

For-profit managed care has proved so lucrative that it now is offered by companies created to do nothing else.

Ironically, we have yet to see any demonstrable evidence that managed care actually produces the cost savings it promises.

What is clear, however, is that managed care as practiced by the insurance industry is simply an arrangement to redistribute health care resources from the delivery of care to administrative functions. In California and Florida, for example, the papers are full of stories about managed care companies denying care to their enrollees or using as much as 30 percent of their premiums for overhead or profit. Clearly, these plans are designed to enroll only the healthy—and inexpensive, while leaving the sick to taxpayer-funded programs.

Now the Congress is trying desperately to revise both Medicare and Medicaid to enable private insurers to cover the healthy enrollees of these programs but to relegate the seriously

sick and needy to the residual State and Federal programs.

This deliberate attempt to deplete the insurance pool of people who are unlikely to need expensive, protracted care simply is exacerbating cost escalation during this age of Medicare and Medicaid as incompetent, wasteful, and ripe for overhaul.

By now, you may ask, quite rightly, "What is the answer to this mess?"

The only sensible answer is a single-payor system to finance—not deliver—health care in the United States.

As I see this, I see the spines stiffen and the jaws tighten.

Let me assure you that I am proposing an American single-payor system, not the 112-year-old German system, or the 50-year-old British or Canadian systems.

Throughout the world, each nation's single-payor health care system reflects historical factors present at the time of that system's creation.

So an American single-payor system must be developed in the current context.

If I asked each Member of Congress to define a single-payor system, I probably would receive 400 different responses.

So that we might have a reasonable meeting of the minds on this subject, let me propose that we use the following definition, which I have borrowed from Professor Tsaio at Harvard:

Any single-payor system has these two characteristics:

1. a defined set of benefits guaranteed to all citizens
2. a global budget to pay for the health services provided.

Let me clarify here that the term "global budget" refers to the fixed total amount of money that will be spent for 1 year on a given set of benefits offered to the entire population.

Nothing in Dr. Tsaio's single-payor definition prevents the private practice of medicine or restricts application of a voluntary opt-out, provided that all Americans receive the same access to the treatments, and that it is paid for out of the global budget.

Mr. Speaker, how can we justify not having a system of universal health care available to all citizens in the wealthiest, most creative democracy on earth?

This brings us to the first decision we must make—and which we so far have avoided: Is affordable, high-quality health care for all Americans, or is it a privilege subject to all the vagaries of the age, race, income, and residency differences in our society?

I categorically assert that, like fire and police protection, like common schools, and like myriad other services available to all Americans, such as highways and air traffic control, Americans should have universal access to health care insurance.

Every industrial society around the globe has found the ways and means to do this.

And, I might note parenthetically here that successful single-payor systems have been developed by virtually all of our most vigorous trading partners. And I can assure you that none of these savvy competitors is contemplating replacement of its popular and cost-effective single-payor system with America's chaotic, wasteful approach to health care.

In no other civilization can a citizen be crippled by illness, accident, or injury.

If you are unemployed and, coincidentally, your house catches fire, we do not send the fire department of the first department even though you cannot afford fire insurance.

Why, then, do we allow your economic future to be destroyed if you develop leukemia and do not have health insurance?

Is an automobile accident that leaves you with long-term disabilities and huge medical bills somehow less worthy of a societal response than a house fire?

My answer is an emphatic "no." In all of these situations, random events strike individuals citizens with overwhelming force that can be counteracted only by the collective action of the society.

If we, as a society, cannot agree that health care must be addressed on an all-inclusive basis, we are accepting the present lottery-like nonsystem which truly personifies Darwin's description of "survival of the fittest.

If we can agree that health care financing can be addressed only on a national basis rather than the present stymying panoply of programs, then we are prepared to begin the design of the American single-payor system.

I suggest we call it Unicare.

We have only two questions to resolve and our job will be finished:

First, what benefits shall all Americans be eligible to receive from Unicare; and second, how shall we pay for it?

Experience has taught me that defining the benefits is perhaps difficult, but it is infinitely easier than deciding how to pay for the program.

I contend that the benefit package must be very broad and very generous because anything else will build the inequities of our present system back into the new plan from the start.

Let me explain: If we establish a narrow range of benefits for all Americans, individual insurance market for secondary insurance to cover all those treatments that some may need but that are not covered by Unicare.

Individual economic circumstances instantly come to the forefront as the varying capacity of people to purchase supplemental benefits insurance gradually divides us into those who have and those who do not.

This is the situation we have today.

Creating a limited guaranteed benefits package simply will perpetuate the present system in a different form.

So I propose that we begin right now the national debate on a comprehensive package including pharmaceuticals, long-term care, and mental health services.

I do not want to take any more time here arguing the content of the benefit package beyond the issue of comprehensiveness, but there are two core issues about the actual delivery of the benefit package that merit attention.

Although our coinage proclaims "e pluribus unum," we are, in fact, many different communities in this country.

So, I believe, in the maxim of the great progressive Senator of the 1930's, Robert LaFollette of Wisconsin, that State legislatures are "the laboratories of democracy."

I see great practicality in letting individual States decide how best to deliver the guaranteed benefit package.

HMO's may be the preferred delivery mechanism in some States, while, in others, a negotiated fee schedule for private practitioners might be the method of choice.

We can all agree, I am sure, that all wisdom in these matters does not reside in Washington, DC.

I am also convinced that to make a system work, its providers—primarily doctors—should be at some risk financially; at the same time, however, they must be allowed—encouraged—to participate in the design of that system.

Actuaries, accountants, and lawyers cannot be expected to recognize the elements of medical cost escalation and control that are evident to physicians eager to protect both their patients and themselves.

Failure to recognize this fundamental fact is the single most telling blunder of recent health reform efforts.

Exclusion of physicians' participation in the design of a health care system is a sure prescription for disaster.

Evidence of this already is appearing in the press.

Time magazine's cover story in its December 23rd issue details the ethical dilemma physicians confront when they try to practice responsible medicine in a system they had no part in designing.

Lest you think this is purely a theoretical challenge, consider that I recently attended grand rounds at Children's Hospital in Seattle.

For 2 hours, I discussed with a dedicated group of seasoned physicians and new practitioners the ethical questions inherent in trying to deliver appropriate care to children within the restrictions imposed by profit-driven managed care.

As more and more physicians attempt to practice good medicine within managed care schemes that do not allow them to do so, the very significant shortcomings of our present unworkable system will become only more glaring. Good medical care will become scarce, indeed.

Let me turn now to the second major decision that must be made about our Unicare Program for all Americans: health care replacement.

It is estimated that, in 1995, we in the United States consumed 950 billion dollars' worth of health care.
That is almost 50 percent per capita more than either Germany or Canada spent, and the health statistics of those countries are better than ours.

In case you share my difficulty in truly comprehending the purchasing capability of the medical-industrial complex to resist proposals that threaten to encroach on the $950 billion pie.

But, to be honest, the real obstacle to universal health care financed by a governmental mechanism is the American public’s deep distrust of its Government’s ability to operate a large—nondefense—program successfully.

It is easy to lose all but a shadow of vision of the health care benefit package, including prescriptions, medications, nursing, home care, and home health care, and still be able to apply $100 billion to deficit reduction within 5 years.

But these are estimates of the costs involved in running a single-payer system in this country.

How shall we get the revenue to finance the system?

Right now, employers pay all or part of their employees’ health care premiums, and employees pay some part of the premium, plus a Medicare tax to provide health care to senior citizens, plus general taxes to finance Medicaid for disabled persons and poor women and children.

Employers also pay taxes to cover insured workers’ medical expenses, and all citizens contribute general tax moneys to finance medical care for veterans and for members of the military and their families. In addition, we all pay indirectly for medical coverage related to auto accidents.

Health care finance has become a specialty unto itself, and it is no wonder that people struggling to understand this mess are hopelessly confused.

Let me offer a simple, straightforward alternative: The ideal funding mechanism for the new Unicare plan would be a single, dedicated source of revenue that is stable and predictable. So I propose an employer payroll tax of 8.4 percent and an individual payroll deduction of 2.1 percent.

At these rates, about three-fourths of those whose health coverage is connected to their employment actually would spend less on medical care than they do today, parceling out money to pay for all the different programs I mentioned a moment ago.

And, as most businesses presently spend more than 10 percent of payroll to meet their health care costs, they, too, would enjoy an actual reduction in spending.

Now, assuming that the Congressional Budget Office’s estimates are correct—they usually are—you very reasonably might ask, “Why has the single-payer idea not been adopted?”

How could the Congress reject a proposal that provides an affordable, generous health care benefit package and reserves control of health care treatment decisions to health care providers and their patients?

The apparent answer lies in the economic power of the medical-industrial complex to resist proposals that threaten to encroach on the $950 billion pie. But, to be honest, the real obstacle to universal health care financed by a governmental mechanism is the American public’s deep distrust of its Government’s ability to operate a large—nondefense—program successfully.

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God and American politics work in very mysterious ways. If some issues which deserve to be projected on to the center of the stage are projected by a conservative, rightwing Republican candidate running for President, then so be it; some good can come out of any set of circumstances.

The leadership here in Washington is stuck in a rut and that is very dangerous because when leaders, in their conventional wisdom, refuse to move off dead center because of the fact they are leaders and have great power, it is very dangerous. It is all right if my grandmother gets an ornery notion and refuses to budge, or my neighbor down the street who has certain odd ways wants to go off on his tangent, you know. That is an individual kind of thing that really won’t hurt anybody. But when we get stuck in a rut and refuse to recognize certain problems, leadership in command of MiG fighter planes, you can have a great deal of harm done when that leadership is stuck in a rut in terms of their own thinking.

Fidel Castro represents that kind of leadership, stuck in a rut and very dangerous. You had a situation that occurred which is something out of a bygone era. You do not expect MiG planes to be sent out to shoot down unarmed planes that are part of a peaceful protest. Yes, it was a protest. Yes, it was civil disobedience. Because they were probably violating the airspace of Cuba, the planes were shot down by Castro’s MiGs. Yes, they knew what they were doing.

It was a civil disobedience act in the air. A U.S. civil rights veteran, any person who has gone through the 1960’s, as I have, knows that you take a chance. You take a risk when you set out on a civil disobedience venture, but you do not assume that the very worst is going to happen. Yes, Bull Connor ordered the civil rights marchers in Birmingham to get off the streets, and maybe he was the law and the order there. He was a commissioner and they were disobeying him. So they were disobeying him and they set dogs upon them and he set fire hoses upon them. But Bull Connor had machine guns, and Bull Connor had rifles, and he could have shot them down. He did not go that far.

Yes, I side against the British in India certainly angered a large number of military-minded British commanders and commissioners and so forth. They did put him in jail and they did all kinds of things to his followers, but they did not bring in the machine guns and shoot them dead blood.

Civil disobedience is a risk. You take a gamble, but you assume that in a civilized society, you will be punished but the punishment will not be death. What Castro and his MiGs have done is committed cold-blooded murder against people who were engaging in civil disobedience. You do not have to agree with the civil disobedience or the action in order—on the action and the politics of it. It was murder no matter how you put it, unnecessary cold-blooded murder that belongs to another era.

You talk about a new world order, you have to realize it is a new world order. The new world order involves some kind of thinking where nobody would murder in cold blood a group of people who were conducting a civil disobedience action and that has happened.

So Castro and his leaders in Cuba, Castro and the pilots of the MiGs are stuck in a time bind. They are very dangerous. They are in another era. That is the storm trooper mentality. Very dangerous. There is no way you can justify. Yes, you commit civil disobedience, some punishment is going to happen. But here it was murder.

So my point is that it may not be that the stakes are as high, and the immediate problem when we commit errors here in Washington, but we are causing a great deal of harm and a great deal of suffering because we just refuse to accept certain obvious premises. We refuse to accept that there is a tremendously income gap in America and it is getting wider and wider. We refuse to accept the fact that wages are stagnated even among those lucky enough to have jobs. Even among middle class people with college degrees, wages are stagnating. We refuse to accept the fact that there is a great deal of anxiety among people who have college degrees and are in middle-management jobs, technical jobs, because they are finding that the layoffs and the streamlining and the downsizing affects them, too.

It is a time of great anxiety for good reason. At the same time, we see the anxiety being created by the insecurity. We see the stagnation at the other end of the pole, at the Wall Street level. We see the executives making salaries that are larger and larger, you know, now 200 times the average worker’s salary is what the CEO’s are making. We see tremendous income shifts by new information industries that are capitalizing on technology that has been created by the entire society, the technology that is used by Netscape and a few of these other information giants who are not paying their fair share of the taxes and who are not paying their fair share of the income tax and they become billionaires just because it is known among the people who know about information communication, telecommunications, they know that those efforts are going to pay off in the future. They are going to pay off and they are going to pay off big. Tremendous amounts of money being made at the same time others are suffering and this insecurity is being increased. We refuse to recognize that as a fact here, we refuse to address that. We have gone out and negotiated agreements on the world trade stage. GATT was negotiated. Then we entered NAFTA and the GATT agreements. Yes, it may be true, I voted against NAFTA, I voted against GATT. If I had to make the vote again, I would do the same thing again, but it was not because I am against free world trade. It is not because I do not recognize that we have a global economy taking place and that we cannot afford to build walls around ourselves and expect to survive or to be leaders in that global economy. I recognize all that. You cannot stand in the road and stop progress. I recognize that we had to move. But the problem is when we tried to get some kind of reasonable attachments, some reasonable built-in processes that would take care of the fact that there was going to be a great dislocation in the future. There is a continuing, continuing problems that must be addressed in terms of loss of jobs, retraining, loss of security, all kinds of things which could have been addressed in the preparation of the NAFTA and the GATT agreements. We could have had side legislation which dealt with problems that we knew were going to result. We were asking for some kind of humane approach to the debris that would be created by this great revolution. It is a revolution that is underway now, a revolution which is an economic revolution. And in revolutions, somebody is going to suffer.

I was at a conference, a seminar in Canada last summer, and there were large numbers, a significant number of people there who were there to discuss trade, world trade, the impact upon the United States’ economy and workers, and some of them were from the current administration, some of them had participated in the negotiation of the GATT and NAFTA agreements. And repeatedly you kept hearing the phrase there are going to be some losers. You cannot avoid having losers. And I recognize that. It is a fact of life.

You are going to have some losers in a great upheaval, an economic revolution. But they would say there are going to be some losers, and they would shrug their shoulders as if so, you have to have some losers. There was no sympathy for the losers. There was no sympathy for the poor who were going to go through great revolution. It is a revolution that was not because I am against free world trade. It is not because I do not recognize the fact that there is going to be a great economic revolution. And in revolutions, somebody is going to suffer.

Government has a duty to care enough about people to want to take a program which provides the necessary resources to get people through this transition with a minimum amount of dislocation and a minimum amount of suffering. We have that conventional wisdom which locks into yes, there are going to be losers. It is not enough, we can not do much about it. Yes, we have to move forward and there is going to be some suffering, some people have to be thrown overboard, and our answer is...
no. You can have GATT, you can have NAFTA and you can make it a humane step forward instead of a step backwards where the winners take everything and there are so many losers.

I will return to that in a minute, but I think to cite another example of being—of where the leadership in Washington is stuck in a rut. There is a general acceptance here that the era of big government is over, that government automatically is a monster. If you have two or more government, you have created some kind of new public good. I do not accept that premise. The era of big bureaucracy ought to be over. The era of bureaucracies fumbling and stumbling, and bureaucracies that have lost their purpose, their sense of purpose, should be over, but we should not back away from the era of governmental commitment.

A government must be a guardian of the people who are in harm’s way. The people who need government should have government there, the workers who are caught in the middle of the road as the steamroller of technological change comes down. As the steamroller of the global economy comes around in ways which accommodate self and bureaucrats, the workers require to have government as a guardian.

Government, the era of big government ought to be certainly treated across the board in some kind of uniform way. If we were really talking about ending the era of big government and we really downsized on a sincere and reasonable level and a sincere and reasonable way, then you will be talking about downsizing the Pentagon and downsizing the CIA, and if you were downsizing all those humongous, monstrous agencies that have lost their reason for being, then you would generate funds in that process of downsizing those agencies which would be available. The funds would be available for job training, for the education, for the transition, the necessary transition items, necessary transition programs and projects that would allow people to adjust to the new age of information and the age of technology, age of telecommunications. But the wisdom here is that big government is over, the era of big government is over, but it is a phony statement.

The era of big government is not over. The Pentagon is as big as it ever was. The majority, Republican majority in the Congress, insisted on adding $6 billion to the Pentagon budget. I understand they are building new buildings and new facilities. The CIA is as big as it ever was. Recently, the CIA discovered that it has a slush fund, a petty cash fund of $2 billion that they did not know they had. So you know, big government is over in the area that helps people.

Big Government may be over in AFDC, Aid to Families with Dependent Children. They want to cut down on that. Big Government may be over, they would like to see it end in the area of Medicaid and cut back on the health care that is available for poor people. But on the other hand, the Big Government goes on and on and on in areas that are considered highly profitable by the Members of the Republican majority. If they were just sincere, we could cut down on this board and accumulate funds that could deal with the real problems that Mr. Buchanan’s campaign has inadvertently kicked to the top of the agenda.

There are another Washington, piece of Washington common wisdom that is ridiculous and needs to be challenged, and that is that States can do it better. Block grants and State control is suddenly some kind of virtue in league with the 10 Commandments. I never heard States praised so much as the fountains of good government. This runs contrary to all the history that we can dig up for practically every State. The history of State government is littered with scandals and inconsistencies and incompetence. State government gave us the problem of young men going to the draft in World War I and World War II who were physically not fit to fight, you know, because of the fact that they had not been given free lunches, those poor people who needed them, had been malnourished, maltreated, no health services.

State government gave us that. State government gives us waste year after year of monumental proportions. In New York State, the Governor of New York State is an all-time low. State government is being led by the administration, happens to be a Republican administration, a Republican administration that has tried to turn the State of New York into a giant clubhouse. The executive branch of government is acting as if it is running a giant clubhouse. They are going to move State facilities around and State functions around in ways which accommodate their loyal constituency. The way you hand out patronage to the clubhouse, they are going to seek to hand out State services and State agencies as if they were a giant clubhouse.

And they had the right to reward their workers by handing them that agency or handing them a hospital or handing them some set of functions in their particular area and taking it away from another area. The Governor of New York State has proposed to move certain facilities out of the State capital. Why do you have a State capital if it is not efficient and effective to have all of the pertinent services grouped together? But he is going to take part of the State capital functions and move them to his home area of Poughkeepsie, NY and put them in facilities there because that is where his constituency is. Those are the people who voted for him and he wants to build up the economy of the area where he came from.

And he is going to do this in a 4-year period, sort of throw the whole State government out of kilter by seeking to reward his loyal supporters while he punishes the people in the Albany area, the area of the capital, because they did not vote for him in as large numbers as people in Poughkeepsie voted for him.

It is an obvious move. Everybody is talking about it. What baffles me most is how and why nobody has brought a court suit or threatened to arrest the Governor. I do not know how you can challenge this legally and so openly misuse public resources and be allowed to remain in office or not be challenged. That is going on now at the level of New York State government.

This Governor has gotten ahead of the Contract With America in many ways. He is already trying to change the standards in nursing homes, and he has already proposed a giant cut in Aid to Families with Dependent Children. He is already going after the poor with a vengeance. So he is ahead of the Contract With America and proving just how horrible the fate of the people who need government most will be under State governments.

So block grants to the States and State control of certain programs will only mean horror stories and great suffering for large numbers of people. Yet, the wisdom here seems to be give it to the States, give it to the States. The Governors have spoken. The Governors have spoken. The Governors are with the Republican Governors on Aid to Families with Dependent Children. The Democratic Governors are in agreement with the Republican Governors on Medicaid.

Well, this Nation was not constructed, the Government was not constructed the way it is for no good reason. If they wanted Governors to legislate nationally, it would have been simple to have the Governors of all the States compose this. They were the Representatives of the United States, but that is not the case. The Governors are now very greedy. They do not want to wait until the power is handed down to them. They have taken the initiative, become very aggressive, and now they want to take over the function of Congress. So the Governor of Montana, the Governor of Maine, the Governor of Nevada, States with very little in terms of population, they have very few people, so they have very little representation in Congress. But there is Texas, Florida, California with large numbers of Representatives in Congress, according to population. That is the way the Constitution constructed it. The Constitution may need some correction and adjustment with respect to the Senate, because we do not have one man vote in the other body. It is every State has two votes regardless of its population. That itself is something that ought to be on the agenda for the next decade to deal with. But certainly, Governor is a good sense, considered a counterbalance in terms that the House of Representatives is proportioned according to population.
So how can 50 States, one Governor from each State, usurp the Congress' right and begin to make legislation with each one of those Governors having an equal vote? They broadcast this all over. We agree, all of us agree, all of us agree that the people of California agree with the Governor of California and the people of Maine agree with the Governor of Maine who agrees with the Governor of New York.

We are here, and we are here representing constituencies and congressional districts. And we reserve the right to make decisions ourselves and not have the Governors usurp the powers of the Congress. Let them wait until this process runs its course. Let us see how much power we are going to hand down to the States. Let us see how the people respond. Let us not assume that the Governors are already in charge.

We have leadership stuck in a rut here in Washington. We have leadership stuck in a rut in Albany, in New York, and lots of other State capitals. We have leadership stuck in a rut in New York City. The mayor of New York City insists on continuing to cut education programs. Over and over again he goes after education, creating more and more problems in a city that cannot afford it. We have the lowest educated population. The city is losing jobs. The only hope is in the area of high, technology jobs, telecommunications. Only educated people are going to keep the city of New York alive. They mayor of New York City continues to make cuts. He is stuck in a rut in terms of how to approach a budget and how to set priorities.

The police, they will not be cut. The police represent a great deal of inefficiency because you have a lot of police who are doing the work that civilians should be doing. We were moving in the direction of civilianization of the police department, but because of political considerations, the mayor cuts education, but it has nothing to do with the police department who ought to be out fighting crime. And you could replace them with lower paid civilian workers. So we have this phenomenon of people in responsible positions, when they are stuck in a rut and their conventional wisdom is all that you have to work with. They cause great suffering and great destruction.

The Washington obsolete, out-of-step reasoning sets a pace for all the others. Washington obsolete in the year since this Congress began, until they knock everything else out of kilter. Other jurisdictions, States and municipalities pick up. Washington serves as a negative role model, and we have a great deal of incompetence,_blundering, dishonestly, bullying oppression, waste, right down the line as a result of the example set here in Washington. We waste money on a monumental scale.

Whitewater hearings, for example. I understand there is an effort to keep the Whitewater hearings going on indefinitely. Whitewater is as great an example as you will want to find of a complete turnover of an official government function to a partisan party consideration. If the Whitewater hearings are continued, they certainly should be paid for out of the Republican Party's campaign funds, because it is a partisan fishing expedition waged through an official congressional hearing. If Whitewater really was sincere, if Whitewater had any credibility and Whitewater meant anything other than a way to harass the President, the President would have been found out. Whitewater was really focused on savings and loans scandals, then I would be the first to applaud Whitewater. Because if ever there was a piece of American history that has been smothered and kept out of the view of the public, it is the savings and loan scandal.

Whitewater is cited by the people who are conducting the Whitewater hearings as being very important because I think that if you had $60 million, $60 million, I have forgotten, 60 million, 60,000, in a savings and loan. I'm not saying that any other one impresses, 60 million is considerably more than 60,000. That is a lot of money. Whitewater lost that, the bank lost it. There is nothing that says the President or the First Lady had anything to do with that, but it is a good idea to have savings and loans, banks investigated and to have the spotlight thrown on the savings and loan scandal.

If you were serious about investigating the savings and loan scandal, if you were serious about exposing to the American people the great cost of the savings and loan scandal, then you would have a hierarchy of hearings. You would set up hearings related to the banks that lost the most money. If you were serious, you would start with Mr. Keating's bank. Mr. Keating has so much exposure and he did so many rotten things beyond what other savings and loans crooks did. After he ran out of FDIC funds, funds that were guaranteed by the Federal Deposit Insurance Corporation, Mr. Keating had his people go out and swindle senior citizens of their money, and it had no cost to the President. California went after him in such an obvious way that the U.S. Government had to fall in line and go after him. So Keating and his whole savings and loan empire, they got exposed; and Keating, for a liability of a minimum of $2 billion—you will see why $60 million was so-so, did not register well in my mind—when you start talking about $2 billion, you can see why Whitewater's $60 million pales in comparison.

Two and a half billion is what Keating's empire cost at a minimum. The FDIC had to cough up that much money in order to bail out the banking empire that Keating had thoroughly looted. So Keating got 12 years in jail. With good behavior he will soon be out. But at least it got some jail time. At least it was exposed. So Keating's S&L scandal ought to be investigated a little bit more, and we ought to have hearings to find out just how many rotten things beyond what other people know what the dimensions of it were, that if you steal $2 billion, you will get 12 years in jail. If you are the victim of a great deal of publicity, if six Senators are accused of helping you probably in 10 years you will end up getting 12 years in jail.

At least the American people ought to clearly have the Whitewater hearings people throw Whitewater aside and focus on that. No 1. And then banks that lost a billion and a half would come next. Let us have hearings on all the savings and loans banks or all the other banks, because in the process of correcting the savings and loan scandal, there were many regular banks that were not savings and loans that lost a billion and a half. And a kind of chicanery, same kind of crooked deals, same kind of racketeering enterprises.

So take all the banks that cost the taxpayers a million and down and a half, that have hearings on them next, and then after that, all the banks that cost the American taxpayer a billion, and then after that go down to the $900 million and then the $900 million. I think if you did it that way and you were sincerely interested in exposing the American people exactly what we lost in these savings and loans swindles, exactly how it worked and how we should guard against it for the future, and how private enterprise is not the great, efficient, honest, capable productive sector that we make it out to be, a whole lot of lessons could be learned if you took those kinds of hearings and substituted that for the focus on Whitewater. You would get to Whitewater eventually.

Probably in 10 years we will get down to the $60 million level. After you go through all the ones that lost more than a billion and a half, those that lost a billion, those that lost $900 million, then you come down systematically, maybe you will get to Whitewater in 10 years. Then we can say that we have an investigation and a set of hearings that are truly serving the public interest, and they are not partisan fishing expeditions designed to harass the President. Then we could say that, and it would be a great thing for America and a great thing for civilization, because the kind of swindle that was pulled with the savings and loans swindle is something that we should know as much as possible in order to guarantee that never again will it happen.

It is estimated that no less than $300 billion, $300 billion, the American people have lost no less than $300 billion. Probably as high as $500 billion. They do not account for it. What we need hearings for on the savings and loans is to make them sit down and tell us at one hearing what the summary figures
are at this point in February 1996, how many banks have you sold off, how much money have you recovered, how much restitution has been given by individuals, what happened with Silverado bank in Denver, CO? Silverado bank comes second probably to Keating's bank. I think they lost close to $2 billion.

The son of the President at that time, Neil Bush, sat on that board, and I read accounts of how he was indigent when they investigated and said to him they have been so impossible and maybe so crooked that you can't ever sit again on another banking board.

He got indignant. Then later I heard that he calmed down, and they fined him. What did they fine him? I think they fined him $40,000. Silverado Bank had lost $2 billion. I think one of the board members named Neil Bush was fined $40,000.

That is the bank where there was an incident where a building was bought by a realtor for $26 million, and the building was appraised for $13 million. The bank, which had loaned you $26 million, and you deposit half of it in the bank because the orders are coming soon and we need that money to show. So they loaned them $26 million, $13 million more than the building was worth, in order to have the loans show. The books show that they had a little more money in the bank. If that is not racketeering, you know, I do not know what it is.

But we cannot just talk about this in a special order; we need hearings, we need ongoing hearings, and we need to start at the very top with the banks that have lost the most money, and maybe we will get to Whitewater in my lifetime if you use that hierarchy. I doubt it.

The Washington conventional wisdom says let us go after Whitewater, which is just a pebble in the stream, and that is what is happening. Washington wisdom says we should balance the budget on the backs of the powerless, and that is passed down to the States and down to the city. Great harassment is taking place in New York. Anyone who applies for welfare has to wait several weeks, has to fill out very complicated forms, has to go through all kinds of bureaucratic harassment. They are harassing the poorest people because they have the least amount of power. That starts here in Washington.

We go after AFDC, we go after Medicaid, we go after the areas where the people are the poorest. At the same time, we increase the budget of the Defense Department by $6 billion, $6 billion. At the same time we refuse to deal with it, the fact that the agribusinesses are on welfare and the agribusinesses are spending billions of dollars, are receiving billions of dollars in cash payments for not growing grain, for not planting anything, for not doing any work, and they do not have to pass a means test to prove that they are poor. We turn our backs on obvious waste while the conventional wisdom tells us to beat up on the poor, beat up on children who are receiving aid to families with dependent children.

Wash. Dept. of Justice says let us go after Whitewater, the majority, Republicans, say that the workers of America are a threat to the economy, that the workers of America are a drag on our forward progress, that not only do you have to work, you have to work less, work fewer hours, and they refuse to discuss an increase in the minimum wage, the majority, Republicans, would not even discuss it. I serve on the committee, the Committee on Education and labor, a name which I choose to continue to give to the committee, although the official name now under the Republican majority is Committee on Economic and Educational Opportunities. The word labor is such a horrendous word that nobody talks about it anywhere. The certainly do not want worker, term worker, around anywhere. For some reason, although I did not read it anywhere in the Contract With America, for some reason the majority of Republicans have come to a relentless assault upon workers. Workers and their families are being attacked on every front. They refuse to raise the minimum wage, would not even discuss it. They go after the Fair Labor Stand-ards Act in order to get rid of anti theft, overtime, etc. They want to radically change that. They go after OSHA, which provides for safety in the workplace. They are going after the Labor Relations Board. There is nothing, no component of American Government which is designed to help workers that has not been placed on the greater tack by the Republican majority. The assault on workers and their families as enemies of the American economy and the American people continues.

Now we get an answer from workers out there when he dares to mention some of their problems. He only dares to mention some of them. Pat Buchanan talks about the fact that there is a gap, but he does not talk about how to close the gap. He would not support an increase in the minimum wage. When he is asked the question, he avoids the question. But he recognizes there is a gap, and every worker applauds. At least somebody understands that. Unfortunately, the media covers recognizes that there is a great gap between most Americans, the great majority of Americans and the people at the very top; it ought to be closed. Somebody recognizes that this gap is caused partly by the global economic movement, which has been greatly enhanced by the passage of NAFTA and the passage of GATT. Somebody recognizes that when you have Mexican workers making a dollar an hour on a job where American workers may make $10 to $15 an hour, naturally the factory is going to move to Mexico. Any fool could tell you that, and you do not have to be an economist from Harvard to know that when you pass NAFTA and create those conditions, you are going to make life difficult for American workers who had those jobs before. At least Pat Buchanan has raised it up on the radar screen, and the workers now have somebody who indicates that they exist.

There is a lesson in this for all the Democrats at every level to pay attention to the fact of the assault on the workers has created a very real gap among workers and a siege mentality among the middle class who do not like to be called workers. But the technicians and the professionals and the middle management people, they too are caught up in the siege mentality because they have concrete anxieties, definite causes for concern.

Washington obsolete, out-of-step conventional wisdom says that education and job training programs should be cut. The respondents to the survey said that is what they wanted when they had been asked. What the President had indicated he would never accept. You know the $1 billion cut of title I is there, it is still there. The cut on Head Start is there, it is still there.

The agreement that every program should be bought up on the charter schools, where the Government is not going to come in, and the Governor of New York State is cutting education drastically, and even though education funds that come from the Federal level are only 7 percent of the total, if they are taking heavy cuts at the city level and the State level, then the Federal dollars assume a new importance, and the increase—there was a slight increase in title I funds for most of the school districts across the country. That increase plus what they had before was important in that it continued some kind of stability, and now with the leadership of the Federal Government the cuts at the local level, the State level, are larger than they would have been otherwise.

The cuts at the local level come from the Federal Government, the Congress of the United States. The majority, Republicans, in the Congress have indicated that education should not even be a Federal function, that we should get rid of the Department of Education. They have made a frontal assault on education, and it is one of the smallest agencies, smallest activities, in Government. Yes, they sometimes
have a large budget because they have student loans and student grants, but when you look at the agenda as a whole, it has the least number of employees, and it is a smallest, one of the smallest, bureaucracies. So why have an assault on education in an era when job training and education are needed more than ever? The assault on education following the assault on workers, it all leads to a situation where large numbers of people in our Nation, voters, think that they are under assault, they are under siege, and they are right. The common-sense observance is more on target than the Washington wisdom. The conventional wisdom here in Washington says it is not enough of a problem to discuss. But the commonsense reason of the people says we have got a real problem and we will even go with all the liabilities represented by a Pat Buchanan candidacy to get some attention.

Education and job training cuts are outrageous at a time like this. I understand that the continuing resolution with respect to education and labor cannot clarify really whether we are going to have a summer youth employment program or not. The summer youth employment program has already been cut over the years down to a minimum program, whereas New York City used to receive money enough to give 50,000 jobs to young people during the summer. In the last few years it has been cut all the way down to about 30,000 jobs, and now we are in danger of losing the 30,000 jobs. And New York City has 8 million people, a lot of young people. Now we are about to lose the meager 30,000 jobs because it is not clear in the continuing resolution what the funding level is for the summer youth employment. There is some talk about being funded at 75 percent of last year's level, but the summer youth employment was single that last year to be phased out, and I think that last year's level is defined as the amount of money that was appropriated for phasing it out.

So it is not the same amount as it was the last operational year. We are still trying to clarify that, but the fact that it is even in jeopardy and there is a question shows how far afield the Washington wisdom is. The fact that the White House has not rushed to clarify that or rush to the last few that in its agreement of a continuing resolution, it certainly did not mean to jeopardize the Summer Youth Employment Program.

But I have a solution. We have these cuts in education and the cuts in job training, summer youth employment. The solution is at hand. It has been supplied by the CIA. We have said that these cuts are being made because we must downsize government, streamline government, we have that big government, and I say that that is an acceptable goal. But if you do not do it across the board, then you are going to generate dislocations and suffering in the wrong places, and we have done that. By cutting education, by cutting job training, we are cutting in the wrong places, we are greatly crippling our efforts to move forward in the global economy and make America competitive. Education is key, job training is key.

So why do we not cut the CIA? I proposed this for 2 years in a row. I have had legislation on the floor saying we should cut the CIA by 10 percent per year over a 5-year period, and the legislation has 57 votes I think we got last time, which means that both parties, Democrats and Republicans, are stuck in a rut with their conventional wisdom. They will not vote to cut CIA. CIA existed primarily to spy on the Soviet Union. At least half of its resources were devoted to that enemy. The Soviet Union now; you know, we have them over here in our missile sites and the space program we are running jointly with them are the places that the CIA is taking place. Why do we need to have the same amount of money dedicated to the CIA as we had when the Soviet Union was the Evil Empire and we needed to keep tabs on them? You know what they need it?

So we have not been able to win the battle of cutting the CIA. The budget is not known, it is still a secret, and the Russian secret service, its equivalent of the CIA, they have exposed a lot of things they are opening the lot of their files but we are strictly secret even to the point of not telling the American people what the budget is. A Member of Congress cannot get to know what the budget is unless he goes to a little room and looks at the budget when and when he comes out he is sworn to secrecy and he cannot discuss it. So I refuse to go into the room.

I refuse to go into the room. I accept the estimates of the New York Times, the estimates that the conventional, across-the-board most reliable sources say the budget of the CIA and the intelligence agencies under the CIA all come out to about $28 billion. So a $28 billion cut, a 10-percent cut of a $28 billion agency would be a $2.8 billion cut across a 5-year period. You could have a sizeable amount to put back in.

What I am here to propose is that we lose the fight. The CIA is not being down sized, not being streamlined. The era of big government, as far as the CIA is concerned, still is intact, but the CIA recently found $2 billion outside of the budget. They had $2 billion that the rest of the years that they lost track of. It was in a petty cash fund.

The American people, try to comprehend a petty cash fund of $2 billion. Try to comprehend how an agency of the Government can lose $2 billion; how the Director of the CIA can lose $2 billion; how the Director of the agency can have $2 billion in his budget and not know about it. Try to comprehend that. I find it very difficult to comprehend, but let us not dwell on comprehending it. Listen to my proposal. My proposal is that you have $2 billion that you did not know you had. You have $2 billion outside of the attempt to balance the budget, outside of downsizing.

We have $2 billion, and education needs about $2 billion; $1.1 billion can go to maintenance of the budget at the same level for the title I program, $1.1 billion; $300 million can be restored to Head Start. We still have not used the last $2 billion, which is going for the Summer Youth Employment Program, and we are even. No sweat, no pain. You do not have to hurt anybody. This is lost money that has been found, and now we can celebrate and take care of the young people of America in the school and in the Summer Youth Employment Program. That is a solution.

Let us throw aside the Washington conventional wisdom, because I heard the other day that there are plans to fell the CIA and they will get the program the money. They are going to be rewarded by being allowed to reprogram the lost petty cash. The slu$h fund will be given to the people who created the slu$h fund. There is an article in the New York Times which shows that maybe that will not happen. Maybe it will not happen. Suddenly, somebody has become indignant. Suddenly, there is talk about firing the people who lost $2 billion in their petty cash fund.

WASHINGTON.—The top two managers of the National Reconnaissance Office, the secret agency that builds spy satellites, were dismissed today after losing track of more than $2 billion in classified money.

The Director of Central Intelligence, J ohn Deutch, and Defense Secretary William J. Perry announced that they had asked the director of the reconnaissance office, J effrey K. Harris, and the deputy director, J immie D. Hall, to step down.

"This action is dictated by our belief that N.R.O.'s management practices must be improved and the credibility of this excellent intelligence agency must be restored," Deutch and Mr. Perry wrote in a statement. A Gov ernment official close to Mr. Deutch said the intelligence chief had lost confidence in the officials' ability to maintain the reconnaiss ance office's secret funds.

Keith Hall, a senior intelligence official who has managed satellite programs for the Pentagon, was named today as deputy director and acting director of the reconnaissance office.

The office is a secret Government con tracting agency that spends $5 billion to $6 billion a year—the exact budget is a secret—running the nation's spy satellite program. The satellites take highly detailed pictures of the globe from deep space and eavesdrop on telecommunications; everything about them, including their cost, is classified. The secret
agency is hidden within the Air Force and is overseen jointly by Mr. Deutch and Mr. Perry. But overseeing intelligence agencies, especially an agency as secretive as the reconnaissance office, whose very existence was an official secret until 1992, is no easy matter. Well-run intelligence services deceive outsiders, while their own people apparently was the case with the reconnaissance office.

Its managers lost track of more than $2 billion that had accrued in several separate classified accounts over the last few years, according to the Senate Select Committee on Intelligence. The committee had thought the sum was $2 billion until auditors called in by Mr. Deutch found at least $800 million more in the reconnaissance office's secret books this winter.

The auditors told Mr. Deutch that the way the reconnaissance office handled its accounts was so arcane, so obscured by secrecy and complexity and so poorly managed that a $2 billion surplus in its ledgers had gone unreported.

"Deutch did not know, Perry did not know and Congress did not know," about the surplus, an intelligence official said. "There was a lack of clarity as to how much money was there and how much was needed." The audit is continuing and is expected to be completed by April.

The reconnaissance office also spent more than $300 million on a new headquarters outside Washington early 1995. The Senate intelligence committee, which appropriates classified money for intelligence agencies, said it was unaware of the cost. In the only public hearing held on the subject of the National Reconnaissance Office, Mr. Hall testified in 1994 that the construction of the building was a covert operation and that it had been broken into separate classified accounts to conceal its existence.

The reconnaissance office is one of 13 intelligence agencies under Mr. Deutch. All will be covered in a report to be issued on Friday by a Presidential commission on the future of intelligence. The report will address the question of whether Government spending for intelligence—an estimated $26 billion to $28 billion a year—should continue to be officially secret.

Mr. OWENS. Mr. Speaker, let me just read a few items from this article. I will not read it all.

The top two managers of the National Reconnaissance Office, the secret agency that builds spy satellites, were dismissed today after losing track of more than $2 billion in classified money.

The Director of Central Intelligence, John Deutch, and Defense Secretary William J. Perry announced that if they had asked the director of the reconnaissance office, Jeffrey Harris, and the deputy director, Jimmie Deutsch, and Defense Secretary William J.

Deutsch, and Defense Secretary William J.

The Buchanan media domination over the last few days has certainly captured attention of all sectors. People in my district who have no use for Mr. Buchanan and his racist, anti-Semitic opinions want to listen to him when he talks about the effects of NAFTA, GATT. The commonsense questions are being raised by the people in my district and many others. They wanted to say, "Why aren't you doing something about the fact that so many workers are losing their jobs, and there is no job training for them? Why aren't you doing something about providing some kind of help for these people?"

Those are the questions that are being asked, and I have answers. We are. We are attempting to. We do not have the high visibility of media stars Pat Buchanan or Presidential candidate Pat Buchanan, but the Progressive Caucus, the Congressional Black Caucus, we have legislation there. The legislation is there. We have a stimulus program that would have job training and get us through this transition period.

Nobody is a genius, and nobody proposes to know all the answers as to where we are going to come out after this technology global economy revolution takes place. We cannot predict that. We can come up with programs that help human beings get through the process, and we have legislation that is proposed, such as the Congressional Black Caucus budget, the alternative budget that was put on the floor of this House, the two areas that were increased were education and job training. The proposals are there. They have been offered. There are the two areas, and the consideration by the leadership. The majority Republican Party controlling this House does not want to make these considerations, that the high visibility we have gained through Mr. Buchanan's candidacy, maybe that high visibility will at least stimulate some discussions of an increase in the minimum wage.
Maybe it will at least stimulate some discussion of a minimum job training program that might move us forward a little bit.

But we are grateful. God and the American political process work in mysterious ways. We are grateful for this high visibility that the problems have been given. Out of the mouths of racists and anti-Semites some common sense can be heard. This is a great secret that is not so secret among demagogos and demagoguery. Demagogos know that you have to make sense to people. You have to show common sense. Mr. Buchanan shows common sense.

Demagogos know that you have to address some practical, real, concrete problems. You have to do that. Demagogos know that you have to pretend to care about people’s suffering. You have to pretend, at least. Demagogos know this. So this demagog is raising the high visibility, and for that reason we are grateful. We are not grateful enough to follow a person who has a whole history of anti-Semitic statements, a whole history of racist statements. We will not be carried away, but the issues have been raised. The Washington conventional wisdom has been shaken. We will go forward to try to be positive about filling the vacuum that we have refused to recognize up to date.

We should support workers. We should make certain that there are no losers that suffer unnecessarily. We should have a transition program that we solidly back in order to carry forward our economy and all the people in our economy.

CONDEMNATION OF THE COLD-BLOODED MURDER OF UNITED STATES CITIZENS BY THE CUBAN DICTATORSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. Menendez] is recognized for 60 minutes.

Mr. MENENDEZ. Mr. Speaker, I come to the floor tonight to condemn a brutal, cold-blooded, premeditated murder of U.S. citizens by the Castro regime this past weekend. I would like to go through the facts, Mr. Speaker, of what happened.

Brothers to the Rescue is a Miami-based humanitarian organization engaged in search and rescue missions over the Florida Straits. It was on just such a mission this past weekend. The members of Brothers to the Rescue were flying unarmad, civilian, defenseless planes in a mission that is identical to hundreds of missions that they have flown since 1991. They posed no threat whatsoever to the Cuban Government, the Cuban military, or the Cuban people. And the Cuban dictatorship knows this. They know what they have done. They know of lives they have saved. They have saved nearly 6,000 lives, Mr. Speaker.

I know what their mission has always been, because approximately 1 year ago I flew with Brothers to the Rescue. I was in a plane like those that were gunned down, brutally, by the Castro regime. On that flight, what we did was transverse the Florida Straits in international airspace, which would have placed us in Cuban airspace. We were flying over the Florida Straits. It was on just that day that I flew with Brothers to the Rescue. I was in a plane like those that were gunned down, brutally, by the Castro regime.

And in that process, that day that we were flying over the Florida Straits and in international airspace, we in fact found 12 individuals who were on a small island who had been there for several days who had no food and no water. And it is because of that mission, Mr. Speaker, that they in fact were saved. We threw water to them. We threw food to them. We telegraphed their location to the Coast Guard, and the U.S. Coast Guard ended up rescuing them.

That is only one of the many, many flights that Brothers to the Rescue has had in saving thousands of lives.

When the Cuban Government makes statements like that about what the Brothers to the Rescue is all about, there is no basis in fact. Brothers to the Rescue’s aircraft on this past Saturday notified Cuban air traffic controllers as to their flight plans, which would take the 24 hour flight parallel, close to the Cuban airspace but still in international airspace, and under international law. That law provides a nation with a 12-mile limit on airspace as extended from the coastline of the nation.

Now, the response of the Castro regime, which was ordered at the highest levels of the regime by Castro himself, because it is impossible, if you understand the command structure of the regime in Cuba, you understand that such an order to gun down civilian, innocent individuals would never be done but at the highest levels in their chain of command. And we know that partially to be true, Mr. Speaker, because just recently, recently some retired United States generals, retired Gen. Eugene Carroll, who was in Cuba a few weeks ago, was asked what the United States reaction to such an act would be. Now, why would you ask that question if you were not preparing for that possibility?

It is now interesting to note that yesterday the Cuban Government openly bragged about a pilot who they sent to infiltrate Brothers to the Rescue and returned to Cuba the day before the incident. It is now apparent that that individual, Juan Pablo Roque, transmitted information to the Castro regime about the Brothers to the Rescue’s flight plans for Saturday, and so we have here the facts developing of why I say that this act was premeditated murder and it is in fact an act of state terrorism.

You have an infiltrator pilot who tells the regime, Brothers to the Rescue are flying, they are flying one of their search-and-rescue missions, they will be in international airspace but near Cuban airspace, and therefore sets them up as clay pigeons. And you have a situation in which Castro’s regime itself was thinking about the possibility of gunning down innocent people. Even asking a former retired general who was in Cuba about the United States reaction to such an event. Hence, the premeditation.

Even if these civilian aircraft were not in international airspace, which they were, our own Government tells us that they were, under every sense of international law, which was recognized by the European Union in their condemnation of the Castro regime, where they say that they strongly condemn the shooting down of two civilian aircraft on Saturday by the Cuban Air Force and where they go on to say irrespective of the circumstances of the incident, there can be no excuse for not adhering to international law and human rights norms, under any sense of international law, it would not be appropriate to gun down civilians who were simply flying search-and-rescue missions.

The response of Castro’s regime to these flights was to scramble two fighter jets from a Havana airfield. At approximately 3:24 p.m., on Saturday, the pilot of one of the Cuban MIG’s received permission, asked for permission specifically, and proceeded to shoot down the first Brothers to the Rescue airplane, and then 7 minutes later the pilot of the Cuban fighter jet received permission and proceeded to shoot down the second Brothers to the Rescue airplane.

Now, this is a barbaric act. It is an act of state terrorism sponsored by, in fact, a government, a regime, I cannot find myself to call it a government because it rules by brute force; this is the barbaric act that we face.

And who died here Mr. Speaker? People who died here were U.S. citizens. Two of them were born in the United States. One of them is a former Vietman veteran. I do not know why the press continues to refer to them as exiles. I do not understand what that categorization is supposed to be. I am not quite sure that there are different standards of American citizenship. But certainly, certainly, when someone is born in this country, this country preserves this country, is there any higher standard of being an American citizen?

Yet for Armando Alejandro, Jr. and Pablo Morales and Carlos Costa and Mario de la Pena, who left Miami’s Opa-Locka Airport on Saturday, the 24th, on a routine humanitarian mission to search for rafters in the straits of Florida, and for their families, whom we grieve with today, I wonder when they are questioning about when they have constantly the references simply to exiles and they are forgotten as U.S. citizens. One of them, in fact, was a former constituent of mine, Mario de la Pena, who was born in Weehawken, N.J.
He was raised in West New York, NJ, both communities that I am privileged to represent in the U.S. Congress.

He volunteered his time and services to serve his community, to rescue lives, and on Saturday he became a martyr of the Cuban people and also in the eyes of Americans of Cuban descent as well as the others. But they were U.S. citizens flying in a defenseless posture, a civilian plane in a humanitarian mission.

Now what is the response? Our response certainly, we commend the President for having us lead a condemnation resolution in the United Nations, for taking some actions in the context of stopping charter flights to Cuba, of going ahead and insuring that Radio Marti, which is the only way that the Cuban people have information that can be presented to them from outside because Cuba is a closed society; only with the government’s, the regime’s own press, only told what they want to tell them; Radio Marti does give information to the people of Cuba, and now it will increase its ability to penetrate.

And the President also said that he wants to move along in Helms-Burton, but while we respect those actions, it is simply not enough. It is simply not enough. If we are to send a strong message that in fact we will not tolerate our citizens being gunned down in international airspace, then we need to do more. Our response simply is not enough, and I expect the President to make other responses in the days ahead, and I believe that among the responses the President should take is the expulsion of the Cuban diplomatic mission from the interest section here in Washington; I believe that there should be a suspension or a reduction of money transfers from the United States to Cuba; I think there should be a suspension or a reduction of commercial flights to Cuba and the licenses that the office of foreign nationals controls provide for certain types of travel; there should be a cessation of all migration talks with Cuba; the expansion of access to Television Marti should also be part of our information services beyond Radio Marti, and we have the technology to do so. We should use it.

We should be pursuing the possibility of economic sanctions at the United Nations, and we understand that the international community is not always there with us. But clearly now in the United Nations, if, in fact, you have a country that cannot observe the rule of international law, it should not receive money from an organization which promotes the observance of international law.

The United States should move immediately to freeze any moneys going to Cuba because they have shown themselves incapable of living under international law. We should be the leaders in that movement.

We should be talking to our European allies, who have condemned this atrocity, but now must go a step further. You cannot on one hand condemn the brutal murder of four innocent Americans and then give the Castro regime a prize by giving them an economic package.

And there have been discussions going on between the U.S. and Cuba in terms of an economic package, and the message that I believe our allies who say that they wish to promote democracy and human rights in Cuba must be that if you cannot live under international standards, if you cannot respect the universal declaration of human rights for which you are a signatory, then we cannot give you assistance. The only way in which you can get assistance is if you enter the family of civilized nations who obey international law.

And lastly, I hope the President is ready and prepared to respond to Castro if he once again uses the people of Cuba as he has in the past, as human bullets, in large refugee waves to the United States, that we want to work with you, that we have suffered this twice, this time and the people of Cuba having suffered this, this time the President should proactively and, hopefully, in a preemptive fashion say very clearly that if the Castro regime seeks to use Cubans as human bullets, that it is the United States’ intention to quarantine the waters around Cuba so that the people who are used as human pawns and sent onto the high seas in which thousands have died can be rescued but also brought back to Cuba, and that during this period of quarantine any other vessels that may seek to enter the quarantine area would, in fact, not be permitted to pass, and, hopefully, by making this preemptive statement, we will send a strong message that we have to be ready to follow up so that in fact we do not go through another Mariel, we do not go through another 1994 incident as we have had.

Tomorrow, the House and the Senate go into a conference committee on the Helms-Burton legislation on the Libertad legislation. I would hope, and I expect, that the administration will work with the Congress in supporting a bill that sends a clear message to the world and to the regime that, in fact, unless you follow the road to democracy which has swept this continent in every country except for Cuba, and unless you move to respect the human rights of your own people as you have signed on to not by our standards but as you have signed on to by the universal declaration of human rights of the United Nations, then we will move to create democracy in Cuba by standing up for United States interests.

What are those interests that we purport in this legislation? Simply to give American citizens and American companies on whose properties were illegally confiscated in Cuba the right of cause of action in the civil courts of the United States, so they can pursue those companies who would traffic in the illegally confiscated properties that are rightfully American properties, and, in doing so, not only stand up for American businesses and stand up for American citizens, but, at the same time, deny Castro the profits from the illegally seized properties. It is right for this legislation to protect its citizens and to protect its companies from the illegal confiscation of its properties being used by others who have business contacts here in the United States, who have business contacts with the United States, and who would in fact profit from illegally confiscated properties. It is also important as we prepare in the Helms-Burton legislation to prepare for a post-Castro Cuba, to be ready for a traditional government pledged to democracy, to be ready for a democratic government, and telling those governments and the people of Cuba now, sending them a beacon of light that we in fact are in solidarity with those who seek democracy in Cuba, and, hopefully, in a preemptive fashion say very clearly that in fact we want to help bring democracy and respect for human rights to the 10 million people who live on the island.

I do so that in the Libertad legislation, in the Helms-Burton bill, through title II, which I have written and authored, by preparing a transitional plan and ultimately a democratically elected plan for a post-Castro Cuba. We also provide other provisions of the Helms-Burton law that send a very strong and unequivocal statement that in fact we are serious about protecting U.S. interests, we are serious about democracy, we are serious about promoting human rights.

To accept a weak version, a stripped-out version of Helms-Burton, especially after a week of repression in Cuba, which I would like to speak about shortly, of unprecedented repression in Cuba and after the senseless slaughter of American citizens, in fact to accept anything less than that is to send a wrong message about what the United States reaction will be to defend its interests, to promote its interests, and to defend its citizens.

Let me talk about the wave of repression that precipitated the event that we are talking about today, that came before that event, and that in fact finds us equally appalled.

Many of our allies, and some Members of Congress, say “Well, we want to see peaceful democratic change come to Cuba.” I agree with them. None of us want to see change come to Cuba by violence. But we have also said time and time again that the only person who can make change in Cuba be violent is Castro himself. He has the Army, he has the security forces, he has the weapons, and he has shown us his willingness to use it, against his own people, who did nearly 2 years ago this July when he took a tugboat of over 70 people, who were simply fleeing from his regime, seeking liberty, followed them with Cuban destroyers,
and rammed the boat after having fired water cannons at innocent women and children. And, after ramming that boat and having it broken into half and it started to sink with the 70 people who were on board, using the naval vessels that were there, they fired water cannons with such force so that they would be sucked down and drowned, and in fact 40 persons died. Twenty children died, 20 adults died. So he has shown us his repressive nature.

You can come here to the United States, you can wear a nice Armani suit, you can sip Chablis with Madame Mitterrand, who heads a human rights group in France. You can court American business and tell them how oh, oh, you are losing a great opportunity to make money. You can toy with the American press. But that does not make you a civilized member of society. Actions speak much louder than words to me.

We saw it when he killed those 40 men, women and children. We saw it this past week with Concilio Cubano. For many of our allies who say we want peaceful change, which we do, we need to say, we say where are you, raising your voices on behalf of a group within Cuba who has advocated peaceful but democratic change? A 120 member organization, an umbrella group, all formed of a large part of Cuban society, independent journalists, independent economists, human rights activists, dissidents, who have joined together, and all they asked for was to have Vaclav Havel in what is now the Czech Republic, would we have seen the movements to Democrats and a respect for human rights in those countries?

Now, we supported and gave hope and gave assistance and tried to work with the international community in Solidarity in Poland. We worked with Vaclav Havel. We raised Adrian's voice on behalf of Sakharov. We need to hear the same voices now. We need to hear them for the dissidents in Cuba.

Mr. Speaker, I have a list, and hopefully by making this list public, we can begin to create the circumstances under which there is some sense of international protection for these individuals. I would like to at this point in time include the list of all of the leadership of Concilio Cubano into the Record.


Mr. Speaker, to America's corporate community, it is time for them to understand that your approaches to Castro are undermining dissidence movements within Cuba. It is undermining people who risk their lives to promote human rights and democracy who want to see democracy flourish in Cuba. There are no greater economic opportunities in a country except a country that is democratic, one that respects the rule of law, one in which international leadership. Over 100 people are arrested. Women were strip-searched so they would be intimidated in participating with the organization. Some of its members are in hiding, seeking assistance from countries that have economic reforms, which one does not want to support a Castro seeks to finish building in Cuba a Chernobyl-type nuclear power plant that in fact, through a GAO report, states has serious risk to it because of its design and construction with defective wells. A report that goes and tells us that an accident at that plant which could be very likely if it were to be finished would create a situation in which radioactive material would fly as far north as the Nation's Capitol and as far west as Texas. Do we really need a regime to have a nuclear power plant, a Chernobyl-type nuclear plant, 90 miles from the United States? I think not. Not when we have seen the ruthlessness of this regime.

In our national interest to stand up for U.S. citizens and companies when their properties are illegally confiscated. It is in our national interest to have democracy come to the people of Cuba so that we do not face within the context of the Caribbean and Latin America a source of instability. It is in our national interest because in fact the resources that are spent. Let us look at the resources that are spent within Cuba.

The fact of the matter is that many of our companies seeking to circumvent our embargo spend an enormous amount of money in Cuba. They do it through attempts through third-party agreements. They are willing to, in essence, violate the laws of the United States, and it will be interesting some hearings that we are going to have about that how that goes about. But does a small island like the people of Cuba who live on, 10 or 11 million people, why do they need the third largest army in all of the Western Hemisphere per capita? Why does not the regime reduce the size of that army and put more food on the plates of Cuban families? Why spend all of that money on security forces, on a repressive army? Well, in fact, I just gave you two examples why, because Castro does not understand how to deal with pacifism. He does not understand how to deal with peaceful people who by peaceful means seek to either leave his regime or to promote democracy within the country. Because what did he do to Concilio Cubano? He went ahead and arrested many of its leaders. Over 100 people are arrested. He has other ways how he has arrested. Women are strip-searched so they would be intimidated in participating with the organization. Some of its members are in hiding, seeking assistance from countries that have economic reforms, which one does not want to support.
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we do not have to worry about a regime that will confiscate that property. For which we do not have to worry about a regime that if it was economically viable, which it is not right now, but which seeks to be economically viable by the assistance of both of private sectors and the international community, would again create the unrest that they created in the Caribbean and in Latin America at the height of their assistance from the Soviet Union.

And yes, the cold war is over, but no one has told Fidel Castro that. He still wants to hang on at any cost. So the fact of the matter is that what we have is proven facts. Setting up U.S. citizens, having somebody infiltrate them, giving him the word, here is the flight plan, having already sensed, well, what is going to be the U.S. reaction? Ultimately, what will they do? Well, maybe a little condemnation. Maybe they will stop a little money, but that is about it. But what message does he send?

He sends a message I can take United States citizens and kill them in cold blood, and at the same time he sends a message to the people inside Cuba, if this is what I do with the United States citizens, imagine what I can do to you, so you better stay in line.

What is our response? Steps in the right direction, but it is clearly not sufficient. What is the international community’s response? A little condemnation, but we will continue to deal with Castro. We will continue to give him money. We will continue to give him aid. We will continue to do business with him. What is the message? It is the wrong message. It says you do not have to observe international law. You do not have to live by the rule of law. You do not have to live under the process of a democracy. And you can get away with it. And you can get away with it.

So what happened was as time went on they discovered that there were people interested in going into the Rocky Mountains and went on to the States of Colorado. My actual home is located in Colorado. My actual home is located in Colorado. My home State is the State of Colorado. My actual home is located in Colorado. My actual home is located in Colorado. My actual home is located in Colorado.

Instead they went around the Rocky Mountains and went on to the States of Colorado and so on. And in many of these States in the Midwest, such as the State of Kansas, you are able to, on a very few number of acres, produce a great number of crops or run many, many more cattle than you can per acre in the high Rocky Mountains.

And, last, we send to the world community a message that we will not tolerate the safety of our citizens, the lives of our citizens being expendable by any dictator anywhere in the world.

USE OF PUBLIC LANDS

The SPEAKER pro tempore. Under the Speaker’s announced policy of May 12, 1995, the gentleman from Colorado [Mr. McNinch] is recognized for 60 minutes as the designee of the majority leader.

Mr. McNinch. Mr. Speaker, as you know, my home State is the State of Colorado. My actual home is located high in the Colorado Rockies. I wanted to take a few minutes today to address my colleagues on an issue that is absolutely critical for the Western United States, and that is the issue of public lands. I think to understand the issue of public lands, you have to have some kind of historical perspective of how we got into it. We get into it. We get into it. We get into it. We get into it.

Yes, sometimes we will protest, but that doesn’t mean we will not give him aid. We will continue to do business with Castro. We will continue to give him money. We will continue to give him aid. We will continue to do business with him. What is the message? It is the wrong message. It says you do not have to observe international law. You do not have to live under the process of a democracy. And you can get away with it. And you can get away with it.

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And, last, we send to the world community a message that we will not tolerate the safety of our citizens, the lives of our citizens being expendable by any dictator anywhere in the world.
That is a very crucial issue in today’s evaluation of public lands. When I grew up in the Colorado mountains, every national forest sign said, and the Federal lands signs said, as you entered into Federal property, a land of many uses, a land of multiple uses. Unfortunately, today we have some more radical groups in this country, some of the more very, very liberal groups that want to replace that sign “a land of many uses,” with the sign called multiple use.

Are these groups well-intended? I think the answer to that question is perhaps yes in some cases. But are they well educated on the issue of multiple use and how critical it is for the everyday lifestyle of the West? And the answer to that is no, they are not well educated on that issue, although they profess to be well educated, when they try and lobby back here to take away the concept of multiple use as we know it in the West.

Now, if you asked the question to most people, give me some examples of multiple use, they are going to say to you, the cattleman, the cattlemen, is what they use Federal lands for, for grazing, or maybe the ski areas, they have ski areas on Federal lands for recreation. But ask them to give you some more examples of what we in the West use that land for, for Federal land under the multiple use concept. The answer really is pretty common sense.

Every drop of water, for example, in the Third Congressional District of Colorado, because of the precipitation that it receives across the entire State, is stored on Federal lands or originates on Federal lands. There are a lot of other uses of Federal lands and the use of public lands that we have out in Colorado. All of our highways go across public lands. All of our electricity, the power lines come across public lands. The cable TV, the telephone, our food, there are a lot of cattle that are run out there. But the primary uses of public lands are the uses which have just been listed: water, transportation, communication.

And when some people back here in the East take on the position that we should not ever set foot again on public lands or that the use of public lands should be severely limited, I am not sure they understand how critical it is for the average working Joe and the average working Jane out there in the West to have multiple use on public lands.

Now, do we need to have a balance on public use and on multiple use of these public lands? The answer is clearly yes. Sometimes it really, really can irritate you when you are from the West and you are told that you somehow mistreat the lands. The lands that we have to entrust for the next generation and the many, many generations beyond that. Those of us in the West take a particular pride in the way we treat those lands.

Of course, we do not want those lands savaged; of course, we do not want those lands destroyed. But we do think we have a right, for example, to take water off the Federal lands, to have drinking water, to have water for our crops, to have water for our small towns out there in the West. That water comes or originates or is stored upon public land.

The State of Colorado, let me address water here for a moment, the State of Colorado is somewhat unique in this Nation. Colorado is the only State in the United States where all of our water runs out of the State. We have no natural water that runs into Colorado. Water is crucial for us. Back here in the East, as I understand it, a lot of States’ problem with water is trying to get rid of it. The big issues back here is what you do in flood stages, what you do for drainage. In our State, it is how much you store water for future use.

In Colorado, we do not have heavy rainfall. It is really quite an arid State. Instead what we depend upon is a 60- to 90-day period of time called the spring runoff. The snows that accumulate, in fact they are accumulating as I now address you in the State of Colorado, these snows accumulate in many places over 100 feet. And during that period of time called spring runoff, which is last 60 to 90 days, that water melts down, comes off the mountains and heads out of Colorado. In fact, the State of Colorado, I think, supplies water for 23 other States and for the country at large. So we do not have heavy rainfall, we have to depend, we have to get our water during that 60- to 90-day period of time, which obviously means you have got to capture some of that water, you have got to have the ability to store that water, and be able to have that water for the remaining balance of the year where you do not have the spring runoff. And that is many of our storage projects in Colorado, if not all of our storage projects in Colorado deal with Federal public lands.

If we followed the theory or the concept or the order of some of these radical groups who want no trespassing signs put up on the public lands, we would not be able to store our water, and these people know that. A lot of these people know that. That is their goal.

In fact, a lot of times it is to the advantage of the downstream States to know where the high water projections are on the upstream States so that they get more water flowing their way. The water in Colorado that we do not utilize, because we do not have the capacity to store it, goes on to other States that would like that water, that may be short of that water.

Water is our largest, besides our people, water is probably one of our largest assets in Colorado. And all it ties in with this multiple use of public lands. If you talk to the people of Colorado, public lands have played a very strong part of the foundation of that State. Whether it be the minerals and the gold mining of the 1860’s, clear on up to the oil well exploration of the 1970’s, that is one aspect of multiple use that has to do with the building of the State of Colorado.

But let us talk about another point, not the mineral extraction that has happened over the history of Colorado. Let us talk about the recreation of Colorado or the beauty of Colorado. A lot of people in Colorado make their living there because of the people and the fact that come there. How much that contributes to that wonderful public lands. We do not want to destroy that. Tourism is our No. 2 industry, maybe even our No. 1 industry in the State of Colorado. We want to preserve that. And how do you preserve that? You have to preserve the beauty of the State.

Sure, some of our tourists come to Colorado to visit their relatives or come to the Rockies to visit their relatives, but primarily our visitors come here to see the beauty of those mountains, to ski our fresh powder, to hunt there during hunting season, to enjoy river rafting down our rivers right after the spring runoff. So we know that it was not really we out there to try and destroy what the good Lord had given to us, and that is the beauty of the Rocky Mountains and the beauty of the West.

But by gosh, we have every right to stand in front of you here today and say, do not be so blind when we talk about multiple use that you take the concept of multiple use and dump it into the trash. It is too valuable. It is too valuable for the lifestyle of the people of the West. That is how it came about, a land of many uses.

Take a look at the native Americans. The true native Americans out there in the Rocky Mountains or in the plains of Kansas that went into those mountains, to try and destroy what the early settlers had not even approached it. Take a look at the uses they made of those lands. They hunted on those lands. They had their religious services on those lands. They lived on those lands. They died on those lands. The heritage that exists all comes about or all ties in to that all-important concept of multiple use.

So my message to my colleagues here today is that the people of Colorado, the people of the Rocky Mountains and the people of the West in general support very strongly the protection and the guardianship of those public lands. We know they are not our lands. We know those lands belong to the people of the United States. Although we would like to say they are our lands, and many times we actually do, when we are out there and we infer that the lands within the State of Colorado belong to the people of Colorado, we know those public lands do not belong, for example, to the people in just in that State. They belong to all 50 States.

We all know now that we have a fiduciary responsibility to the people of America and to the future generations of America to protect that land. But that concept comes down to protection of that
land to one key word; that key word is balance. We have got to maintain a balance in the utilization and in the protection of the public lands of the West. It is very easy, very easy for people who have not visited the West, who do not know the history of the West, who do not understand the people of the West, who have not studied their history in regard to the settlers and in regard to the politics of the time that encouraged the railroads to go out and encouraged the settlers to go west, young man, go west.

Not everybody has taken a look at that. But the people who want to voice an opinion on the utilization of those public lands in my humble opinion have an obligation to educate themselves on those issues, have an obligation to come out and visit the State. The Third Congressional District of Colorado, that is one of the largest congressional districts in the United States. It is the district I represent. It includes almost all of the mountains of Colorado. It includes all of the ski areas in Colorado. So if you have ever skied in Colorado, you have skied in the Third Congressional District of Colorado.

You can fly literally in a small plane, you can fly for hours and hours across that district and not come to the other end of it. You can fly for an awful long time and not even see another human being out on the ground, or every once in a while you will see a cabin up there in those mountains. We have protected those mountains. Now, clearly once in a while people that abuse, and those kinds of people we should have a zero tolerance level for.

For example, we had a disaster called Summitville in Colorado. That was a disaster, that was mismanagement, not only by the agency that oversaw that project but by the people that conducted that project. We should have zero tolerance of that. We do not want it. You do not want it. We do not want people that misuse the public lands dedicated to future generations. We do not want those people any more than you do. But when you make the decisions back here about multiple use or about public lands, take into consideration the long-term impact of what your decision is going to create. How will it alter the lifestyle of the people of the West? Every decision we make back here that deals in any slight way with public lands will impact, will impact on a long-term basis the lifestyle of the people of the West.

I am confident that the people of the West can manage these lands as they have for centuries, as they have with modern techniques of management that they have for centuries, as they have with modern techniques of management that they have for centuries, as they have with modern techniques of management that they have for centuries.

If you take a look at the actual footprint or the area impacted by a ski area, I think you will find that under the right kind of guidance, under the right kind of environmental regulations, all of which we support, you can have a protected environment. You can have a thriving ski community. And you can have people who have the opportunity to ski there because they have jobs as a result of that skiing opportunity, and finally many people across the country can enjoy skiing in the Rocky Mountains as a result of that ski project.

You can do it in balance. It is the same thing with water storage projects. We have some groups back here in the East that will never find a water storage project that they can support. Not because the project does not make sense. You can have water projects out there that make sense. But these groups will try and convince many other people who live outside the West that these water storage projects for some reason devalue our public lands and the public lands for the future of this country.

It is about time that some of those groups be brought to their senses, that some of those groups finally put into their vocabulary a word that very few of them have ever actually thought about, and that is called balance.

At the same time we must serve notice to all people who enter the mountain and all people who come into the West, if you have come out there to take unfair advantage of the land, just the same as coming out there to take unfair advantage of the people of the West, it is not acceptable. We are trying our hardest out there to adapt policies that will indicate a zero tolerance level for the kind of ignorance that propels people to come out and destroy that, destroy that land, or to ignore the needs of the American Indian Nations that are so important to preserve our public lands. But we can do it in balance. I think that we should treat with a discount these groups clear over here on the left that demand that the land of many uses sign be replaced with a no trespassing sign, and I think we can discount the people over here who decide that that land should be developed at whatever the cost and the development should be the No. 1 priority of the public lands. Both of those groups are on the fringe. Both of those groups represent, in my opinion, a very minority of minority views on what the utilization of public lands should be for the best interests of the United States of America. Instead what we should do is strive to have our oversight and our regulation and our utilization of public lands carved out of the middle, the middle that is represented by the word called balance, the middle that believes in multiple use of Federal lands, the middle that thinks that you have to have reasonable environmental regulations to guide the utilization of these Federal lands, the middle that believes that development or extraction of minerals or utilization of the land for grazing has to be done in consideration of the preservation of that land, but also the middle that understands that there are things called jobs that people; for example, the ranching families that have been out there on the land for well over 100 years on the same ranch, that these people have a right to utilize that land, that these people are good guardians of that land, that in order for people to keep their jobs out there in the West they have got to have highways, they have got to have transportation, they are entitled to communication, that carefully regulated it is OK to put a power line into a community up there in the mountains so they can have cable TV or they can have electricity or they can have telephones. It is OK to have a highway, an interstate for example, through Glenwood Canyon, which has as its top priorities safety through the preservation of the environment.

The Glenwood Canyon, by the way, I think, is one of the outstanding examples in this country of how you can go into some very pristine country, some very important environmentally beautiful country, and while still keeping in mind the consideration of the safety of the people that visit the West, that travel through the West or that live in the West.

I know that my remarks have focused on that word called multiple use, and I know that my remarks have focused on that word called balance. It is because we think those people in the West, those of us who represent the people of the West, we are very proud of our heritage, we are proud of the heritage of the United States of America. But we think that the entire country needs to understand that our heritage is built in part not just on strong people, not just on our good friends and neighbors the American Indians, the Native Americans, but also built on the ability to utilize public lands in a reasonable and well-thought-out manner. I cannot tell you how disappointing and discouraging it has been to see that sign that says “Welcome to the White River National Forest” and then underneath it the sign that says “A land of many uses.” How discouraging it is to go by and see the sign that now just says “Welcome to the White River National Forest.” Where is the sign that says “Land of many uses.” That is the historical use of that land, that is the protected use of that land, that is the use that everyone in this country and every group in this country that really cares about the West and the preservation of the West, that is the long-term that they will take the time to educate themselves on. It is absolutely crucial. If you want to address the issues in the Rocky Mountains, if you want to address the issues of public lands, you have got to talk about just the Rocky Mountains. This obviously expands up to Alaska and expands to the other areas of the country in which large tracts of public lands exist. If
you want to voice your opinions on that, look and study the history of the West, and what built it and, again, what the politics were, and finally what the people today do for that. You know we are really very fortunate, we think of Rocky Mountain elk, or the mountain lions, or gone out there, and now a big fat is fishing, or you have been on our rivers to raft. You too can continue to enjoy the beauty of what you like about those public lands in the future, but do not shut us out of it, do not let some of these groups convince you that that land out there is being wasted. Do not let some of these groups convince you that the only way to enjoy water in Colorado is to make sure that it runs out of the State, that the only way to protect water coming off those mountains is not to store it, not to allow it to be taken out of the rivers so that the communities of the towns and the people can thrive and the crops can thrive on the use of that water.

Instead, what you should do is encourage these groups to come in and work with us as partners. We are a partner. The American Nation depends upon team players, and that is what the middle of America is about, it is a team player. Our team in the middle is much stronger than either team on the fringes. But those teams on the fringes; for example, those groups that want development at any cost or those groups that do not want any development regardless of the merits of the development, sometimes those groups have more ability than the groups in the middle to pass on their message, to make the American people believe that they really are the experts or to make the American people believe that they represent the majority of the American people or to make the American people believe that they represent the best interests of the American people. Instead, next time you hear from some of those groups, put them aside, just discount what they have said until you have the opportunity to talk with somebody in the middle.

Now I know that many of you may not have had the opportunity to visit the great Rocky Mountains or the great State of Alaska. If you have that opportunity, come out. We have a lot to offer. We do have a good lifestyle out there. We do have clean air, and you can bet your bottom dollar we want to protect that clean air. We do have crystal clear water in our streams, and you can bet your bottom dollar we want to protect that. We have that feeling in the Rocky Mountain world. We have some of the best hiking trails in the world. I just in my district alone we probably have 54 mountain peaks over 14,000 feet. We have got mountain climbing. We want to preserve that.

But we also have jobs. That is how those of us who still manage to stay out there, that is why we are able to stay there, because we know how to make a living, with the ability to make a living really determines whether or not we can let our next generation, my kids and my kids' kids, and whether my wife's family can continue to operate in the ranching business. Well, we have to be able to guarantee that the next few generations will have the same kind of opportunities we did. We are good guardians, and we can be better guardians, we want to be better guardians, but do not shut us out, do not go to the people of the West and say, all right, let us start with grazing fees, for example.

You know a lot of the people or some of the groups, let me put it that way, or some of the people, I will put it that way, that are proposing a hike in the grazing fees. They are not out to make sure the Government gets a better deal. That is just a mask, that is just the surface of what they are trying to portray. What they really want to do is eliminate grazing from the western part of the country. And really want to do is go after multiple use. It is a disguised attack on multiple use.

I think as a U.S. Congressman that the Government should get a fair deal on grazing fees, for example. If the market is strong, the fees are good, then the grazing fees should be higher. If the cattle market goes to pot, as it has done this year, any of you in that business know how terrible it has been, then the fees ought to drop so that we can sustain the lifestyle of those kind of ranching, and so on, on those public lands. But do not be taken by the people that say, well, there is great, great abuse going on there and these ranchers and farmers are just out there to enrich themselves at the advantage of the Federal Government.

A lot of those groups do not have, as I mentioned earlier, do not have in mind the idea that we have to improve the deal that the Government is getting. Instead, what those groups have as their sole intent is to shut the door on the people of the West, to move the people of the West out of the West and to hang up no trespassing signs.

That is why the people of the West, that is why the West. Senator Clements first became the President and they had talked about the grazing fees and the Secretary of the Interior, Mr. Babbit, came out, that is why people in the West were so defensive. It is one thing to come in here with reasonable negotiations for a reasonable grazing fee. It is quite another thing to come into the West under the guise of saying you want reasonable grazing fees and trying to drive people off the land.

To show how intense the battle has become in the West I am not sure that during my lifetime you will ever see another ski area, a new ski area built in the Rocky Mountains. Now maybe the demand is not out there for it. But if the demand were there, you should automatically eliminate the possibility of a new ski area somewhere in the Rocky Mountains or should you rather approach the question of do we want development at any cost or does it make sense environmentally, does it make sense for the community, does it make economic sense because the last thing you want is a company that gets into development of an area like that for half a project and the project has to give it up or file into bankruptcy because they have run out of capital.

Those are the kind of questions that should be asked. We know in Colorado for example that it is crucial, it is ab-olutely crucial, as I said in my earlier remarks, that we have the capability of storing water, storing water for future use. I am not sure once the Animas LaPlata project is built, and I hope that it is built, I am not sure that during the rest of my lifetime that we are going to see another water storage project in Colorado.

Now we ought to ask the same questions. First, is there a need for additional water storage, or are we using the current storage to our maximum benefit? Maybe we need to clean out some of the current water storage projects we have so they can hold more water. Third, does it make economic sense? Fourth, if we were to build a new project, can we protect the environment like we need to? Can we mitigate the environment in such a way that could actually enhance the environment? You know, it used to be a statistic that is 3 or 4 years old, but it is used to be that all the good stream fishing in Colorado was below a water storage project. We have brought water, we have brought green, to a lot of the area in Colorado because of our utilization of water.

Well, let me conclude my remarks by saying this. I know that with a budget, a big issue back here, and I know in the past few days the tragedy in Cuba has taken a lot of time on this floor so we can depend on Washington and this country should go, but I felt that it was appropriate tonight, especially having just come back from Colorado, I felt it was appropriate to take a few minutes to talk to you about the importance of multiple use for our fine State.

I am doggone proud of being from Colorado. I feel good about the West. I feel good about the way we have taken care of the West. I feel good about some of the improvements that are being made in the way we take care of the West. And I also feel very strong and very committed to oppose those people who want to shut the door on the West and to oppose those who want to take that sign, "A land of many uses," and replace it with a sign of "No trespassing."
time you pick up a bill, or every time you pick up a letter from, say, the Siera Club or someone else, that talks about public lands, take a look at what we have talked about this evening: The historical use of those lands, the environment and mitigation on those lands, the need of the people of those lands, and the life culture and the lifestyles of the West.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2854, THE AGRICULTURAL MARKET TRANSITION PROGRAM

Mr. Goss, from the Committee on Rules, submitted a privileged report (Rept. No. 104-463) on the resolution (H. Res. 366) providing for consideration of the bill (H.R. 2854) to modify the operation of certain agricultural programs, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:
Mr. Stokes, for 5 minutes, today.
Mr. Deutsch, for 5 minutes, today.
Mr. Burton, for 5 minutes, today.
Ms. Ros-Lehtinen, for 5 minutes each, today.
Mr. Riggs, for 5 minutes each day, on today and February 28.
Mr. Smith, for 5 minutes each day, on today and February 28.
Mr. Christensen, for 5 minutes, on February 28.

(These following Members (at his own request) to revise and extend his remarks and include extraneous material:)
Mr. Goss, 5 minutes, today.
Mr. Foss, 5 minutes, today.
Mr. Frost, 5 minutes, today.
Mr. Furse, 5 minutes, today.
Mr. Lipinski, in 14 instances.
Mr. Brown, 5 minutes, today.
Mr. Ganske, in 14 instances.
Mr. Wynn, in 14 instances.
Mr. Davis, in 14 instances.
Mr. Logren, in 14 instances.

(These following Members (at their request and to include extraneous material:)
Mr. Pete Goss of Texas, for 5 minutes, today.
(These following Members (at her own request) and to include extraneous matter:)
Mrs. Meek of Florida, for 5 minutes, today.
(These following Members (at their request and to include extraneous material:)
Ms. Pelosi, for 5 minutes, today.
Ms. Waters, for 5 minutes, today.
Ms. Clackton, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:
(The following Members (at the request of Mr. Kennedy of Massachusetts) to revise and include extraneous material:)
Mr. Farr, 5 minutes, today.
Mr. Stokes, 5 minutes, today.
Mr. Torres, 5 minutes, today.
Mr. Lantos, 5 minutes, today.
Mr. Pickett, 5 minutes, today.
Mr. Borski, 5 minutes, today.
Mr. Foglietta, 5 minutes, today.
Mr. Montgomery in two instances.
Mr. Reed, 5 minutes, today.
Mr. Underwood, 5 minutes, today.
Mr. Ortiz in two instances.
Mr. Barret of Wisconsin, 5 minutes, today.
Mr. Kennedy of Massachusetts, 5 minutes, today.
Mr. Moran, 5 minutes, today.
(These following Members (at the request of Mr. Bereuter of Nebraska) and to include extraneous material:)
Mrs. Morella, 5 minutes, today.
Ms. Ros-Lehtinen, 5 minutes, today.
Mr. Boehner, 5 minutes, today.
Mrs. Kelly, 5 minutes, today.
Mr. Smith of Michigan, 5 minutes, today.
Mr. Cox of California, 5 minutes, today.
Mr. Nadar, 5 minutes, today.
Mr. Baker of California, 5 minutes, today.
Mr. Ehlers, 5 minutes, today.
(These following Members (at the request of Mr. Hastings of Florida) and to include extraneous matter:)
Mr. Roberts, 5 minutes, today.
Ms. Deluro in two instances.
Mr. Frank of Massachusetts, 5 minutes, today.
Mr. Hastings of Florida, 5 minutes, today.
Ms. Eshoo in two instances.
Mr. Nadler, 5 minutes, today.
(These following Members (at the request of Mr. McNinnes) and to include extraneous matter:)
Mr. Frost, 5 minutes, today.
Ms. Furse, 5 minutes, today.
Mr. Lipinski in 14 instances.
Mr. Brown, 5 minutes, today.
Mr. Ganske, 5 minutes, today.
Mr. Markey, 5 minutes, today.
Mr. Lantos in two instances.
Mr. Wynn, 5 minutes, today.
Mr. Davis, 5 minutes, today.

ADJOURNMENT

Mr. Goss, Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 1 minute p.m.), the House adjourned until tomorrow, Wednesday, February 28, 1996, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:
[Omitted from the Record of February 23, 1996]
2109. A communication from the President of the United States, transmitting a report of three proposed rescissions of budget authority, totaling $820 million, pursuant to 2 U.S.C. 683(a)(1); to the Committee on Appropriations.
2110. A communication from the President of the United States, transmitting his request to make available appropriations totaling $140 million in budgetary authority for DOD operations associated with the NATO-led Bosnia Peace Implementation Force [IFOR] and Operation Deny Flight, and $200 million for civilian implementation of the Dayton Peace Accord and to designate the amounts made available as an emergency requirement pursuant to section 251(b)(D)(l) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, pursuant to 31 U.S.C. 1301(a) to the Committee on Appropriations and ordered to be printed.
2111. A communication from the President of the United States, transmitting his request to make available appropriations totaling $620 million in budgetary authority for DOD operations associated with the NATO-led Bosnia Peace Implementation Force [IFOR] and Operation Deny Flight, and $200 million for civilian implementation of the Dayton Peace Accord and to designate the amounts made available as an emergency requirement pursuant to section 251(b)(D)(l) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, pursuant to 31 U.S.C. 1301(a) to the Committee on Appropriations and ordered to be printed.
[Submitted February 27, 1996]
2112. A letter from the Under Secretary of Defense (Personnel and Readiness), transmitting notification that the Department's defense manpower requirements report for fiscal year 1997, will be submitted by April 30, 1996, to the Committee on National Security.
2113. A letter from the Managing Director, Federal Housing Finance Board, transmitting the Board's reports entitled "1996 Salary Rates" for its employees in grade 1-15 and "Executive Level Salary Ranges" for its executive level employees, pursuant to section 1206 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 [FIRREA]; to the Committee on Banking and Financial Services.
2114. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 2000 resulting from passage of H.R. 2353 and H.R. 2657, pursuant to Public Law 101-508, section 13101(a) (104 Stat. 1389-582); to the Committee on the Budget.
2115. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 2000 resulting from passage of S. 652, H.R. 2029, and S. 1124, pursuant to Public Law 101-508, section 13101(a) (104 Stat. 1389-582); to the Committee on the Budget.
2116. A letter from the Secretary of Health and Human Services, transmitting the Department's third annual report to Congress implementing the authority and use of fees collected under the prescription Drug User Fee Act of 1992 [PDUFA] during
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the fiscal year 1995, pursuant to 21 U.S.C. 379g note; to the Committee on Commerce.

217. A letter from the Inspector general, Department of Health and Human Services, transmitting quarterly report of Special investigations in the fiscal year 1995, pursuant to 44 U.S.C. 2301 note; to the Committee on Commerce.

218. A letter from the Secretary of Energy, transmitting a copy of quarterly report of Federal activities under the National Institute of Environmental Health Sciences and the Agency for Toxic Substances and Disease Registry for fiscal year 1994, pursuant to 42 U.S.C. 7501 note; to the Committee on Commerce.

219. A letter from the Secretary of Transportation and infrastructure.

220. A letter from the Secretary of Transportation, transmitting the Department's report entitled "Transportation and Infrastructure Standards, 20 Year Year Tanker Size/Capacity Trend Report, 1970-1990," pursuant to 31 U.S.C. 103-30; section 411b(11) (104 Stat. 516); to the Committee on Transportation and Infrastructure.

221. A letter from the Assistant Secretary for Technology Policy, Department of Commerce, transmitting the biennial report on Federal agency use of the technology transfer authorities, in compliance with section 7310(g)(2) of title 15, United States Code; to the Committee on Science.

222. A letter from the Secretary of Veterans Affairs, transmitting proposed legislation to amend title 38, United States Code, to exempt full-time registered nurses, physician assistants, and expanded-function dental auxiliaries from restrictions on remunerated outside professional activities; to the Committee on Veterans' Affairs.

223. A letter from the Director, Administration and Management, Department of Defense, transmitting certification that the total cost for the planning, design, construction, and installation of equipment for the renovation of the Pentagon Reservation will not exceed $1,216,000,000; pursuant to section 2005 of Public Law 104-61, jointly, to the Committees on Appropriations and National Security.

224. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of obligation of funds for the International Monetary Fund (IMF) and International Development Fund (IDF) activities in Bosnia, pursuant to Public Law 104-99, section 303 (110 Stat. 30), jointly, to the Committees on Appropriations and International Relations.

225. A letter from the Comptroller of the Currency, transmitting the annual report of consumer complaints filed against national banks for 1995, to the Committee on Banking and Financial Services and Commerce.

226. A letter from the Secretary of Transportation, transmitting the Department's report to Congress on the benefits of safety belts and motorcycle helmets, pursuant to Public Law 102-240, section 103(b)(2) (105 Stat. 1073); jointly, to the Committees on Commerce and Transportation and Infrastructure.

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. SOLOMON: Committee on Rules. House Resolution 366. Resolution providing for consideration of the bill (H.R. 2854) to modify the operation of certain agricultural programs (Public Law 104-43). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLILEY (for himself, Mr. ARCHER, Mr. ROGERS, Mr. FIELDS of Texas, Mr. DINGELL, Mr. MARKEY, Mr. OXLEY, and Mr. TAUZIN): H.R. 2972. A bill to authorize appropriations for the Securities and Exchange Commission for fiscal year 1996 and for such purposes: to the Committee on Commerce.

By Mr. ROBERTS (for himself, Mr. EMERSON, Mr. GUNDERSON, Mr. ALLARD, Mr. BARRETT of Nebraska, Mr. EWING, and Mr. SMITH of Michigan): H.R. 2973. A bill to amend the Omnibus Budget Reconciliation Act of 1993 to extend the Department of Agriculture programs related to agricultural credit, rural development, conservation, trade, research, and promotion of expanded agricultural opportunities; to the Committee on Agriculture, and in addition to the Committee on Ways and Means, and International Relations, 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. CHRYSLER: H.R. 2974. A bill to amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims; to the Committee on the Judiciary.

By Mr. FRANK of Massachusetts (for himself, Mr. YATES, and Ms. PELOSI): H.R. 2975. A bill to amend the Immigration and Nationality Act to establish a Board of Visa Appeals within the Department of State to review decisions of consular officers concerning visa applications, revocations, and cancellations; to the Committee on the Judiciary.

By Mr. GANSKE (for himself, Mr. MARKEY, Mr. BARR, Mr. BOUCHER, Mr. COBURN, Mr. DURBIN, Mr. GENE GREEN of Texas, Mr. JOHNSTON of Florida, Mr. KENNEDY of Massachusetts, Mr. KLECKZA, Ms. LOFgren, Mr. McDERMOTT, Mrs. MEEK of Florida, Mr. MORGAN, Mr. NADLER, Mr. SANDERS, Mr. SERRANO, Ms. SMITH of Washington, Mr. STARK, Mr. STUDDS, Mr. TRAFCANT, Mr. WAXMAN, Mr. WHITFIELD, and Mr. WISE): H.R. 2976. A bill to establish in the Treasury Department a fund for health plans from interfering with health care provider communications with their patients; to the Committee on Commerce, and in addition to the Committees on Ways and Means, Economic and Educational Opportunities, and Government Reform and Oversight, 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. GEKAS (for himself and Mr. REED): H.R. 2977. A bill to reauthorize alternative means of dispute resolution in the Federal administrative process, and for other purposes; to the Committee on the Judiciary.

By Mr. MORAN: H.R. 2978. A bill to amend chapters 83 and 84 of title 5, United States Code, to provide for measures to preserve the value of deferred annuities over the period of the time between separation from Government service and when payments commence, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. LANTOS (for himself and Mr. King): H.R. 2979. A resolution condemning the visit of Louis Farrakhan to Libya, Iran, and Iraq as well as certain statements he made during these visits; pursuant to H. Res. 95-284 to take appropriate action to determine if such visits, statements, and actions resulting from agreements or understandings reached during these visits violate Federal law; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, 202. The SPEAKER presented a memorial of the Senate of the State of Washington,
additional sponsors under clause 4 of rule xxii, sponsors were added to public bills and resolutions as follows:

h.r. 26: mr. camp.

h.r. 263: mr. nathan.

h.r. 345: mr. jacobs.

h.r. 448: mr. frost and mr. frazer.

h.r. 488: mr. frazer.

h.r. 497: mr. barrett of nebraska and mr. quinn.

h.r. 528: mr. stump, mrs. morella, mr. smith of new jersey, and mr. klug.

h.r. 662: mr. calvert, mr. cramer, mr. smith of new york, and mr. hoekstra.

h.r. 753: mr. dellums, mr. filner, and ms. lofgren.

h.r. 580: mr. livingston, mr. hunter, mr. ramstad, ms. norton, mr. sawyer, and mr. costello.

h.r. 619: mr. martinez and mr. mcdermott.

h.r. 620: mr. martinez, mr. mcdermott, mr. lafalce, mr. moakley, mr. olver, ms. lofgren, ms. norton, and mr. waxman.

h.r. 764: mr. coburn, mr. ehrlich, and mr. funderburk.

h.r. 852: mr. moakley.

h.r. 958: mr. baker of louisiana, mr. hall of ohio, mr. herger, mr. moakley, and mr. tejeda.

h.r. 911: mr. shaw, mr. johnson of south dakota, mr. goodling, mr. bateman, mr. luther, mr. peterson of florida, and mr. skaggs.

h.r. 972: mr. bonilla and mr. jefferson.

h.r. 1007: mr. hastings of florida, mr. pallone, and mr. flake.

h.r. 1023: mr. sisisky, mr. lazio of new york, and mr. hoekstra.

h.r. 1073: mr. davis and mr. skeen.

h.r. 1074: mr. davis and mr. skeen.

h.r. 1386: mr. hastings of washington and mrs. smith of washington.

h.r. 1527: mrs. walsholtz.

h.r. 1560: mr. wilson and ms. norton.

h.r. 1591: mr. berman.

h.r. 1610: mr. wicker, mr. reed, mr. delums, and mr. doyle.

h.r. 1656: mr. manton, mr. durbin, ms. waters, and mr. towns.

h.r. 1689: mr. smith of new jersey, mr. spence, mr. kuclavi, mr. bereda, mr. cramer, mr. bass, mr. reed, mr. duncan, mrs. sarrano, mr. kclezka, mr. dickey, mr. rohrbach, mr. archer, mr. lahoood, mr. saxton, and mr. mcdaide.

h.r. 1688: mr. coyne and mr. johnson of south dakota.

h.r. 1733: mr. heinemann, mr. lahoood, mrs. shadegg, and mr. solomon.

h.r. 1767: mr. bachus.

h.r. 1776: mr. emerson, mr. brewster, mr. calver, mr. creach, mr. smith of new jersey, mrs. lowey, mr. ford, mr. kildee, mr. durbin, and mr. hall of ohio.

h.r. 1801: mr. meehan, mr. franks of new jersey, and mr. hoekstra.

h.r. 1802: mr. lafalce.

h.r. 1889: mr. hinchey.

h.r. 1899: mr. minge.

h.r. 202: mr. kennedy of massachusetts and mr. neumann.

h.r. 2011: mr. gonzalez, mr. frazer, mr. torres, mr. miller of california, mr. thompson, mr. markey, and mr. english of pennsylvania.

h.r. 2016: mrs. kelly.

h.r. 2193: mr. hayworth.

h.r. 2195: mr. hinchey, mr. mcdermott, mr. bilbray, mr. abercrombie, mr. gordon, ms. norton, and mr. costello.

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amendments

under clause 6 of rule xxiii, proposed amendments were submitted as follows:

h.r. 2854

offered by: mr. de la garza

amendment no. 2: 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 "agricultural reform and improvement act of 1996".

(b) table of contents.—the table of contents of this act is as follows:

title i—agricultural market transition program

sec. 1. short title; table of contents.

title ii—agricultural trade

subtitle a—amendments to agricultural trade development and assistance act of 1994 and related statutes

sec. 1. food aid to developing countries.

sec. 2. trade and development assistance.

sec. 3. agreements regarding eligible countries and private entities.

sec. 4. terms and conditions of sales.

sec. 5. use of local currency payment.

sec. 6. value-added foods.

sec. 7. eligible organizations.

sec. 8. generation and use of foreign currencies.

sec. 9. general levels of assistance under public law 480.

sec. 10. food aid consultative group.

sec. 11. support of nongovernmental organizations.
Sec. 843. Turkey research center authorization.
Sec. 844. Special grant to study constraints on agricultural trade.
Sec. 845. Pilot project to coordinate food and nutrition education programs.
Sec. 846. Assistive technology program for farmers with disabilities.
Sec. 847. Demonstration projects.
Sec. 848. National rural information center clearinghouse.
Sec. 849. Global climate change.
Sec. 850. Technical amendments.

Subtitle C—Miscellaneous Research Provisions

Sec. 861. Critical agricultural materials research.
Sec. 862. 1994 Institutions.
Sec. 863. Smith-Lever Act funding for 1890 land-grant colleges, including Tuskegee University and the District of Columbia.
Sec. 864. Committee of nine.
Sec. 865. Agricultural research facilities.
Sec. 866. National competitive research initiative.
Sec. 867. Cotton crop reports.
Sec. 868. Rural development research and education.
Sec. 869. Historical research.
Sec. 870. Dairy goat research program.
Sec. 871. Grants to upgrade 1890 land-grant college extension facilities.
Sec. 872. Stuttgart National Aquaculture Research Center.
Sec. 873. National aquaculture plan, planning, and development.
Sec. 874. Expansion of authorities related to the national arboretum.
Sec. 875. Study of agricultural research service.
Sec. 876. Labeling of domestic and imported lamb and mutton.
Sec. 877. Sense of Senate.

TITLE IX—AGRICULTURAL MARKET TRANSITION PROGRAM

SEC. 101. SHORT TITLE.
This title may be cited as the “Agricultural Market Transition Act”.

SEC. 102. DEFINITIONS.
In this title:
(1) CONSIDERED PLANTED.—The term “considered planted” means acreage that is considered planted under title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) (as in effect prior to the suspension under section 110(b)(1)(J)).

(2) CONTRACT.—The term “contract” means a production flexibility contract entered into under section 103.

(3) CONTRACT ACREAGE.—The term “contract acreage” means 1 or more crop acreage bases established for contract commodities under title V of the Agricultural Act of 1949 (as in effect prior to the suspension under section 110(b)(1)(J)) that have been in effect for the 1996 crop (but for the suspension under section 110(b)(1)(J)).

(4) CONTRACT COMMODITY.—The term “contract commodity” means wheat, corn, grain sorghum, barley, oats, upland cotton, and rice.

(5) CONTRACT PAYMENT.—The term “contract payment” means a payment made under section 103 pursuant to a contract.

(6) CORN.—The term “corn” means field corn.

(7) DEPARTMENT.—The term “Department” means the United States Department of Agriculture.

(8) FARM PROGRAM PAYMENT YIELD.—The term “farm program payment yield” means the farm program payment yield established for the 1995 crop of a contract commodity under title V of the Agricultural Act of 1949 (as in effect prior to the suspension under section 110(b)(1)(J)).

(9) LOAN COMMODITY.—The term “loan commodity” means each contract commodity, extra long staples, and oilseeds.

(10) OILSEED.—The term “oilseed” means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

(11) PERSON.—The term “person” means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or State agency.

(12) PRODUCER.—
(A) IN GENERAL.—The term “producer” means a person who is, as owner, landlord, tenant, or sharecropper, shares in the risk of producing a crop, and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(B) HYBRID SEED.—The term “ producer ” includes a person growing hybrid seed under contract. In determining the interest of a grower of hybrid seed in a crop, the Secretary shall not take into consideration the existence of a hybrid seed contract.

(13) PROGRAM.—The term “program” means the agricultural market transition program established under this title.

(14) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(15) STATE.—The term “State” means each of the following:
(i) The District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.
(ii) The term “United States,” when used in a geographical sense, means all of the States.
shall be made at the rate and amount applicable to the annual contract payment level for the applicable crop.

(2) DURATION OF CONTRACT.—

(A) BEGINNING DATE.—A contract shall begin with—

(i) the 1996 crop of a contract commodity; or

(ii) in the case of acreage that was subject to a conservation reserve contract described in paragraph (1)(B), the date the production flexibility contract was entered into or expanded or converted.

(B) ENDING DATE.—A contract shall extend through the 2002 crop.

(C) ALL RIGHTS OF CONTRACT PAYMENTS.—At the time the Secretary enters into a contract, the Secretary shall provide an estimate of the minimum contract payments anticipated to be paid under a contract for each fiscal year for which contract payments will be made.

