

Costello	Johnson (CT)	Owens
Coyne	Johnson (WI)	Pallone
Cummings	Johnson, E. B.	Pastor
Davis (FL)	Kanjorski	Payne
Davis (IL)	Kaptur	Pelosi
DeFazio	Kennedy (MA)	Porter
DeGette	Kennedy (RI)	Poshard
Delahunt	Kennelly	Price (NC)
DeLauro	Kildee	Rahall
Dellums	Kilpatrick	Reyes
Deutsch	Kind (WI)	Rivers
Dicks	Klecza	Rodriguez
Dingell	Klug	Roukema
Dixon	Kucinich	Roybal-Allard
Doggett	LaFalce	Rush
Dooley	Lampson	Sabo
Ehlers	Lantos	Sanchez
Engel	Leach	Sanders
English	Levin	Sawyer
Eshoo	Lewis (GA)	Saxton
Etheridge	Lipinski	Schumer
Evans	Lofgren	Scott
Farr	Lowey	Serrano
Fattah	Luther	Shays
Fawell	Maloney (CT)	Sherman
Fazio	Maloney (NY)	Skaggs
Filner	Manton	Slaughter
Flake	Markey	Smith, Adam
Foglietta	Mascara	Snyder
Ford	Matsui	Spratt
Frank (MA)	McCarthy (MO)	Stabenow
Franks (NJ)	McCarthy (NY)	Stark
Frelinghuysen	McDermott	Stokes
Frost	McGovern	Strickland
Furse	McHale	Stupak
Gejdenson	McKinney	Tauscher
Gilchrest	McNulty	Thompson
Gilman	Meehan	Thurman
Gordon	Meek	Tierney
Greenwood	Menendez	Torres
Gutierrez	Millender-	Towns
Hall (OH)	McDonald	Velazquez
Hamilton	Miller (CA)	Vento
Harman	Minge	Visclosky
Hastings (FL)	Mink	Waters
Hefner	Moakley	Watt (NC)
Hinchey	Mollohan	Waxman
Hinojosa	Moran (VA)	Wexler
Hooley	Morella	Weygand
Houghton	Murtha	Wise
Hoyer	Nadler	Woolsey
Jackson (IL)	Neal	Wynn
Jackson-Lee	Obey	Yates
(TX)	Olver	
Jefferson	Ortiz	

NOT VOTING—6

Gephardt	Hilliard	Rothman
Gonzalez	Lewis (KY)	Schiff

□ 1446

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER
AS COSPONSOR OF H.R. 1031

Ms. CHRISTIAN-GREEN. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1031.

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

There was no objection.

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

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 261 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 261

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2158) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

Mr. LINDER. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 261 waives all points of order against the conference report and against its consideration. The rule also provides that the conference report shall be considered as read.

The conference report for the VA-HUD and Independent Agencies Appropriations bill for fiscal year 1998 appropriates a total of \$68.5 billion for fiscal year 1998, which is \$1 billion below the President's request level.

As I mentioned in this House VA-HUD bill debate in July, this legislation continues to meet our obligations to our veterans. The conference report provides \$18.9 billion for the Department of Veterans Affairs' discretionary programs, \$17 billion for veterans' medical care, and \$272 million for veterans' medical research, including \$12.5 million for research related to Persian Gulf war illness. We owe a special debt of gratitude to all our veterans, and these appropriations are notable increases above the amounts the President requested.

I am also pleased that scientific research and our space program have been amply funded in this bill. We just marked the 40th anniversary of the launch of Sputnik, and with that in mind, I am pleased that the conferees have committed the United States toward a significant presence in space. The conferees have provided \$2.9 billion for the Space Shuttle Program, \$2.35 billion for the International Space Station, and \$13.6 billion for NASA, which is \$148 million more than the President requested.

I have one last point on the subject of science. I think it is very important to point out that this bill provides \$631 million for science and technology research at the Environmental Protection Agency, including \$49.6 million for particulate matter and ozone research. As proposed regulations are formulated by the EPA, it strikes me that it is high time we base these decisions on information from scientists calculated with scientific analysis.

EPA scientific research funding in this bill, especially funding directed for particulate matter and ozone research, is absolutely necessary at a time when

the American people and American businesses face the prospect of additional regulations concocted without a shred of scientific inspection.

I want to commend the gentleman from California [Mr. JERRY LEWIS] and the ranking minority member, the gentleman from Ohio, [Mr. LOUIS STOKES] for the bipartisan manner in which they produced this conference report. It does not appear that there were any major complications during the conference with the Senate, and I am certain their good relationship helped to assure this very productive conference.

