word ''formula''. The second should read as follows: ''Changes would continue to be subject to applicable rulemaking procedures.''

P. 77—Heading should be ''Extension Period for Sharing Utility Cost Savings with PHAs''. Sec. 224 should have a separate heading.

Department of Justice:

The second paragraph of the Committee Recommendation says it ''relocates all responsibilities for fair housing issues currently housed in the Department of Housing and Urban Development''. This should be revised to ''relocates all responsibilities of the Secretary under the Fair Housing Act''. As written, the statement inaccurately describes the bill. The bill only pertains to Title VIII (the Fair Housing Act). The Secretary continues to have responsibility for fair housing under Title VI, the Rehab Act, etc.

Mr. BOND. Mr. President, in just a few minutes, I will be proposing a unanimous-consent request setting forth the time for debate on this tomorrow. We will have an opportunity to go through some of these debates and expand upon them.

I am not going to take much time tonight other than to say the proponent of this amendment is very eloquent. He has raised quite a few concerns that he has. I believe there are good answers for all of them. I was reminded, as he spoke, about all the things that could potentially go wrong, of a cartoon character many years ago who used to walk around with a metal shield over his head so he would not be hit by a meteorite if one came from space. Some of the arguments presented against the space station seem to have about as much likelihood of occurring as being struck by a meteorite.

I do want to point out that in this bill we do not, as the proponents suggest, cut back on regulation to endanger the drinking water of this country. In fact, we believe that with restructuring and refocusing the activities of the Environmental Protection Agency, we can continue to make the progress that we have made in these fields.

But to address the particular terms of this amendment, the argument has been made that we do not really need to go to a space shuttle, because everything we can do on a space shuttle can be accomplished much more effectively on Earth. But I say the facts are that the science proposed for the station cannot be accomplished on Earth at any price.

The space station science requires sustained access to very low levels of gravitational force. It is not technically feasible to create a low-gravity environment for research without going into orbit, and I believe the speakers opposing the amendment have made that point very well.

The space shuttle program has produced a number of very important findings and helped scientists to explore the possibilities of orbital research, but the space shuttle can only stay in orbit for 16 days at a time. Dr. Michael DeBakey, chancellor and chairman of the department of surgery at Baylor College of Medicine has said:

Present technology of the shuttle allows for stays in space of only about 2 weeks. We do not limit medical researchers to only a few hours in the laboratory and expect cures for cancer. We need much longer missions in space, in months to years to obtain research results that may lead to the development of new knowledge and breakthroughs.

I might also add that the National Research Council, an arm of the National Academy of Sciences just released a report on microresearch opportunities for 1990 which states:

The need for an extended duration orbiting platform has been identified as critical in many microgravity research experiments because of the time required for experimentation, the wide parametric ranges and the need to demonstrate the reproductability of results.

Another quote:

The duration of experiments, the regime of parameters available to experimenters and the ability to demonstrate reproductability of results in microgravity experiments create the need for extended duration orbiting platforms.

There are many other authorities that we could cite for this proposition, but as my colleague from Maryland has said, this is a question of setting priorities. We have a tight budget, certainly, but we ought to be in the position where we make investments that are important for the future. I believe it would be a tragedy, a tremendous tragedy, were we tomorrow to vote to kill the space station. The space station is the most ambitious and exciting space program since the Apollo program of over 25 years ago.

I think it is time that we called an end to the incessant attempts to kill the space station. Over the last 4 years, there have been 13 attempts in the House and Senate to kill the program.

And fortunately, because of the knowledge and what the space station can and will do, these amendments have failed.

Last year, a resounding 64 Senators voted against this amendment. I was proud to be among them. The arguments used by station opponents this year are the same ones. We have seen the same charts. We have gone through the drill. These tired arguments have been used in the past. The claims were not true then; they are not true now.

Let me tick off a very few. The space station is no longer a dream. It is a reality. It is working. It is providing results.

Second, the space station is perfectly on schedule and on budget. As a matter of fact, through the leadership of the administration, the White House and NASA, we are going through the entire space budget and we have made significant savings. We can spend our scarce dollars on high-priority programs and that includes the space station.

Third, a streamlined management team is in place. NASA has reduced its in-house work force by 1,000, almost one half, and the program is being better managed than ever before. They made rescissions and reforms in having a prime contractor. The system is working.