(D) ELIGIBLE FARM LAND DESCRIBED.—Land shall be considered to be farm land eligible for coverage under a contract only if the land has contract acreage attributable to the land and

(i) for at least 1 of the 1991 through 1995 crops, at least a portion of the land was enrolled in the acreage reduction program authorized by section 1018(b) of the Agricultural Act of 1949; or

(ii) if any amount received as a payment under the program is returned to the government effective after the date of enactment of the Agricultural Act of 1949, that amount is included in the calculation of the payment for purposes of this section.

(E) ALLOWABLE FARM LAND.—The Secretary shall provide for the sharing of all refunds of contract payments received under the contract in effect for each fiscal year by—

(A) the owner or operator, 50 percent of the contract payments made to a person under a contract having a commencement date on or after February 27, 1996;

(B) the farm program payment yield.

(f) DETERMINATION OF CONTRACT PAYMENT LEVELS.—

(1) INDIVIDUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—For each contract, the payment quantity of a contract commodity for each fiscal year shall be equal to the product of—

(A) 85 percent of the contract acreage; and

(B) the farm program payment yield.

(2) ANNUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—The payment quantity of each contract commodity covered by all contracts for each fiscal year shall be the sum of the amounts calculated under paragraph (1) for each individual contract.

(3) ANNUAL PAYMENT RATE.—The payment rate for a contract commodity for each fiscal year shall be the product of—

(A) the amount made available under subsection (e) for the contract commodity for the fiscal year; divided by—

(B) the amount determined under paragraph (2) for the contract commodity.

(4) ANNUAL PAYMENT AMOUNT.—The amount to be paid under a contract in effect for each fiscal year with respect to a contract commodity determined by the Secretary shall provide for the sharing of all refunds of contract payments received under the contract if the owner or operator continues or resumes operation, or control, of the contract acreage. On the resumption of operation or control over the contract acreage by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

(5) ASSIGNMENT OF CONTRACT PAYMENTS.—

(A) The Sections 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of contract payments) shall apply to contract payments as an adverse decision for purposes of this section

(B) The Secretary shall provide the Secretary with notice, in writing, of any assignment made under this subsection. The owner or operator shall provide the Secretary with a signed statement in writing from the transferee, the Secretary may modify the contract payments among the owners and operators of land, and

(C) the transferee, the Secretary may modify the contract payments among the owners and operators of land, and

(D) the transferee, the Secretary may modify the contract payments among the owners and operators of land, and

(E) the transferee, the Secretary may modify the contract payments among the owners and operators of land, and

(F) the transferee, the Secretary may modify the contract payments among the owners and operators of land, and

(G) the transferee, the Secretary may modify the contract payments among the owners and operators of land, and

(H) the transferee, the Secretary may modify the contract payments among the owners and operators of land, and

(I) PLANTING FLEXIBILITY.—

(A) PERMITTED CROPS.—Subject to paragraph (2), any commodity or crop may be planted on contract acreage on a farm.

(B) LIMITATIONS.—

(A) HAYING AND GRAZING.
(i) **TIME LIMITATIONS.**—Haying and grazing on land exceeding 15 percent of the contract acreage on a farm as provided in clause (iii) shall be permitted, except during any conservation contract with a State, during the crop year that is determined by the State committee established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) for a State, in the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the contract acreage on a farm.

(ii) **HAYING AND GRAZING LIMITATION ON PORTION OF CONTRACT ACREAGE.**—Unlimited haying and grazing shall be permitted on not more than 15 percent of the contract acreage on a farm. (B) **ALFALFA.**—Alfalfa may be planted for harvest without limitation on the contract acreage on a farm, except that each contract acre that is planted for harvest to alfalfa in excess of 15 percent of the total contract acreage on a farm shall be ineligible for contract payments.

(ii) **UNRESTRICTED VEGETABLES.**—Lentils, mung beans, and dry peas may be planted without limitation on contract acreage.

(k) **CONSERVATION FARM OPTION.**—(1) **TERMS.**—Under the conservation farm option contract—

(ii) **LOAN RATES.**—(A) **LOAN RATE FOR CORN.**—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be—

(i) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) not more than 15 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(iii) not more than $2.00 per bushel.

(B) **STOCKS TO USE RATIO ADJUSTMENT.**—If the Secretary estimates that for any marketing year the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 15 percent in any year; or

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(b) **LIMITATIONS.**—The loan rate for a marketing assistance loan for wheat shall not be more than $0.7965 per bushel.

(C) **NO EFFECT ON FUTURE YEARS.**—Any reductiob in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rates for wheat for subsequent years.

(2) **FEED GRAINS.**—(A) **LOAN RATE FOR CORN.**—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be—

(i) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; and

(ii) not more than $1.89 per bushel.

(B) **STOCKS TO USE RATIO ADJUSTMENT.**—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year; or

(ii) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(iii) not more than $0.7965 per bushel.

(B) **LIMITATIONS.**—The loan rate for a marketing assistance loan for corn shall be $6.50 per hundredweight.

(C) **NO EFFECT ON FUTURE YEARS.**—Any reduction in the loan rate for corn for the corresponding crop under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) **OTHER FEED GRAINS.**—The loan rate for a marketing assistance loan for grain sorghum, milo, milo, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that is made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) **UPLAND COTTON.**—(A) **LOAN RATE.**—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be determined by the Secretary at such loan rate, per hundredweight, as will reflect the Secretary's estimate of the marketing assistance loan for upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller—

(i) 85 percent of the average price of the weight-

ed by market and month of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for middling 1 3/16-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) **LIMITATIONS.**—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.90 per pound or more than $0.93 per pound.

(4) **EXTRA LONG STAPLE COTTON.**—The loan rate for a marketing assistance loan for extra long staple cotton shall be $6.50 per hundredweight.

(C) **NO EFFECT ON FUTURE YEARS.**—Any reduction in the loan rate for the corresponding crop shall not be considered in determining the loan rate for the corresponding crop.

(5) **RICE.**—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(D) **OILSEEDS.**—(A) **SOYBEANS.**—The loan rate for a marketing assistance loan for soybeans shall be—

(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $4.25 per bushel.

(B) **LIMITATIONS.**—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $7.99 per pound.

(B) **LIMITATIONS.**—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $5.26 per bushel.

(B) **LIMITATIONS.**—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $5.26 per bushel.
in which the average price was the highest and the year in which the average price was the lowest in the period; but
(ii) not less than $0.087 or more than $0.093 per pound.

(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than $0.087 or more than $0.093 per pound on a per-pound basis for the same crop.

(T) TERM OF LOAN.—In the case of each loan commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month in which the loan is made. A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made. The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(d) REPAYMENT.—

(1) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) with respect to the loan commodity at a level that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) maximize the accumulation of stocks of the commodities by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodities; and

(D) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) REPAYMENT RATES FOR UPLAND COTTON, OILSEEDS, AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under subsection (a) for upland cotton, oilseeds, and rice at a level that is the lesser of—

(A) the loan rate established for upland cotton, oilseeds, and rice, respectively, under subsection (b); or

(B) the prevailing world market price for upland cotton, oilseeds, and rice, respectively, in the United States or at a United States export location, as determined by the Secretary.

(3) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary).

(4) DETERMINATION OF MARKET PRICE.—For purposes of paragraph (2)(B) and subsection (f), the Secretary shall prescribe by regulation—

(A) a formula to determine the prevailing world market price for each loan commodity, adjusted to United States quality and location; and

(B) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each loan commodity.

(5) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(A) IN GENERAL.—During the period ending July 31, 2003, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under paragraph (4) shall be further adjusted if—

(i) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under subsection (b), as determined by the Secretary; and

(ii) the Friday through Thursday average world market price quotation for the lowest-priced United States grown (M) 1% inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average world price of the lowest-priced United States grown (M) 1% inch cotton, delivered C.I.F. Northern Europe (referred to in this subsection as the "Northern Europe price").

(B) FURTHER ADJUSTMENT.—Except as provided in subparagraph (C), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following:

(i) The United States share of world exports.

(ii) The current level of cotton export sales and cotton export shipments.

(iii) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(C) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under subparagraph (B) may not exceed the difference (reduced by 1.25 cents per pound) of—

(i) the Friday through Thursday average world market price for the lowest-priced United States grown cotton as quoted for Middling (M) 1% inch cotton delivered C.I.F. Northern Europe, and

(ii) the Northern Europe price.

(5) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR OTHER OILSEEDS.—The Secretary shall adjust the prevailing world market price for other oilseeds under subsection (b), plus interest (as determined by the Secretary), to reflect the prevailing world market price for each of the following:

(i) The Prevailing World Market Price for Soybeans.

(ii) The Prevailing World Market Price for Other Oilseeds.

(iii) The Prevailing World Market Price for Other Domestic Commodities.

(iv) The Prevailing World Market Price for Other Export Commodities.

(v) The Prevailing World Market Price for Other Import Commodities.

(vi) The Prevailing World Market Price for Other Commodities Available for Export.

(vii) The Prevailing World Market Price for Other Commodities Available for Import.

(viii) The Prevailing World Market Price for Other Commodities Available for Domestic Use.

(ix) The Prevailing World Market Price for Other Commodities Available for Marketing or Exchange.

(x) The Prevailing World Market Price for Other Commodities Available for Government Use.

(xi) The Prevailing World Market Price for Other Commodities Available for Commodity Credit Corporation Use.

(xii) The Prevailing World Market Price for Other Commodities Available for Commodity Credit Corporation Use.

(xiii) The Prevailing World Market Price for Other Commodities Available for Commodity Credit Corporation Use.

(xiv) The Prevailing World Market Price for Other Commodities Available for Commodity Credit Corporation Use.

(xv) The Prevailing World Market Price for Other Commodities Available for Commodity Credit Corporation Use.

(xvi) The Prevailing World Market Price for Other Commodities Available for Commodity Credit Corporation Use.

(xvii) The Prevailing World Market Price for Other Commodities Available for Commodity Credit Corporation Use.

(xviii) The Prevailing World Market Price for Other Commodities Available for Commodity Credit Corporation Use.

(xix) The Prevailing World Market Price for Other Commodities Available for Commodity Credit Corporation Use.

(xx) The Prevailing World Market Price for Other Commodities Available for Commodity Credit Corporation Use.

(6) DETERMINATION OF MARKET PRICE.—For purposes of paragraph (5), the market price for each loan commodity under subsection (b) shall be determined as the average of—

(A) the Friday through Thursday average world market price quotation for the lowest-priced United States grown or produced (M) 1% inch cotton, delivered C.I.F. Northern Europe, as determined for the week ending July 31, 2003, and

(B) the average of the Friday through Thursday average world market price quotations for the lowest-priced United States grown or produced (M) 1% inch cotton, delivered C.I.F. Northern Europe, for the period ending July 31, 2003.

(7) DETERMINATION OF MARKET PRICE FOR UPLAND COTTON.—The Secretary shall establish the market price for upland cotton under subsection (b) as the average of—

(A) the Friday through Thursday average world market price quotation for the lowest-priced United States grown (M) 1% inch cotton, delivered C.I.F. Northern Europe, as determined for the week ending July 31, 2003, and

(B) the Friday through Thursday average world market price quotations for the lowest-priced United States grown (M) 1% inch cotton, delivered C.I.F. Northern Europe, for the period ending July 31, 2003.

(8) DETERMINATION OF MARKET PRICE FOR OILSEEDS.—The Secretary shall establish the market price for oilseeds under subsection (b) as the average of—

(A) the Friday through Thursday average world market price quotation for the lowest-priced United States grown (M) 1% inch cotton, delivered C.I.F. Northern Europe, as determined for the week ending July 31, 2003, and

(B) the Friday through Thursday average world market price quotations for the lowest-priced United States grown (M) 1% inch cotton, delivered C.I.F. Northern Europe, for the period ending July 31, 2003.

(9) DETERMINATION OF MARKET PRICE FOR RICE.—The Secretary shall establish the market price for rice under subsection (b) as the average of—

(A) the Friday through Thursday average world market price quotation for the lowest-priced United States grown or produced (M) 1% inch cotton, delivered C.I.F. Northern Europe, as determined for the week ending July 31, 2003, and

(B) the Friday through Thursday average world market price quotations for the lowest-priced United States grown or produced (M) 1% inch cotton, delivered C.I.F. Northern Europe, for the period ending July 31, 2003.
days after the date of the Secretary’s announcement under subparagraph (A) and entered into the United States not later than 180 days after the date.

(2) IN GENERAL. The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at any price that the Secretary determines will maximize receipts to the Corporation.

(2) NONAPPLICATION OF SALES PRICE RESTRICTIONS. Paragraph (1) shall not apply to—

(A) a sale for a new or byproduct use;

(B) a sale of peanuts or oilseeds for the extraction of oil;

(C) a sale for feed or if the sale will not substantially impair the loan program;

(D) a sale of a commodity that has substantively deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(E) a sale for the purpose of establishing a claim arising out of a contract or against a person who has committed fraud, misrepresentation, or other wrongful act with respect to the commodity;

(F) a sale for export, as determined by the Corporation; and

(G) a sale for other than a primary use.

(3) PRESIDENTIAL DISASTER AREAS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), on such terms and conditions as the Secretary may determine in the public interest, the Corporation may make available any commodity or product owned or controlled by the Corporation for use in alleviating distress—

(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(B) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with the availability of any commodity available under subparagraph (A) beyond the cost of the commodity to the Corporation incurred in—

(i) the storage of the commodity; and

(ii) the handling and transportation costs in making delivery of the commodity to designated agencies at 1 or more central locations in each State or other area.

(C) EFFICIENT OPERATIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section unless the loan was obtained through a fraudulent representation by the producer.

(2) LIMITATIONS. Paragraph (1) shall not provide that the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(A) a deficiency in the grade, quality, or quantity of the collateral; or

(B) a failure to properly care for and preserve the collateral;

(C) a failure or refusal to deliver a commodity in accordance with a program established under this section.

(D) ACQUISITION OF COLLATERAL.—The Secretary may require the Commodity Credit Corporation to contract for the nonrecourse loan made under this section a provision that permits the Commodity Credit Corporation to, and after the maturity of the loan or any extension of the loan, to acquire title to the unsecured collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(E) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a nonrecourse loan made under this section a provision that permits the Commodity Credit Corporation to, and after the maturity of the loan or any extension of the loan, to acquire title to the unsecured collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(F) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a nonrecourse loan made under this section a provision that permits the Commodity Credit Corporation to, and after the maturity of the loan or any extension of the loan, to acquire title to the unsecured collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(G) SECURITY INTEREST.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a nonrecourse loan made under this section a provision that permits the Commodity Credit Corporation to, and after the maturity of the loan or any extension of the loan, to acquire title to the unsecured collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(H) SECURITY INTEREST.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a nonrecourse loan made under this section a provision that permits the Commodity Credit Corporation to, and after the maturity of the loan or any extension of the loan, to acquire title to the unsecured collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(I) SECURITY INTEREST.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a nonrecourse loan made under this section a provision that permits the Commodity Credit Corporation to, and after the maturity of the loan or any extension of the loan, to acquire title to the unsecured collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(J) SECURITY INTEREST.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a nonrecourse loan made under this section a provision that permits the Commodity Credit Corporation to, and after the maturity of the loan or any extension of the loan, to acquire title to the unsecured collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(K) SECURITY INTEREST.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a nonrecourse loan made under this section a provision that permits the Commodity Credit Corporation to, and after the maturity of the loan or any extension of the loan, to acquire title to the unsecured collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(1) LIMITATION ON PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS. The total amount of contract payments made under section 103 of the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts during any fiscal year may not exceed $40,000.

(2) LIMITATION ON MARKET LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.— The total amount of payments specified in subparagraph (B) that a person shall be entitled to receive under
section 104 of the Agricultural Market Trading Act for contract commodities and oilseeds during any crop year may not exceed $575,000,000.

DESCRIPTION OF PAYMENTS.—The payments referred to in subparagraph (A) are the following:

(i) Any gain realized by a producer from repayment of a loan or from storage of peanuts which are not a crop of any loan commodity at a lower level than the original loan rate established for the commodity under section 104(b) of the Act.

(ii) Any loan deficiency payment received for a loan commodity under section 104(e) of the Act.

B. FORMING AMENDMENTS.—

(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) (as amended by subsection (a)) is amended—

(A) by redesignating paragraphs (5), (6), and (7) as paragraphs (3), (4), and (5), respectively; and

(B) in the second sentence of paragraph (3)(A) (as so redesignated), by striking “paragraphs (6) and (7)” and inserting “paragraphs (4) and (5)”.

(2) Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1305 note) is amended by striking “paragraphs (5) through (7) of section 1001, as amended by this subtitle,” and inserting “paragraphs (5) through (9) of section 1001.”

(3) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1a(1)) is amended—

(A) in the first sentence of subsection (a)(1), by striking “section 1001(5)(B)(i)” and inserting “section 1001(3)(B)(i)”;

(B) by striking “under the Agricultural Act of 1949” and inserting “under the Agricultural Act of 1949”; and

(C) by striking “under the Agricultural Act of 1949” and inserting “under the Agricultural Act of 1949”.

(4) Section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3a) is amended—

(A) by striking “For each of the 1991 through 1997 crops, any” and inserting “Any”;

(B) by striking “price support program loans, payments, or benefits made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)” and inserting “loans or payments made available under the Agricultural Market Trading Act”; and

(C) by striking “during the 1989 through 1997 crop years”.

SEC. 106. PEANUT PROGRAM.

(a) Quota Peanuts.—

(1) Available of Loan.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) Loan Rate.—The national average loan rate for quota peanuts shall be $630 per ton.

(3) Inspections, Handling, or Storage.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) Location and Other Factors.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts that are not a crop of any loan commodity at a level lower than the original loan rate established for the commodity under section 104(b) of the Act.

(b) Additional Peanuts.—

(1) In General.—The Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(2) Announcement of Loan Rates.—The Secretary shall announce the loan rate for additional peanuts for each crop not later than February 15 preceding the marketing year for the crop to which the loan applies, which rate shall be determined.

(c) Area Marketing Associations.—

(1) Warehouse Storage Loans.—

(A) In general.—In carrying out subsections (a) and (b), the Secretary shall make nonrecourse loans available in each of the producing areas designated area marketing association of peanut growers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) Administrative and Supervisory Activities.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) Association Costs.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(D) Administration and Agriculture._—In general.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(2) Pools for Quota and Additional Peanuts.—

(A) In General.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) Eligibility to Participate.—

(i) In General.—Except as provided in clause (ii), in the case of the 1996 and subsequent crop years, Valencia peanuts produced in New Mexico shall not be eligible to participate in the pools of the State.

(ii) Exception.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident that was produced outside of the State.

(C) Types of Peanuts.—Bright hull and dark hull Valencia peanuts shall be considered for the purpose of establishing the pools.

(D) Net Gains.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer for peanuts in each pool shall consist of the following:

(i) Quota peanuts.—For quota peanuts, the net gains over and above the loan indebtedness and other losses incurred on peanuts placed in the pool.

(ii) Additional peanuts.—For additional peanuts, the net gains over and above the loan indebtedness and other losses incurred on peanuts placed in the pool for additional peanuts.

(d) Losses.—Loans in quota area pools shall be covered using the following sources in the following order of priority:

(1) Transfers from Additional Loan Pool.—The proceed due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool for which the pool remains under subsection (a). (2) Marketing Assistance Loans.—Net gains or losses of the pool shall be offset by any gains or losses from additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(3) Offsets to Other Peanuts.—Additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico, shall be offset by any gains or losses from quota peanuts in other production areas (other than separate type pools established under subsection (b)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(4) Use of Marketing Assessments.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handling, or storage of peanuts in area quota pools. The Secretary shall transfer to the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(5) Cross Compliance.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to area quota pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1b(8)), shall be offset by any gains or losses from quota peanuts in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(e) Offset Generally.—If losses in an area quota pool have not been entirely offset under paragraph (3), further losses shall be offset by any gains or losses from additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(f) Eligibility to Participate.—

(i) In General.—Except as provided in clause (ii), in the case of the 1996 and subsequent crop years, Valencia peanuts shall not be eligible to participate in the pools of the State.

(ii) Exception.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident that was produced outside of the State.

(C) Types of Peanuts.—Bright hull and dark hull Valencia peanuts shall be considered for the purpose of establishing the pools.

(D) Net Gains.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer for peanuts in each pool shall consist of the following:

(i) Quota peanuts.—For quota peanuts, the net gains over and above the loan indebtedness and other losses incurred on peanuts placed in the pool.

(ii) Additional peanuts.—For additional peanuts, the net gains over and above the loan indebtedness and other losses incurred on peanuts placed in the pool for additional peanuts.

(d) Losses.—Loans in quota area pools shall be covered using the following sources in the following order of priority:

(1) Transfers from Additional Loan Pool.—The proceed due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool for which the pool remains under subsection (a). (2) Marketing Assistance Loans.—Net gains or losses of the pool shall be offset by any gains or losses from additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(3) Offsets to Other Peanuts.—Additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico, shall be offset by any gains or losses from quota peanuts in other production areas (other than separate type pools established under subsection (b)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(7) Increased Assessments.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount that the Secretary considers necessary to cover the losses. The increased assessment shall apply only to quota peanuts in the production area by the pool otherwise elected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) Disapproval. Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which peanuts have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1d).

(f) Quality Improvement.—

(i) In General.—With respect to peanuts under loan, the Secretary shall provide for the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;
(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department of Agriculture as farmer stock and shelled or clean-in-shell peanuts; (C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the conduct of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1997); and (D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—(I) In general.—The Secretary shall provide for the assessment of the marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent of the quantity of peanuts acquired and transported from each of the 1991 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) First purchasers.—(A) In general.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall (i) deduct from the producer a marketing assessment equal to the quantity of peanuts shelled or cleaned in-shell peanuts; (ii) in the case of each of the 1994 and 1995 crops, 55 percent of the applicable national average loan rate; and (iii) in the case of each of the 1991 through 2002 crops, 65 percent of the applicable national average loan rate; and

(III) in the case of peanuts subject to the marketing loan program and with respect to the 1996 through 2002 marketing years, shall be equal to 75 percent of the loan rate for each of the 1996 through 2002 marketing years.

(B) In subsection (b)(1), by adding at the end the following:

(II) in subsection (b)(1)(A), by striking “of 1991 through 1995” and inserting “for the applicable crop year.”

(2) TEMPORARY QUOTA ALLOCATION.—(A) In general.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—(i) in section 358-1 (7 U.S.C. 1358-1)—(I) in the section heading, by striking “1993 through 1997” and inserting “1993 through 1997”;

(3) TEMPORARY QUOTA ALLOCATION.—Sec. 358-1 of the Act (7 U.S.C. 1358-1) is amended—(A) in subsection (a)(1), by striking “domestic edible, seed,” and inserting “domestic edible use”; (B) in subsection (b)(2)—(i) in subparagraph (A), by striking “subparagraph (B) and subject to”; and (ii) by striking subparagraph (B) and inserting the following:

(“B) TEMPORARY QUOTA ALLOCATION.—(1) TEMPORARY QUOTA ALLOCATION. Time shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts.

For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the assessment required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as required by the Secretary to carry out this subsection or is unable to the Secretary for a civil penalty up to an amount determined by multiplying—(A) the quantity of peanuts involved in the violation; by (B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) Crops.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.


(II) in subsection (b)(1)—(i) by striking “of 1991 through 1995” and inserting “for the applicable crop year.”

(iii) in subsection (a)(3), by striking “1990” and inserting “1990, for the 1991 through 1995 marketing year, and for the 1996 through 2002 marketing years”;

(iv) in subsection (b)(1)(A)—(i) by striking “each of the 1991 through 1995” and inserting “each marketing year”;

(ii) in clause (i), by inserting before the semicolon the following: “; in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years”; and

(v) in subsection (b)(1)(B), by striking “end the following:

(II) CERTAIN FARMS INELIGIBLE FOR QUOTA.—Effective beginning with the 1997 marketing year, the Secretary shall not establish, in the case of peanuts subject to the marketing loan program for the 2002 marketing year, the Secretary shall not establish a marketing loan for peanuts planted for the 2002 marketing year.

(6) ENFORCEMENT. The Secretary may enforce this subsection in the courts of the United States.

(ii) QUOTA. Effective beginning with the 1997 marketing year, the Secretary shall not establish, in the case of peanuts subject to the marketing loan program for the 2002 marketing year, the Secretary shall not establish a marketing loan for peanuts planted for the 2002 marketing year.

(III) in subsection (a)(1), by striking “do—” and inserting “includes any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7):”;

(iii) in paragraph (3)(B), by striking “including—” and clauses (i) and (ii) and inserting “including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7)”; and

(III) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, to total to the American Peanut Program as a result of this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—(A) the quantity of peanuts involved in the violation; by (B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT. The Secretary may enforce this subsection in the courts of the United States.

(III) in subsection (a)(3), by striking “and seed” and inserting “and seed and use on a farm.”

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—(A) in section 358-1b (7 U.S.C. 1358-1b)—(i) in paragraph (1)(B), by striking “including—” and clauses (i) and (ii) and inserting “including any applicable undermarketings” both places it appears; and

(II) in subsection (a)(1), by striking “of undermarketings and”; and

(iii) in paragraph (2), by striking “including any applicable undermarketings”; and

(III) in subsection (3), by striking “including any applicable undermarketings”.}

(5) DISASTER TRANSFERS.—Section 358-1b of the Act (7 U.S.C. 1358-1b), as amended by paragraphs (4)(A)(iii), is further amended by adding at the end the following:

(“B) DISASTER TRANSFERS.—(A) in general.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

(8) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

(III) in subsection (b)(2), by adding at the end the following:

(“I) in subsection (a)(1), by striking “including—” and clauses (i) and (ii) and inserting “including any applicable undermarketings”; and

(II) in subsection (3), by striking “including any applicable undermarketings”.}

(5) DISASTER TRANSFERS.—Section 358-1b of the Act (7 U.S.C. 1358-1b), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

(“B) DISASTER TRANSFERS.—(A) in general.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

(8) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

(III) in subsection (b)(2), by adding at the end the following:

(“I) in subsection (a)(1), by striking “including—” and clauses (i) and (ii) and inserting “including any applicable undermarketings”; and

(II) in subsection (3), by striking “including any applicable undermarketings”.}

(5) DISASTER TRANSFERS.—Section 358-1b of the Act (7 U.S.C. 1358-1b), as amended by paragraphs (4)(A)(iii), is further amended by adding at the end the following:

(“B) DISASTER TRANSFERS.—(A) in general.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

(8) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

(III) in subsection (b)(2), by adding at the end the following:

(“I) in subsection (a)(1), by striking “including—” and clauses (i) and (ii) and inserting “including any applicable undermarketings”; and

(II) in subsection (3), by striking “including any applicable undermarketings”.}
SEC. 108. ADMINISTRATION.
(a) COMMODITY CREDIT CORPORATION.—
(1) USE OF CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.
(2) EXPENSES.—No funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture.
(b) DETERMINATIONS.—Secretary.—A determination made by the Secretary under this title or the Agricultural Adjustment Act of 1938 shall be final and conclusive.
(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this title.

SEC. 109. SUSPENSION AND REPEAL OF PERMANENT AUTHORITIES.
(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—
(1) IN GENERAL.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops:
(A) Parts II through V of subtitle B of title III (7 U.S.C. 1326±1351).
(B) Sections 368(a) through (i) of section 368 (7 U.S.C. 1359).
(C) Subsections (a) through (h) of section 368a (7 U.S.C. 1358a).
(D) Subsections (a), (b), (d), and (e) of section 356 (7 U.S.C. 1359).
(F) Subtitle C of title I (7 U.S.C. 1361±1368).
(G) Section in upland cotton, section 377 (7 U.S.C. 1377).
(H) Subtitle D of title III (7 U.S.C. 1379a±1379).
(I) Title IV (7 U.S.C. 1401±1407).
(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all" the words "notwithstanding the following:" and inserting the following: "all producers engaged in the production of peanuts:"
(b) AGRICULTURAL ACT OF 1940.—
(1) SUSPENSIONS.—The following provisions of the Agricultural Act of 1940 shall not be applicable to the 1996 through 2002 crops:
(A) Section 108B (7 U.S.C. 1445c±3).
(B) Section 108C (7 U.S.C. 1445d±3).
(C) Section 108D (7 U.S.C. 1445e±3).
(D) Section 110 (7 U.S.C. 1445e).
(E) Section 112 (7 U.S.C. 1445f).
(F) Section 114 (7 U.S.C. 1445g).
(G) Section 115 (7 U.S.C. 1445h).
(H) Title III (7 U.S.C. 1447±1449).
(J) Title V (7 U.S.C. 1461±1469).
(K) Title VI (7 U.S.C. 1471±1473).
(2) REPEALS.—The following provisions of the Agricultural Act of 1949 are repealed:
(A) Section 105 (7 U.S.C. 1474±6).
(B) Section 106 (7 U.S.C. 1475±1476).
(C) Section 107 (7 U.S.C. 1475a).
(D) Section 109 (7 U.S.C. 1476a).
(E) Section 110 (7 U.S.C. 1476b).
(F) Section 112 (7 U.S.C. 1476c).
(G) Section 113 (7 U.S.C. 1476d).
(H) Section 114 (7 U.S.C. 1476e).
(I) Title II (7 U.S.C. 1482±1486).
(J) Title IV (7 U.S.C. 1491±1497).
(K) Title V (7 U.S.C. 1495±1499).
(3) CROP STATUTES.—The joint resolution entitled "Agricultural Adjustment Act of 1949, supplementary crop marketing quotas as of the Agricultural Adjustment Act of 1938, as amended", approved
May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

SEC. 104. USE OF LOCAL CURRENCY PAYMENT.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1705) is amended—

(1) in subsection (a), by striking the term ‘recipient country’ and inserting ‘developing country or private entity’; and

(2) in subsection (d), by striking ‘(i)’ and inserting ‘(ii)’.

SEC. 105. VALUE OF ADD-FOODS.

Section 105 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1706) is amended—

(1) by striking ‘$50,000,000’ and inserting ‘$60,000,000’; and

(2) by striking ‘(b)’ and inserting ‘(a)’.

SEC. 106. ELIGIBLE ORGANIZATIONS.

(a) IN GENERAL.—Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1702) is amended—

(1) by striking the term ‘eligible organization’ and inserting ‘private voluntary organization or cooperative’; and

(2) by striking ‘(ii)’ and inserting ‘(i)’.

(3) USE OF LOCAL CURRENCY PAYMENT.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1705) is amended—

(1) in subsection (a), by striking ‘recipient country’ and inserting ‘developing country or private entity’; and

(2) in subsection (c), by striking ‘less than 10000’ and inserting ‘less than 11000’.

SEC. 207. CONFORMING AMENDMENTS.

Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1707) is amended—

(a) by striking ‘recipient country’ and inserting ‘developing country or private entity’; and

(b) by striking ‘(i)’ and inserting ‘(ii)’.
(2) in subsection (b)—
(A) in paragraph (1), by striking “private voluntary organizations and cooperatives” and inserting “eligible organizations”; and
(B) by striking “utilization of” and inserting “utilization of”.

SEC. 211. SUPPORT OF NONGOVERNMENTAL ORGANIZATIONS.

(1) by striking subsections (a) through (d) and inserting the following:
(a) AVAILABILITY OF COMMODITIES.—No agricultural commodity shall be available for disposition under this Act if the Secretary determines that the disposition would reduce the domestic supply of the commodity below the supply level of each of fiscal years 1996 through 2002; and
(b) by striking “of Agriculture for Farm and Foreign Affairs” and inserting “of Agriculture for Farm and Commodity Programs”.

SEC. 212. COMMODITY DETERMINATIONS.

SEC. 213. GENERAL PROVISIONS.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended—
(1) in subsection (a), by striking “with foreign countries” after “in the case of” and inserting “with respect to”; and
(2) in subsection (b) and (c), by striking “with respect to” and inserting “with respect to”.

SEC. 214. AGREEMENTS.

SEC. 215. USE OF COMMODITY CREDIT CORPORATION.

SEC. 216. ADMINISTRATIVE PROVISIONS.

SEC. 217. EXPIRATION DATE.

SEC. 218. REGULATIONS.

SEC. 219. INDEPENDENT EVALUATION OF PROGRAMS.

SEC. 220. AUTHORIZATION OF APPROPRIATIONS.

SEC. 221. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS.

SEC. 222. IMPLEMENTATION.
Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) is amended by adding at the end the following:

"SEC. 225. FOOD SECURITY COMMODITY RESERVE.

(a) In General.—Title III of the Agricultural Act of 1980 (7 U.S.C. 1736-1 et seq.) is amended to read as follows:

"TITLE III—FOOD SECURITY COMMODITY RESERVE

"SEC. 301. SHORT TITLE.

This title may be cited as the "F Food Security Commodity Reserve Act of 1996."
Trade Development and Assistance Act of 1994 (7 U.S.C. 1691 et seq.).

"(B) BASIS FOR REIMBURSEMENT.—The reimbursement shall be made on the basis of the lesser of—

(i) the actual costs incurred by the Commodity Credit Corporation with respect to the eligible commodity; or

(ii) the market price of the eligible commodity (as determined by the Secretary) as of the time the eligible commodity is released from the reserve for the purpose.

"(C) ELIGIBLE COMMODITIES.—The reimbursement may be made from funds appropriated for the purpose of reimbursement in subsequent fiscal years.

SEC. 228. USE OF FOREIGN CURRENCY PROCEEDS FROM EXPORT SALES FOR USE OF FOREIGN CURRENCY PROCEEDS FROM EXPORT SALES FOR MONETIZATION PROGRAMS.—

(a) IN GENERAL.—The Secretary shall utilize funds of the Commodity Credit Corporation to promote United States agricultural exports in a manner consistent with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) and obligations pursuant to the Uruguay Round Agreements.

(b) FUNDING.—The amount of Commodity Credit Corporation funds used to carry out paragraph (1) during a fiscal year shall not exceed the total outlays for agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

(c) GOALS OF STRATEGY.—The strategy developed under subsection (a) shall encourage the maintenance, development, and expansion of export markets for United States agricultural commodities and related products, including high-value and value-added products.

(d) FAILURE TO MEET GOALS.—Notwithstanding any other law, if the Secretary determines that the goals established by subsection (a) are not met by September 30, 2002, the Secretary may not carry out agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) during fiscal year 2002.

SEC. 229. STABILIZATION OF FOREIGN PRODUCTION.—

(a) IN GENERAL.—The Secretary may establish a reserve of eligible commodities after September 30, 2002, and shall be deemed to be references to "agricultural commodities".

SEC. 228. USE OF FOREIGN CURRENCY PROCEEDS FROM EXPORT SALES FOR MONETIZATION PROGRAMS.—

(a) IN GENERAL.—The Secretary shall utilize funds of the Commodity Credit Corporation to promote United States agricultural exports in a manner consistent with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) and obligations pursuant to the Uruguay Round Agreements.

(b) FUNDING.—The amount of Commodity Credit Corporation funds used to carry out paragraph (1) during a fiscal year shall not exceed the total outlays for agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

(c) GOALS OF STRATEGY.—The strategy developed under subsection (a) shall encourage the maintenance, development, and expansion of export markets for United States agricultural commodities and related products, including high-value and value-added products.

(d) FAILURE TO MEET GOALS.—Notwithstanding any other law, if the Secretary determines that the goals established by subsection (a) are not met by September 30, 2002, the Secretary may not carry out agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) during fiscal year 2002.

SEC. 229. STABILIZATION OF FOREIGN PRODUCTION.—

(a) IN GENERAL.—The Secretary may establish a reserve of eligible commodities after September 30, 2002, and shall be deemed to be references to "agricultural commodities".

SEC. 228. USE OF FOREIGN CURRENCY PROCEEDS FROM EXPORT SALES FOR MONETIZATION PROGRAMS.—

(a) IN GENERAL.—The Secretary shall utilize funds of the Commodity Credit Corporation to promote United States agricultural exports in a manner consistent with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) and obligations pursuant to the Uruguay Round Agreements.

(b) FUNDING.—The amount of Commodity Credit Corporation funds used to carry out paragraph (1) during a fiscal year shall not exceed the total outlays for agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

(c) GOALS OF STRATEGY.—The strategy developed under subsection (a) shall encourage the maintenance, development, and expansion of export markets for United States agricultural commodities and related products, including high-value and value-added products.

(d) FAILURE TO MEET GOALS.—Notwithstanding any other law, if the Secretary determines that the goals established by subsection (a) are not met by September 30, 2002, the Secretary may not carry out agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) during fiscal year 2002.

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(a) IN GENERAL.—The Secretary shall utilize funds of the Commodity Credit Corporation to promote United States agricultural exports in a manner consistent with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) and obligations pursuant to the Uruguay Round Agreements.

(b) FUNDING.—The amount of Commodity Credit Corporation funds used to carry out paragraph (1) during a fiscal year shall not exceed the total outlays for agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

(c) GOALS OF STRATEGY.—The strategy developed under subsection (a) shall encourage the maintenance, development, and expansion of export markets for United States agricultural commodities and related products, including high-value and value-added products.

(d) FAILURE TO MEET GOALS.—Notwithstanding any other law, if the Secretary determines that the goals established by subsection (a) are not met by September 30, 2002, the Secretary may not carry out agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) during fiscal year 2002.
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"(2) CRITERIA FOR DETERMINATION.—In making the determination required under paragraph (1) with respect to credit guarantees under subsection (b) for a country, the Secretary shall consider, in addition to financial, macroeconomic, and monetary indicators—

(A) whether an International Monetary Fund standby agreement, Paris Club re-scheduling plan, or other economic restructuring plan is in place with respect to the country;

(B) the convertibility of the currency of the country;

(C) whether the country provides adequate legal protection for foreign investments;

(D) whether the country has viable financial markets;

(E) whether the country provides adequate legal protection for the private property rights of citizens of the country; and

(F) any other factors that are relevant to the ability of the country to service the debt of the country.";

(3) by striking subsection (h) and inserting the following:

"SEC. 245. MARKET PROMOTION PROGRAM.

Effective October 1, 1995, section 213(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking "and" after "1991 through 1993;" and

(2) by striking "through 1997," and inserting "through 1995, and not more than $70,000,000 for each of fiscal years 1996 through 2002;"

Provided, that funds made available under this Act to carry out the non-generic activities of the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5629) may be used to provide cost-share assistance only to organizations that are non-foreign entities and are recognized as small business concerns under section 301 of the Small Business Act (15 U.S.C. 632(a)) or to the associations described in the first section of the Act entitled "(A) an agricultural commodity or product that is grown, produced, or processed and high-value products—

(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation may guarantee under subsections (a) and (b) the repayment of credit made available to finance an export sale irrespective of whether the obligor is located in the country to which the export sale is destined; and

(5) by striking subsection (k) and inserting the following:

(1) PROCESSED AND HIGH-VALUE PRODUCTS.—

(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent for each of fiscal years 2000, 2001, and 2002, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance is issued to promote the export of bulk or raw agricultural commodities."

"(2) PARTIAL-YEAR EMBARGOS.—Regardless of whether an embargo is in effect for only part of a fiscal year, the full amount of funds as calculated under subsection (c) shall be made available under a program for the fiscal year. If the Secretary determines that making the required amount of funds available in a partial fiscal year is impracticable, the Secretary may make all or part of the funds required to be made available in the partial fiscal year available in the following fiscal year (in addition to any funds otherwise required under a program to be made available in the following fiscal year)."

"SEC. 249. FOREIGN AGRICULTURAL SERVICE.

Section 503 of the Agricultural Trade Act of 1978 (7 U.S.C. 5653) is amended to read as follows:

"(a) ARRIVAL CERTIFICATION.—With respect to a commodity provided, or for which financing or a credit guarantee or other assistance is made available, under a program authorized in section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5629) the Commodity Credit Corporation shall require the exporter of the commodity to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and shall allow representatives of the Commodity Credit Corporation access to the records or documents as needed, to verify the arrival of the commodity in the country that was the intended destination of the commodity.";

"SEC. 464. COMPLIANCE.

Section 402(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2)."

"SEC. 476. REGULATIONS.

Section 404 of the Agricultural Trade Act of 1978 (7 U.S.C. 5644) is repealed.

"SEC. 486. TRADE COMPLEMENTATION AND ASSISTANCE PROGRAMS.

Title IV of the Agricultural Trade Act of 1978 (7 U.S.C. 5661 et seq.) is amended by adding at the end the following:

"SEC. 417. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other law, if, after the effective date of this section, the President or any other member of the Executive branch causes exports from the United States to any country to be unilaterally suspended for reasons of national security or foreign policy, and if within 180 days after the date on which the suspension is imposed on United States exports no other member of the Executive branch agrees to participate in the suspension, the Secretary shall make available for trade compensation and assistance program in accordance with this section (referred to in this section as a ‘program’)."

"SEC. 496. DURATION OF PROGRAM.—(a) IN GENERAL.—The suspension of exports for which a program is implemented under this section, funds shall be made available under subsection (b) for each fiscal year for which the suspension is in effect, but not to exceed 2 fiscal years.

"SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICULTURAL SERVICE.

The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by—

(1) acquiring information pertaining to agricultural trade; and

(2) carrying out market promotion and development activities;"
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"(3) providing agricultural technical assistance and training; and
"(4) carrying out the programs authorized under this Act, the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), and other Acts."

SEC. 250. REPORTS.

The first sentence of section 603 of the Agricultural Trade Act of 1958 (7 U.S.C. 5712) is amended by striking "the" and inserting "Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), the"

Subtitle C—Miscellaneous

SEC. 251. REPORTING REQUIREMENTS RELATING TO TOBACCO.

Section 214 of the Tobacco Adjustment Act of 1990 (7 U.S.C. 1736v) is repealed.

SEC. 252. TRIGGERED EXPORT ENHANCEMENT.

(a) REPEAL OF SUPPORT LEVELS.—Section 302 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 7 U.S.C. 1421 note) is repealed.

(b) TRIGGERED MARKETING LOANS AND EXPORT ENHANCEMENT.—Section 4301 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100–418; 7 U.S.C. 1446 note) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective beginning on the 1996 crop year of wheat, feed grains, upland cotton, and rice.

SEC. 253. DISPOSITION OF COMMODITIES TO PREVENT WASTE.

Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting after the first sentence the following: "The Secretary may use funds of the Commodity Credit Corporation to cover administrative expenses of the programs;"

(B) in paragraph (7)(D)(iv), by striking "one year of acquisition" and all that follows and inserting the following: "a reasonable length of time, as determined by the Secretary, except that the Secretary may permit the use of proceeds in a country other than the country of origin—"

"(i) as necessary to expedite the transportation of commodities and products furnished under this subsection; or

"(ii) if the proceeds are generated in a country generally accepted in the other country—"

(C) in paragraph (8), by striking subparagraph (C); and

(D) by striking paragraphs (10), (11), and (12); and

(2) by striking subsection (c).

SEC. 254. DIRECT SALES OF DAIRY PRODUCTS.

Section 106 of the Agriculture and Food Act of 1981 (7 U.S.C. 1446c-1) is repealed.

SEC. 255. EXPORT SALES OF DAIRY PRODUCTS.

Section 1207 of the Agriculture and Food Act of 1985 (7 U.S.C. 1736r) is amended to read as follows:

"SEC. 1207. TRADE NEGOTIATIONS.

(a) FINDINGS. Congress finds that—

"(1) on a level playing field, United States producers are the most competitive suppliers of agricultural products in the world;

"(2) exports of United States agricultural products will account for $53,100,000,000 in 1995, contributing a net $43,000,000,000 to the merchandise trade balance of the United States and supporting approximately 1,000,000 jobs;

"(3) increased agricultural exports are critical to the future of the farm, rural, and overall United States economy, but the opportunities for increased agricultural exports are limited by the unfair subsidies of the agricultural competitors of the United States, and a variety of tariff and nontariff barriers to highly competitive United States agricultural products;

"(4) international negotiations can play a key role in breaking down barriers to United States agricultural exports;

"(5) the Uruguay Round Agreement on Agriculture made significant progress in the attainment of increased market access opportunities for United States exports of agricultural products, for the first time—

"(A) restraining the trade-distorting domestic support and export subsidy programs; and

"(B) developing common rules for the application of sanitary and phytosanitary restrictions;

"that should result in increased exports of United States agricultural products, jobs, and income growth in the United States;

"(6) the Uruguay Round Agreement on Agriculture did not succeed in completely eliminating trade-distorting domestic support and export subsidy programs;

"(a) allowing the European Union to continue unreasonable levels of spending on export subsidies; and

"(b) failing to discipline monopolistic state trading entities, such as the Canadian Wheat Board, that use nontransparent and discriminatory pricing as a hidden de facto export subsidy;

"(7) during the period 1996 through 2002, there will be several opportunities for the United States to negotiate fair trade in agricultural products, including further negotiations under the World Trade Organization, and steps toward possible free trade agreements of the Americas and Asian-Pacific Economic Cooperation (APEC); and

"(8) the United States should aggressively use these opportunities to achieve more open and fair opportunities for trade in agricultural products;"-

SEC. 256. AGRICULTURAL TRADE NEGOTIATIONS.

The objectives of the United States with respect to future negotiations on agricultural trade include—

"(1) increasing opportunities for United States exports of agricultural products by eliminating or substantially reducing tariff and nontariff barriers to trade;

"(2) leveling the playing field for United States producers of agricultural products by limiting per unit domestic production supports to levels that are no greater than those available in the United States;

"(3) ending the practice of export dumping by eliminating all trade distorting export subsidies and disciplining state trading entities so that they do not (except in cases of bona fide food aid) sell in foreign markets at below domestic market prices nor their full costs of acquiring and delivering agricultural products to the foreign markets; and

"(4) encouraging government policies that avoid price-depressing surpluses."

SEC. 257. POLICY ON TRADE LIBERALIZATION.

Section 1212 of the Food Security Act of 1985 (7 U.S.C. 1736q) is repealed.

SEC. 258. POLICY ON MAINTENANCE AND DEVELOPMENT OF EXPORT MARKETS.

Section 1211 of the Food Security Act of 1985 (7 U.S.C. 1736p) is amended—

(1) by striking subsection (a); and

(2) in subsection (b)—

(A) by striking "(b):"; and

(B) by striking paragraphs (1) through (4) and inserting the following:

"(1) be the premier supplier of agricultural and food products to markets and expand exports of high value products;

"(2) support the principle of free trade and the promotion of fair trade in agricultural commodities, including further nontariff measures and trade-distorting subsidies;

"(3) cooperate fully in all efforts to negotiate with foreign countries further reductions in tariff and nontariff barriers to trade, including sanitary and phytosanitary measures and trade-distorting subsidies;

"(4) aggressively counter unfair foreign trade practices as a means of encouraging free trade;

"(5) the Uruguay Round Agreement on Agriculture made significant progress in the attainment of increased market access opportunities for United States agricultural exports;

"(6) the Uruguay Round Agreement on Agriculture did not succeed in completely eliminating trade-distorting domestic support and export subsidy programs;

"(a) allowing the European Union to continue unreasonable levels of spending on export subsidies; and

"(b) failing to discipline monopolistic state trading entities, such as the Canadian Wheat Board, that use nontransparent and discriminatory pricing as a hidden de facto export subsidy;

"(7) during the period 1996 through 2002, there will be several opportunities for the United States to negotiate fair trade in agricultural products, including further negotiations under the World Trade Organization, and steps toward possible free trade agreements of the Americas and Asian-Pacific Economic Cooperation (APEC); and

"(8) the United States should aggressively use these opportunities to achieve more open and fair opportunities for trade in agricultural products;"

"(b) GOALS OF THE UNITED STATES IN AGRICULTURAL TRADE NEGOTIATIONS.—The objectives of the United States with respect to future negotiations on agricultural trade include—

"(1) increasing opportunities for United States exports of agricultural products by eliminating or substantially reducing tariff and nontariff barriers to trade;

"(2) leveling the playing field for United States producers of agricultural products by limiting per unit domestic production supports to levels that are no greater than those available in the United States;

"(3) ending the practice of export dumping by eliminating all trade distorting export subsidies and disciplining state trading entities so that they do not (except in cases of bona fide food aid) sell in foreign markets at below domestic market prices nor their full costs of acquiring and delivering agricultural products to the foreign markets; and

"(4) encouraging government policies that avoid price-depressing surpluses."
"(2) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.";

(2) The Agricultural Trade Act of 1990 is amended by striking section 1542(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 and inserting the following:

(2) saying that "Not later than September 30 of each fiscal year, the Secretary of Agriculture shall determine whether the obligations undertaken by foreign countries under the Uruguay Round agreements for United States agricultural commodities or products of United States agricultural commodities are being fully implemented. If the Secretary of Agriculture determines that any foreign country, by not implementing the obligations of the country, is significantly constraining an opportunity for United States agricultural exports, the Secretary shall transmit a copy of the recommendation to the Committee on Agriculture, and the Committee on Ways and Means, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, of the Senate.

SEC. 272. SENSE OF CONGRESS CONCERNING MULTILATERAL DISCIPLINES ON CREDIT GUARANTEES.

It is the sense of Congress that—

(1) in negotiations to establish multilateral disciplines on agricultural export credits and credit guarantees, the United States should not agree to any arrangement that is incompatible with the provisions of United States law that authorize agricultural export credits and credit guarantees;

(2) in the negotiations (which are held under the auspices of the Organization for Economic Cooperation and Development), the United States should not reach any agreement that fails to impose disciplines on the practices of foreign government trading entities such as the Australian Wheat Board and Canadian Wheat Board; and

(3) the disciplines should include greater openness in the operations of the entities as long as the entities are subsidiary to the foreign government or have monopolies for exports of a commodity that are sanctioned by the foreign government.

SEC. 273. FOREIGN AGRICULTURAL DEVELOPMENT CO-OPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 6001 et seq.) is amended by adding at the end the following:

"TITLE VII—FOREIGN MARKET DEVELOPMENT CO-OPERATOR PROGRAM

SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZATION.

"In this title, the term 'eligible trade organization' means a United States trade organization that—

(1) promotes the export of 1 or more United States agricultural commodities or products that are not otherwise funded.

(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

SEC. 702. FOREIGN MARKET DEVELOPMENT CO-OPERATOR PROGRAM

"(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

"(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

(2) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.''

SEC. 274. PRICE SUPPORT FOR RICE.

The Agricultural Trade Act of 1949 (7 U.S.C. 1737) is amended—

(1) in subsection (c), by striking "section 1502(d)(2)

(2) in paragraph (3), by striking "emerging democracies" and inserting "emerging market' means any country that the Secretary determines—

"(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

"(B) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.''

SEC. 269. IMPORT ASSISTANCE FOR CBI BENEFICIARY COUNTRIES AND THE PHILIPPINES.

Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by adding a subsection (e) that says:

"(e) FUNDING.ÐThe Commodity Credit Corporation shall give priority, and revise educational programs in agricultural sciences (including land-grant colleges and universities) to support change towards a free market food system'' and inserting ``free market food markets''; and

"(f) by adding at the end the following:

(3) in subsection (b), by striking "emerging democracies' and inserting "emerging markets'';

(4) in subparagraph (A), by striking "agricultural research and education' and inserting "public and cooperative research and education'"; and

(5) R EPORT.ÐThe first sentence of section 1542(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking "Not later than September 30 of each fiscal year, the Secretary of Agriculture shall determine whether the obligations undertaken by foreign countries under the Uruguay Round agreements for United States agricultural commodities or products of United States agricultural commodities are being fully implemented. If the Secretary of Agriculture determines that any foreign country, by not implementing the obligations of the country, is significantly constraining an opportunity for United States agricultural exports, the Secretary shall transmit a copy of the recommendation to the Committee on Agriculture, and the Committee on Ways and Means, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, of the Senate.''

SEC. 272. SENSE OF CONGRESS CONCERNING MULTILATERAL DISCIPLINES ON CREDIT GUARANTEES.

It is the sense of Congress that—

(1) in negotiations to establish multilateral disciplines on agricultural export credits and credit guarantees, the United States should not agree to any arrangement that is incompatible with the provisions of United States law that authorize agricultural export credits and credit guarantees;

(2) in the negotiations (which are held under the auspices of the Organization for Economic Cooperation and Development), the United States should not reach any agreement that fails to impose disciplines on the practices of foreign government trading entities such as the Australian Wheat Board and Canadian Wheat Board; and

(3) the disciplines should include greater openness in the operations of the entities as long as the entities are subsidiary to the foreign government or have monopolies for exports of a commodity that are sanctioned by the foreign government.

SEC. 273. FOREIGN AGRICULTURAL DEVELOPMENT CO-OPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 6001 et seq.) is amended by adding at the end the following:

"TITLE VII—FOREIGN MARKET DEVELOPMENT CO-OPERATOR PROGRAM

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"In this title, the term 'eligible trade organization' means a United States trade organization that—

(1) promotes the export of 1 or more United States agricultural commodities or products that are not otherwise funded.

(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

SEC. 702. FOREIGN MARKET DEVELOPMENT CO-OPERATOR PROGRAM

"(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

"(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

(2) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.''

SEC. 274. PRICE SUPPORT FOR RICE.

The Agricultural Trade Act of 1949 (7 U.S.C. 1737) is amended—

(1) in subsection (c), by striking "section 1502(d)(2)

(2) in paragraph (3), by striking "emerging democracies' and inserting "emerging markets'';

(4) in subparagraph (A), by striking "agricultural research and education' and inserting "public and cooperative research and education'"; and

(5) R EPORT.ÐThe first sentence of section 1542(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking "Not later than September 30 of each fiscal year, the Secretary of Agriculture shall determine whether the obligations undertaken by foreign countries under the Uruguay Round agreements for United States agricultural commodities or products of United States agricultural commodities are being fully implemented. If the Secretary of Agriculture determines that any foreign country, by not implementing the obligations of the country, is significantly constraining an opportunity for United States agricultural exports, the Secretary shall transmit a copy of the recommendation to the Committee on Agriculture, and the Committee on Ways and Means, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, of the Senate.''

SEC. 272. SENSE OF CONGRESS CONCERNING MULTILATERAL DISCIPLINES ON CREDIT GUARANTEES.

It is the sense of Congress that—

(1) in negotiations to establish multilateral disciplines on agricultural export credits and credit guarantees, the United States should not agree to any arrangement that is incompatible with the provisions of United States law that authorize agricultural export credits and credit guarantees;

(2) in the negotiations (which are held under the auspices of the Organization for Economic Cooperation and Development), the United States should not reach any agreement that fails to impose disciplines on the practices of foreign government trading entities such as the Australian Wheat Board and Canadian Wheat Board; and

(3) the disciplines should include greater openness in the operations of the entities as long as the entities are subsidiary to the foreign government or have monopolies for exports of a commodity that are sanctioned by the foreign government.

SEC. 273. FOREIGN AGRICULTURAL DEVELOPMENT CO-OPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 6001 et seq.) is amended by adding at the end the following:

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(1) promotes the export of 1 or more United States agricultural commodities or products that are not otherwise funded.

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SEC. 702. FOREIGN MARKET DEVELOPMENT CO-OPERATOR PROGRAM

"(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

"(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

(2) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.''

SEC. 274. PRICE SUPPORT FOR RICE.
(e) RICE.—The Secretary shall make available to producers of rice in the United States a program to provide incentives for producers to reduce their crop acreage, consistent with the requirements established under a plan approved by the Secretary and the Commodity Credit Corporation.

TITLE III—CONSERVATION

Subtitle A—Definitions

SEC. 301. DEFINITIONS

Section 123 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) by redesignating paragraphs (3) through (16) as paragraphs (4) through (17), respectively; and

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

"(3) CONSERVATION SYSTEM.—The term "conservation system" means the conservation measures and practices that are approved for application by a producer to a highly erodible field and that provide for cost-effective and practical erosion reduction on the field based on local resource conditions and standards contained in the Natural Resources Conservation Service field office technical guide."

Subtitle B—Environmental Conservation Acreage Reserve Program

SEC. 311. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended to read as follows:

"SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the period beginning on the date of enactment of this Act and ending on June 30, 1996, the Secretary shall establish an environmental conservation acreage reserve program for the purpose of conserving, improving, and enhancing the quality of the nation's farmland, wetlands, and wildlife habitat.

"(2) PROGRAMS.—The ECARP shall consist of—

"(A) the conservation reserve program established under subsection (b);

"(B) the wetlands reserve program established under subsection (c);

"(C) the environmental quality incentives program established under chapter 4; and

"(D) a farmland protection program under which the Secretary shall use funds from the Commodity Credit Corporation for the purchase of conservation easements on farmland or other interests in not less than 170,000 acres or more than 340,000,000 acres of land with prime, unique, or other productive soil that is subject to a pending offer from a State or local government or other party for the purpose of protecting topsoil, water, the environment, and the farmland itself.

"(b) ADMINISTRATION.—

"(1) IN GENERAL.—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

"(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve or wetland reserve program on the effective date of this paragraph shall be considered to be placed into the ECARP.

"(c) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—

"(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity as conservation priority areas to provide for conservation and enhancement of the surrounding natural resources. The Secretary may designate new conservation priority areas or area-wide conservation plans through the process established under chapter 4, or determine that an existing conservation priority area no longer meets the criteria for designation as a conservation priority area.

"(2) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program a total of not more than 5,000,000 acres of wetlands, of which not less than 1,000,000 acres shall be placed into the ECARP.

"(2) in subsection (b), by striking the second and third paragraphs and inserting the following:

"(i) a State agency in consultation with the State technical committee established under section 1231;

"(ii) a group of States, as determined by the Secretary, and an application is made by—

"(1) a State agency in consultation with the State technical committee established under section 1231;

"(2) State agencies from several States that agree to form an interstate conservation priority area.

"(3) ASSISTANCE.—The Secretary shall—

"(A) provide assistance to States, producers, and landowners to restore wetlands on the land, if the area is no longer affected by significant nonpoint source pollution, or to restore wetlands on the land, if the Secretary determines that the area is no longer affected by significant nonpoint source pollution or that the area is no longer in water quality noncompliance;

"(B) determine whether land shall be enrolled into the wetland conservation reserve through agreements that require the landowner to retain the land in agricultural use.

"(4) RESTORATION PLANS.—A restoration plan shall describe the methods and activities to be used to restore wetlands to productive use and to assure compliance with the requirements established under subsection (b). The restoration plan shall be developed, approved, or accepted by the Secretary, and the State technical committee established under section 1231, and any other Federal and State agency having jurisdiction over the wetland or landowner.

"(5) COST SHARE AND TECHNICAL ASSISTANCE.—The Secretary shall carry out the programs established under this chapter and chapter 4.

"(b) ADMINISTRATION.—

"(1) IN GENERAL.—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

"(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve or wetland reserve programs on the effective date of this paragraph shall be considered to be placed into the ECARP.

"(c) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—

"(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity as conservation priority areas to provide for conservation and enhancement of the surrounding natural resources. The Secretary may designate new conservation priority areas or area-wide conservation plans through the process established under chapter 4, or determine that an existing conservation priority area no longer meets the criteria for designation as a conservation priority area.

"(2) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program a total of not more than 5,000,000 acres of wetlands, of which not less than 1,000,000 acres shall be placed into the ECARP.

"(2) in subsection (b), by striking the second and third paragraphs and inserting the following:

"(i) a State agency in consultation with the State technical committee established under section 1231;

"(ii) a group of States, as determined by the Secretary, and an application is made by—

"(1) a State agency in consultation with the State technical committee established under section 1231;

"(2) State agencies from several States that agree to form an interstate conservation priority area.

"(3) ASSISTANCE.—The Secretary shall—

"(A) provide assistance to States, producers, and landowners to restore wetlands on the land, if the area is no longer affected by significant nonpoint source pollution, or to restore wetlands on the land, if the Secretary determines that the area is no longer affected by significant nonpoint source pollution or that the area is no longer in water quality noncompliance;

"(B) determine whether land shall be enrolled into the wetland conservation reserve through agreements that require the landowner to retain the land in agricultural use.

"(4) RESTORATION PLANS.—A restoration plan shall describe the methods and activities to be used to restore wetlands to productive use and to assure compliance with the requirements established under subsection (b). The restoration plan shall be developed, approved, or accepted by the Secretary, and the State technical committee established under section 1231, and any other Federal and State agency having jurisdiction over the wetland or landowner.

"(5) COST SHARE AND TECHNICAL ASSISTANCE.—The Secretary shall carry out the programs established under this chapter and chapter 4.
amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs; and

(3) provide owners technical assistance to assist in completing the terms of easements and agreements.

SEC. 314a. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3800 et seq.) is amended by adding at the end the following:

"CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

SEC. 1238a. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) farmers and ranchers cumulatively manage more than 1½ of the private lands in the continental United States;

(2) because of the predominance of agriculture, the soil, water, and related natural resources of the United States cannot be protected without cooperative relationships between the Federal Government and farmers and ranchers;

(3) farmers and ranchers have made tremendous progress in protecting the environment and the agricultural resource base of the United States over the past decade because of not only Federal Government programs but also their spirit of stewardship and the adoption of effective technologies;

(4) most of the environmental concerns that farmers and ranchers continue to strive to preserve soil resources and make efforts to protect water quality and wildlife habitat, and address other broad environmental concerns;

(5) environmental strategies that stress the prudent management of resources, as opposed to the maximum economic opportunities for farmers and ranchers in the future;

(6) unnecessary bureaucratic and paperwork associated with existing agricultural conservation assistance programs decrease the potential effectiveness of the programs; and

(7) the recent trend of Federal spending on agricultural conservation programs suggests that assistance to farmers and ranchers in future years will, absent changes in policy, dwindle to perilously low levels.

(b) PURPOSES.—The purposes of the environmental quality incentives program established by this chapter are to—

(1) combine into a single program the functions of—

(A) the agricultural conservation programs established under sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h) (as in effect before the amendments made by section 359a(1) of the Agricultural Reform and Improvement Act of 1996);

(B) the Great Plains conservation program established under section 16b(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g(b)) (as in effect before the amendment made by section 359(b)(1) of the Agricultural Reform and Improvement Act of 1996); and

(C) the water quality incentives program established under chapter 2 as (as in effect before the amendment made by section 359c of the Agricultural Reform and Improvement Act of 1996); and

(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592c) (as in effect before the amendment made by section 359(c)(1) of the Agricultural Reform and Improvement Act of 1996); and

(2) carry out the single program in a manner that maximizes environmental benefits per dollar of Federal funds that providers.

(A) flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat;

(B) assistance to farmers and ranchers in complying with this title and Federal and State environmental laws, and to encourage environmental enhancement;

(C) assistance to farmers and ranchers in making beneficial changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources; and

(D) for the consolidation and simplification of the process to reduce administrative burdens on the owners and operators of farms and ranches.

SEC. 1238a. DEFINITIONS.

In this chapter—

(A) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means an agricultural conservation practice, pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost-effective manner.

(B) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a ranch that—

(A) is a confined animal feeding operation; and

(B) has more than—

(i) 700 mature dairy cattle;

(ii) 1,000 beef cattle;

(iii) 200,000 laying hens or broilers;

(iv) 5,000 turkeys;

(v) 2,500 swine; or

(vi) 10,000 sheep or lambs.

(C) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

(D) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

(E) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grass waterway, contour grass strip, filter strip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost-effective manner.

(F) ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

(1) ESTABLISHMENT.—(A) IN GENERAL.—During the 1996 through 2002 fiscal years, the Secretary shall provide technical assistance, cost-sharing payments, and incentive payments, education to operators, who implement a land management practice, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost-effective manner.

(B) LAND MANAGEMENT PRACTICES.—An operator who performs a land management practice shall be eligible for technical assistance or cost-sharing payments, education or both.

(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

(2) INCENTIVE PAYMENTS.—The Secretary shall provide the incentive payments at a rate determined by the Secretary and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

(G) TECHNICAL ASSISTANCE.—

(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the type of expertise required, quantity of time involved, and other factors as determined appropriate by the Secretary.

(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

(H) MODIFICATION OR TERMINATION OF CONTRACTS.—

(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with an operator under this chapter if—

(A) the operator agrees to the modification or termination; or

B. THE SECRETARY DETERMINES THAT THE MODIFICATION OR TERMINATION IS IN THE PUBLIC INTEREST.
"(2) IN GENERAL.—The Secretary may request the services of a State water quality agency, State fish and wildlife agency, State forestry agency, or any other governmental agency, or private resource considered appropriate to assist in providing the technical assistance necessary for the development and implementation of a structural practice or land management practice.

(2) LIMITATION ON LIABILITY.—No person shall be permitted to bring or pursue any claim based on or resulting from any technical assistance provided to an operator under this chapter, in assisting in complying with a Federal or environmental quality incentives program plan, in the development and implementation of a structural practice or land management practice.

SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

(a) Regional Priorities.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of the soil, water, and related natural resource problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

(2) National and Regional Priority.—The prioritization shall be done nationally as well as within the conservation priority area, region, or watershed in which an agricultural operation is located.

(3) Criteria.—To carry out this subsection, the Secretary shall establish criteria for implementing structural practices and land management practices that best achieve conservation goals for a region, watershed, or conservation priority area, as determined by the Secretary.

(c) State or Local Contributions.—The Secretary shall accord a higher priority to operations whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operator for the same conservation or environmental purposes.

(d) Priority Lands.—The Secretary shall accord a higher priority to structural practices or land management practices on lands on which agricultural production has been determined by the Secretary to be inadvisable, or to continue to be operated under existing management practices, would defeat the purpose of the environmental quality incentives program, as determined by the Secretary.

(2) In General.—The Secretary shall provide technical assistance, cost-sharing payments, or incentive payments to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas, as determined by the Secretary, in implementing structural practices or land management practices that will achieve the conservation and environmental objectives set forth in the plan.

(3) National and Regional Priority.—The Secretary shall accord a higher priority to operations whose agricultural operations are located in regions, watershed, or conservation priority areas under this chapter, in the development and implementation of a structural practice or land management practice, that best address the problems in the region, watershed, or area, as determined by the Secretary.

(4) to supply information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program;

(5) to provide information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program;

(6) to comply with such additional provisions as the Secretary determines are necessary for the development and implementation of a structural practice or land management practice.

SEC. 1238E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"An environmental quality incentives program plan shall include as determined by the Secretary—

(1) a description of the prevailing farm or ranch enterprises, cropping patterns, grazing management, cultural practices, or other information that best address the problems, as determined by the Secretary.

(2) a description of relevant farm or ranch enterprise characteristics, range land and conditions, proximity to water bodies, wildlife habitat, or other relevant characteristics of the farm or ranch related to the conservation and environmental objectives set forth in the plan;

(3) a description of specific conservation and environmental objectives to be achieved, and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-sharing payments and incentive payments received under this chapter, as determined by the Secretary.

(4) to provide information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program; and

(5) to comply with such additional provisions as the Secretary determines are necessary for the development and implementation of a structural practice or land management practice.

SEC. 1238F. DUTIES OF THE SECRETARY.

"(1) I N GENERAL .—The Secretary may re-

(2) N ATIONAL AND REGIONAL PRIORITY .—

(3) a description of relevant farm or ranch enterprise characteristics, range land and conditions, proximity to water bodies, wildlife habitat, or other relevant characteristics of the farm or ranch related to the conservation and environmental objectives set forth in the plan;

(4) a description of 1 or more structural practices or 1 or more land management practices, or both, to be implemented to achieve the conservation and environmental objectives; and

(5) a description of the timing and sequence for implementing the structural practices or land management practices, or both, that will achieve the conservation and environmental objectives.

(6) to provide information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program;

(7) information that will enable evaluation of the degree to which the plan has been implemented and achieved.

(8) Notwithstanding any provision of law, the Secretary shall require that the process of writing, developing, and assisting in the implementation of the plan be used in the programs established under this legislation to be consistent with the Department of Agriculture's policies on environmental quality incentives program plans.

"(2) LIMITATION ON LIABILITY.—No person shall be permitted to bring or pursue any claim based on or resulting from any technical assistance provided to an operator under this chapter, in assisting in complying with a Federal or environmental quality incentives program plan, in the development and implementation of a structural practice or land management practice.

SEC. 1238G. ELIGIBLE LANDS.

"(1) I N GENERAL. —Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter included:

(2) National and Regional Priority.—The prioritization shall be done nationally as well as within the conservation priority area, region, or watershed in which an agricultural operation is located.

(c) State or Local Contributions.—The Secretary shall accord a higher priority to operations whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operator for the same conservation or environmental purposes.

(2) To the extent appropriate, the Secretary shall provide technical assistance, cost-sharing payments, or incentive payments for developing and implementing 1 or more structural practices or 1 or more land management practices, or both, as approved by the Secretary.

(2) providing technical assistance in developing and implementing the plan; and

(3) providing technical assistance, cost-sharing payments, or incentive payments for developing and implementing 1 or more structural practices or 1 or more land management practices, or both, as approved by the Secretary.

(2) LIMITATION ON LIABILITY.—No person shall be permitted to bring or pursue any claim based on or resulting from any technical assistance provided to an operator under this chapter, in assisting in complying with a Federal or environmental quality incentives program plan, in the development and implementation of a structural practice or land management practice.

SEC. 1238H. LIMITATIONS ON PAYMENTS.

"(1) I N GENERAL. —The total amount of cost-sharing and incentive payments paid to a person under this chapter may not exceed—

(a) $10,000 for any fiscal year; or

(b) $50,000 for any multi-year contract.

"(2) REGULATIONS.—The Secretary shall impose regulations that are consistent with section 1001 for the purpose of—

(1) defining the term `person' as used in subsection (a); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).

Subtitle C—Conservation Funding

SEC. 1239I. CONSERVATION FUNDING.

"(1) In General.—Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended to read as follows:

"Subtitle E—Funding

Title 1—Funding

(1) MANDATORY EXPENSES.—For each of fiscal years 1986 through 2002, the Secretary shall use the funds of the Commodity Credit Corporation to carry out the programs authorized by—

(1) subchapter B of chapter 1 of subtitle D (including contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 16 U.S.C. 3831 note));

(2) subchapter C of chapter 1 of subtitle D; and

(3) chapter 4 of subtitle D.

(2) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—

(1) In General.—For each of fiscal years 1996 through 2002, $200,000,000 of the funds of the Commodity Credit Corporation shall be available for providing technical assistance, cost-sharing payments, or incentive payments for developing and implementing 1 or more structural practices or 1 or more land management practices, or both, as approved by the Secretary.
cost-sharing payments, and incentive payments under the environmental quality incentives program under chapter 4 of subtitle D.

(2) LIVESTOCK PRODUCTION.—For each of fiscal years 1996 through 2002, 50 percent of the funding available for technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program shall be targeted at practices relating to livestock production.

(3) ADVANCE APPROPRIATIONS TO CCC.—The Secretary may use the funds of the Commodity Credit Corporation to carry out chapter 3 of subtitle D, except that the Secretary may not use the funds of the Corporation to cover the expenditures from appropriations made available to carry out chapter 3 of subtitle D.

SEC. 332. ADMINISTRATION.

(a) PLANS.—The Secretary shall, to the extent practicable, avoid duplication in—

(1) the conservation plans required for the programs under this title;
(2) ACREAGE LIMITATION.—Not more than 25 percent of the cropland in any county in the programs administered under the conservation reserve and wetlands reserve programs established under subchapters B and C, respectively, of chapter 1 of subtitle D, and
(3) ENFORCEMENT.—The conservation reserve program established under subchapter B of chapter 1 of subtitle D, the wetlands reserve program established under subchapter C of chapter 1 of subtitle D, and the environmental quality incentives program established under chapter 4 of subtitle D, as increased limitation;

(1) IN GENERAL.—The Secretary shall not enroll more than 25 percent of the cropland in any county in the programs administered under the conservation reserve and wetlands reserve programs established under subchapters B and C, respectively, of chapter 1 of subtitle D, and
(2) EXCEPTION.—Except for a person who is a tenant on land that is subject to a conservation reserve contract that has been extended by the Secretary, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the programs established under subtitles B through D.

(G) REGULATIONS.—Not later than 90 days after the effective date of this subtitle, the Secretary shall issue regulations to implement the conservation reserve and wetlands reserve programs established under chapter 4 of subtitle D.

Subtitle D—National Natural Resources Conservation Foundation

SEC. 333. SHORT TITLE.

This subtitle may be cited as the "National Natural Resources Conservation Foundation Act of 1996." It shall be known as the "National Natural Resources Conservation Foundation Act of 1996.

SEC. 332. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the Board of Trustees established under section 334.
(2) DEPARTMENT.—The term "Department" means the United States Department of Agriculture.
(3) FOUNDATION.—The term "Foundation" means the National Natural Resources Conservation Foundation established by section 333(a).
(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 333. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION.

(a) ESTABLISHMENT.—A National Natural Resources Conservation Foundation is established as a charitable and nonprofit corporation for charitable, scientific, and educational purposes specified in subsection (b).

(b) PURPOSES.—The purposes of the Foundation are to—

(1) promote innovative solutions to the problems associated with the conservation of natural resources on private lands, particularly with respect to agriculture and soil and water conservation;
(2) promote voluntary partnerships between government and private interests in the conservation of soil and water quality, and the protection of wetlands, wildlife habitat, and strategically important farming subject to urban conversion and fragmentation;
(3) encourage, accept, and administer private gifts, grants, and bequests, and personal property for the benefit of, or in connection with, the conservation and related activities and services of the Department, particularly the Natural Resources Conservation Service;
(4) undertake, conduct, and encourage educational, technical, and other assistance, and other activities, that support the conservation and related programs administered by the Department (other than activities carried out on National Forest System lands), particularly the Natural Resources Conservation Service, but the Foundation may not enforce or administer a regulation of the Department;
(5) raise private funds to promote the purposes of the Foundation; and
(6) undertake any other activities that the Secretary determines are to—

(c) LIMITATIONS AND CONFLICTS OF INTERESTS.—

(1) POLITICAL ACTIVITIES.—The Foundation shall not participate or intervene in any political campaign on behalf of any candidate for public office.
(2) CONFLICTS OF INTEREST.—No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—

(i) the financial interests of the director, officer, or employee; or
(ii) any direct or indirect financial interest.
(3) LEGISLATION OR GOVERNMENT ACTION OR POLICY.—This subtitle shall not be used in any manner for the purpose of influencing legislation or government action or policy.
(4) LITIGATION.—No funds of the Foundation may be used to bring or join an action against the United States or any State.

SEC. 334. COMPOSITION AND OPERATION.

(a) COMPOSITION.—The Foundation shall be administered by a Board of Trustees that shall consist of 9 voting members, each of whom shall be a United States citizen and not a Federal officer. The Board shall be composed of—

(1) individuals with expertise in agricultural conservation policy;
(2) a representative of private sector organizations with a demonstrable interest in natural resources conservation;
(3) a representative of statewide conservation organizations; and
(4) a representative of soil and water conservation districts.

(b) OFFICERS AND EMPLOYEES.—Servant as a member of the Board shall not constitute employment by, or the holding of, an office of the United States for the purposes of any Federal law.

(c) MEMBERSHIP.—

(1) INITIAL MEMBERS.—The Secretary shall appoint 9 persons whom he has established under subsection (a) as the initial members of the Board and designate 1 of the members as the initial chairperson for a 2-year term.
(2) TERMS OF OFFICE.—(A) IN GENERAL.—A member of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(b) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(3) SUBSEQUENT MEMBERS.—The initial members of the Board shall adopt procedures in the constitution of the Foundation for the nomination and selection of subsequent members of the Board. The procedures shall require that each member, at a minimum, meets the criteria established under subsection (a) and shall provide for the selection of an individual who is not a Federal officer or a member of the Board.

(d) CHAIRPERSON.—After the appointment of an initial chairperson under subsection (c)(1), each succeeding chairperson of the Board shall be elected by the members of the Board for a 2-year term.

(e) VACANCIES.—A vacancy on the Board shall be filled by the Board not later than 60 days after the occurrence of the vacancy.

(f) COMPENSATION.—A member of the Board shall receive no compensation from the Foundation for the service of the member on the Board.

(g) TRAVEL EXPENSES.—While away from the home or regular place of business of a member of the Board in the performance of service for the Board, the member shall be allowed travel expenses paid by the Foundation, including per diem in lieu of subsistence, at the same rate as a person employed intermittently in the Government service would be allowed under section 5703 of title 5, United States Code.

SEC. 335. OFFICERS AND EMPLOYEES.

(a) IN GENERAL.—The Board may—

(1) appoint, hire, and, after the appointment of the initial Executive Director, fire the officers and employees of the Foundation, other than the appointment of the initial Executive Director of the Foundation.
(2) adopt a constitution and bylaws for the Foundation that are consistent with the purposes of the Foundation and this subtitle; and

(3) undertake any other activities that may be necessary to carry out this subtitle.

(b) OFFICERS AND EMPLOYEES.—
(1) APPOINTMENT AND HIRING.—An officer or employee of the Foundation—
(A) shall not, by virtue of the appointment or employment of the officer or employee, be considered an agent, officer, or employee of the Department, except for the purposes of the Federal employee retirement system as if the individual were a Federal employee; and
(B) may not be paid by the Foundation a salary in excess of $30,000 per year.

(2) EXECUTIVE DIRECTOR.—
(A) INITIAL DIRECTOR.—The Secretary shall appoint an individual to serve as the initial Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.
(B) SUBSEQUENT DIRECTORS.—The Board shall appoint each subsequent Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(3) Q UALIFICATIONS.—The Executive Director shall be knowledgeable and experienced in matters relating to natural resources conservation techniques and programs; and

(4) POWERS.—To carry out the purposes of the Foundation under section 333(b), the Foundation shall have, in addition to the powers otherwise provided under this subtitle, the usual powers of a corporation, including the power—
(A) to accept, receive, solicit, hold, administer, manage, invest, loan, or otherwise dispose of, any property or income from property;
(B) to borrow money from private sources and issue bonds, debentures, or other debt instruments, subject to section 339, except that the authorization of the borrowing and debt instruments outstanding at any time may not exceed $1,000,000;
(C) to sue and be sued, and complain and defend itself, in any court of competent jurisdiction, except that a member of the Board shall not be personally liable for an action in the performance of services for the Board, except for gross negligence; and
(D) to enter into a contract or other agreement with an agency of the Federal Government, educational institution, or other private person and to waive such payments as may be necessary to carry out the purposes of the Foundation; and
(E) to do any and all acts that are necessary to carry out the purposes of the Foundation.

(5) INTEREST IN PROPERTY.—
(A) INITIAL DIRECTOR.—The Secretary may acquire, hold, and dispose of lands, waters, or other interests in real property by donation, gift, devise, purchase, or exchange.
(B) DUTIES OF SECRETARY.—For purposes of this subtitle, an interest in real property shall be treated, among other things, as including an easement or other right for the preservation, conservation, protection, detection, or enhancement of agricultural, natural, scenic, historic, scientific, educational, inspirational, or recreational resources.

(6) GIFTS.—A gift, devise, or bequest may be accepted by the Foundation even though the gift, devise, or bequest is recognized, re-structured, or subject to a beneficial interest of the person who transferred the gift, devise, or bequest for the benefit of the Foundation.

SEC. 337. ADMINISTRATIVE SERVICES AND SUPPORT.

For each of fiscal years 1996 through 1998, the Secretary may provide, without reimbursement, personnel, facilities, and other administrative services of the Department to the Foundation.

SEC. 338. AUDITS AND PAYMENT OF ATTORNEY FEES.

(a) AUDIT.—
(1) IN GENERAL.—The accounts of the Foundation shall be audited in accordance with Public Law 88-504 (36 U.S.C. 1101 et seq.), including an audit of the lobbying and litigation activities carried out by the Foundation.

(2) CONFORMING AMENDMENT.—The first section of Public Law 88-504 (36 U.S.C. 1101) is amended by adding at the end the following:

``(77) The National Natural Resources Conservation Foundation.''.

(b) RELIEF WITH RESPECT TO CERTAIN FOUNDATIONÂ ACT OBLIGATIONS.—The Attorney General may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate, if the Foundation—

(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with this subtitle; or

(2) refuses, fails, neglects, or threatens to refuse, fail, or neglect, to discharge the obligations of the Foundation under this subtitle.

SEC. 339. RELEASE FROM LIABILITY.

(a) IN GENERAL.—The United States shall not be liable for any debt, default, act, or omission of the Foundation. The full faith and credit of the United States shall not extend to the Foundation.

(b) STATEMENT.—An obligation issued by the Foundation, and a document offering an obligation, shall include a prominent statement that the obligation is not directly or indirectly guaranteed, in whole or in part, by the United States (or an agency or instrumentality of the United States).

SEC. 340. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department to be made available to the Foundation $3,000,000 for each of fiscal years 1997 through 1999 to initially establish and carry out activities of the Foundation.

Subtitle E—Miscellaneous

SEC. 351. FLOOD RISK REDUCTION.

(a) IN GENERAL.—During fiscal years 1996 through 1998, the Secretary of Agriculture (referred to in this section as the "Secretary") may enter into a contract with contract acreage under title I on a farm with land that is frequently flooded.

(b) DUTIES OF PRODUCERS.—Under the terms of the contract, with respect to acres that are subject to the contract, the producer must—

(1) obtain any prior permits that may be necessary to enter the farm;

(2) secure and maintain any necessary easements, licenses, and permits;

(3) institute any necessary financial or property improvements that may be necessary to carry out the purposes of the contract; and

(4) comply with state and local floodplain regulations.

(6) the aggregate amount of the borrowing and subsequent payments; and

(7) any act, practice, or policy that is inconsistent with this subtitle;

(2) INTEREST IN REAL PROPERTY.—For purposes of this subtitle—

SEC. 352. FORESTRY.

(a) FORESTRY INCENTIVES PROGRAM.—Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking subsection (k).

(b) OFFICE OF INTERNATIONAL FORESTRY.—Section 2405 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1785) is amended by adding at the end the following:

``(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized each fiscal year such sums as necessary to carry out this section.''.

(b) RELEASE FROM LIABILITY.—

SEC. 353. STATE TECHNICAL COMMITTEES.

Section 1261(c) of the Food Security Act of 1985 (16 U.S.C. 3801(c)) is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period at the end and inserting (K) and

(3) by adding at the end the following:

``(K) graziers;''

(2) the termination of any contract acreage under title I on a farm with land that is frequently flooded.

(a) FINDINGS.—Congress finds that—

(1) privately owned grazing land constitutes nearly ½ of the non-Federal land of the United States and is basic to the environmental, social, and economic stability of rural communities;

(2) privately owned grazing land contains a complex set of interactions among soil, water, air, plants, and animals;

(3) grazing land constitutes the single largest watershed cover type in the United States and contributes significantly to the quality and quantity of water available for all the many uses of the ecosystem; and

(4) private grazing land constitutes the most extensive wildlife habitat in the United States.

(b) AUTHORIZATION OF APPROPRIATIONS.—

There are authorized to be appropriated to the Department to be made available to the Foundation $1,000,000 for each of fiscal years 1996 through 2002 to the Secretary of Agriculture (referred to in this section as the "Secretary") to enter into a contract with contract acreage under title I on a farm with land that is frequently flooded.

(b) DUTIES OF PRODUCERS.—Under the terms of the contract, with respect to acres that are subject to the contract, the producer must—

(1) the termination of any contract acreage;
receive sound technical assistance to improve or conserve grazing land resources to meet ecological and economic demands; 

(7) new science and technology must continue to be available in a timely manner so owners and managers of private grazing land may make informed decisions concerning vital grazing land resources; 

(8) Department of Agriculture with private grazing land responsibilities are the agencies that have the expertise and experience to provide technical assistance, education, and research to owners and managers of private grazing land for the long-term productivity and ecological health of grazing land; 

(9) although competing demands on private grazing land resources are greater than ever before, assistance to private owners and managers of private grazing land is currently limited and does not meet the demand and basic need for adequately sustaining or enhancing the private grazing lands resources; and 

(10) privately owned grazing land can be enhanced to provide many benefits to all Americans through voluntary cooperation among owners and managers of private grazing land, local conservation districts, and the agencies of the Department of Agriculture responsible for providing assistance to owners and managers of private grazing land. 

(b) PURPOSE.—It is the purpose of this section to authorize the Secretary of Agriculture with private grazing land responsibilities to conserve and enhance private grazing land resources and provide related benefits to all citizens of the United States by—

(1) establishing a coordinated and cooperative Federal, State, and local grazing conservation program for management of private grazing lands; 

(2) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land; 

(3) conserving and improving wildlife habitat on private grazing land; 

(4) conserving and improving fish habitat and aquatic systems through grazing land conservation treatment; 

(5) protecting and improving water quality; 

(6) improving the dependability and consistency of water supplies; 

(7) identifying and managing weed, noxious weed, and brush encroachment problems on private grazing land; and 

(8) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land, on a voluntary basis. 

(c) DEFINITIONS.—In this section—

(1) PRIVATE GRASSING LAND.—The term "private grazing land" means privately owned, State-owned, tribally-owned, and any other non-federally owned rangeland, pastureland, State-owned, tribally-owned, and any other non-federally owned rangeland, pastureland, hay land, and any other non-federally owned rangeland, pastureland, and hay land.

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture, acting through the Natural Resources Conservation Service. 

(d) PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.—

(1) ASSISTANCE TO GRASSING LANDOWNERS AND OTHERS.—Subject to the availability of appropriations, the Secretary shall establish a voluntary program to provide technical, educational, and related assistance to owners and managers of private grazing land and public agencies, through local conservation districts and enable the landowners, managers, and public agencies to voluntarily carry out activities that are consistent with this section, including—

(A) the assistance in improving private grazing land and the multiple values and uses that depend on private grazing land; 

(B) implementing grazing land management technologies; 

(C) managing resources on private grazing land, including—

(i) planning, managing, and treating private grazing land resources; 

(ii) ensuring the long-term sustainability of private grazing land resources; 

(iii) harvesting, managing, and marketing private grazing land resources; and 

(iv) identifying and managing weed, noxious weed, and brush encroachment problems; 

(D) protecting and improving the quality and quantity of water yields from private grazing land; 

(E) maintaining and improving wildlife and fish habitat on private grazing land; 

(F) enhancing recreational opportunities on private grazing land; 

(G) maintaining and improving the aesthetic character of private grazing lands; and 

(H) identifying the opportunities and encouraging the utilization of private grazing land enterprises. 

(2) PROGRAM ELEMENTS.—

(A) FUNDING.—The program under paragraph (1) shall be funded through a specific item in the annual appropriations for the Natural Resources Conservation Service. 

(B) TECHNICAL ASSISTANCE AND EDUCATION.—The provisions of the Department of Agriculture trained in pasture and range management shall be made available under the program to deliver technical assistance and educational programs to owners and managers of private grazing land, at the request of the owners and managers. 

(C) GRAZING TECHNICAL ASSISTANCE SELF-HELP.—

(1) FINDINGS.—Congress finds that—

(A) there is a severe lack of technical assistance for graziers; 

(B) the Federal budget precludes any significant expansion, and may force a reduction, of current levels of technical support; and 

(C) farmers and ranchers have a history of cooperatively working together to address concerns needs via the promotion of their products and in the drainage of wet areas through drainage districts. 

(2) ESTABLISHMENT OF GRAZING DEMONSTRATION DISTRICTS.—The Secretary shall establish 2 grazing management demonstration districts at the recommendation of the Grazing Lands Conservation Initiative Steering Committee. 

(3) PROCEDURE.—

(A) PROPOSAL.—Within a reasonable time after the submission of a request of an organization of farmers or ranchers engaged in grazing, the Secretary shall propose that a grazing management district be established. 

(B) FUNDING.—The terms and conditions of the funding of operation of the grazing management district shall be proposed by the producers. 

(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

(i) is reasonable; 

(ii) will promote sound grazing practices; and 

(iii) contains provisions similar to the provisions contained in the promotion orders in effect on the effective date of this section. 

(A) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of a petition by farmers or ranchers. 

(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1994 (7 U.S.C. 6962(b)(4)) and the Agricultural Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) for the purpose of the Secretary to carry out both programs. 

(b) PROGRAM ELEMENTS.—

(1) FUNDING.—The program under paragraph (a) shall be funded through a specific item in the annual appropriations for the Natural Resources Conservation Service. 

(2) TECHNICAL ASSISTANCE AND EDUCATION.—The provisions of the Department of Agriculture trained in pasture and range management shall be made available under the program to deliver technical assistance and educational programs to owners and managers of private grazing land, at the request of the owners and managers. 

(c) ESTABLISHMENT OF GRAZING DEMONSTRATION DISTRICTS.—The Secretary shall establish 2 grazing management demonstration districts at the recommendation of the Grazing Lands Conservation Initiative Steering Committee. 

(d) PROCEDURE.—

(A) PROPOSAL.—Within a reasonable time after the submission of a request of an organization of farmers or ranchers engaged in grazing, the Secretary shall propose that a grazing management district be established. 

(B) FUNDING.—The terms and conditions of the funding of operation of the grazing management district shall be proposed by the producers. 

(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

(i) is reasonable; 

(ii) will promote sound grazing practices; and 

(iii) contains provisions similar to the provisions contained in the promotion orders in effect on the effective date of this section. 

(D) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of a petition by farmers or ranchers. 

(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1994 (7 U.S.C. 6962(b)(4)) and the Agricultural Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) and the Agricultural Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) for the purpose of the Secretary to carry out both programs. 

Section 355. Conforming Amendments.

(a) AGRICULTURAL CONSERVATION PROGRAM.—The Secretary shall provide technical assistance, cost share payments, and incentive payments to operators through the environmental quality incentives program in accordance with chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3638 et seq.). and the Agricultural Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) and the Agricultural Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) for the purpose of the Secretary to carry out both programs. 

(b) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of the last proviso of the matter under the heading "CONSERVATION RESERVE PROGRAM" of title I of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1999 (72 Stat. Act. 1997 (16 U.S.C. 590a)) is amended by striking "Agricultural Conservation Program" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3638 et seq.)". 

(B) Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking "Agricultural and Consumer Protection Act of 1973 each place it appears in subsections (d) and (i) and inserting "as in effect before the amendment made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996". 

(C) Section 228(b)(4) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(4)) is amended by striking "the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590 et seq.)" and inserting "the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590 et seq.)". 

(D) Section 240(b)(8) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) is amended by striking "the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590 et seq.)" and inserting "the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590 et seq.)". 

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(E) Section 1271(c)(3)(C) of the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 2106a(c)(3)(C)) is amended by striking "Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3383 et seq.)."

(F) Section 126a(5) of the Internal Revenue Code of 1986 is amended to read as follows:

"(5) The environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3383 et seq.)."

(G) Section 304(a) of the Lake Champlain Special Designation Act of 1990 (Public Law 101-596; 33 U.S.C. 1273 note) is amended—

(i) in the subsection heading, by striking "SPECIAL PROJECT AREA UNDER THE AGRICULTURAL CONSERVATION PROGRAM" and inserting "A PRIORITY AREA UNDER THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM"; and

(ii) in paragraph (1), by striking "special project area under the Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b))" and inserting "priority area under the environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3383 et seq.)."

(H) Section 6 of the Department of Agriculture Organic Act of 1996 (70 Stat. 1033) is amended by striking subsection (b).

(b) GRACEFUL TRANSITION PROGRAM.—

(1) ELIMINATION.—Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) The Agricultural Adjustment Act of 1938 is amended by striking "Great Plains program" each place it appears in sections 344(f)(1) and 377 (16 U.S.C. 1344(f)(1) and 1377) and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3383 et seq.)."

(2) by adding at the end the following:

"(b) WATER BANK PROGRAM.—Section 1250 of the Food Security Act of 1985 (16 U.S.C. 3383a) is amended by adding at the end the following:

"(d) WATER BANK PROGRAM.—For purposes of this Act, acreage enrolled, prior to the date of enactment of this subsection, in the water bank program authorized by the Water Bank Act (16 U.S.C. 1301 et seq.) shall be considered to have been enrolled in the Conservation Reserve Program on the date the acreage was enrolled in the water bank program. Payments shall continue at the existing water bank rates.""
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(A) in paragraph (1), by inserting "non-
structural," after "structural";
(B) in paragraph (2), by striking "or" at the end;
(C) by redesignating paragraph (3) as para-
graph (1);
(D) by inserting after paragraph (2) the fol-
lowing new paragraph:
"The establishment or other non-
structural practice, including the acquisi-
tion of easements or real property rights, to
meet multiple watershed needs,
"(4) and monitoring of the chemical, biological, and physical structure,
diversity, and functions of waterways and
their associated ecological systems,
"(5) the establishment of wetland and riparian environments as part of
a multi-objective management system that
provides floodwater or storm water storage,
detention, and attenuation, nutrient filter-
ing, fish and wildlife habitat, and enhanced
biological diversity,
"(6) the restoration of stream channel
forms, functions, and diversity using the principles of biotechnical slope stabilization to reestablish a meandering, bankfull flow
channels, riparian vegetation, and
floodplains,
"(7) the establishment and acquisition of multi-objective riparian and adjacent flood prone lands, including greenways, for sedi-
ment and water storage,
"(8) the protection, restoration, enhance-
ment and monitoring of surface and ground-
water quality, including measures to im-
prove the quality of water emanating from
agricultural lands and facilities,
"(9) the provision of water supply and mu-
icipal and industrial water supply for rural communities having a population of less
than 55,000, according to the most recent de-
cennial census of the United States,
"(10) outreach to and organization of local
citizen organizations to participate in
project design and implementation, and
the training of project volunteers and partici-
pants in restoration and monitoring techni-
quies, or;
"(E) in paragraph (11) (as so redesignated) 
(i) by inserting in the first sentence after
"properties of utilization of land" the follow-
"ing: ", water, and resources;",
(ii) by striking the sentence that mandates
that 20 percent of total project benefits be
developed for direct public use.
(2) LOCAL ORGANIZATION.—Such section is further amended, with respect to the term "local organization", by adding at the end the following new sentence: "The inclusive nonprofit organization defined as having tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986 that has authority to carry out and maintain
works of improvement or is developing and implementing a work of improvement in partnership with another local organization that has such authority.
(3) WATERWAY.—Such section is further amended by adding at the end the following new definition:
"WATERWAY.—The term 'waterway' means,
on public or private land, any natural, de-
graded, or created wetland on public or private land, including rivers, streams,
riparian areas, marshes, ponds, bogs,
marshes, ponds, bogs, mudflats, lakes, and estuaries. The term includes
natural and manmade watercourses
which is culverted, channelized, or vegeta-
tively cleared, including canals, irrigation
ditches, drainage ditches, and irrigation,
fluvial, flood control, and water supply
channels or
(c) ASSISTANCE TO LOCAL ORGANIZATIONS.— 
Section 3 of the Act (16 U.S.C. 1003) is amend-
ed—
(1) in paragraph (1), by inserting after "(1)"
the following: "to provide technical assis-
tance to local organizations;"
(2) in paragraph (2)—
(A) by striking paragraph (2) "(2)" the follow-
(none of this Act for an amount not ex-
ceeding 75 percent of the total installation
costs.
(C) STRUCTURAL PRACTICES.—Notwith-
standing any other provision of this Act,
Federal cost share assistance to local organi-
izations for the planning and implementation of nonstructural works of improvement may be provided using funds appropriated for the
purposes of this Act for an amount not ex-
ceeding 90 percent of the total cost.
(e) TREATMENT OF OTHER FEDERAL
FUNDS.—Not more than 50 percent of the
Federal cost share may be satisfied using
funds from other Federal agencies.
(f) CONDITIONS ON ASSISTANCE.—Section 4(1)
(1) in paragraph (1), by inserting after (1)'
the following: "and (2);"
(g) B ENEFIT COST ANALYSIS.—Section 5(1)
(2) CONDITIONS ON ASSISTANCE.ÐSection 4(1)
(2) of the Act (16 U.S.C. 1003b) is amended by strik-
ing subsection (b) and inserting the follow-
ing:
"(b) NONSTRUCTURAL PRACTICES.—Notwith-
standing any other provision of this Act, a Federal cost share assistance to local organi-
izations for the planning and implementation of nonstructural works of improvement may be provided using funds appropriated for the purposes of this Act for an amount not ex-
ceeding 75 percent of the total installation
costs.
(d) COST SHARING.—Section 4(1) of the Act
(16 U.S.C. 1003a) is amended by strik-
ing subsection (c) and inserting the follow-
ing:
"(c) AMOUNT OF ASSISTANCE.—Section 3A of the Act (16 U.S.C. 1003a) is amended by strik-
ning subsection (b) and inserting the follow-
ning:
"(b) NONSTRUCTURAL PRACTICES.—Notwith-
standing any other provision of this Act, a Federal cost share assistance to local organi-
izations for the planning and implementation of nonstructural works of improvement may be provided using funds appropriated for the purposes of this Act for an amount not ex-
ceeding 75 percent of the total installation
costs.
(e) TREATMENT OF OTHER FEDERAL
FUNDS.—Not more than 50 percent of the
Federal cost share may be satisfied using
funds from other Federal agencies.
(f) CONDITIONS ON ASSISTANCE.—Section 4(1)
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ing:
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ceeding 75 percent of the total installation
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Federal cost share may be satisfied using
funds from other Federal agencies.
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ing subsection (b) and inserting the follow-
ing:
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standing any other provision of this Act, a Federal cost share assistance to local organi-
izations for the planning and implementation of nonstructural works of improvement may be provided using funds appropriated for the purposes of this Act for an amount not ex-
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standing any other provision of this Act, a Federal cost share assistance to local organi-
izations for the planning and implementation of nonstructural works of improvement may be provided using funds appropriated for the purposes of this Act for an amount not ex-
ceeding 75 percent of the total installation
costs.
(e) TREATMENT OF OTHER FEDERAL
FUNDS.—Not more than 50 percent of the
Federal cost share may be satisfied using
funds from other Federal agencies.
(f) CONDITIONS ON ASSISTANCE.—Section 4(1)
(2) CONDITIONS ON ASSISTANCE.—Section 4(1)
(2) of the Act (16 U.S.C. 1003b) is amended by strik-
ing subsection (b) and inserting the follow-

1995'' each place it appears and inserting
"2002''.
The last sentence of section 17(b)(1)(A) of the
Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

The first sentence of section 17(j)(1)(A) of the
Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking "1995" each place it appears and inserting "2002".
(b) EMPLOYMENT AND TRAINING.—Section 1003(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking "1995" each place it appears and inserting "2002".
(c) AUTHORIZATION OF PILOT PROJECTS.—
The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".
(d) OUTREACH DEMONSTRATION PROJECTS.—The first sentence of section 17(j)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".
(e) AUTHORIZATION FOR APPROPRIATIONS.—
The last sentence of section 18(a)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2027a(a)(3)) is amended by striking "1995" and inserting "2002".
(f) REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2084(a)(1)(A)) is amended by inserting "1997 $1,204,000,000" and all that follows through "fiscal year 1995" and inserting "$1,143,000,000 for fiscal year 1996, $1,174,000,000 for fiscal year 1997, $1,204,000,000 for fiscal year 1998, $1,236,000,000 for fiscal year 1999, $1,268,000,000 for fiscal year 2000, $1,301,000,000 for fiscal year 2001, and $1,335,000,000 for fiscal year 2002."