I urge my colleagues to support the rule so that we may proceed with general debate and consideration of the merits of this very important bill.

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

Mr. MOAKLEY. Mr. Speaker, I thank my colleague, the gentleman from Georgia [Mr. LINDER], for yielding me the customary half-hour and I yield myself such time as I may consume.

Mr. Speaker, I want to congratulate my colleagues the gentleman from Ohio [Mr. STOKES] and the gentleman from California [Mr. LEWIS] for their excellent work on this conference report. I have had the pleasure of working with the gentleman from California and the ranking member on some small parts of this bill and I can tell my colleagues they have done yeoman's work.

They have managed to fully fund American housing and veterans programs as well as the Federal emergency management program and also NASA. The conference committee has done an excellent job taking care of our public housing programs. As someone who grew up in public housing, I can tell my colleagues it is a very important program. It does wonderful things for low-income families, particularly families with children, and I am pleased to see the conference committee agreed to support it.

Mr. Speaker, this country is facing a terrible loss of affordable housing. Three million American families just cannot find affordable housing, and the numbers are climbing. In response to this, the conference report renews all expiring section 8 contracts and preserves affordable housing at a time when we are losing affordable housing. It helps ensure that good housing will still be available to low-income families, it saves money, and it is a very well thought out policy.

The conference report also funds HOME grants to cities and States for building affordable housing. And one of these HOME grants went to the City of Brockton, MA, in my district, which helped 200 people buy homes last year. This year this program should help even more people.

The conference report also helps take care of America's veterans by providing over \$17 billion for veterans' medical care and \$15.5 million for research on Persian Gulf war illnesses.

So thanks to this conference report, the Consumer Product Safety Commission is fully funded, as is the Federal

Emergency Management Association. It also funds the Environmental Protection Agency, one of my personal favorites, which helps keep our water and our air clean.

Once again, Mr. Speaker, I just want to congratulate my colleagues for putting together such an excellent bill. I urge my colleagues to support this rule.

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

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio [Ms. PRYCE], my colleague on the Committee on Rules.

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman from Georgia, my friend, for yielding me this time, and I rise in support of this rule and the VA-HUD conference report.

I would like to commend the gentleman from California [Mr. LEWIS], the chairman, and the gentleman from Ohio [Mr. STOKES], the ranking member, for ably guiding the VA-HUD appropriations bill through conference. The final bill they produced speaks very well of their efforts.

This year's fiscally responsible bill shaves \$1 billion off the President's request and it successfully prioritizes spending to ensure that we fulfill our responsibility to our Nation's veterans, provide needed housing to less fortunate Americans, keep the exciting discoveries of the U.S. space program alive, and provide adequate resources to keep America's air clean and water safe.

There are many accomplishments in this legislation worth extolling, but I want to focus on a portion of the bill that is of special significance to me as a former member of the Subcommittee on VA, HUD and Independent Agencies. Since the 1970's, section 8 rental assistance contracts have helped provide private low-cost housing to seniors, disabled persons, and low-income families. However, these 20-year contracts have begun to expire, leaving millions of Americans unsure of the future of their housing.

The funding in this bill to renew expiring section 8 housing contracts is both important and necessary. However, I have long maintained that the program itself needs to be restructured to bring down the high cost of section 8 housing. In that vein, I joined with my friend from Virginia [Mr. MORAN] to sponsor legislation this year to achieve such reforms. Therefore, I am very grateful to the chairman, the gentleman from California, the gentleman from New York [Mr. LAZIO], and our colleagues in the Senate for their hard work to forge an agreement on the section 8 reforms included in this legislation. I know it was not easy, but I am convinced that it was well worth their efforts.

The timely reforms in this bill will ensure the stability of section 8 properties so that affordable housing will continue to be available for our citizens with the greatest need. The solu-

tions this legislation provides will save hundreds of millions of taxpayer dollars while putting the power to reform the program where it belongs, right in the local communities.

For this achievement, and for the many good things in the VA-HUD conference report, I urge my colleagues to support this rule and move towards swift passage of the underlying legislation.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BENTSEN].

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

Mr. BENTSEN. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise today in reluctant support of the fiscal year 1998 VA-HUD appropriations bill.

I wish to thank the gentleman from Ohio [Mr. STOKES], my good friend and the ranking member, and the gentleman from California [Mr. LEWIS], the chairman, for their support in funding the International Space Station project and a robust NASA budget as well as ensuring quality public housing for our Nation's low-income families.