Fourth, cooperation with Russia is working as planned. We are working with our former adversary and developing some very usable scientific information, and breaking new ground working with Russia.

Fifth, the program is not a budget buster. It has been included in the budget resolution that has been adopted because it is an investment.

Finally, the space station will not undermine the balance among NASA programs in human space flight, science, technology, and aeronautics. This is a program which deserves to stand on its own.

I think the amendment to terminate the space station threatens the existence of the U.S. human space flight program, and I urge my colleagues not support the amendment when it comes up for a vote tomorrow.

MORNING BUSINESS

Mr. BOND. Mr. President, I ask unanimous consent there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

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

REPUBLICAN CUTS IN STUDENT LOANS

Mr. KENNEDY. Mr. President, we have an extremely important measure that is before the Senate at the present time where we have had discussion. I would like to take just a few moments to talk about another extremely important measure that will be and is important to the Senate tomorrow when the Labor and Human Resources Committee meets its obligations under the budget recommendations and addresses how we are going to reach the instructions by the Budget Committee. I wish to take just a few moments of the Senate's time on this issue.

Mr. President, tomorrow, the Senate Labor and Human Resources Committee will be asked to take $10 billion out of the student loan accounts to help pay for a tax cut for the wealthiest Americans. That priority is wrong, and I oppose it.

Senator KASSEBAUM's reconciliation proposal strikes at the heart of the Federal commitment to higher education. It adds to the debt burden of students, increases the costs for working families struggling to pay for college, and penalizes colleges and universities for accepting needy students.

Tomorrow's markup marks the third time in a week we have been asked to meet to consider student loan cuts, and the proposal has not improved with time. Senator KASSEBAUM's proposal retains the unprecedented student loan tax on colleges and universities, it forces schools out of the direct lending program against their will, and it triples the cut imposed directly on students.

More than two-thirds of the proposed cut—$7.6 billion—fall on students and working families in the form of higher fees, increased interest rates, and an assault on the highly successful direct student loan program. Most surprising of all, this antitax Republican Congress is imposing an unprecedented new tax on Federal student loans.

If this student loan tax is enacted into law, colleges will be forced to pay the Federal Government nearly 1 percent of every dollar their students borrow for college—nearly $2 billion over the next 7 years. Universities facing tight funding will have no choice but to pass the tax on to students and parents in the form of higher tuition and fees or reduced student aid.

This tax falls especially hard on the vast majority of colleges with small or no endowments and large numbers of students on financial aid. Small liberal arts colleges, small religious colleges, many others, including Gordon College in Massachusetts, St. Mary's in Leavenworth, KS, Trinity College in Burlington, VT, Heritage College in Washington State, Ohio and Dominican College lack the resources to offset such blows to their budget.

At the University of Massachusetts, in Boston, a large urban university, with a diverse student body, half the students receive financial aid. This new tax would force the college to pay $174,000 a year to the Federal Government. If UMass-Boston wanted to shield its students from the cost, it would have no choice but to turn to the State for the money. Little wonder that the National Governors' Association has described this student loan tax as ''yet another unfunded mandate that is passed on to the States.''

I would point out that at the University of Massachusetts, in Boston, several years ago I had the opportunity to speak at the graduation. At that time, their tuition fees were $1,000; 85 percent of the students' parents never went to college; 85 percent of the students that were going to the University of Massachusetts, in Boston, were working 25 hours a week or more.

And the year or two after that, they raised the tuition another $100 and they lost about 10 percent of the new applicants. Just the $100 made a significant difference, the breaking point for many of these young men and women as well as those in their twenties and early thirties who were looking forward to going back to college to gain an excellent college education.

So, Mr. President, the National Governors' Association has described this student loan tax as yet another unfunded mandate that is passed on to the States.

We created the student loan program to make it easier for students from working families to attend college. If this provision stands, colleges will be penalized for admitting needy students.

And that's not all. Under the proposed legislation parents who take out PLUS loans to ease the financial burden on their children will have to pay higher interest rates for those loans. PLUS loans pay for college expenses, including tuition, room, board, and other fees. This provision falls hardest on the families who need the most help. PLUS loans are particularly crucial for working families who have not been able to save, or who do not own a home against which to take an equity loan.