(g) AMERICAN SAMOA.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 501. FUND FOR DAIRY PRODUCERS TO PAY COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 1469d(c)(3)(A) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "2002" and inserting "2004".

(b) PROGRAM TERMINATION.—Section 110 of the Hunger Prevention Act of 1996 (7 U.S.C. 1701 note) is amended by striking "1998" and inserting "2001".

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 212 of the Hunger Prevention Act of 1996 (7 U.S.C. 1701 note) is amended by striking "1998" and inserting "2001".

(d) CROP INSURANCE FOR SPECIALTY CROPS.—Section 508(a)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(6)) is amended by adding at the end the following:

"(g) A MERICAN SAMOA.—The Secretary of Agriculture may prescribe and collect fees on the crop insurance under this paragraph to expand insurance coverage for the crop insurance for American Samoa."

SEC. 502. CROP INSURANCE.

(a) CATASTROPHIC RISK PROTECTION.—Section 508(b)(1) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(1)) is amended—

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

"(A) CATASTROPHIC RISK PROTECTION.—The Corporation shall offer through the Safe Harbor Program catastrophic risk protection to eligible producers as defined by the Secretary."

(2) by striking paragraph (B) and inserting the following:

"(B) CATASTROPHIC RISK COVERAGE.—"(i) IN GENERAL.—In full consultation with approved insurance providers, the Secretary may continue to offer catastrophic risk coverage as part of an activity conducted by the Secretary to expand insurance coverage for the crop insurance for American Samoa through local offices of the Department if the Secretary determines that there is an insufficient number of approved insurance providers, or a sufficient number of approved insurance providers to adequately provide catastrophic risk protection coverage to producers.

(ii) COVERAGE OF SEED CROPS.—"(I) IN GENERAL.—The Corporation shall not be required to provide coverage for any loss on the crop of economic significance in which the person has an interest in seed crops planted 1996 and subsequent crops, to be eligible for any payment or loan under the Agricultural Market Transition Act or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301 et seq.), the conservation reserve program of section 1371 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001 et seq.), the conservation reserve program of section 317 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 2001 et seq.), or any benefit described in section 371 of the National Flood Insurance Act of 1968 (7 U.S.C. 1701f-7, as amended).

(iii) ADMINISTRATION.—The Account shall be administered by the Market Administrator.

(iv) USE OF FUNDS.—A determination regarding the use of the funds in the Account shall be made by the Safe Harbor Committee established under clause (iii).

(b) REVENUE INSURANCE PILOT PROGRAM.—Section 508(b)(7) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(7)) is amended by adding at the end the following:

"(c) REQUIRED PURCHASES OF COMMODITIES.—Section 317 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a) is amended to read as follows:

"(a) QUARANTINE AND INSPECTION FEES.—"(1) QUARANTINE INSPECTION FEES.—"(A) AUTHORIZED.—The Secretary of Agriculture may prescribe and collect fees sufficient—"
“(A) to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the pre-arrival inspection at a port outside the customs territory of the United States, of an international passenger, commercial vessel, commercial aircraft, commercial motor vehicle or commercial road train;”

“(B) to cover the cost of administering this subsection; and

“(C) through fiscal year 2002, to maintain a reasonable balance in the Agricultural Quarantine Inspection User Fee Account established under paragraph (5).”

“(2) USE OF AMOUNTS.—In setting the fees under paragraph (1), the Secretary shall ensure that the amount of the fees are commensurate with the costs of agricultural quarantine and inspection services with respect to the class of persons or entities paying the fees. The costs of the services with respect to passengers as a class includes the costs of related inspections of the aircraft or other vehicle.

“(3) STATUS OF FEES.—Fees collected under this subsection by any person on behalf of the Secretary shall be held in trust for the United States and shall be remitted to the Secretary in such manner and at such times as the Secretary may prescribe.

“(4) PENALTY FEES.—If a person subject to a fee under this subsection fails to pay the fee when due, the Secretary shall assess a default penalty, and the overdue fees shall accrue interest, as required by section 3171 of title 31, United States Code.

“(S) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

“(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the ‘Agricultural Quarantine Inspection User Fee Fund’, which shall be credited to the Agricultural Quarantine Inspection User Fee Account established under paragraph (2) through fiscal year 2002.

“(B) USE OF ACCOUNT.—For each of the fiscal years 1996 through 2002, funds in the Agricultural Quarantine Inspection User Fee Account shall be available, in such amounts as are provided in advance in appropriations Acts, to cover the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. Amounts made available under this subparagraph shall be available until expended.

“(C) EXCESS FEES.—Fees and other amounts collected under this subsection in any of the fiscal years 1996 through 2002 in excess of amounts collected under this subsection shall be credited to the Department of Agriculture accounts that incur the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. The fees and other amounts shall remain available to the Secretary until expended without fiscal year limitation.

“(D) STAFF YEARS.—The number of full-time equivalent positions in the Department of Agriculture attributable to the provision of quarantine and inspection services and the administration of this subsection shall not be counted toward the limitation on the total number of full-time equivalent positions in all agencies provided in section 516(b) of the Federal Workforce Restructuring Act of 1994 (Public Law 103-226; 5 U.S.C. 3101 note) or other limitation on the total number of full-time equivalent positions.

“SEC. 505. COMMODITY CREDIT CORPORATION IN-

“Notwithstanding any other provision of law, the monthly Commodity Credit Corporation interest rate applicable to loans provided by the Corporation made by the Corporation shall be 100 basis points greater than the rate determined under the applicable interest rate formula in effect on October 1, 1996.

“SEC. 506. EVERGLADES AGRICULTURAL AREA.

“(a) IN GENERAL.—On July 1, 1996, out of any funds in the Treasury not otherwise appropriated, the Secretary shall establish a revolving fund to provide $200,000,000 to the Secretary of the Interior to carry out this section.

“(b) ENTRUSTMENT.—The Secretary of the Interior—

“(1) shall accept the funds made available under subsection (a);

“(2) shall be entitled to receive the funds; and

“(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring private acreage in the Everglades Agricultural Area including approximately 52,000 acres that is commonly known as the ‘Talisman tract’.

“(c) TRANSFERRING FUNDS.—The Secretary of the Interior may transfer funds to the Army Corps of Engineers, the State of Florida, or the South Florida Water Management District to carry out subsection (b)(3).

“(d) DEADLINE.—Not later than December 31, 1999, the Secretary of the Interior shall utilize the funds for restoration activities referred to in subsection (b)(3).

“SEC. 507. FUND FOR RURAL AMERICA.

“(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

“(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ‘Account’)—

“(1) $50,000,000 for the 1996 fiscal year;

“(2) $100,000,000 for the 1997 fiscal year; and

“(3) $150,000,000 for the 1998 fiscal year.

“(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

“(D) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Fund for Rural America for the following rural development activities authorized in—

“(I) The Housing Act of 1949 for—

“(i) direct loans to low income borrowers pursuant to section 514; and

“(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

“(iii) financial assistance for housing of domestic farm labor pursuant to section 516; and

“(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

“(v) grants for Rural Housing Preservation pursuant to section 533;

“(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

“(C) Consolidated Farm and Rural Development Act for—

“(I) grants for Rural Business Enterprises pursuant to section 310B (c) and (j);

“(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 519;

“(iii) down payments assistance to farmers, section 310E;

“(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 250 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

“(E) grants pursuant to section 204(e) of the Agricultural Marketing Act of 1946.

“(2) RESEARCH.—

“(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

“(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

“(i) a college or university;

“(ii) a State agricultural experiment station;

“(iii) a State Cooperative Extension Service;

“(iv) a research institution or organization;

“(v) a private organization or person; or

“(vi) a Federal agency.

“(C) USE OF GRANT.—In general.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses—

“(I) research, ranging from discovery to principles of application;

“(II) extension and related private-sector activities; and

“(III) education.

“(2) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

“(D) ADMINISTRATION.—

“(I) PRIORITY.—In administering this paragraph, the Secretary shall—

“(i) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

“(ii) seek and accept proposals for grants;

“(iii) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

“(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

“(C) COMPETITIVE AWARDEE.—A grant under this paragraph shall be awarded on a competitive basis.

“(E) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

“(F) MATCHING FUNDS.—As a condition of receipt of the grant, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

“(i) for applied research that is commodity-specific; and

“(ii) not of national scope.

“(G) ADMINISTRATIVE COSTS.—

“(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

“(II) LIMITATION.—Funds made available under this paragraph shall not be used—

“(I) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architectural costs); and

“(II) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

“(H) FUND FOR RURAL AMERICA.—Funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current
level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.

Subtitle B—Options Pilot Programs and Risk Management Education

SEC. 511. SHORT TITLE.

This subtitle may be cited as the “Options Pilot Programs Act of 1996”.

SEC. 512. PURPOSE.

The purpose of this subtitle is to authorize the Secretary of Agriculture (referred to in this subtitle as the “Secretary”) to—

(1) conduct research through pilot programs on commodity futures, to ascertain whether futures and options contracts can provide producers with reasonable protection from the financial risks of fluctuations in prices and yields, and income inherent in the production and marketing of agricultural commodities; and

(2) provide education in the management of the financial risks inherent in the production and marketing of agricultural commodities.

SEC. 513. PILOT PROGRAMS.

(a) IN GENERAL. The Secretary is authorized to conduct pilot programs for 1 or more supported commodities through December 31, 2002.

(b) DISTRIBUTION OF PILOT PROGRAMS.—The Secretary may operate a pilot program described in subsection (a) (referred to in this subtitle as a “pilot program”) in up to 100 counties for each program commodity with not more than 6 of those counties in any 1 State. A pilot program shall not be implemented in any county for more than 3 of the 1996 through 2002 fiscal years.

(c) ELIGIBLE PARTICIPANTS.—(1) IN GENERAL.—In carrying out a pilot program, the Secretary may contract with a producer who—

(A) is eligible to participate in a price support program for a supported commodity; and

(B) desires to participate in a pilot program; and

(C) is located in an area selected for a pilot program.

(2) CONTRACTS.—Each contract under paragraph (1) shall set forth the terms and conditions for participation in a pilot program.

(d) ELIGIBLE MARKETS.—Trades for futures and options contracts under a pilot program shall be in commodity futures and options markets designated as contract markets under the Commodity Exchange Act (7 U.S.C. 1 et seq.).

SEC. 514. TERMS AND CONDITIONS.

(a) IN GENERAL. To be eligible to participate in any pilot program for any commodity conducted under this subtitle, a producer shall meet the eligibility requirements established under this subtitle (including regulations issued under this subtitle).

(b) RECORDKEEPING.—Producers shall comply, maintain, and submit (to authorize the compliance and submission) such documentation as the regulations governing any pilot program require.

SEC. 515. NOTICE.

(a) ALTERNATIVE PROGRAMS.—Pilot programs shall be alternatives to other related programs of the Department of Agriculture.

(b) NOTICE TO PRODUCERS.—The Secretary shall provide notice to each producer participating in a pilot program that—

(1) the participation of the producer in a pilot program is voluntary; and

(2) information on the United States, the Commodity Credit Corporation, the Federal Crop Insurance Corporation, the Department of Agriculture, or any other Federal agency is authorized to require that participating in the pilot program will be better or worse financially as a result of participation in a pilot program than the producer would have been if the producer had not participated in a pilot program.

SEC. 516. COMMODITY CREDIT CORPORATION.

(a) IN GENERAL. —Pilot programs established under this subtitle shall be funded, carried out and carried out through the Commodity Credit Corporation.

(b) LIMITATION.—In conducting the programs, the Secretary shall use the maximum extent practicable, operate the pilot programs in a budget neutral manner.

SEC. 517. RISK MANAGEMENT EDUCATION.

The Secretary shall provide such education in management of the financial risks inherent in the production and marketing of agricultural commodities as the Secretary considers appropriate.

Subtitle C—Commercial Transportation of Equine for Slaughter

SEC. 521. FINDINGS.

Congress finds that, to ensure that equine sold for slaughter are provided humane treatment and care, it is essential to regulate the transportation, care, handling, and treatment of equine by any person engaged in the commercial transportation of equine for slaughter.

SEC. 522. DEFINITIONS.

In this subtitle:

(1) CONTENT OF COMMERCE.—The term “commerce” means trade, traffic, transportation, or other commercial activity by any person engaged in the commercial transportation of equine for slaughter.

(2) LIMITATION.—In conducting the programs established under this subtitle, the Secretary shall authorize that the term shall not include an individual, partnership, firm, company, corporation, or association that regularly transports equine for slaughter by vehicle.

(3) EXCLUDED.—The term “excluded” means the Secretary of Agriculture.

(4) STANDARDS.—The term “standards” means the standards for the humane commercial transportation of equine for slaughter.

(5) FOAL.—The term “foal” means an equine that is not more than 6 months of age.

(6) INTERMEDIATE HANDLER.—The term “intermediate handler” means a person engaged in the business of transporting equine for slaughter, other than a slaughter facility or intermediate handler.

(7) PERSON.—The term “person” means any individual, partnership, firm, company, corporation, or association that regularly transports equine for slaughter.

(8) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(9) VEHICLE.—The term “vehicle” means any machine, truck, tractor, trailer, or semitrailer, or combination thereof, propelled or drawn by mechanical power and used on a highway in the commercial transportation of equine for slaughter.

SEC. 523. STANDARDS FOR HUMANE COMMERCIAL TRANSPORTATION OF EQUINE FOR SLAUGHTER.

(a) IN GENERAL.—Subject to the availability of appropriations, not later than 1 year after the date of enactment of this subtitle, the Secretary shall issue, by regulation, standards for the humane commercial transportation by vehicle of equine for slaughter.

(b) PROHIBITION.—No person engaged in the regular business of transporting equine by vehicle for slaughter as part of a commercial enterprise shall transport in commerce, to a slaughter facility or intermediate handler, any equine for slaughter except in accordance with the standards and this subtitle.

(c) MINIMUM REQUIREMENTS.—The standards shall include minimum requirements for humane hand handling, care, treatment, and equipment necessary to ensure the safe and humane transportation of equine for slaughter. The standards shall require, at a minimum, that—

(1) no equine for slaughter shall be transported for more than 24 hours without being unloaded from the vehicle and allowed to rest for at least 8 consecutive hours and given access to adequate quantities of wholesome food and potable water;

(2) a vehicle shall provide adequate headroom for an equine for slaughter with a minimum of at least 6 feet, 6 inches of headroom from the roof and beams or other structural members to floor underfoot, except that a vehicle transporting 6 equine or less shall provide a minimum of at least 6 feet of headroom from the roof and beams or other structural members overhead to floor underfoot if none of the equine are over 16 hands;

(3) the interior of a vehicle shall—

(A) be free of protrusions, sharp edges, and harmful objects;

(B) have ramps and floors that are adequately covered with a nonskid nonmetallic surface; and

(C) be maintained in a sanitary condition;

(4) a vehicle shall—

(A) provide adequate ventilation and shelter from extremes of weather and temperature for all equine;

(B) be of appropriate size, height, and interior design for the number of equine being carried; and

(C) be equipped with doors and ramps of sufficient size and location to provide for safe loading and unloading, including unloading during emergency situations;

(5) (A) an equine shall be positioned in the vehicle by size; and

(B) stallions shall be segregated from other equine;

(6) (A) all equine for slaughter must be fit to travel as determined by an accredited veterinarian, who shall prepare a certificate of inspection, prior to loading for transport, that—

(i) states that the equine were inspected and satisfied the requirements of subparagaph (B);

(ii) includes a clear description of each equine; and

(iii) is valid for 7 days;

(7) (A) no equine shall be transported to slaughter if the equine is found to be—

(i) suffering from a broken or dislocated limb;

(ii) unable to bear weight on all 4 limbs; or

(iii) blind in both eyes; or

(iv) obviously suffering from severe illness, injury, lameness, or physical debilitation that would make the equine unable to withstand the stress of transportation;

(C) no foal may be transported for slaughter;

(i) no mare in foal that exhibits signs of impending parturition may be transported for slaughter; and
(E) no equine for slaughter shall be accept-

ed by a slaughter facility unless the equine is—

(i) inspected on arrival by an employee of the

slaughter facility or an employee of the

Department; and

(ii) accompanied by a certificate of inspec-

tion issued by an accredited veterinarian,

not more than 7 days before the delivery,

stating that the veterinarian inspected the

equine on a specified date.

SEC. 524. RECORDS.

(a) IN GENERAL.—A person engaged in the

business of transporting equine for slaughter

shall establish and maintain such records,

which shall be kept by the Department for a

reasonable period of time, as determined by the

Secretary; and in addition shall provide such in-

formation as is necessary to enforce this sub-

title (including any regulation issued under

this subtitle).

(b) MINIMUM REQUIREMENTS.—The records

shall include, at a minimum—

(1) the veterinary certificate of inspection;

(2) the names and addresses of current

owners and consignors, if applicable, of the

equine at the time of sale or consignment to

slaughter; and

(3) the bill of sale or other documentation of

sale for each equine.

(c) AVAILABILITY.—The records shall—

(1) accompany the equine during transport to

slaughter;

(2) be retained by any person engaged in the

business of transporting equine for slaug-

gher for a reasonable period of time, as

determined by the Secretary, except that

the veterinarian inspection shall be surrended at

the slaughter facility to an employee or
designee of the Department and kept by

the Department for a reasonable pe-

riod of time, as determined by the Secretary;

and

(3) on request of an officer or employee of

the Department, be made available at all

reasonable hours, for examination and copying

by the officer or employee.

SEC. 525. AGENTS.

(a) IN GENERAL.—For purposes of this sub-

title, the act, omission, or failure of an indi-

vidual acting for or employed by a person en-

gaged in the business of transporting equine

for slaughter, within the scope of the em-

ployment or office of the individual, shall be

considered the act, omission, or failure of the

person engaging in the commercial transpor-

tation of equine for slaughter as well as of the

individual.

(b) ASSISTANCE.—If an equine suffers a

substantial injury or illness while being trans-

ported via vehicle, the driver of the

vehicle shall seek prompt assistance from a

licensed veterinarian.

SEC. 526. COOPERATIVE AGREEMENTS.

The Secretary is authorized to cooperate with

States, political subdivisions of States, State

agencies (including State departments of

agriculture and State law enforcement

agencies), and foreign governments to carry

out and enforce this subtitle (including regu-

lations issued under this subtitle).

SEC. 527. INVESTIGATIONS AND INSPECTIONS.

(a) IN GENERAL.—The Secretary is autho-

rized to conduct such investigations or in-

spections as the Secretary considers neces-

sary to enforce this subtitle (including any

regulations issued under this subtitle).

(b) ACCESS.—For the purposes of conduct-

ing an investigation or inspection under sub-

section (a), the Secretary shall, at all rea-

sonable times, have access to—

(1) the place of business of any person en-

gaged in the business of transporting equine

for slaughter;

(2) the facilities and vehicles used to trans-

port the equine; and

(3) records required to be maintained under

section 524.

(c) ASSISTANCE OR DESTRUCTION OF

EQUINE.—The Secretary shall issue such reg-

ulations as the Secretary considers neces-

sary to permit employees or agents of the

Department to—

(1) provide assistance to any equine that is

covered by this subtitle (including any regu-

lation issued under this subtitle); or

(2) destroy, in a humane manner, any such

equine found to be suffering.

SEC. 528. INTERFERENCE WITH ENFORCEMENT.

(a) IN GENERAL.—Subject to subsection (b), a

person who violates this subtitle (including any

regulation issued under this subtitle) shall be

civilly penalized by the Secretary of not more

than $5,000 or imprisoned not more than 3 years,
or both.

(b) SEPARATE OFFENSES.—Each violation of

this subtitle, whether or not occurring simulta-

neously, shall constitute a separate offense.

SEC. 529. JURISDICTION OF COURTS.

Exempted from the performance of an official duty

with any person while engaged in or on ac-

cess to any records kept by the Secretary; or any

other person engaged in the regulated busi-

ness of transporting equine for

slaughter for a reasonable period of time, as

determined by the Secretary; except that the

slaughter facility unless the equine

sent at the slaughter facility to an

employee or designee of the Department and

kept by the Department for a reasonable pe-

riod of time, as determined by the Secretary;

and

on request of an officer or employee of

the Department, be made available at all

reasonable hours, for examination and copying

by the officer or employee.

SEC. 525. AGENTS.

(a) IN GENERAL.—For purposes of this sub-

title, the act, omission, or failure of an indi-

vidual acting for or employed by a person en-

gaged in the business of transporting equine

for slaughter, within the scope of the em-

ployment or office of the individual, shall be

considered the act, omission, or failure of the

person engaging in the commercial transpor-

tation of equine for slaughter as well as of the

individual.

(b) ASSISTANCE.—If an equine suffers a

substantial injury or illness while being trans-

ported via vehicle, the driver of the

vehicle shall seek prompt assistance from a

licensed veterinarian.

SEC. 526. COOPERATIVE AGREEMENTS.

The Secretary is authorized to cooperate with

States, political subdivisions of States, State

agencies (including State departments of

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agencies), and foreign governments to carry

out and enforce this subtitle (including regu-

lations issued under this subtitle).

SEC. 527. INVESTIGATIONS AND INSPECTIONS.

(a) IN GENERAL.—The Secretary is autho-

rized to conduct such investigations or in-

spections as the Secretary considers neces-

sary to enforce this subtitle (including any

regulations issued under this subtitle).

(b) ACCESS.—For the purposes of conduct-

ing an investigation or inspection under sub-

section (a), the Secretary shall, at all rea-

sonable times, have access to—

(1) the place of business of any person en-

gaged in the business of transporting equine

for slaughter;

(2) the facilities and vehicles used to trans-

port the equine; and

(3) records required to be maintained under

section 524.

(c) ASSISTANCE OR DESTRUCTION OF

EQUINE.—The Secretary shall issue such reg-
"(3) DISHONOR OF INSTRUMENT OF PAYMENT.—A payment in a sale described in paragraph (1) shall not be considered to be made if the instrument by which payment is made is returned unpaid to the seller.

"(4) LOSS OF BENEFIT OF TRUST.—If an instrument by which payment is made in a sale described in paragraph (1) is dishonored, the seller may lose the benefit of the trust under paragraph (1) on the earlier of—

(A) the date that is 15 business days after date on which the seller receives notice of the dishonor; or

(B) the date that is 30 days after the final date for making payment under section 409, unless the seller gives written notice to the dealer of the necessity of the seller’s intention to preserve the trust and submits a copy of the notice to the Secretary.

"(5) RIGHTS OF THIRD-PARTY PURCHASER.—The trust established under paragraph (1) shall have no effect on the rights of a bona fide third-party purchaser of the livestock, without regard to whether the livestock are delivered to the bona fide purchaser.

"(e) JURISDICTION.—The district courts of the United States shall have jurisdiction in a civil action—

(1) by the beneficiary of a trust described in subsection (c)(1), to enforce payment of the amount held in trust; and

(2) by the Secretary, to prevent and re-stain dissipation of a trust described in subsection (c)(1)."

SEC. 542. PLANTING OF ENERGY CROPS.

(a) FEED GRAINS.—The first sentence of section 105(b)(2)(A) of the Agricultural Act of 1949 (7 U.S.C. 1444(c)(2)(A)) is amended by inserting—

"(1) herbaceous perennial grass, short rotation woody coppice species of trees, or other energy crops designated by the Secretary with high energy content," after "mung beans;"

(b) WHEAT.—The first sentence of section 107(b)(1)(F) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(c)(1)(F)) is amended by inserting—

"(3) herbaceous perennial grass, short rotation woody coppice species of trees, or other energy crops designated by the Secretary with high energy content," after "mung beans;"

SEC. 543. REIMBURSABLE AGREEMENTS.

(a) AGRICULTURAL REIMBURSEMENT AGREEMENTS.—Section 737 of Public Law 102-142 (7 U.S.C. 2277) is amended—

(1) by striking "SEC. 737. Funds" and inserting the following:

"SEC. 737. FUNDS FOR APHIS PERFORMED OUTSIDE THE UNITED STATES.

"(a) IN GENERAL.—Funds; and

(b) by adding at the end the following:

"(b) PROTECTION AGREEMENTS.—

(1) IN GENERAL.—The Secretary of Agriculture may enter into reimbursable fee agreements with persons for preclearance at locations outside the United States, for plants, plant products, animals, and articles for movement to the United States.

(2) OVERTIME, NIGHT, AND HOLIDAY WORK.—Notwithstanding other law, the Secretary of Agriculture may pay an employee of the Department of Agriculture performing services relating to imports into and exports from the United States to the extent necessary for overnight, night, or holiday work performed by the employee at a rate of pay established by the Secretary.

(3) REIMBURSEMENT.—

(A) IN GENERAL.—The Secretary of Agriculture may require persons for whom preclearance services are performed to reimburse the Secretary for any amounts paid by the Secretary for performance of the services.

(B) CREDITING OF FUNDS.—All funds collected under subparagraph (A) shall be credited to the trust account established under this paragraph and shall remain available until expended without fiscal year limitation.

"(c) LATE PAYMENT PENALTY.—

(1) IN GENERAL.—On failure of a person to reimburse the Secretary for the costs of performance of preclearance services required under this subparagraph, the Secretary may assess a late payment penalty; and

(2) the overdue funds shall accrue interest in accordance with section 3717 of title 31, United States Code.

(3) CREDITING OF FUNDS.—Any late payment penalty and any accrued interest collected shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.

SEC. 544. SWINE HEALTH PROTECTION.

(a) TERMINATION OF STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 10 of the Swine Health Protection Act (7 U.S.C. 3809) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

"(c) REQUEST OF STATE OFFICIAL.—

(1) IN GENERAL.—On request of the Governor or other appropriate official of a State, the Secretary may terminate, effective as soon as the Secretary determines is practicable, the primary enforcement responsibility of a State under subsection (a). In terminating primary enforcement responsibility under this subsection, the Secretary shall work with the appropriate State official to determine the level of support to be provided to the State by the Secretary under this Act.

(2) REASSIGNMENT.—Nothing in this subsection shall prevent a State from reassuming primary enforcement responsibility if the Secretary determines that the State meets the requirements of subsection (a).

(b) ADVISORY COMMITTEE.—The Swine Health Protection Act is amended—

(1) by striking section 11 (7 U.S.C. 3810); and

(2) by redesignating sections 12, 13, and 14 (7 U.S.C. 3811, 3812, and 3813) as sections 11, 12, and 13, respectively.

SEC. 545. COOPERATIVE WORK FOR PROTECTION, MAINTENANCE, AND IMPROVEMENT OF NATIONAL FOREST SYSTEM.

The penultimate paragraph of the matter under the heading "FOREST SERVICE." of the first sentence of section 12 of title 16 (43 Stat. 430, chapter 131; 16 U.S.C. 408) is amended—

(1) by inserting "management," after "the protection;''.

(2) by striking "national forests," and inserting "National Forest System;";

(3) by inserting "management," after "protection,'';

(4) by adding at the end the following new paragraphs:

"Payment for work undertaken pursuant to this subparagraph shall be provided to the Secretary of Agriculture of not more than $10,000, imprisoned not more than 1 year, or fined not more than $5,000. A person who is performing services for the Secretary, a cooperating forest service, or other document provided for in this subparagraph, or knowingly forges, counterfeits, or, without authorization by the Secretary of Agriculture, uses, alters, defaces, or destroys any certificate, permit, license, or other document provided for in this subparagraph, may, for each violation, after written notice and opportunity for a hearing on record, be assessed a civil penalty by the Secretary of Agriculture of not more than $25,000, and shall, on conviction, be assessed a criminal penalty of not more than $10,000 by a court of the United States to the violator. The total amount of all such civil penalties assessed against a violator shall not exceed $300,000 for all such violations adjudicated in a single proceeding. The validity of an order assessing a civil penalty shall not be subject to review in an action to collect the civil penalty. The unpaid amount of a civil penalty not paid in full when due shall accrue interest at the rate of interest applicable to civil judgments of the courts of the United States."

SEC. 547. OVERSEAS TORT CLAIMS.

(a) The Secretary of Agriculture may pay a person for a tort claim involving the United States that arises in connection with activities of individuals who are performing services for the Secretary, and such other matters as justice may require.

(b) An order assessing a civil penalty may be issued by the United States under chapter 18 of title 28, United States Code. The Secretary of Agriculture may compromise, modify, or remit a civil penalty with or without conditions. The amount of a civil penalty that is paid (including any amount agreed on in compromise) may be deducted from any sums owing by the United States to the violator. The Secretary of Agriculture may issue an order requiring the payment of a civil penalty that is paid (including any amount agreed on in compromise) to any sums owing by the United States to the violator.

"(A) IN GENERAL.—Funds; and

(2) by adding at the end the following:

"(b) ADVISORY COMMITTEE.—The Virus-Serum-Toxin Act of 1913 is amended—

(1) by redesignating sections 12, 13, and 14 (7 U.S.C. 3811, 3812, and 3813) as sections 11, 12, and 13, respectively.

SEC. 548. GRADUATE SCHOOL OF THE UNITED STATES DEPARTMENT OF AGRICULTURE.

(a) PURPOSE.—The purpose of this section is to authorize the continued operation of
the Graduate School as a nonappropriated fund instrumentality of the Department of Agriculture.

(b) DEFINITIONS.—In this section:

(1) BOARD.—The term "Board" means the General Administration Board of the Graduate School.

(2) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(3) DIRECTOR.—The term "Director" means the Director of the Graduate School.

(4) GRADUATE SCHOOL.—The term "Graduate School" means the Graduate School of the United States Department of Agriculture.

(5) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(c) FUNCTIONS AND AUTHORITY.—

(1) IN GENERAL.—The Graduate School shall continue as a nonappropriated fund instrumentality of the Department under the general supervision of the Secretary.

(2) ACTIVITIES.—The Graduate School shall develop and administer education, training, and professional development activities, including the provision of educational activities for Federal agencies, Federal employees, nonprofit organizations, other entities, and members of the general public.

(d) FEES.—

(1) IN GENERAL.—The Graduate School may charge and retain fair and reasonable fees for the activities that it provides based on the cost of the activities to the Graduate School.

(2) NOT FEDERAL FUNDS.—Fees under subparagraph (A) shall not be considered to be Federal funds and shall not required to be deposited in the Treasury of the United States.

(e) NAME.—The Graduate School shall operate under the name "United States Department of Agriculture Graduate School" or such other name as the Graduate School may adopt.

(f) GENERAL ADMINISTRATION BOARD.—

(1) APPOINTMENT.—The Secretary shall appoint a General Administration Board to serve as a governing board subject to regulation by the Secretary.

(2) SUPERVISION.—The Graduate School shall be subject to the supervision and direction of the Board.

(g) DUTIES.—The Board shall—

(A) formulate broad policies in accordance with which the Graduate School shall be administered;

(B) take all steps necessary to see that the highest possible educational standards are maintained;

(C) exercise general supervision over the administration of the Graduate School; and

(D) establish such bylaws, rules, and procedures as may be necessary for the fulfillment of the duties described in subparagraph (A), (B), and (C).

(h) DIRECTOR AND OTHER OFFICERS.—The Board shall select the Director and such other officers as the Board may consider necessary, who shall serve on such terms and perform such duties as the Board may prescribe.

(i) BORROWING.—The Board may authorize the Director to borrow money on the credit of the Graduate School.

(j) DIRECTOR OF THE GRADUATE SCHOOL.—

(1) DUTIES.—The Director shall be responsible, subject to the supervision and direction of the Board, for carrying out the functions of the Graduate School.

(2) INVESTMENT OF FUNDS.—The Board may authorize the Director to invest funds held in excess of the current operating requirements of the Graduate School for purposes of maintaining a reasonable reserve.

(l) CHIEF.—The Chief and the members of the Board shall not be held personally liable for any loss or damage that may accrue to the funds of the Graduate School as the result of any act or exercise of discretion performed in carrying out the duties described in this section.

(m) EMPLOYEES.—Employees of the Graduate School are employees of a nonappropriated fund instrumentality and shall not be considered to be Federal employees.

(n) NOT A FEDERAL AGENCY.—The Graduate School shall not be considered to be a Federal Agency for purposes of—

(1) chapter 171 of title 28, United States Code;

(2) section 552 or 552a of title 28, United States Code; or

(3) the Federal Advisory Committee Act (5 U.S.C. App.).

(o) ACCEPTANCE OF DONATIONS.—The Graduate School shall not accept a donation from a person that is actively engaged in a procurement activity with the Graduate School or has an interest that may be substantially affected by the performance or nonperformance of an official duty of a member of the Board or an employee of the Graduate School.

(p) ADMINISTRATIVE PROVISIONS.—In order to carry out the functions of the Graduate School, the Graduate School may—

(1) accept, use, hold, dispose, and administer gifts, bequests, or devises of money, securities, or personal property made for the benefit of, or in connection with, the Graduate School;

(2) notwithstanding any other law—

(A) acquire real property in the District of Columbia and in other places by lease, purchase, or otherwise;

(B) maintain, enlarge, or remodel any such property; and

(C) have sole control of any such property;

(3) enter into contracts without regard to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471) or any other law that prescribes procedures for the procurement of property or services by an executive agency;

(4) dispose of real and personal property without regard to the requirements of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471); and

(5) use the facilities and resources of the Department, on the condition that any costs incurred by the Department that are attributable solely to activities of the Graduate School arising out of such operations shall be borne by the fees paid by or on behalf of students or by other means and not with Federal funds.

SEC. 549. STUDENT INTERN SUBSISTENCE PROGRAM.

(a) DEFINITION.—In this section, the term "student intern" means a person who—

(1) is employed by the Department of Agriculture to assist scientific, professional, administrative, or technical employees of the Department;

(2) is a student in good standing at an accredited college or university pursuing a course of study related to the field in which the person is employed by the Department;

(3) receive a salary of $30 per week for work at or near the college or university attended by the student intern and the official duty station at which the student intern is employed.

(b) RELEASE OF INTEREST.—After execution of the agreement described in subsection (b), the Secretary of Agriculture shall release the condition stated in the deed on the land described in subsection (c) and the land and funds held thereunder shall be used for public purposes, and that if the land is not so used, that the land revert the United States, on the condition that the land be used exclusively for commemorative purposes, and that if the land is not so used, that the land revert the United States.

(bankhead-jones act) section 72(a) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 101c(c)) shall not apply to the release under paragraph (1).

(b) AGREEMENT.—The Secretary of Agriculture shall make the release under subsection (a) on execution by the Board of Trustees of the University of Arkansas, in the form of an agreement satisfactory to the Secretary of Agriculture, that—

(1) the Board of Trustees will not sell, lease, exchange, or otherwise dispose of the land described in subsection (c) except to the White Oak Cemetery Association of Washington County, Arkansas, or a successor organization, for an expansion of the cemetery maintained by the Association; and

(2) the proceeds of such a disposition of the land shall be deposited into an account open to inspection by the Secretary of Agriculture, and used, if withdrawn from the account, for public purposes.

(c) LAND DESCRIPTION.—The land described in this subsection is the land conveyed to the Board of Trustees of the University of Arkansas, with certain other land, by deed dated November 19, 1953, comprising approximately 2.2 acres located within property of the University of Arkansas in Washington County, Arkansas, as the "Savage property," and described as follows:

The part of Section 20, Township 17 north, range 31 west, beginning at the north corner of the White Oak Cemetery and the University of Arkansas Agricultural Experiment Station farm at Washington County road #584, running west approximately 330 feet, thence south approximately 384 feet, thence north approximately 330 feet to the point of beginning.

SEC. 551. ADVISORY BOARD ON AGRICULTURAL AIR QUALITY.

(a) FINDINGS.—Congress finds that—

(1) various studies have identified agriculture as a major atmospheric pollutant;

(2) research activities are under way to determine the extent of the pollution problem and the extent of the role of agriculture in the problem; and

(3) any Federal policy decisions that may result, and any Federal regulations that may be imposed on the agricultural sector, should be based on sound scientific information.

(b) PURPOSE.—The purpose of this section is to establish an advisory board to assist and provide the Secretary of Agriculture with information, analyses, and policy recommendations for determining matters of fact and technical merit and addressing scientific questions dealing with particulate matter less than 10 microns that become lodged in human lungs (known as "PM10") and other airborne particulate matter or gases that affect agricultural production yields and the economy.

(c) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Agriculture may establish an advisory board to be known as the "Advisory Board on Agricultural Air Quality" (referred to in this section as the "Board") to advise the Secretary, through the National Agricultural Conservation Service, with respect to carrying out this act and obligations agriculture incurred
under the Clean Air Act (42 U.S.C. 7401 et seq.) and the Act entitled 'An Act to amend the Clean Air Act to provide for attainment and maintenance of health protective national ambient air quality standards, and for other purposes', approved November 15, 1970 (commonly known as the 'Clean Air Act Amendments of 1970') (42 U.S.C. 7401 et seq.).

(2) GRANT INSTRUCTIONS . The Secretary of Agriculture shall provide oversight and coordination with respect to other Federal departments and agencies to ensure interagency cooperation in research activities and to avoid duplication of Federal efforts.

(d) COMPOSITION.—

(1) IN GENERAL.—The Board shall be composed of at least 17 members appointed by the Secretary in consultation with the Administrator of the Environmental Protection Agency.

(2) REGIONAL REPRESENTATION.—The membership of the Board shall be 2 persons from each of the 6 regions of the Natural Resources Conservation Service, of whom 1 from each region shall be an agricultural producer.

(3) ATMOSPHERIC SCIENTIST.—At least 1 member of the Board shall be an atmospheric scientist.

(e) CHAIRPERSON.—The Chief of the Natural Resources Conservation Service shall:

(1) serve as chairperson of the Board; and

(2) provide technical support to the Board.

(f) TERM.—Each member of the Board shall be appointed for a 3-year term, except that the Secretary of Agriculture shall appoint 4 of the initial members for a term of 1 year and 4 for a term of 2 years.

(g) REFORGING . The Board shall meet not less than twice annually.

(h) COMPENSATION.—Members of the Board shall serve without compensation, but while away from their homes or regular place of business in connection with official duties of the Board, members of the Board shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(i) FUNDING.—The Board shall be funded using appropriations for conservation operations.

SEC. 552. WATER SYSTEMS FOR RURAL AND NATIVE AMERICAN VILLAGES IN ALASKA.

The Consolidated Farm and Rural Development Act is amended by inserting after section 306C (7 U.S.C. 1926c) the following: "SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE AMERICAN VILLAGES IN ALASKA.

(a) IN GENERAL.—The Secretary may make grants to the State of Alaska for the benefit of rural or Native villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those villages.

(b) ELIGIBILITY OF FUNDING .—To be eligible to receive a grant under subsection (a), the State of Alaska shall provide equal matching funds from non-Federal sources.

(c) ELIGIBILITY WITH THE STATE OF ALASKA.—The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) according to the needs of, and relative health and sanitation conditions in, each village.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 1996 through 2002.''

SEC. 553. ELIGIBILITY FOR GRANTS TO BROAD- AREA VILLAGES.

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking 'SYSTEMS.—The' and inserting the following: 'SYSTEMS.—'

(1) DEFINITION OF STATEWIDE.—In this subsection, the term 'statewide' means having a population of less than 10 percent of the population of a State and 80 percent of the rural land area of the State (as determined by the Secretary).

(2) GRANTS . The Secretary of Agriculture shall establish a program in the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentive Program.

(b) COST-SHARE PAYMENTS .—The Program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary.

(c) FUNDING.—To carry out this section, $10,000,000 shall be made available for each of fiscal years 1996 through 2002 from funds made available to carry out chapter B of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

SEC. 555. INDIAN RESERVA ITIONS.

(a) INDIAN RESERVATION EXTENSION AGENT PROGRAM .—

(1) REAUTHORIZATION.—The program established under section 1677 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5930) is reauthorized through fiscal year 2002.

(2) REDUCED REGULATORY BURDEN .—On a determination by the Secretary of Agriculture that a program under section 1677 of the Act (7 U.S.C. 5930) has been satisfactorily administered for not less than 2 years, the Secretary shall implement a reduced regulatory burden on the operation of the program in order to reduce regulatory burdens on participating universities and tribal entities.

(b) MEMORANDUM OF AGREEMENT .—

(1) IN GENERAL.—Not later than January 6, 1997, the Secretary shall develop and implement a formal Memorandum of Agreement with the tribes or colleges eligible under Federal law to receive funds from the Secretary of Agriculture as partial land grant institutions.

(2) EQUITABLE PARTICIPATION.—The Memorandum shall establish programs to ensure that tribally-controlled colleges and Native American communities equitably participate in Department of Agriculture employment programs, services, and resources.

SEC. 556. ICD REIMBURSEMENT FOR OVERHEAD EXPENSES.

Section 1542(d)(3) of title I of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-626; 7 U.S.C. 5622 note) is amended by adding at the end the following: "(4) NOTWITHSTANDING any provision of this section, the expenses were not incurred for information technology systems.''

SEC. 557. CLARIFICATION OF EFFECT OF RESOURCE PLANNING ON ALLOCATION OR USE OF WATER.

(a) NATIVE AMERICAN SYSTEM RESOURCE PLANNING.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following:

(1) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supercede, abrogate or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or otherwise construed by the appropriate Federal or State agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supercede, abrogate, or otherwise impair the rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water right, use or the right to use water, may be acquired or held by any other person under the provisions of this Act.

(b) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended as it applies to the Secretary of Agriculture—

(1) in subsection (c)(1)—

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking "originally constructed";

(C) in subparagraph (G), by striking "1996" and inserting "1998"; and

(D) by redesigning subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively;

(2) in subsection (c)(3)(A), by striking the second and third sentences; and

(3) by adding at the end the following new subsection:

(4) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, the Secretary of Agriculture may not require, as a condition of, or in connection with, the renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or which supplies water, and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supplied from such facility.

TITLE VI—CREDIT

Subtitle A—Agricultural Credit

CHAPTER I—FARM OWNERSHIP LOANS

SEC. 601. LIMITATION ON DIRECT FARM OWNERSHIP LOANS.

Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by striking subsection (b) and inserting the following:

"(1) DIRECT LOANS.—

(1) IN GENERAL.—Subject to paragraph (3), the Secretary may only make a direct loan under this subtitle to a farmer or rancher who has operated a farm or ranch for not less than 3 years and—

(A) is a qualified beginning farmer or rancher;

(B) has not received a previous direct farm ownership loan made under this subtitle; or

(C) has not received a direct farm ownership loan under the Act more than 10 years before the date the new loan would be made.

(2) YOUTH LOANS.—The operation of an enterprise by a youth under section 310(b) shall not be considered the operation of a farm or ranch for purposes of paragraph (1).

(3) TRANSITION RULE.—

(A) IN GENERAL .—Subject to subparagraphs (B) and (C), paragraph (1) shall not apply to a farmer or rancher who has a direct loan outstanding under this subtitle on the date of enactment of this paragraph.

(B) LESS THAN 5 YEARS.—If, as of the date of enactment of this paragraph, a farmer or
rancher has had a direct loan outstanding under this subtitle for less than 5 years, the Secretary shall not make another loan to the farmer or rancher under this subtitle after that 5-year period unless new activities are undertaken by the farmer or rancher that are necessary to qualify for a new loan under paragraph (1) of this section.

(2) D IRECT LOANS.—A farmer or rancher may use a direct loan made under this subtitle only for—

(A) acquiring or enlarging a farm or ranch;

(B) making capital improvements to a farm or ranch;

(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch; or

(D) paying for activities to promote soil and water conservation and protection under the arrangement.

(2) GUARANTEED LOANS.—A farmer or rancher may use a guaranteed loan made under this subtitle only for—

(A) acquiring or enlarging a farm or ranch;

(B) making capital improvements to a farm or ranch;

(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch; or

(D) paying for activities to promote soil and water conservation and protection under the arrangement.

(3) T RANSITION RULE.—If, as of the date of enactment of this paragraph, a farmer or rancher has received a direct operating loan under this subtitle for a period of 5 years or more, the Secretary may only make a direct loan under this subtitle to a farmer or rancher who—

(A) is a qualified beginning farmer or rancher who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 5 years;

(B) has not had a previous direct operating loan under this subtitle; or

(C) has not had a previous direct operating loan under this subtitle for more than 4 years.

(4) Y OUTH LOANS.—In this subsection, the term direct operating loan’ shall not include a loan made to a youth under subsection (b).

(5) T RANSITION RULE.—If, as of the date of enactment of this paragraph, a farmer or rancher has received a direct operating loan under this subtitle during any 5-year period, the Secretary shall not make another loan to the farmer or rancher under this subtitle during the 5-year period following the date of enactment of this paragraph.

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SEC. 304. SOIL AND WATER CONSERVATION AND PROTECTION.
Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended to read as follows:

(4) MAXIMUM GUARANTEE OF 90 PERCENT.—Except as provided in paragraph (5), a loan guarantee under this title shall be for not more than 90 percent of the principal and interest due on the loan.

(5) REFINANCED LOANS GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee 95 percent of—

(A) in the case of a loan that solely refinances a direct loan made under this title, the principal and interest due on the loan on the date of the refinancing; or

(B) in the case of a loan that is used for multiple purposes, the portion of the loan that refinances the principal and interest due on a direct loan made under this title that is outstanding on the date the loan is guaranteed.

(6) BEGINNING FARMER LOANS GUARANTEED UP TO 95 PERCENT.—The Secretary may guarantee up to 95 percent of—

(A) a farm ownership loan for acquiring a farm or ranch to a borrower who is participating in the direct loan program under section 304 or in a loan refinanced under section 304; or

(B) an operating loan to a borrower who is participating in the direct loan program under section 304 or in a loan refinanced under section 304.

CHAPTER 2—OPERATING LOANS
SEC. 611. LIMITATION ON DIRECT OPERATING LOANS.
(a) In General.—Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by striking the reference to this section in subsection (b) and inserting the following:

(b) Direct Loans.—In making or guaranteeing a direct loan, the Secretary shall not make another direct loan to a farmer or rancher unless new activities are undertaken by the farmer or rancher that are necessary to qualify for a new loan under paragraph (1) of this section.

(1) D IRECT LOANS.—A farmer or rancher may use a direct loan made under this subtitle only for—

(A) acquiring or enlarging a farm or ranch;

(B) making capital improvements to a farm or ranch;

(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch; or

(D) paying for activities to promote soil and water conservation and protection under the arrangement.

(2) GUARANTEED LOANS.—A farmer or rancher may use a guaranteed loan made under this subtitle only for—

(A) acquiring or enlarging a farm or ranch;

(B) making capital improvements to a farm or ranch;

(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch; or

(D) paying for activities to promote soil and water conservation and protection under the arrangement.

(3) T RANSITION RULE.—If, as of the date of enactment of this paragraph, a farmer or rancher has received a direct operating loan under this subtitle during any 5-year period, the Secretary shall not make another loan to the farmer or rancher under this subtitle during the 5-year period following the date of enactment of this paragraph.

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SEC. 304. SOIL AND WATER CONSERVATION AND PROTECTION.
Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended to read as follows:

(4) MAXIMUM GUARANTEE OF 90 PERCENT.—Except as provided in paragraph (5), a loan guarantee under this title shall be for not more than 90 percent of the principal and interest due on the loan.

(5) REFINANCED LOANS GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee 95 percent of—

(A) in the case of a loan that solely refinances a direct loan made under this title, the principal and interest due on the loan on the date of the refinancing; or

(B) in the case of a loan that is used for multiple purposes, the portion of the loan that refinances the principal and interest due on a direct loan made under this title that is outstanding on the date the loan is guaranteed.

(6) BEGINNING FARMER LOANS GUARANTEED UP TO 95 PERCENT.—The Secretary may guarantee up to 95 percent of—

(A) a farm ownership loan for acquiring a farm or ranch to a borrower who is participating in the direct loan program under section 304 or in a loan refinanced under section 304; or

(B) an operating loan to a borrower who is participating in the direct loan program under section 304 or in a loan refinanced under section 304.

CHAPTER 2—OPERATING LOANS
SEC. 611. LIMITATION ON DIRECT OPERATING LOANS.
(a) In General.—Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by striking sub-
(i) if refinancing a loan obtained from a credit source other than the Secretary; or
(ii) providing other farm, ranch, or home needs, including family subsistence.

(d) Adjustment of Reserve. - If a borrower exhausts the amount of funds reserved under paragraph (1), the Secretary may -

(1) review and adjust the farm or ranch plan referred to in paragraph (1) with the borrower and reschedule the loan;

(2) provide additional available loan servicing;

(3) use income proceeds to pay necessary farm, ranch, home, or other expenses; or

(4) provide additional available loan servicing.

SEC. 613. PARTICIPATION IN LOANS.

Section 315 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946) is amended by adding the following:

"(B) CREDIT.-The Secretary shall, if in the best interest of the borrower, for purposes of determining eligibility for a loan, take into consideration the borrower's credit history and the borrower's ability to repay the loan.

SEC. 614. LINE-OF-CREDIT LOANS.

Section 316 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(A) DEFINITION.-The term "line-of-credit loan" means a loan under which a borrower may access funds up to a specified credit limit.

SEC. 615. INSURANCE OF OPERATING LOANS.

Section 317 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(B) INSURANCE.-The Secretary may provide insurance for a borrower under this section if the borrower has completed a credit application and has demonstrated the ability to repay the loan.

Chapter 3—Emergency Loans

SEC. 621. HAZARD INSURANCE REQUIREMENT.

Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(C) IN GENERAL.-The Secretary may not make a loan to a farmer or rancher under this section unless the farmer or rancher has been provided with a hazard insurance policy.

SEC. 622. MAXIMUM EMERGENCY LOAN INDENTEDNESS.

Section 324 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(C) HAZARD INSURANCE.-A hazard insurance policy is required to be obtained by the borrower.

Chapter 4—Administrative Provisions

SEC. 631. USE OF COLLECTION AGENCIES.

Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(D) PRIVATE COLLECTION AGENCY.-The Secretary may use a private collection agency to collect a claim or obligation described in subsection (b)(5)."

SEC. 632. NOTICE OF LOAN SERVICE PROGRAMS.

Section 332(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(D) PROVIDE ADDITIONAL SERVICE.-The Secretary shall provide additional service to a borrower under this section if the borrower needs it.

SEC. 633. SALE OF PROPERTY.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(D) SELL AT AUCTION.-The Secretary shall sell property at auction if it is in the best interest of the borrower.

Chapter 5—Other Agricultural Loans

SEC. 651. SPECIAL ASSISTANCE FOR BEGINNING FARMERS AND RANCHERS.

Section 328 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(C) IN GENERAL.-The Secretary shall provide special assistance to a beginning farmer or rancher if the farmer or rancher meets the following criteria.

Chapter 6—Guaranteed Assistance

SEC. 661. LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

Section 337 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(C) LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.-The Secretary shall limit the period for which borrowers are eligible for guaranteed assistance.

Chapter 7—Other Provisions

SEC. 671. ECONOMIC ADJUSTMENT LOAN PROGRAM.

Section 347 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(C) ECONOMIC ADJUSTMENT.-The Secretary shall provide economic adjustment loans to a borrower under this section if the borrower requests it.

Chapter 8—Provisions for Sale of Property

SEC. 681. SELLING OF PROPERTY.

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(D) SELL AT AUCTION.-The Secretary shall sell property at auction if it is in the best interest of the borrower.

Chapter 9—Miscellaneous

SEC. 691. OTHER PROVISIONS.

Section 361 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(C) OTHER PROVISIONS.-The Secretary shall provide additional provisions to a borrower under this section if the borrower needs it.

Chapter 10—Authorization of Appropriations

SEC. 701. APPROPRIATIONS.

Section 371 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is amended by adding the following:

"(D) APPROPRIATIONS.-The Secretary shall provide additional appropriations to a borrower under this section if the borrower needs it.
SEC. 634. DEFINITIONS.

SEC. 635. AUTHORIZATION FOR LOANS.

SEC. 636. DETERMINATION BY SECRETARY.

SEC. 637. APPEAL.

SEC. 638. IN GENERAL.

SEC. 639. TERMINATION OF SUBPROGRAM.

SEC. 640. CONCLUSION.

SEC. 641. COMMISSION.

SEC. 642. TRANSFER OF PROPERTY.

SEC. 643. DEFINITIONS.

SEC. 644. FISCAL YEAR 1996.

SEC. 645. DEBT FORGIVENESS.
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“(i) $85,000,000 shall be for farm ownership loans under subtitle A; and

(ii) $500,000,000 shall be for operating loans under subtitle B; and

(iii) Funds reserved until September 1—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until September 1 of each fiscal year.

SEC. 637. HOMESTEAD PROPERTY.

Section 352(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2000c(c)) is amended—

(1) in paragraph (1)(A), by striking “90” each place it appears and inserting “30”; and

(2) in paragraph (6), by striking “Within 30” and all that follows through “and insert “Not later than the date of acquisition of the property securing a loan made under this title (or, in the case of real property in a county where the effective date of the Agricultural Reform and Improvement Act of 1996, not later than 5 days after the date of enactment of the Act),” and by striking the second sentence.

SEC. 638. RESTRUCTURING.

Section 353 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001) is amended—

(1) in subsection (c)—

(A) in paragraph (3) by striking subparagraph (C) and inserting the following:

“(C) CASH FLOW MARGIN.—

(i) In general.—The Secretary shall limit the transfer of funds under subsubsection (A) to the extent of $110 percent of the amount indicated for payment of farm operating expenses, debt service obligations, and family living expenses.

(ii) Exception.—If an amount up to 110 percent of the amount determined under subparagraph (A) is available, the Secretary shall consider the income of the borrower to be adequate to meet all expenses, including the debt obligations of the borrower.”;

and

(B) by striking paragraph (6) and inserting the following:

“(6) TERMINATION OF LOAN OBLIGATIONS.—The obligations of a borrower to the Secretary under a loan shall terminate if—

(A) the borrower satisfies the requirements of paragraphs (1) and (2) of subsection (b);

(B) the value of the restructured loan is less than the recovery value; and

(C) not later than 90 days after receipt of the notification described in paragraph (4)(B), the borrower pays (or obtains third-party guarantee financing, if applicable) an amount equal to the current market value;”;

and

(2) by striking subsection (k); and

(3) by redesignating subsections (l) through (p) as subsections (k) through (o), respectively.

SEC. 639. TRANSFER OF INVENTORY LANDS.

Section 354 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2002) is amended—

(1) in the matter preceding paragraph (1), by striking “The Secretary, without reimbursement,” and inserting the following:

“(a) in General.—Subject to subsection (b), the Secretary:”;

(2) by striking paragraph (2) and inserting the following:

“(b) CONDITIONS.—The Secretary may not transfer any property or interest under subsection (a) unless—

(1) at least 2 public notices are given of the transfer;

(2) if requested, at least 1 public meeting is held prior to the transfer; and

(3) the Governor and at least 1 elected county official are consulted prior to the transfer.”;
SEC. 640. IMPLEMENTATION OF TARGET PARTICIPATION RATES.

Section 355 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003) is amended by adding at the end the following:

(“f) IMPLEMENTATION CONSISTENT WITH SUPREME COURT HOLDING.—Not later than 180 days after the enactment of this Act, the Secretary shall ensure that the implementation of this section is consistent with the holding of the Supreme Court in Adarand Constructors, Inc. v. Federico Pena, Secretary of Transportation, 63 U.S.L.W. 4523 (U.S. June 12, 1995).”).

SEC. 641. DELINQUENT BORROWERS AND CREDIT STUDY.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

“SEC. 372. PAYMENT OF INTEREST AS A CONDITION OF LOAN SERVICING FOR BORROWERS.

The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D unless the borrower pays a portion, as determined by the Secretary, of the interest due on the loan.

SEC. 373. LOANS AND LOAN SERVICING LIMITATIONS.

“(a) Delinquent Borrowers Prohibited From Obtaining Direct Operating Loans.—The Secretary may not make a direct operating loan under subtitle B to a borrower who is delinquent on any loan made or guaranteed under this title.

(b) Loans Prohibited For Borrowers That Have Received Debt Forgiveness.—

“(1) in general.—Except as provided in paragraph (2), the Secretary may not make or guarantee under this title a loan to a borrower who received debt forgiveness under this title.

“(2) exception.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses to a borrower who was restructured with debt write-down under section 353.

SEC. 374. CREDIT STUDY.

“(a) in general.—The Secretary of Agriculture shall perform a study and report to the Committee on Agriculture in the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry in the Senate on the demand for and availability of credit in rural areas for agriculture, rural housing, and rural development.

(b) Purpose.—The purpose of the study is to ensure that Congress has current and comprehensive information to consider as Congress deliberates on the credit needs of rural America and the availability of credit to satisfy the needs of rural America.

SEC. 651. CONFORMING AMENDMENTS.

(a) Section 307(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)) is amended by adding at the end the following:

(b) The second sentence of subsection (a), by striking "304(b), 306(a)(1), 306(a)(14), 301B, and 312(b)" and inserting "306(a)(1), 306(a)(14), and 301B"; and

(c) Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a) is amended—

(1) in the second sentence of subsection (a), by striking "sections 304(b), 306(a)(1), 306(a)(14), 301B, and 312(b)" and inserting "306(a)(1), 306(a)(14), and 301B"; and

(2) in subsection (b), by striking “and section 305B” and inserting “section 305B”.

(d) Section 310(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1930(d)) is amended—

(1) by striking “sections 304(b), 306(a), and 312(b)” each place it appears in paragraphs (2), (3), and (4) and inserting “this section” and “and paragraphs (2), (3), and (4) of this section”.

(e) The first sentence of section 312(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934a) is amended by striking paragraphs (1) through (5) of section 303(a), or subparagraphs (A) through (E) of section 312(d) amendments.

(f) Section 312(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934b(1)) is amended by striking “and for the purposes specified in section 312”.

(g) Section 316(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936a) is amended by striking paragraph (3).

(h) Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended—

(1) in subsection (a)(10), by striking “recreation loan (RL) under section 304;” and

(2) in subsection (b)—

(A) in the matter preceding paragraph (2), by striking “(RL)”; and

(B) by striking paragraph (4) and inserting the following:

“PROVISIONS OF THE CREDIT STUDY. —The term ‘preservation loan service program’ means homestead retention as authorized under section 332.”

(i) The first sentence of section 344 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended by striking “304(b), 306(a)(1), 306(b), 312(b), or 312(c)” and inserting “306(a)(1), 306(b), and 312(c)”.

(j) Section 353 of the Consolidated Farm and Rural Development Act (as redesignated by section 638) is further amended by adding “and subparagraphs (A) and (C)” of section 353(e)(1).

Subtitle B—Farm Credit System

CHAPTER 1—AGRICULTURAL MORTGAGE SECONDARY MARKET

SEC. 661. DEFINITION OF REAL ESTATE.

Section 8.01(1)(b)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(1)(b)(i)) is amended by striking “with a purchase price” and inserting “, excluding the land to which the dwelling is affixed, with a value”,

SEC. 662. DEFINITION OF CERTIFIED FACILITY.

Section 8.03 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(3)) is amended—

(1) in subparagraph (A), by striking “secondary marketing agricultural loan” and inserting “an agricultural mortgage marketing loan”;

(2) in subparagraph (B), by striking “but only” and all that follows through “(9)(B)”; and

SEC. 663. DUTIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.1(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-1(b)) is amended—

(1) in paragraph (2), by striking “and” at the end;

(2) in paragraph (3), by striking the period at the end and inserting “; and”;

(3) by adding at the end the following:
"(4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest;"

SEC. 664. POWERS OF THE CORPORATION.
Section 8.3(c) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–3(c)) is amended—
(1) by redesignating the paragraphs (13) and (14) as paragraphs (14) and (15), respectively; and
(2) by inserting after paragraph (12) the following:
"(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this title;"

SEC. 665. FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.
Section 8.3 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–3) is amended—
(1) in subsection (d), by striking "may act as depositaries for, or and inserting "shall act as"; and
(2) in subsection (e), by striking "Secretary of the Treasury may authorize the Corporation to use and inserting "Corporation shall have access to".

SEC. 666. CERTIFICATION OF AGRICULTURAL MORTGAGE MARKETING FACILITIES.
Section 8.5 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–5) is amended—
(1) in subsection (a)—
(A) in paragraph (1), by inserting "other than the Corporation" after "agricultural mortgage marketing facilities"; and
(B) in paragraph (2), by inserting "other than the Corporation" after "agricultural mortgage marketing facility"; and
(2) in subsection (b), by striking "other than the Corporation";

SEC. 667. GUARANTEE OF QUALIFIED LOANS.
Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended—
(1) in subsection (a)–
(A) by striking "Corporation shall guaranty and inserting the following: "Corporation—"
"(A) shall guarantee;"
(B) by striking the period at the end and inserting "; and; and
(C) by adding at the end the following:
"(B) may issue a security, guaranteed as to the timely payment of principal and interest, that represents an interest solely in, or an obligation backed by, the qualified loan, or to a certified facility; or
(ii) a pool consisting of qualified loans that—
"(i) meet the standards established under section 8.8 and
"(ii) have been purchased and held by the Corporation;"
(2) in subsection (d)—
(A) by striking paragraph (4); and
(B) by redesigning paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively; and
(3) in subsection (g)(2), by striking "section 8.03(9)" and inserting "section 8.09";

SEC. 668. MANDATORY RESERVES AND SUBORDINATED PARTICIPATION INTERESTS ELIMINATED.
(a) GUARANTEE OF QUALIFIED LOANS.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended by striking subsection (b).
(b) RESERVES AND SUBORDINATED PARTICIPATION INTERESTS.—Section 8.7 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–7) is repealed.
(c) CONFORMING AMENDMENTS.—
(1) Section 8.9(b)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–9(b)(1)) is amended by striking "87, 8.8," and inserting "8.8";
(2) Section 8.6(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(a)(2)) is amended by striking "subject to the provisions of subsection (b)";

SEC. 669. STANDARDS REQUIRING DIVERSIFIED POOLS.
(a) IN GENERAL.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) as amended by striking subsection (d) and inserting "(d)";
(b) EXCLUSION.—Section 8.6(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(a)) is amended by striking "sections 8.6(b) and" and in each place it appears and inserting "section";

SEC. 670. SMALL FARMS.
Section 8.12 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–8) is amended by adding at the end the following: "The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.";

SEC. 671. DEFINITION OF AN AFFILIATE.
Section 8.11(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–11(e)) is amended—
(1) by striking "a certified facility or"; and
(2) by striking "paragraphs (3) and (7), respectively, of section 8.07" and inserting "section 8.07."

SEC. 672. STATE USURY LAWS SUPERSEDED.
Section 8.12 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–8) is amended by striking subsection (d) and inserting the following:
"(d) STATE USURY LAWS SUPERSEDED.—A provision of the Constitution or law of any State shall not apply to an agricultural loan made by an originator or a certified facility in accordance with this title for sale to the Corporation or to a certified facility for inclusion in a pool, if the Corporation has provided, or has committed to provide, a guarantee, if the loan, not later than 180 days after the date the loan was made, is sold to the Corporation for purchase by the Corporation for which the Corporation has provided a guarantee, if the provision—
"(1) limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by an agricultural lender or a certified facility; or
"(2) limits or prohibits a prepayment penalty (either fixed or declining), yield maintenance, or make-whole payment that may be charged, taken, received, or reserved by an agricultural lender or a certified facility in connection with the full or partial payment of the principal amount due on a loan by a borrower in advance of the scheduled date for such payment; and
"(3) other off-balance sheet obligations of the Corporation, which, for the purposes of this subtitle, shall include—
"(A) the unpaid principal balance of outstanding securities that are guaranteed by the Corporation and backed by pools of qualified loans;
"(B) instruments that are issued or guaranteed by the Corporation and are substantially equivalent to instruments described in subparagraph (A); and
"(C) other off-balance sheet obligations of the Corporation;"
"(B) TRANSITION PERIOD.—
"(1) IN GENERAL.—For purposes of this subtitle, the minimum capital level for the Corporation—
"(A) prior to January 1, 1997, shall be the amount of core capital equal to the sum of—
"(i) 0.75 percent of the aggregate off-balance sheet obligations of the Corporation;"
"(C) during the 1-year period ending December 31, 1998, shall be the amount of core capital equal to—

(i) if the Corporation’s core capital is not less than $25,000,000 on January 1, 1998, the sum of—

(I) 0.65 percent of aggregate off-balance sheet obligations of the Corporation; and

(II) 2.65 percent of on-balance sheet assets of the Corporation, as determined under paragraph (2); or

(ii) if the Corporation’s core capital is less than $25,000,000 on January 1, 1998, the amount determined under subsection (a); and

(D) on and after January 1, 1999, shall be the amount determined under subsection (a).

(2) Designated on-Balance Sheet Assets—For purposes of this subsection, the designated on-balance sheet assets of the Corporation shall be—

(A) the aggregate on-balance sheet assets of the Corporation acquired under section 8.6(e); and

(B) the aggregate amount of qualified loans purchased and held by the Corporation under section 8.6(e).

SEC. 675. CRITICAL CAPITAL LEVEL. Section 8.34 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb-3) is amended to read as follows:

"SEC. 8.34. CRITICAL CAPITAL LEVEL.

"For purposes of this subtitle, the critical capital level for the Corporation shall be an amount equal to 50 percent of the total minimum capital amount determined under section 8.33.".

SEC. 676. ENFORCEMENT LEVELS. Section 8.35(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb-4(e)) is amended by striking "during the 30-month period beginning on the date of the enactment of this section, and inserting "during the period beginning on December 13, 1991, and ending on the effective date of the risk based capital regulation issued by the Director under section 8.32.".

SEC. 677. RECAPITALIZATION OF THE CORPORATION. Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) is amended by adding at the end the following:

"SEC. 8.38. RECAPITALIZATION OF THE CORPORATION.

"(a) Mandatory Recapitalization—The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than $25,000,000, not later than the earlier of—

(I) the date that is 2 years after the date of enactment of this section; or

(II) the date that is 180 days after the end of the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the Corporation’s off-balance sheet obligations of the Corporation, plus the outstanding principal of the aggregate on-balance sheet assets of the Corporation; and

(b) Raising Core Capital—In carrying out this section, the Corporation may issue stock under section 8.4 and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 8.3.

(c) Limitation on Growth of Total Assets—During the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the Corporation’s off-balance sheet obligations of the Corporation may not exceed $3,000,000,000 if the core capital of the Corporation is less than $25,000,000.

(d) Recapitalization—If the Corporation fails to carry out subsection (a) by the date required under paragraph (1) or (2) of subsection (a), the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than $25,000,000.

SEC. 678. LIQUIDATION OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) is amended by adding at the end the following:

"SEC. 8.41. LIQUIDATION OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

"(a) Voluntary Liquidation—The Corporation may voluntarily liquidate only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board.

(b) Involuntary Liquidation—

(1) In General—The Farm Credit Administration Board may appoint a conservator or receiver for the Corporation under the circumstances specified in section 4.12(b).

(2) Application—In applying section 4.12(b) to the Corporation under paragraph (1)—

(A) the Corporation shall also be considered insolvent if the Corporation is unable to pay its debts as they fall due in the ordinary course of business; and

(B) a conservator may also be appointed for the Corporation if the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; and

(C) a receiver may also be appointed for the Corporation if—

(i) the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

(ii) the Corporation is classified under section 8.35 as within level III or IV and the alternative arrangements available under subsection (A) are not satisfactory; and

(ii) the Farm Credit Administration determines that the appointment of a conservator would not be appropriate.

(3) No Other Superintending Actions—The grounds for appointment of a conservator for the Corporation under this subsection shall be in addition to those in section 8.37.

(4) Appointment of Conservator or Receiver—

(1) Qualifications—Notwithstanding section 4.12(b), if a conservator or receiver is appointed for the Corporation, the conservator or receiver shall be—

(A) the Farm Credit Administration or any other governmental entity or employee, including the Farm Credit System Insurance Corporation; or

(B) any person that—

(i) has no claim against, or financial interest in, the Corporation or any other basis for a conflict of interest as the conservator or receiver; and

(ii) has the financial and management experience necessary to direct the operations and affairs of the Corporation and, if necessary, to liquidate the Corporation.

(2) Compensation—

(A) In General—A conservator or receiver for the Corporation and professional personnel (other than a Federal employee) employed to represent or assist the conservator or receiver may be compensated for activities conducted as, or for, a conservator or receiver.

(B) Limit on Compensation—Compensation may not be provided for amounts greater than the compensation paid to employees of the Federal Government for similar services, except that the Farm Credit Administration may provide for compensation at higher rates that are not in excess of rates prevailing in the private sector if the Farm Credit Administration determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

(5) Indemnification—The conservator or receiver may contract with any governmental entity, including the Farm Credit System Insurance Corporation, to make personnel, services, and facilities of the entity available to the conservator or receiver on such terms and compensation arrangements as shall be mutually agreed, and each entity may provide the same to the conservator or receiver.

(3) Expenses.—A valid claim for expenses of the conservatorship or receivership (including compensation under paragraph (2)) and a valid claim with respect to a loan made under subsection (f) shall—

(A) be paid by the conservator or receiver from funds of the Corporation before any other valid claim against the Corporation; and

(B) may be secured by a lien, on such property of the Corporation, in favor of the conservator or receiver, that is not otherwise secured, and shall have priority over any other lien.

(4) Liability.—If the conservator or receiver for the Corporation is not a Federal employee, an officer or employee of the Federal Government, the conservator or receiver shall not be personally liable for damages in any proceeding for a tort performed pursuant to and in the course of the conservatorship or receivership, unless the act or omission constitutes gross negligence or willful misconduct.

(5) Indemnification.—The Farm Credit Administration may allow indemnification of the conservator or receiver for the Corporation, but only in the event of intentional tortious conduct or criminal conduct.

(6) Indemnification.—The Farm Credit Administration may allow indemnification of the conservator or receiver for the Corporation, but only in the event of intentional tortious conduct or criminal conduct.

(7) Indemnification.—The Farm Credit Administration may allow indemnification of the conservator or receiver for the Corporation, but only in the event of intentional tortious conduct or criminal conduct.

(8) Indemnification.—The Farm Credit Administration may allow indemnification of the conservator or receiver for the Corporation, but only in the event of intentional tortious conduct or criminal conduct.
such rates of interest as the conservator or receiver considers necessary or appropriate to meet the administrative expenses or liquidity needs of the conservatorship or receivership.

Section 4.28A. DEFINITION OF BANK.

(a) In General.—Section 4.28A(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–9(a)(1)) is amended by striking "the term 'bank' includes each association operating under title II."

(b) Borrowers' Rights for Pooled Loans.—The first sentence of section 8.9(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–9(b)) is amended by inserting "as defined in section 4.14A(a)(5))" after "application for a loan".

SEC. 689. FORMATION OF ADMINISTRATIVE SERVICE ENTITIES.

Part E of title IV of the Farm Credit Act of 1971 is amended by inserting after section 4.28 (12 U.S.C. 2279a) the following:

"(5) A DEFINITION OF LOAN.—Section 4.14A(a)(5) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–9(a)(5)) is amended by inserting "as defined in section 4.14A(a)(5))" after "application for a loan";

"(6) SEC. 690. J OINT MANAGEMENT AGREEMENTS.

The first sentence of section 5.1(a)(2)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–2(2)(A)) is amended by striking "or management agreements".

"(7) SEC. 691. DISSEMINATION OF QUARTERLY REPORTS.

Section 5.1(a)(8) of the Farm Credit Act of 1971 (12 U.S.C. 2279a–8(8)) is amended by inserting after "except that" the following:

"the voting stock or participation certificate purchase requirement that would otherwise apply to the loan in the absence of a bylaw provision described in paragraph (1)(A) shall be effective.

"(B) RETIREMENT.—The bylaws adopted by a bank or association under subsection (b) may provide that if a loan described in subparagraph (A) is sold into a secondary market after the end of the 180-day period described in the subparagraph, all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired;

"(C) CONFORMING AMENDMENT.—Section 3.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2129a) is amended by adding at the end the following: "Any such association that has received a loan from a bank for cooperatives shall, without regard to the requirements of paragraphs (1) through (4), continue to be eligible for so long as more than 50 percent (or such higher percentage established by the bank board) of the voting control of the association is held by farmers, producers or har-vesters of aquatic products, or eligible coop-erative associations.''.

"(D) TERMINATION OF AUTHORITY.—

"(1) CORPORATION.—The charter of the Corporation shall be terminated, and the authority provided to the Corporation by this title shall terminate, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.

"(2) SEC. 683. REMOVAL OF CERTAIN BORROWER REPORTING REQUIREMENT.

Section 1.30(a) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)) is amended by striking paragraph (5).

"SEC. 684. REFORM OF REGULATORY LIMITATIONS ON DIVIDEND, MEMBER BUSINESS, AND SPECIAL PURPOSES SOUTH OF THE BELTWAY.

(a) IN GENERAL.—Section 3.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2129a) is amended by adding at the end the following:

"The term 'farm' includes each association operating under title II.''

(b) Borrowers' Rights for Pooled Loans.—The first sentence of section 8.9(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–9(b)) is amended by inserting "as defined in section 4.14A(a)(5))" after "application for a loan";
institutions may not be more burdensome or costly than the requirements applicable to national banks, and".  

SEC. 692. REGULATORY REVIEW.  

(a) FINDINGS.—Congress finds that—  

(1) the Farm Credit Administration, in the role of the Administration as an arms-length safety and soundness regulator, has made considerable progress in reducing the regulatory burden on Farm Credit System institutions;  

(2) the efforts of the Farm Credit Administration described in paragraph (1) have resulted in cost savings for Farm Credit System institutions; and  

(3) the cost savings described in paragraph (2) ultimately benefit the farmers, ranchers, agricultural cooperatives, and rural residents of the United States.  

(b) CONTINUATION OF REGULATORY REVIEW.—The Farm Credit Administration shall continue the comprehensive review of regulations governing the Farm Credit System to identify and eliminate, consistent with law, safety, and soundness, all regulations that are unnecessary, unduly burdensome or costly, or not based on law.  

SEC. 693. EXAMINATION OF FARM CREDIT SYSTEM INSTITUTIONS.  

The first sentence of section 5.10a(x) of the Farm Credit Act of 1971 (12 U.S.C. 2254a) is amended by striking “each year” and inserting “every calendar year.”  

SEC. 694. CONSERVATORSHIPS AND RECEIVERSHIPS.  

(a) Definitions.—Section 5.51 of the Farm Credit Act of 1971 (12 U.S.C. 2277a) is amended—  

(1) by striking paragraph (5); and  

(2) by redesignating paragraph (6) as paragraph (5).  

(b) General Corporate Powers.—Section 5.58 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-7) is amended by striking paragraph (9) and inserting the following:  

“(9) Conservator or Receiver.—The Corporation may act as a conservator or receiver.”.  

SEC. 695. FARM CREDIT INSURANCE FUND OPERATIONS.  

(a) Adjustment of Premiums.—  

(1) In General.—Section 5.55(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-6) is amended—  

(A) in paragraph (1), by striking “Until the aggregate of amounts in the Farm Credit Insurance Fund does not exceed the secure base amount, subject to paragraph (2), the annual premium due from any insured System bank for any calendar year” and inserting the following: “If at the end of any calendar year the aggregate of amounts in the Farm Credit Insurance Fund does not exceed the secure base amount, subject to paragraph (2), the annual premium due from any insured System bank for the calendar year”;  

(B) by redesignating paragraph (2) as paragraph (3); and  

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

“(2) Reduced Premiums.—The Corporation, in the sole discretion of the Corporation, may reduce by a percentage uniformly applied to all insured System banks the annual premium due from each insured System bank during any calendar year, as determined under paragraph (1).”  

(2) Conforming Amendments.—  

(A) Section 5.59(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(b)) is amended—  

(i) by striking “Farm Credit Insurance Fund” each place it appears and inserting “Farm Credit Insurance Fund”; and  

(ii) by striking “for the following calendar year” and inserting “for the year ending December 31”;  

(iii) by striking “subsection (a)” and inserting “subsection (a)(1)(II)”.  

(b) Section 5.59(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(a)) is amended by striking “section 5.55(a)(2)” each place it appears in paragraphs (2) and (3) and inserting “section 5.55(a)(1)” and—  

(i) in paragraph (1), by inserting “(as defined in section 5.55(a)(1))” after “government-guaranteed loans”; and  

(ii) in paragraph (3), by inserting “(as so defined)” after “government-guaranteed loans” each place it appears.  

(c) Section 1.12(b) (12 U.S.C. 2020(b)) is amended—  

(i) in paragraph (1), by inserting “(as defined in section 5.55(a)(3))” after “government-guaranteed loans”; and  

(ii) in paragraph (5), by inserting “(as so defined)” after “government-guaranteed loans”.
SEC. 697. POWERS WITH RESPECT TO TROUBLED SYSTEM INSURANCE CORPORATION.

The Farm Credit Administration, in accordance with the provisions of this section and paragraph (a)(ii) of Section 5.61(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2277a±10(a)), is authorized to provide any assistance under any provision of this Act to any Farm Credit System institution that is in a troubled condition as determined by the Farm Credit Administration. The determinations of the Corporation shall be made (i) on the date on which the Corporation makes any determination to provide any assistance under this section with respect to any insured System bank, and (ii) on the date on which the Corporation makes any determination to provide any assistance under this section with respect to any Farm Credit System institution that is not an insured System bank.

SEC. 698. OVERSIGHT AND REGULATORY ACTIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

The Farm Credit Administration shall have the power to provide any assistance under this Act to any Farm Credit System institution that is in a troubled condition as determined by the Farm Credit Administration. The Corporation shall make such determinations in accordance with the provisions of this Act.

SEC. 699. EXAMINATIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

The Corporation shall conduct examinations of any Farm Credit System institution that it determines to be a troubled institution, including examinations of any Farm Credit System institution that is not an insured System bank. The Corporation shall conduct such examinations in accordance with the provisions of this Act.

SEC. 700. DETERMINATION OF LEAST COST ALTERNATIVE.

The Corporation shall determine the least cost alternative for the provision of any assistance under this Act, including any assistance provided to a troubled institution, in accordance with the provisions of this Act.

SEC. 701. PROHIBITION ON PAYMENT TO RELATED PARTIES.

No payment shall be made under this Act to any person for any liability or legal expense with regard to any administrative proceeding or civil action instituted against the Corporation or any Farm Credit System institution for the benefit of any person or for the benefit of any Farm Credit System institution for the benefit of any person or for the benefit of any Farm Credit System institution for the benefit of any person or for the benefit of any Farm Credit System institution for the benefit of any person or for the benefit of any Farm Credit System institution for the benefit of any person.
(a) A director, officer, employee, or agent for a Farm Credit System institution or any conservator or receiver of such an institution;

(b) A stockholder (other than another Farm Credit System institution), consultant, joint venture partner, or any other person determined by the Farm Credit Administration Board, in the performance of the duties of a Farm Credit System institution;

(c) An independent contractor (including any attorney, appraiser, or accountant) that knowingly or recklessly participates in any violation of any law or regulation, any breach of fiduciary duty, or any unsafe or unsound practice that caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the Farm Credit System institution.

(3) LIABILITY OR LEGAL EXPENSE.—The term ‘liability or legal expense’ means—

(A) a legal or other professional expense incurred in connection with any claim, proceeding, or action;

(B) the amount of, and any cost incurred in connection with, any settlement of any claim, proceeding, or action; and

(C) the amount of, and any cost incurred in connection with, any judgment or penalty imposed with respect to any claim, proceeding, or action.

(4) PAYMENT.—The term ‘payment’ means—

(A) a direct or indirect transfer of any funds, or any other consideration;

(B) any segregation of any funds or assets for the purpose of making, or under an agreement to make, any payment after the date on which the funds or assets are segregated, without regard to whether the obligation to make the payment is contingent on—

(i) the determination, after that date, of the liability for the payment of the amount; or

(ii) the liquidation, after that date, of the amount of the payment.

(b) PROHIBITION.—The Corporation may prohibit or limit, by regulation or order, any golden parachute payment or indemnification payment by a Farm Credit System institution (including any conservator or receiver) or any agricultural mortgage corporation in troubled condition (as defined in regulations issued by the Corporation).

(2) FACTORS TO BE TAKEN INTO ACCOUNT.—The Corporation shall prescribe, by regulation, the factors to be considered by the Corporation in taking any action under subsection (b). The factors may include—

(1) whether there is a reasonable basis to believe that an institution-related party has committed any fraudulent act or omission, breach of trust or fiduciary duty, or insider abuse with regard to the Farm Credit System institution involved that has had a material effect on the financial condition of the institution;

(2) whether there is a reasonable basis to believe that the institution-related party is substantially responsible for the insolvency of the Farm Credit System institution, the appointment of a conservator or receiver for the institution, or the institution’s troubled condition (as defined in regulations prescribed by the Corporation);

(3) whether there is a reasonable basis to believe that the institution-related party has materially violated any applicable law or regulation resulting in a material effect on the financial condition of the institution;

(4) whether there is a reasonable basis to believe that the institution-related party has materially violated any applicable law or regulation resulting in a material effect on the financial condition of the institution;

(A) section 215, 657, 1006, 1014, or 1344 of title 18, United States Code; or

(B) section 1341 or 1349 of title 18, United States Code, affecting a Farm Credit System institution;

(5) whether the institution-related party was in a position of managerial or fiduciary responsibility; and

(6) the length of time that the party was related to the Farm Credit System institution and the institution.

(3) PAYMENT.—The payment reasonably reflects compensation earned over the period of employment; and

(4) whether the compensation represents a reasonable payment for services rendered.

(g) CERTAIN PAYMENTS PROHIBITED.—No Farm Credit System institution may prepay the salary or any liability or legal expense of any institution-related party if the payment is made—

(1) in contemplation of the insolvency of the institution or after the commission of an act of insolvency; and

(2) with a view to, or with the result of—

(A) preventing the proper application of the assets of the institution to creditors; or

(B) preferring 1 creditor over another creditor.

(h) RULE OF CONSTRUCTION.—Nothing in this section—

(1) prohibits any Farm Credit System institution from purchasing any commercial insurance policy or fidelity bond, so long as the insurance policy or bond does not cover any legal or liability expense of an institution described in subsection (a)(2); or

(2) limits the powers, functions, or responsibilities of the Farm Credit Administration.

SEC. 699. FARM CREDIT SYSTEM INSURANCE CORPORATION BOARD OF DIRECTORS.

(a) IN GENERAL.—Section 533 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-2) is amended to read as follows:

SEC. 533. BOARD OF DIRECTORS.

(a) ESTABLISHMENT.—The Corporation shall be managed by a Board of Directors that shall consist of the members of the Farm Credit Administration Board.

(b) CHAIRMAN.—The Board of Directors shall be chaired by any Board member other than the Chairman of the Farm Credit Administration Board.

(c) CONFORMING AMENDMENTS.—

(1) Section 5314 of title 5, United States Code, is amended by striking “Chairperson, Board of Directors of the Farm Credit System Insurance Corporation.”

(2) Section 5315 of title 5, United States Code, is amended by striking “Members, Board of Directors of the Farm Credit System Insurance Corporation.”

SEC. 699A. LIABILITY FOR MAKING CRIMINAL REFERRALS.

(a) IN GENERAL.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, that discloses to a Government authority information proffered in good faith that may be relevant to a possible violation of any law or regulation shall not be liable to any person under any law of the United States or any State—

(1) for the disclosure; or

(2) for any failure to notify the person involved in the possible violation.

(b) NO PROHIBITION ON DISCLOSURE.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, may disclose information to a Government authority that may be relevant to a possible violation of any law or regulation.

(c) RECIPENTS.—

(1) IN GENERAL.—The Secretary may provide financial assistance under this chapter to—

(A) entities using telemedicine services or distance learning services, or both; and
“(B) entities providing or proposing to provide telemedicine service or distance learning service, or both, to other persons at rates reflecting the benefit of the financial assistance.

“(E) ELECTRIC OR TELECOMMUNICATIONS BORROWERS.—

“(A) LOANS TO BORROWERS.—Subject to subparagraph (B), the Secretary may provide a cost of money loan under this chapter to a borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.). A borrower receiving a cost of money loan under this paragraph shall—

“(i) make the funds provided available to entities that qualify under paragraph (1) for projects satisfying the requirements of this chapter;

“(ii) use the funds provided to acquire, install, improve, or extend a system for the purposes of this chapter; or

“(iii) use the funds provided to install, improve, or extend a facility for the purposes of this chapter.

“(B) LIMITATIONS.—A borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 shall—

“(i) make a system or facility funded under subparagraph (A) available to entities that qualify under paragraph (1), and

“(ii) reimburse from the proceeds of a loan provided under subparagraph (A), or assess a qualifying entity under paragraph (1), any amount except as may be required to pay the actual costs incurred in administering the loan funds or making the system or facility available.

“(C) ASSISTANCE TO PROVIDE OR IMPROVE SERVICES.—Financial assistance may be provided under this chapter for a facility regardless of the location of the facility if the Secretary determines that the assistance is necessary to provide or improve telemedicine services or distance learning services in a rural area.

“(D) PRIORITY.—The Secretary shall establish procedures to prioritize financial assistance provided under this chapter considering—

“(1) the need for the assistance in the affected rural area;

“(2) the financial need of the applicant;

“(3) the population sparsity of the affected rural area;

“(4) the local involvement in the project serving the affected rural area;

“(5) geographic diversity among the recipients of financial assistance;

“(6) the utilization of the telecommunication facilities of the existing telecommunications provider;

“(7) the portion of total project financing provided by the applicant from the funds of the applicant;

“(8) the portion of project financing provided by the applicant with funds obtained from non-Federal sources;

“(9) the joint utilization of facilities financed by other financial assistance;

“(10) the service to the widest practical number of persons within the general geographic area of the affected rural area; and

“(11) conformity with the State strategic plan as prepared under section 381D of the Consolidated Farm and Rural Development Act; and

“(12) other factors determined appropriate by the Secretary.

“(E) MAXIMUM AMOUNT OF ASSISTANCE TO INDIVIDUAL DEVELOPERS.—The Secretary may establish the maximum amount of financial assistance to be made available to an individual developer for each fiscal year under this chapter by publishing notice in the Federal Register. The notice shall be published not more than 45 days after funds are made available to carry out this chapter during a fiscal year.

“(F) USE OF FUNDS.—Financial assistance provided under this chapter shall be used for—

“(1) the development and acquisition of instructional programming;

“(2) the research and acquisition, through lease or purchase, of computer hardware, and software, audio and visual equipment, computer network components, telecommunication terminal equipment, telecommunication transmission facilities, data terminal equipment, or interactive video equipment, and other facilities that would further telemedicine services or distance learning services, or both;

“(3) providing technical assistance and instruction for the development or use of the programming, equipment, or facilities referred to in paragraphs (1) and (2); or

“(4) other uses that are consistent with this chapter, as determined by the Secretary.

“(G) SALARIES AND EXPENSES.—Notwithstanding subsection (f), financial assistance provided under this chapter shall not be used for paying salaries of employees or administrative expenses.

“(H) EXPEDITING COORDINATED TELEPHONE LOANS.—

“(1) IN GENERAL.—The Secretary may establish and carry out procedures to ensure that expedited consideration and determinations is given to applications for loans and advances of funds submitted by local exchange carriers under this chapter and the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) to enable the exchange carriers to provide advanced telecommunications services in rural areas in conjunction with any other projects carried out under this chapter.

“(2) DEADLINE IMPOSED ON SECRETARY.—Not later than 45 days after the receipt of a completed application for an expedited telephone loan under paragraph (1), the Secretary shall respond to the application. The Secretary shall notify the applicant in writing of the decision of the Secretary regarding each expedited loan application.

“(I) NOTIFICATION OF LOCAL EXCHANGE CARRIER.—

“(1) APPLICANTS.—Each applicant for a grant for a telemedicine or distance learning project established under this chapter shall notify the appropriate local telephone exchange carrier regarding the application filed with the Secretary for the grant.

“(2) SECRETARY.ÐThe Secretary shall—

“(A) publish notice of application received for grants under this chapter for telemedicine or distance learning projects; and

“(B) make the applications available for inspection.

“SEC. 2334. ADMINISTRATION.

“(a) NONDUPLICATION.—The Secretary shall ensure that facilities constructed using financial assistance provided under this chapter do not duplicate adequate established telemedicine services or distance learning services.

“(b) LOAN MATURITY.—The maturities of cost of money loans shall be determined by the Secretary, based on the useful life of the facility being financed, except that the loan shall not be for a period of more than 10 years.

“(c) LOAN SECURITY AND FEASIBILITY.—The Secretary shall make a cost of money loan only after determining that the security for the loan is reasonably adequate and that the loan will be repaid within the period of the loan.

“(d) ENCOURAGING CONSORTIA.—The Secretary shall encourage the development of consortia to provide telemedicine services or distance learning services, or both, through telecommunications in rural areas served by a telecommunications provider.

“(e) COOPERATION WITH AGENCIES.—The Secretary shall cooperate, to the extent practicable, with other Federal and State agencies with similar grant or loan programs to consolidate financial resources for funding meritorious proposals in rural areas.

“(f) INFORMATIVE EFFORTS.—The Secretary shall establish and implement procedures to carry out informational efforts to advise potential end users located in rural areas of each State about the programs authorized by this chapter.

“SEC. 2335. REGULATIONS.

“Not later than 180 days after the effective date of the Agricultural Reform and Improvement Act of 1996, the Secretary shall issue regulations to carry out this chapter.

“SEC. 2335A. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this chapter—

“(1) $300,000,000 for each of fiscal years 1996 through 2002.

“SEC. 705. LIMITATION ON AUTHORIZATION OF APPROPRIATIONS FOR RURAL TECHNOLOGY.

“Section 2347 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 4034) is amended—

“(1) by striking ‘‘(a) IN GENERAL.‘‘; and

“(2) by striking subsection (b).

“SEC. 706. MONITORING THE ECONOMIC PROGRESS OF RURAL AMERICA.

“Section 2382 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 13 U.S.C. 141 note) is repealed.

“SEC. 707. ANALYSIS BY OFFICE OF TECHNOLOGY ASSESSMENT.

“Section 2385 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 2662 note) is repealed.

“SEC. 709. CENSUS OF AGRICULTURE.

“Section 2392 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 4057) is repealed.

“CHAPTER 2—ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

“SEC. 721. DEFINITIONS.

“Section 1657c of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901(c)) is amended—

“(1) by striking paragraphs (3) and (4); and

“(2) by redesignating paragraph (5) as paragraph (3); and

“(3) by redesigning paragraphs (6) through (12) as paragraphs (7) through (13), respectively; and

“(4) by inserting after paragraph (3) (as redesignated by paragraph (1)) the following:

“(4) CORPORATE BOARD.—The term ‘Corporate Board’ means the Board of Directors of the Corporation described in section 1659. With respect to the Corporation means the Alternative Agricultural Research and Commercialization Corporation established under section 1658.

“(b) EXECUTIVE DIRECTOR.—The term ‘Executive Director’ means the Executive Director of the Corporation appointed under section 1659(n).”.

“SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

“(a) IN GENERAL.—Section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) is amended to read as follows:
"SEC. 1658. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION."

"(a) ESTABLISHMENT.—To carry out this subtitle, there is created a body corporate to be known as the Alternative Agricultural Research and Commercialization Corporation, an agency of the Government corporations and Government corporations of the United States, within the Department of Agriculture, subject to the general supervision and direction of the Secretary, except as specifically provided for in this subtitle.

"(b) PURPOSE.—The purpose of the Corporation is—

(1) expedite the development and market penetration of industrial, nonfood, nonfeed products from agricultural and forestry materials; and

(2) assist the private sector in bridging the gap between research results and the commercialization of the research.

"(c) PLACE OF INCORPORATION.—The Corporation shall be located in the District of Columbia.

"(d) CENTRAL OFFICE.—The Secretary shall provide facilities for the principal office of the Corporation within the Washington, D.C., metropolitan area.

"(e) WHOLLY-OWNED GOVERNMENT CORPORATION.—The Corporation shall be considered a wholly-owned government corporation for purposes of chapter 91 of title 31, United States Code.

"(f) GENERAL POWERS.—In addition to any other powers granted to the Corporation under this subtitle, the Corporation—

(1) shall have succession in its corporate name;

(2) may adopt, alter, and rescind any bylaw and adopt and alter a corporate seal, which shall be judicially noticed;

(3) may enter into any agreement or contract with a person or private or governmental agency, except that the Corporation shall not provide any financial assistance unless specifically authorized under this subtitle;

(4) may lease, purchase, accept a gift or donation of, or otherwise acquire, use, own, hold, improve, or otherwise deal in or with, and sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of, any property, real, personal, or mixed, or any interest in property, all necessary in the transaction of the business of the Corporation, except that this paragraph shall not provide authority for carrying on any real estate investment;

(5) may sue and be sued in the corporate name of the Corporation, except that—

(A) no attachment, injunction, garnishment, or any other process shall be issued against the Corporation or property of the Corporation; and

(B) exclusive original jurisdiction shall reside in the district courts of the United States, but the Corporation may intervene in any court in any suit, action, or proceeding in which the Corporation has an interest;

(6) may independently retain legal representation;

(7) may provide for and designate such committees, and the functions of the committees, in the Corporation Board as the Corporation Board considers necessary or desirable;

(8) may indemnify the Executive Director and other officers of the Corporation, as the Corporation Board considers necessary or desirable, except that the Executive Director and officers shall not be indemnified for an act outside the scope of employment;

(9) shall be the consent of any board, commission, independent establishment, or executive department of the Federal Government, including any field service, use in connection with any facility, property, or person provided to the Corporation by the Federal Government, except to the extent provided for in the statute or contract under which the property, facility, or person is provided.

"(g) SPECIFIC POWERS.—To carry out this subtitle, the Corporation shall have the authority to—

(1) make grants to, and enter into cooperative agreements and contracts with, eligible applicants for research, development, and demonstration projects in accordance with section 1660;

(2) make loans and interest subsidy payments and invest venture capital in accordance with section 1661;

(3) collect and disseminate information concerning State, regional, and local commercialization projects;

(4) search for new nonfood, nonfeed products that may be produced from agricultural commodities and for processes to produce the products;

(5) administer, maintain, and dispense funds from the Alternative Agricultural Research and Commercialization Corporation to a Development Fund to facilitate the conduct of activities under this subtitle; and

(6) engage in other activities incident to carrying out the functions of the Corporation.

"(h) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended—

(1) by redesignating subparagraph (N) (relating to the Uranium Enrichment Corporation) as subparagraph (O); and

(2) by adding at the end the following:

"(P) the Alternative Agricultural Research and Commercialization Corporation.

"(i) CONFLICT OF INTEREST. —Section 213(b)(5) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 9011(b)(5)) is amended by inserting "(P) the Alternative Agricultural Research and Commercialization Corporation" and inserting "corporate Board of the Alternative Agricultural Research and Commercialization Corporation."

"SEC. 723. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

"(a) IN GENERAL.—Section 1659 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5903) is amended to read as follows:

"SEC. 1659. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

"(a) IN GENERAL.—The powers of the Corporation shall be vested in a Corporate Board.

"(b) MEMBERS OF THE CORPORATE BOARD.—The Corporate Board shall consist of 10 members as follows:

(1) The Under Secretary of Agriculture for Research, Education, and Economics;

(2) at least 1 member shall be a producer or processor of agricultural commodities; and

(3) at least 1 member shall be a person who is privately engaged in the commercialization of new nonfood, nonfeed products from agricultural commodities.

(4) 4 members appointed by the Secretary who—

(A) have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products from agricultural commodities;

(B) shall be appointed from a group of at least 4 individuals nominated by the Director of the National Science Foundation if the nominations are made within 90 days after the date a vacancy occurs;

(5) 2 members appointed by the Secretary who—

(A) have expertise in financial and managerial matters; and

(B) shall be appointed from a group of at least 4 individuals nominated by the Secretary of Commerce if the nominations are made within 90 days after the date a vacancy occurs.

(6) Responsibilities of the Corporate Board—

(a) In General.—The Corporate Board shall—

(A) be responsible for the general supervision of the Corporation and Regional Centers established under this subtitle.

(B) determine (in consultation with Regional Centers) high priority commercialization areas to receive assistance under section 1663.

(C) review any grant, contract, or cooperative agreement to be made or entered into by the Corporation under section 1660 and any financial assistance to be provided under section 1661;

(D) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

(E) using the results of the hearings and other information and data collected under paragraph (2), develop and establish a budget plan and a long-term operating plan to carry out this subtitle.

(2) AUTHORITY OF THE SECRETARY. — (A) IN GENERAL.—The Secretary shall vacate and remand to the Board for reconsideration any decision made pursuant to paragraph (1)(O) if the Secretary determines that the decision has been a violation of subsection (f), or any conflict of interest provisions of the bylaws of the Board, with respect to the decision.

(B) REASONS.—In the case of any violation and referral of a funding decision to the Board, the Secretary shall inform the Board of the reasons for any remand pursuant to subparagraph (A).

(C) CHAIRPERSON.—The members of the Corporate Board shall select a Chairperson.
from among the members of the Corporate Board. The term of office of the Chairperson shall be 2 years. The members referred to in paragraphs (1) and (2) of subsection (b) may not serve more than 3 terms.

'(e) EXECUTIVE DIRECTOR.—

'(1) IN GENERAL.—The Executive Director of the Corporation shall be the chief executive officer of the Corporation, with such power and authority as may be conferred by the Corporate Board. The Executive Director shall be appointed by the Corporate Board. The appointment shall be subject to the approval of the Secretary.

'(2) COMPENSATION.—The Executive Director shall pay at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

'(f) OFFICERS.—The Corporate Board shall establish the offices and appoint the officers of the Corporation, including a Secretary, and define the duties of the officers in a manner consistent with this subtitle.