In particular, I appreciate the committee including a comprehensive reform of the section 8 program. While issues regarding the mark-to-market program remain, it is important that the Congress take this initial step to reform the program, and I look forward to the opportunity when the Committee on Banking and Financial Services, on which I serve, moves forward to try to address those concerns as well as possibly the Committee on Ways and Means, which may also have to address some of the issues.

However, Mr. Chairman, during previous consideration of this legislation in the House, both in this Congress and in the 104th Congress, I had successfully offered an amendment to prohibit the Environmental Protection Agency from using funds to allow for the importation of polychlorinated biphenyls, or PCB's, to be disposed of, including by incineration, in the United States. This directly affects my district as well as other districts around the country.

While the amendment that I offered was accepted by the House on both occasions, it was unfortunately struck in the conference, and I very much regret this decision by the conference committee once again.

□ 1500

Mr. Speaker, the EPA issued a final rule on March 18, 1996, to allow the importation of large quantities of PCB waste from foreign nations, reversing an EPA ban that has been in place since 1980. Later that same month, the Sierra Club Legal Defense Fund initiated a legal challenge to the EPA decision allowing the importation on PCB's based on the principle that it violated the Toxic Substances Control Act of 1976.

On July 8 of this year, the Ninth Circuit U.S. Court of Appeals ruled in a unanimous decision that the EPA had violated the Toxic Substances Control Act of 1976. Chief Judge Proctor Hug wrote, "EPA lacked the statutory authority to promulgate the Import Rule, which violates the PCB manufacture ban contained in the Toxic Substances Control Act."

I believe it is necessary to codify this decision in the event it is reversed on appeal, and that is what my amendment had sought to do. However, for now, the court action will forestall the further importation of this dangerous chemical.

PCB's are a dangerous class of chemicals that collect in the body and cause a range of adverse health effects including cancer, reproductive damage, and birth defects. When incinerated, PCB's release dioxin, one of the most toxic chemicals known. PCB's accumulate in the environment and move toward the top of the food chain, contaminating fish, birds, and ultimately humans. They are the only chemical Congress designated for phaseout under the Toxic Substances Control Act of 1976.

Mr. Speaker, I am disappointed that my amendment was not included in the conference. I assure the chair and the ranking member that I will be back next year again to pursue this issue because I think it is important both to my constituents and to the country. I do not think that PCB's are a good or a service that we ought to be importing into the United States.

But in light of the other issues in this bill, I do rise in support of the remainder of the bill and intend to vote for it.

I thank the gentleman from Massachusetts [Mr. MOAKLEY] for yielding me the time.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. LAFALCE].

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

Mr. LAFALCE. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. MOAKLEY] for yielding me the time.

Mr. Speaker, I rise in support of H.R. 2158, a bill making appropriations for fiscal year 1998 for VA, HUD, and independent agencies. I am pleased that the HUD budget has not suffered dramatic cuts in this era of the balanced budget as it has in prior years.

Most of the administration's budget requests have been met in this conference report for HUD's core programs, for public housing, for CDBG, for drug elimination grants, for HOME, for McKinney homeless assistance grants, et cetera. Although I would support higher funding levels for HUD programs, I believe the conference report represents a winning hand, considering the cards that we have been dealt.

Two issues deserve particular mention: The first, the lack of funding for

new section 8 certificates; and the second, the very complicated issue of section 8 portfolio restructuring.

On the first subject, for the third year in a row, there is absolutely no new money for incremental section 8 housing assistance even in the face of continued strong evidence that greater numbers of very low-income families and working poor are finding it ever more difficult to find affordable housing. Some 5.3 million Americans have worst case housing needs, and that number grows by leaps and bounds. It is most regrettable that this conference report was unable to fund any new section 8 assistance.

On the second issue, section 8 renewals and mortgage restructuring, I applaud the approach of appropriators and the administration for their hard work and mutual efforts. The Committee on Appropriations took the most critical step in this bill. It provides sufficient funding for all renewals coming due in 1998, and, working with the authorizing committee, they took the necessary steps to provide the legislative framework for renewing section 8 contracts.

This was not done during the reconciliation process, but the appropriations bill provides housing policy that is good Federal policy, preserves affordable housing, and saves money all at the same time.

I believe that we have balanced all the disparate interests of the tenants, owners, communities, and the Federal Government in preserving as much affordable housing as possible, reducing the costs to the Federal Government, reasonably protecting the financial investments of the owners, and protecting the tenants from unnecessary displacement.

This is one of the most critical problems facing the administration and the Congress. It has been solved equitably for all concerned and saved \$500 million for other domestic priorities in the process. So, on balance, this is a good bill, considering our budget constraints, and I would urge my colleagues to support it.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. MOAKLEY] for yielding me the time.