The reconciliation package that Republicans unveiled at the beginning of the week cut back the interest-free grace period, during which students look for jobs after college, from 6 months to 4 months, imposing almost $1 billion in extra charges on students. This new proposal eliminates the grace period altogether, forcing students to pay almost $3 billion in additional interest over the next 7 years. A student who borrows the maximum over 4 years of college will be charged an extra $700 for the grace period alone.

That is if they borrow the money for college. If they borrow it for the graduate schools, it goes up to about $2,000 more.

Millions of students across the country will also lose the benefit of the direct student loan program. This proposal begins the process of dismantling direct lending. Direct lending will be capped at 20 percent of total student loan volume. Half of the 1,300 schools now in direct lending will be forced out of the program or forced to cut back on their direct lending volume by maintaining dual loan programs. This despite the fact that colleges in the program are overwhelming in their praise for direct lending, as we heard this spring at a hearing before this committee. Furthermore, even opponents of direct lending acknowledge that the program has brought healthy competition, lower costs, and better service to all students.

There is no justification for Congress to tilt the balance against direct lending in order to prop up the guaranteed loan program that fattens the profits of banks at the expenses of colleges and students. In addition, if honest accounting is used, it is clear that capping direct lending adds to the deficit instead of achieving savings. If the Republicans had inserted a fair scoring rule into the budget rather than one that favors the guaranteed loan program, CBO would be telling us today that capping direct lending at 20 percent would cost $1.8 billion over 7 years, instead of saving $600 million as Senator KASSEBAUM claims.

Common sense tells us that it is cheaper to loan money to students directly from the U.S. Treasury than to force students to go through banks as middlemen. In a letter to Senator ABRAHAM last June, Lawrence Lindsey, a Bush appointee to the Federal Reserve Board, said, ''As long as it is necessary to provide a profit to induce lenders to guarantee student loans, direct lending will be cheaper.''

We can meet our budget goals without cutting education, without burying college students under a higher mountain of debt. The Republican Congress has no business picking the pockets of students and working families to pay for tax cuts for the wealthy.

Mr. President, I will include in my statement an excellent letter that was sent to me, Senator KASSEBAUM, Congressman FORD, and Congressman GOODLING in May 1993. I ask unanimous consent that that and other material be printed in the RECORD.

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

CHARLES KOLB,
Alexandria, VA, May 25, 1993.

Hon. EDWARD M. KENNEDY,
Chair, Senate Labor and Human Resources Committee, Senate Russell Office Building, Washington, DC.

Hon. NANCY KASSEBAUM,
Ranking Minority Member, Senate Labor and Human Resources Committee, Dirksen Senate Office Building, Washington, DC.

Hon. WILLIAM FORD,
Chair, House Education and Labor Committee, Rayburn House Office Building, Washington, DC.

Hon. WILLIAM GOODLING,
Ranking Minority Member, House Education and Labor Committee, Rayburn House Office Building, Washington, DC.

DEAR MEMBERS OF CONGRESS: As Republicans who served under Presidents Ronald Reagan or George Bush, we believe that the time has come to restructure the federal guaranteed student loan (''GSL'') program—a program that has become overly complex, lacks accountability, and wastes taxpayers' dollars through needlessly high loan default rates.

We are writing to express our support for reforming the GSL program by replacing the existing system with a new direct loan program.

According to estimates prepared by the Department of Education (under both Presidents Bush and Clinton), the Congressional Budget Office, and the General Accounting Office, the new direct loan program will also result in significant annual budget savings that could be used for deficit reduction. Direct borrowing by the federal government to capitalize the direct loan program as a revolving fund will save on the current interest and special allowance subsidies now paid to banks and others while ensuring a more streamlined, efficient, and workable program that meets the needs of America's students. As such, a direct loan program offers a more cost-effective delivery system for providing student financial assistance.

Over the years, the guaranted student loan program has developed a degree of regulatory and administrative complexity that now undermines its fundamental integrity and effectiveness. Replacing the GSL structure with a streamlined structure will mean not only enhanced accountability and budget savings, but also a more rational delivery system that will particularly benefit students and educational institutions. In particular, we believe direct loans will also ensure greater responsibility and accountability by participating educational institutions.