'(g) MEETINGS.—The Corporate Board shall meet at least 3 times each fiscal year at the call of the Chairperson or at the request of the Executive Director. The location of the meetings shall be subject to approval of the Executive Director. A quorum of the Corporate Board shall consist of a majority of the members. The decisions of the Corporate Board shall be made by majority vote.

'(h) TERM; VACANCIES.—

'(1) IN GENERAL.—The term of office of a member of the Corporate Board shall be 4 years, except that the members initially appointed shall be appointed to serve staggered terms. A member appointed to fill a vacancy for an unexpired term may be appointed only for the remainder of the term. A vacancy on the Corporate Board shall be filled in the same way the original appointment was made. The Secretary shall not remove a member of the Corporate Board except for cause.

'(2) TRANSITION MEASURE.—An individual who is serving on the Alternative Agricultural Research and Commercialization Board on the day before the effective date of the Agricultural Reform and Improvement Act of 1996 may be appointed to the Corporate Board by the Secretary for a term that does not exceed the term of the individual on the Alternative Agricultural Research and Commercialization Board if the Act had not been enacted.

'(i) COMPENSATION.—A member of the Corporate Board, officer, or employee of the United States shall not receive additional compensation by reason of service on the Corporate Board. Any other member shall receive, for each day (including travel time) the member is engaged in the performance of the functions of the Corporate Board, compensation at a rate not to exceed the daily rate of basic pay provided by law for Level IV of the Executive Schedule. A member of the Corporate Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of the duties of the member.

'(j) CONFLICT OF INTEREST; FINANCIAL DISCLOSURE.—

'(1) CONFLICT OF INTEREST.—Except as provided in paragraph (3), no member of the Corporate Board shall vote on any matter respecting any contract or other matter pending before the Corporation, in which, to the knowledge of the member, the member, spouse, or child of the member, partner, or any person or organization in which the member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom the member is affiliated or has any arrangement concerning prospective employment, has a financial interest.

'(2) VIOLATIONS.—Action by a member of the Corporate Board that is contrary to the prohibition contained in paragraph (1) shall be cause for removal of the member, but shall not affect the validity of any otherwise lawful action by the Corporation in which the member participated.

'(3) EXCEPTIONS.—The prohibitions contained in paragraph (1) shall not apply if a member of the Corporate Board advises the Corporate Board of the nature of the particular matter, and the member proposes not to participate, and if the member makes a full disclosure of the financial interest, prior to any participation, and the Corporate Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of the member’s services to the Corporation in that matter. The member involved shall not vote on the determination.

'(k) DELEGATION OF AUTHORITY.—

'(1) IN GENERAL.—The Corporate Board may, by majority vote, delegate to the Chairperson, the Executive Director, or any other officer or employee any function, power, or duty assigned to the Corporation under this title to the extent the Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of the member’s services to the Corporation in that matter. The member involved shall not vote on the determination.

'(2) FINANCIAL DISCLOSURE.—A Board member shall be subject to the financial disclosure requirements applicable to a special Government employee (as defined in section 202(a) of title 18, United States Code).

'(l) BYLAWS.—Notwithstanding any other law, the Secretary and any other officer or employee of the United States shall not make any delegation to the Corporate Board, the Executive Director, or the Corporation of any power, function, or authority not expressly authorized by this subtitle, unless the delegation is made pursuant to an authority in law that expressly makes reference to this section.

'(3) REORGANIZATION ACT.—Notwithstanding any other law, the President (through authorities provided under chapter 9, title 5, United States Code) may not authorize the transfer to the Corporation of any power, function, or authority to powers, functions, and authorities provided by law.

'(m) ORGANIZATION.—The Corporate Board shall provide a system of organization to fix responsibility and promote efficiency.

'(n) PERSONNEL AND FACILITIES OF CORPORATION.—

'(1) APPOINTMENT AND COMPENSATION OF PERSONNEL.—The Corporation may select and appoint officers, attorneys, employees, and agents, who shall be vested with such powers and duties as the Corporation may determine.

'(2) USE OF PRODUCTION AND COMMERCIALIZATION GRANTS, CONTRACTS, AND AGREEMENTS.—

'(3) GOVERNMENT EMPLOYMENT LAWS.—An officer, employee, or contractor of the Corporation shall be subject to all laws of the United States relating to governmental employment.

'(b) CONFORMING AMENDMENT.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Executive Director of the Alternative Agricultural Research and Commercialization Corporation.".

SEC. 724. RESEARCH AND DEVELOPMENT GRANTS, CONTRACTS, AND AGREEMENTS.

Section 1660 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5905) is amended—

'(1) by striking "Center" each place it appears and inserting "Corporation";

'(2) by striking subsection (c);

'(3) by striking subsection (e), and

'(4) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively; and

'(5) in subsection (c) (as so redesignated)—

'(A) in the subsection heading of paragraph (1), by striking "Director" and inserting "EXECUTIVE DIRECTOR"; and

'(B) by striking "Director" each place it appears and inserting "Executive Director".

SEC. 725. COMMERCIALIZATION ASSISTANCE.

Section 1661 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5906) is amended—

'(1) by striking "Center" each place it appears and inserting "Corporation";

'(2) by striking subsection (c);

'(3) by striking subsection (f);

'(4) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively; and

'(5) in subsection (c) (as so redesignated)—

'(A) in the subsection heading of paragraph (1), by striking "Director" and inserting "EXECUTIVE DIRECTOR"; and

'(B) by striking "Director" each place it appears and inserting "Executive Director".

SEC. 726. GENERAL RULES REGARDING THE PROVISION OF ASSISTANCE.

Section 1662 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5907) is amended—

'(1) by striking "Center" each place it appears (except in subsection (b) and inserting "Corporation";

'(2) by striking "Board" each place it appears and inserting "Corporation"; and

'(3) in subsection (b)—

'(A) in the second sentence, by striking "Board, a Regional Center, or the Advisory Council" and inserting "Corporation"; and

'(B) by striking the third sentence.

SEC. 727. REGIONAL CENTERS.

Section 1663 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5907) is amended—

'(1) by striking "Board" each place it appears and inserting "Corporation";

'(2) in subsection (e), by striking "Center" and inserting "Corporation"; and

'(3) in subsection (f) (in paragraph (A) in paragraph (2), by striking "in consultation with the Advisory Council appointed under section 1663(c)"); and

'(b) by striking paragraphs (3) and (4) and inserting the following:

"(3) RECOMMENDATION.—The Regional Director, based on the comments of the review and selection committee, make and submit recommendations to the Board. A recommendation submitted by a Regional Director shall not be binding on the Board.

SEC. 728. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

Section 1664 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908) is amended to read as follows:

"SEC. 1664. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

"(a) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Alternative Agricultural Research and Commercialization Revolving Fund. The Fund shall be available to the Corporation, without fiscal
year limitation, to carry out the authorized programs and activities of the Corporation under this subtitle.

``(b) CONTENTS OF FUND.—There shall be de-

posited in the Fund—

``(1) such amounts as may be appropriated or transferred to support programs and activities of the Corporation;

``(2) payments received from any source for products, services, or property furnished in connection with the activities of the Corporation;

``(3) fees and royalties collected by the Corporation from licensing or other arrangements relating to commercialization of products and services that projects of the Corporation wholly or partly own or control, or cooperate agreements executed by the Corporation;

``(4) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Corporation;

``(5) donations or contributions accepted by the Corporation to support authorized programs and activities; and

``(6) any other funds acquired by the Corporation.

``(c) FUNDING ALLOCATIONS.—Funding of projects and activities under this subtitle shall be subject to the following restrictions:

``(1) Of the total amount of funds made available for a fiscal year under this subtitle—

``(A) not more than the lesser of 15 percent or $3,000,000 may be set aside to be used for administrative expenses and specific reviews of individual proposals for financial assistance; and

``(B) not more than 1 percent may be set-aside exclusively for property that has been commercialized with assistance provided under this title, all assets (after payment of all outstanding obligations) of the Fund shall revert to the general fund of the Treasury.

``(2) Any funds remaining uncommitted at the end of a fiscal year shall be credited to the Fund and added to the total program funds available to the Corporation for the next fiscal year.

``(d) AUTHORIZED ADMINISTRATIVE EXPENSES.—In addition to any funds appropriated by this title, authorized administrative expenses shall include all ordinary and necessary expenses, including all compensation for personnel and expenses for computer and office space needs of the Corporation and similar expenses. Funds authorized for administrative expenses shall not be available for the acquisition of real property.

``(e) PROJECT MONITORING.—The Board may establish, in the bylaws of the Board, a percent of funds provided under subsection (c), not to exceed 1 percent per project award, for any commercialization project to be expended from project awards that shall be used to ensure that project funds are being utilized in accordance with the project agreement.

``(f) TERMINATION OF THE FUND.—On expiration of the authority to provide funds authorized by this subtitle, all assets (after payment of all outstanding obligations) of the Fund shall revert to the general fund of the Treasury.

``(g) UTILIZATION OF APPROPRIATIONS; CAPITALIZATION.—

``(1) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to the Fund—

``(2) CAPITALIZATION.—The Executive Director may pay as capital of the Corporation, from amounts available through annual appropriations, $75,000,000 for each of fiscal years 1996 through 2002. On the pay-
There are authorized to be appropriated to carry out the purposes of this section.

(1) by striking paragraph (1); and
(2) by redesigning paragraphs (2) through (8) as paragraphs (1) through (5), respectively.

SEC. 745. RURAL DEVELOPMENT INSURANCE FUND.

Section 309a(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(g)) is amended—
(1) by striking paragraph (1); and
(2) by redesigning paragraphs (2) through (8) as paragraphs (1) through (5), respectively.

SEC. 744. AGRICULTURAL CREDIT INSURANCE FUND.

Section 3010 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1931) is repealed.

SEC. 747. RURAL INDUSTRIALIZATION ASSISTANCE.

(a) In General.—Section 306 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) is amended—
(1) by striking paragraph (3) and inserting the following:
(i) Programs providing technical assistance, research services, and advisory services to rural cooperatives, small businesses, and other similar entities in rural areas served by the center.

(b) in paragraph (1), by inserting ``(includ-
“(C) demonstrate the ability to assist in the retention of existing businesses, facilitate the establishment of new cooperatives and new cooperative approaches, and generate new economic opportunities that will improve the economic conditions of rural areas;

(D) demonstrate the ability to create horizontal linkages among various sectors in rural America and vertical linkages to domestic and international markets.

(E) the ability to provide technical assistance and other services to underserved and economically distressed areas in rural America; and

(F) commit to providing greater than a 25 percent matching contribution with private funds and in-kind contributions.

(6) TWO-YEAR GRANTS.—The Secretary shall establish programs receiving assistance under this subsection and, if the Secretary determines it to be in the best interest of the Federal Government, the Secretary may approve grants under this subsection for up to 2 years.

(7) TECHNICAL ASSISTANCE TO PREVENT EXCESSIVE UNEMPLOYMENT OR UNDEREMPLOYMENT.—In carrying out this subsection, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment, underemployment, outmigration, or low employment, economically distressed rural areas that the Secretary determines have a substantial need for the assistance. The assistance may include planning and feasibility studies, management and operational assistance, and studies evaluating the need for development potential of projects that increase employment and improve the economic conditions in the areas.

(8) GRANTS TO DEFRAUD ADMINISTRATIVE COSTS.—The Secretary may make grants to defray not to exceed 75 percent of the costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under this subsection. For purposes of determining the non-Federal share of the costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including premises, equipment, and services.

(9) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 1998 through 2002, and

(g) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

(1) DEFINITION OF FARMER.—In this subsection, the term ‘farmer’ means any farmer that meets the family farmer definition, as determined by the Secretary.

(2) LOAN GUARANTEES.—The Secretary may guarantee loans under this subsection to individuals or groups of individuals for the purpose of purchasing capital stock of a farmer cooperative established for the purpose of processing an agricultural commodity.

(3) ELIGIBILITY.—To be eligible for a loan guarantee under this subsection, a farmer must produce the agricultural commodity that will be processed by the cooperative.

(4) CERTIFIED LENDERS PROGRAM.—(a) CONFORMING AMENDMENTS.—


(2) Section 230(c)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6942(c)(2)) is amended—

(A) by striking ‘‘310(b)(2)’’ and inserting ‘‘310(b)(2)(A)’’;

(B) by striking ‘‘1932(b)(2)’’ and inserting ‘‘1932(b)(2)(A)’’;

(C) Section 333(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraph (3) as paragraph (2).
closing, monitoring, collection, and liquidation of loans, and to accept appropriate certifications, as provided in regulations issued by the Secretary, that the borrower is in compliance with requirements of law and regulations issued by the Secretary.'

SEC. 753. SYSTEM FOR DELIVERY OF CERTAIN RURAL DEVELOPMENT PROGRAMS.

(a) In section 365 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008c) is repealed.

(b) CONFORMING AMENDMENTS.

(1) in section 3 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007) is amended—

(A) in subsection (a), by striking ``or the program established by section 236 of the Consolidated Farm and Rural Development Act as added by chapter 3 of this subtitle'';

(B) in subsection (b)—

(i) by striking ``and all that follows through ``PARTNERSHIPS.—The'' in paragraph (1) and inserting ``STATES.ÐThe''; and

(ii) by striking paragraph (2); and

(C) in subsection (c)—

(i) by striking ``PROJECTS.Ð'' and all that follows through ``PARTNERSHIPS.—The'' in paragraph (1) and inserting ``PROJECTS.—Chapter'';

(ii) by striking paragraph (b)(1)'' and inserting paragraph (b)(2); and

(iii) by striking paragraph (c) and inserting paragraph (d), by striking ``and sections 365, 366, 367, and 368(b) of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)'';

(ii) by striking paragraph (2); and

(D) in subsection (d), by striking ``and sections 365, 366, 367, and 368(b) of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)'';

(2) Section 237f of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 663c) is amended—

(A) in subsection (b), by striking ``(a) IN GENERAL .ÐThe Center shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the Center'';

(B) in subsection (c), by striking ``(a) rate.ÐA loan from the Fund may be made at an interest rate that is below the market rate or may be interest free'';

(C) in subsection (d), by striking the amounts from the Fund, an entity must use more than 3 percent of the amounts in the Fund to serve broad geographic areas and regions of diverse production; and

(D) in subsection (e), by striking ``(A) a public, private, or cooperative organization; (B) an association, including a corporation not operated for profit; (C) a federally recognized Indian Tribe; or (D) a public or quasi-public agency'';

SEC. 754. STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANEL.

Section 366 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008a) is repealed.

SEC. 755. LIMITED TRANSFER AUTHORITY OF LOAN AMOUNTS.

Section 367 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008b) is repealed.

SEC. 756. ALLOCATION AND TRANSFER OF LOAN AUTHORITY.

Section 368 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008c) is repealed.

SEC. 757. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

The Consolidated Farm and Rural Development Act (as amended by section 641) is amended by adding at the end the following:

"SEC. 375. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

"(a) Definitions.—In this section:

"(1) Board.—The term 'Board' means the Board of Directors established under subsection (f).

"(2) Center.—The term 'Center' means the National Sheep Improvement Center established under subsection (b).

"(3) Eligible entity.—The term 'eligible entity' means an entity that promotes the betterment of the United States lamb or wool industry and that is—

(A) a public, private, or cooperative organization;

(B) an association, including a corporation not operated for profit;

(C) a federally recognized Indian Tribe; or

(D) a public or quasi-public agency.

"(4) Program.—The term 'program' means a program carried out under section (f).

"(5) Project.—The term 'project' means the Natural Sheep Improvement Center Revolving Fund established under subsection (e).

"(6)プロジェクト.—The term 'プロジェクト' means a project being carried out by the Center.

"(7) Purpose.—The purposes of the Center shall be to—

"(A) provide financial assistance for the natural sheep improvement center in accordance with the strategic plan submitted under subsection (d).

"(B) Particular.—The Center shall, to the maximum extent practicable, use the Fund to serve broad geographic areas and regions of diverse production.

"(C) Variety of loans and grants.—The Center shall, to the maximum extent practicable, use the Fund to provide a variety of intermediate- and long-term loans and grants.

"(D) Administration.—The Center may not use more than 3 percent of the amounts in the Fund for a fiscal year for the administration of the Center.

"(E) Influencing Legislation.—None of the funds in the Fund may be used to influence legislation.

"(F) Use of Fund.—None of the funds in the Fund may be used for the Center to provide a project that is in accordance with the strategic plan submitted under subsection (d), including participation with other Federal and State agencies in financing activities that are in accordance with the strategic plan submitted under subsection (d), including participation with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

"(G) Accounting.—To be eligible to receive amounts from the Fund, an entity must agree to account for the amounts using generally accepted accounting principles.

"(H) Use of Fund.—The Center may use amounts in the Fund to—

"(i) participate with Federal and State agencies in financing activities that are in accordance with the strategic plan submitted under subsection (d), including participation with several States in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

"(ii) provide security for, or make principal or interest payments on, revenue or general obligation bonds issued by a State, if the proceeds from the sale of the bonds are deposited in the Fund;

"(iii) accrue interest on the principal in the Fund; and

"(iv) provide security for, or make principal or interest payments on, revenue or general obligation bonds issued by a State, if the proceeds from the sale of the bonds are deposited in the Fund;

"(B) Provisions.—The Center may not make a loan from the Fund unless the recipient establishes an assured source of repayment.

"(C) Source of Repayment.—The Center may make a loan from the Fund only to supplement and not to supplant Federal, State, and private funds expended for rural development.

"(D) Proceeds.—All payments of principal and interest on a loan made from the Fund shall be deposited into the Fund.

"(E) Maintenance of Effort.—The Center shall use the Fund only to supplement and not to supplant Federal, State, and private funds expended for rural development.

"(F) Deposit of Funds.—All Federal and non-Federal amounts received by the Center
to carry out this section shall be deposited in the Fund.

"(B) MANDATORY FUNDS.—Out of any mon-
ey in the Treasury not otherwise appro-
priated, the Secretary of the Treasury shall provide to the Center not to exceed $20,000,000 to carry out this section.

"(C) ADDITIONAL FUNDS.—In addition to any funds provided under subparagraph (B), there is authorized to be appropriated to carry out this section $30,000,000 to carry out this section.

"(D) PRIVATIZATION.—Federal funds shall not be used to carry out this section beginning on the day after a total of $50,000,000 is made available under subparagraphs (B) and (C) to carry out this section.

"(f) BOARD OF DIRECTORS.—

"(1) IN GENERAL.—The management of the Center shall be vested in a Board of Directors.

"(2) POWERS.—The Board shall—

"(A) be responsible for the general supervision of the Center;

"(B) review any grant, loan, contract, or cooperative agreement to be made or entered into by the Center and any financial assistance provided to the Center;

"(C) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(D) establish a budget plan and a long-term operating plan to carry out the goals of the Center.

"(3) COMPOSITION.—The Board shall be composed of—

"(A) 7 voting members, of whom—

"(i) 4 members shall be active producers of sheep in the United States;

"(ii) 2 members shall have expertise in finance and management; and

"(iii) 1 member shall have expertise in lamb and wool marketing;

"(B) 2 nonvoting members, of whom—

"(i) 1 member shall be the Under Secretary of Agriculture for Rural Economic and Community Development; and

"(ii) 1 member shall be the Under Secretary of Agriculture for Research, Education, and Economics.

"(4) VACANCIES.—A voting member of the Board shall be chosen in an election of the members of a national organization selected by the Secretary that—

"(A) is composed of sheep producers in the United States; and

"(B) has as the primary interest of the organization the production of lamb and wool in the United States.

"(5) Term of office.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a voting member of the Board shall be 3 years.

"(B) staggered initial terms.—The initial voting members of the Board (other than the chairperson of the initially established Board) shall serve for staggered terms of 1, 2, and 3 years, as determined by the Secretary.

"(C) REELECTION.—A voting member may be reelected for not more than 1 additional term.

"(6) Vacancy.—

"(A) IN GENERAL.—A vacancy on the Board shall be filled in the same manner as the original term.

"(B) REELECTION.—A member elected to fill a vacancy for an unexpired term may be reelected for 1 full term.

"(7) Chairperson.—

"(A) IN GENERAL.—The Board shall select a chairperson from among the voting members of the Board.

"(B) Term.—The term of office of the chairperson shall be 2 years.

"(8) Annual meeting.—

"(A) IN GENERAL.—The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director appointed under subsection (g).

"(B) Location.—The location of a meeting of the Board shall be established by the Board.

"(9) VOTING.—

"(A) Quorum.—A quorum of the Board shall consist of a majority of the voting members of the Board.

"(B) MAJORITY VOTE.—A decision of the Board shall be made by a majority of the voting members of the Board.

"(10) Conflict of interest.—

"(A) IN GENERAL.—A member of the Board shall not vote on any matter respecting any application, contract, claim, or other particular matter pending before the Board in which, to the knowledge of the member, an interest is held by—

"(i) the member;

"(ii) any spouse of the member;

"(iii) any child of the member;

"(iv) any partner of the member;

"(v) any organization in which the member is serving as an officer, director, trustee, partner, or employee; or

"(vi) any person with whom the member is negotiating or has any arrangement concerning a prospective transaction with whom the member has a financial interest.

"(B) REMOVAL.—Any action by a member of the Board to which subparagraph (A) shall be cause for removal from the Board.

"(C) Validity of action.—An action by a member of the Board that violates subparagraph (A) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

"(D) DISCLOSURE.—

"(i) IN GENERAL.—If a member of the Board makes a full disclosure of an interest and, prior to any participation by the member in any matter in which the interest is too remote or too inco-
sequential to affect the integrity of any partic-
ipation by the member, the member may participate in the matter relating to the interest.

"(ii) VOTE.—A member that discloses an interest under clause (i) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

"(E) REMEDIES.—

"(i) IN GENERAL.—The Secretary may va-
cate and remand to the Board for reconsider-
ation any decision made pursuant to sub-
section (h) if the Secretary determines that the decision was based on a violation of this para-
graph or any conflict of interest provision of the bylaws of the Board with respect to the decision.

"(ii) REASONS.—In the case of any violation and remand of a funding decision to the Board under clause (i), the Secretary shall inform the Board of the reasons for the remand.

"(11) Compensations.—

"(A) IN GENERAL.—A member of the Board shall not receive any compensation by rea-
n of service on the Board.

"(B) EXPENSES.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of a duty of the member.

"(12) B YLAWS.—The Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Center.

"(13) PUBLIC HEARINGS.—Not later than 1 year after the effective date of this section, the Board shall conduct public hearings on pol-
ic objectives of the program established under this section.

"(14) ORGANIZATIONAL SYSTEM.—The Board shall provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the Board.

"(15) USE OF DEPARTMENT OF AGRICULTURE.—The Board may, with the consent of the Secretary, utilize the facilities of and the services of employees of the Department of Agriculture without cost to the Center.

"(16) OFFICERS AND EMPLOYEES.—

"(i) EXECUTIVE DIRECTOR.—

"(A) IN GENERAL.—The Board shall appoint an executive director to be the chief executive officer of the Center.

"(B) TENURE.—The executive director shall serve in the pleasure of the Board.

"(C) COMPENSATION.—Compensation for the executive director shall be established by the Board.

"(D) OTHER OFFICERS AND EMPLOYEES.—The Board may select and appoint officers, attor-
neys, employees, and agents who shall be vested with such powers and duties as the Board may determine.

"(17) DELEGATION.—The Board may, by resolu-
tion, delegate to the chairperson, the exec-
utive director, or any other officer or em-
ployee any function, power, or duty of the Board other than voting on a grant, loan, contract, agreement, budget, or annual stra-
tegic plan.

"(18) CONSULTATION.—To carry out this sec-
tion, the Board may consult with—

"(i) State departments of agriculture;

"(ii) federal department agencies;

"(iii) nonprofit development corporations;

"(iv) colleges and universities;

"(v) banking and other credit-related agencies;

"(vi) agriculture and agribusiness organiza-
tions; and

"(vii) regional planning and development or-
ganizations.

"(19) OVERSIGHT.—

"(i) IN GENERAL.—The Secretary shall re-
view and monitor compliance by the Board and the Center with this section.

"(20) SANCTIONS.—If, following notice and opportunity for a hearing, the Secretary finds that the Board or the Center is not in compliance with this section, the Secretary may—

"(A) cease making deposits to the Fund;

"(B) suspend the authority of the Center to withdraw funds from the Fund; or

"(C) impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not au-
thorized by this Act and disqualification from receipt of financial assistance under this section.

"(21) REMOVING SANCTIONS.—The Secretary shall remove sanctions imposed under para-
graph (20) on a finding that there is no longer any failure by the Board or the Center to comply with this section or that the non-
compliance shall be promptly corrected.".

CHAPTER 2—RURAL COMMUNITY ADVANCEMENT PROGRAM

SEC. 761. RURAL COMMUNITY ADVANCEMENT PROGRAM

The Consolidated Farm and Rural Develop-
ment Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"Subtitle E—Rural Community Advancement Program

"SEC. 381A. DEFINITIONS.

"(I) Rural and rural area.—The terms "rural" and "rural area" mean, subject to sec-
ction 330(a)(7), a city, town, or unincorpor-
ted territory that has a population of 5,000 inhab-

tants or less, other than an urbanized area immediately adjacent to a city, town, or un-
incorporated area that has a population in excess of 50,000 inhabitants.

"(2) State.—The term 'State' means each of the 50 States, the District of Columbia,
the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Federal Territories of Micronesia.

**SEC. 381B. ESTABLISHMENT.**

"The Secretary shall establish a rural community advancement program to provide grants, loans, loan guarantees, and other assistance to meet the rural development needs of local communities in States and federally recognized Indian tribes.

**SEC. 381C. NATIONAL OBJECTIVES.**

The national objectives of the program established under this subtitle shall be—

(1) promote strategic development activities and collaborative efforts by State and local governments, Indian tribes, and other communities to achieve the goals of the program;

(2) optimize the use of resources;

(3) provide for the establishment of a program in a manner that reflects the complexity of rural needs, including the needs for business development, health care, education, infrastructure, cultural resources, the environment, and housing;

(4) advance activities that empower, and build the capacity of, State and local communities to respond to the special needs of the State and local communities, and federally recognized Indian tribes, for rural development assistance; and

(5) adopt flexible and innovative approaches to solving rural development problems.

**SEC. 381D. STRATEGIC PLANS.**

(a) In General.—The Secretary shall direct each of the Directors of Rural Economic and Community Development State Offices to prepare a strategic plan for each State for the delivery of assistance under this subtitle within a State.

(b) Assistance.—

(1) In General.—Financial assistance for rural development allocated for a State under this subsection shall be used only for orderly community development that is consistent with the strategic plan of the State.

(2) Rural Area.—Assistance under this subtitle may only be provided in a rural area.

(3) Small Communities.—In carrying out this subtitle within a State, the Secretary shall give priority to communities with the smallest populations and lowest per capita income.

(c) Review.—The Secretary shall review the strategic plan of a State at least once every 5 years.

(d) Contents.—A strategic plan of a State under this section shall be a plan that—

(1) coordinates economic, human, and community development plans and related activities proposed for an affected area;

(2) provides that the State and an affected community develop, under the leadership of the State, each of the States to carry out a strategic plan that is carried out in consultation with Indian tribes and local governments, including the United States.

(3) identifies goals, methods, and benchmarks for measuring the success of carrying out the plan and how the plan relates to local or regional ecosystems;

(4) provides for the involvement, in the preparation of the plan, of State, local, private, and public persons, State rural developmental councils, federally recognized Indian tribes, and community-based organizations;

(5) identifies the amount and source of Federal and non-Federal resources that are available to carry out the plan;

(6) includes such other information as may be required by the Secretary.

**SEC. 381E. ACCOUNTS.**

(a) In General.—Notwithstanding any other provision of law, for each fiscal year, the Secretary shall consolidate into 3 accounts, for each function category established under this subsection, the amounts made available for programs included in each account.

(b) Allocation Within Account.—The Secretary shall allocate the amounts in each account for such program purposes authorized for the function category, as determined by the Secretary and the Administrator, for each fiscal year among the States, as the Secretary may determine in accordance with this subsection.

(c) Function Categories.—For purposes of subsection (b), the function categories established under this subtitle shall act as full partners in the planning process (including the development of the strategic plan referred to in section 381D).

(d) Rural Housing and Community Development.—The rural housing and community development category shall include funds made available for—

(A) community facility direct and guaranteed loans provided under section 306(a)(1);

(B) community facility grants provided under section 306(a)(21); and

(C) rental housing loans for new housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1430).

(2) Rural Utilities.—The rural utilities category shall include funds made available for—

(A) water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2) of section 306(a);

(B) rural water and wastewater technical assistance and grants provided under section 306(a)(16); and

(C) emergency community water assistance grants provided under section 306A; and

(D) solid waste management grants provided under section 310B.

(3) Rural Business and Cooperative Development.—The rural business and cooperative development category shall include funds made available for—

(A) rural business opportunity grants provided under section 306(a)(11)(A);

(B) business and industry guaranteed loans provided under section 310B(a)(i); and

(C) rural business enterprise grants and rural educational network grants provided under section 310B(c).

(4) Other Programs.—Subject to subsection (b), in addition to any other appropriated amounts, the Secretary may transfer up to 5 percent of the funds provided under each of the 3 function categories for a fiscal year under subsection (c) to—

(A) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1430c);

(B) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1430c); and

(C) rural cooperative development grants provided under section 310B(e); and

(D) grants to broadcasting systems provided under section 310B(f).

(5) Transfer.—

(a) In General.—Subject to paragraph (2), the Secretary shall make the transfer referred to in subsection (c) in an amount equal to 5 percent of the amount allocated under each function category referred to in subsection (c) to a program referred to in subsection (d), but excluding States grants under section 381G.

(b) Limitation.—Not more than 10 percent of the total amount (excluding grants to States under section 381G) made available for any fiscal year for the programs covered by each function category referred to in subsection (c), and the programs referred to in subsection (d), shall be available for the transfer.

(c) Availability of Funds.—The Secretary may make available funds appropriated for the programs referred to in subsection (c) to defray the cost of any subsidy associated with a guarantee provided under section 381H, except that not more than 5 percent of the funds provided under subsection (c) may be made available within a State.

**SEC. 381F. ALLOCATION.**

(a) National Reserve.—The Secretary may use not more than 10 percent of the total amount of funds made available for a fiscal year under section 381E to establish a national reserve for rural development that may be used by the Secretary in rural areas during the fiscal year to—

(1) meet situations of exceptional need;

(2) provide incentives to promote or re-ward superior performance; or

(3) carry out performance-oriented demonstration projects.

(b) Indian Tribes.—

(1) Reservation.—The Secretary shall reserve not less than 3 percent of the total amounts made available under section 381E to carry out rural development programs specified in subsections (c) and (d) of section 381D for federally recognized Indian tribes.

(2) Allocation.—The Secretary shall establish a formula for allocating the reserve and shall administer the reserve through the appropriate Director of the Rural Economic and Cooperative Development State office.

(c) State Allocation.—

(1) In General.—The Secretary shall allocate among all the States the amounts made available under section 381E in a fair, reasonable, and appropriate manner that takes into consideration rural population, levels of income, unemployment, and other relevant factors, as determined by the Secretary.

(2) Limitation.—Not more than 10 percent of the funds provided under this subsection in an amount equal to 5 percent of the total amounts made available for a fiscal year under section 381E to carry out rural development programs referred to in section 381E(c) that were obligated in the State for each of fiscal years 1993 and 1994.

**SEC. 381G. GRANTS TO STATES.**

(a) In General.—Subject to subsection (c), the Secretary shall grant to any eligible State from which a request is received for a fiscal year, an amount equal to 5 percent of the funds allocated for the State for the fiscal year under section 381F(c).

(b) Eligibility.—To be eligible to receive a grant under this section, the Secretary shall require that the State maintain the grant funds received and any non-Federal funds to carry out the grant in a separate account, to remain available until expended.

(c) Matching Funds.—For any fiscal year, if non-Federal matching funds are provided for a State in an amount that is equal to 200 percent or more of an amount equal to 5 percent of the amount allocated to the State for the fiscal year under section 381F(c), the Secretary shall require that the amount of the grant be equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

(d) Use of Funds.—The Secretary shall require that funds provided to a State under this section be used in rural areas to achieve the purposes of the programs referred to in section 381E(c) in accordance with the strategy referred to in section 381D.

(e) Maintenance of Effort.—The Secretary shall provide assurances that funds received under this section will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended for rural development assistance in the State.
"(f) Appeals.—The Secretary shall provide to a State an opportunity for an appeal of any action taken under this section.

(g) Administrative Costs.—Federal funds shall be made available to defray administrative costs incurred by a State in carrying out this subtitle.

(h) Obligations of Funds by State.—

(1) In General.—Payments to a State from a grant under this section for a fiscal year shall be obligated by the State in the fiscal year following the fiscal year in which the funds were received from the rural areas pursuant to section 381G.

(2) Failure to Oblige.—If a State fails to obligate payments in accordance with paragraph (1), the Secretary shall make a corresponding reduction in the amount of payments provided to the State under this section for the subsequent fiscal year.

(3) Noncompliance.—(A) Review.—The Secretary shall review and monitor State compliance with this section.

(B) Penalty.—If the Secretary finds that there has been a failure of grant funds provided under this section, or noncompliance with any of the terms and conditions of a grant, after reasonable notice and opportunity for a hearing.

(ii) the Secretary shall notify the State of the finding; and

(ii) no further payments to the State shall be made in respect to the progress funded under this section until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

(C) Other Sanctions.—In the case of a finding of noncompliance made pursuant to subparagraph (B), the Secretary may, in addition to the sanctions described in subparagraph (B), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

(i) No Entitlement to Contract, Grant, or Assistance.—Nothing in this subtitle—

(1) entitles any person to assistance or a contract or grant under this section; or

(2) limits the right of a State to impose additional limitations or conditions on assistance or a contract or grant under this section.

SEC. 381H. GUARANTEE AND COMMITMENT TO GUARANTEE LOANS.

(a) Definition of Eligible Public Entity.—In this section, the term ‘eligible public entity’ means any unit of general local government.

(b) Guarantee and Commitment.—The Secretary is authorized, on such terms and conditions as the Secretary may prescribe, to guarantee and make commitments to the guarantee or other obligations issued by eligible public entities, or public agencies designated by the eligible public entities, for the purposes of financing rural development activities authorized under and funded under section 381G.

(c) Prerequisites.—No guarantee or commitment to guarantee shall be made with respect to any of such other obligations if the issuer’s total outstanding notes or obligations guaranteed under this section (excluding any amount repaid under the contract entered into under subsection (a)) would exceed an amount equal to 5 times the amount of the grant approval for the issuer pursuant to section 381G.

SEC. 381J. LOCAL INVOLVEMENT.

The Secretary shall require that an applicant for assistance under this subtitle demonstrate evidence of significant community support.

SEC. 381J. STATE-TO-STATE COLLABORATION.

The Secretary shall permit the establishment of voluntary pooling arrangements among States, local, and regional fund-sharing agreements, to carry out this subtitle.

SEC. 381K. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

(a) In General.—The Secretary shall designate up to 10 community development venture capital organizations to demonstrate the utility of guarantees to attract increased private investment in rural private business enterprises.

(b) Rural Business Investment Pool.—(1) Establishment.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall establish a rural business private investment pool (referred to in this subsection as a ‘pool’ for the purpose of making equity investments in rural private business enterprises.

(2) Grant.—From funds allocated for the national reserve under section 381F(a), the Secretary shall guarantee the funds in a pool against loss, except that the guarantee shall not exceed an amount equal to 30 percent of the total funds in the pool.

(3) Amount.—The Secretary shall issue guarantees covering more than $500,000 of obligations for each of fiscal years 1996 through 2002.

(4) Term.—The term of a guarantee provided under this subsection shall not exceed 10 years.

(5) Submission of Plan.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall submit a plan that includes—

(A) potential sources and uses of the pool to be established by the organization;

(B) the utility of the guarantee authority in attracting capital for the pool; and

(C) on selection, mechanisms for notifying State, local, and private nonprofit business development organizations and businesses of the existence of the pool.

(6) Competition.—(A) In General.—The Secretary shall conduct a competition for the designation and establishment of pools.

(B) Priority.—In conducting the competition, the Secretary shall give priority to organizations that have a demonstrated record of performance or have a board and executive director with experience in venture capital, small business equity investments, or community development.

(ii) propose to provide long-term and revolving credit.

(iii) maintain an average investment of not more than $50,000 from the pool of the organization;

(iv) invest funds statewide or in a multicounty region; and

(v) propose to target job opportunities resulting from the investments primarily to economically disadvantaged individuals.

(C) Geographic Diversity.—To the extent practicable, the Secretary shall select organizations in diverse geographic areas.

SEC. 381L. ANNUAL REPORT.

(a) In General.—The Secretary, in collaboration with public, State, local, and private entities, State and local government councils, and community-based organizations, shall prepare an annual report that contains evaluations, assessments, and performance measures concerning the demonstration and advancement programs carried out under this subtitle.

(b) Submission.—Not later than March 1 of each year, the Secretary shall—

(1) submit the report required under subsection (a) to Congress and the chief executive of each State participating in the program established under this subtitle; and

(2) make the report available to State and local participants.

SEC. 381M. RURAL DEVELOPMENT INTERAGENCY WORKING GROUP.

(a) In General.—The Secretary shall provide leadership within the Executive branch for, and assume responsibility for, establishing an interagency working group chaired by the Secretary.

(b) Duties.—The working group shall establish policy, provide coordination, make recommendations, and evaluate the performance of, or for all Federal rural development efforts.

SEC. 381N. DUTIES OF RURAL ECONOMIC AND COMMUNITY DEVELOPMENT STATE OFFICE.

In carrying out this subtitle, the Director of a Rural Economic and Community Development State Office shall—
(1) to the maximum extent practicable, ensure that the State strategic plan is implemented;
(2) coordinate community development objectives within the State;
(3) establish links between local, State, and field office program administrators of the Department of Agriculture;
(4) may take or cause communities comply with applicable Federal and State laws and requirements; and
(5) integrate State development programs with assistance under this subtitle.

SEC. 3810. ELECTRONIC TRANSFER.

"The Secretary shall transfer funds in accordance with this subtitle through electronic transfer as soon as practicable after the effective date of this subtitle."

SEC. 762. COMMUNITY FACILITIES GRANT PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

"(2) COMMUNITY FACILITIES GRANT PROGRAM."

"(A) IN GENERAL. The Secretary may make grants, in a total amount not to exceed $10,000,000 for any fiscal year, to associations in rural areas and publish and disseminate the effective date of this subtitle."

"(B) FEDERAL SHARE."

"(i) IN GENERAL. Except as provided in clauses (ii) and (iii), the Secretary shall, by regulations implementing the amount of the Federal share provided under this subtitle, determine by the Secretary."

"(ii) MAXIMUM AMOUNT. The amount of a grant provided under this paragraph shall not exceed 75 percent of the cost of developing a facility.

"(iii) GRADUATED SCALE. The Secretary shall provide a grant scale for the amount of the Federal share provided under this paragraph, with higher Federal shares for facilities in communities that have lower community population and income levels, as determined by the Secretary."

Subtitle D—Miscellaneous Rural Development Provisions

SEC. 791. INTEREST RATE FORMULA.

"The interest rate for any loan made under section 5, except that credits, loans to purchase housing, and loans to purchase housing will not be more than 50 years from the date when the Secretary considers appropriate, for the loan or advance in not more than 50 years from the date when the principal benefits of the works of improvement first become available, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest 1/8 of 1 percent."

"(b) WATERSHED PROTECTION AND FLOOD PREVENTION ACT. Section 8 of the Watershed Protection and Flood Prevention Act (36 U.S.C. 100a) is amended by striking the second sentence and inserting the following: "A loan or advance under this section shall be made under a contract that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan or advance in not more than 50 years after the date of the contract."

SEC. 792. GRANTS FOR FINANCIALLY STRESSED FARMERS, DISLOCATED FARMERS, AND RURAL SMALL BUSINESS.

"(a) IN GENERAL. Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2204b(b)) is amended by striking subsection (f).

"(b) CONFORMING AMENDMENTS. Section 503(c) of the Rural Development Act of 1972 (7 U.S.C. 2204b(c)) is amended by striking the following: "(2)Section 503(c) of the Rural Development Act of 1972 (7 U.S.C. 2204b(c)) is amended—"(A) in paragraph (1)—"

SEC. 793. COOPERATIVE AGREEMENTS.

"(a) In General. Section 607(b) of the Rural Development Act of 1972 (7 U.S.C. 2204b(b)) is amended by striking paragraph (4) and inserting the following:"

"(4) COOPERATIVE AGREEMENTS."

"(A) IN GENERAL. Notwithstanding chapter 14 of title 31, United States Code, the Secretary may enter into cooperative agreements with other Federal agencies, State
and local governments, and any other organization or individual to improve the coordination and effectiveness of Federal programs, services, and actions affecting rural areas, including the establishment and financing of interagency groups, if the Secretary determines that the objectives of the agreement will serve the mutual interest of the parties in rural development activities.

"(B) COOPERATORS.—Each cooperator, including each Federal agency, to the extent that funds are otherwise available, may participate in any cooperative agreement or working group established pursuant to this paragraph by contributing funds or other resources necessary to carry out the agreement or functions of the group.

"(B) Notwithstanding any other provision of law, section 303(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended in subparagraph (F)—

(i) by striking "exceed 15 percent" and all that follows through "Code" and inserting the following: "(ii) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code;"

Title VIII—Research Extension and Education


SEC. 801. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended to read as follows:

"SEC. 1407. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

The purposes of federally supported agricultural research, extension, and education are to—

"(1) enhance the competitiveness of the United States agriculture and food industry in an increasingly competitive world environment;

"(2) increase the long-term productivity of the United States agriculture and food industry while protecting the natural resource base on which rural America and the United States agricultural economy depend;

"(3) increase new products for agricultural commodities, such as alternative fuels, and develop new crops;

"(4) support agricultural research and extension to promote economic opportunity in rural communities and to meet the increasing demand for information and technology transfer throughout the United States agriculture industry;

"(5) improve risk management in the United States agriculture industry;

"(6) improve the safe production and processing of food and an adequate supply of nutritious, and safe supply of food to meet human nutritional needs and requirements.

SEC. 802. SUBCOMMITTEE ON FOOD, AGRICULTURAL, AND FORESTRY RESEARCH.

Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act (7 U.S.C. 1621(h)) is amended by striking the second through fifth sentences.

SEC. 803. J OINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES.

(a) In General.—Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is repealed.

(b) Conforming Amendments.—(1) Section 1406 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(A) by striking paragraph (9); and

(B) by redesigning paragraphs (10) through (18) as paragraphs (9) through (17), respectively.

(2) Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended—

(A) in paragraph (5), by striking "Joint Council, Advisory Board," and inserting "Advisory Board"; and

(B) in paragraph (11), by striking "the Joint Council,".

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended—

(A) by striking paragraph (9); and

(B) by redesigning paragraphs (10) through (18) as paragraphs (9) through (17), respectively.

(4) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is amended—

(A) in the section heading, by striking "JOINT COUNCIL, ADVISORY BOARD," and inserting "ADVISORY BOARD";

(B) in subsection (a)—

(i) by striking "Joint Council, the Advisory Board," and inserting "Advisory Board";

(ii) by striking "the cochairs of the Joint Council and" each place it appears; and

(iii) in paragraph (2), by striking "one shall serve as the executive secretary to the Joint Council, one shall serve as the executive secretary to the Advisory Board," and inserting "I shall serve as the executive secretary to the Advisory Board";

(C) in subsections (b) and (c), by striking "Joint Council, Advisory Board," each place it appears and inserting "Advisory Board";

(D) in subsection (d), by striking "members of the Joint Council, the Advisory Board," and inserting "members of the Advisory Board";

(E) in subsection (e), by striking "in the Joint Council,".

SEC. 804. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) In General.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended to read as follows:

"SEC. 1408. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) Establishment.—The Secretary shall establish within the Department of Agriculture a National Agricultural Research, Extension, Education, and Economics Advisory Board.

(b) Membership.—

(1) In General.—The Advisory Board shall consist of 25 members, appointed by the Secretary.

(2) Selection of Members.—The Secretary shall appoint members to the Advisory Board from individuals who are selected from national farm, commodity, agricultural, and related organizations directly concerned with agricultural research, education, and extension programs.

(c) Representation.—A member of the Advisory Board may represent 1 or more of the organizations referred to in paragraph (2), except that 1 member shall be a representative of the scientific community that is not closely associated with agriculture.

The Secretary shall ensure that the membership of the Advisory Board includes full-time farmers and ranchers and represents the interests of the full variety of stakeholders in the agricultural sector.

(c) Duties.—The Advisory Board shall—

(1) review and provide consultation to the Secretary and land-grant colleges and universities on long-term and short-term national policies and priorities, as set forth in section 1402, related to research, extension, education, and economics;

(2) evaluate the results and effectiveness of agricultural research, extension, education, and economics, with respect to the policies and priorities;

(3) review and make recommendations to the Secretary concerning the Secretary's Research, Education, and Economics on the research, extension, education, and economics portion of the draft strategic plan required under section 306 of title 5, United States Code; and

(4) review the mechanisms of the Department of Agriculture for technology assessment which should benefit from animal, plant, and fund- ed agricultural research, extension, education, and economics.

(e) Appointment.—A member of the Advisory Board shall be appointed by the Secretary for a term of up to 3 years. The members of the Advisory Board shall be appointed to staggered terms.

(f) Federal Advisory Committee Act.—The Advisory Board shall be deemed to have filed a charter for the purpose of section 9(c) of the Federal Advisory Committee Act (5 U.S.C. App.).

(g) Termination.—The Advisory Board shall remain in existence until September 30, 2002.

(b) Conforming Amendments.—(1) Section 1404(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(1)) is amended by striking "National Agricultural Research and Extension Users Advisory Board" and inserting "National Agricultural Research, Extension, Education, and Economics Advisory Board".

(2) Section 1402(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking "the recommendations of the
Advisory Board developed under section 1408(g),” and inserting “any recommendations of the Advisory Board”.


SEC. 805. AGRICULTURAL SCIENCE AND TECHNOLOGY BOARD.

(a) In General.—Section 1400A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) is amended by repealing.

(b) Conforming Amendments.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3129) as amended by section 803(b)(1)(B) is further amended—

(A) in paragraph (15), by adding “and” at the end;

(B) in paragraph (16), by striking “; and” and inserting a period; and

(C) by striking paragraph (17).

(2) Section 1405(d)(12) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended by striking “ coordination with the Technology Board”.

(3) Section 1410 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) as amended by section 804(b)(2) is further amended—

(A) in subsection (a), by striking “the recommendations of the Technology Board developed under section 1400A(d)”;

(B) in subsection (b)—

(i) by striking “and the Technology Board” each place it appears; and

(ii) in paragraph (2), by striking “one shall serve as the executive secretary to the Technology Board”;

(C) in subsections (b) and (c), by striking “ and Technology Board” each place it appears.

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) as amended by section 803(b)(4) is further amended—

(A) in subsection (a), by striking “or the Technology Board”;

(B) in subsection (b), by striking “and the Technology Board”;

SEC. 806. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR FEDERAL-STATE COOPERATIVE PROGRAMS.

Section 1400A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) is amended by adding at the end the following:

“(e) Applicability of Federal Advisory Committee Act.—

“(1) Public Meetings.—All meetings of any entity described in paragraph (2) shall be publicly announced in advance and shall be open to the public. Detailed minutes of meetings and other appropriate records of the activities of such an entity shall be kept and made available to the public on request.

“(2) Repeal.—The Federal Advisory Committee Act (5 U.S.C. App. and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall apply to any committee, board, or agency of the United States, transferred to the Department of Agriculture under the Act entitled “An Act to incorporate the Future Farmers of America, and for other purposes”, approved August 30, 1950 (36 U.S.C. 271 et seq.).

(2) Personnel and Unexpended Balances.—There are transferred to the Department of Agriculture all personnel and balances of unexpended appropriations available for carrying out the duties and functions transferred under paragraph (1).

(3) Amendments.—The Act entitled “An Act to incorporate the Future Farmers of America, and for other purposes”, approved August 30, 1950, is amended—

(A) in section 7(c)(3) (36 U.S.C. 277(c)) by striking “Secretary of Education” and inserting “Secretary of Agriculture”;

(B) in section 8(a) (36 U.S.C. 278(a))—

(i) by striking “Secretary of Agriculture” and inserting “Secretary of Agriculture”; and

(ii) by striking “Department of Agriculture” and inserting “Department of Agriculture”;

C) in section 18 (36 U.S.C. 280)—

(i) by striking “Secretary of Agriculture” and inserting “Secretary of Agriculture”;

(ii) by striking “Department of Education” and inserting “Department of Education”;

(iii) by striking “Department of Agriculture” and inserting “Department of Agriculture”;

(iv) by striking “Secretary of Agriculture” and inserting “Secretary of Agriculture”;

(v) by striking “Department of Education” and inserting “Department of Education”;

C) in section 18 (36 U.S.C. 280)—

(iii) by striking “Department of Agriculture” and inserting “Department of Agriculture”.

SEC. 807. COORDINATION AND PLANNING OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Subtitle B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121 et seq.) is amended by adding at the end the following:

“SEC. 1413A. ACCOUNTABILITY.

“(a) In General.—The Secretary shall develop and carry an emerging threats to food safety, animal and plant health.

“In the case of any activities of an agency of the Department of Agriculture that relate to food safety, animal or plant health, research, education, or technology transfer, the Secretary may transfer up to 5 percent of any amounts made available to the agency for a fiscal year for a department or agency of the Department of Agriculture reporting to the Under Secretary of Agriculture for Research, Education, and Economics for the purpose of addressing imminent or emerging threats to food safety and animal and plant health.

“SEC. 1413C. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR COMPETITIVE RESEARCH, EXTENSION, AND EDUCATION PROGRAMS.

“The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to any committee, board, commission, panel, or task force, or similar entity, created solely for the purpose of re-reviewing applications or proposals requesting funding under any competitive research, extension, or education program carried out by the Secretary.”.

SEC. 808. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) In General.—Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended—

(1) in subsection (b)—

(A) by inserting before “for a period” the following: “or to research foundations maintained by the colleges and universities;”;

(B) by striking paragraph (4) and inserting the following:

“(4) to design and implement food and agricultural programs to build teaching and research capacity at primarily minority institutions;”;

(2) by redesigning subsections (h) and (i) as subsections (i) and (j), respectively; and

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

“(h) SECONDARY EDUCATION AND 2-YEAR POSTSECONDARY EDUCATION TEACHING PROGRAMS.—

“(1) AGRICULTURE AND AGRIBUSINESS EDUCATION.—The Secretary shall—

“(A) promote and strengthen secondary education and 2-year postsecondary education in agriscience and agribusiness in order to help ensure the existence in the United States of a qualified workforce to serve the food and agricultural sciences system; and

“(B) promote complementary and synergetic linkages among secondary, 2-year postsecondary, and higher education programs in the food and agricultural sciences to help ensure the existence in the United States of a qualified workforce to serve the food and agricultural sciences system; and encourage more young Americans to pursue a baccalaureate or higher degree in the food and agricultural sciences; and

“(2) GRANTS.—The Secretary may make competitive or noncompetitive grants, for grant periods not to exceed 5 years, to public secondary education institutions, 2-year community colleges, and junior colleges that have made a commitment to teaching agriscience and agribusiness—

“(A) to enhance curricula in agricultural education; and

“(B) to increase faculty teaching competencies;

“(C) to interest young people in pursuing a higher education in order to prepare for scientific food and agricultural sciences professions; and

“(D) to promote the incorporation of agriscience and agribusiness subject matter into other instructional programs, particularly classes in science, business, and consumer education; and

“(E) to facilitate joint initiatives among other secondary or 2-year postsecondary institutions and with private and public colleges and universities to maximize the development and use of resources such as faculty, facilities, and equipment to improve agriscience and agribusiness education; and

“(F) to support other initiatives designed to meet local, State, regional, or national needs related to promoting excellence in agriscience and agribusiness education.”.
SEC. 809. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL ORGANIC CHEMICALS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1439(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking "1995" and inserting "2002".

SEC. 812. HUMAN NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3153(c)) is amended by striking "fiscal year 1996" and inserting "each of fiscal years 1996 through 2002".

SEC. 813. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

Section 1429 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191) is amended to read as follows:

"SEC. 1429. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

(a) PURPOSES.—The purposes of this subtitle are--

(1) promote the general welfare through the improved health and productivity of domestic livestock, poultry, aquatic animals, and other income-producing animals that are essential to the health and welfare of the United States and the welfare of producers and consumers of animal products;

(2) improve the health of horses and [redact] facilitate the effective treatment of, and, to the extent possible, prevent animal and poultry diseases in both domesticated and wild animals that, if not controlled, could be disastrous to the United States livestock and poultry industries and endanger the food supply of the United States;

(3) improve methods for the control of organisms that produce food products of animal origin that could endanger the human food supply;

(4) improve the housing and management of animals to improve the well-being of livestock species;

(5) improve the housing and management of animals to improve the well-being of livestock species;

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) the farm and agricultural sectors;

(2) the environment;

(3) rural families, households and economies;

(4) consumers, food, and nutrition.

(b) ELIGIBLE RECIPIENTS.—Except to the extent otherwise prohibited by law, State agricultural experiment stations, colleges and universities, other research institutions and organizations, private organizations, corporations, and individuals shall be eligible to apply for and receive funding under this section.

(c) ACTIVITIES.—Under this section, funding may be provided for disciplinary and other contracting instruments with, policy research centers to conduct research and education programs that are objective, operationally independent, and external to the Federal Government and that concern the effect of public policies on--

"(1) the farm and agricultural sectors;

"(2) the environment;

"(3) rural families, households and economies;

"(4) consumers, food, and nutrition.

(b) ELIGIBLE RECIPIENTS.—Except to the extent otherwise prohibited by law, State agricultural experiment stations, colleges and universities, other research institutions and organizations, private organizations, corporations, and individuals shall be eligible to apply for and receive funding under this section.

(c) ACTIVITIES.—Under this section, funding may be provided for disciplinary and interdisciplinary research and education concerning activities consistent with this section, including activities that--

"(1) quantify the implications of public policies and regulations;

"(2) develop theoretical and research methods;

"(3) collect and analyze data for policy-makers, analysts, and individuals;

"(4) develop programs to train analysts.

(b) ELIGIBLE RECIPIENTS.—Except to the extent otherwise prohibited by law, State agricultural experiment stations, colleges and universities, other research institutions and organizations, private organizations, corporations, and individuals shall be eligible to apply for and receive funding under this section.

(c) ACTIVITIES.—Under this section, funding may be provided for disciplinary and interdisciplinary research and education concerning activities consistent with this section, including activities that--

"(1) quantify the implications of public policies and regulations;

"(2) develop theoretical and research methods;

"(3) collect and analyze data for policy-makers, analysts, and individuals;

"(4) develop programs to train analysts.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) In general.—The Secretary may make grants on highly competitive grants, and special research grants to, and enter into cooperative agreements and other contracting instruments with, policy research centers to conduct research and education programs that are objective, operationally independent, and external to the Federal Government and concern the effect of public policies on--

"(1) the farm and agricultural sectors;

"(2) the environment;

"(3) rural families, households and economies;

"(4) consumers, food, and nutrition.

(b) ELIGIBLE RECIPIENTS.—Except to the extent otherwise prohibited by law, State agricultural experiment stations, colleges and universities, other research institutions and organizations, private organizations, corporations, and individuals shall be eligible to apply for and receive funding under this section.

(c) ACTIVITIES.—Under this section, funding may be provided for disciplinary and interdisciplinary research and education concerning activities consistent with this section, including activities that--

"(1) quantify the implications of public policies and regulations;

"(2) develop theoretical and research methods;

"(3) collect and analyze data for policy-makers, analysts, and individuals;

"(4) develop programs to train analysts.

(d) AUTHORIZATION OF APPROPRIATIONS.—

There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002."
SEC. 820. GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.
Section 1465A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3392) is repealed.

SEC. 821. AGRICULTURAL RESEARCH PROGRAMS.
Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3332) is amended by striking "1995" and inserting "2002".

SEC. 822. EXTENSION EDUCATION.
Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3332) is amended by striking "fiscal year 1995" and inserting "fiscal years 1995 through 2002".

SEC. 823. SUPPLEMENTAL AND ALTERNATIVE CROPS RESEARCH.
Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3333) is amended—

(a) by striking "1995" and inserting "2002"; and

(b) by striking "and pilot";

(2) in subsection (b)—

(i) in subparagraph (B), by striking "at pilot sites through the area"; and

(ii) in subparagraph (D)—

(I) by striking "near such pilot sites"; and

(ii) by striking "pilot";

(iii) in subparagraph (C), by striking "and" at the end;

and

(iv) by striking at the end the following:

"(E) to conduct fundamental and applied research related to the development of new commercial products derived from natural plant material for industrial, medical, and agricultural applications; and

"(F) to participate with colleges and universities, other Federal agencies, and private sector entities in conducting research described in subparagraph (E)."

SEC. 824. AQUACULTURE ASSISTANCE PROGRAMS.
(a) REPORTS.—Section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively.

(b) AQUACULTURE RESEARCH FACILITIES.—
Section 1476(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322b) is amended by striking "1995" and inserting "2002".

(c) RESEARCH AND EXTENSION.—
Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3323) is amended by striking "1995" and inserting "2002".

SEC. 825. RANGE RELATIONSHIP RESEARCH.
(a) REPORTS.—Section 1481 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3334) is repealed.

(b) ADVISORY BOARD.—Section 1482 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3335) is amended—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

SEC. 826. TECHNICAL AMENDMENTS.
The amendments of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) are amended—

(1) by striking the item relating to section 1402 and inserting the following:

"Sec. 1402. Purposes of agricultural research, extension, and education."

(2) by striking the item relating to sections 1406, 1407, 1408A, 1432, 1446, 1458A, 1461, and 1482;

(3) by striking the item relating to section 1408 and inserting the following:


(4) by striking the item relating to section 1412 and inserting the following:

"Sec. 1412. Support for the Advisory Board."

(5) by adding at the end of the items relating to subtitle B of title XIV the following:

"Sec. 1413A. Accountability.
"Sec. 1413B. Imminent or emerging threats to food safety and animal and plant health.
"Sec. 1413C. Federal Advisory Committee Act exemption for competitive research, extension, and education programs."

(6) by striking the item relating to section 1419 and inserting the following:

"Sec. 1419. Policy research centers."

(7) by striking the item relating to section 1424 and inserting the following:

"Sec. 1424. Human nutrition intervention and health promotion research program."

and

(8) by striking the item relating to section 1429 and inserting the following:

"Sec. 1429. Purposes and findings relating to animal health and disease research.

Subtitle B—Amendments to Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 831. WATER QUALITY RESEARCH, EDUCATION, AND COORDINATION.
(a) IN GENERAL.—Subtitle G of title XIV of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5501 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—
(1) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(3)) is amended by striking "subtitle G of title XIV."

(2) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking "subtitle G of title XIV."

SEC. 832. EDUCATION PROGRAM REGARDING HANDLING OF AGRICULTURAL CHEMICALS AND AGRICULTURAL CHEMICAL CONTAINERS.
(a) IN GENERAL.—Section 1499A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125c) is amended by striking "section 1499A."

(b) CONFORMING AMENDMENT.—Section 1499B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b) is amended by striking "section 1499B."

SEC. 833. PROGRAM ADMINISTRATION.
(a) REPORTS.—Section 1627 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5820) is amended by striking "section 1627." and inserting "section 1627."

(b) CONFORMING AMENDMENTS.—
(1) Section 1627(a)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(1)) is amended by striking "section 1627."

(2) Section 1627(a)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(2)) is amended by striking "section 1627."

SEC. 834. NATIONAL GENETICS RESOURCES PROGRAM.
(a) FUNCTIONS.—Section 1632(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) is amended by striking paragraph (4) and inserting the following:

"(4) unless otherwise prohibited by law, having the right to make available on request, without charge and without regard to the country from which the request originates, the genetic material that the program assembles;"

(b) AUTHORIZATION OF APPROPRIATIONS.—
Section 1639(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5815)(c) is amended by striking "section 1639."

SEC. 835. NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.
Section 1644(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5907)(c) is amended by striking "section 1644."

SEC. 836. RESEARCH REGARDING PRODUCTION, PREPARATION, PROCESSING, HANDLING, AND STORAGE OF AGRICULTURAL PRODUCTS.

SEC. 837. PLANT AND ANIMAL PEST AND DISEASE CONTROL PROGRAM.
(a) IN GENERAL.—Subtitle F of title XVII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5851) is amended by striking "section 1651 et seq." and inserting "section 1651."

(b) CONFORMING AMENDMENTS.—
(1) Section 1651(a)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5851) is amended by striking "section 1651." and inserting "section 1651."

(2) Section 1651(a)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5851(a)(2)) is amended by striking "section 1651." and inserting "section 1651."

(3) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) is amended by striking "section 1628." and inserting "section 1628."
is amended—
(1) by striking subsection (g); and
(2) by redesignating subsection (h) as subsection (g).

SEC. 842. NATIONAL CENTERS FOR AGRICULTURAL RESEARCH AND PRODUCTIVITY RESEARCH.

Section 1675g(ii) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929(g)(ii)) is amended by striking “1995” and inserting “2002”.

SEC. 843. TURKEY RESEARCH CENTER AUTHORIZATION.

Section 1676 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

SEC. 844. SPECIAL GRANT TO STUDY CONSTRUCTION ON AGRICULTURAL TRADE.

Section 1678 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

SEC. 845. PILOT PROJECT TO COORDINATE FOOD AND NUTRITION EDUCATION PROGRAMS.

Section 1679 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

SEC. 846. ASSISTIVE TECHNOLOGY PROGRAM AMENDMENTS.

Section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) is amended—
(1) in subsection (a)(6)(B), by striking “1996” and inserting “2002”; and
(2) in subsection (b)(2), by striking “1996” and inserting “2002”.

SEC. 847. DEMONSTRATION PROJECTS.

Section 2348 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2662a) is repealed.

SEC. 848. NATIONAL RURAL INFORMATION CENTER AUTHORIZATION.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125(e)) is amended by striking “1995” and inserting “2002”.

SEC. 849. GLOBAL CLIMATE CHANGE.

(a) TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703) is repealed.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 2412 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6710) is amended by striking “1996” and inserting “2002”.

SEC. 850. TECHNICAL AMENDMENTS.

The table of contents of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3359) is amended by striking the items relating to subtitle "Title XIV, section 1409A, subtitiles E and F of title XVI, and sections 1671, 1672, 1676, 1678, 1679, 2348, and 2404.

Subtitle C—Miscellaneous Research Provisions

SEC. 861. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

(a) IN GENERAL.—Section 4 of the Critical Agricultural Materials Act (7 U.S.C. 178b) is amended—
(1) by striking subsection (g); and
(2) by redesignating subsection (h) as subsection (g).

(b) AUTHORIZATION OF APPROPRIATIONS.—

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178a) is amended by striking “1996” and inserting “2002”.

SEC. 862. 1994 INSTITUTIONS.

(a) LAND-GRANT STATUS.—The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (Pub. Law 103-382; 7 U.S.C. 301 note) is amended by striking “1996” and inserting “2002”.

(b) INSTITUTIONS FUNDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (Pub. Law 103-382; 7 U.S.C. 301 Note) is amended by striking the portion which places it in subsections (b)(1) and (c) and inserting “2002”.

SEC. 863. SMITH-LEVER ACT FUNDING FOR 1990 LANDGRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY AND THE DISTRICT OF COLUMBIA.

(1) ELIGIBILITY.—Section 3(d) of the Act of May 8, 1914 (commonly known as the “Smith-Lever Act”) (38 Stat. 373, chapter 79, 7 U.S.C. 343(d)), is amended by striking “1996” and inserting “2002”.

(2) AMOUNTS.—Section 3(d) of the Act of May 8, 1914 (commonly known as the “Smith-Lever Act”) (38 Stat. 373, chapter 79, 7 U.S.C. 343(d)), is amended by striking “1996” and inserting “2002”.

SEC. 864. COMMITTEE OF NINE.

Section 3(c) of the Act of March 2, 1887 (Chapter 314; 7 U.S.C. 362c(c)(3)) is amended by striking from “;” and shall be used” through the end of the paragraph and inserting a period.

SEC. 865. AGRICULTURAL RESEARCH FACILITIES.

(a) IN GENERAL.—

(1) RESEARCH FACILITIES.—The Research Facilities Act (7 U.S.C. 330 et seq.) is amended to read as follows:

“SECTION 1. SHORT TITLE.

This Act may be cited as the ‘Research Facilities Act’.

“SECTION 2. DEFINITIONS.

“‘In this Act:”

“(1) AGRICULTURAL RESEARCH FACILITY.—The term ‘agricultural research facility’ means any facility providing for research in food and agricultural sciences for which Federal funds are requested by a college, university, or nonprofit institution to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of the facility.

“(2) FOOD AND AGRICULTURAL SCIENCES.—The term ‘food and agricultural sciences’ means—

“(A) agriculture, including soil and water conservation and use, the use of organic materials to improve soil tilth and fertility, plant and animal production and protection, and plant and animal health;

“(B) the processing, distributing, marketing, and utilization of food and agricultural products;

“(C) forestry, including range management, production of forest and range products, multiple uses of forest and rangelands, and urban forestry;

“(D) aquaculture (as defined in section 1404(c)) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(c));

“(E) human nutrition;

“(F) production inputs, such as energy, to improve productivity;

“(G) germ plasm collection and preservation.

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

“SECTION 3. REVIEW PROCESS.

“(a) SUBMISSION TO SECRETARY.—Each proposal for an agricultural research facility shall be submitted to the Secretary for review. The Secretary shall review the proposals in the order in which the proposals are received.

“(b) APPLICATION PROCESS.—In consultation with the Commodity Credit Corporation, the Secretary shall establish an application process for reviewing the proposals for agricultural research facilities.

“(c) CRITERIA FOR APPROVAL.—
"(1) Determination by Secretary.—With respect to each proposal for an agricultural research facility submitted under subsection (a), the Secretary shall determine whether the proposal meets the criteria set forth in paragraph (2).

"(2) Criteria.—A proposal for an agricultural research facility shall meet the following criteria:

(A) NON-FEDERAL SHARE.—The proposal shall certify the availability of at least 50 percent non-Federal share of the cost of the facilities. The non-Federal share shall be paid in cash and may include funding from private sources or from units of State or local government.

(B) NON-DUPLICATION OF FACILITIES.—The proposal shall demonstrate how the agricultural research facility would be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region.

(C) NATIONAL RESEARCH PRIORITIES.—The proposal shall demonstrate how the agricultural research facility would serve—

(i) 1 or more of the national research policies and priorities set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1997 (7 U.S.C. 3310); and

(ii) regional needs.

(D) LONG-TERM SUPPORT.—The proposal shall demonstrate that the recipient college, university, or nonprofit institution has the ability and commitment to support the long-term, ongoing operating costs of—

(i) the agricultural research facility after the facility is completed; and

(ii) each program to be based at the facility.

(E) STRATEGIC PLAN.—After the development of the strategic plan required by section 4, the proposal shall demonstrate how the agricultural research facility reflects the strategic plan for Federal research facilities.

(3) EVALUATION OF PROPOSALS.—Not later than 90 days after receiving a proposal under subsection (a), the Secretary shall—

(1) evaluate and assess the merits of the proposal, including the extent to which the proposal meets the criteria set forth in subsection (c); and

(2) report to the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives on the results of the evaluation and assessment.

"SEC. 4. STRATEGIC PLAN FOR FEDERAL RESEARCH FACILITIES.

(a) IN GENERAL.—Not later than September 30, 1997, the Secretary shall develop a comprehensive plan for the development, construction, modernization, consolidation, and closure of federally supported agricultural research facilities.

(b) FACTORS.—In developing the plan, the Secretary shall consider—

(1) the need to increase agricultural productivity and to enhance the competitiveness of the United States agriculture and food industry as set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1997 (7 U.S.C. 3310); and

(2) the findings of the National Academy of Sciences with respect to programmatic and scientific priorities relating to agriculture.

(c) IMPLEMENTATION.—The plan shall be developed for implementation over the 10-fiscal-year period beginning with fiscal year 1998.

"SEC. 5. APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.

"The Federal Advisory Committee Act (5 U.S.C. App) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et. seq) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this Act.

"SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

"(a) In General.—Subject to the requirements of paragraph (b), there are authorized to be appropriated such sums as are necessary for fiscal years 1996 through 2002 for the study, plan, design, construction, and operation of the facilities under this Act.

"(b) ALLOWABLE ADMINISTRATIVE COSTS.—Not more than 3 percent of the funds made available for any project for an agricultural research facility shall be available for administration of the project.

"(2) APPLICATION.—

(A) CURRENT PROJECTS.—The amendment made by paragraph (1), other than section 4 of the Research Facilities Act (as amended by paragraph (1)), shall not apply to any project for an agricultural research facility for which funds have been made available for a feasibility study or for any phase of the project prior to the effective date of this title.

(B) STRATEGIC PLAN.—The strategic plan required by section 4 of the Act shall apply to all federally supported agricultural research facilities, including projects funded prior to the effective date of this title.

"SEC. 866. NATIONAL COMPETITIVE RESEARCH INITIATIVE.

"Subsection (b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 489a) is amended—

(1) in subsection (a)—

(A) by striking "(a)"); and

(B) by striking "1995" and inserting "2002"; and

(2) by striking subsection (b).

"SEC. 871. GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES.

(a) IN GENERAL.—Section 1416 of the Food Security Act of 1985 (7 U.S.C. 3224) is repeal ed.

(b) TECHNICAL AMENDMENT.—The table of contents of the Food Security Act of 1985 (Public Law 99-198, 99 Stat. 1354) is amended by striking the item relating to section 1416.

"SEC. 872. STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.

(a) TRANSFER OF FUNCTIONS TO THE SECRETARY OF AGRICULTURE.—

"(1) TITLE OF PUBLIC LAW.—The title of Public Law 85-342 (16 U.S.C. 778 et seq.) is amended by striking "Secretary of the Interior" and inserting "Secretary of Agriculture".

(2) AUTHORIZATION.—The first sentence of Public Law 85-342 (16 U.S.C. 778) is amended—

(A) by striking "Secretary of the Interior" and all that follows through "directed" and inserting "Secretary of Agriculture"; and

(B) by striking "station and stations" and inserting "1 or more centers"; and

(C) in paragraph (5), by striking "Department of Agriculture" and inserting "Secretary of Agriculture"; and

(D) by striking ``(iv) not''; and

(E) by striking ``(iii) not''; and

(F) by striking ``(ii) not''.

"(3) AUTHORITY.—Sec. 2 of Public Law 85-342 (16 U.S.C. 778a) is amended by striking "Secretary", and all that follows through "authorized", and inserting "Secretary of Agriculture is authorized".

"(4) ASSISTANCE.—Sec. 3 of Public Law 85-342 (16 U.S.C. 778b) is amended—

(A) by striking "Secretary of the Interior" and inserting "Secretary of Agriculture"; and

(B) by striking "Department of Agriculture" and inserting "Secretary of Agriculture".

"(b) TRANSFER OF FISH FARMING EXPERIMENTAL LABORATORY TO DEPARTMENT OF AGRICULTURE.—

(1) DESIGNATION OF STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.—

The Fish Farming Experimental Laboratory in Stuttgart, Arkansas (including the facilities in Kelso, Arkansas), shall be known and designated as the "Stuttgart National Aquaculture Research Center".

"(B) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other content of the United States referred to in subparagraph (A) shall be deemed to be a reference to the "Stuttgart National Aquaculture Research Center".

"SEC. 867. COMMISSIONER OF THE BUREAU OF THE CENSUS.

"(1) IN GENERAL.—The Commissioner of the Census is authorized—

(A) by striking "Secretary of the Interior" and inserting "Secretary of Agriculture"; and

(B) by striking "Department of Agriculture" and inserting "Secretary of Agriculture".
later than 90 days after the effective date of this title, there are transferred to the Department of Agriculture—
(a) the personnel employed in connection with the laboratory referred to in paragraph (1);
(b) the assets, liabilities, contracts, and real and personal property of the laboratory;
(c) the records of the laboratory;
(D) the unexpended balance of appropriations, authorizations, allocations and other funds employed, held, arising from, available to, or on hand of the laboratory, and made available in connection with the laboratory.
(3) Nonduplication.—The research center referred to in paragraph (1)(A) shall be complemented and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region, as determined by the Administrator of the Service.

SEC. 873. NATIONAL AQUACULTURE POLICY, PLANNING, AND DEVELOPMENT.
(a) Definitions.—Section 3 of the National Aquaculture Act of 1980 (16 U.S.C. 2803) is amended—
(1) in paragraph (1), by striking "the propagation" and all that follows through the period at the end and inserting the following: "the commercially controlled cultivation of aquatic animals, plants, and microorganisms, but does not include private for-profit ocean ranching of Pacific salmon in a State in which the ranching is prohibited by law;"
(2) in paragraph (3), by striking "aquatic plant" and inserting "aquatic plant, or microorganism";
(3) by redesigning paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and
(4) by inserting after paragraph (6) the following:
"(7) The term `private aquaculture' means the commercially controlled cultivation of aquatic plants, animals, and microorganisms other than cultivation carried out by the Federal Government, any State or local government, or an Indian tribe recognized by the Bureau of Indian Affairs.".
(b) National Aquaculture Development Plan.—Section 4 of the National Aquaculture Act of 1980 (16 U.S.C. 2803) is amended—
(1) in subsection (c)—
(A) in subparagraph (A), by adding "and" at the end;
(B) in subparagraph (B), by inserting "; and" after the period at the end of such subparagraph; and
(C) by striking paragraph (C);
(2) in the second sentence of subsection (d), by striking "Secretaries determine that" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, determines that"; and
(3) in subsection (e), by striking "Secretaries" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, determines that".
(c) Functions and Powers of Secretaries.—Section 5 of the National Aquaculture Act of 1980 (16 U.S.C. 2803(b)) is amended by striking "Secretaries deem" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, determines that";
(d) Coordination of National Activities Regarding Aquaculture.—The first sentence of section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2803a) is amended by striking "(f)" and inserting "(e)";
(1) by redesignating sections 7, 8, 9, and 10 as sections 8, 9, 10, 11, and 12, respectively; and
(2) by inserting after section 6 (16 U.S.C. 2805) the following:
"SEC. 7. NATIONAL POLICY FOR PRIVATE AQUACULTURE.
(a) IN GENERAL.—In consultation with the Secretary of Commerce and the Secretary of the Interior, the Secretary shall coordinate and implement a national policy for private aquaculture in accordance with this section. In developing the policy, the Secretary may consult with other agencies and organizations.
(b) Department of Agriculture Aquaculture Plan.—
(1) IN GENERAL.—The Secretary shall develop and implement a Department of Agriculture Aquaculture Plan (referred to in this section as the `Department plan') for a unified aquaculture program of the Department of Agriculture (referred to in this section as the `Department') to support the development of private aquaculture.
(2) ELEMENTS OF DEPARTMENT PLAN.—The Department plan shall address—
(A) programs of individual agencies of the Department that are consistent with Department programs related to other areas of agriculture, including livestock, crops, products, and commodities under the jurisdiction of agencies of the Department;
(B) the treatment of cultivated aquatic animals as livestock and cultivated aquatic plants as commodities; and
(C) means for effective coordination and implementation of aquaculture activities and programs within the Department, including interagency commitments of personnel and resources.
(c) National Aquaculture Information Center.—In carrying out section 5, the Secretary may maintain and support a National Aquaculture Information Center at the National Agricultural Library as a repository for information on national and international aquaculture.
(d) Treatment of Aquaculture.—The Secretary shall treat—
(1) private aquaculture as agriculture; and
(2) commercially cultivated aquatic animals, plants, and microorganisms, and products derived from such animals and microorganisms, produced by private persons and transported or moved in standard commodity channels as agricultural livestock, crops, and commodities.
(e) Private Aquaculture Policy Coordination, Development, and Implementation.—
(1) Responsibility.—The Secretary shall have responsibility for coordinating, developing, and carrying out policies and programs for private aquaculture.
(2) Duties of the Secretary shall—
(A) coordinate all intradepartmental functions and activities relating to private aquaculture; and
(B) establish procedures for the coordination of functions, and consultation with, the coordinating group.
(f) Liaison with Departments of Commerce and the Interior.—The Secretary of Commerce and the Secretary of the Interior shall designate an officer or employee of the Department of Commerce, and the Secretary of the Interior, respectively, to be the liaison of the Department to the Secretary of Agriculture.
(I) Authorization of Appropriations.—Section 11 of the National Aquaculture Act of 1980 (as redesignated by subsection (e)(1)) is amended by striking "fiscal years 1991, 1992, and 1993" each place it appears and inserting "fiscal years 1991 through 2002".
SEC. 874. EXPANSION OF AUTHORITIES RELATED TO THE NATIONAL ARBORETUM.
(a) Solicitation of Gifts, Bequests, and Devises.—The first sentence of section 5 of the Act of March 4, 1927 (39 Stat. 683; 20 U.S.C. 1415), is amended by inserting "solicitation," after "authorized to".
(b) Concessions, Fees, and Voluntary Services.—The Act of March 4, 1927 (44 Stat. 1412; chapter 306, 40 U.S.C. 5303b), is amended by adding at the end the following:
"SEC. 6. CONCESSIONS, FEES, AND VOLUNTARY SERVICES.
(a) IN GENERAL.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) and section 301 of the Act of June 30, 1932 (42 U.S.C. 3421), the Secretary of Agriculture, in furtherance of the mission of the National Arboretum, may—
(1) negotiate agreements grantng concessions at the National Arboretum to non-profit scientific or educational organizations the interests of which are complementary to the mission of the National Arboretum, except that the net proceeds of the organizations from the concessions shall be used exclusively for research and educational work for the benefit of the National Arboretum; and
(2) provide by concession, on such terms as the Secretary of Agriculture considers appropriate, goods and services for food, drink, and nursery sales, if an agreement for a permanent concession under this paragraph is negotiated with a qualified person submitting a proposal after due consideration of all proposals received after the Secretary of Agriculture provides reasonable public notice of the intent of the Secretary to enter into such an agreement.
(3) dispose of excess property, including excess plants and fish, in a manner designed to maximize revenue from any sale of the property, including by way of public auction, except that this paragraph shall not apply to the free dissemination of new varieties of seeds and germ plasm in accordance with section 530 of the Revised Statutes (commonly known as the `Department of Agriculture Organic Act of 1862' (7 U.S.C. 2201), whereby such fees as the Secretary of Agriculture consides proper for temporary use by individuals or groups of National Arboretum facilities and grounds for any purpose consistent with the mission of the National Arboretum;
(4) charge such fees as the Secretary of Agriculture considers reasonable for the use of the name and logo for public service or commercial photography or cinematography;
(5) publish, in print and electronically and without regard to laws relating to printing by the Federal Government, informational brochures, books, and other publica tions concerning the National Arboretum or the collections of the Arboretum; and
(6) license use of the National Arboretum name and logo for public service or commercial uses.
(c) Use of Funds.—Any funds received or collected by the Secretary of Agriculture as a result of activities described in subsection (a) shall be retained in a special fund in the Treasury for the use and benefit of the National Arboretum as the Secretary of Agriculture considers appropriate.
(d) Acceptance of Voluntary Services.—The Secretary of Agriculture may accept the voluntary services of organizations described in subsection (a)(1), and the volunteering of volunteers (including employees of the National Arboretum), for the benefit of the National Arboretum.
SEC. 875. STUDY OF AGRICULTURAL RESEARCH SERVICES.
(a) Study.—The Secretary of Agriculture shall request the National Academy of
Sciences to conduct a study of the role and mission of the Agricultural Research Service. The study shall—
(1) evaluate the strength of science of the Service and the relevancy of the science to national priorities;
(2) examine how the work of the Service relates to the capacity of the United States agricultural research, education, and extension system overall; and
(3) include recommendations, as appropriate.
(b) REPORT.—Not later than 18 months after the effective date of this title, the Secretary shall prepare a report that describes the results of the study conducted under subsection (a). The Secretary shall submit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.
(c) FUNDING.—The Secretary shall use to carry out this section not more than $500,000 of funds made available to the Agricultural Research Service for research.
SEC. 902. FINDINGS AND DEClARATION OF POLICY.
(a) FINDINGS.—Congress finds that—
(1) popcorn is an important food that is a valuable part of the human diet;
(2) the production and processing of popcorn plays a significant role in the economy of the United States, and methods to differentiate lamb from mutton by the degree of calcification of bone to reflect maturity.
(3) SENSE OF SENATE.—It is the sense of the Senate that the Department of Agriculture should continue to make methyl bromide alternative research and extension activities a high priority of the Department: Provided, That it is the sense of the Senate that the Department of Agriculture, the Environmental Protection Agency, producer and processor organizations, environmental organizations, and State agencies continue their dialogue on the risks and benefits of extending the 2001 phaseout deadline.

TITLE IX—AGRICULTURAL PROMOTION

Subtitle A—Popcorn

SEC. 904. ISSUANCE OF ORDERS.

(a) IN GENERAL.—To effectuate the policy described in section 902(b), the Secretary, subject to subsection (b), shall issue 1 or more orders applicable to processors. An order shall be applicable to all popcorn production and marketing areas in the United States. Not more than 1 order shall be in effect under this subtitle at any time.
(b) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request for an order or amendment to an order applicable to an order, the Secretary shall publish a proposed order and give due notice to members of the popcorn industry for public comment on the proposed order.
(c) ISSUANCE OF ORDER.—After notice and opportunity for public comment under paragraph (b), the Secretary shall issue an order, taking into consideration the comments received and including in the order such provisions as are necessary to ensure that the order conforms to this subtitle.
(d) AMENDMENTS.—The Secretary, as appropriate, may amend an order. The provisions of this title applicable to an order shall be applicable to any amendment to an order, except that an amendment to an order may not require a referendum to become effective.

SEC. 905. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order shall contain the terms and conditions specified in this section.
(b) ESTABLISHMENT AND MEMBERSHIP OF POPCORN BOARD.—
(1) IN GENERAL.—The order shall provide for the establishment of, and appointment to, a Popcorn Board that shall consist of not fewer than 4 members and not more than 9 members.
The order shall require that processors pay and remit the assessments collected on popcorn directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

The order shall provide that the assessments collected on popcorn directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

The order shall require the Board to administer the order in accordance with the terms and provisions of the order.

The order shall provide that the assessments collected on popcorn directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

The order shall require the Board to make regulations to effectuate the purposes of the order.

The order shall define the powers and duties of the Board.

The order shall prohibit any funds collected by the Board under the order from being used to defray any costs of or payments to any publication, any officer of the United States is guilty of perjury, be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer, employee, or agent of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

Nothing in this paragraph prohibits

The order shall require the Board to prepare and submit to the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

The order shall contain such terms and conditions, consistent with this subtitle, as are necessary to effectuate this subtitle, including regulations relating to the assessment of late payment charges.

The order shall authorize the use of information regarding processors that may be accumulated under a law or regulation other than this subtitle or a regulation issued under this subtitle.

The information shall be made available to the Secretary as appropriate for the administration or enforcement of this subtitle, the order, or any regulation issued under this subtitle.

The information referred to in subparagraph (A) may be disclosed if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party; and

(iii) the information relates to the order.

The order shall require that each processor marketing popcorn in the United States or Canada in proportion to the anticipated expenses and disbursements of the Board in the implementation of the order, including projected costs of plans and projects of promotion, research, consumer information, and industry information, shall be available to the Secretary for inspection and audit as the Secretary may prescribe.

The order shall provide for the receipt and disbursement of funds entered into by the Board.

The order shall authorize the use of information regarding processors that may be accumulated under a law or regulation other than this subtitle or a regulation issued under this subtitle.

The information shall be made available to the Secretary as appropriate for the administration or enforcement of this subtitle, the order, or any regulation issued under this subtitle.

The information referred to in subparagraph (A) may be disclosed if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party; and

(iii) the information relates to the order.

The order shall require the Board to maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe.

The order shall provide for approval any plan or project of promotion, research, consumer information, or industry information.

The order shall require the Board to maintain the power and duty—

(1) to administer the order in accordance with the terms and provisions of the order;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) to appoint members of the Board to serve on an executive committee;

(4) to prescribe, adjust, and approve budgets, plans, and projects of promotion, research, consumer information, and industry information, and to contract with appropriate persons to implement the plans or projects;

(5) to accept and receive voluntary contributions, gifts, and market promotion or similar funds;

(6) to invest, pending disbursement under a plan or project, funds collected through assessments authorized under subsection (f), only in—

(a) obligations of the United States or an agency of the United States;

(b) general obligations of a State or a political subdivision of a State;

(c) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(d) obligations guaranteed as to principal and interest by the United States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order;

(8) to recommend to the Secretary amendments to the order.

The order shall require the Board to submit to the Secretary for approval any plan or project of promotion, research, consumer information, or industry information.

The order shall provide that the assessments collected on popcorn directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

The order shall provide that the assessments collected on popcorn directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

The order shall require the Board to—

(1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe.

(2) prepare and submit to the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(h) Books and Records of the Board.

The order shall require the Board to—

(1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe.

(2) prepare and submit to the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(i) Books and Records of the Board.

The order shall require the Board to—

(1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe.

(2) prepare and submit to the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.
an order, as provided in section 904(b)(3). The Secretary shall conduct a referendum among processors who, during a representative period as determined by the Secretary, have been engaged in processing, to determine whether persons favor the termination or suspension of the order.

(2) REPRESENTATIVE GROUP OF PROCESSORS.—An additional referendum on an order shall be conducted if the referendum is requested by the United States or more than 25 percent of the processors who, during a representative period as determined by the Secretary, have been engaged in processing.

(3) ORDERS.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by at least 2/3 of the processors voting in the referendum, the Secretary shall—

(A) suspend or terminate, as appropriate, collection of assessments under the order not later than 180 days after the date of determination; and

(B) suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the date of determination.

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any referendum under this section.

(d) METHOD OF CONDUCTING REFERENDUM.—Subject to this section, a referendum conducted under this section shall be conducted in such manner as is determined by the Secretary.

(e) CONFIDENTIALITY OF BALLOTS AND OTHER INFORMATION.—

(I) IN GENERAL.—The ballots and other information or reports that reveal or tend to reveal the vote of any processor, or any business or wherever the person may be.

(2) PENALTY FOR VIOLATIONS.—An officer or employee of the Department who knowingly violates paragraph (1) shall be subject to the penalties provided in section 905(i)(3)(C)(ii).

SEC. 907. PETITION AND REVIEW.

(a) PETITION.—

(I) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with this subpart and

(B) requesting a modification of the order or an exemption from the order or obligation.

(2) TIME LIMITATION.—A petition under paragraph (1) concerning an obligation may be filed not later than 2 years after the date of imposition of the obligation.

(b) PROVISION OF LIMITATIONS.—A petition shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(c) RULING.—After a hearing under paragraph (1), the Secretary shall issue a ruling on the petition, if the person files a complaint not later than 20 days after the date of issuance of the ruling under subsection (a)(4).

(d) PROCESS OF REVIEW.—In a proceeding under paragraph (1) may be made by the Secretary by delivering a copy of the complaint to the Secretary.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(4) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to remand the matter to the Secretary for new proceedings.

(e) INVESTIGATIONS.—The Secretary may make inquiries and investigations as the Secretary considers necessary—

(I) for the effective administration of this subtitle and

(II) to determine whether any person subject to this subtitle has engaged, or is about to engage, in an act that constitutes or will constitute a violation of this subtitle or of an order or regulation issued under this subtitle.

(f) OATHS, AFFIRMATIONS, AND SUBPOENAS.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of books and records of any person in the United States with the jurisdiction of the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(g) CIVIL ACTIONS.—

(I) IN GENERAL.—The court may issue an enforcement order to restrain or prevent any person from violating an order or regulation issued under this subtitle or of an order or regulation issued under this subtitle.

(II) CIVIL JURISDICTION.—The district courts of the United States shall have subject matter jurisdiction over any civil action authorized to be brought under this subtitle.

(III) CIVIL ACTIONS FOR VIOLATIONS.—A civil action authorized to be brought under this subtitle shall be commenced not later than 6 years after the date of violation.

(IV) CIVIL JUDGMENT.—Any civil judgment shall be enforceable by any civil process, including any writ of possession, or any other process of law, available to enforce civil judgments, in any court or place of venue in any State or of the United States.

(V) APPEAL.—The Secretary may appeal to the United States Court of Appeals for the Federal Circuit from any final judgment entered in any civil action brought under this subtitle.

(h) CRIMINAL ACTIONS.—

(I) IN GENERAL.—A criminal action shall be commenced not later than 3 years after the date of violation.

(II) CRIMINAL JURISDICTION.—The district courts of the United States shall have subject matter jurisdiction over any criminal action authorized to be brought under this subtitle.

(III) CRIMINAL ACTIONS FOR VIOLATIONS.—A criminal action authorized to be brought under this subtitle shall be commenced not later than 5 years after the date of violation.

(IV) CRIMINAL JUDGMENT.—Any criminal judgment shall be enforceable by any civil process, available to enforce judgments, in any court or place of venue in any State or of the United States.

(2) PENALTY FOR VIOLATIONS.—An officer or employee of the Department who knowingly violates paragraph (1) shall be subject to the penalties provided in section 905(i)(1).

(3) CONTEMPT.—A failure to obey an order of the court under paragraph (2) may be punished by the court as a contempt of the court.

(4) PROCESS.—In a case under this subsection may be served in the judicial district in which the person resides or conducts business or wherever the person may be found.

SEC. 910. RELATION TO OTHER PROGRAMS.

Nothing in this subtitle preempts or supercedes any other program relating to popcorn promotion organized and operated under the laws of the United States or any State.

SEC. 911. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 912. AUTHORIZATION OF APPROPRIATIONS.

There are appropriated to be appropriated such sums as are necessary to carry out this subtitle. Amounts made available under this section or otherwise made available to the Department, and amounts made available under any other marketing or promotion program, or any promotion order, may not be used to pay any administrative or legislative expense of the Board.

Subtitle B—Canola and Rapeseed Products

SEC. 912. SHORT TITLE.

This subtitle may be cited as the "Canola and Rapeseed Research, Promotion, and Consumer Information Act."
(7) canola, rapeseed, and canola and rapeseed products move in interstate and foreign commerce, and canola, rapeseed, and canola and rapeseed products that do not move in interstate and foreign commerce directly burden or affect interstate commerce in canola, rapeseed, and canola and rapeseed products.

(3) CONSTRUCTION.—Nothing in this subtitle provides for the control of production or otherwise limits the right of individual producers to produce canola, rapeseed, or canola and rapeseed products.

SEC. 923. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term “Board” means the National Canola and Rapeseed Board established under subsection (b).

(2) CANOLA; RAPESEED.—The terms “canola” and “rapeseed” means any brassica plant grown in the United States for the production of an oilseed, the oil of which is used for a food or nonfood use.

(3) CANOLA OR RAPESEED PRODUCTS.—The term “canola or rapeseed products” means products produced, in whole or in part, from canola or rapeseed.

(4) COMMERCE.—The term “commerce” includes interstate, foreign, and intrastate commerce.

(5) CONFLICT OF INTEREST.—The term “conflict of interest” means a situation in which a member of the Board has a direct or indirect financial interest in a corporation, partnership, sole proprietorship, joint venture, or other business entity dealing directly or indirectly with the Board.

(6) CONSUMER PROTECTION.—The term “consumer information” means information that will assist consumers and other persons in making evaluations and decisions regarding the production, and use of canola, rapeseed, or canola and rapeseed products.

(7) DEPARTMENT.—The term “Department” means the Department of Agriculture.

(8) FIRST PURCHASER.—The term “first purchaser” means—

(A) except as provided in subparagraph (B), a person buying or otherwise acquiring canola, rapeseed, or canola and rapeseed products produced by a producer; or

(B) the Commodity Credit Corporation, in a case where canola or rapeseed is forfeited to the Commodity Credit Corporation as collateral for a loan issued under a price support loan program administered by the Commodity Credit Corporation.

(9) INDUSTRY INFORMATION.—The term “industry information” means information or programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the canola and rapeseed industry, or an activity to enhance the image of the canola or rapeseed industry.

(10) INDUSTRY.—The term “industry member” means a member of the canola and rapeseed industry who represents—

(A) manufacturers of canola or rapeseed products;

(B) persons who commercially buy or sell canola or rapeseed.

(11) MARKETING.—The term “marketing” means the sale or other disposition of canola, rapeseed, or canola or rapeseed products in a channel of commerce.

(12) ORDER.—The term “order” means an order issued under section 924.

(13) PERSON.—The term “person” means an individual, partnership, corporation, association, company, or any other legal entity.

(14) PRODUCER.—The term “producer” means a person engaged in the growing of canola or rapeseed in the United States who owns, controls, or has the right to use any land or water necessary to grow canola or rapeseed.

(15) PROMOTION.—The term “promotion” means an action, including paid advertising, and other technical or retail-oriented activity, to enhance the image or desirability of canola, rapeseed, or canola or rapeseed products in domestic and foreign markets, or an activity designed to communicate to consumers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of canola, rapeseed, or canola or rapeseed products or the benefits of use or distribution of canola, rapeseed, or canola or rapeseed products.

(16) QUALIFIED STATE CANOLA AND RAPESEED BOARD.—The term “Qualified State canola and rapeseed board” means a State canola and rapeseed promotion entity that is authorized and functioning under State law.

(17) RESEARCH.—The term “research” means any type of test, study, or analysis to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of canola, rapeseed, or canola or rapeseed products, including research activity designed to identify and analyze barriers to export sales of canola or rapeseed produced in the United States.

(18) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(19) STATE.—The term “State” means any State organization to represent producers of United States canola or rapeseed production.

(20) UNITED STATES.—The term “United States” means collectively the 50 States, the District of Columbia and the Commonwealth of Puerto Rico.

SEC. 924. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall issue 1 or more orders under this subtitle applicable to producers of canola, rapeseed, or canola or rapeseed products.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order under this subtitle, or an association of canola and rapeseed producers or any other person that would be affected by an order issued pursuant to this subtitle may request, through notice, and submit a proposal for an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is consistent with the requirements of this subtitle. The order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend an order issued under this section.

SEC. 925. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order issued under this subtitle shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE NATIONAL CANOLA AND RAPESEED BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a National Canola and Rapeseed Board to administer the order.

(2) NUMBER OF INDUSTRY.—The Board shall carry out programs and projects that will provide maximum benefit to the canola and rapeseed industry in all parts of the United States and only promote canola, rapeseed, or canola or rapeseed products.

(3) BOARD MEMBERSHIP.—The Board shall consist of 15 members, including—

(A) 11 members who are producers, including—

(i) 1 member from each of 6 geographic regions comprised of States where canola or rapeseed is produced, as determined by the Secretary; and

(ii) 5 members from the geographic regions referred to in clause (i), allocated according to the production of canola and rapeseed in each region; and

(B) 4 members who are industry members, including at least—

(i) 1 member who represents manufacturers of canola or rapeseed end products; and

(ii) 1 member who represents persons who commercially buy or sell canola or rapeseed.

(4) LIMITATION ON STATE RESIDENCE.—There shall be no more than 4 producer members of the Board from any State.

(5) MODIFYING BOARD MEMBERSHIP.—In accordance with regulations approved by the Secretary, at least once each 3 years and not more than once each 2 years, the Board shall review the geographic distribution of canola and rapeseed production throughout the United States and, if warranted, recommend to the Secretary that the Secretary—

(A) reapportion regions in order to reflect the geographic distribution of canola and rapeseed production; and

(B) reapportion the seats on the Board to reflect the production in each region.

(6) CERTIFICATION OF ORGANIZATIONS.—

(A) IN GENERAL.—The Secretary shall certify any State organization to represent producers that shall be certified by the Secretary.

(B) CRITERIA.—The Secretary shall certify any State organization to represent producers that the Secretary determines has a history of stability and permanency and meets at least 1 of the following criteria:

(i) MAJORITY REPRESENTATION.—The total paid membership of the organization—

(I) is comprised of at least a majority of the canola or rapeseed producers in the State; or

(ii) SUBSTANTIAL NUMBER OF PRODUCERS REPRESENTED.—The organization represents a substantial number of producers that produce a substantial quantity of canola or rapeseed in the State.

(iii) PURPOSE.—The organization is a general farm or agricultural organization that has as a stated objective the promotion and development of the United States canola or rapeseed industry and the economic welfare of United States canola or rapeseed producers.

(C) REPORT.—The Secretary shall make a certification under this paragraph on the basis of a factual report submitted by the State organization.

(7) TERMS OF OFFICE.—

The terms of office for the members of the Board shall be—

(A) 5 years; and

(B) the term of a member expires on the day immediately following the expiration of the term of the 11th person appointed to serve as a member of the Board.
(A) IN GENERAL.—The members of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1 year and 3 years, as determined by the Secretary.

(B) TERMINATION OF TERMS.—Notwithstanding subparagraph (C), each member shall continue to hold office until a successor is appointed by the Secretary.

(C) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms on the Board as a member.

(D) COMPENSATION.—A member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties for and approved by the Board.

(Powers and Duties of the Board.—The order shall define the powers and duties of the Board, which shall include the power and duty

(1) to administer the order in accordance with the terms and conditions of the order;

(2) to make regulations to effectuate the terms and conditions of the order;

(3) to meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) to establish working committees of persons or committees of members;

(5) to employ such persons, other than Board members, as the Board considers necessary, and to determine the compensation and define the duties of the persons;

(6) to prepare and submit for the approval of the Secretary, when appropriate or necessary, a recommended rate of assessment under section 926 and a fiscal period budget of the anticipated expenses in the administration of the order, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d);

(8) to enter into contracts or agreements, subject to subsection (e), to develop and carry out programs or projects of research, promotion, industry information, and consumer information;

(9) to carry out research, promotion, industry information, consumer information, and consumer research and development projects, and to pay the costs of the projects with assessments collected under section 926;

(10) to keep minutes, books, and records that reflect the actions and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to appoint and convene, from time to time, committees comprised of producers, industry members, and the public to assist in the development of research, promotion, industry information, and consumer information, and to pay the costs with funds received by the Board under the order.

(2) REQUIREMENTS.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a program or project to carry out a budget that shall show the estimated costs to be incurred for the program or project;

(B) the program or project shall be effective upon approval by the Secretary; and

(C) the contracting party shall keep accurate records of all transactions, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) PRODUCER ORGANIZATIONS.—The order shall provide that the Board may contract with producer organizations for any other services. The contract shall include provisions comparable to those required by paragraph (2).

(B) PREPARE AND SUBMIT TO THE SECRETARY, FROM TIME TO TIME, SUCH REPORTS AS THE SECRETARY MAY REQUIRE; AND

(C) ACCOUNT FOR THE RECEIPT AND DISBURSEMENT OF ALL FUNDS TRUSTED TO THE BOARD.

(2) AUDITS.—The Board shall cause the books and records of the Board to be audited by an independent auditor at the end of each fiscal year, and a report of the audit to be submitted to the Secretary.

(3) PROHIBITION.—Subject to paragraph (2), the Board shall not engage in any action to, nor shall any funds received by the Board under this subtitle be used to—

(A) influence legislation or governmental action;

(B) engage in an action that would be a conflict of interest;

(C) engage in advertising that is false or misleading; or

(D) engage in promotion that would disparage other commodities.

(INFORMATION PROGRAMS.—Paragraph (1) does not preclude—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementation, or results of research, consumer, industry information, or industry information activities under the order; or

(C) any action designed to market canola or canola products directly to a foreign government or political subdivision of a foreign government.

(2) RECORDS AND REPORTS.—In general.—The order shall require that each producer, first purchaser, or industry member shall—

(A) file, or submit to the Board any reports considered necessary by the Secretary to ensure compliance with this subtitle;

(B) make available during normal business hours, for inspection by employees of the Board, such books and records as are necessary to carry out this subtitle, including such records as are necessary to verify any required reports.

(2) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as otherwise provided in this section, any information obtained from books, records, or reports required to be maintained under paragraph (1) shall be kept confidential, and shall not be disclosed to the public by any person.

(B) DISCLOSURE.—Information referred to in subparagraph (A) may be disclosed to the public if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the direction of the Secretary; and

(iii) the information relates to this subtitle.

(C) MISCONDUCT.—A knowing disclosure of confidential information in violation of subparagraph (A) by an officer or employee of the Board or Department, except as required by other law or allowed under subparagraph (B) or (D), shall be considered a violation of this subtitle.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits

(i) the issuance of general statements, based on the reports, of the number of permits issued to the order;

(ii) the publication, by direction of the Secretary, of a list of names of persons having violated the order, together with a statement of the
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PARTICULAR PROVISIONS OF THE ORDER VIOLATED BY THE PERSON.

(A) AVAILABILITY OF INFORMATION.

(1) IN GENERAL.—Assessments required under subsection (a) may be assessed under this subtitle only if the information obtained under this subtitle is sought.

(2) PENALTY.—Any person knowingly violating this subsection, on conviction, shall be subject to a fine not more than 2,000 dollars or imprisonment not more than 1 year, or both, and if an officer or employee of the Board or the Department, shall be removed from office or terminated from employment, as determined necessary by the Secretary to effectuate this subtitle.

SEC. 926. ASSESSMENTS.

(A) IN GENERAL.—The order shall provide that the assessments collected under section 926 shall be used for payment of the expense incurred in administering and enforcing provisions of this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing the provisions of this subtitle.

(B) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, as determined necessary by the Secretary to effectuate this subtitle, including the following:

(1) PRORATING ASSESSMENTS.—The order shall require that the assessments collected under this section 926 be used for payment of the expenses incurred in administering and enforcing provisions of this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing the provisions of this subtitle.

(B) METHOD OF MAKING REQUEST.—Each additional referendum shall be conducted among all eligible producers who, during a representative period, have been engaged in the production of canola or rapeseed to determine whether the producers favor the termination or suspension of the order.

(C) ELIGIBLE PRODUCERS.—Each additional referendum shall be conducted among all eligible producers who, during a representative period, have been engaged in the production of canola or rapeseed to determine whether the producers favor the termination or suspension of the order.

(D) OPPORTUNITY TO REQUEST ADDITIONAL REFERENDA.—In general.—Beginning on the date that is 5 years after the conduct of a referendum under this subtitle, and every 5 years thereafter, the Secretary shall provide to the producers who, during a representative period, have been engaged in the production of canola or rapeseed to determine whether the producers favor the termination or suspension of the order, an opportunity to request an additional referendum.

(B) METHOD OF MAKING REQUEST.—(I) IN-PERSON REQUESTS.—To carry out subparagraph (A), the Secretary shall establish a procedure under which a producer may request a reconfirmation referendum in-person at a county Cooperative State Research, Education, and Extension Service office or a county Consolidated Farm Service Agency office during a period established by the Secretary, or as provided in clause (ii).

(C) NOTIFICATIONS.—The Secretary shall publish a notice in the Federal Register, and
the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under subparagraph (B)(i) for an in-person request, of the conduct of a referendum to request an additional referendum. The notification shall explain the right of producers to an additional referendum, the procedure for a referendum, the parameters of a referendum, and the date and method by which producers may act to request an additional referendum under this paragraph. The Secretary shall take such steps as are necessary to ensure that producers are made aware of the opportunity to request an additional referendum.

(2) DURATION.—As soon as practicable following the submission of a request for an additional referendum, the Secretary shall determine whether a sufficient number of producers have requested the referendum, and take such steps as are necessary to conduct the referendum, as required under paragraph (1).

(E) TIME LIMIT.—An additional referendum requested under the procedures provided in this paragraph shall be conducted not later than 1 year after the Secretary determines that a sufficient number of producers have requested the referendum, as required under paragraph (1).

(2) DATE.—Each referendum shall be conducted for a reasonable period of time not to exceed 3 days, established by the Secretary, or by administrative action under section 926. The Secretary shall provide written notification to producers, not later than 60 days prior to the end of the period established under subsection (a)(3).

(c) PROCEDURES.—(1) REQUEST FOR SECRETARY.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of an activity required under this section.

(2) DURATION OF SECRETARY.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of an activity required under this section.

(3) PLACE.—Referenda under this section shall be conducted at locations determined by the Secretary. On request, absentee mail ballots shall be furnished by the Secretary in a manner prescribed by the Secretary.

SEC. 928. PETITION AND REVIEW.

(a) PETITION.—(1) IN GENERAL.—A person subject to a penalty assessed by the Secretary for a violation of this title, or who fails or refuses to pay, collect, or remit an assessment or fee required of the person under an order or regulation, may be assessed a civil penalty by the Secretary of not more than $1,000 for each violation; and

(2) CIVIL PENALTIES AND FEES.—(A) IN GENERAL.—Any person who willfully violates any provision of an order or regulation issued by the Secretary under this title, or who fails or refuses to pay, collect, or remit an assessment or fee required of the person under an order or regulation, may be assessed a civil penalty by the Secretary of not more than $1,000 for each violation; and

(3) NOTICE AND HEARING.—No penalty shall be assessed, or cease-and-desist order issued, under subparagraph (A) unless the person against whom the penalty is assessed or the order is issued is given notice and opportunity for a hearing before the Secretary with respect to the violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order under this paragraph shall become final and unappealable, or after the pendency of proceedings instituted under subsection (a) shall be remittable or remitted by the Secretary or under the procedures specified in subsections (c) and (d), of not more than $5,000 for each offense. In an action for recovery, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(g) ADDITIONAL REMEDIES.—The remedies provided in this subtitle shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 930. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person has engaged or is engaging in an act that constitutes a violation of this subtitle, or an order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, take evidence, and issue subpoenas to require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 928 or 929, the presiding officer is authorized to administer oaths and affirmations, issue subpoenas, and compel the attendance of witnesses, to take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.
(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) CONTEMPT.—A failure to obey an order of the court under this section may be punished by the court as contempt of the court.

(e) PROCEDURE.—Process may be served on a person in the judicial district in which the person resides or conducts business or wherever the person may be found.

(f) HEARING SITE.—The site of a hearing held under section 945 or 979 shall be in the judicial district where the person affected by the hearing resides or has a principal place of business.

SEC. 931. SUSPENSION OR TERMINATION OF AN ORDER.

The Secretary shall, whenever the Secretary finds that an order or a provision of an order obstructs or does not tend to effectuate the policy of this subtitle, terminate or suspend the operation of the order or provision. The termination or suspension of an order shall not be considered an order within the meaning of this subtitle.

SEC. 932. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 933. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated under subsection (a) shall not be available for payment of the expenses or expenditures of the Board in administering a proposal of an order issued under this subtitle.

Subtitle C—Kiwifruit

SEC. 941. SHORT TITLE.

This subtitle may be cited as the "National Kiwifruit Research, Promotion, and Consumer Information Act."

SEC. 942. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) domestically produced kiwifruit are grown as fresh produce;

(2) virtually all domestically produced kiwifruit are grown in the State of California, although there is potential for production in many other areas of the United States;

(3) kiwifruit move in interstate and foreign commerce, and kiwifruit that do not move in channels of commerce directly burden or affect interstate commerce;

(4) in recent years, large quantities of kiwifruit have been imported into the United States;

(5) the maintenance and expansion of existing domestic and foreign markets for kiwifruit, and the development of additional and improved markets for kiwifruit, are vital to the welfare of kiwifruit producers and other persons concerned with producing, marketing, and processing kiwifruit;

(6) a coordinated program of research, promotion, and consumer information regarding kiwifruit is necessary for the maintenance and development of the markets; and

(7) handlers, handlers, and importers are unable to implement and finance such a program without cooperative action.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to authorize the establishment of an orderly procedure for the development and financing (through an assessment) of an effective and coordinated program of research, promotion, and consumer information regarding kiwifruit;

(2) to establish a program to strengthen the position of the kiwifruit industry in domestic and foreign markets and maintain, develop, and expand markets for kiwifruit; and

(3) to treat domestically produced kiwifruit and imported kiwifruit equitably.

SEC. 943. DEFINITIONS.

In this subtitle (unless the context otherwise requires)—

(1) BOARD.—The term "Board" means the National Kiwifruit Board established under section 945.

(2) CONSUMER INFORMATION.—The term "consumer information" means any action taken to provide information to, and broaden the understanding of, the general public regarding the consumption, use, nutritional attributes, and care of kiwifruit.

(3) EXPORTER.—The term "exporter" means any person who imports kiwifruit into the United States.

(4) HANDLER.—The term "handler" means any person, other than a producer, engaged in the business of buying and selling, packing, marketing, or distributing kiwifruit as specified in the order.

(5) IMPORTED OR IMPORTER.—The term "imported" or "importer" means any person who imports kiwifruit into the United States.

(6) KIWIFRUIT.—The term "kiwifruit" means all varieties of fresh kiwifruit grown or imported in the United States.

(7) MARKETING.—The term "marketing" means the sale or other disposition of kiwifruit into interstate, foreign, or intrastate commerce by buying, marketing, distribution, or otherwise placing kiwifruit into commerce.

(8) ORDER.—The term "order" means a kiwifruit research, promotion, and consumer information order issued by the Secretary under section 944.

(9) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or other legal entity.

(10) PROCESSING.—The term "processing" means canning, fermenting, distilling, extracting, preserving, gridding, crushing, or in any manner condensing the form of kiwifruit for the purposes of preparing the kiwifruit for market or marketing the kiwifruit.

(11) PRODUCER.—The term "producer" means any person who grows kiwifruit in the United States for sale in commerce.

(12) PROMOTION.—The term "promotion" means any action taken under this subtitle (including paid advertising) to present a favorable image of kiwifruit to the general public or to influence the consumer's propensity position of kiwifruit and stimulating the sale of kiwifruit.

(13) RESEARCH.—The term "research" means any action relating to the use, nutritional value, and marketing of kiwifruit conducted for the purpose of advancing the image, desirability, marketability, or quality of kiwifruit.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) UNITED STATES.—The term "United States" means the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 944. ISSUANCE OF ORDERS.

(a) MEMBERSHIP.—An order issued by the Secretary under section 944 shall provide for the establishment of a National Kiwifruit Board that consists of the following 11 members—

(1) 6 members who are producers (or representatives of producers) and who are not exempt from an assessment under section 946(b);

(2) 4 members who are importers (or representatives of importers) and who are not exempt from an assessment under section 946(b) or are exporters (or representatives of exporters);

(3) 1 member appointed from the general public;

(b) ADJUSTMENT OF MEMBERSHIP.—Subject to the 11-member limit, the Secretary may adjust membership on the Board to accommodate changes in production and import levels of kiwifruit.

(c) APPOINTMENT AND NOMINATION.—

(1) APPOINTMENT.—The Secretary shall appoint the members of the Board from nominations submitted in accordance with this subsection.

(2) PRODUCERS.—The members referred to in subsection (a)(1) shall be appointed from individuals nominated by producers.

(3) IMPORTERS AND EXPORTERS.—The members referred to in subsection (a)(2) shall be appointed from individuals nominated by importers or exporters.

(d) PUBLIC REPRESENTATIVE.—The public representative shall be appointed from nominations submitted by other members of the Board.

(e) FAILURE TO NOMINATE.—If producers, importers, and exporters fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order. If the Board fails to nominate a public representative, the member may be appointed by the Secretary without a nomination.

(f) ALTERNATES.—The Secretary shall appoint an alternate for each member of the Board. An alternate shall—

(1) be appointed in the same manner as the member for whom the individual is an alternate; and

(2) serve on the Board if the member is absent from a meeting or is disqualified under subsection (f).

(e) TERMS.—A member of the Board shall be appointed for a term of 3 years. No member may serve more than 2 consecutive 3-year terms, except that of the members first appointed.

(1) 5 members shall be appointed for a term of 2 years;

(2) 6 members shall be appointed for a term of 3 years.

(b) PROCEDURE.—(1) PROPOSAL FOR ISSUANCE OF ORDER.—Any person that will be affected by this subtitle may request the issuance of, and submit a proposal for, an order under this section.

(2) PROPOSED ORDER.—Not later than 90 days after the receipt of a request and proposal for an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment pursuant to paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order proposed provisions necessary to ensure that the order is in conformity with this subtitle.

(c) AMENDMENTS.—The Secretary may amend any order issued under this section. The provisions of this subtitle applicable to an order shall be applicable to an amendment to an order.

SEC. 945. NATIONAL KIWIFRUIT BOARD.

(a) MEMBERSHIP.—An order issued by the Secretary under section 944 shall provide for the establishment of a National Kiwifruit Board that consists of the following 11 members—

(1) 6 members who are producers (or representatives of producers) and who are not exempt from an assessment under section 946(b);

(2) 4 members who are importers (or representatives of importers) and who are not exempt from an assessment under section 946(b) or are exporters (or representatives of exporters);

(3) 1 member appointed from the general public;

(b) ADJUSTMENT OF MEMBERSHIP.—Subject to the 11-member limit, the Secretary may adjust membership on the Board to accommodate changes in production and import levels of kiwifruit.

(c) APPOINTMENT AND NOMINATION.—

(1) APPOINTMENT.—The Secretary shall appoint the members of the Board from nominations submitted in accordance with this subsection.

(2) PRODUCERS.—The members referred to in subsection (a)(1) shall be appointed from individuals nominated by producers.

(3) IMPORTERS AND EXPORTERS.—The members referred to in subsection (a)(2) shall be appointed from individuals nominated by importers or exporters.

(d) PUBLIC REPRESENTATIVE.—The public representative shall be appointed from nominations submitted by other members of the Board.

(e) FAILURE TO NOMINATE.—If producers, importers, and exporters fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order. If the Board fails to nominate a public representative, the member may be appointed by the Secretary without a nomination.

(f) ALTERNATES.—The Secretary shall appoint an alternate for each member of the Board. An alternate shall—

(1) be appointed in the same manner as the member for whom the individual is an alternate; and

(2) serve on the Board if the member is absent from a meeting or is disqualified under subsection (f).

(e) TERMS.—A member of the Board shall be appointed for a term of 3 years. No member may serve more than 2 consecutive 3-year terms, except that of the members first appointed.

(1) 5 members shall be appointed for a term of 2 years;

(2) 6 members shall be appointed for a term of 3 years.
(f) DISQUALIFICATION.—If a member or alternate of the Board who was appointed as a producer, importer, exporter, or public representative member ceases to belong to the group from which the member was appointed, the member or alternate shall be disqualified from serving on the Board.

(g) COMPENSATION.—A members or alternate of the Board who is appointed to serve without pay shall receive, in accordance with the order and amendment and this subtitle;

(1) administer an order issued by the Secretary under section 944, and an amendment to the order, in accordance with the order and amendment and this subtitle;

(2) prescribe rules and regulations to carry out the order and amendment and this subtitle;

(3) meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate

(4) receive, investigate, and report to the Secretary accounts of violations of the order;

(5) make recommendations to the Secretary with respect to an amendment that should be made to the order; and

(6) employ or contract with a manager and staff to administer the order except that, to reduce administrative costs and increase efficiency, the Board shall seek, to the extent practicable, to employ or contract with a manager and staff who are already associated with State chartered organizations involved in promoting kiwifruit.

SEC. 946. REQUIRED TERMS IN ORDER.

(a) BUDGETS AND PLANS.—

(1) IN GENERAL.—An order issued under section 944 shall provide for periodic budgets and plans in accordance with this subsection.

(2) BUDGETS.—The Board shall prepare and submit to the Secretary a budget prior to the beginning of the fiscal year of the anticipated expenses and disbursements of the Board, including probable costs of research, promotion, and consumer information. A budget shall become effective on a 2/3 vote of a quorum of the Board and approval by the Secretary.

(3) PLANS.—Each budget shall include a plan for research, promotion, and consumer information described in the budget and reporting schedules to recognize the expertise of the groups to assist in the development of research and marketing programs.

(b) ASSESSMENTS.—

(1) IN GENERAL.—The order shall require the producer to a consumer for a purpose specified under this subsection:

(A) to pay the Secretary for any expenses incurred by the Secretary, including salaries and expenses of Federal Government employees, in implementing and administering the order; and

(B) to reimburse the Secretary for any expenses incurred by the Secretary in conducting referenda or other procedures under subsection (a) of section 947 that are for a purpose specified under this subsection.

(c) USE OF ASSESSMENTS.

(1) IN GENERAL.—The order shall authorize the Board to collect assessment fees from producers, handlers, and importers subject to an order, if the State or Federal Government of which the person is a party, involving the order with respect to which the information was furnished or acquired.

(2) LIMITATIONS.—Nothing in this subsection prohibits:

(A) issuance of general statements based on the reports of a number of handlers and importers subject to an order if the statements do not identify the information furnished by any person; or

(B) the publication, by direction of the Secretary of the name of any person violating an order issued under section 944(a), together with a statement of the particular provisions of the order violated by the person.

(3) PENALTY.—Any person who willfully violates this subsection, on conviction, shall be subject to a fine of not more than $1,000 or imprisonment for not more than 1 year, or both, and, if the person is a member, officer, or agent of the Board or an employee of the Department, shall be removed from office.

(h) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes the withholding of information from Congress.

SEC. 947. PERMISSIVE TERMS IN ORDER.

PERMISSIVE TERMS.—On the recommendation of the Board and with the approval of the Secretary, an order issued under section 944 may include terms and conditions specified in this section and such additional terms and conditions as the Secretary considers necessary to effectuate the other provisions of the order and are incidental to, and not inconsistent with, this subtitle.

(a) PERMISSIVE TERMS.—On the recommendation of the Board and with the approval of the Secretary, an order issued under section 944 may include terms and conditions specified in this section and such additional terms and conditions as the Secretary considers necessary to effectuate the other provisions of the order and are incidental to, and not inconsistent with, this subtitle.

(b) ALTERNATIVE PAYMENT AND REPORTING SCHEDULES.—The order may authorize the Board to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures.

(c) WORKING GROUPS.—The order may authorize the Secretary or any officer of the United States Department of Agriculture to designate working groups drawn from producers, handlers, importers, exporters, or the general public and utilize the expertise of the groups to assist in the development of research and marketing programs for kiwifruit.

(d) RESERVE FUNDS.—The order may authorize the Secretary to accumulate reserve funds from assessments collected pursuant to section 946(b) to permit an effective and...
Secretary.

section under paragraph (1) shall be given an

retary shall make a ruling on the petition

relief pursuant to section 949.

ceeding instituted pursuant to subsection (a)

lation made or issued by the Secretary under

United States shall have jurisdiction specifi-

by the Secretary under subsection (a).

20 days after the date of the entry of a ruling

plaint for that purpose is filed not later than

is vested with jurisdiction to review the rul-

subsection (a) resides or carries on business

administration and enforcement of this sub-

or any order or regulation issued under this

Attorney General a violation of this subtitle,

this section shall be referred to the Attorney

civil action authorized to be brought under

(3) RULING.ÐAfter the hearing, the Sec-

etary shall make a ruling on the petition which

order or obligation.

(2) RECORD.ÐThe Secretary shall promptly

in the court a certified copy of the record

(1) COMMENCEMENT OF ACTION.ÐAny person

(3) LIMITATION ON PETITION.ÐAny petition

filed under this subtitle challenging an order,

imposed in connection with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(2) PROCEDURE.ÐService of process in the proceedings shall be conducted in accordance with the laws of Civil Procedure.

(3) REMANDS.ÐIf the court determines that the ruling is not in accordance with law, the court shall remand the matter to the Secretary.

(a) to make such ruling as the court shall determine to be in accordance with law; or

(b) to take such further action as, in the opinion of the court, may be necessary.

(4) ENFORCEMENT.ÐThe pendency of a proceeding instituted pursuant to subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 949.

SEC. 949. ENFORCEMENT.

(a) JURISDICTION.ÐA district court of the United States having jurisdiction specifi-

cally to enforce, and to prevent and restrain

any person from violating, any order or regu-

lation made or issued by the Secretary under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.ÐA civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or suitable written notice or warning to any person committing the violation.

(c) CIVIL PENALTIES AND ORDERS.Ð

(1) CIVIL PENALTIES.ÐAny person who will-

fully violates any provision of any order or regu-

lation issued by the Secretary under this subtitle, or who fails or refuses to pay, or who pays a civil penalty or order under subsection (a) for which the amount assessed is not required of the person under the order or regu-

lation, may be assessed a civil penalty by the Secretary of not less than $50 nor more than $5,000 for each such violation. Each viola-

tion shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.ÐIn addition to or in lieu of the civil penalty, the Sec-

etary may issue an order requiring the per-

son to cease and desist from continuing the violation.

(3) NOTICE AND HEARING.ÐNo order assess-

ing a civil penalty or cease-and-desist order may be issued by the Secretary under this subsection unless the Secretary gives the person against whom the order is issued no-

tice and opportunity for a hearing on the record before the Secretary with respect to the violation.

(4) FINALITY.ÐThe order of the Secretary assessing a penalty or imposing a cease-and-desist order shall be final and conclusive un-

less the person against whom the order is is-

sued files an appeal from the order with the district court of the United States, in accordance with subsection (d).

(5) REVIEW BY UNITED STATES DISTRICT COURT.Ð

(1) COMMENCEMENT OF ACTION.ÐAny person

against whom a violation is found and a civil penalty assessed or cease-and-desist order is-

sued under subsection (c) may obtain review of the penalty or order in the district court of the United States for the district in which the person resides or does business, or the United States district court for the District of Columbia.

(A) filing a notice of appeal in the court

not later than 30 days after the date of the order, and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.ÐThe Secretary shall promptly file in the court a certified copy of the record on which the Secretary found that the per-

son had committed a violation.

(3) STANDARD OF REVIEW.ÐA finding of the Secretary shall be set aside only if the find-

ing is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.ÐAny person who

fails to obey a cease-and-desist order is-

sued under subsection (c) may be punished by the court for contempt of court, which order has be-

come final and unappealable, or after the ap-

propriate United States district court has entered a final judgment in favor of the Sec-

rity, or a violation of a cease-and-desist order as-

sessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $500 for each of-

fense. Each day during which the failure con-

tinues shall be considered a separate viola-

tion of the order.

(f) FAILURE TO PAY PENALTIES.ÐIf a person

fails to pay an assessment of a civil penalty

after the assessment has become a final and

unappealable order issued by the Secretary, or after the appropriate United States dis-

trict court has entered final judgment in favor of the Secretary, the Secretary shall

refer the matter to the Attorney General for recovery of the amount assessed in the dis-

trict court of the United States in any dis-

trict in which the person resides or conducts

business. In the action, the validity and ap-

propriateness of the final order imposing the civil penalty shall not be subject to review.

SEC. 950. INVESTIGATIONS AND POWER TO SUB-

POENA.Ð

(a) IN GENERAL.ÐThe Secretary may make such investigations as the Secretary consid-

ers necessary—

(b) REFERENDA.

(1) REFERENDUM REQUIRED.ÐDuring the 60-

day period immediately preceding the pro-

posed effective date of an order issued under

section 944, the Secretary shall conduct a

referendum among kiwifruit producers and

importers who will be subject to assessments

under the order, to ascertain whether pro-

ducers and importers approve the implemen-

tation of the order.

(2) APPROVAL OF ORDER.ÐThe order shall

become effective, as provided in section 944, if the Secretary determines that—

(A) the order has been approved by a ma-

jority of the producers and importers voting

in the referendum; and

(B) the producers and importers produce

and import more than 50 percent of the total volume of kiwifruit produced and imported

by persons voting in the referendum.

(b) SUBSEQUENT REFERENDA.ÐThe Sec-

rity may periodically conduct a referen-

dum to determine if kiwifruit producers and

importers favor the continuation, termina-

tion, or suspension of any order issued under

section 944 that is in effect at the time of

the referendum.

(c) REQUIRED REFERENDA.ÐThe Secretary

shall hold a referendum under subsection (b)

(1) at the end of the 6-year period begin-

ning on the effective date of the order and at

the end of each subsequent 6-year period;

(2) at the request of any person; or

(3) if not less than 30 percent of the

kiwifruit producers and importers subject to

continuous coordinated program of research, promotion, and consumer information in years in which production and assessment income may be reduced, except that any re-

serve fund shall not exceed the amount budge-

ted for operation of this subtitle for 1 year.

(e) PROMOTION ACTIVITIES OUTSIDE UNITED

STATES.ÐThe order may authorize the Board to use assessment funds collected under section 949(b) and funds from other sources for the development and expansion of sales in foreign mar-

kets for kiwifruit produced in the United States.

SEC. 948. PETITION AND REVIEW.

(a) PETITION.Ð

(1) GENERAL.ÐA person subject to an order may file with the Secretary a peti-

tion—

(a) stating that the order, a provision of the order, or an obligation imposed in con-

nection with the order is not in accordance with law; and

(b) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.ÐA person submitting a peti-

tion under paragraph (1) shall be given an op-

portunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.ÐAfter the hearing, the Sec-

etary shall make a ruling on the petition which shall be final if the petition is in accord-

ance with law.

(4) LIMITATION ON PETITION.ÐAny petition

filed under this subtitle challenging an order, or any obligation imposed in connection with an order, shall be filed not later than 2 years after the date of the entry of a ruling by the Secretary under subsection (a).

(b) REVIEW.Ð

(1) COMMENCEMENT OF ACTION.ÐThe district

court of the United States in any district in

which the person who is a petitioner under subsection (a) or any obligation imposed in connection with an order, shall be filed not later than 2 years after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCEDURE.ÐService of process in the proceedings shall be conducted in accordance with the laws of Civil Procedure.

(3) REMANDS.ÐIf the court determines that the ruling is not in accordance with law, the court shall remand the matter to the Secretary.

(a) to make such ruling as the court shall determine to be in accordance with law; or

(b) to take such further action as, in the opinion of the court, may be necessary.

(4) ENFORCEMENT.ÐThe pendency of a proceeding instituted pursuant to subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 949.
(d) VOTE.—On completion of a referendum under subsection (b), the Secretary shall suspend or terminate the order that was subject to the referendum at the end of the marketing year if—

(1) the suspension or termination of the order is favored by not less than a majority of the producers and importers voting in the referendum; and

(2) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(e) CONFIDENTIALITY.—The ballots and other information or reports that reveal, or tend to reveal, the vote of any person under this subtitle and the voting list shall be held strictly confidential and shall not be disclosed.

SEC. 952. SUSPENSION AND TERMINATION OF ORDER BY SECRETARY.

(a) In General.—If the Secretary finds that an order issued under section 944, or a provision of the order, obstructs or does not facilitate or tends to reveal, the vote of any person under this subtitle and the voting list shall be held strictly confidential and shall not be disclosed.

SEC. 953. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle for each fiscal year.

Subtitle D—Commodity Promotion and Evaluation

SEC. 961. COMMODITY PROMOTION AND EVALUATION.

(a) FINDINGS.—Congress finds that—

(1) it is in the national public interest and vital to the welfare of the agricultural economy of the United States to expand and develop markets for—

(A) the cultural commodities through generic, industry-funded promotion programs;

(B) the programs play a unique role in advancing the demand for agricultural commodities, since the programs increase the total market for a product to the benefit of consumers and all producers;

(C) the programs implement branded advertising initiatives, which are aimed at increasing the market share of individual competitors;

(D) the programs are of particular benefit to small producers, who may lack the resources or market power to advertise on their own;

(E) the programs do not impede the branded advertising efforts of individual firms but instead increase market demand by methods that each individual entity would not have the incentive to employ;

(F) the programs, paid for by the producers who directly reap the benefits of the programs, provide a unique opportunity for agricultural producers to inform consumers about their products;

(G) it is important to ensure that the programs be carried out in an effective and coordinated manner that is designed to strengthen the position of the commodities in the marketplace and to maintain and expand the markets and uses of the commodities; and

(8) independent evaluation of the effectiveness of the programs will assist Congress and the Secretary of Agriculture in ensuring that the objectives of the programs are met.

(b) VOTING.—(1) Each industry-funded generic promotion program authorized by Federal law for an agricultural commodity shall provide for an independent evaluation of the program and the effectiveness of the program. The evaluation may include an analysis of benefits, costs, and the efficacy of promotional and research efforts under the program. The evaluation shall be funded from industry assessments and made available to the public.

(c) ADMINISTRATIVE COSTS.—The Secretary shall provide to Congress annually information on administrative expenses on programs referred to in subsection (b).

OFFERED BY: Mr. De la Garza

AMENDMENT NO. 3: Page 30, strike lines 1 through 9 and insert the following new subparagraphs:

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall not be less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the years in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, and FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, or flaxseed shall be not less than 85 percent of the simple average price received by producers of each oilseed, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the years in which the average price was the highest and the year in which the average price was the lowest in the period.

OFFERED BY: Mr. De la Garza

AMENDMENT NO. 4: Strike section 109 (page 78, line 8, through page 80, line 15), relating to elimination of permanent price support authority, and insert the following new section:

SEC. 109. SUSPENSION AND REPEAL OF PERMANENT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—

(1) IN GENERAL.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of any commodity:

(A) Parts II through V of subtitle B of title III (7 U.S.C. 1305±1313).

(B) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(C) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(D) Subsections (a), (b), (d), and (e) of section 359a (7 U.S.C. 1359a).


(F) In the case of peanuts, part I of subtitle C of title III (7 U.S.C. 1361±1368).

(G) In the case of upland cotton, section 377 (7 U.S.C. 1377).

AMENDMENT NO. 5: At the end of title V, page 139, after line 17, add the following new section:

SEC. 507 INVESTMENT FOR AGRICULTURE AND RURAL AMERICA.

Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following:

"(g) Make available $3,500,000,000 for the following purposes:

(1) Conducting rural development activities pursuant to existing rural development authorities.

(2) Conducting conservation activities pursuant to existing conservation authorities.

(3) Conducting research, education, and extension activities pursuant to existing research, education, and extension authorities."
Senators, this morning there will be a period for morning business until the hour of 10:30 a.m. At 10:30, the Senate will resume consideration of the conference report to accompany H.R. 2546, which is the D.C. appropriations conference report. The time between 10:30 a.m. and 12:30 p.m. will be equally divided in the usual form on the conference report. At the hour of 12:30, the Senate will stand in recess until 2:15 p.m. for the weekly party conference luncheons.

ORDER FOR CLOTURE VOTE
I now ask unanimous consent that the vote to invoke cloture on the D.C. appropriations conference report occur at 2:15 p.m. today with the mandatory quorum waived.

Mr. LOTT. Mr. President, Senators should now be on notice that there will be a vote at 2:15 today. The Senate will also be asked to turn to any other legislative items that can be cleared for action.

DR. OGILVIE’S REPUTATION FOR EXCELLENCE
Mr. LOTT. Mr. President, in the 1 year he has served as our Chaplain, Dr. Lloyd John Ogilvie has earned the respect and admiration of every Member of this Chamber. He has truly had a spiritual impact on this institution. And before Dr. Ogilvie leaves the Chamber this morning, I wish to call my colleagues’ attention to the fact that Dr. Ogilvie’s reputation for excellence extends far beyond the Capitol. This week, Baylor University announces its list of the 10 most effective preachers of the English-speaking world. The list was drawn from a survey of 341 seminary professors and editors of religious periodicals. Included on the list, along with the likes of Dr. Billy Graham, is our Chaplain, Lloyd Ogilvie.

Mr. President, I know that every Member of the Senate joins me in congratulating Dr. Ogilvie on this honor and to say how proud we are to have him with us as our Chaplain.

Thank you, Dr. Ogilvie.

MORNING BUSINESS
The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

NATIONAL EYE DONOR MONTH
Mr. DeWINE. Mr. President, next month, March 1996, is National Eye Donor Month. The purpose of National Eye Donor Month is to alert individual Americans to a terrific opportunity each one of us has to make a real difference in someone else’s life.

Many Americans do not realize that they have it in their power to give someone else the ability to see, but it is true; each one of us does. If we declare now that after our passing, we want our eyes to be donated to an eye bank, then these eyes can become someone’s gift of sight. What a great opportunity. Indeed, what a great responsibility, one that all of us and our families should take very seriously.

According to the most recent statistics, over 6,000 Americans are waiting for corneal transplants—6,000 today awaiting an operation that can restore the gift of sight. These Americans

- This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
could have this operation today if only there were enough donated eyes available.

The purpose of National Eye Donor Month is simply to remind all Americans that we can make those corneas available to others. Today, thousands of Americans donate their eyes to eye banks. In 1994, over 95,000 eyes were donated and over 43,000 transplants were actually performed.

Mr. President, these numbers need some explaining. Those figures seem to reflect a pretty substantial disparity, but there is a good reason for it—a very strict screening process that keeps out those who test positive for HIV, those who have hepatitis, and those with unhealthy cells on their corneas. Those are just a few of the reasons why many corneas are unsuitable for transplantation. But the corneas from these donors are, in fact, actually used for a good purpose. They are used in other very important ways. They are used in research in special training and other medical education. It is because of this screening process I have just described that eye transplant operations have such an incredible success rate—better than a 90-percent success rate.

This screening process and this rate of success, however, require a greater number of donations. If we could increase the number of eyes donated to eye banks, we could take care of the 6,668 patients who are still waiting for corneal transplants today as well as the 40,000-odd people who join their ranks every single year.

As I said, this kind of surgery really does work. In the 35 years since the founding of the Eye Bank Association of America, EBAA member eye banks have made possible over half a million corneal transplants. There simply are not enough eye donors. The only solution is public education. We must make the American public aware of what we can do to help. That is what National Eye Donor Month is all about. In March 1996, let us recommit ourselves as a nation to giving the gift of sight to some of our fellow citizens who are blind today.

March of this year, and ask that we all renew our dedication to increasing the number of donations, the number of eyes that are available so that more people could see. Thank you very much, Mr. President.

Mr. BOND. Mr. President, I commend my distinguished colleague from Ohio on his very moving, very touching appeal, certainly one that I think is extremely important for all of us. While our hearts and our sympathies go out to him and his lovely wife in their loss, we do commend them for using this opportunity to assist others.

(The remarks of Mr. BOND pertaining to the introduction of S. 1574 are located in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

TRIBUTE TO GARY MUNSEN—A BASKETBALL COACHING MILESTONE

Mr. PRESSLER. Mr. President, during the cold and snowy winter months in South Dakota, many of my constituents enjoy watching the local basketball courts as a reprieve from the cold. This year, a very heated basketball season is melting the snow off the city of Mitchell, SD. Mitchell’s basketball coach, Gary Munsen, has reached a milestone in South Dakota high school basketball—he has recorded 500 career wins.

Gary Munsen’s achievement represents his long, dedicated service to the game of basketball in South Dakota, and more importantly, his players and his community. Gary is living proof that hard work and a strong commitment are the foundation of South Dakotans’ success. Gary’s success also comes from his understanding that coaching is more than teaching kids how to put an orange ball through an iron hoop. Coaching is about teaching young people the importance of teamwork, discipline, hard work, and individual effort. Gary Munsen has made many sacrifices during his career as a basketball coach. But Gary’s incredible effort, determination and commitment have made him a brilliant coach. I extend my congratulations to him for his outstanding record.

Mr. President, I ask unanimous consent that the complete text of an article highlighting Gary Munsen’s career be printed in the RECORD.

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

(From the Argus Leader, Sioux Falls (SD).)

MUNSEN HANGING TIGHT—MITCHELL COACH’S ROAD TO 500 WINS HASN’T ALWAYS BEEN SMOOTH

(By Stu Whitney)

Gary Munsen doesn’t need to prove his perseverance and his stubborn survival as South Dakota’s master of March could never be that simple or pure.

But some numbers are too significant to ignore, and they are used to measure Mitchell’s basketball mentor against other mortals.

Victory is a comfortable criteria for Munsen. He shines every time.

After Saturday’s triumph over Washington, he needs one more win to become the second coach in state history to claim 500 boys basketball victories. Gayle Hoover compiled 577 in 34 seasons at Parker.

The milestone might be reached Tuesday in Brookings, but Munsen is more concerned about keeping this year’s Kernels on course. They are 11-1 and ranked No. 1 in Class AA.

“I’m not one of those guys who set out to coach 30 years and get my plaque,” says Munsen, whose 499-161 record includes six state championships. “I’m not on some kind of mission to break Hoover’s record.”

To assert this, Munsen talks about walking away. He turns 53 on March 12, so early retirement from Mitchell’s school system could come in 1996.

“I’ve spent all my life doing this, and maybe it hurt my family sometimes,” says Munsen, who grew up 35 miles west of Mitchell in White Lake.

“I might get out of education altogether, if I can afford it. We’ve got a great athlete in (sophomore guard) Mike Miller, and I told him when he goes, I’ll tell the school system I’ve spent all my life doing this, and maybe I won’t be able to afford it.”

When Mitchell was upset by the Knights, however, Munsen was stuck for another year.

“Munsen is the burden he has built himself. I think he has too much to prove. He wants to prove his perseverance. His stubborn survival.”

Critics can mention Munsen’s alcohol abuse, his family struggles, but never can they deny that he wins the big games. Even on the high school level, it is that portion of one’s reputation that often prevails.

“There are probably some people who don’t like him, but I think a lot of people respect him,” says son Scott, 30, who coaches track and cross country at the University of South Dakota.

“Coming through at the state tournament has never been his strong suit. I think he figured, ‘Well, I might not be the smartest guy in the world, but I can outwork them. I can be better prepared.’”

Just eight miles down the road, Hoover’s hard-working Parker squads had established a sure-shooting reputation. They beat Munsen every time the schools met.

When Munsen started his coaching career at Dakota Wesleyan, he was coming through at the state tournament in Rapid City.

“Before the finals against O’Gorman, I decided I was going to get out of girls basketball if we won,” recalls Munsen. “It just seemed like a good time to get out.”

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But Hoover remembers thinking that Munsen would not stay in Marion. When the young coach ranted and raved, there was something extra in those eyes. “He was truly enthusiastic about basketball,” recalls Hoover, who remains Parker’s athletic director. “And I figured he didn’t want to stay at a small school. But I don’t think they knew exactly what he wanted at that time.”

After three seasons, the decision was made for him. A school board member, unhappy with his son’s playing time, pushed through an unpleasant ultimatum.

“They basically said, ‘Do this way or you’ll be dismissed,’” says Jay Kuehn, who was coach Gary’s assistant coach at the time. “A lot of people in the community wanted me to stay, but that really wasn’t much of a choice.”

MOVING TO MITCHELL

Whether classified as a resignation or a firing, Munsen’s departure was basically a beginning.

In 1969, he was hired to teach business at Mitchell’s middle school—which included ninth-grade coaching duties in basketball, football and track.

He also served as an assistant to varsity basketball coach Tim Fisk, whom he met during a brief stay at Wesleyan in 1961.

“The tough part was getting the people in Mitchell to understand that Gary had left after what had happened in Marion,” says fellow White Lake native Jerry Miller, who was Mitchell’s wrestling coach at the time.

“Being invited to coach, Gary was destined to be a good one. He’s got a real knack.”

When Fish left coaching in 1972, Munsen inherited the program. That first season, the Kernels introduced their new coach to what would become familiar territory.

“I was taken to the state tournament—and we got there,” says Munsen, whose 17-threat team took third and watched Huron beat Yankton in the finals.

“The kids we had that year really played above their level of capability. Our biggest kid was 6-foot-4 and we had a 5-5 guard. And we got there,” says Munsen, who saw championship-winning moments.

But problems with his second wife, Pam, also arose. Munsen was arrested for misdemeanor assault Oct. 3, 1994, after she accused him of striking her and knocking her to the floor.

Davison County State’s Attorney Doug Papandick dropped the charge on the condition that Munsen seek counseling, and the couple has reconciled.

Though this side of Munsen’s reputation has been wasted by weakness, a person without strong character would have erred.

“One of the things that we had to do with Munsen was to really understand him as a person.”

And within seconds that frailty can fight, and sometimes they even win.

The very near future, Munsen will win for the 500th time and solidify his status as one of the finest coaches in the history of South Dakota basketball.

It is a status that has grown sturdy through the years, so sturdy that restless rumors and rival reputations cannot possibly steal it away. Munsen knows how sturdy the vision of victory can be. He couldn’t even destroy it himself.

“He is a strong person,” says Scott Munsen, “Whenever he has struggles, he becomes convinced that you have to believe in yourself and become more committed to what you’re doing.”

Until retirement comes, Munsen will commit to the cause that has defined his existence over the past 30 years. After a while, you become accustomed to carrying on.

“When someone has a bumpy road but still hangs in there, that’s a pretty good quality,” says Jerry Miller.

“Maybe only a guy from White Lake, South Dakota, could do that. When you’ve been in a small town and lived through some trials and tribulations, you learn how to bite the bullet. You learn to hang in there.”

HANGING TOUGH

As magnificent as Munsen the coach has been, his mystique has been marred by the real-life struggles of Munsen the man.

His father, Charles, died of cancer in 1987. And his first wife, Cheri, was diagnosed with the same illness in 1989.

All the hard work in the world couldn’t erase that reality, so Munsen looked to escape.

“That’s when the drinking became heavy,” he told the Argus Leader in December 1991.

“I had some struggling moments, some tough times. I knew it was a problem, but I just wasn’t able to cope.”

In the fall of 1990, Munsen underwent a month-long alcohol rehabilitation in Abeerdeen. He was separated from Cheri when she passed away in 1991.

“I didn’t handle that very well,” says Munsen, who has two sons. Sam, 17, is a Mitchell freshman. “But it’s over and done with. I never, ever lost focus of the program during that time.”

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SOUTH DAKOTA: SPORTSMAN’S SANCTUARY

Mr. PRESSELER. Mr. President, When I was growing up on a farm in Humboldt, SD, I knew and participated in one of my home State’s best kept secrets: hunting. Almost every year I have returned to my State to hunt pheasants in the fall. I began, with great success, just last fall. South Dakota is a sportsman’s sanctuary, a heaven on earth. It’s becoming less and less a secret. Hunting-related tourism is retained in my State. People come from around the world travel hundreds—even thousands—of miles to experience a special piece of South Dakota. The tourism industry has become an integral part of South Dakota’s continued prosperity and growth.

I have many fond memories of growing up in South Dakota. A recent article in the Wall Street Journal articulated many of the sentiments I feel about South Dakota hunting. Sunday, I read an article entitled, “Thick with pheasants—indeed, South Dakota is filled with many such days of splendor. I encourage my colleagues and all Americans to share in this unique South Dakota experience. I extend a warm invitation to come.”

Mr. President, I ask unanimous consent that the full text of the Wall Street Journal article, “Where Pheasants Swarm as Thick as Locusts,” be printed in the Record.

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

WHERE PHEASANTS SWARM AS THICK AS LOCUSTS

(By Michael Pearce)

GETTYSBURG, SD.—A half-dozen gunners and a pair of dogs, we quietly eased into a grassy field that was the picture of prairie tranquility. During the first few minutes since our lives were rearranged with traditional flushing meadowlark and the lone redtail hawk that rode the same gentle wind that pushed rippling waves of grass and rattled the skeletal remains of wild sunflowers.

But the serenity vanished one-third of the way through the field when a gaudy rooster pheasant flushed inches in front of a pouncing golden retriever. And within seconds pheasants were rising like popcorn; first one, then another, followed by a pair, another single and then a trio. Throughout the rest of the hike pheasants rose in numbers their roosting swarms of locusts of biblical proportions.

The result was a pleasant pandemonium. Hunters fumbled to reload as rooster after rooster lifted skyward, shooting fields as long as their brilliantly plummed bodies. There were countless shotgun fusillades, shouts of “good shot,” “rooster coming your way” and “hen, don’t shoot” amid the roar of beating wings.

Though no exact count was taken, estimates of pheasants flushed from the field ranged from 200 to 400. Days, weeks and months after the final flush of the one-hour hunt the gunners would use every superlative imaginable as they vainly tried to describe the experience to family and friends. But to a true wingshooting aficionado they only needed to say “a good day in South Dakota.”

First introduced in the waning years of the last century, the varicolored Asian imports...
have thrived in this state, creating an autumnm tradition as popular as gender-identity rivalries and the World Series for many. Longtime locals still talk of Depression-era days when they would dig roots of ringworms from weed patches to feed their families through the long winter ahead. It was about the same time affluent sportmen from around the world came to the prairies to experience the incredible sport.

But as much with America’s wildlife, South Dakota’s pheasant population has risen and fallen at the whims of Mother Nature. Worse yet, it suffered at the hands of modern agriculture, which steadily replaced native cover with killing inland seas of corn and wheat. But the tide has turned. South Dakota’s pheasant hunting has been nothing short of phenomenal lately.

“Thanks to several things—mild winters, the cover of the Conservation Reserve Program, and private habitat programs—our pheasant population has been incredible the last few years,” said Paul Nelson, president of Paul Nelson Farm, the Gettysburg outfitter sport hosts are spending money mentioned above. “Most of our guests have simply never seen anything like it, or compare it to the glory days of the 1980s. It’s uncommon to our guests to finish 200 pheasants from just one field.”

Not surprisingly, the mind-boggling bird numbers have again brought sportmen from around the world to the place where pheasants outnumber people many, many times over. “Pheasant hunting is really, really big in South Dakota. People come from all over the world,” said Mark Kayser, outdoor promotions manager, South Dakota Department of Tourism. “We estimate we had 100,000 hunters in South Dakota. That’s a lot of them have been coming for years. It’s like a homecoming for them.”

According to Mr. Kayser, the visiting hunters fill almost all walks of life. Air strips are lined with private jets, and parking lots hold everything from new Suburbans to rusted old pickup campers that seem to spew low-income sportmen like clowns from a tiny circus car.

But no matter how they arrive, the visiting hunters fill almost all walks of life. Air strips are lined with private jets, and parking lots hold everything from new Suburbans to rusted old pickup campers that seem to spew low-income sportmen like clowns from a tiny circus car.

No such place as an airport to note.

As we walked from the marsh at midmorning, bags of decoys on our backs and limits of tasty ducks in our hands, I learned the best duck hunt of my life could be just the beginning. “A lot of times we’ll take our decoys, then walk the C.R.P. [Conservation Reserve Program grasses] for pheasants in the afternoon,” said Mr. Moody. “And if the pheasant are in and you fill out on pheasants in time, you could even . . .”

HONORING THE LETTMAN’S FOR CELEBRATING THEIR 60TH WEDDING ANNIVERSARY

Mr. ASHCROFT. Mr. President, these are trying times for the family in America. Unfortunately, too many broken homes have become part of our national culture. It is tragic that nearly half of all couples married today will see their union dissolve into divorce. The effects of divorce on families and particularly the children of broken families are devastating. In such an era, I believe it is both instructive and important to honor those who have taken the commitment of “till death do us part” seriously and have successfully demonstrated the timeless principles of love, honor, and fidelity, to build a strong family. These qualities make our country strong.

For these important reasons, I rise today to honor William and Stella Lettman who on February 14 celebrated their 60th wedding anniversary. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. The Lettman’s life and commitment to the principles and values of their marriage deserves to be saluted and recognized.

IT FINALLY HAPPENED: FEDERAL DEBT BURDEN EXCEEDS $3 TRILLION

Mr. HELMS. Mr. President, on January 8, 1835, in the 58th year of our Republic, a distinguished native of North Carolina, Andrew Jackson, hosted a banquet to celebrate the Nation’s deliverance from economic bondage. The national debt had been paid. There was cause for great celebration, because the payment of the national debt was considered to be a triumph of republican government.

President Jackson delivered the following toast: “The Payment of the Public Debt—Let us commemorate it as an event which gives us increased power as a nation, and reflects lustre on our Federal Union, of whose justice, fidelity and wisdom it is a glorious illustration.”

Fast-forward 161 years, Mr. President: Today it is my sad duty to report that on this past Friday, February 23, 1996, the Federal debt passed the $5 trillion mark—a new world record. Never before in history had a nation encumbered itself with a debt so enormous.

The sheer arithmetic of the Federal debt is so immense that it boggles the mind. Consider these figures: As of the close of business this past Friday, February 23, 1996, the Federal debt passed the $5 trillion mark—a new world record. Never before in history had a nation encumbered itself with a debt so enormous.

Let me run the numbers once more: The Federal debt is now $5 trillion, 17 billion, 56 million, 630 thousand, 40 dollars and 53 cents. The enormity becomes more clearly in focus when one bears in mind...
that there are a million million dollars in a trillion—so the Federal debt of the United States has now passed five million million dollars.

Let’s look back 23 years. The day I was first sworn in as a U.S. Senator, on January 17, 1973, the Federal debt stood at about one-tenth of today’s total Federal debt. On April 18, 1973, for example, the April 15 tax deadline had just passed; the taxpayers’ money was flowing into the Internal Revenue Service; and the Federal debt stood at 455 billion, 363 thousand, 323 dollars and 85 cents. I should add that the Federal budget deficit that year was about $15 billion—one-tenth of the present Federal deficit.

Mr. President, one of the first pieces of legislation I offered in early 1973 was a resolution to require the Senate to balance the Federal budget. I did that several times in the weeks and months to follow. I lost every time. Then I offered a resolution stipulating that the salaries of Senators and Congressmen be reduced by the same percentage that Congress failed to balance the budget. As I recall, I got seven votes for that proposition and a lot of angry expressions.

Since then, the Federal debt has exploded tenfold.

I recently reviewed a publication entitled “Historical Tables of the Fiscal Year 1995 Budget.” Guess what this document revealed about one significant item of the Federal debt. It showed that the interest on the money borrowed and spent by the Congress of the United States, over and above income, during the fiscal years 1973 through 1993, cost the American taxpayers $3,006,417,000,000.00.

Three trillion dollars just to pay the interest on excessive spending authorized and appropriated by the Congress of the United States over a period of a couple of decades.

Just suppose Congress had agreed back in 1973 to discipline itself and hold fast to a balanced Federal budget. We would be on Easy Street today.

But, Mr. President, it is so easy to spend somebody else’s money. As a result of all this Federal deficit spending, the share of every man, woman and child in America averages out to be roughly $19,043. Every child born today will be taxed $187,000 during his or her lifetime to pay just the interest on the Federal debt.

Think of what has been done to our children and grandchildren. The burden of a $5 trillion debt is a weight on the shoulders of future generations, as well as on our economy today. The Federal Government annually spends approximately 15 percent of its budget paying the interest on the Federal Government’s debt.

Last year the Federal Government spent approximately $1.5 trillion, much of it entirely unnecessary, duplicative, or just plain wasteful. We must return fiscal sanity to the Federal Government and discard the foolish notion that all problems can be solved by more intrusive Government programs and yet more spending. It’s time, Mr. President, to make some hard choices. We can make the tough decisions now, or leave them for someone else to make later, when they’ll be even tougher. The honorable, sensible policy is to cut and cut and cut it now. Only when we reign in the out-of-control spending of the taxpayers’ money can we, like President Andrew Jackson, who was born in Union County, NC, get about the business of returning the luster to our Federal Union which has become so dim.

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

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

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Chair now lays before the Senate the conference report to accompany H.R. 2546, the D.C. appropriations bill.

The Senate resumed consideration of the conference report.

Mr. JEFFORDS. Mr. President, I believe that under the present order there are 2 hours allowed on the bill. I have 1 hour of that time, that is correct?

The PRESIDING OFFICER. The time is equally divided until 12:30. So, yes, you have 1 hour.

PRIVILEGE OF THE FLOOR

Mr. JEFFORDS. Mr. President, I ask unanimous consent that Steve Greene, a fellow serving on the Committee on Labor and Human Resources, be extended the privilege of the floor during the consideration of the conference report on H.R. 2546.

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

Mr. JEFFORDS. Mr. President, I rise to present this conference report to the Senate today, at long last. It has been some 90 days that we have been trying to reach agreement. I hope my colleagues will join me in this effort. The conference agreement allows the D.C. Council to determine if the vouchers to be used in our schools are affiliated schools. I urge you to pay close attention to what we have done here. The conference agreement allows for two different types of vouchers—one to be used for tuition at private and religious schools and another to pay for remedial problems. However, I do not think anybody in this body wants to do that. So we allow for the vouchers to be used—or scholarships, as some prefer to call them—to help the kids after school who are having remedial problems. However—and this is critical—in no case can any Federal funds be allocated for any voucher program until the D.C. Council approves of such expenditure. Schools participating in the voucher plan are required to comply with Federal civil rights laws. There is total local control here and no Federal mandate that they must be used.

This agreement reinforces the fundamental principle of local control and also the D.C. Government if vouchers are appropriate for the District of Columbia public schools and to determine the appropriate split between tuition vouchers and the non-controversial after-school vouchers.

Mr. President, we must set aside the controversy over whether to let the voucher piece overshadow the other educational provisions that are contained in the bill. The conference agreement includes a number of education initiatives designed to improve the public education and help all the children in the public schools in the District of Columbia by making it possible for them to compete in the future
work force. This is a critical problem in the District of Columbia and a critical problem in this Nation.

The District of Columbia public schools have a proud academic tradition. They have produced prominent Americans, and local leaders. Our educational problem in this Nation.

For example, the National Association for the Advancement of Colored People (NAACP) reported in 1991 that African-American fourth graders scored significantly lower on reading and mathematics than their White counterparts. This achievement gap has persisted for decades, with little progress made in recent years.

In addition, the NAACP reported that there is a significant disparity in graduation rates between African-American and White students. In 1991, the graduation rate for African-American students was 65%, compared to 82% for White students.

These disparities are not limited to academic performance. African-American students are also more likely to experience discipline problems, be suspended or expelled, and drop out of school.

To address these challenges, we need to focus on improving the quality of education in our public schools. This requires a comprehensive approach that includes investing in teachers and schools, providing resources to support student learning, and promoting opportunities for all students to succeed.

There are several strategies that can help improve education in the District of Columbia. One approach is to provide funding for school improvement plans. These plans can be designed to address specific needs in each school and can include strategies such as hiring additional teachers, providing professional development for educators, and improving school facilities.

Another approach is to support charter schools. Charter schools are publicly funded schools that are run by independent organizations. They operate under a contract with the city and are held accountable for their results.

Charter schools have shown promise in improving educational outcomes, particularly for students who have struggled in traditional public schools. By offering a variety of instructional approaches and programs, charter schools can help meet the diverse needs of students.

In conclusion, improving education in the District of Columbia is a critical issue that requires a collaborative effort from all levels of government, educators, families, and the community. By working together, we can create a system of public schools that prepares every student for success in the 21st century and beyond.
Mr. KOHL. Mr. President, let me begin by commending Senator JEFFORDS for his leadership on this important piece of legislation. I greatly admire his enthusiasm and his skill in putting together this difficult bill—especially as it regards education. Senator JEFFORDS is a long-time advocate of quality education for all our Nation’s children, and in the Senate-approved D.C. appropriations bill, he brought some of his best ideas to the children of the Nation’s Capital.

For example, the chairman has created a consensus commission that will remove obstacles to much needed reform of the District’s public school system. The agreement also includes funds for the expansion of Even Start programs for District schools, authorizes establishment of charter schools, and encourages partnerships with business, to facilitate technology assessment and job training initiatives.

Unfortunately, the House conferees were adamant in their opposition to the inclusion of any education provisions in the conference agreement—and, for that matter, adamantly opposed to any conference agreement at all—unless a House-sponsored provision relating to vouchers is included in the bill. I did not support this action in conference, and I cannot now support an agreement that includes vouchers.

As former chairman of the D.C. Appropriations Subcommittee, I take this step with great regret. Senator JEFFORDS is an able, effective and dedicated chairman. Under difficult circumstances, he has labored long and hard to craft a measure that will put the District on the road to recovery. I believe that by removing the voucher provision—and by amending the provisions regarding reproductive health and Davis-Bacon—this report could be adopted by unanimous consent.

The concept of public funding for private schools is fundamentally flawed. Private schools do not discriminate: they are charged with educating all children. Our first priority must be to help public schools meet their goal. Unfortunately, this bill does not reflect that priority, and therefore, I will vote against it. I encourage my colleagues to do the same. I have a longer statement detailing my objections to the voucher provision that I will include in the RECORD. Mr. President, I hope that we can act quickly to resolve this matter and produce a report which will be acceptable to all Members of the Senate. The District is in dire financial straits and the situation is deteriorating rapidly. It is my understanding that the District will run out of cash within the next several weeks. The District is not paid in full and on time. Unless Congress releases the balance of the Federal payment, the city will be unable to meet payrolls, pay bills or provide basic services. I therefore urge my colleagues on the other side to stop holding the Nation’s Capital hostage in order to debate a subject that would be better resolved on an education bill.

Mr. President, it is my understanding that pursuant to the unanimous-consent agreement governing this matter, time for debate has been equally divided between the majority and the minority. For purposes of addressing the issue of vouchers, I yield to Senator KENNEDY such time as he may consume. I yield the floor.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that Danica Petroshius and Sam Wang, legislative fellows in my office, be granted privileges of the floor for the duration of the debate.

The PRESIDING OFFICER. Without objection.

Mr. KENNEDY. Mr. President, I yield such time as I might use.

Mr. President, just some obvious facts that should be evident to all the Members as we come back to the legislative process and consider the D.C. appropriations conference report. First of all, I want to commend my friend and colleague, Senator KOHL, for his statement. He has, since the time of the conference report, visited with a number of us on this issue. He has taken great interest and great diligence during the period of the conference. He has a real grasp and understanding about the public issues and policy issues raised by this conference report.

As a Member of the Education Committee, I want to commend him for all of his good work and for raising these very, very important issues in a way which I think will gain broad support. I thank him for his attention and involvement in the issues.

Second, Mr. President, I want to acknowledge the very strong dedication and commitment to education and adequate funding of education from the Senator from Vermont, my friend, Senator JEFFORDS. His words carry great weight in this body, as they should, on any issue, but particularly on education issues and on the issues involving education in the District of Columbia. He has not only been tireless in his commitment to enhancing educational opportunities in the District through public policy, but also he has committed himself personally in the Everybody Wins Program, a special program to graduating young people to the students in the District of Columbia. Through his intervention, the Members of this body are much more familiar with that program. Because of Senator JEFFORDS’s leadership, Members in this institution and the House of Representatives, in the various Cabinet offices, and many of the others in the community reach out and work with young people, in training and enhancing their literacy capability. So he brings an important credibility to the positions that he takes.

Even though he and I generally agree on most educational issues, on this conference report I reach a different conclusion, not only because of the position on vouchers, but for other reasons as well. I think the Senator from Wisconsin pointed out very clearly that if the amendments had not been included, those dealing with the issues of a woman’s right to choose and those issues involving Davis-Bacon, as well as the issues on vouchers, this legislation would go through unanimously.

What we are faced with, with this conference report, is what we have been faced with in other types of appropriations, is riders that are not directly relevant to the appropriations matters at hand. Davis-Bacon rider waives labor protections and denies workers on federally funded construction projects the right to be paid locally prevailing wages. Consideration of these issues falls under the jurisdiction of the Labor and Human Resources Committee. We have had hearings on them. We have reviewed various proposals to undermine the ability of this House to deal with these issues, and tag it onto the D.C. appropriations is quite unacceptable.

I do not know what the majority has against workers with an average income of $26,000 a year who actually make $4.6 billion are going to go to a handful of pharmaceutical companies—$4.6 billion. In this bill, we face a rider that will undermine the ability of construction workers to be paid the prevailing wage in the District. This undermines their ability to receive a fair compensation. It just once again reminds us, or should remind us and remind the American people, about who is on whose side.

I must say, Senator Chafee is working with Senator Pryor to try to alter that oversight. Hopefully they will be successful.

Nonetheless, we have the inappropriate rider on Davis-Bacon in this bill. We have the inappropriate rider on a woman’s right to choose. Harris versus McRea asserts that the use of State funds to provide abortions for poor women is a State, not a Federal, decision. But not in this D.C. legislation. It decides how local funds will be used. We are not letting the people in the District of Columbia, as we permit in every other State, to make this decision. The restrictive language in this bill will cause a very serious hardship, particularly among the poorest and most needy people in our society.

The majority imposed a measure affecting northern coalitions for income levels for workers. The majority decided to superimpose their judgment on a woman’s right to choose. And the majority has imposed a private school voucher program that was rejected a number of years ago by a 81-1 majority in the District of Columbia.

The Congress refuses to say on this issue that the local people know best.
How many times have we heard that rhetoric here on the floor of the U.S. Senate? Oh, no, not with regard to the District of Columbia, they do not know best. They do not know how they want to allocate their resources. But, we in the Congress, we know best what is in the national interest even though the Senators, even though they have clearly rejected that proposal a number of years ago. Vouchers also have been rejected in a number of States on statewide ballots. 16 States have rejected it.

What I support various kinds of public school choice, that is not what is at stake today. Today, the most important question is whether we are going to take scarce education funds away from children who attend the public schools to provide those resources to private schools. That is the core issue.

So, I strongly subscribe to the position that was taken by the Senator from Wisconsin who said that without these riders that are not germane to the issue of this would go through on a voice vote.

Mr. President, having expressed my strong view about the commitment of the Senator from Vermont on this issue, I question the seriousness of this Congress in not accepting the appropriations for supporting public schools. We saw a year ago the cutting back of some $35 million from D.C. public schools. This year, it is about $11 million. We know under the Republican proposals in the House Republicans there would be a 22-percent reduction in support for elementary/secondary legislation on appropriations. Let us understand what we are looking at in a broader context. This Congress is pushing significant reductions in funding for public schools generally, and significant reductions in funding for D.C. public schools.

During this debate and discussion, we find individuals who say, “We have the answers, we do not have to provide the funding for public schools. We do not have to listen to what the Governors of this country, Republican and Democrat alike, recommended to the Nation when they met down in Charlottesville, VA.” And that is that children, in order to be able to learn, have to go to school ready to learn. That means they need an adequate breakfast and to be able to come from a home atmosphere free from substance abuse, family violence. They must be free from being preyed upon in the schools and a whole host of different kinds of challenges.

We hear that the answer to all the problems in the school districts is vouchers. Proponents of the voucher programs say that D.C. has the choice of whether or not to implement a private school voucher program. That decision really lies with a newly created Scholarship Corporation. The D.C. Council only has veto power over proposals submitted to Congress. Of course, if the council does not agree, do you think the local school district will be able to spend that $5 million for the benefit of all the children? Absolutely not. If they do not spend it on vouchers, they cannot spend it at all. You talk about intimidating or attempting to intimidate the local school. If they do not go along with this oversight body, they lose the $5 million. I think intimidation, it is that kind of wrongheaded policy, it is that kind of paternalistic attitude that ought to be rejected today. Again, we could pass D.C. appropriations in a matter of seconds if we freed ourselves from these riders.

It is important to understand the number of children we are talking about. Even if we were able to provide the full range of funding, $5 million, to children, we would fund only 2 percent of the D.C. school population. Vouchers take money away from what is available to children generally in the school system to try to provide some help and assistance, whether it is to enhance their math and science skills, whether it is to enhance their literacy, or whether it is to make some minor repairs in school buildings that are 100 years old.

And what will the fate be of that 2 percent? Many people think that these vouchers will not go to the children who need them the most to the private school of their choice because of the voucher provision in this bill. But the private schools can decide whether to accept a child or not. The real choice is given to private schools, not parents.

Private schools choose a hand-picked group of students who are much more likely to have college educated parents and to come from high-income families than their public school counterparts. Public schools can’t be selective. They must take the children of the homeless and children of limited English proficiency. The public schools take children with disabilities. They must take all students and try to teach all students about whatever is connected to their background. They don’t have the luxury of closing their doors to students who pose a challenge.

Little Johnny wants to be able to go to private school. He is able to qualify for that voucher, but the school says no. That is the difference. This is not competition. This is not letting the parents or the children make the choice. This permits the school to make the choice. The school can turn him down. They have a limited number of students. There are some schools that fit into those particular slots.

Now, are we going to insist that they take all students? Are the proponents of the voucher system going to say, “OK, if they do not take them, they should take them,” so that we have an equal playing ground in public and private schools and have a real choice? Are they proposing that? Of course not. Nothing of the sort.

Those who support the voucher system are creating a level playing field. What they are doing is taking the money, scarce resources out of the public school system and giving it to children that may or may not gain entrance into the private school system. We should not take the money out of the public schools and put it into the private.

There is no evidence that voucher programs work. In Hillwood, which has a voucher program for 5 years, test scores of voucher students did not rise. One third of parents and students who began participating in the voucher program there have opted out of it. In the last month, 2 of the 17 schools that participate in this that have closed and 2 more are being audited because of serious financial difficulties.

Mr. President, I see colleagues here on this issue, and I will yield at this time to permit them to speak and come back to this issue.

In summary, this is the wrong answer for a central challenge. We must invest in children at the earliest possible age. That is why 2 years ago we changed the Head Start Program to include younger children. We do not want to abandon public schools by taking scarce resources out of them and putting them into private schools. We are effectively turning thumbs down on the public school system. We are abandoning them. We are not giving them close enough attention.

This voucher proposal will fund the few at the expense of the many. It gives scarce Federal dollars to the schools that can exclude children. It also ignores the fact that in 16 States and the District of Columbia this concept was rejected. And it raises the important constitutional issues which were raised in a Milwaukee case that now stands before the Supreme Court. It is unwise policy. It is unjustified.

And if we really care about children we ought to be looking at what is necessary and essential as a nation to adequately invest in those children, in those teachers, in their classrooms, and in the latest technologies for them to have a more complete education system.

Mr. President, I think Senator SIMON was here first, and I yield to him such time as he may want.
of the Federal system. I happen to think we have to be very careful as we approach this. Among other things, we have very limited resources the Federal Government is putting out, and we are talking now in this budget about cuts. In fiscal year 1949, the Federal Government spent 9 percent of its budget on education. This year, as I have said in the Chamber, it is 2 percent, but my colleague from Vermont has corrected me and said we are down to 1 percent. Now we are talking about dissipating these resources. I do not think that is wise.

Second, while technically we do not mandate the D.C. schools to do this, what we say is here is some money and if you spend it for this, you can have it. And if you do not spend it for this, you cannot have the money, for a strapped D.C. school system.

Third, as Senator Kennedy pointed out, the participating schools do not have to keep students. So there is a cramming process that hurts the public schools. There is just no question about it. That is the difference between this and the student aid program that we have.

Then what we do is we fail to address the real problems of the D.C. public schools. Real candidly, I have only visited one school, the school both Senator Jeffords and I get over to as frequently as we can to read to a student, and that school I visit is, it is my guess, above average for the schools in D.C.

Last year, I visited schools in Chicago, on the west side, and the south side. I visited 18 schools. I did not take any reporters with me. I just tried to see what was going on. I saw some encouraging things; I saw some awfully discouraging things. We ought to be addressing the real problems of urban schools in America.

This does not move in that direction. I hope we will restrain our desire to move in and, with the minutest detail, tell the D.C. schools what they ought to do to help us help the D.C. schools. We ought to be helping schools in our country in general much more than we are. This is not the right way to do it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator yields time.

Mr. GLENN. Mr. President, I rise today to oppose the District of Columbia appropriations bill. I oppose this bill for the same reasons that Senator Saxton and Senator Kennedy have already pointed out. We would have a provision that permits publicly funded “scholarships,” to low-income students to attend private and religious schools in the District. I believe this is just another attempt to fund private schools with already scarce Federal dollars, too scarce.

I have consistently opposed attempts by Congress to encourage the use of Federal funds to support private schools whether in the form of tuition tax credits or vouchers. Including this provision would be the first step toward establishing a permanent voucher program for education in this country.

Mr. President, if the public schools are not performing as we want, we need to fix the system, not start siphoning additional money from its purposes and from what it is being used for now.

The system of public education in this country is available to all children. Every young person has a right to expect to get a good education out of the school system in this country.

If it is not producing the high level of achievement needed, we cannot abandon it, but rather we must find ways to make necessary improvements. Not only that, but this is a time when education programs are suffering from a disproportionate share of Federal budget cuts. Diverting Federal resources rather than trying to strengthen the public school system of this country is just wrong.

Mr. President, I think most people are surprised when they find out what a small percentage of support comes from the Federal Government for elementary and secondary education. The Federal Government plays a very major role in higher education—Pell grants, loans, things like that. That help is really an aftermath of the success of the GI bill for education after World War II.

So the Federal Government has a very major role in higher education but plays a very minor role in elementary and secondary education; the highest we ever got up to was about 8 percent of the expenses for elementary and secondary. It gradually drifted down to 6 percent. If I heard Senator Simon correctly a moment ago, I believe the current figure is only 1.4 percent, something like that. I do not know whether it is that low or not. I thought it was still around 5 or 6 percent, which is too low to begin with.

Elementary and secondary education is basically funded through State and local funding. It comes from an antiquated property tax we should have corrected many years ago. Go back to the early days of this country, and most of the wealth of this country was in property. We did not have NASDAQ and the New York Stock Exchange and the international flow of funds and investments. We had property, and that was a fair measure of people’s ability to support an educational system. So a property tax became the norm for supporting education in this country.

Now we are over two-thirds a service economy, and yet we stick with the property tax. As Lester Thurow pointed out in his book a couple years ago, we run our educational system not on a national basis like the other major industrialized country in the world; in this country we elect 15,000 independent school boards who are getting elected on the basis of, “We will not raise your taxes.” That is how we take care of one of the most important functions of our whole society—how we educate our kids for the future, how we educate our young people to be competitive in an increasingly competitive world.

I personally think we should be doing more on this at the Federal level. International competition is going to eat us up if we are not careful and do not get our kids the first-rate education that they deserve. I do not want to see money siphoned off from our system, supporting efforts to leave the public school system. So I will support the finest public school system in the country. If vouchers will skim the best students and leave public education with little Federal help and yet expect them to solve all the educational problems. That is just wrong.

That is why I oppose this providing vouchers to religious schools also is unconstitutional. There is no Federal or State court, as I understand it, that has ever upheld using vouchers for private or religious schools. In fact, in August, the Wisconsin Supreme Court, in an injunction against the expansion of Milwaukee’s School Choice Program to include religious schools—an injunction against them.

Vouchers undermine any serious attempts being made to reform our public education in this country. With this voucher provision included, I will vote against the District of Columbia appropriations bill.

Mr. President, very briefly—I know other Senators are waiting—but while I have the opportunity, I want to mention my opposition to another provision in this conference agreement which was recently brought to my attention. That is Section 230(b)(6), which would waive Federal procurement laws for the GSA Administrator when he provides technical assistance and advisory services for the repair and improvement of D.C. schools.

I am told the sole reason this provision exists is to speed up the process of getting D.C. schools in shape in conjunction with a 2-year flash program.
While that may be an admirable goal to get these things taken care of speedily, both GSA and the D.C. government have been plagued with their share of problems over the last few decades. The District in particular is ripe with examples of how contracting was not carried out properly, and to just waive all the rules and regulations and let them go because we need speed in this particular area, I think takes too big a chance.

We all know too well there is enormous potential for fraud and abuse in procurement. I am not willing to approve such broad authority without any assurances attached to it. There are reasons for these procurement laws, reasons throughout Government why GSA has a procedure. We just revisited them. I was chairman of the Governmental Affairs Committee when we went through some of these procedures and changed the procurement laws for our whole Government to protect against fraud and abuse in the process.

To waive those things, particularly with the District of Columbia, that does not have a good track record in the area of contracting and fiduciary or financial responsibility, I think is just too dangerous.

This legislation does not even include a reporting requirement on contracts awarded under this provision. There is no evidence that they considered using one of the exceptions to full and open competition under the Competition in Contracting Act [CICA], such as an unusual and compelling urgency or in the public interest. While these procurements would still be protestable, it would have been a much more palatable solution than broad waivers.

I have opposed blanket waivers of procurement laws in the past. Most recently I came to the floor to speak against the waiver of procurement laws with respect to the FAA. Although I continue to believe that the FAA’s procurements were a bad precedent to set, at least that legislation contained a very specific list of the laws to be waived. No such list exists in connection with this provision. A few laws, such as CICA and the Office of Federal Procurement Policy Act have been named, but the phrase, “* * * or any other law governing procurements or public contracts * * *,” leaves the rest of the field wide open to include labor, civil rights, and financial management laws.

The list in this bill, at the very least, should be as explicit in the D.C. appropriations bill as it is in the DOT appropriations law. This is a very dangerous precedent to set even for a limited period of time and for a limited purpose. If the clause remains in the bill, I hope the committee will consider this view and redraft, if not delete, this provision from the bill.

My basic objection, going back to where I started, is to siphon off money from the public school system for private purposes is just flat wrong. If we have problems with our public school system, let us fix it. Let us vote the money for it, not siphon off what little money we have in it now.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. JEFFORDS. I yield the Senator from Connecticut such time as he may want to use.

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

Mr. LIEBERMAN. Mr. President, I thank my friend and colleague from Vermont.

I rise to indicate my support for closure on this D.C. appropriations bill. I do so because, as most Members in the Chamber, I would like to begin to see some money flow to the District generally for its operations, but I specifically want to speak to the reason why many of my colleagues will oppose the cloture motion, and that is their opposition to so-called reform measures that have been attached to this appropriations bill. I strongly support those education reform provisions, including the scholarship program that has been referred to in this debate, which is a relatively small part of the overall education reform proposals in this bill.

I must say that I approach this debate in a very different spirit. We have been through a lot of gridlock, again, in this Congress. Ideas that are new have not always made it forward. But I feel a sense of joy, frankly, to have this package of progressive and genuinely important reforms for the District of Columbia school system on this floor for consideration today. It would be a shame if passage of these provisions, which could do so much to help children and families in this Capital city of ours achieve their full potential and escape the cycle of poverty, is stopped because of opposition to this modest program of scholarships for poor children. That is what we are talking about.

The education reform provisions in this bill were not imposed by our friends in the House from up on high. In fact, they had their origin with a locally based education reform commission that was established in the District.

While all of the attention and controversy in this debate and outside has been focused on these scholarship funds and which of the public schools will accept those funds, I want to emphasize that the legislation before us would permit district students in the first year to attend private schools of their choice, religious or nonreligious, and those schools, incidentally, have to be located in the District. Over 5 years, as many as 11,000 District students could attend private schools.

And it establishes a national partnership with business to put in place computers and high-technology infrastructure in the schools, leveraging at least $40 million in public and private resources.

That is all that this measure does for private schools and students in public schools.

So what is all the fuss about? The fuss is literally the tail on the dog here. I gather that my colleagues are opposed to providing tuition scholarships to between 1,000 and 1,500 low-income District students in the first year to attend private schools of their choice, religious or nonreligious, and those schools, incidentally, have to be located in the District. Over 5 years, as many as 11,000 District students could attend private schools.

Do my colleagues in the Senate really want to oppose legislation that will enable kids from families below the poverty line to receive full tuition scholarships of up to $3,000 a year to give them a better chance to develop their potential in safer schools? Do we really want to stop families that are between the poverty line and 185 percent of poverty who can qualify for half-tuition scholarships, up to $1,500 a year under this provision, from benefiting from this program? Do we really want to oppose parts of this bill that would provide 2,000 to 3,000 after-school scholarships in the public schools? We are talking about new money and, in fact, all but $22 million of that will go to the public schools. It is just $22 million of the $324 million that are part of this innovative scholarship program.

What else does the reform act do? It permits charter schools, public charter schools, and competition among public schools. It assists the D.C. public schools in establishing a strong core curriculum in basic academics, promotion standards based on a new curriculum and training for the over 5,000 teachers in the school system.

It protects public school teachers from losing their jobs due to any restriction in the number of full-time employees contained in this appropriations legislation.

It provides for a new per-pupil funding formula to be developed by the District that we think will establish the stability and predictability in the education budget as the District cuts its overall budget.

This measure provides so-called Even Start family literacy education programs in public schools for over 7,000 families, including 28,000 students and parents.

It provides state-of-the-art security measures for over 3,700 students and teachers at high-risk schools in the District.

It provides work force transition assistance to 27,000 seniors and juniors through the nationally proven Jobs for America’s Graduates program.

It establishes a high technology training and referral center in the District that will serve up to 4,000 18- to 25-year-olds.

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first year, 22,000 over 5 years to low-income students after school programs, including academic tutoring, nonacademic enrichment programs, or vocational and technical training?

Mr. President, I cannot believe that this Senate wants to and why we would block consideration of the overall D.C. appropriations bill.

My colleagues in the Senate are probably not surprised that I am speaking in favor of cloture on this bill and support the provisions, because I have fought for several years now, usually alongside, my friend and colleague from Indiana, Senator Coats, who I notice is on the floor, to create a similar national demonstration program to be available to kids in poverty areas around the country to, once and for all, test this idea.

There is a lot of controversy about private school choice. There is no controversy about the fact that our public schools are just not working for millions of families in this country. There is no controversy about the fact that if you are not educated today, you are not going to be able to make it in the work force of today.

We are all preoccupied with the President’s own and brother Buchanan’s statements about economic insecurity. What is the root of economic insecurity, and what is the road to economic security? A better education. The kids in our poorest school districts are simply not getting that education. Senator Coats and I have offered the Low Income School Choice Demonstration Act in an effort, once and for all, to make scholarships, such as those provided in this bill for District of Columbia students, or vouchers as we call them, available at between 20 and 30 demonstration sites around the country.

Can anyone honestly say that we are so confident about what our public schools are that we do not want to test another way to see what effect it will have on the kids who have this choice, who get these scholarships, to see what effect it will have on the public schools?

Senator Coats and I are open to the results. In our bill, we have the Department of Education doing an evaluation which will help us understand the effect of this program. Are we so intent on protecting the educational status quo, of a system which we know is failing millions of our kids, that we are not even willing to test, as Senator Coats and I would do in 20 to 30 systems around the country, as this bill would do in the District, another way to see whether it will work, to see whether it teaches us anything about how we can improve our public schools?

Mr. President, just take a look at the front page of the Washington Post today. Coincidentally, I guess, a story of a principal, Learie Phillip, obviously a fine man, working hard to provide an education at Roosevelt High School here in this city. The description is given of just the time he spends trying to maintain basic order, getting kids to go to the classroom, keeping children from marauding the halls, terrorizing other kids and teachers. There are descriptions of one teacher who attempted to get some kids to leave the hall and get reassigned, getting beaten up brutally—a teacher beaten up. Children are trapped; good children, wanting to learn, are terrorized in this school system.

Let me read a quote from the Washington Post from another story last fall about an emergency education summit Mayor Barry held at Dunbar Senior High School on October 8, 1995. It was a group of student leaders who came to dominate the summit’s main session—students describing life in the public schools in the District as a world in which they constantly go without—without books, without caring teachers and principals, without the training they need to succeed in life. “Today the mayor has asked us here because there is a crisis in our public schools,” said Devon Williams, 15, a sophomore at Banneker Senior High School. He adds, “When a school first started in September, it dawned on me that many public schools did not have teachers. I did not have a global history teacher for 2 weeks. If I don’t have a teacher, if I don’t have a teacher, what can I learn?”

Here is a quote from another Washington Post editorial back on June 28 of last year:

According to the Washington Teacher Union’s 1995 survey of D.C. teachers, 45.2 percent of the teachers who responded said they had been victims of acts of violence. Almost 30 percent said threats of violence had kept them or their coworkers home from work. “Serious disciplinary problems are causing teachers to lose 18.5 hours of teaching time per year for each class taught,” according to the union president’s written testimony. “Disruptive students steal time away from students who come to school to learn,” Ms. Bullock of the Washington Teacher’s Union.

Mr. President, if this level of fear and violence applies to teachers, we really have to wonder and ask what life is like for the students in the schools who are there to learn. In some schools it must take a great deal of courage just to show up to class every day, much less stand out by excelling academically. It has been an American tradition that one of the great strengths of our country has been that, with an education, you can work your way up out of poverty. But now, more than ever, there is a crisis in operation that has resulted in a concentration of poor kids trapped in inadequate, unsafe inner-city schools, with no hope and without opportunity.

Families who have money around our country, who are faced with sending their kids to schools, such as the one I have described, would do just one thing: They would walk. They would use that money to exercise a choice and remove those kids to better schools. The sad reality is that families are living in poverty—many of those things. Families that have the money have the ability to exercise a choice. Poor families are at the mercy of failing schools. I, for one, cannot, in good conscience, accept the continuation of that reality. I cannot accept what it means in terms of deepening the cycle of poverty and hopelessness for the children of our poorest areas of America.

I know that some of the opponents of this kind of scholarship or voucher program are concerned that it will harm public education by allowing the best students—the so-called advantaged students—to escape from public schools. Mr. President, in the case of this proposal, that is just dead wrong. These scholarships will be distributed according to a system worked out along with the D.C. City Council. In a broader sense, it misses the whole point of what the program is intended to do. We are trying to recognize that schools in some parts of the country—in this case, the District of Columbia—are not working for our kids. They are not performing their basic mission of educating our children. And so we have to give some of the kids an opportunity to seek a better way, until we have the ability to reform and improve the public schools. And maybe from the lessons we learn at these nonpublic schools, our public schools, we will learn how to make themselves better.

Opponents say we should work to improve the public schools. Of course we should. Senator Coats and I and Congresswoman Gunderson agree with that. We want to devote all our energy and resources to improving public schools everywhere. And that has been where most of our money and effort has gone. That is where most of it goes in this bill. In the meantime, the fact is that poor children, who are average, above average, and below average—it does not matter—will all have a shot at these scholarships in the District. They all deserve an equal opportunity at the American dream. Right now, trapped in these unsafe schools with inadequate resources with those who said to teach, they are not getting that opportunity.

Others oppose the program because it would allow the use of tuition scholarships at religious schools. This is an old argument, I happen to believe—according to what I take to be the prevailing Supreme Court decision of Meuller versus Allen in 1983—that this program is absolutely constitutional.

Does somebody fear that by giving a poor child a scholarship to go to a religious school, we are establishing a religion in this country? That is ridiculous. We are giving that child an opportunity to go to a school that his or her family wants him to go to, and that one of the reasons they want them to go there is that, in addition to a safe surrounding and a good education, they are also going to get some values. Maybe that is something we have to learn, as well, from this experiment.

The Rand Corp. did an important and revealing study in 1990. It showed that the performance of African-American
and Hispanic-American children at Catholic parochial schools was much better than that of a comparable group in public schools—not skimming, similar kids, similar backgrounds. It also showed that the gap in performance that exists between the minorities and others has dropped significantly in the parochial school system.

The study identified several factors in the success of the parochial schools they examined. Teachers in the schools are able to spend more time with each child and to pay close attention. Those schools had a more rigorous academic curriculum.

I must say that I have always felt that every time I visited a religious-based school, their key to the success of these schools is their sense of mission, sense of purpose and dedication to values that the teachers and the schools bring to the classroom and to their children. Maybe it is hard to measure, but believe it.

Let me report briefly to my colleagues on a visit that Senator COATS and I were able to take to a school in the Anacostia area, Dupont Park School, affiliated with the Seventh-day Adventist Church. It is a very impressive place. The principal is a devoted woman. We asked her about the educational administrative bureaucracy there—she is it. There is no top-heavy bureaucracy. She directs the school and takes care of all of it.

The kids, the demeanor, the commitment, the attitude of the children was very impressive. A whole bunch raised their hands and they came from a wide range of groups within the neighborhood; some of them from poverty families—97 percent of the kids test above national average.

We went into the classrooms. The first graders were talking Korean to one another. The school choir sang a song from Africa in the African dialect.

The school’s annual tuition, well below the $3,000 threshold of the provision in the bill, is $2,000 to which the United States or the District of Columbia, and that is the Davis-Bacon law says every contract in excess of $2,000 to which the United States or the District of Columbia is a party for construction, alteration, and repair. Cetera, is included under Davis-Bacon.

I think that it is important to stress what is being attempted here. We want to allow a test of the concept of making assistance available to families and to students who do not have the financial means to make a choice as to where their children will be educated.

As I indicated earlier, it seems to me that every time I visited a religious-based school, their key was the same sense of mission, purpose and dedication to values that the teachers and the schools bring to the classroom and to their children.

The bottom line is this: Poor kids deserve the same access, the same learning environment as children who are not from poverty families.

Mr. COATS. Mr. President, I want to report briefly to my colleagues on a visit that Senator LIEBERMAN and I visited a couple of weeks ago. This school is located in one of the poorest sections of this city, an opportunity to opt out of a failed system and into a school that they think can provide a better education and a better atmosphere for their children.

This is an extraordinarily modest attempt, far less than what I would propose. Maybe it is the only thing that is available, but it is a moderately modest attempt to give a few students and their families, in some of the poorest areas of this city, an opportunity to opt out of a failed system and into a school that they think can provide a better education and a better atmosphere for their children.

I ask my colleagues, if you have any doubts about the value of such an opportunity, go and visit the school that Senator LIEBERMAN and I visited a couple of weeks ago. This school is located in one of the poorest sections of this city, and the vast majority of its students, over 90 percent, are African-Americans, many of whom are from low-income families.

The school that Senator LIEBERMAN and I visited is the Anacostia area, Dupont Park School, affiliated with the Seventh-day Adventist Church. It is a very impressive place. The principal is a devoted woman. We asked her about the educational administrative bureaucracy there—she is it. There is no top-heavy bureaucracy. She directs the school and takes care of all of it.

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Now, some of you may remember that on one occasion when we had legislation. The House side has this dream, and I hope it comes true, that thousands if not millions of dollars will come in from private business and corporations to assist in altering and helping schools.

There is a provision with respect to the head of the GSA that says that in the event that he provides technical assistance to these private firms, that if that technical assistance exceeds $2,000 that should not trigger Davis-Bacon for those kinds of donated services. That is the intention. Some say it can be generalized. I do not see how.

Because of that concern, we will take care of that when it comes to the final bill. I just want to let everybody know that really there is no Davis-Bacon argument in here.

I yield 10 minutes to the Senator from Indiana.

Mr. COATS. Mr. President, I want to report briefly to my colleagues on a visit that Senator LIEBERMAN and I visited a couple of weeks ago. This school is located in one of the poorest sections of this city, and the vast majority of its students, over 90 percent, are African-Americans, many of whom are from low-income families. Their parents have made extraordinary sacrifices to pay the tuition, which is modest for the education they are receiving, so the children can go there. It is one of the most remarkable examples of the differences that exist today between private schools and public schools in many areas.

I hope that what was so articulately presented by my colleague, Senator LIEBERMAN, from Connecticut, about the many reasons why we ought to go forward and support this demonstration effort to determine whether or not it is a valid idea to allow students and their parents to make a choice, or at least to have a choice, to attend a private school in lieu of the public school education they are receiving.

I feel that it is. We have been trying to promote the idea of school choice for several years here in the U.S. Senate, albeit, unsuccessfully. The evidence is rolling in at a very rapid rate that at least in certain parts of our country the public school system is badly failing our children. Now, many Americans can opt out of that. They can opt out of that because they have the financial wherewithal to select a different school for their child if they feel that child is not receiving a legitimate education or an education that will allow them, in many cases, to escape the poverty that they find themselves in. Probably most, if not all, of the Senators in this body had that choice.

I think that it is important to stress what is being attempted here. We want to allow a test of the concept of making assistance available to families and to students who do not have the financial means to make a choice as to where their children will be educated.
schools were not, in my opinion, providing the learning experiences, providing the education, providing the atmosphere, the safety, that I felt was appropriate, I had the choice, the financial wherewithal to send them somewhere else. However, many low-income families do not have that choice. They are condemned to the school in their neighborhood, the school to which they are assigned.

Mr. WELLS. Will the Senator yield?

Mr. COATS. I will be happy to yield at the end. If I had unlimited time I would be happy to yield to the Senator because I know of his experience in this issue and I respect that.

There is a school in Indianapolis that exists in the near east side, one of the poorest neighborhoods of Indianapolis. It is a private parochial school. A wealthy individual in Indianapolis who was frustrated over the inability of low-income families to have the choices as other students put $3 million of his own money into a fund that would pay for half of the scholarships at this school. The school, incidentally, charges a per pupil tuition which is one-third the per pupil expenditure in the public school. This gentleman decided to pay half the tuition for low-income families living in the inner-city neighborhood of the school to ensure that those families would have a choice as to where their children would be educated. The Chicago school was so overwhelming that the school could not begin to accommodate the numbers of students interested.

This parochial school had the kind of streamlined bureaucracy that Senator LIEBERMAN referred to earlier in discussing private schools. This school has one principal and I think one administrator who handled the book work and so forth. But the remarkable difference between this school and public schools concerned the experience of the students—the extent of their education, their achievements, their respect for the institution, and the involvement of many of the teachers, many of whom were making a great financial sacrifice to teach as part of a commitment and a mission that they felt—was dramatic difference.

So, really what is at issue here today is whether or not the U.S. Senate is going to continue to insist that the education that is available to middle and upper income families not be allowed for essentially minority, low-income students. And whether or not we have an obligation to at least test the concept to see whether or not the benefits that we propose are in fact benefits that do, in fact, benefit those students.

If opponents of this proposal are correct, that this program will undermine the public schools and not be successful at better educating some low-income students, then we will know, will we not? If we allow the District to experiment with school choice, as other communities are beginning to do, we will be able to evaluate objective results.

The measures that Senator LIEBERMAN and I have offered over the years have provided a very stringent accountability and testing of the demonstration program so that this Congress is given a set of data with which to make an objective determination of whether it works.

I am not sure that it takes some fancy studies to figure out that there are problems in our public school system today, particularly in many inner-city neighborhoods. Are there families who are desperate for educational opportunities for their children because they believe that the current system condemns them to a lifetime of inadequate educational preparation. Many families are worried that they are condemned to a lifetime of living in the conditions they are living in because educationally they will not have the tools to allow them to achieve a better standard of living for themselves and for their children. So this bill represents an extraordinary attempt to experiment with the concept of school choice. I hope that this is something that my colleagues would take the time to examine to determine whether or not we should pursue this type of educational preparation.

I come from an area of Indiana—Fort Wayne, IN—that has successfully, for generations, operated parallel school systems. We have a vigorous public school system which we are proud of. And the Catholic and the private school system—it is a Lutheran school system—and we have a vigorous parochial, Catholic school system, all operating side by side. I contend, and I think the statistics prove, that all of these systems are healthy and are vibrant and are successful because the competition among the three has caused all of them to try to do a better job. I do not know of anything in America, that provides better quality at a better price as a result of a monopoly, but I have observed the successes of better quality products at a lower price because of competition.

So many of our success stories have come about by people trying to do a little bit better than the person next door, or trying to do a little better than their competitor.

This bill acknowledges this truth about success and says that it is possible, as a result of competition, to provide better quality education. If any Senator can stand and argue that the public school system does not need some shakeup, then I think they have not been examining what is going on in our public schools. All you need to do is ask the parents or ask the students a make a visit.

I know the hold of the organized public school lobby is extraordinarily strong, but I think their arguments are becoming much harder to defend, and I hope we can at least provide this demonstration experiment for this reason. I will be supporting the vote on cloture.

I thank my colleague from Connecticut for his articulating the many, many reasons why we should go forward with this.

The PRESIDING OFFICER (Mr. ASHLEY). The time of the Senator has expired.

The Senator from Washington?

Mr. HOLINGS. Mr. President, the reason the Catholic and the private school in Indiana next to that public school is vibrant and successful is that we are leaving it alone. The duty of the Government toward public education is to support and finance it. The duty of the Government with respect to private education is to leave it alone. That is the fundamental.

When you say the question is, “Is the United States going to insist that the minority student not be given a choice?” That is not the question. The question is whether you and I, as Senators, are going to be able to choose public money for private endeavor. I never heard of such a thing. Is it a valid idea to allow children to attend private schools? That is a valid idea. They do it. I happen to come from public schools. I had a child in Woodrow Wilson public school and one at Cathedral private school. The validity is not a question. This crowd is wound up in political politics and new ideas. What it will do is it will insinuate that particular Senator is why in the Lord’s world we are not financing public education.

Public education is working, generally. There are many examples of where it needs repair, but I can give you many examples of the private schools that are more in need of repair. I wish we had time to debate it. But the point is, having dealt with that debate we had around here for 10 years about tuition tax credits, they are now trying to sneak in a voucher program of financing private education. That is the same crowd that wants to do away with the Department of Education. And when my distinguished colleague from Connecticut says we are not taking any money from the schools—that is true about the effect of this particular provision on District schools.

But, overall, you are taking $3 billion from public education and are about to try to give $12 million to the private schools. I hope we do kill this measure until it worked—I do not think it has any idea of working, but I think if it worked, you have started a multi-multibillion dollar program. If it worked in the District, come down to Charleston. I have a lot of good private schools down there, too. They will want financing and everything else. If vouchers work for the private schools, why not vouchers for the public schools? That is the one for which my colleagues are clamoring. For this reason, I hope we do kill this measure.
I listen closely to the matter of the language and the persuasion used here. It was James Madison who said:

"But what is government itself the greatest of all reflections on human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on govern-
ment would be necessary. In fact a government which is to be ad-
ministered by men over men, the great diffi-
culty lies in this: You must first enable the government to control the governed; and in the next place, keep it to control itself."

And, they are totally out of control. We are talking about new ideas—anything—but throw money, start pro-
grams. We spent, for the last 15 years, $200 billion more than we have taken in. It is not a question of balancing the budget; it is a question of paying for what you get. Social Security is paid for. Medicare is paid for. Education is not paid for. Defense is not paid for.

You do not want to pay the bills around here. You want to, willy-nilly, start that program on an idea that we are against new ideas—come on.

Mr. President, today we vote on whether or not to create a new Federal program to pay for private school tuition. These vouchers will have none in mind our duty in the area of education. Our duty to the public is to support public schools and our duty to private schools is to leave them alone.

So far, this Congress has abandoned public education. I refer to the Labor, Health and Human Services, and Educa-
tion appropriations bill, in which the House cuts education by more than $3 billion. The cuts to federally assisted public schools in that bill average over $1,700 per classroom across this coun-
try.

For example—and this is not the most extreme case—I have heard re-
cently from a principal in Greenville, SC, at Sans Souci Elementary School. He has students at three public other schools that did not receive Fed-
eral chapter I money, and now he has taken on Sans Souci.

"Sans Souci" means "without care" in French, but that is not the case with this school. Over 80 percent of his chil-
dren qualify for free lunch and 60 per-
cent of the parents did not graduate from high school.

Mr. President, one-fifth of the budget at Sans Souci comes from the Federal chapter I program. We hear all the time that the Federal role is small—and it is on the average—but at the needier schools, particularly at the ele-
centary level, the role is often much greater.

Of course, the principal tells me that these funds are absolutely necessary and effective. Last semester he used these funds to hire reading specialists for children who began first grade with no literacy whatsoever. In 4 months, these children were reading 60 words and writing grammatical sentences in three-sentence groups. Furthermore, these funds have lowered average class size in his school and allowed him to boost the advanced training for his teachers. I would add that these are ex-
actly the services this Congress would cut in Washington, D.C. We will lose basic reading and math services for an estimated 3,000 children.

Mr. President, Congress proposes cutting services for the majority of the children at public schools, the stance toward private education has been the opposite. The Speaker himself held up funding for our Nation's capitol for 4 months to get a new, fully-funded Fed-
eral program for private schools in the Wash-
ington area. Not one Senate con-
ference of either party supported this House provision. Chairman HATFIELD, Chairman JEFFORDS, Senator CAMP-
bell, Senator Kohl, and Senator Inouye were in opposition. But, through the direct intervention of the Speaker, the House would not budge until the Senate took the whole $42 million 5-year authorization, plus full funding of $5 million for the first year in the D.C. appropriations bill. Thus, while we are supported to cut schools like Sans Souci, in Greenville, SC, we are supposed to initiate funding for St. Albans and Sidwell Friends.

I have admissions information for St. Albans. In his yearbook, Mr. President, the duties and privi-
eges of citizenship in this country do not require a letter of invitation. That is why, from Thomas Jefferson, to Hor-
ace Mann, to Martin Luther King and Lyndon Johnson, we have developed a system that admits all children. So Sans Souci must let in all children, and St. Albans can pick and choose.

Of course, not all private schools are as expensive as St. Albans. In fact, only 7 of the 51 private schools in Washington, DC have tuitions in the range of vouchers provided by this bill. And six of these seven schools are sec-
tarian, religious schools. Mr. Presi-
dent, we can argue about what the cur-
cent Supreme Court says about Federal entanglement with religion, but if six of the seven available schools are reli-
gious, then it is a Federal entangle-
ment. Furthermore, there will be Gov-
ernment intervention in the inde-
pendent schools.