A direct loan program will mean replacing the role currently played by many banks, guarantee agencies, and secondary markets with a much more competitive approach. The intent is not to harm these participants in the existing program but rather to recognize that more competitive, efficient, and practical ways exist to provide student loans. We hope that as the Congress considers direct loans it will look beyond the misleading information that is being spread by representatives of those entities who have a direct financial stake in preserving the status quo.

We believe that the Clinton administration has taken the correct position on this issue and urge the Congress to consider this much-needed reform of the student loan program. In fact, much of the initial work that led to the direct loan program currently under consideration was undertaken during the Bush administration. While a valuable direct loan pilot program was authorized last year, we regret that this work was not pursued more seriously and vigorously during last year's reauthorization of the Higher Education Act. Nonetheless, we hope that the Congress will act in a true bipartisan fashion to approve direct loans in order to bring sweeping and needed reform to the student aid delivery system.

Should bipartisanship not be possible, we call upon our fellow Republicans to unite behind the direct loan proposal and to show leadership in this and other efforts to reform government. We favor reforms that will ensure real value for the taxpayers' dollar, with government activity targeted to ensure more effective efforts delivered in ways that are accountable to the American people.

Sincerely yours,

Rich Bond, Former Chairman, Republican National Committee; Diana Culp Borx, Former Deputy General Counsel, U.S. Department of Education; James P. Pinkerton, Former Deputy Assistant to the President for Policy Planning; Carolynn Reid-Wallace, Former Assistant Secretary for Postsecondary Education, U.S. Department of Education; Nancy Mohr Kennedy, Former Assistant Secretary for Legislation and Congressional Affairs, U.S. Department of Education; Michael J. Horowitz, Former General Counsel, Office of Management and Budget; Charles E.M. Kolb, Former Deputy Assistant to the President for Domestic Policy; George A. Pieler, Former Acting Deputy Under Secretary for Planning, Budget and Evaluation, U.S. Department of Education.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,
Washington, DC, June 9, 1995.

Hon. SPENCER ABRAHAM,
U.S. Senate,
Washington, DC.

DEAR SPENCE: I appreciate your kind note and understand the many conflicting and unexpected demands on your time. I hope we will have a chance to talk again soon. In the meantime, it was good to have an opportunity to meet with your staff.

I also wanted to take this opportunity to share with you my personal views about direct lending, largely from the perspective of an economist. First, the Bush Administration made credit reform a high priority and the Clinton Administration has since built upon that goal. Credit reform was designed, at the outset, to enable policymakers to look at the credit programs of the government in a defensible and comprehensive way. No particular program was singled out for special treatment. Embarking on policy changes that impact one program and do not apply the same requirements for all may not be consistent with sound public policy.

Second, a change in the credit reform treatment of student loans was included in the budget resolution in response to industry criticism regarding the calculation of administrative costs for student loans. Making the change the industry proposes without looking at other changes which might be necessary it problematic. For example, the use of the ten year treasury rate for estimating purposes when program costs are based on short term rates creates obvious inconsistencies. Further, the $2.3 billion in revenue loss that occurs through the use of tax exempt student loan bonds is not taken into account in estimating program costs.

To help clarify the effects of direct versus guaranteed lending, a couple of comparisons may be in order. The economic effect of both forms of loans is identical. They both divert private capital to carry out a government purpose. The aggregate amount of government borrowing is the same since student terms and conditions are identical. However, taxpayer cost is less for direct lending largely because the government can obtain capital less expensively through the sale of government securities than the market rates it must pay to support a system of loan guarantees. As long as it is necessary to provide a profit to induce lenders to guarantee student loans, direct lending will be cheaper.

Finally, direct lending may be the best way to involve the private sector in student loans. The loan capital for direct loans comes from the private sector and the administration of the program—servicing, computer support, etc.—is accomplished through competitive contracts with the private sector. This approach may be more accountable than the guarantee system which is based on government entitlement expenditures for guarantee agencies, secondary markets, and lenders.

Spence, I hope you find this helpful. I'd be glad to talk further with you about these issues. Good luck in the challenging days ahead.

Sincerely,

LARRY.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, September 19, 1995.

Hon. WILLIAM F. GOODLING,
Chairman, House Economic and Education Opportunities Committee, House of Representatives, Washington, DC.

DEAR CHAIRMAN GOODLING: The President asked me to respond to your September 12 letter, in which you objected to the way he had characterized Republican plans to make savings in the student loan programs. I am pleased to do so.

I believe that the President's statements were correct, based on oral and written statements that were made by Republican leaders, including yourself.

One of the savings proposed in your letter is to eliminate the Direct Student Loan program to save $1.5 billion. We strongly disagree with this policy. Direct lending works. Some 1,3000 schools are already in the program and hundreds more have already filed applications for the school year beginning July 1, 1996. Students and school administrators in the program are near-unanimous in their preference for direct lending.

The Education Department estimates that at least $1 billion of this $1.5 billion in savings that is attributable to direct lending comes not from repeal, but from simultaneously cutting funds available to monitor all student loan programs—a move that would put students at considerable risk in both loan programs. As the General Accounting Office has repeatedly observed, there are significant problems in the guaranteed loan program. This is due to its near-unmanageable statutory structure. Constant Federal oversight is essential.

The remainder of the $1.5 billion occurs under the special scoring rule for direct loans which the Budget Resolution directs the Congressional Budget Office (CBO) to use. This directive addressed the way the Federal Credit Reform Act (FCRA) requires the government to score the budgetary consequences of credit programs. That Act, which predated the enactment of direct lending, treats Federal administrative costs differently from other costs. Most, but not all, administrative costs in guaranteed lending are in the form of mandatory payments to banks, guaranty agencies and secondary markets. The FCRA includes these costs on a net present value basis in the guaranteed loan program subsidy.

In contrast, direct lending administration is primarily by Federal contract, so that taxpayers get the benefit of the lowest cost possible each year. The FCRA scores these costs outside of the direct lending subsidy. The combination of the structure of the two programs and the workings of the FCRA results in scoring direct lending as substantially less expensive than guaranteed lending.

The Budget Resolution instructed CBO to move scoring toward a more ''level playing field'' by scoring Federal administration in a manner similar to mandatory payments for administration in guaranteed lending. Unfortunately, the directive stopped there, and did not apply the same treatment to the remaining administrative costs of guaranteed lending. This results in artificially lower costs for guaranteed lending.

This Administration would be glad to join the Congress in a scoring rule change to level the playing field for student loan programs so that the administrative costs of both programs are treated in the identical manner. By doing this, we can take this technical scoring debate off the table, and debate the real benefits and costs of the two approaches to student loans.

When we look fairly at the two programs, we see that each provides loan capital to students, but the Direct Loan program does so with far greater ease of administration and far less complexity, and with additional benefits to students through flexible repayment options. Students get their funds with less government red tape, schools get simple administration and low administrative costs, students get better ways to pay their loans, and thousands of intermediaries and attendant complexities are eliminated. Under direct lending, banks, guaranty agencies, and secondary markets lose the billions they have been receiving from Federal subsidies and from excessive charges to students. Advances in technology have made direct lending the better deal for the taxpayer, without regard to technical scoring issues. That is what the public should hear in this debate.

In examining the remaining proposals you outlined, this Administration welcomes your willingness to take billions of dollars out of the excess profits of the guaranteed loan programs, and will support your efforts to reduce these federal costs. We further welcome your willingness to set aside most of your earlier plans to eliminate in-school interest subsidies for poor students. But we will oppose proposals that will eliminate or cap direct lending, or increase student costs.

With level playing field scoring, your proposals for eliminating profits from the guaranteed loan industry and a reasonable phase in path for direct lending, I can foresee the basis of an agreement that will result in reasonable levels of savings from the loan programs without hurting students.

The Administration looks forward to working with you in the weeks ahead.

Sincerely,

ALICE M. RIVLIN,
Director.