This is not a theoretical prediction—there is a track record. In 1989, the Bush administration published a report on educational choice in Europe—it was a prochoice document, with an en-
thusiastic introduction by Secretary of Education Lamar Alexander. When you get to page 210, in the conclusion, you will find the following:

"Finally, this survey brings confirming ev-
idence to several conflicting positions in the centuries over public and non-
public schools. For those who believe strongly in religious schooling and fear that Gov-
ernment influence will come with public rea-
son existing, reason to worry over the Catholic or Protestant schools in each of the nations studied have increasingly been as-
similated to the assumptions and guiding values of public schooling.

Mr. President, that is from the Bush administration. If you value the inde-
pendence of the religious schools, if you do not want entanglement, the real-world experience will say "watch out."

Similarly, with respect to social divi-
sion:

"For those who fear that public support for parent choice will result in race and class segregation and unequal opportunities, the survey provides confirming evidence."

That is the studied review from a lit-
tle more than 6 years ago.

Since that time, we also have a pro-
gram in Milwaukee, WI. We have two private schools that have just shut down there in the last month—one with the director apparently involved in drugs. He reported that he was teaching voucher children and non-
voucher children, but it turned out that all the children were on taxpayer vouchers. Representative Polly Wil-
liams, who wrote the Milwaukee voucher program, is calling for regula-
tion of the private schools. But the program is moving in the other direc-
tion. It is expanding, and with less and less oversight or restriction. After 5 years of yearly evaluations showed no educational progress, the legislature has eliminated funding for further evaluation, reporting, and critical pressure. The legislature has elimi-
nated the requirement that schools rely partly on privately paying stu-
dents instead of only on Government vouchers. And, the courts are holding up the expansion due to the threat of religious entanglement.

Mr. President, this is not the fate we want for public schools. We hear this cry for accountability, accountability, but in Milwaukee, we are worrying over student achievement to worrying over whether they will have a school.

And, while these school closings get the most attention, the real story is that attention and money is drawn away from improving the public schools that educate the vast majority of America's children. This Senate should reconsider its proposals to cut public education and to start taxpayer funding of private schools. I urge my colleagues to start getting back on the right track by voting against cloture on this D.C. voucher program.
Mr. President, I ask unanimous consent to have printed in the Record an article by Al Shanker, that recently appeared in the New York Times, "Risky Business."

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

RISKY BUSINESS
(By Albert Shanker, President, American Federation of Teachers)

How can we improve U.S. education? One answer, according to a lot of applause I've heard, is to introduce some form of private enterprise. Some people call for vouchers—using public money to pay for children to attend private, and largely religious, schools. Others call for charter schools, which are set up under state law to be independent of state and local control though they are funded by public money. Either way, supporters say, we would bypass the regulation that is strangling education. And we'd create competition among schools, causing excellent schools to flourish, good, new schools to sprout up, and bad schools to close—just the way it happens in the business world.

All this sounds good, but voucher programs are really an extension of school legislation that is relatively new. So we haven't had a chance to test these confident assertions against real-life examples of how the market works. Now, though, we are getting to see some striking evidence about the downside of market schools.

In Los Angeles, a charter school for troubled teens was closed last year by the district. According to stores in the Los Angeles Times, district funds were used to lease a $39,000 sports car for the principal and pay for his private bodyguard. Expensive furniture was purchased for the administrative offices, and a "secret retreat" was held to the tune of $7,000. The district started investigating the school's finances when an auditor found a discrepancy between the number of students the school was claiming—and receiving payment for—and the number that appeared on the rolls. By the time the school closed, four teachers were left to reach more than 200 students, and there was $1 million worth of unpaid bills. The school had a board of directors, but fewer members apparently did not pay much attention to how things were going with the students—or how the school district's money was being spent.

In Milwaukee, schools in its voucher program for low-income students recently shut their doors, and, as I write, two more are in danger of closing. Competition? No, poor financial management, according to stories in the Milwaukee Journal-Sentinel. The principal at one of the failed schools was charged with passing $47,000 worth of bad checks. The other school ran out of funds and was reportedly unable to pay its teachers for several weeks. The financial problems in all of them—three of which were new this year—arose when they enrolled fewer students than they had counted on. An official in the state education department said that a common problem of many of the new voucher schools could have used training in financial procedures and school administration but that legislation governing these schools did not permit it.

No one should be surprised. These charter and voucher schools are the educational equivalent of small businesses. Many of them are new, and everybody knows that the failure rate for small businesses over the first several years is very high. (According to the Small Business Administration, 53 percent of small businesses fail within 5 years of opening up, 79 percent by the end of 10 years.) Failure is usually related to what has troubled these schools—financial problems and, often, lack of experience in running a business.

The difference is that when a small business fails, it is the owners who pick up the tab. When a voucher or charter school goes out of business, it is the taxpayers' money that is thrown away. But the chief victims are the students who lose school time that cannot be replaced. John Witte, the evaluator for the Milwaukee voucher project, put it this way when a school closed during the first year of the experiment:

There are those who would argue that the failure of a school is to be expected in a market system of education. Whether one believes that that expectation outweighs the fact that approximately 150 children essentially lost a year's education is a value issue that we cannot resolve. Whatever one's values are, the price was high for those families involved.

The costs and implications of charter and voucher school failure do not stop here. Where do students go when their school has shut its doors? Must taxpayers also spend money to keep public school spaces open, for youngsters in voucher and charter schools in case there are school closings? If not, would we put them in classes that might already be filled to overflowing? Or send them to a school with available space, no matter where the school was located? Or should we make them wait in line for the following year— the way voucher and charter schools would do?

The people who want us to embrace vouchers and charter schools pretend that doing so is easier because it is "free enterprise." The failures in Los Angeles and Milwaukee remind us that these ventures are risky—and that all the risk falls on people who have no influence over the outcome.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Washington for yielding me the time, and I reserve the remainder of our time.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Washington.

Mrs. MURRAY. Mr. President, I yield to the Senator from Rhode Island 5 minutes.

Mr. PELL. I thank the Senator from Washington.

Mr. President, I oppose the conference report on the District of Columbia appropriations Bill. I do so, however, with profound respect for Senator JEFFORDS, the chairman of the D.C. Appropriations Subcommittee, and the hard work he has devoted to this legislation. Far more often than not, Senator JEFFORDS and I are on the same side of the issue when it comes to education. That is why I regret that I find myself on the opposite side in this case.

Philosophically, I am drawn to the concept of choice. It is one of the precepts upon which the Pel Grant Program is based. As I see it, however, the problem is not only when but also how we move toward greater choice in education. My difficulty with this provision is that it comes at the wrong time and does it in the wrong way.

With current Federal education funding so much at risk and with Federal education programs suffering such a disproportionate share of cutbacks, I do not believe it is prudent that we move in this direction at this particular time. Given our scarce Federal resources, I am of the mind that they should continue to be directed primarily to the public schools that educate almost 90 percent of our Nation's elementary and secondary school children.

Further, private schools today choose which students they want to educate. They are not required to accept students who are difficult to teach in terms of behavior or educational deficiencies. They operate in a manner that is wholly different from the rules under which the public schools are required to function. In the absence of Federal funding, this may be acceptable. However, if they are to become the beneficiaries of a federally supported scholarship or voucher program as proposed in this legislation, I believe we should expect more of our private schools.

It is unfortunate, indeed, that there is no guarantee in this bill that students with disabilities, students with discipline problems with language deficiencies, or homeless students will have access to private schools. Private schools could continue to choose not to accept them. Thus, these students could well be left in the public schools, and the public schools, in turn, left with even less resources to devote to their education. It is a choice program that leaves public education in the lurch, and I fear it would set a very unfortunate precedent.

At this particularly critical time, I believe it very important that we continue to devote our resources primarily to the public schools charged with the responsibility of educating all children, regardless of their disadvantage, their deficiencies, or their disability. In that vein, I would urge my colleagues to join me in opposing this conference report.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. How much time remains on both sides?

The PRESIDING OFFICER. There are 15 minutes and 55 seconds on the Senator's side and the opposition has 10 minutes.

Mrs. MURRAY. Mr. President, I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mrs. WELLSTONE. I thank the Chair. Mr. President, I rise as a Senator who, as a teacher, has always spent time about every 2 1/2 or 3 weeks in a school in Minnesota. First my premise. I think education is the foundation of it all. I think it is the key to welfare reform. I think it is the key to reducing poverty. I think it is the key to a strong middle class. I think it is the key to helping us decrease violence in our communities. I think it is the key to successful economic performance of...
our country, and I think it is the key to a functioning democracy.

The second point I wish to make. I heard my good friend from Indiana—and he is a good friend—talk about the need for shakeup. I think education needs to be shaken up as well. Although I wish to start out with one point, and I am not talking about any of my colleagues here. I do not mean this personally. But I am absolutely convinced, having spent a lot of time in our schools, that some of the harsh realities of public education could not last 1 hour in the very classrooms they condemn.

So now my point. You are right; education needs to be shaken up. We need to make sure that, first of all, children at birth have a chance, which means that every woman expecting a child has to have a diet rich in vitamins, minerals, and protein, and we cut nutrition programs, but somehow a voucher plan is going to help. Education needs to be shaken up. That is the answer.

Children need to be ready to learn when they come to elementary school, but you know what. Some of the very folks who are talking about the voucher plan—not all—want to cut the early childhood education programs. They do not want to fund adequate child care. We have children 2 and 3 years of age, as I see with my own grandchildren, that every 15 seconds are interested in something new; they are exploring all the way to the end of the world. But what we are doing, rather than igniting that spark of learning, we are pouring cold water on that spark of learning. We ought to make a commitment to these children when they are young, and we do not.

That would be shaking up public education. It is hard to teach 38 kids in elementary school. We need to have class sizes much less. But we have not dug into our pockets to make that commitment.

Education needs to be shaken up. There is no question about it. But the problem is the context of this plan. We had a condemning resolution up in the Chamber a couple of months ago—we are going to come back to it again—outrageous, a 20-percent cut in title I money for kids with special problems and vocational education and Head Start, and at the same time we are talking about starting on a voucher plan.

I said to my colleagues before, I say it again, if you can marshal the evidence that shows that we have made a commitment to children in this country we have made a commitment to doing something positive about the concerns and circumstances of their lives, we have made a commitment to public education, we have made the investment and then that does not work, I would be the first to come to the floor and say let us try something different.

We have not made that commitment at all, in which case this makes absolutely no sense. There is going to be a further reduction of what and that means what this gets to be is a zero-sum game. I say this with sadness to my colleagues. It is less money for education for mathematics, for history, for English, for language. It is less money for public education to recruit and train teachers. It is less money for public education to recruit and train teachers. It is less money for public education to recruit and train teachers. It is less money for public education to recruit and train teachers.

That is what this is all about. We say to D.C. we will put a rider on your appropriations bill, telling them this is the money and you have to spend it for private vouchers. That is unacceptable. It is unacceptable because—I do not care how many speeches are given in the Senate Chamber—we have not backed up the photo opportunities we all have had. We have not backed up all of our discussion about how the children are the future with an investment in resources for public education so every child will have the same chance to reach his or her potential. We have not done that. So do not talk to me about how a voucher plan is the answer when we have not even made a commitment to the answer.

I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I yield 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, the Senator from Virginia wanted 1 minute, and I would be glad to yield to him.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. JEFFORDS. Mr. President, I yield the Senator from Virginia 2 minutes.

Mr. WARNER. Mr. President, I first thank my distinguished colleague from Rhode Island and the manager.

I wish to assure the manager that I am going to support him on the cloture motion, although I feel very strongly about an issue which I will address momentarily. I think it is imperative that the District of Columbia be given its budget. I support the various provisions of this measure.

But, Mr. President, regrettably, certain elements of the government in the city, notably the D.C. Taxicab Commission, voted on February 6 of this year to terminate a longstanding taxicab reciprocity agreement between the District of Columbia and areas in northern Virginia and in Maryland.

Mr. President, this affects the way we do business here because we, the Congress of the United States, are very dependent on the best means, safest means, most cost-efficient means of transportation for people who visit not only Capitol Hill, but come here as tourists and the like. This is an effort by the District of Columbia to disrupt an agreement that essentially has been operating and operating for the benefit of all for 50 years.

Mr. President, I am going to fight unrelentlessly. I would seize this vehicle, if it were possible, this legislative vehicle to make sure we continue the practice that has served this greater metropolitan area for years.

As I said, on February 6, 1996, the D.C. Taxicab Commission voted unanimously to terminate the longstanding taxicab reciprocity agreement between the District of Columbia and Arlington County, Fairfax County, the city of Alexandria, and Montgomery County, MD.

The reciprocity agreement permits taxicabs properly registered in their home county to: Transport persons from their county of origin into the District and discharge passengers; to pick up passengers in the District and take them to their home county in response to a call to a dispatcher at the home county; to transport passengers in response to a prearranged trip, and immediately following the termination of a trip.

The D.C. Taxicab Commission's action will prohibit all taxicabs not licensed in the District from providing taxicab and ground transportation service of any type which physically originates in the District.

Mr. President, ending taxicab reciprocity is highly contradictory of the metropolitan area's long record of cooperation on transportation matters. The unilateral cancelation of reciprocity would begin a chain of events that could lead to increased fares in every jurisdiction, and it could easily result in District taxicabs being unable to pick up fares throughout the rest of the metropolitan area.

Passengers could find themselves unable to rely upon consistent, dependable service from carriers with whom they have grown accustomed. Instead, they could be passed like batons from carrier to carrier because of artificial barriers and unnecessary barriers. This could have a particularly harsh effect on disabled and elderly citizens who rely on local taxi service to commute to work in the District, as well as contractual agreements by D.C. firms on behalf of their Virginia resident employees.

I understand that the conference report on H.R. 2546 is being amended. Indeed, at this point, we do not know if cloture will succeed.

My thoughts are that this is meant to be a strong advisory to the District
government and the Taxicab Commission to closely reconsider their decision on revoking reciprocity.

As I understand it, the commission decision must first be transmitted to the District corporation counsel for proposed rulemaking, and that action has not yet happened. There is still time to reconsider a decision which perhaps was made without fully considering what could be a strong negative impact on their own services. I fear that the Taxicab Commission may have fired a shot, as they say in the Navy, without fully considering potential retaliation. If indeed Virginia taxicabs are prohibited from dropping off at the fares within the District, what is to prevent Virginia from prohibiting D.C. taxi service at such major hubs as the Pentagon and National and Dulles Airports.

So, Mr. President, let this be a warning shot across the bow. While this conference report cannot be amended, we will have a continuing resolution in the near future which would be an appropriate vehicle for a funding prohibition on the enforcement of the reciprocity repeal. I would prefer not to take such action. I do not like to interfere with D.C. home rule. However, we are dealing with an ill-conceived policy which would have a detrimental effect on my constituents and metropolitan transportation services as a whole.

I look forward to meeting with District officials in the near future as well as other Members of the local congresional and picking up fares within the District, what is to prevent Virginia from prohibiting D.C. taxi service at such major hubs as the Pentagon and National and Dulles Airports.

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Mr. CHAFEE. Mr. President, last fall the Senate approved a version of the D.C. appropriations bill with no trouble. We passed it here in the Senate with no difficulty. Later, the House passed its version, but in its version there was the creation of a new Federal spending program to provide private school vouchers to a select group of students. This conference report which we are dealing with today creates the first federally funded private school voucher program in the United States of America.

The Senate conferees, Republicans and the Democrats from the Senate, were united in their opposition to the House private school voucher provision. The House would not yield, and for months an agreement could not be reached. The Senate bill did not include, as I say, anything to do with vouchers. We never had an opportunity to address it. There had been no hearings on this measure in the Senate. But the House, unlike this action of Federal spending program with all its flaws or the District of Columbia will not receive its Federal payments.

This appropriations bill, I submit, should not be used to force the Senate to endorse the creation of a new Federal spending program with dubious merit. It is no accident, it seems to me, Mr. President, that this new voucher program has been attached to the D.C. appropriations bill. None of us are responsible to the District of Columbia voters. They cannot punish us or reward us in any fashion. We are unaccountable for our actions.

Under this proposal, the parents do not choose the school that their children will attend. The private schools select the children who are going to attend those schools. This is not a luxury that our public schools have. Our public schools cannot pick and choose among the students. Public schools are committed to providing an education to all our children. They have to accept the child who comes to the school in the middle of the school year, the child who comes in, who comes into the school, whose primary language is not English. They have to accept the child with disciplinary problems or the child with the low IQ.

Private schools do not have to accept any of those children and can reject any child who falls into the above categories—does not speak good English, does not have the adequate IQ, and so forth. In short, private schools have the ability to select the smartest, the least difficult students with the fewest challenges to overcome, those students with the greatest family support.

Jonathan Kozol, the Harvard-educated Rhodes scholar who is best known as a teacher, a civil rights worker, and the best-selling author of "Savage Inequalities," and more recently the good "Amazing Grace: The Lives of Children and the Conscience of a Nation," has been an outspoken critic of American education, particularly in our inner cities. Yet when asked about private school choice, this is what he had to say:

Choice doesn’t do anything for poor children. It simply creates a system of triage that will enable the most fortunate to opt out and leave the larger numbers of the poorest and least sophisticated people in schools nobody willingly would choose.

There is a myth that poor schools somehow magically improve to meet the competition. Kozol says:

Contrary to myth, the poor schools do not magically improve to meet competition, nor do they self-destruct. They linger on as the depositories for children everybody has fled.

The role of our schools has changed dramatically in the past three decades. Schools have taken on extraordinary new burdens. Today we are seeing youngsters with learning disabilities, youngsters who do not get enough to eat, youngsters born with drug or fetal alcohol problems, youngsters from troubled families. As a society, we expect that our schools will take in these children and help make their lives better through education.

I believe it is wrong to provide Federal dollars to private schools to enable them to skim the best students from the public schools and leave the public schools with the greatest challenges to deal with. That is curious, it seems to me. Mr. President, that under the House appropriations bill, the District of Columbia will lose its $13 million this year, $13 million in title I and so forth programs, yet at the same time this report authorizes $42 million over the next 5 years in new voucher programs. So this is $42 million over the next 5 years that, it seems to me, could far better be spent on improving our public schools in the District of Columbia, renovating the shabby buildings, upgrading the facilities, purchasing new books, installing computers and Internet connections, rewarding excellent teachers. All of these things that money could go toward.

Mr. President, I would like to conclude by saying that in Milwaukee they have such an experiment. They have had it for 4 years.

Mr. CHAFEE. The results of that have not shown any improvement in those students who come from the low-income schools as opposed to those students who remained in the low-income schools.

This proposal permits taxpayer dollars to be used to pay for religious education. Even if this plan was approved by the House and Senate and signed by the President, it would be a long time before poor children in the District received these vouchers because this proposal would go straight to the courts.

On December 14, 1995, I received a letter opposing the voucher proposal from a group of local D.C. religious leaders who believe that providing taxpayer dollars to religious schools would damage their religious autonomy, and they agree that it would violate the first amendment. They argue:

Public funding will inevitably lead to regulation of religious schools, harmfully entangling the government in religious matters. Currently religious schools are free from government intrusion and may enroll and hire those of their own religion. This independence is important given that the mission of a religious school is to promote its faith in its pupils. The "scholarships" will threaten the schools’ ability to operate in a fully sectarian manner.

Mr. President, I ask unanimous consent that the full text of the letter be printed in the Record. I also ask unanimous consent that another letter in opposition to the voucher proposal from the Baptist Joint Committee be printed in the Record.

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

Mr. CHAFEE. Finally, Mr. President, on the issue of federally funded vouchers for religiously affiliated schools, I would like to quote Mr. Gunderson, the author of this proposal. On August 12, 1992, during a speech in the House
Chamber in opposition to a voucher amendment by Mr. ARMLEY, Representative GUNDERSON said, “Choice which goes beyond public and private schools to include religious schools, I have to tell my colleagues, raises serious constitutional questions.”

The underlying assumption of private school voucher plans is that public schools are doing a bad job and private schools are better. The advantage that private schools appear to have over public schools disappears when students of similar backgrounds are compared. Private school achievement measures at a much higher rate than public school achievement because private school students come from more advantaged backgrounds with higher incomes and parents with higher levels of education.

In a report entitled “Fourth Year Milwaukee Parental Choice Program,” researchers found that voucher students in private schools are not doing better in reading than low-income students who remained in the public schools. Another study by Bruce Fuller of the Harvard University graduate school of education called “Who Gains, Who Loses From School Choice: A Report on the Milwaukee Experience” reported that after the third year of the Milwaukee voucher experiment reading scores were essentially no different between choice students and similar low-income Milwaukee public school students.

In 1993, many of those who support forcing this voucher program on the Milwaukee public school students. In a report entitled “Fourth Year Milwaukee Parental Choice Program,” researchers found that voucher students in private schools are not doing better in reading than low-income students who remained in the public schools. Another study by Bruce Fuller of the Harvard University graduate school of education called “Who Gains, Who Loses From School Choice: A Report on the Milwaukee Experience” reported that after the third year of the Milwaukee voucher experiment reading scores were essentially no different between choice students and similar low-income Milwaukee public school students.

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for vouchers if they decide to buy equipment or supplies. They will have to be responsive to taxpayers because it will be taxpayers’ money that they are using. I hardly think that the private schools will win under this voucher system.

Will the taxpayers win? No, they will not. It is merely moving money around.

If we were to pass a voucher system today, we would have to write a check for every student who is currently in a private school in terms of a voucher. That will amount to billions of dollars. If we do it in a small district like the District of Columbia, just take a look at the number of students who are currently in private schools. If a voucher system passes, do the students who are currently enrolled in private school get a check or do new students come in to get those checks?

The PRESIDING OFFICER. The Senator’s 3 minutes has expired.

Mr. JEFFORDS. Mr. President, I yield myself 30 additional seconds.

Under the voucher system, no one wins. I think that we need to step back and pass an appropriate D.C. bill and remove these riders. I retail the time under my time.

Mr. JEFFORDS. I yield myself 6 minutes and 21 seconds.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Thank you, Mr. President. What has happened today is what I had hoped would not happen. It has taken us some 90 days to get here to bring forward a proposition to this body which would keep us out of the national debate over the use of the voucher system. This is not the time or place for that. We have a city which needs help, and we have to give it help.

So, what, in my mind, might have started out as a torpedo aimed at the midsection of public education in the District of Columbia or the country now has turned into a small shot across the bow, and there is even an opportunity to divert all the powder resulting from firing that shot.

That is where we are right now. So let us not make this into a big national issue. Let us wait for that some other day, but let us take care of the District of Columbia school system.

Let me clarify some statements here that are confusing. First of all, there are not substituting school funds being used at all. This is a separately appropriated fund.

Also, the District of Columbia sits in an unusual situation, so it is hard for us to do anything as a demonstration project in the District of Columbia without giving it some Federal implications. We have to keep that in mind.

What I wanted to see done, and what we have done in this bill, is to make sure that this is a locally controlled option.

There is a nonprofit corporation set up to receive the funds. There will be two different types of vouchers that will be allowed, or scholarships, if you want to call them that. One is for remedial help and one is for tuition scholarships. So we do not know how much is going to be spent on each. There is only $5 million, and there could be private funds to help even more.

Also, the private board that is set up will be awarding each scholarship, and under the mandate of this bill, they must ensure, to the best they can, that there is a diversity of academic achievements among the students that receive the scholarships. So the scholarship board will have control over that.

The other issue that was brought up is about the ability to discriminate. The schools cannot discriminate and, again, the board is required to make sure that does not happen. The bill specifically requires that the civil rights laws be carried out and that they will make sure, with respect to the handicapped, that Title 5 of the Rehabilitation Act is not violated.

Finally, I believe, and believe strongly, that when the final analysis is made, there will be vouchers, but the pressure will be, that the tuition vouchers—hopefully, there will be private funds to satisfy that demand—but there will be so much need for vouchers for remedial help for these kids. We have some 20,000 young people in this city who are in need of remedial help.

My belief is there will be such a strong demand on the District Council to see that after-school vouchers are distributed to those in need, and, hopefully, there will be private funds for tuition scholarships so that almost all of the Federal funds will be used for remedial help.

Let us not make this into something it is not. It is not an attempt to try and establish a mandated Federal program. This is a local option for the city. I have no problem with sending a message to the public school system that they better get going or else they may see a larger program.

It has been 90 days. We have gone through option after option. We have had two agreements that fell apart, and we finally reached this one, which no one who is familiar with it is happy with, which is probably a pretty good solution. The scholarship program is not as far as some would like to go toward trying to establish a voucher system and it is too far, obviously, some say, because it is a nose under the tent. So I urge us to take a look at this. Do not get swallowed up in trying to make this into an argument about a national mandate. Let us take care of the kids in Washington, DC. Let us worry about the school system. Let us worry about the wonderful things that this bill will help us do to make sure we can change this city’s educational system from one which is an embarrassment to one which we can be proud of again, proud as we were in the past. That is my goal, and I am sure the goal of all here.

Let us not scuttle this bill, because if we do not pass it, then we have to start all over again in the process of trying to see what we can come up with as a compromise.

I urge my colleagues to vote for closure, and let us go on and take care of the city, which is in desperate need of our help now. They are already ready to go bankrupt. I cannot see us taking another 30, 60, or 90 days trying to find an answer. Let us accept this one for what it is, not for what you fear it may be or for what you may want it to be. Thank you, Mr. MURRAY. How much time remains?

The PRESIDING OFFICER. The Chair informs the Senator from Washington that 1 minute, 43 seconds remains on her side, and the Senator from Vermont controls 3 minutes.

Mr. DODD. Mr. President, I rise today in strong opposition to the private school voucher plan included in the conference report on the D.C. appropriations bill.

At a time when our public education system is suffering under the weight of draconian cuts in Federal education programs, diverting precious resources to private and parochial schools is the wrong message to send to our Nation’s children.

This year alone, the Congress has already cut $3.1 billion from education programs—the largest cut in education funding in American history. This is money that would help children learn new skills, raise standards, and provide more money for college education, and prevent violence and drug use in our schools.

We should not be taking scarce Federal funds away from public school students. Instead we should take this opportunity to reaffirm our commitment to reforming our public education system, which educates 88 percent of American students. But, this bill would tell our public schools and the vast majority of our Nation’s children: ‘‘We cannot improve our public schools, so let’s not even try.’’ Well, I reject that argument.

Our universal public education system is one of the very cornerstones of our Nation, our democracy, and our culture. And this voucher proposal would fundamentally undermine this ideal by spending Federal taxpayer dollars for students to attend private and religious schools that are unaccountable to the public.

If funding a voucher system in Washington, DC, would also seriously harm most of Washington’s low- to moderate-income families, who depend on public schools for their children’s education.

Many claim that these vouchers will allow D.C. schoolchildren to attend better schools. But the fact of the matter is, the vast majority of children in Washington, particularly those who are the poorest and who need the most help, will remain in public schools.

For thousands of students and their parents, Federal resources that are desperately needed to repair D.C.’s ailing schools, provide counselors to deal...
with the many social problems that face Washington’s young people, and equip teachers with the tools they need to educate their students will be diverted to the few who are lucky to attend private and parochial schools.

Supporters claim that this voucher proposal will give parents a choice on where their children go to school. But, in fact, these vouchers will not fully open the doors to private education, because private and parochial schools will have no obligation to accept all applicants.

Private schools will pick and choose the best students; and the ones with the lowest test scores, the ones with learning disabilities and discipline problems, and the ones for whom a $1,500 to $3,000 voucher will not begin to pay, on average, $10,000 tuition for private schools in the District will be the ones left behind.

In these programs, proposals raise serious constitutional questions about using Federal money to pay tuition at religious schools. No Federal or State court has ever upheld the use of vouchers for parochial schools, and I seriously doubt that this bill will be any different.

Supporters claim that if this proposal passes, Washington, DC, would serve as an important testing ground for the voucher program. But why test a program that doesn’t work and that the American people don’t want? Considering the fact that Federal resources are already strained, we shouldn’t be using the District of Columbia appropriations bill to waste taxpayer money on bad ideas.

Washington, DC, residents, like those in California, Colorado, and Oregon have voted down vouchers in various ballot initiatives. Electoral rejection of these programs is due in large part to the fact that private school vouchers don’t live up to their advanced billing. In Milwaukee, where the voucher program has been in place for 5 years, test scores of students, who utilize and cannot afford tuition discounts, have failed to improve.

I understand the importance and relevance of private and parochial education. I am a product of St. Thomas the Apostle, a Jesuit boys school. And, I am very proud that my parents made the decision to send me there. But, I am also aware that when making that decision they weren’t expecting to be subsidized by the Federal Government. They understood the importance of our public school system and that the Federal Government should do all it can to support our public schools.

I have long believed that education should be made our No. 1 priority in Congress. A strong education is critical to forming productive, thoughtful, and tolerant citizens.

I have fought to reform our public schools in the past, and I will continue to do so in the future. However, I strongly believe that sending taxpayer dollars to private and parochial institutions will drain already meager Federal resources and undermine serious educational reform efforts.

I hope my colleagues will join me in opposing private school vouchers and work to support a bill that provides real school improvement for the District of Columbia’s schools.

Mrs. MURRAY. Mr. President, I yield 1 minute to Senator From Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. AKAKA. Mr. President, I thank the Senator from Washington for yielding to me.

Mr. President, I rise to register my opposition to the school voucher provisions included in the pending measure. The conference report to the fiscal year 1996 D.C. appropriations bill contains language that would establish a scholarship program for low-income students to attend private and religious schools or attend after-school programs in religious, private, or public institutions.

As a former teacher and public school principal, my chief concern is that this measure would, for the first time, permit Federal tax dollars to be used to subsidize private or religious education. This provision represents the proverbial camel’s nose under the tent of public funding, which could lead to the diversion of additional Federal moneys toward private instruction. Worse, it would encourage States and localities to follow the Federal example, with disastrous consequences for public education.

There are no quick fixes for what ails our system of learning. It takes time, energy, and resources to construct and maintain school buildings, to develop appropriate curricula, to hire and train effective teachers, to encourage parental involvement, to make our schools safe from crime. And it takes time, energy, and resources to ensure that our schools provide our children with the skills and knowledge necessary to respond to the economic, scientific, and technological challenges that will confront them upon graduation. Nevertheless, speaking from my background as an educator, I know that adequate attention and resources, public schools can and do work.

I have no quarrel with private or religious schools. In many cases, they provide a quality education for thousands of young people; in fact, we have many fine private institutions of our own in Hawaii. But private schools are by nature highly selective. They may choose their students on virtually any basis one could care to name, including income, race, ethnicity, gender, religion, aptitude, behavior, even physical or emotional disability. This exclusiveness guarantees that only a small fraction of school-age children will be able to matriculate in private schools; as a consequence, the vast majority of children will continue to be served by public schools.

Knowing this, is it our place to take away precious funds from the many who attend public schools in order to assist the few who attend private schools? Is this an appropriate, fair, or wise use of tax dollars? How many public schoolteachers could we hire for $32 million, the amount that this program will cost over the next 5 years? How many textbooks could we give to inner-city children? How many school lunches could we offer undernourished kids? How many computers could we purchase for classrooms? Most importantly, what would be the long-term cost of this provision to public instruction. If this provision opens the door to additional raids on the Federal Treasury in the name of school choice?

Mr. President, vouchers are the snake oil in the pharmacology of American education, a quick fix for an imagined ailment. They expose a lack of will and imagination in addressing the real education challenges facing our Nation, challenges which millions of teachers, students, and parents could overcome in public schools around the country, if only they had the support we and voucher makers could give them. I urge my colleagues to reject this approach, and instead work hard to improve what we already have, a democratic system of public education that is funded by all citizens for the benefit of all Americans.

I urge my colleagues to vote against the motion to invoke cloture on this measure.

Mr. KOHL. Mr. President, I would like to ask the Senator from Vermont about a provision in the conference report that concerns me. That is section 2353(c), which requires that $1.5 million of funds available to the board of education be used to develop new management and data systems. I am informed that the amount required to be used for such purpose exceeds the amount of the board’s budget, which, as I understand it, would effectively shut down the District’s board of education. Although minority conference were not permitted to participate in the negotiations of the conference agreement, I can only speculate that this was not the intent of the majority conference. I would therefore ask the manager to explain this apparent discrepancy.

Mr. JEFFORDS. Mr. President, the Senator from Wisconsin has raised a problem that came to my attention only after the conference had concluded, and in fact after the House of Representatives had acted on the conference report.

When this provision was agreed to, and it was included in the draft of the education title of the bill that was shared with conferees and others on December 14, 1995, the budget for the board of education was more than $18 million. However, I am now informed that at the end of December 1995 the board proposed reductions in its own budget and that the council reduced the budget and staffing of the board of education that will be recommended to the control board of the Congress. I did not know of these actions until February 1, 1996, the day after the House adopted.
February 27, 1996

Congressional Record — Senate

It is not this Senator’s intention to shut down the board of education. It is my intention, and I believe of the other conference, that the board ensure that the management and financial information systems of the public school system be modernized and upgraded so that the implementation of the reforms we propose can be monitored, both by the board and by others.

If we do not have accurate and timely information we will not be able to achieve the results the kids need.

Mr. President, I would suggest to the Senator that since this will become a part of the statute, that I will seek a legislative remedy at our earliest opportunity. Alternatively, I would suggest to city officials that, since it is not our intent that the board cease operation, a reprogramming from other sources could be effected so that the operations of the board can continue. Such reprogramming should be at levels approved by the council and control authority.

I hope that this explanation clarifies that our conference is intent on this matter.

Mr. Kohl. I thank the Senator and yield the floor.

Mr. Domenici. Mr. President, I rise in support of the conference agreement accompanying H.R. 2546, the fiscal year 1996 District of Columbia appropriations bill.

The conference agreement provides Federal payments to the District of Columbia totaling $727 million. The bill provides $660 million for the Federal payment, $52.1 million as the Federal contribution to certain retirement funds, and just under $15 million for a Federal contribution to a new education initiative.

The bill is at the subcommittee’s revised 602(b) allocation for both budget authority and outlays. I commend the distinguished subcommittee chairman and ranking member for their diligent work on this bill over these many months.

I urge my colleagues to support the conference agreement.

Mr. President, I ask unanimous consent that a table displaying the budget committee scoring of the final bill be printed in the RECORD.

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

D.C. Subcommittee, Spending Totals—Conference Report

[Fiscal year 1996, dollars in millions]

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Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current sceanneching conventions.

Ms. Moseley-Braun. Mr. President, given the District of Columbia’s financial problems, it is unconscionable that 5 months into the fiscal year, Congress has yet to approve a D.C. appropriations bill. It is equally unconscionable that the bill that was reached on the amount of money Congress would appropriate for the District, when the Senate is at long last scheduled to vote on the D.C. appropriations bill, that the bill contains provisions that are controversial and seriously flawed public policy riders.

The bill contains provisions that tie the hands of the D.C. government with regard to abortion services, and that trample the rights of workers. This bill also creates a federally funded, private-school voucher program. This bill takes $5 million away from the D.C. public schools this year and gives it to private schools.

Mr. President, this bill is an abrogation of our responsibility as public officials to support public education. It is public education that has, throughout history, made it possible for generations of Americans to blur class and wealth divisions. It is public education that has allowed every voice to be heard in our democracy, and it is public education that has created a strong middle class. It is on the foundation of quality public education that rests the hopes and opportunities embodied in the American Dream.

The Washington Post has recently published articles describing textbook shortages, unsanitary bathrooms, and other problems with the D.C. public schools.

The legislation before us today should address these problems. Congress should work to improve the quality of public education in this country and in the District. Instead, this bill calls on the Federal Government to walk away from public education.

The House-passed Labor-HHS-Education appropriations bill cuts Federal support for public education by more than $5 billion, the biggest cut in history. Under that bill, the District loses $8.5 million. Under the bill before us today, the D.C. public school system loses another $5 million this year, and $42 million over 5 years.

There are 80,000 students enrolled in the D.C. public schools. Fifty-seven percent of them are classified as “low-income.” This bill buys tuition vouchers for 1,666 of these low-income students. This bill buys tuition vouchers for 3.6 percent of low-income D.C. students—or 2 percent of the total number of students attending D.C. public schools.

What about the other 96 percent?

Mr. President, public schools receive Federal support for every student. I urge my colleagues to support the conference agreement.

Mr. President, I ask unanimous consent that a conference report be printed in the RECORD, as follows:

Mr. President, I hope that the day will come when every one of our public schools is among the best in the world, and when we are therefore in a position to debate the merits of whether or not we should give Federal dollars to private schools.

But we are not in that position. And Congress cannot take a position of sourcing funds out of public schools.

If the authors of this bill would like to bring the issue of school vouchers before Congress, they should challenge them to do so. It is wrong to tackle these unacceptable measures onto this spending bill.

It is our responsibility to help the D.C. public schools educate our children. It is impossible, as we have tried to do, to help the D.C. government deliver basic services to its residents. Regrettably, this bill backs away from the children, and as such, I am left with no choice but to vote against it.

Mr. Campbell. Mr. President, I rise today to talk about the District of Columbia appropriations conference report for fiscal year 1996. I would like to recognize my colleague, Senator Jeffords, for all of his efforts to move this bill along. Under his chairmanship, Senator Jeffords has been given the task of managing the delicate balancing act between fiscal restraint and social responsibility, and as a result, he has been subject to pressure from all sides. As a member of the Appropriations Subcommittee on the District of Columbia, it has been difficult for me personally to keep the process moving and support what I believe is right in this legislation, in spite of what I think is fundamentally wrong with this legislation. That is why I supported the conference report when it was reported out of the appropriations subcommittee. In an effort to keep the process moving forward I will support the motion to invoke cloture, however my concern with several provisions that remain in this conference report will cause me to vote against final adoption of the conference report, even though it contains much needed funds for the District of Columbia.

Mr. President, the conferees on the D.C. appropriations subcommittee worked diligently to craft a conference report that provided adequate funding for the District of Columbia. Notably, the funding issues were never a point of contention, rather there were several legislative provisions that were the focal point of all of our discussions.

First, the bill places clear restrictions on a women’s right to choose.
The final language in this bill specifically makes an exception for the life of the mother, and in cases of rape or incest, but I feel that even this language is too restrictive and dictates who can receive an abortion and when. This is a role I do not believe the Government should play.

Second, and most importantly, I have had difficulty with the school voucher provision of this bill. While this conference report includes a compromise on the initial voucher proposal, I still provide $5 million for the implementation of a voucher program. I have always been concerned that there may not be adequate accountability from private and parochial schools that they are, in fact, providing the best education for low-income students.

Vouchers are often looked at as a cure-all for the ills of public education. While I think it is unreasonable to claim that public education is failing our children, I do believe that our schools need reform. We need to infuse our public educational system with creative and innovative new ways to approach the rapidly changing demands of our society. Our public schools need to be empowered, not ignored, and I believe that vouchers would do just that: ignore the problems by providing an out—a choice to abandon the public schools.

Our Nation must have a strong public education system, that provides opportunities for both excellence and equality. To that end, I urge my colleagues to join me in an effort to think of new ways the Federal Government can better serve the States and the school districts to combat the modern challenges of public education. It is only by directly addressing the problems, through which solutions can be found.

In closing Mr. President, it was clear that the two Chambers came to the table with very divergent views on how to determine the Conference report before us represents many compromises that were made in order to move this bill forward. However, these compromises represent a conference report that I cannot support.

Mr. BYRD. Mr. President, I commend the distinguished majority, Mr. JEFFORDS, and minority, Mr. KOHLM, managers of the conference agreement on the Fiscal Year 1996 District of Columbia Bill. I know from 7 years of personal experience as Chairman of the District of Columbia Appropriations Subcommittee, how much effort is required and how much frustration is involved in dealing with the problems encountered in formulating this legislation. It is a thankless job.

This conference agreement includes a limitation of $4,994 billion, which is $154,347,000 below the District's August 8, 1995, budget request. The reductions contemplated are to be allocated by city officials with the approval of the District of Columbia Financial Responsibility and Management Assistance Authority, also referred to as the Control Board, which was established last year.

The Senate conferees have worked hard to bring a conference agreement to the floor which should significantly improve the education programs of the District, including a provision, which I authorized, to improve discipline in the schools. I understand that the House conferees were adamant, in insisting on the inclusion of a controversial education voucher provision, in order to break an impasse. Despite this, the conference agreement includes a number of other education initiatives, which is a tribute to the hard work of the Chairman of the Subcommittee, Mr. JEFFORDS, who has spent so much time over the past year in an effort to draft legislation which would reinvigorate the District public school system. I commend him and encourage him in those efforts, and especially those relating to increased discipline in the schools.

I want to commend the staff of the Subcommittee, Tim Leeth on the majority and Terry Sauvain on the minority are two experienced Committee staffers. Mr. Leeth has worked for both the majority and minority and represents a proud tradition of non-partisanship on the Senate Appropriations Committee staff. Mr. Sauvain's first assignment on the Senate Appropriations Committee staff was to this bill in the early 1970's. He has held a number of important assignments since then, and for has served as my Deputy Staff Director of the Appropriations Committee, a position which he currently fills in addition to his work for the Subcommittee.

Finally, I want to commend someone who has assisted the House and Senate District of Columbia Appropriations Subcommittees for the past 35 years. Mrs. Mary Porter, an employee of the Office of the General Counsel in the Office of the General Counsel in the Office of the District of Columbia Appropriations Committee staff, has been assigned on detail to the Appropriations Committee for at least a part of each of the past 35 years. Mrs. Porter is one of those quiet and competent civil servants who works behind the scenes. Her faithful and dedicated service is to be commended.

Again, I thank the managers for their hard work in bringing this conference agreement to the floor.

I yield the floor.

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

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, in the last few seconds remaining on this side, let me just say that Senator from Vermont has done an admirable job of trying to get the District appropriations bill through, and I commend him. But I do think, despite the fact that this bill needs to pass, that with the unnecessary riders and messages and political manipulation, it is not the correct way to do it.

If we defeat cloture today, we can go back and do what the Senate did before...
RECESS

The PRESIDING OFFICER. The hour of 12:30 having arrived, the Senate will stand in recess until 2:15 p.m.

Thereupon, the Senate, at 12:32 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996—CONFERENCE REPORT

The Senate continued with consideration of the bill:

CLOTURE MOTION

The PRESIDING OFFICER. The clerk will report the motion to invoke cloture.

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 conference report to accompany H.R. 2546, the D.C. appropriations bill.


VOTE

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 ordered under rule XXII.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I move that the original bill be reprinted for the consideration of the Senate.

Mr. FORD. I announce that the Senator from Indiana [Mr. LUGAR] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The yeas and nays resulted—yeas 54, nays 44, as follows:

[Rollcall Vote No. 20 Leg.]

YEAS—54

Abramoff—Fairecloth—Lott
Ashcroft—Frist—Lott
Bennet—Gorton—Mc Cain
Bond—Gramm—McConnell
Breax—Gramm—Murkowski
Brown—Grassley—Nickles
Burns—Gregg—Presler
Byrd—Hatch—Roth
Campbell—Hattfield—Santorum
Coats—Helm—Shelby
Cocharan—Hutcheson—Simpon
Cohen—Inhofe—Smith
Coverdell—Jeffords—Snowe
Craig—Johnston—Stevens
D’Amato—Kasensbaum—Thomas
DeWine—Kempthorne—Thompson
Dole—Kyl—Thurmond
Domenici—Lugar—Warner

NAYS—44

Akaka—Bryan—Dodd
Baucus—Bumpers—Dorgan
Biden—Card—Econ
Bingaman—Conrad—Feingold
Boxer—Daschle—Feinstein

The PRESIDING OFFICER. The Senate has spoken. They did not have the necessary two-thirds vote. No further action is in order.

The PRESIDING OFFICER. The motion to lay that motion on the table is in order.

The motion to lay on the table was agreed to.

Mr. LOTT. I move to reconsider the vote.

Mr. FORD. I have not passed the appropriations bill for the city of Washington in the next few days, they will be eaten. The bankruptcy will be on our heads because we have not passed the appropriations bill, which was scheduled to be passed by October 1 of last year. I want to assure my colleagues that I am going to take every legislative opportunity to make sure that the city receives the remaining $254 million in Federal funds that were contained in the conference agreement as soon as it is possible.

At the same time, I also believe that it is imperative that we maintain as much of the school reform that is contained in this conference report as we can. I will be immediately reaching out to the House Members to see what we can agree to and also be talking, probably more importantly, to the other side of the aisle here who have seen that it was important to them to prevent the passage of this bill at this time in the form that it is in. I want to make sure that we do what we can to help the kids here in Washington.

By encouraging individual assessments in the other matters in this bill, which I will go through again briefly, we provide a way of helping both students and teachers make sure that no child falls through the cracks. We have a responsibility to see that that happens. We have thousands of young people in this city, because of the problems we have with the school system, that are in danger of either dropping out or graduating—if they do graduate—a situation we will not be ready to enter the work force. We must do all we can to make sure that we take care of these kids.

We should also insist upon the independent charter schools as a way of providing competition, which certainly a majority of this body believes is necessary, for the public schools and to give them an incentive to change. This approach provides the chance to improve the education of all D.C. students.

The requirement of a long-term plan and the Consensus Commission to ensure its implementation would, for the first time, bring rational criteria to the District’s educational policy and provide the criteria. We will be forth with more technology with resources to the public school classrooms. This is imperative if we are to prepare our students for competition in the workplace for the next century.

Mr. President, I will discuss with the distinguished chairman of the Appropriations Committee our next move, but I want to, again, ensure you I will do everything I can to make sure we pass it in a timely manner and we do provide what is necessary to make sure that the young people of this city have every opportunity—and we have accepted that responsibility—to be able to enter life with an education that they deserve and they need. Mr. President, I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. I say to the distinguished Senator from Vermont that we might file cloture again today and have another cloture vote on Thursday to indicate we are serious and we would like to get the bill passed. So we will discuss that.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I just wanted to respond very briefly to the comments of the Senator from Vermont. I think all of us who followed the conference closely understood that it was the sense really of not only Democrats but also Republicans in that conference that it would be extremely unwise to add these three conditions onto the appropriations conference report. It was ultimately, after a number of weeks of meetings and meeting the insistence of the House that they move ahead and add those various provisions which have been effectively rejected here this afternoon.
I think it has been very clearly stated that if this legislation was free from those three additional kinds of riders that really are not directly germane to the appropriations bill, that the legislation and the funding would go ahead on a voice vote.

So I am hopeful that we will be able to address a clean bill. After what I think is a very decisive vote in the Senate, it ought to be a very clear message about what the impediments are toward reaching a final, positive conclusion. If it is the desire of the leadership in the House and the Senate to really respond to the very critical needs of the District, which have been outlined in great detail by the Senator from Vermont, we would take the opportunity to remove those various provisions and see this appropriations bill move ahead.

Clearly, if that is not the case, we will have a responsibility—and I will join with the Senator from Vermont; I know Senator Coats, Senator Murray, and others who spoke and voted against the cloture motion—to make sure that we move this appropriation along with the other unfinished business and the other appropriations we need.

That is our commitment, and it has always been our commitment, in expressing our reservations about the policy decisions. It remains our commitment.

We look forward to working with the chairman of the committee, the Senator from Vermont, in ways that can be helpful to him and, most important, be helpful to the citizens of the District of Columbia.

CUBA POLICY

Mr. Dole. Mr. President, the entire world is now aware of Fidel Castro’s attack on unarmed American civilian aircraft in international airspace. The U.S. Coast Guard has now called off its search for survivors. Four American citizens have been murdered by Fidel Castro’s fighter jets. Brothers to the Rescue is a Florida-based humanitarian group which flies the straits of Florida searching for the desperate product of Fidel Castro’s Communist system: refugees in makeshift boats seeking to escape repression. For these efforts, four Americans gave their lives in time to honor their memory with real action against Fidel Castro’s tyranny.

The apologists for Fidel Castro have already come up with excuses—Brothers to the Rescue had penetrated Cuban airspace in the past, Cuban flight control personnel gave warnings, and on and on. It now appears that Castro even has a planted double agent who will perform a theater of absurd for the world.

But these diversions cannot obscure the basic reality. The reality is there can be no excuse for this act of aggression. The reality is that Castro’s crimes now include an illegal international air assault against American citizens. The reality is that the time is long overdue for serious action against Castro’s Cuba. It should not take the murder of four American citizens for the Clinton administration to understand that warming up to Fidel Castro is wrong.

The Clinton administration has been strong in its rhetoric. Yesterday, President Clinton said, the shoot down was a “flagrant violation of international laws” and the United States will not tolerate it. But the strong words were not, unfortunately, followed with strong action.

Yes, President Clinton is taking a case to the United Nations to seek international sanctions. I hope the Clinton administration has the same success that the Reagan administration had in 1983 in building an international coalition against the brutal Soviet attack on Korean Airlines flight 007—under the able leadership of U.N. Ambassador Jeane Kirkpatrick. The Clinton administration has had no success to date in internationalizing the embargo on Cuba. The Clinton administration has spent little time and effort in such efforts, focusing instead on isolating and isolating—ancient ways to the poorest country in the hemisphere.

Yes, President Clinton suspended charter flights to Cuba. But for months, the Clinton administration has looked the other way as the travel ban to Cuba has been regularly violated.

Yes, President Clinton has said there will be further restrictions on Cuban officials in the United States. But these officials are already supposed to be under strict control. And the Clinton administration allowed Fidel Castro to enter the United States last year—to the great satisfaction of the liberal elite who win and dined the hemisphere’s last dictator in New York.

Yes, President Clinton said he wanted to work with Congress to “promptly reach agreement” on legislation to enhance the embargo on Cuba. But the Clinton administration led the charge against such legislation for more than a year—for more than a year—orchestrating a Senate filibuster and issuing veto threats.

I hope the President might now join us. There will be a conference tomorrow morning on the Dole-Helms-Burton bill. We certainly appreciate the President’s support.

The Congress is waiting for the Clinton administration to follow through on President Clinton’s promise.

Yes, President Clinton said he would support more funding for Radio Marti to break Castro’s information stranglehold on the Cuban people. But he was silent about TV Marti, and the Clinton administration has dragged its feet in making the technical improvements to TV Marti which would allow it to be seen by more Cubans.

President Clinton did not even restore the status quo to include sanctions which he eased last year. On October 6, 1995, President Clinton announced a series of steps easing the embargo on Castro’s Cuba. At the time, I said the Clinton administration gave Castro a propaganda victory and may have prolonged the Castro dictatorship.

There are many unilateral steps President Clinton could have and should have taken yesterday: Announcing serious enforcement of the travel ban, opening a Treasury Department office in Miami, denying visas for Cuban Government and party officials, and increased Federal Bureau of Investigation actions against Cuban agents in the United States.

But the most important step was not taken—an unequivocal endorsement of the Helms-Dole-Burton Cuban Liberty and Democratic Solidarity Act. This legislation was passed by the Senate on October 19, 1995, by a vote of 74 to 24 and passed by the House 294 to 130 on September 21, 1995. The conference committee will meet tomorrow morning to reconcile differences between the two versions, and I expect Senate action before the end of the week.

The Libertad bill strengthens the embargo on Cuba, offers real incentives for democratic change and takes real action to deter foreign investment in Cuba. The conference legislation will enable American citizens to use American courts to pursue claims against those who use confiscated property in Cuba. The conference legislation will also deny visas to officials who confiscate American property. Finally, the conference report will codify the existing embargo on Cuba, conditioning the end of the embargo on democratic change in Cuba. I also expect the conference report to include a strong condemnation of Castro’s terror in the skies.

I know the conferees are receptive to our proposal by President Clinton—authorizing the use of frozen Cuban assets to compensate the families of the latest victims of Castro’s regime. That is a good idea. In fact, the conference may look at other uses for the frozen assets—financing Radio and TV Marti, for example, or supporting the democratic opposition in Cuba.

As I indicated earlier, we stand ready to hear from the Clinton administration on the Libertad legislation. I hope President Clinton will finally endorse the tough sanctions that Castro really fears. Then the administration’s actions will match their rhetoric.

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

The PRESIDING OFFICER (Mr. Santorum). Without objection, it is so ordered.
SOLICITING STAFF FOR RESEARCH DISCUSSION

Mr. MCCAIN. Mr. President, I want to take a minute of the Senate's time to comment on a recent solicitation made to one of my staff members.

I was very concerned to find out that a market research company was preparing congressional staffers and offering them $150 to participate in a research discussion on the subject of spectrum allocation. My staff was told that for spending 2 hours discussing this subject, each individual would either be paid $150 or could direct the money to be given to the charity of his or her choosing. The meeting, which my staff has declined to attend, is currently scheduled for tomorrow.

Mr. President, I have asked the Ethics Committee to comment on this discussion group offer. They informed my staff that being paid to attend such an event is not allowed.

Based on the Ethics Committee decision, I do not believe Senate staff from any office will attend this meeting. What is so disconcerting about this offer is the idea that staff would be paid by an outside source to discuss an issue that will soon be before this body.

As the Members of the Senate know, the broadcast industry has been running full-page ads on the subject and is expected to soon launch a multi-million-dollar media campaign to defeat any effort to mandate spectrum auctions. I support broadcast spectrum auctions and will continue to do that. Others oppose my efforts, and that is their right. In the public forum of the Senate, we will decide what is the right thing to do. As we debate this, we should be careful to live up to the letter and spirit of the gift ban.

I do not know who hired the research company and what games are being orchestrated, but this technique is an in-suit to the Senate. I hope we will not see the type of buying or information gathering again.

I ask unanimous consent that a fax from Shugoll Research Corp. be printed in the RECORD.

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

SHUGOLL RESEARCH.
BETHESDA, MD, FEBRUARY 26, 1996.

TO: GRANT STIFFER.
OFFICE: SENATOR MCCAIN.
FROM: MRS. DAY.

We are inviting Capitol Hill staffers to attend a research discussion on behalf of KRC Research & Consulting, a national opinion research organization. This study focuses on the spectrum allocation debate.

The purpose of this group discussion is purely information-gathering. All comments will be anonymous.

The group will consist of about eight other Hill staffers and a professional moderator who will lead the informal discussion.

The group is being held on Wednesday, February 26th.

Please call us ASAP so we can reserve a space for your staff member.

Our number is (301) 215-7286.

Mr. MCCAIN. In summary, I repeat that I am surprised that a company would offer staffers what would amount to $75 an hour for discussion of an issue that is going to be before this body. I hope we do not see a repetition of this kind of activity.

I intend to try to find out who hired the Shugoll organization to do this, and I intend to publicize that organization because I think it is an unethical act and one that is far beneath certainly the members of the staff of this body.

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

THE PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

THE PRESIDING OFFICER. The request is granted.

THE PEOPLE'S MESSAGE

Mrs. BOXER. Mr. President, being buck in my home State of California is always a marvelous reality check for me. What an honor it is to represent the largest State in the Union, the most diversified State in the Union. We have in that State a tremendous farm community. We have in that State the Silicon Valley. We have more students, we have more families, we have more working women. We have more of everything—the pluses and the minuses of America: the wealthy and the poor; the ocean, the beautiful ocean, the need to preserve that resource, tourism.

Mr. President, what a reality check I got. I went home, I went to schools, from the little kindergarten to graduate schools, to the hospitals, to the chambers of commerce, downtown to the cities, to the suburbs, to meeting with community groups of all kinds, every race, color, and creed, to our beautiful Pacific Ocean, to our facilities in the schools, to our farmlands, to our courts, to our young, to our old, to those in between. That is why it is so good to go home and stay in touch.

I hear one message from everyone. This cuts across party lines, it cuts across all lines. That is, “Congress, get on with your work. Take care of this country. Do not play any more games with Government shutdown. Stop being radical. Be reasonable. Meet each other halfway. Do not play games with defaulting. Get on with your work.”

It was an amen chorus for me. I agree with that. I told my California citizens, regardless of whether they are Democrats, Republicans, or independents, fighting the battles of the past is not what we ought to be doing. That is what we are doing around here; either fighting the battles of the past—and I will explain what I mean—or we are battling the title I program, and putting more computers in the schools. These are good areas.

In the 1950's, this role was determined. What is happening now, we have radical elements in the Congress who want to do away with the Department of Education. We would be the only leading power not to have a Department of Education, a place in a national government where this is the focus.

We have people in this body who believe in cutting aid to education, and, in fact, in the last continuing resolution that we passed, if you annualized those cuts, they would be $3 billion plus. I have to say, as I went around to the schools, they are very upset about this, from the young ones to those in universities. There we are, fighting the battles of the 1950's on education.

Then what happened in the 1960's? In the 1960's, we decided as a nation to start Medicare. It was very controversial at first. The doctors opposed it and said it would be socialized medicine. What is Medicare? It is insurance for our elderly. It took our elderly and gave them health insurance. Our system is the envy of the world as it relates to seniors—99 percent of our seniors have health insurance. Why are we opening up that battle now in the 1990's? You cannot take $270 billion out of Medicare and expect it to survive. You cannot get a way out for people to say, “I don't need it. I will set up a medical savings account, drop out of Medicare,” and the wealthiest and healthiest will be gone and the system will go under. But we are fighting the battle over Medicare.

In the 1970's, under a Republican President, Richard Nixon, we set up the Environmental Protection Agency because the country believed it was important to stand up and protect our heritage. The Environmental Protection Agency—that is the crown running in this Congress wants to cut enforcement by over a third; some even two-thirds. So we are now battling the fight over...
whether or not there should be a national role in environmental protection.

Now, in the 1980's, we had a big debate over nursing home standards. There were stories that came into the Congress on the House side—horror stories of abuse of senior citizens; frail elderly tragically being abused in nursing homes, whether it was scalded in hot tubs or sexually abused and mistreated. We decided to set up national nursing home standards, and finally those are being implemented. This crowd in this Congress does not think there ought to be Federal nursing home standards.

In the 1980's, we all came together behind the concept of community policing, that crime was a problem, and we thought it was a good idea—and criminologists joined us, and police joined us—to put the police in the neighborhoods, in the communities, let them be a role model for the kids and reflect the communities where the crime will be found. We are beginning to see it work. There is a move to repeal the crime bill that has the money for community policing, that banned assault weapons.

What I have done, just looking back to make sure that I can remember, is go through the 1980's, 1960's, 1970's, 1980's, 1990's, show you education, Medicare, the environment, community policing, the EPA, and show you how this Republican Congress is bogged down in the battles of the past. We have not to refight these battles, my friends. What we need to do is meet each other halfway when we disagree on budget issues and move forward.

Now, here is another area that is being brought up for a new battle. It is a painful issue. It is a difficult issue. And it is yet another that is dragging us back to the future and stopping us from getting ready for the next century—that my people in California want to go forward for.

In 1973 the Supreme Court decided Roe versus Wade. It basically said a woman has a right to choose, it falls into the privacy provisions of the Constitution, and in the beginning of her pregnancy it is her right and her choice. Roe versus Wade goes on to say that later on in the pregnancy the State has an interest and can legislate. Why are we reopening that issue? Day in and day out, it is holding up bills on this floor. Why not let Roe versus Wade be the law of the land and move on? We are never going to agree on every detail. But get the Government out of this and let the American people, in the privacy of their own homes and their own communities and their own churches and in their families, decide this difficult issue. But, no, we bring it up here, day after day, and it stops us from moving forward what we really need to do here, which is to agree on how to balance this budget, how to do it in a fair way, and get ready for the next century.

Now we have a major Presidential candidate vowing to make abortion illegal—in cases of rape. In the 1980's, I wrote an amendment on the House side that passed. It was a close vote. It was the Boxer amendment, and it said that States in fact would pay for abortions of women in poverty who were victims of rape or incest. I mean, if we cannot agree on anything else, can we not agree as human beings, men and women together, reasonable people with a conscience, that we should not force a woman to bear the child of a rapist? How radical are we going to get?

I remember the Willie Horton ads that were used against a Democratic candidate for President. Are these candidates saying force a woman to have that rapist's child? Is that where we are heading? And why are we bringing this up, day after day? It is even an issue on the D.C. bill that we just refused to end debate on. That is one of the reasons. We have work to do. Why are we reopening these tough battles of the past, when we need to move forward, move on and do our work? We can have the most successful America ever because we are the greatest country in the world. We have the most productive workers in the world. If we can stop these battles.

I also think, if we could hold off on tax cuts to the wealthiest among us, the fight over balancing the budget would be easy. We would have much less to disagree about. Why can we not agree on $200,000, who do fine, thank you very much, can wait until the budget is actually in balance and then we will look at tax cuts for the very wealthiest? You hear so much today about the average worker falling behind, and this crowed wants to give huge tax breaks to the richest. They cannot even wait until the budget is balanced. Set that aside. Then let us take our spending issues, meet each other halfway, and move on.

Let us address the issues of worker insecurity. President Clinton and Secretary Robert Reich have been speaking about worker insecurity for years. I remember the President telling workers in California, several years ago, that many of them will have as many as seven or eight jobs in a lifetime, and why it is so crucial for them to have the very best education, so they would get the very best jobs and have a chance at the very best worker retraining and be able to get health insurance that is portable, meaning they can take it with them from job to job, and make sure the companies cannot raid their pensions, that they can have portable pensions as well. Senator Kyl has talked about solid financial incentives to those who keep good jobs in this Nation. In other words, companies that keep the jobs here, give them incentives. We should move on that now. President Clinton has said let us give a break to families to help them educate their children. We have the ability. Senator Dole has recently, on the campaign trail, talked about the average worker falling behind. We have the elements of being able to put together a package here that can make life better for our people if we stop battling the battles of the past, wasting our time on a political witch hunt in Whitewater, and get on and do our work. We have trade agreements that need to be enforced. Exports are crucial. And, as President Clinton once told me, America needs new customers. That is what we need. We have to be willing to have to stand up to whatever nation would put barriers in the way of our exports.

We are the most creative in the workplace, from farm exports to semiconductors to entertainment to pharmaceuticals—even cars. We are beginning to see our car exports go up. All of our exports are growing. To put a barrier around our country would be the wrong thing to do. It is acting like a frightened person. We have nothing to be afraid of with our country sporting the best and most productive work force in the world and all the business that we need to really move out.

I agree with our President that in international finance we know how important it is, how crucial it is that we stand behind our trade agreements. We have problems going on in China, where they are pirating our CD's and our laser discs. This is a problem. The way to resolve it is to put barriers in the way of our exports. We have a bill, a bipartisan effort to get that agreement. Enforce that agreement, not decide we are going to give up on exporting to China where, by the way, the Chinese buy 5 billion movie tickets a year compared to 1.2 billion a year in Argentina.

So we have much to do. I get very excited about coming back to work when I have come back from my State because the people are telling me what they need from us. And we can do it. I am so disappointed we are now moving into this Whitewater matter instead of some things we ought to have on our plate. We ought to agree, close down that Whitewater investigation. Give it a reasonable amount of time, take it out of the realm of politics, and let the special counsel do his work. There is no limit on him. He can go on as long as he wants. He has 100 agents on the case and 30 lawyers. The fact is, the matter we are just duplicating the work of the special counsel because somebody over there thinks they are going to bring the President down with something embarrassing or hurt the First Lady.

Senator Dole is not disgusted with it. I am not saying everybody, but I think the vast majority of people who asked say it has turned into a political witch hunt. We should be better than that. We have so much to do. We have to get computers into the homes and into the homes of America. I am working on a bill, a bipartisan effort to get that done.
We should increase the minimum wage that is at a 40-year low, if we want to do something to help working people stop falling behind. And people who think it is just teenagers who hold those jobs, I want to correct the record. They are the wealthiest, and we can get it done. Put off the tax cut to the water in San Bernardino, they are drinking out of the Superfund site. And that will make it work. Let us reach across party lines and get our differences and move forward. We need an infrastructure bill so that construction workers get 20 percent less pay.

We should stop playing games here. However, I understand the objection, it is so ordered. The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the question be suspended.

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

UNANIMOUS-CONSENT REQUEST—WHITEWATER EXTENSION

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to a resolution extending the Special Committee To Investigate Whitewater Development Corporation, which I now send to the desk, and it be considered under the following time agreement: One amendment in order to be offered by Senator D’AMATO, limited to 2 hours, to be equally divided in the usual form, and that no amendment be in order to the D’Amato amendment; further, I ask that following debate on the D’Amato amendment, the amendment be laid aside and the Democratic leader or his designee be recognized to offer an amendment, under the same requirements as the D’Amato amendment, and following the debate the Senate proceed to vote first on the D’Amato amendment, to be followed immediately by a vote on the Daschle or his designee amendment and, at the follow those votes, the resolution be advanced to third reading and passage occur immediately without further action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Mr. President, reserving the right to object, and I shall object in just a moment, I just want to point out that the Democratic leader has made a proposal with respect to continuing the Whitewater inquiry for a limited period of time. We think at a minimum, as a courtesy, that proposal needs to be responded to and addressed. Second, we have no idea what the D’Amato amendment is that is contained in this proposal.

Third, this provides for moving to immediate passage without an opportunity for sufficient debate, in our view, to explore all of the implications. Therefore, for all of these reasons, but particularly because of the proposed forward to the Democratic leader earlier this afternoon, I object.

The PRESIDING OFFICER. The objection is heard.

Mr. LOTT. Mr. President, I note that under the consent that was sought, the distinguished Democratic leader or his designee would be recognized to offer an amendment, and I am sure under this arrangement he would have done so and we would have had a way to have both points of view considered.

However, I understand the objection, and I urge there to be discussion between the leaders on how this matter can be addressed. That would be considered further.
In light of that objection just heard, I make the same request for the legislation to be the pending business on Wednesday, February 29, at 10:30 a.m. under the same restraints as the previous concept agreement.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Mr. President, for the same reasons already advanced to the previous request, I object.

The PRESIDING OFFICER. The objection is heard.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996—CONFERENCE REPORT

The Senate continued with consideration of the bill.

CLOSURE MOTION

Mr. LOTT. Mr. President, I send a closure motion to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

CLOSURE 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 conference report to accompany H.R. 2566, the D.C. appropriations bill:

Bob Dole, Jim Jeffords, Trent Lott, Rick Santorum, Alfonse D’Amato, Dan Coats, Mark Hatfield, Bill Frist, John McCain, Larry Pressler, Kay Bailey Hutchison, Olympia Snowe, Alan Simpson, Conrad Burns, Spencer Abraham, Orrin G. Hatch.

Mr. LOTT. Mr. President, this closure vote will occur on Thursday, February 29, at a time to be determined by the two leaders. This is obviously very important legislation. It is important that we come to an agreement on the District of Columbia appropriations conference report. I do not understand why it is being held up at this point because I felt like the distinguished chairman of the subcommittee, the Senator from Vermont, Senator Jef- fords, had worked out a very reasonable compromise of how to deal with the vouchers and scholarships, using a lot of latitude with the District of Colum- bia, the school board, and I think he came up with a very logical solution. I know the city is anxious to get its appropriations completed.

We will have this vote on Thursday, February 29, at a time we will announce later.

MEASURES REFERRED

The following bill, previously received from the House of Representatives for the concurrence of the Senate, was read and referred as indicated:

H. Con. Res. 141. Concurrent resolution providing for the adjournment of the two Houses; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1875. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the OMB Sequestration Update Report for fiscal year 1996; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, Committee on the Budget, Committee on Agriculture, Nutrition and Forestry, Committee on Armed Services, Committee on Banking, Housing and Urban Affairs, Committee on Commerce, Science and Transportation, Committee on Energy and Natural Resources, Committee on Environment and Public Works, Committee on Finance, Committee on Foreign Relations, Committee on Governmental Affairs, Committee on the Judiciary, Committee on Labor and Human Resources, Committee on Rules and Administration, Committee on Small Business, Committee on Veterans’ Affairs, Committee on Indian Affairs, and the Committee on Intelligence.

EC-1876. A communication from the General Sales Manager of the Department of Agriculture, transmitting, pursuant to law, a report relative to the availability of agricultural commodities and quantities for fiscal year 1996; to the Committee on Agriculture, Nutrition and Forestry.

EC-1877. A communication from the Director of the Office of Management and Budget, the Executive Office of the President, transmitting, pursuant to law, the report on appropriations having been five days of enactment; to the Committee on the Budget.

EC-1878. A communication from the Director of Defense Research and Engineering, transmitting, pursuant to law, the report on the Office of Technology Transition for fiscal year 1996; to the Committee on Armed Services.

EC-1879. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on Banking, Housing, and Urban Affairs.

EC-1880. A communication from the President and Chief Executive Officer of the Corporation for Public Broadcasting, transmitting, pursuant to law, the report entitled, “A Community of Common Interests: Public Broadcasting and the Needs of Minority and Diverse Audiences; and Broadcasting Service to Minorities and Other Groups”; to the Committee on Commerce, Science, and Transportation.

EC-1881. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-1882. A communication from the Chairman, man of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on the nondisclosure safeguards information for the quarter beginning October 1 through December 31, 1995; to the Committee on Environ- ment and Public Works.

EC-1883. A communication from the Assistant Attorney General (Legislative Affairs), transmitting, a draft of proposed legislation to amend the Federal Debt Collection Procedures Act of 1990; to the Committee on the Judiciary.

EC-1885. A communication from the Assistant Attorney General (Legislative Affairs), transmitting, a draft of proposed legislation entitled, “Enhanced Prosecution of Dangerous Juvenile Offenders Act of 1995”; to the Committee on the Judiciary.

EC-1886. A communication from the Attorney General of the United States, transmitting, pursuant to law, the report entitled, “National Strategy to Coordinate Gang Investiga- tions”; to the Committee on the Judi- ciary.

EC-1887. A communication from the Chairman of the Federal Mine Safety and Health Review Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1995; to the Committee on the Judiciary.

EC-1888. A communication from the Chief Acquisition Officer of the National Aeronautics and Space Administration, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1995; to the Committee on the Judiciary.

EC-1889. A communication from the Secretary of Housing and Urban Development’s Development for the Federal Finance Board, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1995; to the Committee on the Judiciary.

EC-1890. A communication from the Executive Director of the Non Commissioned Officers Association, transmitting, pursuant to law, the report on internal controls and financial management systems in effect during fiscal years 1994 and 1995; to the Committee on the Judiciary.

EC-1891. A communication from the Executive Director of the Retired Enlisted Association, transmitting, pursuant to law, the report relative to runaway and homeless youth; to the Committee on Labor and Human Resources.

EC-1893. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the preliminary report entitled, “Medicare Alzheimer’s Disease Demonstration Evaluation”; to the Committee on Labor and Human Resources.

EC-1894. A communication from the Committee on the Judiciary.

EC-1896. A communication from the Committee on the Railroad Retirement Board, transmitting, pursuant to law, the 1995 annual report of the Board; to the Committee on Labor and Human Resources.
EC-1897. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the first annual report on the Tribal Program Service and Expenditures for the Child Care and Development Block Grant (OBRA); to the Select Committee on Indian Affairs.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

AIR FORCE

The following officers for appointment in the Reserve of the Air Force, to the grade indicated, under the provisions of title 10, United States Code, sections 8373, 12004, and 12203:

To be major general
Brig. Gen. Boyd L. Ashcraft, 00-00-0000, Air Force Reserve.
Brig. Gen. Jim L. Folsom, 00-00-0000, Air Force Reserve.
Brig. Gen. James E. Haight, Jr., 00-00-0000, Air Force Reserve.
Brig. Gen. Joseph A. McNell, 00-00-0000, Air Force Reserve.
Brig. Gen. Robert E. Pfister, 00-00-0000, Air Force Reserve.
Brig. Gen. Donald B. Stokes, 00-00-0000, Air Force Reserve.

To be brigadier general
Col. John L. Baldwin, 00-00-0000, Air Force Reserve.
Col. James D. Bankers, 00-00-0000, Air Force Reserve.
Col. Ralph S. Clem, 00-00-0000, Air Force Reserve.
Col. Larry L. Enyart, 00-00-0000, Air Force Reserve.
Col. Jon S. Gingerich, 00-00-0000, Air Force Reserve.
Col. Charles H. King, 00-00-0000, Air Force Reserve.
Col. Ralph J. Luciani, 00-00-0000, Air Force Reserve.
Col. Richard M. McGill, 00-00-0000, Air Force Reserve.
Col. David E. Myers, 00-00-0000, Air Force Reserve.
Col. James Sanders, 00-00-0000, Air Force Reserve.
Col. Sanford Schilt, 00-00-0000, Air Force Reserve.
Col. David E. Taziz, 00-00-0000, Air Force Reserve.
Col. John L. Wilkinson, 00-00-0000, Air Force Reserve.

ARMY

The following-named officer for appointment to the grade of major general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general
Lt. Gen. Johnnie E. Wilson, 00-00-0000, U.S. Army.

NAVY

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be admiral
Vice Adm. Jay L. Johnson, 00-00-0000.

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral
Rear Adm. Vernon E. Clark, 00-00-0000.

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral
Rear Adm. (Selectee) Richard W. Mies, 00-00-0000.

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral
Rear Adm. Dennis A. Jones, 00-00-0000.

The following-named officer for appointment in the Reserve of the Air Force, to the grade in accordance with section 9912 of title 10, United States Code:

To be brigadier general
Col. Leo V. Williams III, 00-00-0000, USMCR.

(The above nominations were reported with the recommendation that they be confirmed.)

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably 18 nominations lists in the Army, Navy, and Air Force which were printed in full in the CONGRESSIONAL RECORDS of December 18, 1995, January 22, February 1, and February 9, 1996, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of December 18, 1995, January 22, February 1, and 9, 1996, at the end of the Senate proceedings.

In the Air Force there are 669 promotions to the grade of colonel (list begins with James M. Abel, Jr.). (Reference No. 798.)

In the Air Force Reserve there are 2 appointments to the grade of lieutenant colonel (list begins with Matthew D. Atkins). (Reference No. 893.)

In the Air Force Reserve there are 3 appointments to the grade of lieutenant colonel (list begins with Danny W. Agee). (Reference No. 905.)

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. BOND:
S. 1574. A bill to provide Federal contracting opportunities for small business concerns located in historically underutilized business zones, and for other purposes; to the Committee on Small Business.

By Mr. LAUTENBERG:
S. 1575. A bill to improve rail transportation safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Ms. MIKULSKI (for herself and Mr. SARBANES):
S. 1576. A bill to provide that Federal employees who are furloughed or are not paid during a lapse in appropriations, may receive a loan, paid at their standard rate of compensation, from the Thrift Savings Fund, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HATFIELD (for himself and Mr. SARBANES):

By Mr. FRIST (for himself and Mr. HARKIN):
S. 1578. A bill to amend the Individuals with Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. GLENN (for himself, Mr. STEVENS, Mr. LEVIN, Mr. COCHRAN, Mr. PRYOR, Mr. COHEN, Mr. LIEBERMAN, and Mr. BROWN):
S. 1579. A bill to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the “Single Audit Act”); to the Committee on Governmental Affairs.

By Mr. KYL (for himself, Mr. COVERDELL, Mr. CRAIG, Mr. S.
Mr. BOND. Mr. President, I rise today to introduce a measure called the HUBZone Act of 1996. The purpose underlies the bill is to create opportunities for growth through small business opportunities in distressed urban and rural communities which have suffered economic decline. This legislation will provide for an immediate infusion of cash and the creation of new jobs in our Nation’s economically distressed areas.

During the 8 years I served as Governor of Missouri, I met frequently with community leaders who were seeking help in attracting businesses and jobs to distressed cities and towns. We tried various programs. The enterprise zone concept met with some limited success in Missouri but the concept was good. Our incentives were limited to State tax relief, which was not a very significant element, but I believe that the idea of providing incentives for locating businesses in areas of high unemployment makes sense.

Now, in my position representing my State and serving as chairman of the Committee on Small Business, I continue to receive pleas for help. We have not yet found the perfect formula to bring economic hope and independence to these communities. But I believe we are working on it. I think we are on the right track.

The message for help has changed somewhat. Although help has been forthcoming from the Federal Government, high unemployment and poverty remain. One community leader, for example, told me that his city has all the job training funds it is capable of using. He said, “Don’t send us any more training funds. Send us some jobs.” What the city, the inner city, and people there need is more jobs.

Too many of our Nation’s cities and rural areas have suffered economic decline while others have prospered often with Federal assistance. In October of last year, I chaired a hearing before the Senate Committee on Small Business on “Re-envisioning America’s Rural and Urban Future.” We had insightful testimony about the importance of changing the U.S. Tax Code, for example, and providing other incentives to attract businesses to the communities in need of economic opportunity. Their recommendations have merit, and I urge my colleagues in the committees with jurisdiction over appropriate legislation to take swift action to bring these legislative changes to the floor of Congress.

What distinguishes the HUBZone Act of 1996 from other excellent proposals is that there is an immediate impact this bill can have on economically distressed communities. The HUBZone proposal would benefit entire communities by creating meaningful incentives for small businesses to operate and provide employment within America’s most disadvantaged inner-city neighborhoods and rural areas.

Specifically, the HUBZone Act of 1996 creates a new class of small businesses eligible for Federal Government contract set-asides and preferences. To be eligible, a small business must be located in a historically underutilized business zone. We call this acronym “HUBZone”—and not less than 35 percent of its work force would have to reside in a HUBZone.

I will contrast the HUBZone proposal in this legislation today with a draft Executive order being circulated by the Clinton administration to establish an empowerment contracting program. I commend the President and the administration for focusing on the value of targeting Federal Government assistance to low-income communities. However, I think that program falls short of meeting the goal of helping low-income communities and its residents.

For example, under the President’s proposal, any business, large or small, located in a low-income community would qualify for a valuable contracting preference, even if it does not employ one resident of the community. This is clearly a major deficiency or loophole that could be exploited. The unemployed and underemployed who live in those target areas. A further weakness in the President’s proposal is the failure to define clearly and objectively the criteria which makes a community eligible for his program. We need to avoid creating a new Federal program that ends up helping well-off individuals and companies while failing to have a significant impact on the poor.

The HUBZone Act of 1996 makes the continued availability of Federal Government contracts only if the small business is located in the economically distressed area and employs 35 percent of its work force from a HUBZone. That is a significant difference. It is one that is clearly designed to attack deep-seated poverty in geographic locations within the United States.

To qualify for the program, the small business would have to certify to the Administrator of the U.S. Small Business Administration that it is located in a HUBZone and that it will comply with certain rules governing subcontracting. In addition, a qualified small business must agree to perform at least 50 percent of the contract in a HUBZone unless the terms of the contract require that the efforts be conducted elsewhere; in other words, a service contract requiring the small business’ presence in Government-owned leased buildings. In the latter case, no less than 50 percent of the contract would have to be performed by employees of the eligible small business.

Mr. President, the HUBZone Act of 1996 is designed to cut through Government redtape while stressing a streamlined effort to place Government contracts and new jobs in economically distressed communities.

Many of my colleagues are familiar with the SBA’s 8(a) minority small business program and some of the rules which are cumbersome for small businesses seeking to qualify for the program. Typically, an 8(a) program applicant has to hire a lawyer to help prepare the application and shepherd it through the SBA procedure, which can often take months. In fact, Congress was forced to legislate the maximum time the agency could review an application as a last-ditch effort to speed up the process. Today, it still takes the SBA at least 90 days, the statutory maximum, to review an application.

The HUBZone Act of 1996 is specifically designed to avoid bureaucratic roadblocks that have delayed and discouraged small business from taking advantage of Government programs. Simply put, if you are a small business located in the HUBZone, employing people from a HUBZone, you are eligible. Once eligible, the small business notifies the SBA of its participation in the HUBZone program, and it is qualified to receive Federal Government contract preferences.

Our goal in introducing this measure is to have new Government contracts being awarded to small businesses in economically distressed communities. Therefore, we have included some ambitious goals for each Government agency. In 1997, 1 percent of the total value of all prime Government contracts would be awarded to small businesses located in HUBZones. The goal would increase to 2 percent in 1998, 3 percent in 1999, and 4 percent in 2000 and each succeeding year.

HUBZone contracting is a bold undertaking. Passage of the HUBZone Act would create hope for inner cities and distressed rural areas that have long been ignored. Most importantly, the passage of the HUBZone bill will create hope for the hundreds of thousands of unemployed or underemployed people who long ago thought our country had given up on them. This hope is tangible; it is jobs and opportunities.

We are going to be holding hearings before the Committee on Small Business on the HUBZone Act of 1996 and the role our Nation’s small business community can play in revitalizing our distressed cities and rural communities. I really think the HUBZone proposal has great merit. I ask my colleagues to look at it, offer comments,
Be it enacted by the Senate and House of Representa-
tives of the United States of America in Con-
gress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the ‘‘HUBZone Act of 1996’’.

SEC. 2. HISTORICALLY UNDERUTILIZED BUSI-
NESS ZONES.
(a) DEFINITIONS.—Section 3 of the Small
Business Act (15 U.S.C. 632) is amended by
adding at the end the following new sub-
section:

‘‘(o) DEFINITIONS RELATING TO HISTOR-
ICALLY UNDERUTILIZED BUSINESS ZONES.—
For purposes of this section, the following defini-
tions shall apply:

‘‘(1) HISTORICALLY UNDERUTILIZED BUSI-
NESS ZONE.—The term ‘historically underutilized
business zone’ means an area located within
one or more qualified census tracts or quali-
fied nonmetropolitan counties.

‘‘(2) SMALL BUSINESS CONCERN LOCATED IN A
HISTORICALLY UNDERUTILIZED BUSINESS ZONE.—The term
‘small business concern located in a historically underutilized
business zone’ means a small business concern —

(A) owned and controlled by one or more
persons, each of whom is a United States citizen;

(B) the principal office of which is located in
a historically underutilized business zone; and

(C) not less than 53 percent of the employ-
es of which reside in a historically under-
utilized business zone; and

‘‘(3) QUALIFIED AREAS.—

‘‘(A) QUALIFIED CENSUS TRACT.—The term
‘qualified census tract’ has the same mean-
ing as the term ‘qualified census tract’ in section

‘‘(B) QUALIFIED NONMETROPOLITAN COUN-
TY.—The term ‘qualified nonmetropolitan coun-
try’ means a county based on the most recent
data available from the Bureau of the Census of
the Department of Commerce, any coun-
yard whereby no objection, the mate-
rial was ordered to be printed in the
Records.

Mr. President, I ask unanimous con-
sent that the text of the bill and a sec-
tion-by-section analysis of its provi-
sions be printed in the RECORD.

This being no objection, the mate-
rial was ordered to be printed in the
Records.

S. 1574

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

SEC. 30. HISTORICALLY UNDERUTILIZED BUSI-
NESS ZONES PROGRAM.
(a) IN GENERAL.—There is established
within the Administration a program to be

(b) COVERED CONTRACTS.—Subparagraph
(A) applies to a contract that is estimated to

(c) REQUIREMENT.—The head of an execu-
tive agency, in the exercise of any authority pro-
vided in any other law to award a contract for a
service or commodity to a small business concern
located in a historically underutilized business zone,
shall award the contract on that basis to a quali-
fied small business concern located in a
historically underutilized business zone, if any,
that—

(A) submits a reasonable and responsive offer for the contract; and

(B) is determined by the Administrator to be a
responsible contractor.

(d) PROVISION OF DATA.—Upon the request
of the Administrator, the Secretary of Labor

if you agree with what we are trying to do,
the goal of this program and its ob-
jective. I welcome cosponsors. I wel-
come constructive discussion and input from
those who have an interest in see-
ing economic opportunity brought back
to inner-city areas and distressed rural
communities.

(1) HISTORICALLY UNDERUTILIZED BUSINESS
ZONE.—The term ‘historically underutilized
business zone’ means an area located within
one or more qualified census tracts or qualified
nonmetropolitan counties.

(2) SMALL BUSINESS CONCERN LOCATED IN A
HISTORICALLY UNDERUTILIZED BUSINESS ZONE.—The term ‘small business concern located in a historically underutilized business zone’ means a small business concern—

(A) owned and controlled by one or more persons, each of whom is a United States citizen;

(B) the principal office of which is located in a historically underutilized business zone; and

(C) not less than 53 percent of the employees of which reside in a historically underutilized business zone; and

(3) QUALIFIED AREAS.—

(A) QUALIFIED CENSUS TRACT.—The term ‘qualified census tract’ has the same meaning as the term ‘qualified census tract’ in section 9(c)(1)(i) of the Internal Revenue Code of 1986.

(B) QUALIFIED NONMETROPOLITAN COUNTY.—The term ‘qualified nonmetropolitan county’ means a county based on the most recent data available from the Bureau of the Census of the Department of Commerce, any county—

(i) that is not located in a metropolitan statistical area (as that term is defined in section 134(k)(2)(B) of the Internal Revenue Code of 1986); and

(ii) in which the median household income is less than 80 percent of the nonmetro-
politan State median household income.

(4) QUALIFIED SMALL BUSINESS CONCERN LOCATED IN A HISTORICALLY UNDERUTILIZED BUSINESS ZONE.—

(A) IN GENERAL.—A small business con-
cern located in a historically underutilized business zone is ‘qualified’, if—

(i) the small business concern has certi-
fied in writing to the Administrator that—

(I) it is a small business concern located in a historically underutilized business zone; and

(II) it will comply with the subcontracting limitations specified in Federal Ac-
quisation Regulation 52.219-14;

(ii) in the case of a contract for services
(except construction), not less than 50 per-
cent of the cost of contract performance in-
curred for personnel will be expended for em-
ployees of that small business concern or for
employees of other small business concerns
located in historically underutilized business zones; and

(iii) in the case of a contract for procure-
ment of supplies (other than procurement from a regular dealer in such supplies), the
price of manufactured supplies will be expended for employees of that small business concern that is also a small business concern located in a historically underutilized business zone (which a contract is to be awarded by the Administrator to be materially false.

(i) no certification made by the small business concern under clause (i) has been, in accordance with the procedures established under section 30(c)(2)—

(1) successfully challenged by an inter-
ested party; or

(II) otherwise determined by the Admin-
istrator to be materially false.

(B) CHANGE IN PERCENTAGES.—The Admin-
istrator may utilize a percentage other than the percentage specified in subparagraph (A) if the Admin-
istrator determines that such action is nec-
essary to reflect conventional industry prac-
tices among small business concerns that are below the numerical size standard for
businesses in that industry category.

(C) CONSTRUCTION AND OTHER CON-
TRACTS.—The Administrator shall promul-
gate final regulations imposing requirements
that are similar to those specified in sub-
clauses (III) and (IV) of subparagraph (A)(i)
on contracts for general and specialty con-
struction, and contracts for any other indus-
try category that would not otherwise be subject to those requirements. The percent-
age applicable to any such requirement shall be determined in accordance with subpara-
graph (B).

(D) LIST OF QUALIFIED SMALL BUSINESS
CONCERNS.—The Administrator shall estab-
lish and maintain a list of qualified small business concerns located in historically under-
utilized business zones, which list shall—

(i) include the name, address, and type of business with respect to each such small business concern;

(ii) be updated by the Administrator not less than annually; and

(iii) be provided upon request to any Fed-
eral agency or other entity.

(b) FEDERAL CONTRACTING PREFERENCES.—

The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 30 as section
31; and

(2) by inserting after section 29 the fol-
lowing new section:

‘‘SEC. 30. HISTORICALLY UNDERUTILIZED BUSI-
NESS ZONES PROGRAM.
(a) IN GENERAL.—There is established
within the Administration a program to be

(b) COVERED CONTRACTS.—Subparagraph
(A) applies to a contract that is estimated to exceed the simplified acquisition threshold.

(c) REQUIREMENT.—The head of an execu-
tive agency, in the exercise of any authority pro-
vided in any other law to award a contract for a
service or commodity to a small business concern
located in a historically underutilized business zone,
shall award the contract on that basis to a quali-
fied small business concern located in a
historically underutilized business zone, if any,
that—

(i) submits a reasonable and responsive offer for the contract; and

(ii) is determined by the Administrator to be a
responsible contractor.

(d) PROVISION OF DATA.—Upon the request
of the Administrator, the Secretary of Labor

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and the Secretary of Housing and Urban Development shall promptly provide to the Administrator such information as the Administrator determines to be necessary to carry out the provisions of this subsection.

"(5) PENALTIES.—In addition to the penalties described in section 16(d), any small business concern that is determined by the Administrator to have misrepresented the status of that concern as a ‘small business concern located in a historically underutilized business zone’ for purposes of this section, or for purposes of the provisions of "(A) section 101 of title 18, United States Code; and

"(B) sections 3729 through 3733 of title 31, United States Code.,"

**SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS TO THE SMALL BUSINESS ACT.**

(a) PERFORMANCE OF CONTRACTS.—Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking ‘‘small business concerns owned and controlled by socially and economically disadvantaged individuals’’ and inserting ‘‘qualified small business concerns located in historically underutilized business zones, small business concerns owned and controlled by socially and economically disadvantaged individuals’’ and (B) in the second sentence, by inserting ‘‘qualified small business concerns located in historically underutilized business zones, small business concerns owned and controlled by socially and economically disadvantaged individuals’’ and

(2) in paragraph (3)—

(A) in inserting ‘‘qualified small business concerns located in historically underutilized business zones, after ‘small business concerns,’ ‘’

(b) OFFENSES AND PENALTIES.—Section 16 of the Small Business Act (15 U.S.C. 646) is amended—

(1) in subsection (d)(1)—

(A) by inserting ‘‘qualified small business concerns located in a historically underutilized business zone,’ after ‘small business concern,’ each place that term appears; and

(B) in the last sentence, by adding at the end the following new subparagraph:

‘‘(F) For purposes of this contract, the term ‘qualified small business concern located in a historically underutilized business zone’ has the same meaning as in section 3(o) of the Small Business Act.’’

(3) in paragraph (4)—

(A) in subparagraph (D), by inserting ‘‘qualified small business concerns located in historically underutilized business zones, after ‘small business concerns,’ ’’

(b) AWARDS OF CONTRACTS.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended—

(1) in subsection (g)(1)—

(A) by inserting ‘‘qualified small business concerns located in a historically underutilized business zone,’ after ‘small business concerns,’ each place that term appears; and

(B) by inserting after the second sentence the following sentence—‘‘For participation by qualified small business concerns located in historically underutilized business zones shall be established at not less than 1 percent of the total value of all prime contract awards for fiscal year 1997, not less than 2 percent of the total value of all prime contract awards for fiscal year 1999, and not less than 4 percent of the total value of all prime contract awards for fiscal year 2000 and each fiscal year thereafter.’’

(2) in subsection (g)(2)—

(A) in the first sentence, by striking ‘‘, by small business concerns owned and controlled by socially and economically disadvantaged individuals’’ and inserting ‘‘, by small business concerns owned and controlled by socially and economically disadvantaged individuals’’

(B) in the second sentence, by inserting ‘‘qualified small business concerns located in historically underutilized business zones, by small business concerns owned and controlled by socially and economically disadvantaged individuals.’’

(3) in subsection (h), by inserting ‘‘qualified small business concerns located in historically underutilized business zones, after ‘small business concern,’ each place that term appears.

(c) PENALTIES.—Section 16 of the Small Business Act (15 U.S.C. 646) is amended—

(1) in paragraph (2)—

(A) by inserting ‘‘qualified small business concerns located in historically underutilized business zones, after ‘small business concern,’ ‘’

(d) SMALL BUSINESS INVESTMENT ACT OF 1958.—Section 411(c)(3)(B) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(c)(3)(B)) is amended by inserting before the semicolon the following: ‘‘or to a qualified small business concern located in a historically underutilized business zone, as that term is defined in section 3(o) of the Small Business Act.’’

(e) TITLE 31, UNITED STATES CODE.—

(1) CONTRACTS FOR COLLECTION SERVICES.—Section 371(b) of title 31, United States Code, is amended—

(A) in paragraph (1)(B), by inserting ‘‘and law firms that are qualified small business concerns located in historically underutilized business zones (as that term is defined in section 3(o) of the Small Business Act)’’ after ‘‘disadvantaged individuals’’; and

(B) in paragraph (3)—

(i) in the first sentence, by inserting before the period ‘‘and law firms that are qualified small business concerns located in historically underutilized business zones’’; and

(ii) by adding at the end the following new subparagraph:

‘‘(C) the term ‘qualified small business concern located in a historically underutilized business zone’ has the same meaning as in section 3(o) of the Small Business Act.’’

(2) PAYMENTS TO LOCAL GOVERNMENTS.—Section 6701(f) of title 31, United States Code, is amended—

(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 ‘‘; and’’; and

(iii) by adding at the end the following new subparagraph:

‘‘(C) the term ‘qualified small business concern located in a historically underutilized business zone’ has the same meaning as in section 3(o) of the Small Business Act.’’

(3) REGULATIONS.—Section 7505(c) of title 31, United States Code, is amended by striking ‘‘small business concerns and’’ and inserting ‘‘small business concerns, qualified small business concerns located in historically underutilized business zones, and’’

(4) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—

(1) ENUMERATION OF INCLUDED FUNCTIONS.—Section 6(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 460(d)) is amended—

(A) in paragraph (5)(C), by inserting ‘‘and of qualified small business concerns located in historically underutilized business zones’’ after ‘‘other minorities’’;

(B) in paragraph (10), by inserting ‘‘qualified small business concerns located in historically underutilized business zones (as that term is defined in section 3(o) of the Small Business Act),’’ after ‘‘small businesses,’’;}
(C) in paragraph (11), by inserting “qualified small business concerns located in historically underutilized business zones (as that term is defined in section 3(o) of the Small Business Act),” after “small businesses,”; and

(2) PROCUREMENT DATA.—Section 19A of the Office of Federal Procurement Policy Act (41 U.S.C. 3304) is amended—

(A) in section (a)—

(i) by inserting “the number of qualified small business concerns located in historically underutilized business zones,” after “Procurement Policy”; and

(ii) by inserting a comma after “women”;

and

(B) in subsection (b), by adding at the end the following:

“For purposes of this section, the term ‘qualified small business concern located in a historically underutilized business zone’ has the same meaning as in section 3(o) of the Small Business Act.”;

(g) ENERGY POLICY ACT OF 1992.—Section 3021 of the Energy Policy Act of 1992 (42 U.S.C. 417a) is amended—

(1) in section (a)—

(A) in paragraph (2), by striking “or”; and

(B) in paragraph (3), by striking the period and inserting “;”;

and

(2) in section (b), by inserting at the end the following:

(i) the term ‘qualified small business concern located in a historically underutilized business zone’ has the same meaning as in section 3(o) of the Small Business Act.”;

(h) HUBZONES.—

(1) PROJECT GRANT APPLICATION APPROVAL CONDITIONED ON ASSURANCES ABOUT AIRPORT OPERATIONS.—Section 47107(e) of title 49, United States Code, is amended—

(A) in paragraph (1), by inserting before the period “or qualified small business concerns located in historically underutilized business zones (as that term is defined in section 3(o) of the Small Business Act)”;

(B) in paragraph (4)(B), by inserting before the period “or as a qualified small business concern located in a historically underutilized business zone (as that term is defined in section 3(o) of the Small Business Act)”;

and

(C) in paragraph (6), by inserting “or a qualified small business concern located in a historically underutilized business zone (as that term is defined in section 3(o) of the Small Business Act)” after “disadvantaged individual”;

(2) MINORITY AND DISADVANTAGED BUSINESS PARTICIPATION.—Section 47113 of title 49, United States Code, is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking the period at the end and inserting a semicolon;

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

and

(iii) by adding at the end the following:

“the term ‘qualified small business concern located in a historically underutilized business zone’ has the same meaning as in section 3(o) of the Small Business Act.”; and

(B) in subsection (b), by inserting before the period “or qualified small business concerns located in historically underutilized business zones”.

HISTORICALLY UNDERUTILIZED BUSINESS ZONES

SEC. 2. HISTORICALLY UNDERUTILIZED BUSINESS ZONES

Definitions—

Historically Underutilized Business Zone (HUBZone) is any area located within a qualified metropolitan statistical area or qualified non-metropolitan area.

Small business concern located in a Historically Underutilized Business Zone is a small business whose principal office is located in a HUBZone and whose workforce includes at least 35% of its employees from one or more HUBZones.

Qualified Metropolitan Statistical Area is an area where not less than 50% of the households have an income as determined by the Department of Housing and Urban Development.

Qualified Non-Metropolitan Area is an area where the household income is less than 80% of the non-metropolitan area median gross income as determined by the Bureau of the Census of the Department of Commerce.

Qualified Small Business Concern must certify in writing to the Small Business Administration (SBA) that it (a) is located in a HUBZone, (b) will comply with subcontracting rules in the Federal Acquisition Regulations (FAR), (c) will insure that not less than 50% of the contract cost will be performed by the Qualified Small Business.

Contracting preferences—

Contract Set-Aside to a qualified small business concern located in a HUBZone and whose workforce includes at least 35% of its employees from one or more HUBZones.

Solosource Contracts to qualified small business concerns located in a HUBZone.

Limited Price Evaluation Preference in full and open competition can be made on behalf of the Qualified Small Business if its offer is not more than 10% higher than the other offer, so long as it is not a small business concern.

Enforcement: penalties

The SBA Administrator or his designee shall establish a system to verify that small business concerns located in HUBZones are truly small businesses by expanding each program to include small business located in an Historically Underutilized Business Zone.

HUBZones

The Small Business Act is amended to give qualified small business concerns located in HUBZones a higher preference than small business concerns owned and controlled by socially and economically disadvantaged individuals (8(a) contractors).

HUBZone goals

This section sets forth government-wide goals for awarding government contracts to HUBZones.

In FY 1998, the goal will be not less than 1% of the total value of all prime contracts awarded to qualified small business concerns located in HUBZones.

In FY 1999, it will be 3%.

Deficiencies—

The Historically Underutilized Business Act (HUBZone Act of 1995)
record. On planes, there are elaborate safety procedures for each flight. Flight attendants explain emergency measures at the beginning of each trip. Automatic emergency mechanisms are required in each plane, highly sophisticated technology tells pilots when problems arise and emergency exits are well identified and easy to operate.

By contrast, many of today’s railroad safety signals and procedures date back almost to the last century. For some reason, the technological revolution seems to have left rail safety measures at the station. Compounding matters, much of our railroad regulatory system has been unchanged for decades.

Congress should act promptly to address this problem. We need to review a wide variety of laws and regulations, with one overriding philosophy: The safety of our Nation’s rail passengers must come first.

Just because railroad passengers only ride 32 inches off the ground does not mean they deserve less attention or protection than those who ride 32,000 feet above the ground. That does not mean we should rush to impose unrealistic mandates that would drive up costs beyond the capacity to support changes. Any bill requires the careful search for ways to take on the issues that have been allowed to drag on for too many years, while rail passengers continue to be exposed to danger unnecessarily.

The Rail Safety Act of 1990 proposes important steps that I think we should take immediately.