VerDate 20-SEP-9

SENATE REPUBLICAN RECONCILIATION PROPOSAL: FACT SHEET, SEPTEMBER 21, 1995

Proposed cut or fee	Dollars	Percent of total proposal
Cuts or fees which fall on students		
Imposes .85 percent new student loan tax	2 billion	18
Institutions pay new fee equal to .85% of school's annual federal loan volume, and payment to direct lending schools zeroed		
Raises interest rate on working families	1.5 billion	14
Increases interest rate on PLUS (parent) loans from 3.1% to 4%, increases cap on interest rate from 9% to 10%, and requires lender rebate to government		
Rolls back Direct Student Loan Program and slashes management and oversight of all student loans	1.35 billion	13
Caps direct lending at 20% and forces ⅓ to ½ of current schools out of the program		
Cuts administrative budget of both direct and guaranteed loan programs by a total of $750 million over 7 years		
Eliminates interest-free grace period	2.7 billion	25
Adjustments to lenders and guaranty agencies in guaranteed loan program:		
Adjustments to guaranty agency entitlements	1.4 billion	13
Adjustments to lender entitlements	1.7 billion	16
Cost sharing to states	100 million	1
Total costs imposed upon students	7.55 billion	70
Total costs imposed upon loan industry	3.1 billion	29

The Student Loan Tax Colleges Will Have to Pay

State and Institution	First year .85% tax
California:	
University of California System	$3,000,000
Scripps College	34,000
Colorado: University of Colorado at Boulder	578,000
Connecticut:	
Yale University	332,000
Univ. of Hartford	68,000
Univ. of Connecticut	170,000
Quinnipiac College	102,000
Florida: University of Florida	731,000
Georgia: University of Georgia at Athens	434,000
Illinois:	
University of Illinois	578,000
Southern Illinois University	510,000
Northwestern University	510,000
Chicago State	62,600
Greenville College	49,000
Rockford College	33,000
Iowa:	
Iowa State	553,000
William Penn College	20,000
University of Northern Iowa	172,000
Clarke College	19,000
Indiana:	
Indiana University	1,100,000
Notre Dame University	213,000
IUPUI	402,000
Martin College	8,900
Kansas:	
University of Kansas	297,000
Ottawa University	5,000
Bethel College	17,000
Univ. of Kansas	348,000
Maryland:	
University of Maryland	255,000
Johns Hopkins University	204,000
Western Maryland College	25,000
Univ. of MD, Baltimore	180,000
Massachusetts:	
Northeastern University	680,000
University of Massachusetts	531,000
Northeastern University	250,000
Simmons College	62,000
Western New England	66,000
Michigan:	
University of Michigan	723,000
Olivet College	17,000
Marygrove College	29,000
Wayne State Univ.	225,000
Minnesota:	
University of Minnesota	935,000
Univ. Saint Thomas	125,000
College of Saint Scholastica	....
Missouri: University of Missouri at St. Louis	172,000
North Carolina: UNC-Chapel Hill	204,000
New Hampshire: University of New Hampshire	225,000
New Jersey: Rutgers University	706,000
New York:	
SUNNY Schools	4,000,000
New York University	1,300,000
CUNY Schools	510,000
Ohio:	
Ohio State University	850,000
Case Western Reserves University	289,000
Pennsylvania: University of Pittsburgh	230,000
Rhode Island:	
University of Rhode Island	255,000
Brown University	145,000
Tennessee: University of Tennessee	374,000
Texas: University of Texas at Austin	987,000
Vermont: University of Vermont	213,000
Virginia:	
James Madison University	153,000
Marymount	171,000
Washington: University of Washington	680, 000

Figures reflect total student loan volume for 1994–95 school year.

The .85% Student Loan Tax—What Massachusetts Schools Will Have to Pay

College	Tax amount
Westfield State College	$53,000
Worchester State College	39,000
Northeastern University	680,000
U. Mass—Boston	174,000
U. Mass—Amherst	531,000
U. Mass—Medical School (Worchester)	38,000
Brandeis	102,000
North Adams State College	35,000
Clark University	47,000
College of the Holy Cross	87,000
Bridgewater College	102,000
Tufts University (Somerville)	289,000
Radcliffe University (Cambridge)	123,000
Wellesley College (Wellesley)	34,000
Boston College	400,000