One of the most critical matters that we should address is the current law that establishes the hours of service for rail engineers. This law was developed in 1907 and has changed very little over the past 90 years. Under the law, it is perfectly legal for a locomotive engineer to work 24 hours in a 32-hour period.

Mr. President, those kinds of hours, combined with the demands and stresses of an engineer’s job, is a recipe for disaster. We would never allow pilots or truck drivers to work these kinds of hours; restrictions on these operators are severe. Yet engineers, who are responsible for hundreds and hundreds of people at a time, continue to work under these archaic rules.

The Federal Railroad Administration is in the process of studying the issue of fatigue, as is the industry. But those studies could be years from completion. The adverse effect of fatigue on the ability of an individual to perform their job is well documented. We should act now. I believe the FAA should have the ability to regulate hours of service for railroad engineers. The FAA has authority to regulate hours of service for pilots and the Office of Motor Carriers has the authority to regulate hours of service for commercial drivers. Why should the railroad industry be treated differently?

My legislation would direct the Federal Railroad Administration, not later than 180 days after enactment of the bill, to promulgate regulations concerning limitations on duty hours of train employees. The bill does not preclude the FRA’s process. It encourages FRA to develop regulations in a negotiated rulemaking process so that the interests of all parties might be represented. My bill protects railroad employees by prohibiting any FRA rules from being less stringent than the current hours of service law. This provision will ensure that a future Administration will not be able to arbitrarily increase the burdens on engineers, contrary to congressional intent.

Beyond changing the hours of service requirements, we need to explore ways to use technology to prevent rail accidents. For more than 75 years, automatic train control systems have been available that can warn engineers about a missed signal and automatically stop the train. These systems are right in the train engineer’s right of way and audibly train control systems remind the engineer about their latest signal. In fact, such systems were installed on virtually our entire rail network years ago. Unfortunately, automatic train control systems have been removed from most tracks, and no related technology was in place to prevent the accidents in New Jersey and Maryland. This situation cannot be allowed to continue.

The Secretary was given the authority under the Rail Safety Act to impose restriction or removal. The rule I introduced in 2000 would prevent the accidents in New Jersey and Maryland. This situation cannot be allowed to continue.

Mr. President, I recognize that we should be careful before mandating the automatic train control system if more advanced, satellite-based technology will be available in the immediate future. But, we cannot continue to drift. Therefore, my bill directs the FRA, not later than 1 year after the date of enactment, to determine the feasibility of satellite-based train control systems to provide positive train control for railroad systems in the United States. Positive train control systems use satellite technology to anticipate potentially dangerous situations and order the appropriate measures long before an accident might occur.

Under this legislation, all rail systems would be required to install automated train control technology. However, this requirement would be waived for those systems that establish, to the satisfaction of the Department of Transportation, that they will install an effective satellite-based train control system not later than the year 2001. This seems a reasonable period to me, though I would invite comments from interested parties on whether a different period would be more appropriate.

Mr. President, we need to make a judgment about the prospects for the new satellite-based train control technology, one way or the other. Otherwise, we will find ourselves back here again in another few years, asking the same questions while families grieve for those who have died in train accidents. Such technology might have saved the lives of passengers in the Maryland accident, who apparently were unable to escape the fire and smoke.

Another step I am proposing is to have FRA establish minimum safety standards for locomotive fuel tanks. Not later than 1 year after the date of enactment of my bill, the Department of Transportation would be required to establish minimum safety standards for fuel tanks of locomotives that take into consideration environmental protection and public safety. The Secretary would be given the authority to limit the applicability of the standards to new locomotives.

The Maryland accident demonstrated the terrifying nature of fuel-fed fires. Many in the industry already are investing in less vulnerable fuel tank configurations. But we need to ensure in the future that no locomotives have the kind of exposed, vulnerable fuel tank that contributed to the Maryland disaster.

It is also important to ensure that passenger rail cars are produced and configured in a safe manner. Not later than 1 year after the date of enactment of my bill, the Department of Transportation would be required to determine whether to promulgate regulations to require crash posts at the corners of rail passenger cars, safety locomotives on rail passenger trains, and minimum crashworthiness standards for passenger cab cars.

The bill would toll in both the New Jersey and Maryland accidents might have been less if the passenger compartments were stronger or if some had not been exposed by the lack of a locomotive at the front of the train. Amtrak is investigating the possibility of using decommissioned locomotives at the front of their push trains in order to provide engineers with a safe platform from which to work and to provide additional protection to the first passenger car in case of a collision. The National Transportation Safety Board has suggested that passenger cars be equipped with crash posts at the corner of each car.
The FRA is developing new safety standards for rail cars. My bill would direct the FRA to consider crash posts and safety locomotives, and to make a specific finding about these alternatives.

Also, after touring the scene of New Jersey Transit's sidetrack accident, I am convinced that unprotected passenger cab cars should be held to a higher standard than other passenger cars. The bill therefore requires FRA to evaluate the feasibility of establishing minimum crashworthiness standards for these passenger cab cars, and to issue a report about their conclusions.

In addition, the bill directs the FRA to look into signal placement. Not later than 1 year after the date of enactment of my bill, the Department of Transportation would be required to determine whether regulations should be promulgated to require that a signal be placed along a railway at every exit of a crossed road; and if practicable, a signal be placed so that it is visible only to the train that the signal is designed to influence. If the study determines such regulations should be promulgated, the Department of Transportation would promulgate these regulations. Signals should be positioned in the best places possible to minimize human error.

Mr. President, I recognize that some in the rail community may object to the costly safety measures. And these costs cannot be ignored.

Last year, Federal operating and capital assistance to transit agencies was cut by some 20 percent from the previous year's funding level. This reduction represented the single largest cut of any transportation mode in the Transportation appropriations bill.

Our Nation derives economic, social, and environmental benefits from public transit agencies. We expect these agencies to provide these services. We do not cut their funding and then wonder why safety is affected. We must continue to support mass transit or else we will force commuters off relatively safe buses, subways, and trains and onto our Nation's roads, which annually cause the premature death of some 40,000 Americans.

Mr. President, it remains critically important to improve rail safety. I challenge skeptics to visit with the families of loved ones who died in New Jersey and Maryland. See first hand what it means when we compromise on safety. You will not come away unmoved.

Mr. President, we in the Congress have an obligation to protect the public. After the Chase, MD, accident of 1987 Congress mobilized and quickly enacted sweeping rail safety legislation. As a result, untold Americans have been saved through the mandated use of automatic train controls on the Northeast corridor, the creation of minimum federal standards for licensing of railroad engineers, certification requirements for predeparture inspections and whistle blower protections for rail employees. I am proud of the part that I played in developing that legislation and believe that it has been very effective. However, more should be done. The lives and health of literally millions of Americans are at stake.

Mr. President, both the Washington and the New York editorials of February 21, 1996, make the case for increasing rail safety. I ask unanimous consent that they be inserted in the Record as part of my statement.

I hope my colleagues will support this legislation. I believe it is a responsible approach to rail safety that builds on the lessons we have learned from our Nation's recent rail safety accidents.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

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

S. 1575

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 “Rail Safety Act of 1996”.

SEC. 2. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Federal Railroad Administration.

(2) PASSENGER CAB CAR.—The term “passenger cab car” means the leading cab car on a passenger train that does not have a locomotive or safety locomotive at the front of the train.

(3) SAFETY LOCOMOTIVE.—The term “safety locomotive” means a cab-car locomotive (whether operational or not) that is used at the front of a passenger train to promote passenger safety.

(4) SECRETARY.—The term “Secretary” means the Secretary of Transportation.

(5) TRAIN EMPLOYEE.—The term “train employee” has the same meaning as in section 21101(5) of title 49, United States Code.

SEC. 3. HOURS OF SERVICE.

(a) IN GENERAL.

(1) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with the Administrator, shall promulgate regulations concerning limitations on duty hours of train employees that contain—

(A) requirements concerning hours of work for crews and intermin periods available for rest that are no less stringent than the applicable requirements under section 21103 of title 49, United States Code, as in effect on the day before the effective date of subsection (b); and

(B) any other related requirements that the Secretary determines to be necessary to protect public safety.

(2) NEGOTIATED RULEMAKING.—

(A) IN GENERAL.—In promulgating regulations under this subsection, the Secretary shall use negotiated rulemaking, unless the Secretary determines that the use of that process is not appropriate.

(B) PROCEDURES FOR NEGOTIATED RULEMAKING.—The Secretary shall promulgate final regulations under subparagraph (A) that negotiated rulemaking is appropriate, the Secretary, in consultation with the Administrator, shall carry out the negotiated rulemaking in accordance with the procedures under subchapter III of chapter 5 of title 5, United States Code.

(b) REPEAL.—

(1) IN GENERAL.—Section 21103 of title 49, United States Code, is repealed.

SEC. 4. SATELLITE-BASED TRAIN CONTROL SYSTEMS.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, acting through the Administrator, shall conduct a feasibility study to determine the feasibility of requiring satellite-based train control systems to provide positive train control for railroad systems in the United States by January 1, 2001.

(b) TIME FRAME FOR OPERATION; AUTOMATED TRAIN CONTROL SYSTEMS.

(1) REGULATIONS TO COVER IMPRACTICABILITY OF SATELLITE-BASED TRAIN CONTROL SYSTEMS.—Subject to paragraph (3), if, upon completion of the study conducted under subsection (a), the Secretary, acting through the Administrator, determines that the installation of an effective satellite-based train control system referred to in subsection (a) could not be accomplished practically by January 1, 2001, the Secretary shall promulgate regulations to require, as soon as practicable after the date of promulgation of the regulations, the use of automated train control technology that is available on that date.

(2) REGULATIONS TO COVER FRACTICABILITY OF SATELLITE-BASED TRAIN CONTROL SYSTEMS.—Subject to paragraph (3), if, upon completion of the study conducted under subsection (a), the Secretary, acting through the Administrator, determines that the installation of an effective satellite-based train control system referred to in subsection (a) could be accomplished practically by January 1, 2001, the Secretary, in consultation with the Administrator, shall promulgate regulations to require, as soon as practicable after the date of promulgation of the regulations, the use of automated train control technology that is available on that date.

(c) WAIERS.—If the appropriate official of a railroad system establishes, to the satisfaction of the Secretary, and in a manner specified by the Secretary, that the railroad system will have in operation a satellite-based train control system by January 1, 2001, the Secretary shall issue a waiver for that railroad system to waive the applicability of the regulations promulgated under subparagraph (A) for that railroad system, subject to terms and conditions established by the Secretary.

(d) PROCTIONS.—In promulgating regulations under this subsection, the Secretary, in consultation with the Administrator, shall provide for any exceptions or conditions that the Secretary, in consultation with the Administrator, determines to be necessary.

(e) MONITORING.—

(A) IN GENERAL.—If the Secretary issues a waiver under subparagraph (B), the railroad system shall, during the period that the waiver is in effect, provide such information to the Secretary as the Secretary, acting through the Administrator, determines to be necessary to monitor the effectiveness and safety of the railroad system in achieving an operational satellite-based train control system.
REVOCATION OF WAIVERS.—If, at any time during the period that a waiver issued under paragraph (2)(B) is in effect, the Secretary determines that the railroad system issued the waiver, without notice or opportunity for public hearing, or that conditions of the waiver, or is not likely to have in operation a satellite-based train control system by January 1, 2001, the Secretary may rescind the waiver.

SEC. 5. AUTOMATIC TRAIN ESCAPE DEVICE STUDY

(a) STUDY.—Not later than 1 year after the date of enactment of this Act, the Secretary, acting through the Administrator, shall conduct a study of the technical, structural, and economic feasibility of automatic train escape devices for freight trains.

(b) REPORT.—Upon completion of the study conducted under this section, the Secretary, acting through the Administrator, shall—

(1) prepare a report that contains the findings of the study; and

(2) submit a copy of the report to the appropriate committees of the Congress.

(c) REGULATIONS.—If, by the date specified in subsection (a), the Secretary makes a determination (on the basis of the findings of the study) that automatic train escape devices shall be required on rail passenger trains, the Secretary, in consultation with the Administrator, shall, not later than 180 days after such date, promulgate regulations to require automatic train escape devices on rail passenger trains as soon as practicable after the date of promulgation of the regulations.

SEC. 6. LOCOMOTIVE FUEL TANKS

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with the Administrator, shall determine by regulation, minimum safety standards for fuel tanks of locomotives of passenger trains that take into consideration environmental protection and public safety.

(b) APPLICABILITY.—The Secretary, in consultation with the Administrator, may limit the applicability of the regulations promulgated under subsection (a) to new locomotives (as defined by the Secretary, in consultation with the Administrator) if the Secretary determines that the limitation is appropriate.

SEC. 7. PASSENGER CAR CRASH-WORTHINESS

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, acting through the Administrator, shall determine whether to promulgate regulations, for the purpose of protecting public safety, to—

(1) place signals at the corners of rail passenger cars;

(2) require safety locomotives on rail passenger trains;

(3) establish minimum crash-worthiness standards for passenger cab cars; or

(4) carry out any combination of paragraphs (1) through (3).

(b) REQUIREMENT.—The Secretary, acting through the Administrator, shall determine that promulgating any of the regulations referred to in subsection (a) is not necessary for the protection of public safety, not later than 180 days after such date, promulgate such regulations in final form, to take effect as soon as practicable after the date of promulgation of the regulations.

(c) REPORT.—If the Secretary determines under subsection (a) that taking any action referred to in paragraphs (1) through (3) of this subsection is not necessary to protect public safety, not later than the date of the determination, the Secretary shall submit a report to the appropriate committees of the Congress that provides the reasons for the determination.

SEC. 8. SIGNAL PLACEMENT

(a) STUDY.—Not later than 1 year after the date of enactment of this Act, the Secretary, acting through the Administrator, shall conduct a study of the technical, structural, and economic feasibility of automatic train escape devices for freight trains.

(b) REPORT.—Upon completion of the study conducted under subsection (a), the Secretary determines that the regulations referred to in that subsection are necessary for the protection of public safety, the Secretary shall, not later than 180 days after the completion of the study, promulgate such regulations.

(c) REGULATIONS.—If, upon completion of the study conducted under subsection (a), the Secretary determines that promulgating any of the regulations referred to in subsection (b) is not necessary for the protection of public safety, the Secretary shall, not later than 180 days after the date of promulgation of the regulations, to require automatic train escape devices on rail passenger trains, the Secretary, acting through the Administrator, shall, not later than 180 days after such date, promulgate regulations to require automatic train escape devices on rail passenger trains as soon as practicable after the date of promulgation of the regulations.

LESSONS FROM THE TRAIN DISASTER

The horrifying details of death by fire and smoke—of people frantically seeking escape from a mangled commuter-train-turned-furnace Friday night—continue to prompt questions about rail safety policies in general and signal placement in particular.

The system for MARC, like those for most lines, had one very big problem: Manually operated red warning lights that should have warned the engineer to stop before entering tracks where an outbound train had the right of way. The inbound train’s engineer, John DeCurtis, was operating during the morning rush hour at the end of a split shift that had started 141⁄2 hours earlier. He had a chance to rest five hours during the shift. Instead, he was working the entire time, with no rest provided.

The authorities are still investigating the accident, but it appears that a train bound for Baltimore ran through yellow and red warning lights that should have warned the engineer to stop before entering tracks where an outbound train had the right of way. The inbound train’s engineer, John DeCurtis, was operating during the morning rush hour at the end of a split shift that had started 141⁄2 hours earlier. He had a chance to rest five hours during the shift. Instead, he was working the entire time, with no rest provided. Officials also need to weigh whether Mr. DeCurtis needed to be working extra-long hours just before his train collided with another on Feb. 9. There was no need to await final analyses of what caused the accident to discontinue a work arrangement that was in place at the time.

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SEC. 9. ENFORCEMENT

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, acting through the Administrator, shall determine whether to promulgate regulations to require automatic train escape devices on rail passenger trains, the Secretary, in consultation with the Administrator, shall, not later than 180 days after such date, promulgate regulations to require automatic train escape devices on rail passenger trains as soon as practicable after the date of promulgation of the regulations.

(b) APPLICABILITY.—The Secretary, in consultation with the Administrator, may limit the applicability of the regulations promulgated under subsection (a) to new locomotives (as defined by the Secretary, in consultation with the Administrator) if the Secretary determines that the limitation is appropriate.
train and an Amtrak train headed north from Washington, the absence of automatic train controls has already emerged as a safety gap in the local system. Even more critically, there have lacked fully integrated, clearly marked evacuation routes with the kind of safety instructions that mandated the death of eight young Job Corps trainees, who were killed along with three crew members.

The signal system on the Maryland track was inadequate, there was a caution light just before a suburban station where the train was stopping anyway, but no similar light to remind the engineer not to accelerate to a high speed. The train rounded a bend and slammed into the Amtrak train that had been temporarily stopped. The Furlough Relief Act of 1996 would allow furloughed Federal employees to be automatically eligible for a TSP loan from their account during any Government shutdown. This loan would continue to be paid as long as the employee remains on furlough. It would help Federal employees make up for lost wages. When a furlough ends, the employee would be able to pay back the loan without interest.

The Furlough Relief Act will cut through the redtape of the TSP loan process. It will provide a dependable source of income for Federal employees who have been denied their pay, and it will give a break to dedicated people who have not had many breaks in the past year. I think it’s time to stop these assaults on Federal employees. We cannot continue to devalue Government workers and at the same time expect Government to work better. In my State of Maryland, there are thousands of Federal employees making Government work better and making a difference in the lives of all Americans. I salute them, and I dedicate myself to making a difference in their lives.

By Mr. HATFIELD (for himself and Mr. SARBAVES):

This important organization, closely associated with the National Archives and Records Administration, has been diligently performing some of the most vital archival preservation work in the country. Realizing the importance of preserving historical works and collections, Congress established the National Historical Publications and Records Commission in 1934. Its purpose was to collect, edit, and publish the papers of the Founding Fathers, the writings of other distinguished Americans, and the documentary histories of the Supreme Court, and the process of the ratification of the Constitution. In 1974, Congress expanded the Commission’s responsibilities to include providing advice and assistance to public and private institutions in the development and administration of archival systems. In the same year, the NHPRC established a Historical Records Advisory Board in each State to help coordinate overall preservation strategies. The NHPRC continues to screen and determine the historical works it considers appropriate for preserving or publishing. The Commission administers grants to projects dedicated to preserving annals essential for historical research, publishing historical papers, and archiving nationally significant records. Without the preservation of these invaluable records, historians will have little hope of analyzing our Nation’s history. Another important aspect of the Commission’s objective is to encourage and instruct local agencies, schools, museums, and individuals to forge ahead in their actions to preserve and publish historical works. The tasks facing archival institutions, manuscript depositories, and scholars require more than the valiant efforts of a single Federal Commission. The valuable work of the Commission is a very good example of a healthy partnership between public and private institutions, Federal and State agencies. The NHPRC pays no more than one-third of the funds of the projects that it supports. Thus, the program is one of aiding and working closely with individuals and local institutions dedicated to preserving important facets of our history.

The number of records that the Commission has preserved and published is an impressive tribute to its efficient organization. To date, the NHPRC has supported 1,056 archival projects in all 50 States, three territories, and the District of Columbia. These projects have published 717 documentary volumes. Recent project grants have gone to an agency in Illinois to preserve Abraham Lincoln’s legal papers and to a center in Atlanta to publish the papers of Martin Luther King, Jr. In addition, the Commission has produced 8,280 reels of microfilm as well as 1,822 microfiche. Finally, the NHPRC has supported a total of 274 documentary editing projects. As the numbers suggest, the Commission has been quite successful in its mission to preserve and publish the Nation’s historical works.

The bill I am introducing today seeks to extend authorization of appropriations for an additional 4 years in amounts up to $10 million annually. This appropriation would cover fiscal years 1998, 1999, 2000, and 2001. One hundred percent of the appropriations go
entirely toward project grants; the National Archives bears the administrative costs. The American public may be assured that their investment is well spent by the NHPRC.

Passage of this important legislation will reassure America's community of scholars, librarians, and archivists working closely with the NHPRC that Congress is committed to the important mission of the Commission. In the past, Congress has clearly supported the work of the NHPRC and has recognized the importance of the Commission's efforts to ensure that the words, thoughts, and ideas of our Nation's historic individuals are collected from fragile or deteriorating source material and placed in books or on microfilm. Passage of this bill will ensure that present and future generations of inquisitive minds will have access to our history.

Mr. President, this bill will allow the NHPRC to continue its valuable work for the next 4 years—work that will be of the utmost benefit to scholars, researchers, libraries, and the public. Our Nation's history needs to be preserved, and the future generations of Americans deserve the right to have accurate records. The preservation of our historical documents will protect and enrich our Nation's wonderful history. I am proud to be a sponsor of this legislation and confident in urging my colleagues to give their support to this important legislation.

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. 1577

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

SECTION 1. AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION.

Section 2504 of title 44, United States Code, is amended—

(1) in subparagraph (F) by striking out "and" after the semicolon;
(2) in subparagraphs (G) and (H) of paragraph (1) by striking out the period and inserting in lieu thereof a semicolon; and
(3) by adding at the end the following new subparagraphs:

"(I) $10,000,000 for fiscal year 1998;
(1) $10,000,000 for fiscal year 1999;
(J) $10,000,000 for fiscal year 2000; and
(K) $10,000,000 for fiscal year 2001.

Mr. SARBANES. Mr. President, I am pleased to join today with Senator HATFIELD in introducing legislation to reauthorize the National Historical Publications and Records Commission for 4 years.

It has been my privilege to alternate with Senator HATFIELD in serving as the representative of the U.S. Senate on the National Historical Publications and Records Commission, Senator HATFIELD represented the Senate from 1963 to 1998, and I succeeded him until my term expired last year. The Commission has had strong bipartisan support throughout its history, and I trust will continue to do so.

The NHPRC's statutory mandate is to promote the preservation and use of America's historical legacy. The work of the NHPRC assures all Americans that the history of our Nation will be maintained. Vital historical records will be kept safe, and that historians and others will have ready access to those records.

Grants awarded through the National Historical Publications and Records Commission are producing valuable results. In my own State of Maryland, the Commission is helping scholars edit, and presses publish, editions of papers that document the emancipation of slaves and the careers of important historical figures.

Other important discoveries have resulted from grants awarded to scholars by the Commission. For example, NHPRC grants resulted recently in the discovery of the longest document yet known in which Abraham Lincoln wrote in his own hand, a group of letters written to James Madison by a famous jurist in the era of our revolution, an original drawing made by Architect William Thornton for the ground plan of the U.S. Capitol.

Although the Commission has been doing this work since it was established by Congress in 1934, its efforts remain relevant to today's concerns. We have seen States and local governments across the country, with advice and assistance from the Commission, establish archival programs. We have seen the Commission launch several projects to deal with the growing problem facing archivists in controlling and accessing valuable electronic records, and helping historians make their documentary editions accessible electronically on the Internet.

Mr. President, it is important that the Commission continue its respected work in preserving the heritage of our Nation. The reauthorization legislation I am joining Senator HATFIELD in introducing is a practical and important step in ensuring the continuity of the National Historical Publications and Records Commission. I urge my colleagues to join us in ensuring its swift passage.

By Mr. FRIST (for himself and Mr. HARKIN):

S. 1578. To amend the Individuals With Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes; to the Committee on Labor and Human Resources.

THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT AMENDMENTS OF 1996.

Mr. FRIST. Mr. President, today I am pleased and proud to introduce the Individuals With Disabilities Education Act Amendments of 1996.

Mr. FRIST. Mr. President, today I am pleased and proud to introduce the Individuals With Disabilities Education Act Amendments of 1996. These amendments will guide our actions into the next century as we plan and secure educational opportunities for over 5 million American children with disabilities. Many recent polls have ranked education as one of the top concerns of Americans. These polls are a wakeup call. We must help America's children succeed and be able to demonstrate that they have succeeded. We must find ways to affect the culture of education, not through intrusive mandates, but through partnership and innovation. We must not give up on any child. We must view planning a child's education as a collaborative process.

As everyone knows I am new to this business of drafting Federal legislation. I am not new to the effects of Federal legislation on individual lives. In my surgical practice, I have sometimes been able to save lives because of Federal legislation and sometimes in spite of the barriers such legislation imposed on my efforts.

I take my responsibility as chairman of the Disability Policy Subcommittee very seriously. I am grateful for the partnership of my colleagues from Iowa, Senator Tom HARKIN, who was a partner in the entire process, and whose past leadership of this subcommittee was and is an inspiration.

I have been both cautious and careful as I have weighed recommendations for amendments bought to me to change IDEA.

THE RIGHT OF A CHILD WITH A DISABILITY TO AN EDUCATION IS PRESERVED.

IDEA is a civil rights statute. It guarantees access to a free appropriate public education for children with disabilities. This understanding was established clearly in the predecessor to IDEA, Public Law 94-142, which was enacted in 1975. IDEA is founded in the 14th amendment of the Constitution, which is the equal protection clause. This connection is reinforced through 20 years of case law and bipartisan legislation. History of the amendments introduced today will not undermine the civil right of any child with a disability to a free appropriate public education.

Public Law 94-142 was based on five principles.

First, educational planning for a child with a disability should be done on an individual basis. Public Law 94-142 required that an individualized education program (IEP) be developed for each child with a disability.

Second, parents of a child with a disability should participate in the development of their child's IEP. Public Law 94-142 required such participation.

Third, decisions about a child's eligibility and education should be based on objective and accurate information. Public Law 94-142 required evaluation of a child to establish his or her need for special education and related services and to determine the child's program.

Fourth, if appropriate for a child with a disability, he or she should be educated in general education with
necessary services and supports. Public Law 94-142 required educational placements based on such determinations.

Fifth, parents and educators should have a means of resolving differences about a child's eligibility, IEP, educational placement, or other aspects of the provision of a free appropriate public education to the child. Public Law 94-142 required that if the parents of a child requested one, they were entitled to an impartial due process hearing. And, if differences between parents and educators could not be resolved through administrative proceedings such as a local due process hearing or a State-level review of the facts in the situation, either side could use court to settle the matter. In 1996, the law was amended to clarify that the Federal courts have the power to require the awarding of attorneys’ fees to parents who prevail in administrative proceedings or court actions.

The amendments offered today will not undermine any of these five principles or their manifestation in IDEA.

In fact, this reauthorization of IDEA reinforces its basic principles and adds to the base of tools with which to help adults help children with disabilities prepare for a successful future.

FOCUSED ACCOUNTABILITY EXPECTED

The amendments address accountability. People involved in educational planning with a disability will be expected to show results—where a child is and where a child is going in terms of the general education curriculum. How does he or she do in the classroom? How does he or she do on local or statewide assessments of student progress? Is a child getting appropriate services and supports to demonstrate what he or she knows and can do? The amendments reshape expectations for children with disabilities and create a common frame of reference—the general education curriculum. Most children with disabilities can learn and benefit from the general education curriculum. Some may need to learn it at a slower pace or in a modified form. Some may need to demonstrate what they have learned in a different way than their peers. Nonetheless, they can learn and therefore should have the opportunity to learn, what their brothers, sisters, and friends are learning.

Unquestionably, the general education curriculum as the educational anchor for most children with disabilities, their ability to succeed on district-wide and statewide assessments of student progress will be jeopardized. If they fail or perform poorly on such assessments, because they were taught from a watered-down general education curriculum or a different curriculum, we are reinforcing the beliefs of people who say that children with disabilities cannot learn as much or as well as other children. We are reinforcing the beliefs of people who prefer separate educational opportunities for children with disabilities. Moreover, if children are taught from a watered-down general education curriculum or a different curriculum, we may inadvertently create a justification for ignoring children with disabilities when undertaking school reform initiatives.

If our focus is the focus for planning for a child with a disability, it will improve communication throughout the system—a child with a disability and peers, educators and the child's parents, special education teachers and general teachers, related services professionals and teachers, and parents of children with and without disabilities. Such a focus also will affect expenditures and uses of personnel. The emphasis will shift to what services and supports are necessary in order for a child with a disability to succeed in the general education curriculum. This shift may save a school district money, while continuing an appropriate education for a child with a disability. Lines of responsibility will question will become—"How do we make the general education curriculum work for a particular child with a disability?" If this blending of responsibility takes off, and I believe it will work, not only will children with disabilities benefit, but children at risk will benefit, because personnel will acquire new skills and supports that equip them to serve all children.

CULTURE IN THE EDUCATIONAL ENVIRONMENT

The amendments will affect the culture of schools—to create new bases for teamwork, to reinforce existing partnerships, and to provide incentives to view the delivery of educational services to children with disabilities as not a distinct, separate mandate, but as an integral part of the overall business of education. I come to this conclusion from personal experience.

Giving an individual a new heart, a chance to live longer and with quality, is the ultimate high. When that moment comes, I am filled with powerful emotions—pride, love, prayers of thanks, satisfaction, and a profound appreciation of the power of teamwork. Reaching that moment and the critical ones that follow it is not possible without teamwork, involving the transplant recipient, the donor's bereaved family, the organ donor coordinator, medical, surgical, technical and nursing staff, the transplant team's family. This process is long, complex, emotional and risky, but it is not a contest. Everyone has a common goal. Information is compiled and analyzed. Options are considered. Differences are aired. Decisions are made.

As I became engaged in the reauthorization of IDEA I realized that planning the education of any child with a disability should not be viewed as a contest, but as an opportunity for teamwork. The bill includes many provisions which encourage and reinforce teamwork. Parents will be a source of information when compiling evaluation data on a child suspected of having or known to have a disability. Parents will have the opportunity to participate in all meetings in which decisions which affects their child's education are made. Parents of children with disabilities will have the opportunity to help develop school-based improvement plans designed to expand and improve educational experiences for their children. Teachers—who those do or could work with disabled children—will be involved in providing and interpreting information on the educational and social strengths, progress, and needs of children with disabilities, which would be used in IEP meetings.

School districts will see a substantial reduction in paperwork under IDEA and will have increased flexibility on the use of personnel and the fiscal tracking of the use of personnel. Because of these amendments we will see more reasons for educators and parents to address problems that have frustrated administrators to call IDEA burdensome; more general and special education teachers and related services personnel working together; more children with disabilities participating in the general education curriculum; more children with disabilities participating in school reform initiatives; and most important, more children at risk of failure will succeed.

We will not see these changes overnight. They will take time. The amendments to IDEA restructure the 14 discretionary or support programs—totaling $254 million in authorizations—to facilitate and realize these changes, as well as others. These authorized dollars are authorized for a new Systems Change State Grant Program. States will compete for access to these dollars. The purpose of this grant program is to provide funds to help States to address problems that have frustrated administrators to call IDEA burdensome; more general and special education teachers and related services personnel working together; more children with disabilities participating in the general education curriculum; more children with disabilities participating in school reform initiatives; and most important, more children at risk of failure will succeed.

With regard to research grants, I appreciate the fact that research takes extended effort. Research results are never immediate and are often modest building blocks toward some broader area of knowledge. Research infrastructure requires a sustained, predictable commitment to funding. However,
the amendments offered today expect researchers to keep their eye on the child in the classroom, the teacher in the classroom, the principal in the school, the child’s parents, the school district, or the State education agency. Researchers will in effect be looking for information that benefits children with disabilities, their teachers, or other targeted audiences. Practical research will be valued. Through this reauthorization, the allocation of research dollars will emphasize lines of inquiry that will result in information teachers or others can use to help children with disabilities succeed in the general education curriculum.

The amendments also sustain and strengthen the Federal support for information that helps children with disabilities, their parents, teachers, related service personnel, early intervention professionals, administrators, researchers, teacher trainers, and others learn about, access, and use state-of-the-art tools and strategies to be effective as partners in the business of education. The amendments require grantees who are involved in the business of information gathering and dissemination and the grantees who are responsible to provide information assistance to their peers in terms of their needs and use, and verify that their efforts count—provide them with information and assistance that they need and can use, and to verify that their efforts count, not just in terms of numbers of people reached, but also in terms of what is discernable before, during, or shortly after birth. These professionals are experienced in developing appropriate intervention strategies for children. They are less successful in identifying infants and toddlers who show more subtle signs indicating a disability. I anticipate that the model definition and service standards, which will draw from the experiences of States which currently are serving at-risk populations, eventually will provide early intervention providers with the tools to identify and reach greater numbers of at-risk infants and toddlers.

The amendments also give States increased administrative flexibility with regard to the transition of a child from an early intervention program funded by part H into a preschool program funded by section 619 of part B of IDEA. This flexibility will provide an incentive to focus on what is best for a particular child—including the child to remain in an early intervention program after his or her third birthday during a school year and to transition to a preschool program in the next school year. This flexibility permits the child’s individual family services plan (IFSP) to be the child’s IEP until planning is done for the next school year.

As a surgeon I understand the importance and effect of early intervention in a medical situation. As a Senator I have been reminded of the benefits of Headstart and have witnessed the benefits of early intervention and preschool programs at the Kennedy Institute at Vanderbilt University. I have no doubt that as we continue to invest Federal funds in the very young lives of infants and toddlers with disabilities, we will deliver to our schools children who can learn more easily, participate more fully, and be less distinguishable from their peers in terms of expectations, progress, and friendships. Labeling deemphasized. These amendments lessen the need for and meaning of labels. School districts will be required to report the number of children with IEP’s, and the number of students in each of two placement categories. They will not be required to continue reporting the numbers of children in twelve disability categories, by age group, or by multiple types of placements. This will significantly reduce the longstanding burden imposed on school districts and States. I anticipate that this administrative relief will translate into less interest in and use of disability labels in schools and classrooms.

The amendments encourage States to adopt placement-neutral funding formulas. Thus, over time there will be fewer incentives for segregated, label-driven educational placements for children with disabilities.

Under certain conditions, school districts also will have the opportunity to commingle IDEA dollars with other funds when serving children with disabilities—when children with disabilities are in general education classrooms being taught by general and special education teachers; when children eligible for services under IDEA are being served with children identified as disabled under the Americans With Disabilities Act or section 504 of the Rehabilitation Act; or when a school has a school improvement plan in effect. This flexibility in the use of IDEA dollars will cause school officials to rethink how services may be delivered more efficiently and more effectively; cause labeling to be viewed as less relevant or necessary; and cause teachers to view their roles in reaching children as complementary and their responsibilities for helping all children succeed as a joint effort.

The amendments recognize that many children from minority backgrounds are inappropriately identified as eligible for special education and related services when children are in general education classes. It is anticipated that with the opportunity to use IDEA funds in more flexible ways, parents, teachers, and administrators will not need to use the referral and evaluation procedures connected to special education as frequently as in the past to secure more or different services for children from minority backgrounds.

No child to be lost or forgotten. The amendments take a broad view of the concept of “dropout.” In the amendments numerous, interrelated provisions have been crafted to reduce the likelihood that child with a disability will either figuratively or literally drop out of school and become disconnected from peers and professionals who are controlling the child’s growth and success in school. These provisions will require affirmative efforts on the part of educators, other professionals, and the parents of the child to keep the child connected in meaningful ways to the business of school. This goal, particularly, should result in fewer children with disabilities being lost or forgotten.
Integrated transition services for secondary school students with disabilities. Developing a secondary student's IEP for a particular year should not be an activity divorced from transition planning for the child that may encompass many years. Therefore, the amendments make transition planning for a child 14 or older a part of the IEP process. This clarification should result in simplification of administrative procedures. Secondary school personnel and personnel responsible for transition services, to the extent that they are different, will have a common process—the development or modification of a student's IEP—in which to make contributions and through which to influence what others may propose. Parents and students with disabilities will continue to have direct roles in the planning process as well. Students at the designated age of majority, in States where this is permitted, will be able to be the principal representative of their rights and preferences.

Clarification of fiscal responsibilities for related services. In order to succeed in school and connect to the social culture of school, children with disabilities may require more than specially designed instruction. They may need one of many related services, such as speech therapy, occupational therapy, physical therapy, or counseling. Such services may be critical at any time in the school years of a child with a disability, because they help a child acquire the tools to blend in and be accepted by peers and teachers—to communicate, to walk, to sit, to function more independently, to hold a pen, use a keyboard, or to use socially appropriate behavior. Accessing related services personnel can be costly and is not always easy, even when cost is not a factor. The amendments clearly establish that fiscal responsibility for such services extends beyond school districts to include the broader obligations of local and State agencies that could and should absorb such costs; and indicate that school districts have the opportunity to seek reimbursement from such agencies, when a child's eligibility for such services, funded by other than a local school district, is known.

School discipline and civil rights. A few children with disabilities sometimes pose a danger to themselves or others or are disruptive in a way whether they or their classmates can learn. Such children should not, must not, be abandoned.

How to best address such situations was the most contentious issue during the development of this reauthorization of IDEA. Educators reported that current provisions in IDEA prevent them from removing disabled students who are dangerous from school. One exception in current law is when a student with a disability brings a weapon to school. Such a student can be moved from his or her current educational placement for up to 45 days. Parents of children with disabilities argued strenuously that if IDEA were to make it easier for educators to remove disabled students who are dangerous or seriously disruptive from their educational placements, the law would give educators a reason to serve children in segregated settings or not at all. Moreover, parents argued that increasing educators' ability and discretion to remove children with disabilities from their current educational placements, without parental consent, would provide educators with the opportunity to divert responsibility for having inappropriately served children with disabilities in the first place and reward educators for the actions or inactions that led to the dangerous or disruptive behavior.

The amendments to address this issue are not in the bill. I plan to continue working on this issue with my colleagues, with professional organizations and associations who have already contributed to this process, and especially with parents. I have come to consider both the contentions of educators and those of parents to be valid. I anticipate creation of an amendment that will strike a balance between the educators' responsibility to maintain safe schools and the right of children with disabilities, even when they engage in dangerous or seriously disruptive behavior, to continue their education.

I anticipate negotiating a discipline amendment that will: Define dangerous behavior; sustain a commitment from schools to involve parents in their children's education before crises develop; reach an agreement on a mechanism that allows the removal of a student with a disability in an expedited manner when the student is truly a danger to himself or herself or to others; and that would address how train principals and and train teachers and students in conflict resolution strategies and related behavior management techniques.

We have a long history of bipartisan commitments to IDEA. We must continue to be courageous, on both sides of the aisle, in our commitment to improve the lives of our citizens with disabilities, most especially children. We must continue to be courageous in our commitment to making American schools the best they can be for all of our children.

In our hearings on IDEA in May 1995, a mother from Kentucky came in, even though her son Ryan had died, and told us her son's story. I remember that she said she was guided in her advocacy by a quote from Daniel Burnham, who said:

"Make no little plans. They have no magic to stir men's blood and probably themselves. Make big plans; aim high and hope they work, remembering that a noble, logical diagram, once recorded, will never die, but long after we are gone will be the record of the higher that we attempted it with ever-growing insistence.

This is the kind of courage children with disabilities must bring to their everyday lives. This is the kind of courage that parents of children with disabilities show every day as they dream their dreams and work, step-by-step, toward a better, more independent, more productive life for their children. This is the kind of courage that America's dedicated and professional teachers bring to their work with American students every school day, aiming high and hoping their big plans work. We can do no less. We will do no less. These amendments will keep us on track.

Mr. President, I ask unanimous consent that a short list of improvements to IDEA, and a section-by-section summary of the bill be printed in the RECORD.

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

INDIVIDUALS WITH DISABILITIES EDUCATION ACT AMENDMENTS OF 1996
SUMMARY OF CHANGES MADE TO CURRENT LAW BY FRIST BILL
PART A—GENERAL PROVISIONS (SECS. 601-610)
Sec. 601—Short Title/Findings/Purpose
Updates "Findings"—to reflect changes made in the education of children with disabilities over the past 20 years (since enactment of P.L. 94-142), and to restate that "the right to equal educational opportunities" is inherent in the equal protection clause of the 14th Amendment.

Updates "Purposes" of IDEA—to incorporate all relevant IDEA programs in the purpose statements (i.e., the basic State grant program under Part B, the early intervention program for infants and toddlers with disabilities under Part H, and the various support programs under Parts C through E, including systems change activities, coordinated research and personnel preparation, and coordinated technical assistance, dissemination, and technology development and media services).

Sec. 602—Definitions
Adds definitions of "behavior management plan," "educational service agency" (to replace "intermediate unit"), "general education curriculum", "inappropriately identified", "individualized family service plan (IFSP)," "infant or toddler with a disability", "outlier" (to include guardians), "public or private non-profit agency or organization," "supplementary aids and services", "systems change activities", "systems change outcomes", and "unserved and underserved".

Deletes definitions of "research and related purposes", "public and private agency", and "youth with a disability"; and moves the definition of "transition services" to sec. 614(b)."
Sec. 603—Office of Special Education Programs (OSEP). (Provisions regarding the administrative staffing of OSEP)

Amends sec. 605—to allow OSEP to “accept voluntary administrative support from under Part C in furtherance of the purposes of this Act.”

Sec. 604—Abrogation of State Sovereign Immunity. (Current law provides that the Federal Government has the right to bring a suit against a State for violation of IDEA)

No changes.

Sec. 605—Acquisition of Equipment and Construction of Necessary Facilities

Repealed.

Sec. 606—Employment of Individuals with Disabilities

No changes.

Sec. 607—Grants for the Removal of Architectural Barriers

Repealed.

Sec. 608—Requirements for Prescribing Regulations. (Current law requires a 90-day public comment period for regulations proposed under Part B of the IDEA)

Makes technical and conforming changes.

Sec. 609—Financial Assistance for Technical and Related Services. (Current law provides that no grants may be made for projects that focus exclusively on children aged 3-5, unless the State is eligible for a preschool grant under sec. 619)

Makes technical and conforming changes.

Sec. 610—Administrative Provisions Applicable to Parts D and E

(Parts D&E include support programs under IDEA concerning research, personnel training, etc. The Senate bill (1) reduces the number of support programs from 14 to 7, and (2) reorganizes the remaining provisions contained in Parts C through G of current law into three parts: Part C—State Systems Change Grants, Part D—Coordinated Research and Personnel Preparation, and Part E—Technical Assistance, Support, and Dissemination.) The Senate bill reorganizes and substantially revises sec. 610, as described below:

1. Requires Secretary to develop and implement a comprehensive plan for activities under D and E, to enhance services to children with disabilities under parts D and H.

2. Identifies eligible applicants for awards (SEAs, LEAs, IHEs, private nonprofit organizations, and, in some cases, “for profit” organizations); and specifies that the Secretary may limit individual competitions to one or more categories of applicants.

3. Extends current provisions regarding outreach to minorities (i.e., requires at least one local educational agency to have funds appropriated under parts D and E to be used for outreach purposes for “HCBCs” and IHEs with minority enrollments of at least 25 percent. This is a continuation of current law.

4. Provides that the Secretary may, with- out rulemaking, limit competitions to projects that give priority to one or more target groups. (SEC- ed the bill—so long as each project addresses the needs of children with disabilities and their families.

5. Sets out specific applicant responsibilities.

6. Includes provisions for application management—including (1) requiring a peer review process, with detailed criteria for the selection of panel members, and (2) providing that the Secretary may use a portion of funds under Parts D and E (a) to pay nonfederal entities for administrative support, (b) for Federal employees to monitor projects, and for evaluation of activities carried out under these programs.

PART A—ASSISTANCE FOR EDUCATION OF ALL CHILDREN WITH DISABILITIES (SECS. 611—620)

Sec. 611—Entitlements and Allocations

1. Retains the “child count” formula.

2. Expands the list of activities that a State may carry out if it retains Part B funds at the State level (e.g., to meet performance goals, and to develop and implement strategies for improving outcomes for children served under Part C, systems change activities authorized under Part C, and a statewide coordinated services system, etc.).

3. Revises sec. 615, minimum grant provision (which prohibits subgrants to very small LEAs that would receive less than $7,500 under the provision). This restriction by giving States the option to decide whether to make subgrants of less than that amount, and (2) adds preschool funds to be used under sec. 619 to the amount that could be accounted in determining if an LEA meets the $7,500 minimum. (Bill retains the provision requiring that, if a State doesn’t make a subgrant to a LEA, it must use those funds to provide FAPE to children residing in the LEA.)

4. Defines “outlying areas” as including the Federated States of Micronesia, Republic of the Marshall Islands, and the Republic of Palau and requires the outlying areas to use their Part B funds in accordance with the purposes of IDEIA for all purposes, unless the State is participating in one comprehensive section.

5. Makes technical changes regarding relevant provisions in the bill, and makes other technical and conforming changes.

Sec. 612—State Eligibility

1. Simplifies provisions related to State participation under Part B—by combining most of the elements of current sections 612 (State eligibility) and 613 (State plans), so that all conditions of State eligibility (including policies, requirements, and formulas) are contained in one comprehensive section.

2. Adds “child find” requirements (Sec. 613(a)(8))—to codify current Department policy, which provides that, so long as a child meets the “two-pronged” test as a “child with a disability” under sec. 612(4) (i.e., has a disability and needs special education), the child does not have to be classified by a specific impairment or condition in order to be eligible for service under Part B.

3. Amends LRE provisions (Sec. 612(a)(5)—to ensure that the State’s funding formula does not result in placements that violate the IDEA, that the State must establish, in the least restrictive environment, and (2) that the state educational agency examines data to determine if significant racial or ethnic imbalances exist in placements, and (3) that the state educational agency must ensure that these children, if determined to have significant imbalances, are provided an appropriate education.

4. Amends provisions on Transition from Part H to Preschool Programs (Sec. 612(a)(9))—to conform Part B with the transition planning requirements under Part H (Sec. 616). The State must participate in transition planning conferences convened by the Part H lead agency, in order to ensure an effective transition for infants and toddlers with disabilities who move into preschool programs under Part B.

5. Addresses unilateral placements by parents. (Sec. 612(a)(6))—if the parents of a child with a disability unilaterally place the child in a private school and a hearing officer agrees with the parent’s placement, the Department may require reimbursement by the parents. However, the amount of reimbursement may be reduced or denied—(1) if prior to removal of the child from the public school, the parents did not provide a written statement to the LEA rejecting its proposed placement, or (2) upon a judicial finding of unreasonableness to actions taken by the public school.

6. Strengthens requirements on ensuring provision of services by non-educational agencies (Sec. 612(a)(12)) (i.e., while retaining the single line of responsibility of the SEA (Sec. 612(a)(11)), the bill provides that if a non-educational agency is responsible for furnishing services, the State must also be responsible for ensuring FAPE to children with disabilities that agency must pay for, or develop such services, as a contract or other arrangements, (2) that the State must ensure that interagency agreements or other mechanisms are in effect between the non-educational agency and the local educational agencies for defining respective financial responsibilities, resolving interagency disputes, and for interagency coordination, and (3) that the State must establish a mechanism by which local educational agencies may seek reimbursement from agencies for the costs of providing related services and disability services procedures to local educational agencies.

7. Amends “comprehensive system of personnel development” (CSPD) requirements (Sec. 612(a)(14)—to simplify and reduce the burden of such requirements, especially the data provisions, and make the requirements more meaningful.

8. Amends “Personnel Standards” to include use of paraprofessionals (Sec. 612(a)(15)—to allow the use of appropriately trained and supervised paraprofessionals to provide services.

9. Conforms the IDEA to general education improvements (Sec. 612(a)(16)—to eliminate redundant language or requiring States to (1) establish performance goals and indicators for children with disabilities, and (2) ensure that these children participate in public education, district-wide assessments, with appropriate accommodations, where necessary, and that guideposts are developed for participation in alternative assessments.

10. Amends requirements for State Advisory Committee to the SEA (Sec. 612(a)(17)) (i.e., while requiring States to establish FACs, the bill provides that if the State does not have a FAC). The bill also specifies that the FAC must also have sufficient membership to ensure that the Committee meets the requirements of Federal law with new policies and procedures in place.

11. Amends provisions on State Advisory Panels—by (1) specifying other categories of participants of such panels, (2) adding new provisions to develop a process for the FAC to developing corrective action plans to address findings identified through Federal monitoring, and to developing and implementing policies related to coordination of services, and (3) providing that a State panel established under the ESEA or Goals 2000: Educate America Act may also serve as the State Advisory Panel if it meets the requirements of this part.

12. Amends provisions on State Advisory panels—by (1) specifying other categories of participants of such panels, (2) adding new provisions to develop a process for the FAC to developing corrective action plans to address findings identified through Federal monitoring, and to developing and implementing policies related to coordination of services, and (3) providing that a State panel established under the ESEA or Goals 2000: Educate America Act may also serve as the State Advisory Panel if it meets the requirements of this part.

13. Significantly reduces paperwork and streamlines reporting, by no longer requiring States to submit three-year State plans. Once a State demonstrates to the satisfaction of the Secretary that it has in effect policies and procedures that meet the requirements of the new sec. 612, the State does not have to resubmit such materials, unless those policies and procedures are changed.

Amends provisions on LEA eligibility—by (1) replacing the LEA application requirements in sec. 614 of current law with a single requirement in sec. 613, and (2) conforming those provisions, as appropriate, to the new State eligibility requirements under sec. 612.

Sec. 612—LEA Eligibility

1. Simplifies provisions related to participation of LEAs—by (1) replacing the LEA application requirements in sec. 614 of current law with a single requirement in sec. 613, and (2) conforming those provisions, as appropriate, to the new State eligibility requirements under sec. 612.
law with new “LEA eligibility” provisions in sec. 613, and (2) conforming those provisions, as appropriate, to the new State eligibility requirements under sec. 612.

2. Provides clearer evidence of “Effort” provision—to ensure that the level of expenditures for the education of children with disabilities under Part B from the local funds will not drop below the level of such expenditures for the preceding fiscal year; but provides four specific exceptions (i.e., emergency enrollment of children with disabilities, (2) end of LEA’s responsibility to provide an exceptionally costly program to a child with a disability (because child is aging out of program), (3) no other voluntary departure of special education staff who are at or near the top of the salary schedule, and (4) further agencies or for other voluntary departure of special education staff who are at or near the top of the salary schedule, and (4) further large expenditures for equipment or construction. (Bill retains “excess costs” and “supplement—not supplant” provisions of current law.)

3. Provides greater flexibility to LEAs in the use of Part B funds, while still ensuring that children with disabilities receive needed special education services. The bill identifies specific activities that an LEA may carry out (notwithstanding the excess cost and noncompliance requirements in sec. 613(a)(4)(B) and sec. 613A(a)(4)(B)), including using Part B funds for—

Incidental benefits (i.e., LEAs could provide services to a child with a disability in the regular classroom without having to track the costs of any incidental benefits to non-disabled students from those services.

Simultaneous services on a space-available basis (i.e., special education and related services are provided to “IDEA-eligible” children could simultaneously be provided, on a space available basis, to children with disabilities who are protected by “ADA” provisions.

A coordinated services system (i.e., an LEA could use up to 5 percent of its Part B funds to develop and implement a coordinated services system that links education, health, and social welfare services, and various systems and entities in a manner designed to improve educational and transitional results for children with disabilities and, as appropriate, for other children, consistent with the provisions on incidental benefits and simultaneously services in sec. 613(a)(4) (A) and (B)).

4. Provides that an LEA may join with other LEAs to jointly establish eligibility under Part B.

5. Significantly reduces paperwork and staff burden for SEAs and LEAs—by providing that only one IEP is sufficient to satisfy the SEA that it has in effect policies and procedures that meet the eligibility requirements of the new sec. 613, the SEA must notify those requirements have been met; and the LEA would not have to resubmit such materials, unless those policies and procedures are changed.

6. Provides LEAs additional participation to the State Comprehensive System of Personnel Development—and requires that a local educational agency’s participation in the systematic personnel development and improvement that the LEA has been determined to be in need of improvement under the State system of personnel development and improvement that the LEA is recommended to the State Comprehensive System of Personnel Development.

Sec. 614. Evaluations, Reevaluations, IEPs, and Educational Placements

1. Simplifies State and local administration of provisions on evaluation, IEPs and placements—by placing all such provisions in one newly established sec. 614.

2. Addresses Evaluations and Reevaluations—reduces cost and administrative burden by requiring that existing evaluation data on a child be reviewed to determine if any other data are needed to make decisions about a child’s eligibility and services. If it is determined by appropriate individuals that additional data are not needed, the parents must be so informed of that fact and of their right to disagree and, if necessary, seek other evaluations. If further evaluations are required at that time unless requested by the parents.)

Includes protections in evaluation procedures that ensure that (1) appropriate professionals are involved in such evaluations, (2) tests and other evaluation materials are relevant, validated for the specific purpose for which they are being used, etc.; and retains the nondiscriminatory testing procedures required in current law.

3. Addresses IEP provisions: Consolidates all substantive provisions on IEPs (both content and process) in one place (sees. 614(d)-(641(j)), and reorders the provisions, so that there is a logical sequence—from (1) the IEP content, (2) IEP process, (3) measuring and reporting on each child’s progress, and (4) reviewing and revising the IEP.

Requires IEP team to consider specific factors in developing each child’s IEP, including (1) basic information about the child (e.g., most recent evaluation results, child’s strengths and weaknesses, and history of the child’s education), and (2) other special factors and possible remedies, as appropriate (e.g., in the case of a child with a visual or hearing impairment).

Requires content of IEPs—by (1) replacing “annual goals and short term instructional objectives” with “measurable annual objectives” or by (2) procedural safeguards. (The bill provides that, if under (1) the child, as appropriate, has the opportunity to progress in the general curriculum, and to participate with nondisabled children in various environments.

Amends provisions on transition services (i.e., the bill requires that transition services needs (1) be considered for all students with disabilities beginning at age 14 (or younger . . .), and, as appropriate, addressed under the applicable components of the IEP (e.g., levels of performance, objectives, and services), and (2) the child’s progress and student’s participation in the general curriculum (e.g., a vocational education or school to work program).). The bill (1) retains current law requiring a statement of transition services beginning at age 16 (or younger), and (2) moves the definition of “transition services” from Part A to sec. 614(l).

4. Adds a provision regarding transfer of rights at the age of majority (i.e., requiring that, at least one year before a student of the age category under State law, the IEP must include “a statement about the rights under this Act, if any, that will transfer to the student on reaching the age of majority under State law”.

Sec. 615—Procedural Safeguards

1. Revises the written notice provision—a to set out the specific content of notices to parents, and (b) to reduce burden under current law by requiring notices to include only a brief summary of the procedural safeguards under Part B relating to due process hearings (and appeals, if applicable), together with a statement that a full explanation of such safeguards will be provided if the parents request it or request a due process hearing, etc.

2. Reduces potential conflict between LEAs and parents of children with disabilities—by requiring States to make mediation available to such parents, on a voluntary basis. (The use of mediation can resolve disputes quickly and effectively, and at less cost.)

Reduces the possibility of a conflict between an LEA and the parents of a child with disabilities. The bill requires the parents to provide the LEA a written notice of their intent to file a complaint (request a due process hearing) under Part B, on any matter regarding the identification, evaluation, or educational placement of the child. If the parent fails to file the complaint of FAPD to the Department of Education within 10 calendar days prior to filing the complaint, if the parents (1) have new information about any matter described above, and (2) if the parents were duly informed by the LEA of their obligation to file such a complaint, the complaint shall be extended by 10 calendar days.

4. Amends provisions on attorney fees—by clarifying that (1) if a party is a prevailing party under this Act, the State or LEA must have procedures for appointing the parent or another person to represent the student’s interests throughout the student’s eligibility under this part. 4. Makes other technical and conforming changes.

Sec. 616—Withholding and Judicial Review

Makes technical and conforming changes.

Sec. 617—Administration

1. Adds a provision prohibiting the Secretary from making a request or waiver of policy or other statements. (The bill provides that, in order to establish a new rule that is required for compliance and eligibility under Part B, the Secretary must follow standard rule-making requirements.)

2. Adds a provision requiring the Department of Education to provide any public hearing, on a quarterly basis, a list of correspondence from the Department during the previous quarter that describes the Department’s interpretation of this part and the implementation of the rules and regulations. The list must identify the topic being addressed, include “such other summary information as the Secretary finds appropriate.

Sec. 618—Evaluation and Program Information

1. Significantly reduces the data burden to States and LEAs—by eliminating the requirement for individual State data reports by disability category, but requires the Secretary, directly or by grant, contract, or cooperative agreement, to conduct studies and evaluations necessary to assess the effectiveness of efforts to develop and early intervention services, including assessing “the placement of children with disabilities by disability category.”

Requires the Secretary to conduct a longitudinal study that measures the educational and transitional services provided

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to and results achieved by children with disabilities under this Act, etc.

3. Provides for earmarking up to one-half of one percent of the amounts appropriated under Parts C and H to carry out the purposes of Sec. 618.

Sec. 619—Preschool Grants

Includes changes that are virtually identical to the changes made in Sec. 611, with respect to state administration and State use of funds, subgrants to LEAs and other State agencies, and the provision on the use of funds by the outlying areas.

Sec. 620—Payments

Makes technical and conforming changes.

Support Programs (Parts C through E, and H)

PART C—PROMOTING SYSTEMS CHANGE TO IMPROVE EDUCATIONAL AND TRANSITIONAL SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES (SECS. 621–625)

A new Part C has been developed. [It replaces current Part C which authorized a wide range of special interest demonstration and technical assistance initiatives, most with their own authorization earmarks.] The new Part C authorizes a new “Systems Change” State grant program. State Education Agencies in partnership with local education agencies, and other interested individuals, agencies, and organizations, would be able to compete for planning or implementing multiple education and transitional services and results for children with disabilities on a system wide basis.

Sec. 621—Findings and Purposes

Sec. 622—Grants

Authorizes grants to State Education Agencies in partnership with local education agencies, and other interested individuals, agencies, and organizations to address comprehensive systems change.

Sec. 623—Incentives

Provides incentives for significant and substantial levels of collaboration among participating partners.

Sec. 624—Authorization of Appropriations

PART D RESEARCH AND PERSONNEL PREPARATION (SECS. 631–634)

A new Part D authorizes research/innovation and personnel preparation activities which are to be coordinated with system changes initiatives funded under Part C and improve results for children with disabilities. [Consolidates current Part D, which funds personnel preparation, and Part E, which funds research.]

Sec. 631—Findings and Purpose

Sec. 632—Definitions

Sec. 633—Research and Innovation

New knowledge production—supports research and innovation projects in areas of new knowledge, such as, learning styles, instructional approaches, behavior management, assessment tools, assistive technology, program accountability and personnel preparation models. Integrating research and practice—supports projects which validate new knowledge findings through demonstration and dissemination of successful approaches in the use of professional knowledge—supports projects to organize and disseminate professional knowledge in ways that encourage teachers, parents, and others to use such knowledge in their classrooms and other learning settings.

Sec. 634—Personnel Preparation

High incidence disabilities—supports the preparation of personnel providing educational and transitional services and supports to students in high incidence disability areas, such as, learning disabilities, mental retardation, behavior disorders, and other groups.

Leadership preparation—supports the preparation of leadership personnel at the advanced graduate, doctoral, and post-doctoral levels of training.

Low-incidence disabilities—supports the preparation of a variety of personnel providing educational and transitional services and supports to children in low incidence disability areas, such as, sensory impairment, multiple disabilities, and severe disabling conditions.

Projects of national significance—supports development of new and innovative program models and approaches in the preparation of personnel to work with children with disabilities.

PART E—TECHNICAL ASSISTANCE, SUPPORT, AND DISSEMINATION OF INFORMATION (SECS. 641–644)

A new Part E provides authorizations for parent training and information centers, technical assistance, support, dissemination, and technology and media activities which are to be coordinated with system change initiatives funded under Part C and other activities that are designed to improve educational and transitional services and results for children with disabilities. (Consolidates activities authorized in various Parts of current law, especially Parts G and F; removes numerous authorization earmarks.)

Sec. 641—Findings and Purposes

Sec. 642—Definitions

Sec. 643—Parent Training and Information

Provides support for Statewide Parent Training and Information Center activities, as authorized in current law, with the following additional changes:

1. Provides technical changes related to (1) coordination of specialty personnel providing educational and transitional services and results for children with disabilities.

2. Provides support for Community-based Parent and Information Programs;

3. Provides support for Federal Interagency Coordinating Council (FICC) activities for a transition of “developmental delay”—by requiring the Federal Interagency Coordinating Council (FICC) to convene a panel to develop recommendations regarding transition of “developmental delay” to assist States, as appropriate, with their own respective definitions.

4. Provides technical changes related to (1) membership on the FICC (2) responsibilities of the State and Federal Interagency Coordinating Councils, and (3) definitions of terms; and makes other technical and conforming changes.

The First Bill—Commonsense Improvements to IDEA

1. Eliminates the major bureaucratic burden of three-year plan submissions. State and local agencies will make only one plan or application, instead of the currently mandated submission of one every three years. Under the First bill, state and local agencies will update their plans only if they report substantial changes.
For many parents who have disabled children, IDEA is a lifeline of hope. As one parent recently told me:

"Thank God for IDEA. IDEA gives us the strength to face the challenges of bringing up a child with a disability as part of our family together. Because of IDEA our child is achieving academic success. He is also treated by his nondisabled peers as "one of the boys." I am now sure that we will graduate high school prepared to hold down a job and lead an independent life."

In May, Danette Crawford, a senior at Urbandale High School in Des Moines, testified before the Senate Disability Policy Subcommittee. Danette, who has cerebral palsy, testified that:

"My grade point average stands at 3.8 and I am enrolled in advanced placement courses. The education I am receiving is preparing me for a real future. Without IDEA, I am convinced I would not be receiving the quality education that Urbandale High School provides me."

We are now gradually the first generation of students who have had the benefits of the provisions of IDEA. Already, for example, since 1978 the percentage of incoming college freshmen who have disabilities has tripled from 2.4 percent to over 9 percent. We once heard despondency and anger from parents. We now hear enthusiasm and hope, as I have, from a parent from Iowa writing about her 7-year-old daughter with autism. She said, "I have no doubt that my daughter will live nearly independently as an adult, will work, and will be a very positive contributor to society. That is very much her dream and it is my dream for her. The IDEA has given her and dream capable of becoming a reality."

Mr. President, these are not isolated statements from a few parents in Iowa. They are reflective of the general feeling about the law across the country. The National Council on Disability (NCD) recently conducted 10 regional meetings throughout the Nation regarding progress made in implementing the IDEA over the past 20 years. In its report, NCD stated that "there were ringing affirmations in support of IDEA and the positive difference it has made in the lives of children and youth with disabilities and their families." The report adds that "all across the country witnesses told of the tremendous power of IDEA to help children with disabilities fulfill their dreams to learn, to grow, and to mature." These comments, as well as testimony presented at the four hearings held by the Subcommittee on Disability Policy, make it clear to me that major changes in IDEA are not needed nor wanted. IDEA is as critical as it was 20 years ago, particularly due process protections. These provisions level the playing field so that parents can sit down as equal partners in designing an education for their children.

The experiences at these hearings did make it clear, however, that we need to fine-tune the law—in order to make sure that children with disabilities are
not left out of educational reform efforts that are now underway, and to take what we have learned over the past 20 years and use it to update and improve this critical law.

Based on 20 years of experience and research, the education of children with disabilities, we have reinforced our thinking and knowledge about what is needed to make this law work, and we have learned many new things that are important if we are to ensure an equal educational opportunity for all children with disabilities.

For example, our experience and knowledge over the past 20 years have reaffirmed that the provision of quality education and services to children with disabilities must be based on an individualized assessment of each child’s unique needs and abilities; and that, to the maximum extent appropriate, children with disabilities must be educated with children who are not disabled and children should be removed from the regular education environment only when the nature and severity of the disability is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.

We also have learned that students with disabilities achieve at significantly higher levels when schools have high expectations—and establish high goals—for these students, ensure their access to the general curriculum, when parents participate, and provide them with the necessary services and supports. And there is general agreement that including children with disabilities in general State and district-wide assessments is an effective accountability mechanism and a critical strategy for improving educational results for these children.

Our experience over the past 20 years has underscored the fact that parent participation is a crucial component in the education of children with disabilities, and parents should have meaningful opportunities, through appropriate training and other supports, to participate as partners with teachers and other school staff in assisting their children to achieve to high standards.

There is general agreement today at all levels of government that State and local educational agencies must be responsive to the increasing racial, ethnic, and linguistic diversity that prevails in America today. Steps must be taken to ensure that the procedures used for referring and evaluating children with disabilities include appropriate safeguards to prevent the over or under-identification of minority students requiring special education services and supports, and other assistance must be provided in a culturally competent manner. And greater efforts must be made to improve post-school results among minority students with disabilities.

The progress that has been made over the past 20 years in the education of children with disabilities has been impressive. However, it is clear that significant challenges remain. We must ensure that this crucial law not only remains intact as the centerpiece for ensuring equal educational opportunity for all children with disabilities, but also that it is strengthened and updated to keep current with the changing times.

The basic purposes of Public Law 94-142 must be retained under the proposed reauthorization of IDEA: To assist States and local communities in providing opportunities for all children with disabilities to lead productive independent adult lives; to ensure that the rights of children with disabilities and their parents are protected; and to assess and ensure the effectiveness of efforts to educate children with disabilities.

We also need to expand those purposes to promote the improvement of educational services and results for children with disabilities and early intervention services for infants and toddlers with disabilities—by assisting the states to improve State educational agencies in partnerships with other interested parties, and by assisting and supporting coordinated research and personnel preparation, and coordinated technical assistance, dissemination, and evaluation, as well as technology development and media services.

Mr. President, this bipartisan bill we are presenting here today provides the fine-tuning that is needed to update current law along the lines I have described. These amendments will help ensure that children with disabilities have equal educational opportunities along with their nondisabled peers to leave school with the skills necessary for them to be integrated in the economic and social fabric of society and to live full, independent productive lives as adults.

In closing, Mr. President, I would like to quote Ms. Melanie Seivert of Sibley, IA, who is the parent of Susan, a child with Down’s syndrome. She states:

Our ultimate goal for Susan is to be educated academically, vocationally, [and] in life-skills and community living so as an adult she can get a job and live her life with a minimum of management from outside help. Through the things IDEA provides . . . we will be able to reach our goals. Does it not make sense to give all children the best education possible? Our children need IDEA for a future.

Mr. President, IDEA is the shining light of educational opportunity. And we must make sure that the light continues to burn bright. We still have promises to keep. I urge my colleagues to support the Individuals With Disabilities Education Act Amendments of 1996.

By Mr. GLENN (for himself, Mr. STEVENS, Mr. LEVIN, Mr. COCHRAN, Mr. PRYOR, Mr. COHEN, Mr. LIEBERMAN, and Mr. BROWN): S. 1579. A bill to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the “Single Audit Act”); to the Committee on Governmental Affairs.

THE SINGLE AUDIT ACT AMENDMENTS OF 1996

Mr. GLENN. Mr. President, today, I am introducing legislation to amend the Single Audit Act of 1964. This legislation will both improve the management of Federal funds and reduce paperwork burdens on State and local governments, universities and other nonprofit organizations that receive Federal assistance. I am happy that the chairman of the Governmental Affairs Committee, Senator STEVENS, joins with me in cosponsoring the bill, as do Senators LEVIN, COCHRAN, PRYOR, COHEN, LIEBERMAN, and BROWN, all fellow members of the Governmental Affairs Committee.

Over the last several years we have made great strides in reforming the sloppy and wasteful state of Federal financial management. The Chief Financial Officers Act of 1990, which I strongly supported, was a major accomplishment in this regard. Much more remains to be done, however, to achieve greater accountability for the hundreds of billions of dollars of Federal assistance that go to or through State and local governments and nonprofit organizations. Much more also remains to be done to reduce the auditing and reporting burdens of the Federal assistance management in the Single Audit Act Amendments of 1996, which I introduce today, goes a long way toward achieving these goals.

The Single Audit Act was enacted in 1964 to overcome serious gaps and duplications that existed in audit coverage over Federal funds provided to State and local governments, which now amount to about $200 billion a year. Some governments rarely saw an auditor interested in examining Federal funds, others were swamped by auditors, each looking at a separate grant award. The Single Audit Act remedied that problem by changing the audit focus from compliance with individual Federal grant requirements to a periodic single overall audit of the entity receiving Federal assistance. The act also set specific dollar thresholds to exempt small grant recipients from regular audit requirements. This structuring of the approach to audits simplified overlapping audit requirements and improved grantee-organization administrative controls.

The Single Audit Act also served an important purpose of prompting State and local governments to improve their general financial management practices. The act encouraged the governments to review and revise their financial management practices, including instituting annual financial statement audits, installing new accounting systems, and implementing monitoring systems. The improvements represented long-needed and long-lasting
financial management reforms. Studies by the General Accounting Office (GAO) confirmed these accomplishments. The success of the act also prompted the Office of Management and Budget (OMB) to apply single audit principles to educational institutions and nonprofits that receive pass-through Federal funds (OMB Circular No. A-133). Audits of Institutions of Higher Education and Other Nonprofit Organizations.” March 1990.

During my tenure as chairman of the Governmental Affairs Committee, I requested that GAO study the implementation of the Single Audit Act and suggest any needed changes. The resulting report, Single Audit: Refinements Can Improve Usefulness (GAO/AIMD–94–133, June 1994), reviewed the successes of the act, but also pointed out specific modifications that could improve the act’s usefulness. The legislation I introduce today is based on GAO’s findings, and in fact, was developed in cooperation with GAO and OMB. Moreover, OMB is presently revising its Circular A–133 consistent with the purposes of this legislation. Finally, the bill also reflects comments received from State, local and private sector accountants, auditors, and professionals as well as program managers. Altogether, the legislation will strengthen the act, while simultaneously reducing its burdens.

First, the legislation extends the act to cover entities that receive Federal assistance. Again, these organizations are currently subject to the single audit process under OMB Circular A–133. Broadening the act’s coverage in this way ensures that all non-Federal grantee organizations will be covered uniformly by a single audit process.

Second, the bill reduces audit and related paperwork burdens by raising the single audit threshold from $100,000 to $300,000, except for thousands of smaller State and local governments and nonprofits from Federal single audit requirements. It would still ensure, however, that the vast majority of Federal funds would be subject to audit testing. Needless to say, it would also not interfere with the ability of Federal agencies to audit or investigate grantees when needed to safeguard Federal funds.

Third, the bill would improve audit effectiveness by establishing a risk-based approach for selecting programs to be tested during single audits for adequacy of internal controls and compliance with Federal program requirements, such as eligibility rules. The Single Audit Act has required audit testing solely on the basis of dollar criteria. Using the risk-based approach will ensure coverage of large programs, as well as others that are actually more at risk.

Fourth, the legislation improves the comprehensiveness and timeliness of single audit reporting to make the reports more useful. Currently, auditors often include a number of different documents in a single audit report. These documents are designed to comply with auditing standards but leave many confused. A summary document, written in plain language, would greatly increase the usefulness of single audit reports.

Shortening the reporting timeframes will also make the single audit reports more useful. The current practice of filing reports 13 months after the end of the year that was audited significantly reduces utility. An ideal period would be the Government Finance Officers Association’s standard of 6 months for timely reportingby State and local governments. However, given the multiple audits that some State auditors have to perform, the legislation establishes a 9-month standard. Moreover, the legislation gives flexibility for extensions as needed. The overall goal, still, is to shorten the reporting timeframe to make the single audit reports more useful to assessors of organizations entrusted with Federal funds and to prompt any needed corrective actions.

Fifth, the legislation increases administrative flexibility. OMB is authorized to issue rules to implement the single audit requirements as needed, without seeking amendments to the act. For example, OMB would be authorized to raise even higher the $300,000 threshold. Auditors also will have greater flexibility to target programs at risk.

In these and other ways, the Single Audit Act Amendments of 1996 will streamline the underlying Single Audit Act, update its requirements, reduce burdens, and provide for more flexibility. This legislation builds on the significant accomplishments of the 1984 act and I am confident that the Senate will move the legislation expeditiously. In December 1995, the Senate Committee on Governmental Affairs held a hearing on the subject of Federal financial management, including the Single Audit Act. Charles Bowsher, the Comptroller General of the United States and, Kurt Sjoberg, the California State auditor, representing the National State Auditors Association, strongly supported the legislation and recommended that it be enacted. Edward DeSeve, Office of Management and Budget Controller, also applauded the legislative effort.

The support of the Comptroller General and the State auditors is especially important. The Comptroller General was instrumental in advising the Congress when the original Single Audit Act was enacted. He followed the subsequent implementation of the act and has made the recommendations for improving the act that was the basis for the current legislation. I give great weight to his recommendations for amending the Single Audit Act. State auditors, for their part, are key players in their states. They conduct or arrange for thousands of single audits each year. So, their views are also critically important. Following the December hearing, the National State Auditors Association met to discuss the legislation and decided unanimously to support its enactment. I submit their letter of support for the record.

Finally, I commend to my colleagues the fact that this legislation is bipartisan. Again, Senator STEVENS, chairman of the Governmental Affairs Committee, joins with me in cosponsoring the bill, as do Senators LEVIN, COCHRAN, PRYOR, COHEN, LIEBERMAN, and BROWN. This bipartisanship also extends to the House of Representatives. With this bipartisan support, I am sure that this good Government legislation can soon become law.

Mr. President, I ask unanimous consent that additional material be printed in the record.

S. 1579

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

SEC. 1. SHORT TITLE; PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the “Single Audit Act Amendments of 1996”.

(b) PURPOSES.—The purposes of this Act are—

(1) promote sound financial management, including effective internal controls, with respect to Federal awards administered by non-Federal entities;

(2) establish uniform requirements for audits of Federal awards administered by non-Federal entities;

(3) promote the efficient and effective use of audit resources;

(4) reduce burdens on State and local governments, Indian tribes, and nonprofit organizations;

and

(5) ensure that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to chapter 75 of title 31, United States Code (as amended by this Act).

SEC. 2. AMENDMENT TO TITLE 31, UNITED STATES CODE.

Chapter 75 of title 31, United States Code, is amended to read as follows:

“CHAPTER 75—REQUIREMENTS FOR SINGLE AUDITS

Sec. 7501. Definitions.

Sec. 7502. Audit requirements; exemptions.

Sec. 7503. Relation to other audit requirements.

Sec. 7504. Federal agency responsibilities and relations with non-Federal entities.

Sec. 7505. Regulations.

Sec. 7506. Monitoring responsibilities of the Comptroller General.

Sec. 7507. Effective date.

“7501. Definitions. [(a) As used in this chapter, the term—

"(1) ‘Comptroller General’ means the Comptroller General of the United States;

"(2) ‘Director’ means the Director of the Office of Management and Budget; [(3) ‘Federal agency’ has the same meaning as the term ‘agency’ in section 551(1) of title 5; [(4) ‘Federal awards’ means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities; [(5) ‘Federal financial assistance’ means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance,
donated surplus property, food commodities, direct appropriations, or other assistance, but does not include amounts received as reimbursement for services rendered to individuals and in accordance with guidance issued by the Director; "(6) Federal program means all Federal awards to a non-Federal entity assigned a single audit, as defined in paragraph (1) of section 7505 of this title, or a program-specific audit and is not subject to laws, regulations, or Federal award agreements that require a financial statement audit of the non-Federal entity. A program-specific audit conducted in accordance with applicable provisions of this section and guidance issued by the Director under section 7505. (c) Each such non-Federal entity that expends Federal awards according to paragraph (a)(2) shall be subject to the requirements of subsections (a) and (b) of section 7505. (d) Loan or loan guarantee programs, as specified by the Director, shall not be subject to the application of subsection (b). (8) ‘non-Federal entity’ means any State, local government, or nonprofit organization; (9) ‘nonprofit organization’ means any corporation, trust, association, cooperative, or other organization that; (10) ‘other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories; (B) An external State or local government auditor who meets such standards for the independent audit in accordance with the requirements of subsection (1); (C) An external State or local government auditor who meets the independence standards for the independent audit in accordance with the requirements of subsection (1); (D) a public accountant who meets such independence standards; (E) An independent auditor who meets the standards for the independent audit in accordance with the requirements of subsection (1); (F) An independent auditor who meets the standards for the independent audit in accordance with the requirements of subsection (1); (G) A non-Federal entity (or such lower percentage as specified by the Director), in accordance with guidance issued by the Director. (3) Each audit conducted pursuant to subsection (a) shall be conducted by an independent auditor in accordance with generally accepted government auditing standards, except that, for the purposes of this chapter, performance audits shall not be required except as authorized by the Director. (d) Each single audit conducted pursuant to subsection (a) for any fiscal year shall— (1) cover the operations of the entire non-Federal entity; or (2) if the option of such non-Federal entity such audit shall include a series of audits that cover departments, agencies, and other organizational units which expended Federal awards during such fiscal year provided that such audit shall encompass the financial statements and schedule of expenditures of Federal awards for each such department, agency, and organizational unit, which shall be considered to be a non-Federal entity. (e) The auditor shall— (1) determine whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles; (2) determine whether the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole; (3) with respect to internal controls pertaining to the compliance requirements for each major program— (A) obtain an understanding of such internal controls; (B) assess control risk; and (C) perform tests of controls unless the controls were deemed to be effective; and (d) determine whether the non-Federal entity has complied with the provisions of laws, regulations, and contracts or grants that require such Federal awards to be used in a direct and material effect on each major program.
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“(f)(1) Each Federal agency which provides Federal awards to a recipient shall—

“(A) provide such recipient the program names (and any identifying numbers) from which such awards are derived, and any other Federal requirements which govern the use of such awards and the requirements of this chapter; and

“(B) review the audit of a recipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the recipient by the Federal agency.

“(2) Such pass-through entity shall—

“(A) provide such subrecipient the program names (and any identifying numbers) from which such assistance is derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter;

“(B) monitor the subrecipient’s use of Federal awards through site visits, limited scope audits, or other means;

“(C) review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity; and

“(D) require each of its subrecipients of Federal awards to permit, as a condition of receiving Federal awards, the independent auditor of the Federal awarding entity from having access to the subrecipient’s records and financial statements as may be necessary for the pass-through entity to comply with this chapter.

“(g)(1) The auditor shall report on the results of any audit conducted pursuant to this section, in accordance with guidance issued by the Comptroller General, any independent auditor conducting an audit pursuant to this chapter shall, consistent with other applicable law, arrange for the funding of the full cost of such audit. The Comptroller General shall prescribe guidance to implement this chapter.

“(2) When reporting on any single audit, the auditor shall include a summary of the auditor’s results regarding the non-Federal entity’s financial statements, internal controls, and compliance with laws and regulations.

“(h) The non-Federal entity shall transmit the reporting package, which shall include the non-Federal entity’s financial statements, schedule of expenditures of Federal awards, and audits and evaluations of Federal awards, to the Federal agency designated for public inspection within the earlier of—

“(1) 30 days after the receipt of the auditor’s report;

“(2) For a transition period of at least 2 years after the effective date of the Single Audit Act Amendments of 1996, as established by the Director, 13 months after the end of the period audited; or

“(B) for fiscal years beginning after the period specified in subparagraph (A), 9 months after the end of the period audited, or within a longer period authorized by the Federal agency, determined under criteria issued under section 7505, when the 9-month timeframe would place an undue burden on the non-Federal entity.

“(i) If an audit conducted pursuant to this section discloses any audit findings, as defined by the Director, including material noncompliance with individual compliance requirements for a major program by, or reportable conditions in the internal controls of, the non-Federal entity with respect to the matters described in subsection (e), the non-Federal entity shall submit to Federal officials designated by the Director, a plan for corrective action to eliminate such audit findings or reportable conditions or a statement describing the reasons that corrective action is not necessary. Such plan shall be consistent with the audit results and promulgated by the Comptroller General (as part of the standards for internal controls in the Federal Government) pursuant to section 3512(c).

“(j) The Director may authorize pilot projects to test methods of achieving the purposes of this chapter. Such pilot projects may begin only after consultation with the Chair and Ranking Minority Members of the Committee on Governmental Affairs of the Senate and the Chair and Ranking Minority Member of the Committee on Government Reform and Oversight of the House of Representatives.

“§ 7503. Relation to other audit requirements

“(a) An audit conducted in accordance with this chapter shall be in lieu of any financial audit of Federal awards which a non-Federal entity is required to undertake or any other Federal law or regulation. To the extent that such audit provides a Federal agency with the information it requires to carry out its responsibilities under Federal law or regulation, the Federal agency may not authorize any non-Federal entity (or subrecipient thereof) to constrain, in any manner, such agency from carrying out or arranging for such an audit, except that the Federal agency shall notify such non-Federal entity during the applicable timeframe which such awards are derived, and the Federal entity which undergoes an audit in accordance with this chapter shall, consistent with other applicable law, arrange for the funding of the full cost of such audits. The Comptroller General shall prescribe guidance to implement this chapter.

“(b)(1) The criteria prescribed pursuant to subsection (a) shall apply to a non-Federal entity which undergoes an audit pursuant to this chapter.

“(2) Each pass-through entity shall—

“§ 7505. Regulations

“(a) The Director, after consultation with the Comptroller General, and appropriate officials from Federal, State, and local governments and nonprofit organizations shall prescribe guidance to implement this chapter. Each Federal agency determined under criteria issued under section 7502(a)(3) during the recipient’s fiscal year but did not undergo an audit in accordance with this chapter; and

“§ 7506. Monitoring responsibilities of the Comptroller General

“(a) The Comptroller General shall review provisions requiring financial audits of non-Federal entities that receive Federal awards that are contained in bills and resolutions reported by the committees of the Senate and the House of Representatives.

“(b) If the Comptroller General determines that a bill or resolution contains provisions that are inconsistent with the requirements of this chapter, the Comptroller General shall, at the earliest practicable date, notify in writing—

“(1) the committee that reported such bill or resolution; and

“(2)(A) the Committee on Governmental Affairs of the Senate; and

“§ 7507. Legislative intent.

“(a) Congress determines that—

“(1) copies of all reporting packages developed in accordance with this chapter;

“(2) identify recipients that expend $300,000 or more in Federal awards or such other amount specified by the Director under section 7502(a)(3) during the recipient’s fiscal year but did not undergo an audit in accordance with this chapter; and

“(b) perform analyses to assist the Director in carrying out responsibilities under this chapter.
The new bill would broaden the scope of the Act to cover universities and other nonprofit organizations. It would also streamline the process. Thus, the bill would improve accountability for billions of dollars of Federal assistance, while also reducing audit and paperwork burdens on grant recipients.

The bill was developed on the basis of GAO review of implementation of the Single Audit Act—"Single Audit: Refinements Can Improve Usefulness," GAO/AIMD–94–133, June 21, 1994). Major stakeholders in the single audit process during the development of the bill. Support for the bill was confirmed at a December 14, 1995, hearing of the Senate Committee on Governmental Affairs.

The experience under the 1984 Act demonstrated that the single audit concept promotes accountability over Federal Assistance and prompts related financial management improvements by covered entities. Experience also showed, however, that process can be strengthened. This bill would (1) improve audit coverage of Federal assistance, (2) reduce Federal burden on non-Federal entities, (3) improve audit effectiveness, (4) improve single audit reporting, and (5) increase administrative flexibility.

IMPROVE AUDIT COVERAGE
The bill would improve audit coverage of Federal assistance by including in the single audit process all State and local governments and nonprofit organizations that receive Federal assistance. Currently, the Act only applies to State and local governments. Nonprofit organizations are subject administratively to single audits under OMB Circular A–133, “Audits of Institutions of Higher Education and Other Nonprofit Organizations.” Including nonprofit organizations under the Act would result in a common set of single audit requirements for Federal assistance.

REDUCE FEDERAL BURDEN
The bill would simultaneously reduce Federal burdens on thousands of State and local governments and nonprofits, and ensure audit coverage over the vast majority of Federal assistance provided to those organizations. It would do so by raising the dollar thresholds for requiring a single audit from $100,000 to $300,000. While this would relieve many grantees of Federal single audit mandates, GAO estimated that a $300,000 threshold would reduce Federal assistance to local governments. This is commensurate with the coverage provided at the $100,000 threshold when the Act was passed. Moreover, experience shows that thousands of entities from single audits would reduce audit and paperwork burdens, but not significantly diminish the percentage of Federal assistance covered by single audits.

IMPROVE AUDIT EFFECTIVENESS
The bill would improve audit effectiveness by directing audit resources to the areas of greatest need. Auditors most likely to perform audit testing on the largest—but not necessarily the riskiest—programs that an entity operates. The bill would require auditors to consider risk factors when an entity operates and select the riskiest programs for testing. As the President of the National State Auditors Association said, “It makes good economic sense to concentrate audits where increased corrective action and recoveries are likely to result.”

IMPROVE SINGLE AUDIT REPORTING
The bill would significantly improve the usefulness of single audit reports by requiring auditors to provide a summary of audit results. The reports would also be due sooner—months after the year-end rather than the current 13 months. Interpretations of current rules lead auditors to include 7 or more separate reports in each single audit report. Audit managers need more time to focus rather than inform users. A summary of the audit results would highlight important information and thus enable users to quickly assess the overall audit. Federal managers surveyed by GAO overwhelmingly support the summary reporting and faster submission of reports.

INCREASE ADMINISTRATIVE FLEXIBILITY
The bill would enable the single audit process to evolve with changing circumstances. For example, rather than lock specific dollar amount audit thresholds, the Act provides the Office of Management and Budget (OMB) with the authority to periodically re-define the audit threshold above the new $300,000 threshold. OMB also could revise criteria for selecting programs for audit testing. By giving OMB such authority, specific requirements within the single audit process could be revised administratively to reflect changing circumstances that affect accountability for Federal financial assistance.

CONCLUSION: GOOD GOVERNMENT REFORM
Developed by GAO and endorsed by the National State Auditors Association, the Single Audit: Refinements Can Improve Usefulness Act represents a consensus good government legislation that will improve accountability over Federal funds and reduce burdens on State and local governments and nonprofit organizations.

Sincerely,

Anthony Verdechia,
President.
A companion resolution, House Joint Resolution 159, was introduced in the House of Representatives on February 1 by Congressman Joe Barton of Texas and 155 other House Members.

The two-thirds supermajority that we have been among the recommendations of the National Commission on Economic Growth and Tax Reform, appointed by Majority Leader Bob Dole and Speaker Gingrich. The Commission, chaired by former HUD Secretary Jack Kemp, advocated a supermajority requirement in its recent report on how to achieve a simpler, single-rate tax to replace the existing maze of tax rates, deductions, exemptions, and credits that makes up the Federal income tax as we know it today.

Here are the words of the Commission:

The roller-coaster ride of tax policy in the past few decades has fed citizens’ cynicism about government’s ability to design a fair, londer, taxation system, while fueling frustration with Washington. The initial optimism inspired by the low rates of the 1986 Tax Reform Act soured into disillusionment and anger when taxes subsequently were hiked two times in less than seven years. The commission believes that a two-thirds super-majority vote of Congress is needed to earn Americans’ confidence in the longevity, predictability, and stability of any new tax system.

Mr. President, in the 10 years since the last attempt at comprehensive tax reform, Congress and the President have had nearly 3,000 amendments to the Tax Code. Four thousand amendments. That means that taxpayers have never been able to plan for the future with any certainty about the tax consequences of the decisions they make. They are left wondering whether saving money for a child’s education today will result in an additional tax burden tomorrow. They can never be sure that if they make an investment, the capital gains tax will not be increased, with whom it will be sold. Rules are changed in the middle of the game, and in some cases, the rules have been changed even after the game is over. President Clinton’s tax increase in 1993 retroactively raised taxes on many Americans, including some who had died.

The volatility of the Tax Code is not new. You will recall that the income tax was established in 1913 with a top rate of 7 percent; fewer than 2 percent of Americans were required to file a tax return. Just 3 years later, on the eve of the First World War, the top rate soared to 67 percent. By the Second World War, the top rate had risen again—to 94 percent—and it remained in that range through the 1960s. Of course, by that time, the tax had been expanded to cover almost every working American.

Ten years ago, President Reagan succeeded in reducing the number of tax rates to just two—15 percent and 26 percent. But it was not long before additional rates were established, and taxes were raised again under the Clinton administration.

The tax limitation amendment would put an end to the roller coaster ride of tax policy that has so bedeviled hard-working Americans. It guarantees more than stability and predictability. It will also ensure that taxes cannot be raised—adopted a single-rate tax as the Kemp commission has proposed, a national sales tax as Senator Lugar has proposed, or some alternative—unless there is sufficient consensus and strong bipartisan support. In Congress and around the country.

Mr. President, the last tax increase to have cleared the Congress was proposed by President Clinton in 1993, and you will remember that it was the largest tax increase in history. I was serving in the House of Representatives at the time. It seemed to me that most Americans strongly opposed the plan. The calls, letters, and faxes from my constituents in Arizona ran about 10 to 1 in opposition to the President’s tax plan. There was a lot of opposition in Congress, too. The opposition was bipartisan—Republicans and Democrats.

Unfortunately, the President was able to count members of his own party in the House to pass it there, but only with partisan Democrat support.

The story was different in the Senate. Not more than 50 Senators were willing to support the largest tax increase in history. A measure would normally fail on a tie vote—in this case, 50 to 50. The reason the tax increase passed was that the Vice President, as in the case of any tie in the Senate, had the right to cast the deciding vote. That is his right under the Constitution. The tax bill was not passed improperly, but it is notable that the largest tax increase in history managed to become law without the support of a majority of the people’s elected Senators. To me, that is a travesty.

The tax increase of 1990—the next largest in history after the 1993 law—passed with 54 percent in the Senate and 55 percent in the House. That was only slightly better. Yet given the size of the increase and the burden it placed on the American economy, it seems to me that there should have been greater consensus to pass it, too. Taxing away people’s hard-earned income is an extraordinary event—or at least it should be. However, in Washington, it has become routine.

A two-thirds majority vote is, as George Will put it in Federalist No. 51, ‘an essential safeguard against the will of the majority and maybe taxation should be one of them.

The last two tax increases were passed without much intensity of feeling at all—without any real consensus that a majority of Americans supported them.

Some people might say, fine, there should be consensus, but ours is a government of majority rule. I would respond by noting that supermajority requirements are not new to the Constitution. Two-thirds votes are required for the approval of treaties, for conviction in an impeachment proceeding, for expulsion of a member from Congress, for proposed constitutional amendments, and for certain other actions.

If it is appropriate to require a two-thirds vote to ratify a compact with a foreign country, it seems to me that it is certainly appropriate to require a two-thirds vote to approve a compact with our own citizens that requires them to turn over a greater share of what is theirs to the Government.

I want to quote briefly from one of our Founding Fathers, James Madison. He was, of course, a strong supporter of majority rule. Yet he argued eloquently that the greatest threat to liberty in a republic would come from unrestrained majority rule. This is what he said in Federalist No. 52:

‘It is of great importance in a republic not only to guard the society against the oppression of its rulers, but to guard one part of the society against the injustice of the other part.

If Madison were here today, I believe he would conclude, first of all, that the Tax Code is oppressive to our people. Americans never paid an income tax until early in this century. By 1948, the average American family paid only 13 percent of its income to the Federal Government. The average family now pays about 25 percent of its income to Washington. Add State and local taxes to the mix, and the burden approaches 40 percent. That is oppression.

Note that Madison also warned, in the quotation I just read, about pitting one part of America against the rest of the country. That is happening here as well. Certain segments of our society—advocates for assigning special importance to education or the environment—have come to believe that they have learned in recent years how to feed at the public trough while spreading the cost among all taxpayers. This cost-shifting has left the country with a debt that is $4.9 trillion and growing. Our Founding Fathers could never have imagined such profligacy, or I believe they would have imposed constitutional limits on taxing and spending at the very start of the Republic.

If you are interested in lobbying reform, I will tell you that the two-thirds requirement for tax changes would probably do more to curtail lobbying for special breaks than just about anything else we could do. Since every tax break must be offset with a tax increase on someone else to ensure revenue neutrality—and the second part of the equation, remember, would be out of reach without massive political support—the two-thirds requirement would make it virtually impossible for special interests to gain special advantages in the Tax Code.

Confidence. Stability. Predictability. These are things that a two-thirds supermajority would bring to the Tax Code.
Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution of the United States, which shall be proposed for ratification by the legislatures of three-fourths of the several States within seven years after the date of its submission by the Congress:

"ARTICLE—

'Section 1. Any bill to levy a new tax or increase the rate or base of any tax may pass only by a two-thirds majority of the whole number of Congress when ratified by the legislatures of two-thirds of the several States within seven years after the date of its submission by the Congress:"

'Section 2. The Congress may waive section 1 when a declaration of war is in effect. The Congress may also waive section 1 when the United States is engaged in military conflict which causes an imminent and serious threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law. Any provision of law which would, standing alone, be subject to section 1 but for this section and which becomes law pursuant to such a waiver shall be effective for not longer than 2 years."

'Section 3. All votes taken by the House of Representatives or the Senate under this article shall be determined by yeas and nays and the names of persons voting for and against, and printed in the Journals of the Senate and the Journal of the House respectively.".

ADDITIONAL COSPONSORS

S. 50

At the request of Mr. KYL, the name of the Senator from North Carolina [Mr. AMATO] was added as a cosponsor of S. 50, a bill to repeal the increase in tax on social security benefits.

S. 356

At the request of Mr. SHELEY, the name of the Senator from Wyoming [Mr. THOMSEN] was added as a cosponsor of S. 356, a bill to amend title 4, United States Code, to declare English as the official language of the Government of the United States.

S. 673

At the request of Mrs. KASSEBAUM, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 673, a bill to establish a youth development grant program, and for other purposes.

S. 794

At the request of Mr. LUGAR, the names of the Senator from Nebraska [Mr. EXON] and the Senator from Louisiana [Mr. BREAUD] were added as cosponsors of S. 794, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes.

S. 948

At the request of Mr. DORGAN, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Ohio [Mr. DeWINE], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 948, a bill to encourage organ donation through the inclusion of an organ donation card with individual income refund payments, and for other purposes.

S. 961

At the request of Mr. GRASSLEY, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 961, a bill to protect the fundamental right of a parent to direct the upbringing of a child, and for other purposes.

S. 1028

At the request of Mrs. KASSEBAUM, the names of the Senator from California [Mrs. FEINSTEIN], the Senator from Wisconsin [Mr. FEINGOLD], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1271

At the request of Mr. CRAIG, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 1271, a bill to amend the Nuclear Waste Policy Act of 1982.

S. 1317

At the request of Mr. D’AMATO, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1317, a bill to repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1995, and for other purposes.

S. 1370

At the request of Mr. CRAIG, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 1370, a bill to amend title 10, United States Code, to prohibit the imposition of any requirement for a member of the Armed Forces of the United States to wear indicia or insignia of the United Nations as part of the military uniform of the member.

S. 1379

At the request of Mr. SIMPSON, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1379, a bill to make technical amendments to the Fair Debt Collection Practices Act, and for other purposes.

S. 1397

At the request of Mr. KYL, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 1397, a bill to provide for State control over fair housing matters, and for other purposes.

S. 1423

At the request of Mr. GREGG, the names of the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Indiana [Mr. COATS], and the Senator from Missouri [Mr. BOND] were added as cosponsors of S. 1423, a bill to amend the Occupational Safety and Health Act of 1970 to make modifications to the law, and for other purposes.

S. 1483

At the request of Mr. HATCH, the names of the Senator from New York [Mr. D’AMATO] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1481, a bill to amend the Internal Revenue Code of 1986 to provide for the nonrecognition of gain for sale of stock to certain farmers’ cooperatives, and for other purposes.

S. 1493

At the request of Mr. KYL, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Iowa [Mr. GRASSLEY], the Senator from Mississippi [Mr. LOTT], the Senator from New York [Mr. D’AMATO], the Senator from Arizona [Mr. MCCAIN], the Senator from Pennsylvania [Mr. SANTORUM], the Senator from Maine [Mr. SANGER], the Senator from Oklahoma [Mr. NICKLES], the Senator from Georgia [Mr. COVERDELL], the Senator from Idaho [Mr. CRAIG], the Senator from Colorado [Mr. CAMPBELL], the Senator from Alabama [Mr. SHELBY], and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 1483, a bill to control crime, and for other purposes.

S. 1491

At the request of Mr. HEFLIN, the name of the Senator from Louisiana [Mr. BREAUD] was added as a cosponsor of S. 1491, a bill to reform antimicrobial pesticide registration, and for other purposes.

S. 1509

At the request of Mr. RUDYARD, the names of the Senator from Montana [Mr. BURNS], the Senator from Alabama [Mr. SHELBY], the Senator from Hawaii [Mr. INOUYE], and the Senator from Kentucky [Mr. FORD] were added as cosponsors of S. 1509, a bill to reduce risk to public safety and the environment associated with pipeline transportation of natural gas and hazardous liquids, and for other purposes.

S. 1547

At the request of Mr. D’AMATO, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1547, a bill to limit the provision of assistance to the Government of Mexico using the exchange stabilization fund established pursuant to section 3025 of title 31, United States Code, and for other purposes.

S. 1559

At the request of Mr. MCCAIN, the names of the Senator from Texas [Mr. AMATO], and the Senator from North Carolina [Mr. FEINSTEIN] were added as cosponsors of S. 1559, a bill to establish a national anti-terrorism strategy, and for other purposes.

February 27, 1996

CONGRESSIONAL RECORD — SENATE
MACK) and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 1553, a bill to provide that members of the Armed Forces performing services for the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone.

S. 1560

At the request of Mr. GRASSLEY, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1560, a bill to require Colombia to meet anti-narcotics standards for continued assistance and to require a report on the counternarcotics efforts of Colombia.

S. 1567

At the request of Mr. LEAHY, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Joint Resolution 18, a joint resolution proposing an amendment to the Constitution relative to the establishment of criteria for the creation of states in the western part of the continent.

S. 1568

At the request of Ms. HOLLINGS, the name of the Senator from South Carolina [Mr. MENENDEZ] was added as a cosponsor of Senate Joint Resolution 18, a joint resolution proposing an amendment to the Constitution relative to the establishment of criteria for the creation of states in the western part of the continent.

S. 1585

At the request of Mr. LEAHY, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of Senate Resolution 218, a resolution to express the sense of the Senate that obstetrician-gynecologists should be included in Federal laws relating to the provision of health care.

S. 1597

At the request of Mr. HELMS, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of Senate Resolution 218, a resolution to express the sense of the Senate that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Thursday, February 29, 1996, at 9:30 a.m. and 2 p.m. to review the operations of the Secretary of the Senate, the Architect of the Capitol, and to receive testimony on the establishment of criteria for the Architect of the Capitol.

For further information concerning the hearing, please contact Ed Edens of the committee staff on 224-3448.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. WARNER. Mr. President, I wish to announce the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Thursday, February 29, 1996, at 9:30 a.m. and 2 p.m. to review the operations of the Secretary of the Senate, the Architect of the Capitol, and to receive testimony on the establishment of criteria for the Architect of the Capitol.

For further information concerning the hearing, please contact Ed Edens of the committee staff on 224-3448.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURkowski. Mr. President, I would like to announce for the information of the Senate that a hearing will be held on Wednesday, March 6, 1996, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

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The hearing will take place Tuesday, March 5, 1996 at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

For further information, please contact Camille Heninger at (202) 224-5070.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURkowski. Mr. President, I would like to announce for the information of the Senate that a hearing will be held on Wednesday, March 6, 1996, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

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The purpose of this hearing is to receive testimony on the issue of competitive change in the electric power industry.

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The hearing will take place Tuesday, March 5, 1996 at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

Mr. Vander Schaaf has also provided invaluable assistance to the Congress with his honest and forthright comments on DOD’s policies and programs. Over the years, Mr. Vander Schaaf has testified before the Senate Governmental Affairs Committee and the Senate Armed Services Committee, on which he serves, on numerous occasions. He has met personally with me and my staff on many more occasions to brief us on DOD programs and proposals. Mr. Vander Schaaf’s testimony has always been informative, and it has often been crucial to the success of our oversight and investigative efforts.

Mr. Vander Schaaf is a forceful advocate of increased competition in DOD procurement, including the evaluation of new weapons systems, improvements in DOD financial systems, and increased use of commercially available products and services. We have relied upon his support in our efforts to eliminate wasteful and unlawful practices such as excessive inventory spending, abusive off-loading of contracts from DOD to other agencies, and the improper disclosure of confidential procurement information. The savings from these efforts have been substantial and have contributed to increased competition in DOD procurement.

Mr. Vander Schaaf has not always been the most popular figure at the Pentagon. Nobody who takes on as
BUDGET SCOREKEEPING REPORT

- Mr. DOMENICI, Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through February 13, 1996. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the 1996 concurrent resolution on the budget (H. Con. Res. 67), show that current level spending is above the budget resolution by $15.7 billion in budget authority and by $16.9 billion in outlays. Current level is $43 million below the revenue floor in 1996 and $5.6 billion above the revenue floor over the 5 years 1996-2000. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $286.2 billion, $17 billion above the maximum deficit amount for 1996 of $265.6 billion.


The report follows:

- U.S. CONGRESS
  CONGRESSIONAL BUDGET OFFICE

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

Dear Mr. Chairman:
The attached report for fiscal year 1996 shows the effects of Congressional action on the 1996 budget and is current through February 13, 1996. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the 1996 Concurrent Resolution on the Budget (H. Con. Res. 67). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.


Sincerely,

JUNE E. O’NEILL,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENSILE
FISCAL YEAR 1996, 104TH CONGRESS, 2ND SESSION, AS OF CLOSE OF BUSINESS FEB. 13, 1996

<table>
<thead>
<tr>
<th>(in billions of dollars)</th>
<th>Budget authority</th>
<th>Outlays</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>1,045.2</td>
<td>1,045.2</td>
<td>-0.7</td>
</tr>
<tr>
<td>1996–2000</td>
<td>5,850.5</td>
<td>5,850.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Deficit</td>
<td>595.4</td>
<td>595.4</td>
<td>17.9</td>
</tr>
<tr>
<td>Debt subject to limit</td>
<td>5,310.7</td>
<td>4,900.0</td>
<td>310.7</td>
</tr>
<tr>
<td>Off-budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Security deficits</td>
<td>299.4</td>
<td>299.4</td>
<td>0.0</td>
</tr>
<tr>
<td>1996–2000</td>
<td>1,626.5</td>
<td>1,626.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Social Security revenues</td>
<td>374.5</td>
<td>374.0</td>
<td>0.0</td>
</tr>
<tr>
<td>1996–2000</td>
<td>2,061.0</td>
<td>2,061.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Note: The current level represents the estimated revenues and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year fundings and other amounts are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 2ND SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1996 AS OF CLOSE OF BUSINESS FEB. 13, 1996

<table>
<thead>
<tr>
<th>(in millions of dollars)</th>
<th>Budget authority</th>
<th>Outlays</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation bills</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995 Recissions and Defense Emergency Support (P.L. 104-91)</td>
<td>-100</td>
<td>-885</td>
<td></td>
</tr>
<tr>
<td>1995 Recissions and Energy Support (P.L. 104-92)</td>
<td>22</td>
<td>-22</td>
<td></td>
</tr>
<tr>
<td>Agriculture (P.L. 104-37)</td>
<td>62,602</td>
<td>62,602</td>
<td></td>
</tr>
<tr>
<td>Defense (P.L. 104-40)</td>
<td>243,301</td>
<td>243,301</td>
<td></td>
</tr>
<tr>
<td>Energy and Water (P.L. 104-48)</td>
<td>19,356</td>
<td>19,356</td>
<td></td>
</tr>
<tr>
<td>Legislative Branch (P.L. 104-53)</td>
<td>1,215</td>
<td>1,215</td>
<td></td>
</tr>
<tr>
<td>Military Construction (P.L. 104-32)</td>
<td>11,177</td>
<td>11,177</td>
<td></td>
</tr>
</tbody>
</table>

Note: Details may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 2ND SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1996 AS OF CLOSE OF BUSINESS FEB. 13, 1996

<table>
<thead>
<tr>
<th>(in millions of dollars)</th>
<th>Budget authority</th>
<th>Outlays</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation (P.L. 104-50)</td>
<td>12,682</td>
<td>11,899</td>
<td></td>
</tr>
<tr>
<td>Total P.L. 104-49 and 104-99</td>
<td>12,682</td>
<td>11,899</td>
<td></td>
</tr>
<tr>
<td>Total Appropriations</td>
<td>23,062</td>
<td>20,510</td>
<td></td>
</tr>
<tr>
<td>Offsetting receipts</td>
<td>-7,946</td>
<td>-7,946</td>
<td></td>
</tr>
<tr>
<td>Authorization bills</td>
<td>-101</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-Employment Health Insurance Act (P.L. 104-7)</td>
<td>-18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alaska Native Claims Settlement Act (P.L. 104-42)</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Protective Act Amendments of 1995 (P.L. 104-43)</td>
<td>(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perishable Agricultural Commodities Act Amendments of 1995 (P.L. 104-44)</td>
<td>(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alaska Power Administration Act (P.L. 104-58)</td>
<td>-20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICC Termination Act (P.L. 104-48)</td>
<td>-100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total enacted first session | 366,191 | 245,845 | -100 |

Total enacted second session | 56,884 | 35,610 | -100 |

Continuing Resolution Authority

<table>
<thead>
<tr>
<th>(in millions of dollars)</th>
<th>Budget authority</th>
<th>Outlays</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996 Appropriations</td>
<td>116,863</td>
<td>54,882</td>
<td></td>
</tr>
<tr>
<td>Entitlements and Mandates</td>
<td>1,046,500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted | 222,500 |

Total Current Level 2 | 1,301,247 | 1,305,048 | 1,042,457 |

Total Budget Resolution | 1,285,500 | 1,288,100 | 1,042,500 |

Amount remaining | -31,747 |

Under Budget Resolution | -31,747 |

Over Budget Resolution | 15,747 | 16,848 | -100 |

Notes: P.L. 104-99 and 104-99 provides funding for specific appropriated accounts until September 30, 1996.

1 This bill is also referred to as the sixth continuing resolution for 1996, proposed in accordance with the Budget Enforcement Act, the National Defense Authorization Act, and the Department of Veterans Affairs (P.L. 104-100) | 369 |

2 This bill is referred to as the ninth continuing resolution for 1996, proposed in accordance with the Budget Enforcement Act, the National Defense Authorization Act, the Department of Veterans Affairs (P.L. 104-101) | 5 |

3 This is an annualized estimate of discretionary funding that expires in fiscal year 1997.

In accordance with the Budget Enforcement Act, the total does not include $1,471 million in budget authority and $1,599 million in outlays for funding of emergencies that have been designated as such by the President and Congress.

Less than $50,000.
THE STING OF SHAME

Mr. SIMON. Mr. President, George Will recently had a column about our method of punishment in the United States.

We have chosen prison as a way to solve our problems of crime, and unquestionably, there are many people who commit crimes of violence who must be put into prison.

But it is also true that many are in prison who are not there for crimes of violence.

Obviously, we should do more to deal with the causes of crime. Show me an area of high unemployment—whether it is African-American, Hispanic-American, or white—and I will show you an area of high crime. To effectively prevent crime, we have to do more in the area of job creation for people of limited skills.

The suggestion of shame as a punishment strikes me as being much less expensive and perhaps just as effective. We ought to at least experiment with it.

The old stockades that the Puritans used had shame as the main punishment.

The George Will column, which I ask to be printed at the end of my remarks, ought to be considered carefully by people in the penal field.

The column follows:

[From the Washington Post, Feb. 1, 1996]

THE STING OF SHAME
(By George F. Will)

A New Hampshire state legislator says of teenage vandals, “These little turkeys have got total contempt for us, and it’s time to do something.” His legislation would authorize public, bare-bottom spanking, a combination of corporal punishment and shaming—degradation to lower the offender’s social status.

In 1972 Delaware became the last state to abolish corporal punishment. Most states abandoned such punishments almost 150 years ago, for reasons explained by Prof. Dan M. Kahn of the University of Chicago Law School in an essay to be published in the spring issue of that school’s Law Review. But he also explains why Americans are, and ought to be, increasingly interested in punishment. Such punishment uses the infliction of reputational harm to deter crime and to perform an expressive function.

Around America various jurisdictions are punishing with stigmatizing publicity (publishing in newspapers or on billboards or broadcasting the names of drug users, drunk drivers, delinquent prostitutes or delinquent in child support); with actual stigmatization (requiring persons convicted of drunk driving to display license plates or bumper stickers announcing the conviction and requiring a woman to wear a sign reading “I am a convicted child molester”); with self-debasement (sentencing a child to house arrest in one of his rat-infested tenements and permitting victims of burglars to enter the burglars’ homes and remove items of their choosing); with contrition ceremonies (having juvenile offenders apologize while on their hands and knees).

In “What Do Alternative Sanctions Mean?” Kahn argues that such penalties can be the least intrusive of the criminal law’s expressive vocabulary. He believes America relies too heavily on imprisonment, which is extraordinarily expensive and may not be more effective than shaming punishments at deterring criminal actions or preventing recidivism.

There are many ways to make criminals uncomfortable besides deprivation of liberty. And punishment should do more than make offenders suffer; the criminal law’s expressive function is to render moral condemnation. Actions do not always speak louder than words, but they always speak—always have meaning. And the act of punishing by shaming is a powerful means of shaping social preferences by instilling in citizens an aversion to certain kinds of prohibited behavior.

For most criminal offenses, incarceration may be the only proper punishment. But most of America’s inmates were not convicted of violent crimes. Corporal punishment is an inadequate substitute for imprisonment because, Kahn says, of “expressive connotations” deriving from its association with slavery and other hierarchical relationships, as between kings and subjects.

However, corporal punishment became extinct not just because democratization made corporal punishment stigmatizable

In punishment by shaming. Such punishment is ambivalently because they seem to put a price on behavior rather than proscribe it. The dissonance in community-service sentences derives from the fact that they fail to say something true, that the offenders do not preserve condemnation, and that they say something false, that community service, an admirable activity that many people perform for NUnites at work—occasionally was an additive of incarceration. It is so today with the retribution of chain gangs.

Recent alternatives to imprisonment have included fines and sentencing to community service. However, both are inadequately expressive of condemnation. Fines condemn ambivalently because they seem to put a price on behavior rather than proscribe it. The dissonance in community-service sentences derives from the fact that they fail to say something true, that the offenders do not preserve condemnation, and that they say something false, that community service, an admirable activity that many people perform for NUnites at work—occasionally was an additive of incarceration. It is so today with the retribution of chain gangs.

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The suggestion of shame as a punishment strikes me as being much less expensive and perhaps just as effective. We ought to at least experiment with it.
THE RETIREMENT OF BRUNO M. PONTERIO

- Mr. MOYNIHAN. Mr. President, I rise today to wish great congratulations to Bruno M. Ponterio, who retired on December 22, 1995, after 32 years of dedicated service to the Ridge Street School in Rye Brook, NY.

- Mr. Ponterio was honored on December 12, 1995 by generations of students, teachers, families, and friends of the Ridge Street School at a ceremony celebrating his magnificent career. Mr. Ponterio was the school’s assistant principal and its beloved principal for 25 years. He announced his retirement in June of 1995 but as a testimony to their love and appreciation for his work, school officials, parents, and children appealed to him to stay on until the end of the year.

Marked by a constant dedication to the future of both the Ridge Street School and the children who roam its corridors, Mr. Ponterio has set an example for educators nationwide. For 32 years he has served as a role model, a father figure, a leader, and a friend and it is fitting that the Blind Brook Board of Education has decided to rename the school the Bruno M. Ponterio Ridge Street School. I congratulate him on a wonderful career and on behalf of so many in New York thank him for his years of service and guidance.

Mr. President, I hope my colleagues will join me in wishing him the best of luck in his much deserved retirement.

THE TRAVELERS AID SOCIETY OF DETROIT

- Mr. LEVIN. Mr. President, I rise today to honor the Travelers Aid Society of Detroit, MI. The Travelers Aid Society provides many needed and worthwhile services to tens of thousands of residents of Metro Detroit.

Travelers Aid Society of Detroit assists people in crises related to mobility—the homeless, victims of domestic violence, children traveling alone, the physically challenged, and 50,000 travelers each year at Detroit Metropolitan Airport.

Through their programs of comprehensive case management, including the Homeward Bound Program, TAS has pioneered the “Continuum of Care” concept of helping families and individuals climb out of homelessness. Homeward Bound, begun in 1992, was developed with the collaboration of 36 public and private human service agencies and organizations. To date, more than 500 families have recovered from the effects of homelessness because of the project.

TAS had been a pioneering agency in adopting comprehensive case management for the human services field. Travelers Aid is also the State of Michigan’s representative to the Interstate Compact on Runaways, helping to return home safe 250 runaway youths each year.

I know my Senate colleagues join me in honoring Travelers Aid Society for the fine work it has done for people of the Detroit area.

IN OPPOSITION TO ACTIONS TAKEN BY THE CUBAN GOVERNMENT

- Mr. CRAIG. Mr. President, on Saturday afternoon we were all troubled by the announcements that two civilian aircraft belonging to the Brothers to the Rescue, organization had been shot down by the Cuban government. The event, described by the President and other world leaders as “abominable” and “abhorrent” is yet another signal that business as usual continues in Castro’s tyrannical regime.

President Clinton has referred to the attack in the press as, “an appalling reminder of the nature of the Cuban regime: repressive, violent, scornful of international law.” I couldn’t agree with him more. However, this action requires more than just a rhetorical response.

The President, the policy of Sen. JesseHelms, chairman of the Senate Foreign Relations Committee, had begun work on legislation designed to tighten the embargo and isolate the brutal regime of Fidel Castro. It is time for the Congress to complete action on this bill.

The President announced a series of actions he proposed in response to this unwarranted attack. These included: ensuring that the families of the pilots are compensated; imposing restrictions on Cuban nationals traveling in the United States; suspending United States charter flights into Cuba; and passing the Helms-Burton Act. The Helms-Burton legislation, referred to as the Cuban Liberty Act, includes a number of provisions which would strengthen international sanctions against the Castro government in Cuba; to develop a plan to support a transition government leading to a democratic government in Cuba; and to enact provisions addressing the unauthorized use of United States citizen-owned property confiscated by the Castro government.

Mr. President, I am pleased to see that President Clinton has committed to take action on this situation and has decided to support the Cuban Liberty Act. This is a welcome shift in policy of engagement with Fidel Castro, to include steps taken last year to ease the Cuban sanctions.

Mr. President, the policy of engagement has failed. Therefore, it is time to complete action on the Helms-Burton bill, the Cuban Liberty Act. This is the next step in a long road leading toward releasing Castro’s dictatorial ties that have bound the people of Cuba.

RECOGNIZING THE CONTRIBUTIONS OF AFRICAN-AMERICAN SERVICE MEMBERS

- Mr. SIMPSON. Mr. President, I would like to take a moment to recognize a courageous group of 1.25 million veterans whose contributions in our victory in the Second World War have gone for too long largely unnoticed. The military policy at that time, of segregation and exclusion from combat roles, would make one believe that there were no African-American combatants in the war against Nazi Germany.

In late 1944, German forces mounted what would be their final offensive in the Belgian Ardennes. This maneuver, later to gain infamy as the “Battle of the Bulge,” pressed into service 2,500 black troops as support units in white companies. Black units, like the 333d Field Artillery Battalion, would also participate as combatants.

These brave young men performed superbly. They were part of the valiant effort to hold off the Germans until help, in the form of General Patton’s 3d Army, could defeat the last gasp of the Third Reich.

As chairman of the Senate Committee on Veterans’ Affairs, I feel it is my responsibility to recognize these soldiers who served their nation so proudly overseas—despite the second-class treatment they then received here. Specifically I would like to single out a group of 11 soldiers from the 333d Field Artillery Battalion who endured the ultimate sacrifice in the defense of our Nation.

It is common knowledge that the battle in Bastogne saw the massacre of American POWs by German troops. The story of Malmedy immediately comes to many minds. The event was well documented and the town’s inhabitants erected a monument in honor of the troops who were trying to deliver their town to freedom.

A similar horrible event occurred only 14km away in Wereth. Here the 11 black soldiers who were executed and tortured there, go almost wholly unmentioned in most texts about the fight for Bastogne. Their unit had become bogged down in the mire and mud and had suffered casualties from both artillery and Luftwaffe attacks. Much of the unit was captured. These 11 men escaped on foot, armed with only 2 rifles. In the town of Wereth they found refuge with a Belgian family, but were later captured by German troops. Because they refused to tell the Germans the identities of Allied sympathizers, they suffered a similar fate as their comrades in Malmedy. The Panzer troops first humiliatingly, then beat, and finally executed the prisoners.

War crimes investigators had no witnesses to the massacre and the inquiry was ended. The incident was nearly forgotten after the war.

After many years the town of Wereth dedicated a permanent monument to the men who lost their lives to free Belgium and defend liberty.

It is long past time that America too learn of and appreciate the sacrifice of these soldiers. During this Black History Month let us commemorate the supreme effort and sacrifice of the men of the 333d Field Artillery Battalion and all patriotic black veterans who
have answered the call to defend this great Nation of ours. Many faced cruel prejudice at home and in the military, yet they went on to truly distinguish themselves when their country needed them most. May they rest in peace. Thank God for them.

WILLIAM D. SHAW

Mr. LEVIN. Mr. President, I rise today to honor William D. Shaw of Swartz Creek, MI. On Saturday, March 2, 1996, William will celebrate his retirement from the Swartz Creek School District, marking the end of a career in education that has spanned four decades.

Mr. Shaw received a bachelor of science in economics degree in 1959. He later went on to receive a masters of education that has spanned four decades. Mr. Shaw has served as a professor and adjunct lecturer at Michigan State University and Central Michigan Universities. Mr. Shaw began working for Swartz Creek School District as the assistant superintendent for instruction in 1978. He held this position until 1993, when he became the assistant superintendent for instruction and business operations.

DEATH OF DR. HARRY HAMILTON

Mr. FEINGOLD. Mr. President, I rise today with deep sadness to pay tribute to the life of an outstanding educator and civil rights leader, Dr. Harry Hamilton, who died on Monday, February 5, 1996.

Dr. Hamilton has made to Michigan's sense of civic responsibility increased. He was a tremendous role model for anyone who wants to make their community a better place to live.

Dr. Hamilton is survived by his wife of 61 years, Velma, and their children, Harry Jr., Muriel, and Patricia, who, like Dr. Hamilton, have been recognized for their contributions to the community. Both Harry and Velma were awarded the Alexander Company's Civic Leadership Award and have been recognized by the Madison Rotary Club with a Humanitarian Service Award for their efforts. The Van Hise Middle School in Madison, WI was renamed Hamilton Middle School in honor of Velma and the school's science lab was named for Harry Hamilton. The Hamilton family has earned each and every recognition they have received and should serve as a powerful example of true public service.

The death of Harry Hamilton is a loss to all of us. Without his presence it is more important today that we focus our efforts on the things that Dr. Hamilton valued. His commitment to family, the students he taught and mentored, volunteerism, and the cause of civil rights must continue if we are to honor his memory. In this way, his legacy will live on for generations to come.

SEABEES BATTALION 27

Mr. KERRY. Mr. President, I would like to commend the great service that was performed by the men of Naval Mobile Construction Battalion Twenty Seven in September of 1995 after the tornado that ransacked Great Barrington, MA in May. Their ability to clear massive amounts of debris without damage to nearby civilian residences is worthy of praise. The dedication and hard work exhibited by each and every member of the Seabees in this endeavor is greatly appreciated by the residents of the Great Barrington area.

The death of Harry Hamilton is a loss to all of us. Without his presence it is more important today that we focus our efforts on the things that Dr. Hamilton valued. His commitment to family, the students he taught and mentored, volunteerism, and the cause of civil rights must continue if we are to honor his memory. In this way, his legacy will live on for generations to come.

ONE CHILD AT A TIME

Mr. SIMON. Mr. President, usually we insert articles in the CONGRESSIONAL RECORD because we have some specific legislative remedy that the item we insert in the RECORD supports. In December, I read an article in Newsweek by Margaret Crane and cut it out and attached it to a letter. It is the story of one child but really is the story of many children.

I do not know what we should do in terms of policy, other than I know we should do more for these children all over this country who have enormously serious problems.

I am asking that the Crane article be printed in the RECORD, not with the idea that I have any immediate legislative remedy, but because we should be reflecting on this type of need.

The article follows:

[From Newsweek, Dec. 11, 1995]

ONE CHILD AT A TIME

(By Margaret Crane)

The 10-year-old came toward me. She looked like a typical blonde with a face like a flower, dark eyes and a tiny turned-up nose covered by freckles resembling sprinkles of nutmeg. Her shoulder-length blond hair was pulled back with a black velvet headband. She started talking animatedly about her friends, her favorite subjects in school and how much she loved to ride a 10-speed bike. This was my first meeting with Mary (not her real name) a year ago.

The more she talked, the less she resembled the child I’d read about who had lived through torment that most of us never experience in our worst nightmares. She entered the juvenile system five years ago. She had been sexually abused by an uncle, her father and her father’s friend. Her divorced mother, an attractive woman who is borderline retarded, is now seeing a man whose children may be taken from him by the state. The boyfriend has a history of child abuse documented in a report that is longer than a Russian novel. The child’s paternal grandfather molested another of his daughters and served time in prison.

Since Mary was removed from her home, she has been caught in that purgatory known as protective care: to sit like a stack of papers—three foster homes, two residential treatment centers and eight schools.
Her appearance is deceptive. When I first met her, she was very troubled. She wet her pants and was on medication to control the problem. She behaved sexually toward boys and was given physical and psychological abuse.

She threatened suicide a couple of times and mutilated herself, pulling out her hair or banging her head against a wall during the intensive therapy she has received. She has learned to better manage her anger.

I am Mary’s Court Appointed Special Advocate—a voice speaking up for her in court. I’m never the social worker or a lawyer, but a trained volunteer assigned by a family-court judge to look out for Mary’s “best interests” so she doesn’t languish in protective custody.

I became a CASA after a friend asked me to get involved. She felt that I could empathize with these kids because of the complexities of my own childhood. I agreed to do it and went through 30 hours of training, because as a mother of three healthy kids, I felt I could not ignore other children who are in greater need. My only hesitation was the time commitment. I’m a freelance writer, and I was concerned about juggling two jobs.

There are some 37,000 advocates like me across the country. We telephone and visit families, gathering facts to track kids and their progress in the labyrinth of foster care. CASAs report their findings to judges who often have just minutes to decide where a child will live and for how long.

The work is underscored by the highly publicized death of Elisa Izquierdo, 6, in New York last month. Elisa, living with her father, was returned to her mother last year. Her mother allegedly smashed the child’s head against a wall. How do these youngsters fall through the cracks? In my district, social workers may be assigned more than 50 cases, supervisors twice as many. CASA volunteers are assigned only one. We serve, at no cost to taxpayers, as an additional safety net, working alongside a multitude of professionals to try and ensure that children like Elisa do not return to unsafe homes.

Elisa’s tragedy has spurred me to fight harder to help Mary. Since I took on her case, I’ve had unique access to a family file filled with incidents of abuse that would sicken the hardiest heart.

In a summer hearing, the court brushed aside the mother’s poor choice of companion and her lack of parenting skills, and moved toward the child home full-time. The mother’s psychological evaluation suggested that she should have her child back as long as they both continue therapy and she attended parenting and life-skills classes. Mary was then staying with her mother every other weekend. The judge decided to increase visits by one day a week and assess the case in two months.

In September the judge ruled that Mary should return home full time under the legal, watchful eye of the Division of Family Services. I was among those who viewed the order for the mother to regain permanent custody. I worry that this decision will be based not only on what’s best for the child but on the need to clear an overcrowded docket of a case that has gone on too long and is costing too much.

I’m not convinced living with her mother is the safest place for Mary. Mom is a good person who loves her daughter, Mary loves her mother and wants to remain home. But Mom has displayed poor parental judgment in the past. Once she failed to get medical attention for Mary when she injured herself seriously on a visit.

For the beginning, I know reunification was the goal. But I really hoped it might not happen. Those handling the case, including the social worker, therapists and lawyers and I, charted Mary’s future: where she’d be safest, have friends and someone to help with her homework. In my opinion, she should be with a lawyer who clearly loves her niece and wants to help.

In my area, there are some 800 kids who’ve been removed from their homes and placed in foster care. In a year, I had no idea what happened to these youngsters and never considered how I could help. As more of us fight for these abused and neglected children, perhaps the level of public awareness will be raised and we’ll be able to protect more before they’re lost forever.

I’m still aghast at the judge’s recent decision to send Mary full time with Mom pending the final court ruling next year. The county’s family services will continue to insist Mary and her mom attend therapy and have intervention services until that time, and I’ll continue to monitor the whole family.

For the next few months I have a fighting chance to keep my one CASA child safe, if they let me. At least I can comfort myself with the knowledge that as long as I’m on this case, I will do the best that I can with the worst that I have to deal with.

UNITED STATES CONGRESS-GERMAN PARLIAMENT STAFF EXCHANGE

Mr. LIEBERMAN. Mr. President, since 1983, the United States Congress and the German Parliament, the Bundestag, have conducted an annual exchange program for staff members from both countries. The program gives professional staff the opportunity to observe and learn about each other’s political institutions and convey Members’ views on issues of mutual concern.

A staff delegation from the United States Congress will be chosen to visit Germany May 19 to June 1 of this year. During the 2 week exchange, the delegation will attend meetings with Bundestag Members, Bundestag party staff members and representatives of political, business, academia and the media. Cultural activities and a weekend visit in a Bundestag Member’s district will complete the schedule.

A comparable delegation of German staff members will visit the United States for 3 weeks this summer. They will attend similar meetings here in Washington and visit the districts of congressional Members over the Fourth of July recess.

The Congress-Bundestag Exchange is highly regarded in Germany, and is one of several exchange programs sponsored by public and private institutions in the United States and Germany to foster better understanding of the politics and policies of both countries.

In the U.S. delegation should consist of experienced and accomplished Hill staff members who can contribute to the success of the exchange on both sides of the Atlantic. The Bundestag sends senior staff professionals to the United States. The United States endeavors to reciprocate.

Applicants should have a demonstrable interest in events in Europe. Applicants need not be working in the field of foreign affairs, although such a background can be helpful. The composite United States delegation should exhibit a range of expertise in issues of mutual concern in Germany and the United States such as, but not limited to, trade, security, the environment, immigration, education, health care, and other social policy issues.

In addition, U.S. participants are expected to help plan and implement the program for the Bundestag staff members when they visit the United States. Participants are expected to assist in planning topical meetings in Washington, and are encouraged to host one or two staff people in their Member’s district over the July Fourth break, or to arrange for such a visit to another Member’s district.

Participants will be selected by a committee composed of U.S. Information Agency personnel and past participants of the exchange.

Senators and Representatives who would like a member of their staff to apply for participation in this year’s program should direct them to submit a resume and cover letter in which they state why they believe they are qualified, and some assurances of their ability to participate during the time stated. Applications may be sent to Kathie Scarrah, in my office at 316 Hart Senate Building, by Friday, March 15.

TRADE DISPUTE WITH RUSSIA

Mr. BIDEN. Mr. President, I rise today to address a recent trade dispute which threatens tens of thousands of American jobs and hundreds of millions of American exports.

On February 19, the Russian Government notified us that it will soon stop importing poultry products if its complaints about American food safety standards are not met. In this way, what little will enter Russia these next few weeks will be subject to a sharp increase in their taxes on imported poultry.

American poultry exports to Russia—our largest poultry export customer—total more than $700 million a year and represent over 20 percent of all American exports to Russia.

Mr. President, the Delmarva Peninsula is home to 21,000 poultry workers, and processor in my State of Delaware. At one time or another, I have probably met with every poultry grower and processor in my State of Delaware. I’ve seen every step in the process, from the poultry house to the packaging plant to the freezer’s at the Port of Wilmington. I’ll put the Delaware industry up against any foreign or domestic challenger in terms of sanitary standards, particularly any Russian plant.
But teams of Russian inspectors have come into our country, into our poultry processing facilities—including plants such as Manor Farms and Allen’s Foods in my own State of Delaware—and have failed each and every operation. Literally a 100 percent failure rate.

I find this simply unbelievable. This tells me that their real agenda is not health and safety. We demand the same standards for the poultry we ship to Russia as we do for poultry which shows up in American supermarkets and on our kitchen tables every day.

That’s why in recent years, Russia’s consumers, particularly in the great urban centers such as Moscow and St. Petersburg, have bought more and more poultry products from America. They recognize a good value when they see it. We can produce better tasting, more nutritious, less expensive poultry in America, and ship it to Russia, for a lower price than the current Russian poultry industry can. They are still struggling to get out from under the inefficiencies of the old economic system.

If this ban goes into effect, Mr. President, the Russian people will lose a major high-quality supplier for a popular staple of their diet, and their food bills will go up.

That thing that the Russian economy needs now is an increase in the price of an important food commodity. It is largely because of inflation that the ruble, and with it the Russian economy, is in so much trouble already.

And if this ban goes into effect, Mr. President, American poultry growers and processors, in Delaware and in the rest of the country, will be denied access to an important market. They have earned their place on the shelves of Russian stores through their hard work, know-how, and efficiency. They should not be shut out by some bureaucrats’ arbitrary ruling.

Now, Mr. President, I understand that there are a lot of things going on behind the decision to ban American poultry exports. There is the still powerful pull of the old bureaucratic ways—old habits are hard to break, especially when it comes to protecting domestic industries from the new experience of foreign competition.

Here is a good example of how our domestic industry, which has grown up in a highly competitive environment, can do well in international markets. As William Raspberry points out in a February 12 column written about 2 weeks ago by Washington Post writer William Raspberry. In “The Awful Truth About a Tax Cut,” he outlines chapter and verse on how America simply cannot afford a tax cut at a time that a fiscal cancer is eating away the country.

While pollster politicians are talking about a tax cut, the debt grows and interest payments on that debt are spiraling out of control.

We have to wake up and take responsible action to kill this fiscal cancer. Otherwise, the America we know will cease to exist.

Mr. President, I ask that Mr. Raspberry’s February 12 column be printed in the RECORD.

The column follows:

[From the Washington Post, Feb. 12, 1996]

THE AWFUL TRUTH ABOUT A TAX CUT

If telling unpalatable truth is political suicide, Sen. Ernest F. Hollings must have a death wish. He’s not just figuratively shouting from the rooftops the politically unspeakable—that there can be no balanced federal budget without a tax increase; he’s threatened to throw himself from the rooftop if anybody proves him wrong.

“If anybody comes up with a seven-year balanced budget without a tax increase,” he said again the other day, “I’ll jump off the Capitol dome.”

But surely that’s an empty threat. Aren’t the White House and congressional Republicans both claiming to have achieved what Hollings says is impossible? Isn’t the only substantial difference between them the size of the tax cut? So why isn’t Hollings jumping?

“None of the plans they’re talking about balances the budget—or comes near it,” the South Carolina Democrat told me. “Just the service on the debt is growing so fast it’s just not going to be possible without a tax increase.”

What masks this painful truth, he says, is a ruse practiced by Democrats and Republicans alike: counting the Social Security trust fund as an asset that reduces the apparent size of the budget shortfall.

With the huge “baby boom” cohort now paying more in Social Security taxes than current retirees take out, the system is running a theoretical surplus. But this surplus is being spent along with the general revenue needs for current government expenses. The trust fund gets an IOU that must eventually be redeemed by—guess who?—taxpayers.

The point Hollings wants to make, though, is not just that the government is a lousy bookkeeper. It is, he insists, also illegal.

He ought to know. It was legislation he wrote (along with the late John Heinz “who did the work on this”), that made it illegal. Nearly six years ago, Congress passed—and President Bush signed into law—Section 13301 of the Budget Enforcement Act that includes this language:

“The concurrent resolution shall not include the outlays and revenue totals of the old-age, survivors and disability insurance program established under the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this sub-section.”

“That says in plain language they can’t use the trust fund to cut the deficit,” Hollings observes. “And yet they keep doing it. I can’t imagine they would want this—like the law, why don’t they change something. If they don’t like the law, why don’t they change it? The truth is they’re...

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Mr. Raspberries. Mr. President, I would like to draw everyone’s attention to a column written about 2 weeks ago by Washington Post writer William Raspberry. In “The Awful Truth About a Tax Cut,” he outlines chapter and verse on how America simply cannot afford a tax cut at a time that a fiscal cancer is eating away the country.
PEACEMAKERS ARE UP AGAINST AN UNDETERRED CHINA

Mr. SIMON. Mr. President, our policy toward China is, in the words of our colleague from California, Senator FEINSTEIN, one of zigzagging.

I want to have a good relationship with China, but I do not want it at an expense of a free Taiwan that has a free press and a multiparty system.

Recently, I read an excellent column by Georgie Anne Geyer, who has had a great deal of experience in the field of international relations.

Her comments on the China situation should be of interest to all of my colleagues, as well as their staffs, and I ask that they be printed in the RECORD at the end of my remarks.

The column follows:

PEACEMAKERS ARE UP AGAINST AN UNDETERRED CHINA

WASHINGTON.—Now, let’s see if I understand this:

Last summer, the more-or-less communist government in Beijing (population China: 1.2 billion) set its People’s Liberation Army loose to make Taiwan (population: 21 million) sit up and take notice. First, Beijing stirred things up a bit by conducting ballistic missile tests off the Taiwanese coast—not exactly a neighborly act.

Then, the Chinese leaders provided Ambassador Charles Freeman, a specialist on China, who was visiting Beijing this winter, with the astonishing news that they were seriously considering launching missile strikes on Taiwan. (Secretary of State Warren Christopher did not really say it, he said, “To do what I’m doing is sheer stupidity.”)

Unfortunately, no such movement seems in the offing. The people are in a mood to punish any politician who tells them the truth as they know the truth about our fiscal disorder. It’s time to pay the piper. And that’s the truth.

THE 100TH ANNIVERSARY OF SPARROW HOSPITAL

Mr. LEVIN. Mr. President, I rise today to congratulate Sparrow Hospital in Lansing, MI, on its 100th anniversary.

Sparrow Hospital has a long and activist history of serving the people of mid-Michigan.

In 1896, a group of dedicated young women met at Lansing’s Downey Hotel to discuss the growing need for a community hospital. Armed with sheer determination, the founders of the Women’s Hospital Association opened an 11-bed hospital. The women’s dream of hospital ownership was realized with the purchase of the James Mead House on North Cedar Street in 1896.

Realizing that a larger health care facility was needed to meet the demands of the growing Lansing area, Edward W. Sparrow, one of Lansing’s pioneer developers, whose wife was a member of the Women’s Hospital Association, donated the $100,000 and land at 1215 E. Michigan Avenue to build a new hospital. Two years later, on November 6, 1912, the 44-bed Edward W. Sparrow Hospital opened its doors. At the dedication ceremonies, it was announced that the purpose of the new hospital was “receiving, caring for and healing the sick and injured, without regard to race, creed or color.”

Sparrow Hospital has continued to live up to its avowed purpose. Sparrow is a not-for-profit organization, guided by volunteer boards, comprised of people who represent a wide spectrum of the community. Since 1896, Sparrow has provided care to mid-Michigan residents regardless of their ability to pay.

Through the efforts of its founders and many others, Lansing’s first health service has grown to become today’s Sparrow Hospital. Sparrow Hospital currently has over 600 physicians, nearly 3,000 associates and 1,400 volunteers in 114 chapters of service for an eight-county population of nearly 1 million people. Each year, Sparrow Hospital treats over 120,000 people.
The spirit of volunteerism has made Sparrow Health System a very special organization, an organization where service to the community comes first. I know that my Senate colleagues join me in honoring Sparrow Hospital on its 100th anniversary.

ORDERS FOR WEDNESDAY, FEBRUARY 28, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11:30 a.m. on Wednesday, February 28, and following the prayer, the Journal of proceedings be deemed approved to date, and the Senate then begin a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with Senators permitted to speak for up to 10 minutes each with the following exceptions: 20 minutes for Senator DOMENICI, 15 minutes for Senator MURKOWSKI.

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

PROGRAM

Mr. LOTT. For the information of all Senators, there will be an attempt to turn to the legislation to extend the authority for the Special Committee To Investigate Whitewater and other items that are cleared for action. Therefore, rollcall votes could occur tomorrow. Wednesday, February 28; also a second cloture petition was filed on the D.C. appropriations conference report. That cloture vote will occur, as I just announced, on Thursday at a time to be determined.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 4:17 p.m., recessed until Wednesday, February 28, 1996, at 11:30 a.m.
EXTENSIONS OF REMARKS

THANKS TO FOUR DEDICATED PUBLIC SERVANTS

HON. CONSTANCE A. MORELLA
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mrs. MORELLA. Mr. Speaker, it is a great privilege for me to rise today to give a special thanks for a job well done to four loyal public servants who recently retired from Federal service with a combined total time in the Government of over 100 years: Ms. Joan Barnard, Ms. Charlotte Walch, Mr. Bill Lohr, and Mr. John Shwab. These four hard-working individuals dedicated the final years of their Federal service to the Maternal and Child Health Bureau in the Department of Health and Human Services, ensuring that the unmet needs of mothers and children were identified and addressed.

These four individuals represent the best things in our Nation: hard work, optimism, love of family, and dedication to their country. As I deliver these words of praise, I realize that the people who will miss their work the most are the members of the public who benefited from their hard work, as well as their friends and fellow coworkers.

We wish them all happy retirement and congratulations on a job well done.

A TRIBUTE TO THE MORTON HIGH SCHOOL GIRLS BASKETBALL TEAM

HON. WILLIAM O. LIPINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to the girls’ basketball team of Morton High School in my district.

The squad recently won its first ever regional title in the Illinois State basketball tournament. In fact, this was the first Morton team—boys or girls—to advance past the regional round of the playoffs since 1972.

Unfortunately, Morton’s dream season ended with a defeat to perennial power Mother McAuley in the sectional semifinals last week.

Nonetheless, I congratulate the team and its first-year coach, John Monier, for bringing home the regional championship and basketball pride to Morton High School.

HONORING BETTIE HELTERBRAN ON HER RETIREMENT

HON. G.V. (SONNY) MONTGOMERY
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. MONTGOMERY. Mr. Speaker, Mrs. Betty M. Helterbran will retire from Federal civil service with the National Guard Bureau on March 30, 1996. Her most recent assignment has been as the Deputy Chief, Office of Policy and Liaison, The Pentagon, Washington, DC. Mrs. Helterbran’s distinguished career had encompassed over 40 years. She has served long and well and will be missed by the National Guard Bureau and the legislative community.

Mrs. Helterbran started her civil service career on 16 June 1952 at Fort Belvoir, VA. Her first position was as a GS-3, typist, in the Department of Non-Resident Instruction of the Engineer School, in a typing pool using a manual typewriter and individual sheets of carbon paper. Her starting salary was a whopping $2,950.00 per year. In 1958, she had been promoted to GS-5, statistical clerk. In 1958, she left Fort Belvoir for Fort Greely, AK, and began again as a GS-3 clerk typist, in the S-1 Office at post headquarters. While there she was promoted to GS-4. In 1960 she departed Fort Greely for Fort Knox, KY. At Fort Knox, she was a GS-3, clerk typist secretary in the commissary office and first GS-4, secretary in the engineer field maintenance shop. In mid-1961 she departed Fort Knox for Babenhausen, Germany, where she was without employment for 3 years. In January 1965 she returned to Fort Belvoir, VA, and became a GS-4, clerk typist in the Office of the Adjutant General. Shortly thereafter, she was promoted to GS-5, secretary. From there she was promoted to GS-6, awards and decorations clerk, and then on to a GS-7 congressional liaison assistant position and the start of her career in the congressional arena. Over time she was promoted to GS-9, GS-11 and given the title of Congressional Liaison Representative. During this time her position was transferred from the Office of the Adjutant General to the Directorate of Personnel and Community Activities.

In 1982, after an uninterrupted 17 years at Fort Belvoir, she accepted a GS-12 position in the Office of Policy and Liaison at the National Guard Bureau. In 1987 she was promoted to GS-13, Congressional Liaison Officer and to GM-14, Deputy Chief, Office of Policy and Liaison in July 1991.

In all areas Mrs. Helterbran has demonstrated a strong sense of loyalty, honor, and distinction as a leader. Her energy and tireless devotion above and beyond the call of duty reflect great credit upon herself, the National Guard Bureau, and the National Guard of the United States.

When Sheila Peterson heard that the 16-year-old daughter of her neighbor and friend was dying of Lafora’s disease in 1978, she knew she had to help. Sheila petitioned the community to help her raise thousands of dollars in order to allow Karen to spend her remaining months at home. After young Karen passed away, it was apparent that the services performed for her and her family were desperately needed by many others, hence the formation of Friends of Karen.

For the past 17 years, this organization has provided financial, emotional, and advocacy support for more than 1,000 cataclysmically and terminally ill children and their families. Spending more than $500,000 a year on as many as 200 families, Friends of Karen spends 80 cents out of every dollar directly on services to those in need. Administrative costs are kept down, by having 11 part-time employees and only one full-time. In order to accomplish as much as they do, Friends of Karen relies on more than 100 dedicated volunteers.

Social workers at Friends of Karen help families maximize their assistance from insurance plans, government programs, and related community agencies. They provide financial assistance for real life problems related to children’s illness. This can include everything from transportation to and from medical treatments, to in-hospital expenses such as telephone, TV, parking, and meals for parents, to child care for siblings, and even to family bereavement support.

Having served on the board of directors of Friends of Karen, I know first hand what a great organization this is. These are people who care deeply about the welfare of sick children and their families.

Mr. Speaker, I am grateful to have an organization like Friends of Karen in my community. From the bottom of my heart, I thank Friends of Karen for their commitment to the welfare of our children, and for the tremendous contribution they make to the quality of life in our community.

TRIBUTE TO STEPHANIE ANN GRIEST

HON. SOLOMON P. ORTIZ
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. ORTIZ. Mr. Speaker, I rise today to pay tribute to the outstanding scholarship achievement of a young woman from my hometown, Corpus Christi, TX. Stephanie Ann Griest, a student at the University of Texas at Austin, was one of 20 students chosen nationwide to be a member of the USA Today’s All-USA College Academic First team.

As someone who has spent most of their public career promoting educational excellence, I am delighted by Stephanie’s success and achievement. The importance, and the value of education are things we cannot emphasize enough to the youth of today. It is with great pleasure that I recognize such an achievement.
outstanding young woman, student, and community leader. Chosen for her exemplary academic successes and community involvement, Ms. Griest’s determination, commitment, and hard work is exactly what we should attempt to encourage in all our students and in all our schools.

I would also like to acknowledge Stephanie’s parents, Lloyd and Irene Griest. As a farther, I recognize the commitment parents make in raising their children, and I commend them for the job they have done in raising Stephanie.

I spend a great deal of time in my congressional district encouraging educational opportunities at every occasion possible. My message to young people is: education is the way out—and up. I tell them that education is their right, their responsibility, and their gateway to a better life. As 1 of only 20 students chosen nationwide, Stephanie is capitalizing on that right, focusing on her responsibility, and passing through the gateway to a better life.

I would also like to commend USA Today, for selecting and rewarding these 20 students, and offering them as examples of what our youth are capable of achieving. I encourage other elements of the private sector to take the time, and make the investment in our children, by promoting education and rewarding our youth.

Mr. Speaker, I ask my colleagues to join me in commending this young lady. Stephanie, you have made us all very proud. Keep up the good work.

AFRICAN-AMERICAN WOMEN: YESTERDAY, TODAY, AND TOMORROW

HON. TOM LANTOS
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. LANTOS. Mr. Speaker, 20 years ago in February, 1976, the month of February was officially set aside by Congress to pay tribute to, honor, and respect African-Americans who have made key contributions to the diversity and greatness of the United States. The purpose of Black History Month this year is to reflect upon some of the African-American women who have made extraordinary achievements in civil rights, politics, science, entertainment, literature, and athletics.

African-American women have proven themselves invaluable as leaders in the evolution of our great nation. Their vigorous and passionate participation in the age-old struggle for freedom has resulted in a rich history of heroines. As the list of these women and their accomplishments is long, I regretfully must choose only a few examples.

In July 1849, the ex-slave abolitionist, Harriet Tubman, assisted in the underground railroad to free over 300 slaves. Her courage and selflessness demonstrated her character of integrity and honor while in the pursuit of freedom and right. She is known as the Moses of her people. Nearly a century later, this same courage and fight for equality was demonstrated by Rosa Parks in Montgomery, AL, when she refused to give up her bus seat to a white person when she was ordered to move by the bus driver. As a result of her unyielding character and strong belief in what is right, a bus boycott occurred, after which segregation on buses was declared a violation of guaranteed American rights.

Patricia Robert Harris, a lawyer and diplomat, became the first African-American woman Ambassador to be appointed to an overseas post. Three years later, in 1968, Shirley Chisholm was elected to the U.S. House of Representatives. Recently in 1992, Carol E. Moseley Brown was elected to the U.S. Senate. I applaud my past and current colleagues for their fine and distinguished leadership.

In 1873, Susan McKinney Steward overcame great obstacles to become the first African-American woman to be formally certified as a doctor. Her innovative and stalwart personality enabled her to create the Women’s Loyal Union of New York and Brooklyn and to cofound a women’s hospital in Brooklyn. The medical field, thanks to her pioneering example, has opened its doors to women. Today, women are entering the medical profession in increasing numbers, often representing a majority of the student body at our leading medical schools.

Additional accomplishments by African-American women in America are found in the space program. Mary C. Johnson was the first African-American woman in space in 1992. Another grand achievement is the work of Katherine Johnson, an aerospace technician with NASA. She is a pioneer in new navigation procedures to track space missions.

African-American women have excelled in the entertainment world, covering the spectrum of music and dance to books and TV journalism. Due to her outstanding performance in “Gone With The Wind,” actress Hattie McDaniel was the first African-American woman to win an Academy Award. Maya Angelou, the actress, dancer, writer, and poet, who is well known for her book “I Know Why The Caged Bird Sings,” stands apart as a distinguished and invaluable asset to a greater understanding in this country. A few years back Toni Morrison was awarded the Nobel Peace Prize in literature. News reporter Carole Simpson has made significant advancements in the media profession, moving from a Chicago TV reporter in 1970 to the anchor of ABC’s “World News Saturday.”

Athletically, African-American women have demonstrated outstanding strength, skill, and discipline in many sports. In 1951, Althea Gibson was the first African-American woman to play at Wimbledon, and later went on to win the singles and doubles title—with her partner, Darlene Hard—in 1957. In the Olympics, Jackie Joyner-Kersee is acclaimed internationally as the world record holder in the heptathlon.

Each of these extraordinary African-American women have demonstrated leadership. In 1995 by village ordinance. But as anyone who has ever had dreams of racing to the scene of a fire in a red engine will tell you, it did not really start until January 21, 1896, when the department’s first vehicle, a nonmotorized, man-powered horse car, was purchased.

From these humble beginnings, the department has grown into one of the finest in suburban Chicago.

The village and its fire department will commemorate 100 years of service with numerous ceremonies this year, including a dinner-dance this month, a muster with interdepartmental competition in May, and a picnic for past and present firefighters in June.

Mr. Speaker, I congratulate the department and its personnel on its century of success and wish them many more years of effectively protecting lives and property in their community.

ALEX WEDDINGTON HONORED BY MERIDIAN’S JUNIOR AUXILIARY AS 1996 HUMANITARIAN OF THE YEAR

HON. G.V. (SONNY) MONTGOMERY
OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. MONTGOMERY. Mr. Speaker, I want to take this opportunity to commend my friend, Alex Weddington, for being selected Humanitarian of the Year by the Junior Auxiliary in our hometown of Meridian.

The Junior Auxiliary presents the award each year to a person, organization or business in recognition of their contribution to the betterment of the community. I can think of no one more deserving of this honor than Alex. He is making a positive difference in our community.

I want to share with my colleagues this article about Alex and his work with the Masonic Home for Boys and Girls. It was written by Ida Brown of the Meridian Star.

SPENDING TIME WITH THE KIDS—ALEX WEDDINGTON SHARES TIME WITH CHILDREN FROM MASONIC HOME FOR BOYS AND GIRLS

(By Ida Brown)

Although he looks forward to every day, Meridian businessman Alex Weddington probably enjoys Fridays even more. After a busy week at the office, he and his wife, Ann, usually spend the evening with the kids—all 23 of them.

For 145 years, Weddington’s Friday evenings—and many other days of the week—have been shared with the residents of the Masonic Home for Boy and Girls.

“The kids are wonderful and you get so much more out of doing them than you put in,” Weddington said.
“Alex has accepted the responsibility of trying to improve the living conditions of the community,” U.S. Rep. G.V. “Sonny” Montgomery said.

“...Alex is always trying to help someone else... He’s more concerned helping others than himself,” added Noel Evans, executive director of the Choctaw Area Council of Boy Scouts of America. “Meridian is fortunate to have great community leaders such as Alex; they make Meridian a great place to live.”

Today, Weddington will be presented the “Humanitarian of the Year Award” by the Meridian Junior Auxiliary. According to Kay Wedgeworth, chairman, the honoree was selected after it was determined that he’d been selected for the recognition.

...He said, “I’ll make you a deal. Give it to the guy who come in second and I won’t say a word,” said Wedgeworth. The award is presented annually to a person, organization or business in recognition of the time, talent and effort which they have contributed to the betterment of the community, particularly youth.

A native of Meridian, Weddington first became associated with the Masonic home out of curiosity.

“I’ve always had a curious nature. I’d driven by the home hundreds of times and wondered what the masonic home was all about. One day in 1980, I stopped by and asked Peter Griffin, who, at the time was grand secretary, what it (the home) was about. When he told me they needed help, I told him he had it.”

He started out by taking the kids out on Friday’s to the movies, skating, camping or to local events and activities. Over the years, this has extended to also include two vacations each year—an early summer one to various locales and one in late summer at his family’s home on the Mississippi Gulf Coast. Sometimes, he just invites the kids to his home, rents movies and orders pizza.

“Each one of these children come from unique circumstances. They’re wonderful children and given a chance in life, which is what the masonic home does, they will make something of their lives,” said Weddington.

...God has really blessed me for being here with the home water rafting, camping, on trips to Disney World, Six Flags, Liberty Land... He provides them opportunities they may not have otherwise.

His dedication to the kids is solid. He seldom cancels his Friday nights with them.

In fact, on his first date with his wife, the kids were along.

“I called her up and told her I wanted to know what kind of sport she was. I explained that I had taken the kids from the home out every Friday night and that our first date was going to be with 23 children. I didn’t want to disappoint them. I picked her up with 23 kids, dog and myself... She was a good sport.”

Commenting on that first outing, Mrs. Weddington said, “It definitely was different from any date I’ve been on. But I knew then that he was special. Here he was a bachelor who had a lot going for him. And on a Friday night when most bachelors were out on a date, he was at the home with all of the kids.”

...He’s a good role model in a time when strong models are needed. He’s a good listener, intuitive... and can read those kids like a book. He tries to encourage them to study and just that because they were born under bad circumstances, it doesn’t mean they don’t have power to change the course of their lives.”

Scouting is one way Weddington has motivated the youth to taking responsibility for their lives. He encourages the kids to aim for the Eagle Scout Award.

“Scouting builds character. For the boys, achieving the Eagle Scout Award is one of the greatest accomplishments. This year, Anthony Watkins and Glen Burge both will receive the award; I’m really proud of them.”

Scholastic achievement is another source of inspiration. Each year, Weddington takes the three children with the best grades at the end of the semester on a skiing trip in Colorado.

“I try to make sure they really study hard; I’ve found this trip to be a great motivating factor. Most of these kids have never been in an airplane; it’s really exciting for them,” he said.

...These kids have gone from making ‘Cs’ and ‘Ds’ to ‘As’ and ‘Bs.’”

Other ways he has helped the home is by securing funds ‘for the little extras.” In 1985, he enlisted Meridian Montgomery’s support in sponsoring a golf tournament. Now in its 11th year, the “Sonny” Montgomery-Masonic Home Benefit Golf Tournament has netted more than $300,000.

Funds are used for outings, trips and other necessities.

...But more than anything, it gives them another opportunity to spend time with one of their favorite people. Without a doubt, the kids love Weddington, but not just because he ‘takes them places,’

...He's a great man,” said Joseph Walker, 12. “...He's very nice but if you mess up, he'll make sure you don't do it again; and you won't.”

Sisters Felicia Kern, 12, and Christine, 13, enjoy being around Weddington because “he’s fun and has a nice personality.”

Glen Burge, 17, describes Weddington as a great person with a big heart.

“He puts in a lot of time with us and cares about us a lot. I really appreciate all that he has done for us and the only way I can pay him back is to say, ‘Thank-you.’ He’s truly a blessing to my heart.”

As the Meridian Junior Auxiliary’s Humanitarian of the Year Award winner, Weddington will receive a plaque and $500 will be donated in his name to the charity of his choice.

TRIBUTE TO MANUEL MIJARES

HON. SOLOMON P. ORTIZ
OF TEXAS

IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. ORTIZ. Mr. Speaker, I rise today to commend and pay tribute to Mr. Manuel Mijares, the newly selected Mr. Amigo.

Every year members of the Mr. Amigo Association, who represents the city of Brownsville, TX, travel to Mexico City to select a new Mr. Amigo to serve as the honored guest of the Mr. Amigo festivities in Brownsville. The Mr. Amigo festivity is a 4-day international event which invites the United States and Mexico to join together in celebration of the distinct cultures of these neighboring countries. During the Mr. Amigo celebration, which originated as a pre-Lenten festival, Brownsville citizens participate in a series of parades, dances, and parties to demonstrate the goodwill of both countries. It is a major function which is eagerly anticipated by many South Texans as well as our winter visitors.

We are honored to recognize Mr. Manuel Mijares as the 32d Mexican citizen chosen by the Mr. Amigo Association. He began his career as a backup singer for the well-known Mexican pop star Emanuel. But this was just the beginning. In 1986 he released his first album entitled “Mijares” which quickly earned silver and gold status. His international acclaim is evident in the many awards he has received throughout Latin America, the United States, and Japan. Some of his awards include: the Golden Award Medallion in Japan, the Latin Music Award in the Dominican Republic; Revelation in Mexico; Ovation for outstanding artist in Chicago; Antorchafe de Plata award from Chile; Premio AC; History of Spectacles in New York; Aplauso 92 in Miami, and Galardon a los Grandes in Mexico.

In addition to his musical talent, Mijares has also been praised internationally for his presence in the theater. He is a regular guest on “Siempre en Domingo,” “En Vivo,” and “Eco;” popular international television shows. Disney has also recognized and selected this talented and versatile artist to sing the Spanish themes for “Oliver and Company” and “The Beast.” It is not only this type of talent which transcends cultural lines that we recognize today, but it is also his compassion for the well-being of his audience. Despite the numerous awards for his artistic talents, Mijares has also demonstrated a concern for the development of teens in the United States. One example of his community involvement is his participation in a fundraiser the Los Angeles Police...
Dearest to his interests has been the environment, which he has continuously protected as a legislator. Byron Sher has authored landmark legislation, including the California Clean Air Act, the Integrated Waste Management Act, the Safe Drinking Water Act, and the Nation's first law to prevent toxic contamination from leaking underground storage tanks. He has authored laws to strengthen the State's timber regulations and the Surface Mining and Reclamation Act, and has fought for new rivers to California's Wild and Scenic River System. He is consistently rated among the top legislators in Sacramento by environmental groups.

Mr. Speaker, Byron Sher is a most distinguished individual and one of the most respected elected officials in the State of California. I ask my colleagues to join me in honoring him.

HMONG REFUGEES IN THAILAND

HON. JACk REED
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. REED. Mr. Speaker, I rise today to submit for the RECORD a letter from Wendy Sherman, Assistant Secretary for Legislative Affairs at the State Department, in response to my inquiries regarding Hmong refugees in Thailand. I am pleased that the State Department has made progress with the Royal Thai Government in gaining access to Hmong refugees. On behalf of the Hmong community in Rhode Island, I will continue to monitor this important issue.


Hon. Jack Reed, House of Representatives

DEAR MR. REED: Thank you for your letter of November 28, 1995 regarding your concerns for Hmong refugees in Thailand.

First, let me assure you that we share your concern for this special population. Since
1975, we have resettled approximately 249,000 Lao refugees (mostly Hmong) out of Thailand. We have provided a large share of the support that the Office of the United Nations High Commissioner for Refugees (UNHCR) has received to maintain refugee camps and we donated non-governmental organizations assist programs in Laos for refugees who have elected to return to their homeland. With only some 2,000 Lao refugees remaining in camps in Thailand, we are committed to these same two solutions: voluntary repatriation and third country resettlement.

As you state in your letter, we have for some time requested permission of the Royal Thai Government to be allowed to interview those programs which assist refugees to resettle in the United States. In November, a team of officers led by Department of State Deputy Assistant Secretary Charles Sykes went to Bangkok specifically to discuss this issue. I am pleased to report that we reached an agreement in principle with the Royal Thai Government for U.S. access to Hmong and other Lao in the first asylum camps in Thailand. We are working now to finalize the agreement and hope to begin processing this population in early January. Within the FY 1996 refugee admissions ceiling there are sufficient numbers available for approved Lao cases to be admitted to the U.S. this fiscal year.

We would also like to assure you that, contrary to reports, to date, no asylum seekers or refugees have been forced to return to Laos. Approximately 23,000 Lao (mostly Hmong) have returned voluntarily to Laos since 1980. From all reports, including non-governmental organizations working in Laos and from U.N. officials, there is no persecution of returnees. The United States and other governments contribute to reintegration programs which assist returnees to resettle in Laos. UNHCR has Hmong- and Lao-speaking monitors who travel throughout the country to assist returnees and to monitor their situation. These monitors have reported no persecution of returnees.

We hope that the above information addresses your concerns. Please do not hesitate to contact this office again if we can be of further assistance.

Sincerely,

Wendy Sherman, Assistant Secretary, Legislative Affairs.

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**TRIBUTE TO DONALD BROOKS**

**HON. WILLIAM O. LIPINSKI**

*OF ILLINOIS*

**IN THE HOUSE OF REPRESENTATIVES**

*Tuesday, February 27, 1996*

Mr. LIPINSKI. Mr. Speaker, I rise today to express my condolences to the many friends and family of Donald Brooks, a leading businessman from my congressional district, who recently passed away.

Donald Brooks, a resident of Western Springs, IL, and owner of Marcia’s Hallmark Card Shop, was a longtime pillar of the La Grange, IL, business community. He was a leader in the La Grange Business Association, serving as its treasurer, and he spearheaded efforts to make the downtown retail shopping area among the finest in suburban Chicago.

Mr. Brooks, a pharmacist who owned a drug store for 24 years, was an early organizer of the Endless Summer Festival that brings thousands of residents into the community each summer. In addition, he was an important nuts and bolts organizer who coordinated the LGBA’s cable television advertisements and served as the group’s pointman on downtown parking issues with village government.

In addition, Mr. Brooks, a graduate of Lyons Township High School in La Grange, served his country as a member of the Air Force Reserve during the Vietnam war.

Mr. Speaker, I extend my sympathy to the many friends and family of Mr. Brooks. His passing is a loss for our community and I am honored to have known him.

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**TRIBUTE TO RETIRING CALIFORNIA ASSEMBLYWOMAN JACKIE SPEIER**

**HON. TOM LANTOS**

*OF CALIFORNIA*

**IN THE HOUSE OF REPRESENTATIVES**

*Tuesday, February 27, 1996*

Mr. LANTOS. Mr. Speaker, I rise today to pay tribute to the distinguished assemblywoman of the 19th assembly district of California, Ms. Jackie Speier. Many of the same communities in San Mateo County that are included in her State assembly district are also within the boundaries of the 12th Congressional District, which I have the privilege and honor to represent.

This coming weekend, the San Mateo County Democratic Party will salute Jackie Speier at a special appreciation dinner held to recognize the service she has rendered to the people of California. After a successful career in the California assembly, Jackie Speier will retire at the end of this legislative session. She will have completed her fifth term in the assembly and is not permitted to run again because of term limitations.

Jackie Speier was born in San Francisco—the daughter of a German immigrant and an
American mother. She attended local schools in south San Francisco and graduated from Mercy High School in Burlington. She received a B.A. from the University of California at Davis and received a law degree from the University of California's Hastings College of the Law in 1976.

Following the completion of her education, Jackie served on the staff of our late colleague and my predecessor, Congressman Leo J. Ryan. In November 1978, Jackie accompanied Congressman Ryan to Jonestown, Guyana, to investigate the cult community led by the Rev. Jim Jones. As my colleagues know, Congressman Ryan was killed during that visit to Jonestown, and Jackie Speier was seriously injured at the same time. That was followed by the tragic suicide-murder of over 900 cult members.

After returning to California, Ms. Speier was elected to the San Mateo County board of supervisors in November 1980, where she effectively served the people of San Mateo County for 5 years. During that time she served 1 year as chair of the board. In November 1986, she was elected a member of the California State Assembly. During the decade that she represented the 19th assembly district, Jackie led the assembly's Committee on Consumer Protection, Governmental Efficiency and Economic Development. She was a constructive and articulate spokesperson and advocate for consumer interests and government efficiency for the people of San Mateo County.

Jackie is the mother of two delightful children—Jackson Kent Sierra and Stephanie Katelin Elizabeth Sierra. Her husband, Dr. Steven Sierra, was killed in a tragic automobile accident in early 1994, a few months before the birth of their last child.

Mr. Speaker, I invite my colleagues to join me in paying tribute to Jackie Speier as she completes 10 years of distinguished service in the California State Assembly. The people of San Mateo County and the people of California have been well served by her leadership and advocacy in the State assembly.

TRIBUTE TO ASSEMBLYWOMAN JACQUELINE SPEIER

HON. ANNA G. ESHOO
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Ms. ESHOO. Mr. Speaker, I rise today to honor Jackie Speier, Assemblywoman of the 19th District of California, an extraordinary, history-making public servant who has protected the rights of many, with special attention to women, children, and consumers. Jackie Speier has brought a new meaning to the word "courage" as she has overcome tragedy in her own life and dedicated herself to public service. In November 1978, as legal counsel to the late Congressman, Leo J. Ryan, she accompanied the Congressman to Jonestown, Guyana to investigate charges that people were being held hostage by cult leader Rev. Jim Jones. On November 18, cult followers shot and killed Congressman Ryan while Jackie Speier was struck by five bullets. Later that day, two members died.

Two years later, Jackie Speier became the youngest elected member of the San Mateo County Board of Supervisors. She served a second term and was chair of the board in 1985.

In 1986, she became the first women elected to the 19th Assembly District of California, continuing to break new ground legislatively. As chair of the Assembly Committee on Consumer Protection, Governmental Efficiency, and Economic Development, she led the fight to uncover numerous acts of inefficiency, waste, and abuse of public resources by State bureaucrats who subsequently resigned from office. She also led investigations into unfair and illegal practices of auto manufacturers and dealers, and championed many proconsumer laws.

Jackie Speier's record of having bills signed into law is unprecedented. Among her accomplishments, she has ensured the advancement of women's rights and the protection of children. Some of her legislative achievements include the requirement of insurers to allow women to use their obstetrician-gynecologists as their primary care physicians, creating a voluntary California income tax check-off fund to support breast cancer research, creating the Women's Business Ownership Act and Council, and legislation which would deny professional and drivers licenses to those who fail to pay child support.

Along with her extraordinary work in the legislature, she is the devoted and proud mother of two children. Jackie Speier made legislative history in 1988 when she became the first member of the California Legislature to give birth while in office.

For her accomplishments, she has received a plethora of awards including Legislator of the Year by the California State Bar Association, Women Construction Owners and Executives, Leadership California, National Mobilization Against AIDS, California Women Lawyers, the National Organization for Women, and the Family Service Council.

Mr. Speaker, I have the privilege of Jackie Speier's friendship and have had the honor of working with her as a colleague on the San Mateo County Board of Supervisors. Few legislators are as effective, as respected, and as history-making as Jackie Speier. She is truly one of California's most distinguished women and I ask my colleagues to join me in honoring her today.

TRIBUTE TO LYONS POLICE OFFICERS JAMES RITZ, CHARLES WRIGHT, AND ROBERT COOK

HON. WILLIAM O. LIPINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to three police officers from my district who recently went above and beyond the call of duty to save a man from his burning home.

In the early morning hours of January 29, 1996, Sgt. James Ritz, Officer Charles Wright, and Officer Robert Schook of the Lyons Police Department responded to a 911 call from the home of Charles Schmidt, 77. Upon arriving, they discovered smoke pouring out of the house and learned that Mr. Schmidt, who has vision problems and is a partial amputee, was trapped inside. Without a second thought to their own safety, the three entered the building and groped through its smoke-filled rooms until they found Mr. Schmidt and carried him out of the house.

As Lyons Deputy Fire Chief Gordon Nord said of these three heroes, "To go in with no protection was above and beyond the call of duty. If it wasn't for the three police officers, who would have had one fatality."

Mr. Speaker, I commend Sergeant Ritz, Officer Wright, and Officer School for their incredible bravery. All Americans owe these three officers, and all those who risk their lives to protect ours, a debt of gratitude.

LEGISLATION TO ADJUST FEDERAL DEFERRED ANNUITIES FOR INFLATION

HON. JAMES P. MORAN
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. MORAN. Mr. Speaker, today, I am introducing legislation that indexes Federal annuities for inflation at the time the employee separates. Currently, if an employee leaves the Federal service before retirement he has the option of taking his pension contributions back in a lump sum or to the retirement trust fund. If he leaves the contributions in, he will receive an annuity when he turns 62. If he takes them out, he can reinvest them in an IRA.

It would be more beneficial for the employee and the Government if the employee left his contributions in the retirement system and earned an annuity at 62. The current system, however, does not encourage the employee to leave the contributions in since the annuity is not indexed for inflation. Thus if an employee with 20 years of service leaves the Government to take another job at age 45, he has the option of taking his money out of the trust fund, the 7 percent of his salary that he contributed over the past 20 years, or leaving the money in the trust fund and receiving his earned annuity when he turns 62, 36 percent of the average of his last three years of salary. Since the annuity is not indexed, there is no reason to leave the money in. If the high three averages $50,000, in the above case, the annuity would be $17,000 at separation. But after 17 years of average inflation, this $17,000 would have the spending power of only about $9,000. Under the legislation I am introducing today, an annuity of $17,000 would maintain the spending power of $17,000.

The proposal would break the "golden handcuffs" that keep older Federal employees in the civil service. Since the old Civil Service Retirement pension is not transferable, older employees with significant years of service cannot afford to leave the civil service. If they did, they would have to enter a new pension service and begin saving for retirement anew. They would not have the years of investment in Social Security or a 401(k) to rely on. So they stay in the civil service. FERS was created specifically to address this portability problem but it is not enough. Currently, approximately 50 percent of the Federal work force is in FERS. Those who are not are the older employees we lose.

Under this legislation, older CSRS employees can leave the Federal Government and take a job elsewhere because they will not
lose their pension. While they will not continue to accrue CSRS benefits, they will have earned a decent retirement income on which they could rely. The proposal will help Federal downsizing and reorganization efforts by allowing older employees to leave.

The proposal would also save money for the Federal Government. If the employee leaves his annuity in the trust fund, there is no outlay from the Federal Government when the employee separates. The immediate savings are significant. The CBO estimates that this proposal would save more than $3 billion over 7 years.

This is the only provision that will effectively reduce the Federal work force without RIF’s. Buyouts are only an option if the employee is close to retirement or already retirement eligible. They do not pare the work force as much as push out those who can already leave. For those Federal employees 40 and over, they are not an option. These employees, however, can find good opportunities outside the Federal work force because they are the most hireable. They do not leave, however, because they will lose the 15 or more years they have invested in the Federal Service Retirement System.

TRIBUTE TO DENNIS BIDDLE, THE PRIDE OF NEGRO LEAGUE BASEBALL IN WISCONSIN

HON. THOMAS M. BARRETT
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1996

Mr. BARRETT of Wisconsin. Mr. Speaker, it is with pride today that I pay tribute to a great man from the city of Milwaukee, Mr. Dennis Biddle. As one of the finest players of the Negro Baseball League who now resides in the State of Wisconsin, I would like to take a moment to reflect on the life and accomplishments of this truly remarkable man.

Born on June 24, 1935 in Arkansas, Mr. Biddle was blessed with natural-born athletic ability that allowed him to enter the world of professional baseball at the age of 17, making him the youngest player to emerge in the Negro league. As a player for the legendary Chicago American Giants, Mr. Biddle was found he could not break through the ranks and rising to the top of the Negro league. In his very first game in June 1953 against the Memphis Red Sox, he struck out 13 players and posted a 3 to 1 victory.

Wisconsin was the site of perhaps Mr. Biddle’s finest game, when he pitched against the Philadelphia Stars in Racine. He was facing Gerald “Lefty” McKinnis who was famous for defeating Satchel Paige, perhaps the greatest pitcher in the history of American baseball. Despite his young age, Mr. Biddle was able to bring us back to a time and a place when baseball was played for honor and glory. Last year, the Negro league celebrated its 75th anniversary, and Mr. Biddle joined with the league’s 214 remaining league veterans at their museum in Kansas City. At this reunion, Mr. Biddle reaffirmed his commitment to educating the public about the wealth of history contained in the archives of the Negro league. Players like Satchel Paige, Cool Papa Bell, Josh Gibson, and Buck Leonard, and teams like the Milwaukee Bears, the Kansas City Monarchs, and the Homestead Grays, whose story must be preserved for future generations.

Mr. Speaker, I ask my colleagues to join me in paying tribute to Mr. Dennis Biddle. I join with the city of Milwaukee in praising this outstanding individual, and wish him continued success in our community.

NATIONAL ENGINEERS WEEK

HON. GEORGE E. BROWN, JR.
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1996

Mr. BROWN of California. Mr. Speaker, I wish to take this opportunity to recognize the annual observance of National Engineers Week, which has just concluded. Samuel C. Florman, engineer and author, defines his profession as “the art or science of making practical application of the knowledge of pure sciences” in his book, “The Existential Pleasures of Engineering.” National Engineers Week gives us the chance to remember the role of engineers in making real the American dream and their legacy in the drama of our Nation’s history.

That National Engineers Week coincides with the celebration of the birth of the Father of our Country is no accident, as the professional society for George Washington, the nation’s first President, in 1749, worked as the assistant to the surveyor laying out the plan for the city of Alexandria. Commissioned a surveyor in his own right, Washington undertook the measurement and mapping of the western frontier of Virginia. Washington personally designed the construction of the Patowmack Co., which sought to make the Potomac the major route for transportation into the burgeoning Northwest Territory. Finally, of course, Washington placed the cornerstone for the Capitol in which we work and devoted a great deal of his time to managing the development of the city that bears his name.

Engineers appear time and again in American history. The Polish military engineer Tadeusz Kosciuszko built the fortifications which protected American forces during the Battle of Saratoga; the American victory led France to join the war and secured our independence. Civil War commanders such as P.G.T. Beauregard, George Meade, Joe Johnstone, Robert E. Lee, and engineers during the Mexican War. Theodore Judah and Grenville Dodge constructed the first transcontinental railroad. John A. Roebling and his son Washington raised the Brooklyn Bridge. The Wizard of Menlo Park, Thomas Edison, fired the imagination with his continuing output of new technologies that changed the lives of ordinary people. Engineers were central to America’s ability to meet one of humanity’s ultimate challenges, to travel away from the Earth and walk upon the surface of the Moon.

Engineers are the prime movers behind the economic success Americans now enjoy. It is the engineer who recognizes how the science of the laboratory can be used or adapted to fulfill needs, from our daily lives to the most sophisticated of industrial, chemical, mechanical, electrical, and other disciplines, we would still be awaiting the fruits of the Industrial and Information Revolutions. Government’s support for scientific research and development has long rested on the view that the results from that investment will be repaid by economic growth and a better quality of life for our citizens. Without engineers, that promise could not be realized.

Mr. Speaker, I also wish to recognize in these remarks those engineers who directly serve the public interest in the agencies of the Federal Government. The Committee on Science has jurisdiction over the agencies where Federal employees include many of the engineers employed by the Federal Government. They toil in obscurity trying to protect the public health, to advance the state of knowledge in technical fields, and to protect the Nation’s safety and security. We in Congress have, many times, given them, by legislative action, the authority to regulate and, in some instances, to ask them to develop regulations that seek to balance incompatible goals. That these efforts fail should not be ascribed to their performance but to our design. I have witnessed and commented on the long road that Government has traveled in the reasonable changes to regulatory policies supported by the majority of our Members that the engineers in our service will once again justify our trust in their commitment to the public good they have sworn to uphold.

Recognition is due to the sponsors of National Engineers Week: the Society of Manufacturing Engineers, Chair of the 1996 Steering Committee; the American Association of Engineering Societies; the American Consultant Engineers; the American Institute of Civil Engineers; the American Society of Civil Engineers; the American Society of Heating, Refrigerating and Air Conditioning Engineers, Inc.; the American Society of Mechanical Engineers; the Construction Specifications Institute; the Secretariat of the National Society of Professional Engineers; the Society of Automotive Engineers, Inc.; the Society of Women Engineers; and the Institute of Electrical and Electronics Engineers, Inc. Corporations offering their support include 3M; Bechtel Group, Inc.; Chevron Corp.; Eastman Kodak Co.; Fluor Corp.; IBM International Foundation; Motorola; Rockwell; and Westinghouse Electric Corp. A great many more.

The Wisconsin Institute of Standards...
and Technology, the Office of the Civil Engineer of the U.S. Air Force and the National Academy of Engineering are also supporting this year’s celebration.

Mr. Speaker, the President in his message on National Engineering Week “thank[ed] our engineers for their remarkable achievements.” I join him in those sentiments and am pleased to honor with him the 1.8 million Americans who proudly call themselves engineers.

SALUTE TO THE 27 ALL-STATE MUSICIANS FROM LYONS TOWNSHIP HIGH SCHOOL

HON. WILLIAM O. LIPINSKI
OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to 27 outstanding students at Lyons Township High School in my district who were recently named All-State Musicians. These talented young people were selected by Illinois music educators during auditions to perform with either the jazz band, jazz choir, band, or chorus, during the all-State conference, held February 1–3, 1996. While many schools will send three or four musicians to this conference, Lyons Township High School will be represented by many times that number.


Mr. Speaker, I congratulate these fine young musicians and their teachers on this fine honor.

IN HONOR OF WILLIE GARY, FLORIDA PHILANTHROPIST

HON. ALCIE E. HASTINGS
OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. HASTINGS of Florida. Mr. Speaker, I would like to join the American Jewish Committee in honoring Willie Gary of Stuart, FL.

Willie Gary is an outstanding American whose is bold. His parents were sharecroppers and migrant farm workers who raised 11 children. When Willie was 13 his father Turner settled his family in Indiantown, FL, where he started a produce business from the back of a truck he had bought with the help of his son, Willie, who had earned the money mowing lawns.

Willie, a high school football star who was determined to go to college, secured an athletic scholarship to Shaw University in Raleigh, NC. While at Shaw he married Gloria Royal. By the time he graduated in 1971 Willie had one son and an successful lawn care business.

But Willie wanted more. In 1974 he graduated from North Carolina Central University with a law degree and a second son. After his graduation from law school the Gary family returned to Florida. Willie was admitted to the Florida bar and their third and fourth sons were born.

In 1975 Willie opened the first black law firm in Martin County. In 1976 he opened a second office in Ft. Pierce. Today, the law firm of Gary, Williams, Parenti, Finney, Lewis & McManus is a large, sophisticated law firm with a national reputation.

Willie Gary and his wife Gloria have given new meaning to the word philanthropy. God blessed Willie Gary with a magnificent legal talent which Willie has used to amass a measure of wealth. But what is really important about Willie Gary is that he has been abundantly generous with both his time and his money to his family, church, community, educational institutions, his alma mater, civic organizations, professional groups, friends, and individuals too numerous to mention.

Willie Gary deserves the American Jewish Committee’s Learned Hand Award because he is a mensch. He is a brilliant man who has dedicated his life to family and ensuring that all members of his community have outstanding legal representation.

Judge Edward Rodgers and I were given the privilege of being honorary cochairs of the event honoring Willie. We are both so very pleased to be associated with the American Jewish Committee in honoring this great American.

IN RECOGNITION OF PORTLAND STATE UNIVERSITY’S 50TH ANNIVERSARY

HON. ELIZABETH FURSE
OF OREGON

IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Ms. FURSE. Mr. Speaker, I rise today to pay tribute to Portland State University in recognition of its 50th anniversary. This remarkable urban institution, located in my district, has made important contributions, not only in the Portland metropolitan region, but also on State and national levels.

Portland State University is Oregon’s only urban university and its mission is unique among all the other higher education institutions in the State. As an urban university, Portland State seeks to enhance the intellectual, social, cultural, and economic qualities of urban life. It also works to promote the development of community-based networks and collaborations to address community priorities through academic and research programs. PSU is a national model for service learning as its facility are integrally involved in community issues and concerns and work to include such issues in both research and teaching.

Portland State is important to my constituents. Many residents of Washington and Multnomah Counties choose to attend PSU because of its strong academic reputation. These students select Portland State because they can live at home, they can work, raise a family, and go to school at the same time. For many reasons, Portland State is making a difference in the lives of its students.

In the Portland metropolitan region, but also on State and national levels.

The University has made important contributions, not only in the Portland metropolitan region, but also on State and national levels.

PSU’s faculty include nationally recognized scholars and students win regional and national competitions. And, its men’s and women’s athletic teams often finish at the top of their divisions.

Mr. Speaker, I have been involved with Portland State University for many years. I have attended classes at the university. Students from the institution have been interns and employees in my office. I have also worked with the faculty and administration on many partnership programs that are important to my constituents and the residents of Oregon.

One that I am especially proud of is the work Portland State University is doing with Clatsop Community College and the Oregon Graduate Institute in Astoria, OR. Led by the community college, these three institutions are working with the community to develop the Marine Environmental Research and Training Station, [MERTS]. MERTS will be unique in the Nation. It will combine the assets of two major research institutions with a community college to deliver a continuum of job training and education programs focused on environmental technology. This is just one example of the ways in which Portland State University fulfills its mission.

I am also very pleased that Portland State University has embraced the principles of administrative reform and efficiency. One of this administration’s priorities is to “reinvent government” and change the way we do business. Well, Mr. Speaker, Portland State University is a national success story. Under the leadership of President Judith Ramaley, the University has undertaken a major reorganization of its management operation. As a result, Portland State University has continued to maintain high quality academic programs at a time of diminishing state resources. The University was recognized for its efforts by KPMG Peat Marwick as a “national model” for efficient management.

On the august occasion of its golden anniversary, I would like to recognize the contributions Portland State University’s faculty and students have made and employees have made in improving Oregon and the Nation. As the University works towards its 100th anniversary we can expect the same commitment to community and innovative excellence that has characterized its work since 1946.

COMMENDING MONTGOMERY COUNTY CHURCHES FOR FAITH IN ACTION

HON. ALBERT RUSSELL WYNN
OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. WYNN. Mr. Speaker, I would like to commend a wonderful project going on in my district that is helping children with disabilities. The Satmar Society and a group of Montgomery County churches have created a Faith in Action project that will help youngsters living with disabilities, along with their families.
What is Faith in Action? It is a program funded by the Robert Wood Johnson Foundation that helps religious congregations and social service agencies create community volunteer service projects aimed at families, elderly persons, and children. The Easter Seal Society for Disabled Children and Adults will work with seven churches, a school, the Montgomery County Department of Disability Services, and Catholic Charities on this effort.

The Robert Wood Johnson Foundation has awarded hundreds of Faith in Action grants to organizations all over the country. Volunteers target families and offer to help in any way they can. In Montgomery County, this can be offering to take a child to the park, drive a youngster in a wheelchair to the doctor, or care for youngsters while parents take a much needed break. In the Washington, DC, region, over 30,000 children under 5 years of age are at risk for developing a disability. That’s over a 1,000 classrooms of kindergartners. Often, however, they will need long-term care.

Volunteers from Takoma Park Presbyterian Church and St. Matthew’s United Presbyterian Church are good listeners, they have comfortable laps, and are wonderful huggers. They love to read and tell stories and to sing. They can help feed a child or practice speech therapy exercises, take siblings to the playground, accompany fearful parents to their child’s medical appointments, and help advocate for the child. One of the most valuable things a volunteer gives a family is the gift of time and respite for harried parents.

When children are diagnosed with a disability, parents often struggle by themselves. Parents need the right support to ensure that their child is receiving the proper medical care, therapy and education. Too many families don’t know where to turn. Now, Easter Seals and a group of churches in my district want to help. I congratulate them and wish them good luck.

TRIBUTE TO THE WATER RECLAMATION DISTRICT OF GREATER CHICAGO’S STICKNEY FACILITY
HON. WILLIAM O. LIPINSKI OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 27, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to an organization that is indispensable to the health and quality of life to the people of not only my district and most of the Chicago area, but anybody who uses Illinois waterways as well, the Water Reclamation District of Greater Chicago.

One of the district’s main plants, the Stickney sewage treatment facility, was recently recognized with a gold medal for excellence from the Association of Municipal Sewage Agencies for its complete and consistent compliance with National Pollutant Discharge Elimination System permits. The facility takes in more than three-quarters of a billion gallons of waste water, every day, and successfully removes pollutants and other solids before discharging the water back into the State waterway system.

Mr. Speaker, I want to congratulate the district’s Board of Commissioners, led by President Thomas Fuller, as well as Stickney plant manager Allan Crowther, Deputy Chief Engineer Don Wunderlich, and all the district workers who made this achievement possible.
Chamber Action

Routine Proceedings, pages S1317-S1377

Measures Introduced: Six bills and one resolution were introduced, as follows: S. 1574-1579, and S.J. Res. 49.

D.C. Appropriations—Conference Report: Senate resumed consideration of the conference report on H.R. 2546, making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996.

During consideration of this measure today, Senate took the following action:

By 54 yeas to 44 nays (Vote No. 20), three fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate failed to agree to close further debate on the conference report on H.R. 2546, D.C. Appropriations.

A second motion was entered to close further debate on the conference report and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, a vote on the cloture motion will occur on Thursday, February 29, 1996.

Committee Meetings

(Committees not listed did not meet)

RAIL SAFETY

Committee on Commerce, Science, and Transportation: Committee concluded hearings to examine the safety of the United States rail network, after receiving testimony from Senators Lautenberg and Mikulski; Representative Wynn; James E. Hall, Chairman, and Bob Laubey, Head, Rail Division, both of the National Transportation Safety Board; Jolene M. Molitoris, Administrator, and Grady Cothen, Associate Administrator of Safety Standards, both of the Federal Railroad Administration, and Grace Crunican, Deputy Administrator, Federal Transit Administration, both of the Department of Transportation; Thomas M. Downs, National Railroad Passenger Corporation, Edwin L. Harper, Association of American Railroads, and Ronald P. McLaughlin, Brotherhood of Locomotive Engineers, all of Washington, D.C.; and Thomas F. Prendergast, Metropolitan Transit Authority Long Island Rail Road, Jamaica Station, New York, on behalf of the American Public Transit Association.

TRAVEL BAN TO LEBANON

Committee on Foreign Relations: Subcommittee on Near Eastern and South Asian Affairs concluded hearings on proposals to prohibit United States citizens from travelling to Lebanon, including a related measure, S. Res. 202, after receiving testimony from Senators Graham and Abraham; Representatives Rahall, Hoke, and LaHood; former Senator Percy; Robert H. Pelletreau, Assistant Secretary of State for Near Eastern Affairs; Bruce O. Riedel, Deputy Assistant Secretary of Defense for Near Eastern and South Asian Affairs; former U.S. Ambassador to Bahrain Sam Zakhem; Peter J. Tanous, American Task Force for Lebanon, Ralph R. DiSibio, Parsons Corporation, and Khalil E. Jahshan, National Association of Arab Americans, all of Washington, D.C.; and Casey Kasem, Los Angeles, California.
NOMINATION
Committee on the Judiciary: Committee concluded hearings on the nomination of Barry R. McCaffrey, of Washington, to be Director of National Drug Control Policy, after the nominee, who was introduced by Senators Warner and Nunn, testified and answered questions in his own behalf.

PHARMACEUTICAL PATENT PROTECTION
Committee on the Judiciary: Committee held hearings to examine the interrelationship between the intellectual property provisions of the GATT Treaty implementing law and food and drug law and its impact on the creation of new breakthrough drugs and production of lower cost generic copies, and S. 1277, to provide equitable relief for the generic drug industry, receiving testimony from Senators Pryor, Faircloth, and Chafee; Michael Kantor, United States Trade Representative; William E. Brock, The Brock Group, former U.S. Trade Representative, Gerald J. Mossinghoff, former Commissioner, Patent and Trademark Office, and Charles J. Cooper, Shaw, Pittman, Potts & Trowbridge, both on behalf of the Pharmaceutical Research and Manufacturers of America, and James P. Firman, National Council on Aging, on behalf of the Generic Drug Equity Coalition, all of Washington, D.C.; Robert J. Gunter, Novopharm USA, Schaumburg, Illinois, on behalf of the National Pharmaceutical Alliance; and Judith Simpson, United Patients' Association for Pulmonary Hypertension, DeKalb, Illinois.

Hearings continue on Tuesday, March 5.

FAIR LABOR STANDARDS REFORM

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House of Representatives

Chamber Action

Bills Introduced: 7 public bills, H.R. 2972-2978; and 1 resolution, H. Res. 365 were introduced.

Report Filed: One report was filed as follows: H. Res. 366, providing for the consideration of H.R. 2854, to modify the operation of certain agricultural programs (H. Rept. 104-463).

Recess: House recessed at 1:36 p.m. and reconvened at 2 p.m.

Presidential Message—Deferrals and Recissions: Read a letter from the President wherein he transmits three new deferrals, one revised deferral, and four recission proposals of budgetary resources, in accordance with the Congressional Budget and Impoundment Act of 1974-referred to the Committee on Appropriations and ordered printed (H. Doc. 104-180).

Technology Transfer: House voted to suspend the rules and agree to the Senate amendment to H.R. 2196, to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements.

Housing Opportunity Program Extension Act: House voted to suspend the rules and pass S. 1494, to provide an extension for fiscal year 1996 for certain programs administered by the Secretary of Housing and Urban Development and the Secretary of Agriculture.

Amendments Ordered Printed: Amendments ordered printed pursuant to the rule appear on pages H1267-78, H1290

Quorum Calls—Votes: No quorum calls or votes developed during the proceedings of the House today.

Adjournment: Met at 12:30 p.m. and adjourned at 10:01 p.m.

Committee Meetings

ENERGY AND WATER APPROPRIATIONS
Committee on Appropriations: Subcommittee on Energy and Water began appropriation hearings. Testimony was heard from Congressional and public witnesses.
LABOR-HHS-EDUCATION APPROPRIATIONS
Committee on Appropriations: Subcommittee on Labor, Health and Human Services, and Education began appropriation hearings. Testimony was heard from public witnesses.

LEGISLATIVE APPROPRIATIONS
Committee on Appropriations: Subcommittee on Legislation held a hearing on the House of Representatives. Testimony was heard from the following officials of the House: Robin H. Carle, Clerk; Wilson S. Livingood, Sergeant at Arms; Scott M. Faulkner, Chief Administrative Officer; John W. Lainhart, IV, Inspector General; John R. Miller, Deputy Law Revision Counsel; David E. Meade, Chief, Office of the Legislative Counsel; and John F. Elsold, M.D., Attending Physician.

TRANSPORTATION APPROPRIATIONS
Committee on Appropriations: Subcommittee on Transportation began appropriation hearings. Testimony was heard from Congressional and public witnesses.

COUNTERFEITING OF U.S. CURRENCY ABROAD
Committee on Appropriations: Subcommittee on General Oversight and Investigations held a hearing on the Counterfeiting of U.S. Currency Abroad. Testimony was heard from the following officials of the GAO: JayEtta Hecker, Director, International Trade, Finance and Competitiveness; and Kate Monahan, Evaluator; the following officials of the Department of the Treasury: John Hawke, Under Secretary, Domestic Finance; and Eljay Bowron, Director, U.S. Secret Service; Theodore Allison, Assistant, Board of Governors, Federal Reserve System; Robert Sims, Special Advisor to the Assistant Secretary, International Arms and Narcotics, Department of State; and public witnesses.

NATIVE AMERICAN HOUSING ASSISTANCE
Committee on Banking and Financial Services: Subcommittee on Housing and Community Development held a hearing on proposals for Native American Housing Assistance and Self-Determination. Testimony was heard from public witnesses.

OVERSIGHT—ELECTRICITY: STATE OF THE STATES
Committee on Commerce: Subcommittee on Energy and Power held an oversight hearing on Electricity: State of the States. Testimony was heard from the following State Representatives: Jeb Braden and Clifton Below, New Hampshire; Warren Chisum, Texas; and George D. Caruolo, Rhode Island; David L. O'Connor, Commissioner, Division of Energy Resources and John B. Howe, Chairman, Department of Public Utilities, State of Massachusetts; Patrick Wood, III, Chairman, Public Utility Commission, State of Texas; John Hanger, Commissioner, Public Utility Commission, State of Pennsylvania; Jessie J. Knight, Jr., Commissioner, Public Utility Commission, State of California; Herb Tate, President, Board of Public Utilities, State of New Jersey; Allyson K. Duncan, Commissioner, Utility Commission, State of North Carolina; and a public witness.

FDA REFORM
Committee on Commerce: Subcommittee on Health and Environment held a hearing on the Need for FDA Reform. Testimony was heard from public witnesses.

WORLDWIDE PERSECUTION OF JEWS
Committee on International Relations: Subcommittee on International Operations and Human Rights held a hearing on worldwide persecution of Jews. Testimony was heard from public witnesses.

HEALTH CARE REFORM ISSUES
Committee on the Judiciary: Held a hearing on Health Care Reform Issues: Antitrust, Medical Malpractice Liability, and Volunteer Liability, including discussion of the following measures: H.R. 2925, Antitrust Health Care Advancement Act of 1996; H.R. 911, Volunteer Protection Act; and H.R. 2938, Charitable Medical Care Act of 1996. Testimony was heard from Representatives Porter and Weldon of Florida; Robert Pitofsky, Chairman, FTC; and public witnesses. Hearing to continue tomorrow.

WATER RESOURCES DEVELOPMENT ACT
Committee on Transportation and Infrastructure: Subcommittee on Water Resources and Environment held a hearing on the Water Resources Development Act of 1996. Testimony was heard from John J. Haley, Jr., Deputy Executive Director, Port Authority of New York and New Jersey; Jack Caldwell, Secretary, Department of Natural Resources, State of Louisiana; and public witnesses. Hearings continue tomorrow.

AGRICULTURAL MARKET TRANSITION ACT; BUDGET VIEWS AND ESTIMATES
Committee on Rules: Granted, by voice vote, a modified closed rule on H.R. 2854, to modify the operation of certain agricultural programs, providing 2 hours of general debate divided equally between the chairman and ranking minority member of the Committee on Agriculture. The rule waives all points of order against consideration of the bill. The rule makes in order the Committee on Agriculture.
amendment in the nature of a substitute now printed in the bill. All points of order are waived against the amendment in the nature of a substitute, and provides that it shall be considered as read. Only the amendments referenced in the report of the Committee on Rules are in order and shall be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment (except as specified in the report), and shall not be subject to a demand for a division of the question in the House or in the Committee on the Whole. All points of order against the amendments referenced in the report of the Committee on Rules are waived. The rule further provides that a separate vote may be demanded in the House on any amendment adopted to the committee amendment in the nature of a substitute. The rule also provides one motion to recommit, with or without instructions. The chairman of the Committee on Agriculture or a designee may offer amendments en bloc consisting of amendments not previously disposed of which are printed in the report of the Committee on Rules or germane modifications thereof which may include a perfecting amendment to text proposed to be stricken by such an amendment. The amendments offered en bloc shall be considered as read (except that modifications shall be reported), shall be debatable for 20 minutes equally divided between the chairman and ranking minority member of the Committee on Agriculture or their designees. Finally, the rule permits the original proponent of an amendment included in an en bloc amendment to insert a statement in the Congressional Record immediately prior to the disposition of the amendments en bloc.

Testimony was heard from Chairman Roberts and Representatives Barrett of Nebraska, Smith of Michigan, Foley, Chambliss, Stenholm, Volkmer, Peterson of Minnesota, Dooley, Pomeroy, Farr, Jacobs, Petri, Roth, Shays, Kingston, Miller of Florida, Chabot, Tiahrt, Hamilton, Obey, Schumer, Kennedy of Massachusetts, Olver, Sanders, Waters, and Deutsch.

The Committee approved its Budget Views and Estimates for submission to the Committee on the Budget.
House

Committee on Appropriations, Subcommittee on Energy and Water, to continue on Congressional and public witnesses, 10 a.m. and 2 p.m., 2362B Rayburn.

Subcommittee on Interior, on Indian Programs (public witnesses), 10 a.m. and 1 p.m., B308 Rayburn.

Subcommittee on Labor, Health and Human Services, and Education, to continue on public witnesses, 10 a.m. and 2 p.m., 2358 Rayburn.

Subcommittee on Legislative, on Joint Economic Committee and Capitol Police Board, 9:30 a.m. and on Congressional Budget Office, Architect of the Capitol, and Botanic Garden, 1:30 p.m., H-144 Capitol.

Subcommittee on Military Construction, on Marsh Task Force, 9:30 a.m., B300 Rayburn.

Subcommittee on Transportation, to continue on Congressional and public witnesses, 10 a.m., 2358 Rayburn.

Committee on Banking and Financial Services, to consider pending Committee business, 9:45 a.m., and to hold a hearing on the Threat that Organized Criminal Groups Pose to the International Banking System, 10 a.m., 2128 Rayburn.

Committee on Commerce, Subcommittee on Energy and Power, hearing on H.R. 2967, to extend the authorization of the Uranium Mill Tailings Radiation Control Act of 1978, 10 a.m., 2322 Rayburn.


Committee on Government Reform and Oversight, Subcommittee on the Postal Service, hearing on H.R. 1963, Postmark Prompt Payment Act of 1995, 10 a.m., 2247 Rayburn.

Committee on International Relations, Subcommittee on Western Hemisphere Affairs, hearing on Haiti: After The Departure of the U.S. Contingent from UNMIH, 1 p.m., 2172 Rayburn.

Committee on the Judiciary, to continue hearings on Health Care Reform Issues: Antitrust, Medical Malpractice Liability, and Volunteer Liability, including discussion of the following measures: H.R. 2925, Antitrust Health Care Advancement Act of 1996; H.R. 911, Volunteer Protection Act; and H.R. 2938, Charitable Medical Care Act of 1996, 9:30 a.m., 2141 Rayburn.

Committee on National Security, hearing on Ballistic Missile Defense, 2 p.m., 2118 Rayburn.


Committee on Science, hearing on Allocating Federal Funds for Science and Technology, 10 a.m., 2318 Rayburn.

Committee on Small Business, hearing on small business' access to capital, 10 a.m., 2359 Rayburn.

Committee on Transportation and Infrastructure, to continue hearings on the Water Resources Development Act of 1996, 10 a.m., 2167 Rayburn.

Committee on Ways and Means, to mark up the following bills: H.R. 2778, to provide that members of the Armed Forces peacekeeping effort in the Republic of Bosnia and Herzegovina be entitled to certain tax benefits; H.R. 2853, to authorize the extension of nondiscriminatory treatment to the products of Bulgaria; and H.R. 2969, Federal Tea Tasters Repeal Act of 1996, 2 p.m., 1100 Longworth.

Joint Meetings

Conferees, on H.R. 927, to seek international sanctions against the Castro Government in Cuba, and to plan for support of a transition government leading to a democratically elected government in Cuba, 10 a.m., S-116, Capitol.

Conferees, on H.R. 1561, to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for the United States foreign assistance programs for fiscal years 1996 and 1997, 4 p.m., S-116, Capitol.

Joint Hearing: Senate Committee on Veterans Affairs, to hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Disabled American Veterans, 9:30 a.m., 345 Cannon.

Commission on Security and Cooperation in Europe, to hold a briefing on the forthcoming elections in Bosnia and the role of the Organization for Security and Cooperation in Europe (OSCE), 2 p.m., 2200 Rayburn.
Next Meeting of the SENATE
11:30 a.m., Wednesday, February 28

Program for Wednesday: After the recognition of two Senators for speeches and the transaction of any morning business (not to extend beyond 1 p.m.), Senate's program is uncertain.

Next Meeting of the HOUSE OF REPRESENTATIVES
11 a.m., Wednesday, February 28

Program for Wednesday: Consideration of H.R. 2854, Agriculture Market Transition Act (subject to a rule being granted).

Extensions of Remarks, as inserted in this issue

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