MASSACHUSETTS SCHOOLS PARTICIPATING IN DIRECT LENDING

Amherst College
Atlantic Union College
Bay State School of Appliances
Berklee College of Music
Blaine Hair School
Blaine The Hair & Beauty School-Waltham
Blaine The Hair & Beauty School-Boston
Boston University
Brandeis University
Bridgewater State University
Burdett School
Emerson College
Fitchburg State College
Franklin Institute of Boston
Greater Lowell Regional
Hallmark Institute of Photography
Hampshire College
Harvard University
Labaron Hairdressing Academy
Labaron Hairdressing Academy—Brockton
Labaron Hairdressing Academy—Springfield
Learning Institute for Beauty Sciences—Malden
Learning Institute for Beauty Sciences—Worcester
Mansfield Beauty Schools—Quincy
Mansfield Beauty Schools—Springfield
Massachusetts College of Art
Massachusetts Institute of Technology
Massachusetts Maritime Academy
Merrimack College
Mt. Holyoke College
Mt. Ida College
New England College of Optometry
Newbury College
North Adams State College
Quinsigamond Community Colleges
RETS Electronic Schools
Radcliffe College
Simons Rock of Bard College
Smith College
Springfield Technical Community College
Stonehill College
University of Massachusetts—Amherst
University of Massachusetts—Lowell
Wentworth Institute of Technology
Western New England College
Western State College
Williams College.

Mr. KENNEDY. Let me just mention these few sentences. It is signed by Rich Bond, who is the former chairman of the Republican National Committee; Diana Culp Borx, who is the former deputy general counsel, Department of Education; James Pinkerton, the former Deputy Assistant to the President for Policy Planning—this is under the previous administration—Carolynn Reid-Wallace, former Assistant Secretary for Postsecondary Education, Department of Education; Nancy Mohr Kennedy, former Assistant Secretary for Legislation and Congressional Affairs, Department of Education—that is under President Bush—Michael Horowitz, former general counsel, Office of Management and Budget, Charles Kolb, former Deputy Assistant to the President for Domestic Policy; George Pieler, former Acting Deputy Under Secretary for Planning, Budget and Evaluation.

These are all leaders in the field of education in the Bush administration. And this was their letter to us.

> As such, a direct loan program offers a more cost-effective delivery system for providing student financial assistance.
>
> Replacing the [guaranteed student loan] structure with a steamlined structure will mean not only enhanced accountability but budget savings, but also a more rational delivery system that will particularly benefit students and educational institutions. In particular, we believe direct loans will also ensure greater responsibility and accountability by participating educational institutions.
>
> A direct loan program will mean replacing the role currently played by many banks, guarantee agencies, and secondary markets with a much more competitive approach. The intent is not to harm these participants in the existing program but rather to recognize that more competitive, efficient, and practical ways exist to provide student loans. We hope that as the Congress considers direct loans it will look beyond the misleading information that is being spread by representatives of those entities who have a direct financial stake in preserving the status quo.

I say amen to that.

It continues:

> We believe that the Clinton administration has taken the correct position on this issue and urge the Congress to consider this much-needed reform of the student loan program. In fact, much of the initial work that led to the direct loan program currently under consideration was undertaken [by] the Bush administration.

They are taking credit for the direct loan program.

While a valuable direct loan pilot program—

I point out that was bipartisan, Senator SIMON, Senator DURENBERGER, Senator BRADLEY, I, and others were involved in that debate. But here we have leaders in the education program and in the budget items in the previous administration touting the direct loan program, and nonetheless we find our Republican friends in the Human Resource Committee attempting to eliminate it under the Coats amendment last week and severely reduce it even under the proposal by the majority of the Republicans in the committee.

The letter continues:

While a valuable direct loan pilot program was authorized last year, we regret that this work was not pursued more seriously and vigorously during last year's reauthorization. . . . Nonetheless, we hope that the Congress will act in a true bipartisan fashion to approve direct loans in order to bring sweeping and needed reform to the student aid delivery system.

We say amen to that. That was a bipartisan effort.

Here were the leaders under President Bush who were supporting that concept.

Should bipartisanship not be possible, we [will] call upon our fellow Republicans to unite behind the direct loan proposal and to show leadership in this and other efforts to reform government. We favor reforms that will ensure real value for the taxpayers' dollar, with government activity targeted to ensure more effective efforts delivered in ways that are accountable to the American people.

Mr. President, there is not a person on our committee on our side that could say it any better than that. And that is something that we hope will be understood and recognized. Mr. President, we look forward to this debate.

I want to just mention, finally, it is our intention to recognize there were 67 Members of this body, bipartisan, for the Simon-Snowe amendment when we debated education on the budget that restored funding for the higher education. And if that proposal had been accepted in the conference with the House—it was rejected out of hand, and we did not see much really of the struggle by our friends and colleagues to try to hold onto that proposal—but if that had been held onto, then our instruction would have been at $4.4 billion.

We will have a proposal tomorrow to address that $4.4 billion. It is our hope that, following the process and the budgetary consideration, that if it comes out of our committee and without complying with the larger instruction which will be devastating to the students and to student loans and to their parents, that it goes to the Budget Committee, that it is wrapped together with the other recommendations, and it then is scored by CBO, and CBO then makes a judgment as to what exactly the savings will be.

If the savings reach the $245 billion, then instructions go to the Finance Committee to have a tax cut for that particular amount. If it is $235 billion, then the recommendation will go to the Finance Committee for $235 billion. I think that is absolutely justified. But since two-thirds of the Members of the Senate went on record, Republicans and Democrats, saying it should only be $4.4 billion, we are going to recommend that we have $4.4 billion and that we will come back to the Senate when we have that opportunity and have a second vote on the Snowe-Simon amendment, because we believe that truly reflects the sentiment of this body with that overwhelming vote.

And that is the responsible way to go rather than to provide this very, very dangerous, unfair, unjustified, unwarranted slashing of the student loan program in order that we provide the tax cuts for the wealthy individuals and corporations.

I yield the floor.

MEASURES PLACED ON THE CALENDAR

The following measure was read the second time by unanimous consent and placed on the calendar.

S. 1254. An act to disapprove of amendments to the Federal Sentencing Guidelines relating to lowering of crack sentences and sentences for money laundering and transactions in property derived from unlawful activity.

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–1464. A communication from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation entitled, ''Department of Veterans Affairs Improvement and Reinvention Act of 1995''; the Committee on Veterans' Affairs.

EC–1465. A communication from the President of the Women's Army Corps Veterans Association, transmitting, pursuant to law, the annual audit for fiscal year 1995; the Committee on the Judiciary.

EC–1466. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled ''The Audit of the District of Columbia Lottery and Charitable Games Control Board for Fiscal Year 1994''; to the Committee on Governmental Affairs.

EC–1467. A communication from the Secretary of the Department of Housing and Urban Development, transmitting, pursuant to law, the Federal Housing Administration Management Report for fiscal year 1994; to the Committee on Governmental Affairs.

EC–1468. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on rescissions and deferrals, dated September 1, 1995; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Agriculture, Nutrition and Forestry, to the Committee on Banking, Housing and Urban Affairs, to the Committee on Commerce, Science and Transportation, to the Committee on the Environment and Public Works, to the Committee on Finance, to the Committee on Foreign Relations, to the Committee on the Judiciary, to the Committee on Labor and Human Resources, and to the Committee on Small Business.

EC–1469. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the National Center on Child Abuse and Neglect's Report for fiscal years 1991–1992; the Committee on Labor and Human Resources.

EC–1470. A communication from the members of the United States of America Railroad Retirement Board, transmitting, pursuant to law, a budget request for fiscal year 1997; to the Committee on Labor and Human Resources.

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. BENNETT:

S. 1270. A bill to exempt stored value cards from the Electronic Fund Transfer Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CRAIG (for himself, Mr. ABRAHAM, Mr. FAIRCLOTH, Mr. HOLLINGS, Mr. KEMPTHORNE, and Mr. KYL):

S. 1271. A bill to amend the Nuclear Waste Policy Act of 1982; to the Committee on Energy and Natural Resources.

By Mr. HOLLINGS:

S. 1272. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Billy Buck;* to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENNETT:

S. 1270. A bill to exempt stored value cards from the Electronic Fund Transfer Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE EXEMPTION FOR STORED VALUE CARDS ACT OF 1995

Mr. BENNETT. Mr. President, I thank you for the opportunity to address this assembly today.

We live in a time of great progress; a time when technology is growing exponentially. Just a few years ago, it would take an ordinary citizen days to send a document from Utah to Washington; today, thanks to the fax machine and cyberspace, it takes a matter of seconds. Not that long ago, in order to speak with constituents face to face, we would have no choice but to travel back to our States; now, due to satellite technology, we can participate in electronic town meetings and interact with voters 2,500 miles away.

Technology also necessitates changes in society in order to deep up and reach maximum efficiency. For example, often when using the telephone today, you might run across an automated directory. If you are using a digital phone, there is no problem; you can conduct your business easily. If, however, you are using an analog line, you