Mr. Speaker, I urge my colleagues to adopt the rule and the conference report on VA, HUD, independent agencies appropriations for fiscal year 1998.

As I noted in July when this bill was considered by the House, I remain concerned about the adequacy of VA health care resources, not only in the next fiscal year but in the next future years as well.

As most Members know, appropriations for VA health care have been essentially frozen. As years pass on, inflation will erode the value of this funding. Proponents of this freeze in appropriations for VA health care

claim that allowing VA medical centers to keep VA copayments and third-party collections will replace appropriated funds. In its report earlier this year, however, the House Appropriations Committee noted that the accuracy of each year's estimated third-party collection effort is unknown.

With regard to the VA having sufficient resources to meet the health care needs of our Nation's veterans, the House has failed to enact H.R. 1362, which authorizes a 3-year demonstration program to provide for discounted Medicare reimbursement for health care services provided to certain Medicare-eligible veterans at selected VA health care facilities.

Dr. Kenneth Kizer, the under secretary for health, has recently told Members that enactment of this legislation is critical to the Department of Veterans Affairs. According to Dr. Kizer, without enactment of this legislation this year, VA will not have the resources needed to provide health care to veterans in future years.

H.R. 1362 was reported favorably by the Committee on Veterans' Affairs in July but has languished in the House since then. I urge its favorable consideration by the House as soon as possible.

I am pleased that the conferees have recognized the value of VA research not only to veterans but to all Americans and have appropriated a total of \$272 million for VA medical research. This is a sound and wise investment.

The conference also provides an additional \$8 million to meet the needs to help the VA to achieve the year 2000 computer compliance. Achieving this goal is critical to the delivery of health care and other earned benefits to our Nation's veterans, their dependents, and survivors.

So I want to thank the gentleman from Louisiana [Mr. LIVINGSTON], chairman of the full Committee on Appropriations, and the gentleman from Wisconsin [Mr. OBEY], the Democratic ranking member, for their support. Likewise, I want to salute the chairman and Democrat of the Subcommittee on VA, HUD and Independent Agencies, the gentleman from California [Mr. LEWIS], and Carl Stokes for their efforts on behalf of veterans.

Again, I urge my colleagues to support this rule and adoption of the conference report.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN of Virginia. Mr. Speaker, I want to thank the gentleman from Massachusetts [Mr. MOAKLEY], my friend and the ranking Democrat on the Committee on Rules, for yielding me the time.

Mr. Speaker, as the gentlewoman from Ohio [Ms. PRYCE] said earlier, the bill that we have been working for for some time that deals with project-based section 8 assistance is incorporated, virtually in its entirety, into this appropriations bill. I think this is

a very important step, as the principal focus of our bill is to reduce the cost of the section 8 program and provide the certainty of continued housing assistance for those in need.

Our reform proposal reins in exorbitant rental contracts that can reach 180 percent of the fair market rent, and it helps kick the bad owners out of the program. Existing debts on all FHA-insured property are restructured to lower operating and maintenance costs and bring Federal rent subsidies down to local market levels. In return, owners of multifamily housing must agree to maintain the property for low-income tenants for at least another 20 years.

I think this proposal is a thoughtful and reasonable response to a complex and very difficult issue. So I was very pleased to see almost all of the elements of this proposal incorporated into this appropriations bill.

I want to particularly thank the gentlewoman from Ohio [Ms. PRYCE], my copatron, for her tireless work to make sure that this issue got resolved this year, the gentleman from California [Mr. LEWIS], the gentleman from Ohio [Mr. STOKES], the gentleman from New York [Mr. LAZIO], and the gentleman from Massachusetts [Mr. KENNEDY], of the authorizing committee and the House leadership for permitting this issue to be resolved through the appropriations process.

Hopefully, we will be able to start a new chapter in low-income housing programs that meet the needs of low-income families, the elderly, and the disabled with decent, fiscally responsible, and affordable housing.

I thank the chairman, I thank the gentleman from Massachusetts [Mr. MOAKLEY] for yielding me the time, the gentleman from Georgia [Mr. LINDER], I thank the Committee on Rules, and of course the chair and minority ranking member of the Committee on Appropriations. I think this is a very important step and certainly plan to vote for the bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I thank the distinguished ranking member, the gentleman from Massachusetts [Mr. MOAKLEY], for yielding me the time.

I rise, Mr. Speaker, with very, very strong concerns and reservations about this VA, HUD, independent agencies appropriations bill for fiscal year 1998. I oppose this conference report due to funding increases for the international space station above the congressionally approved and NASA agreed to cap at \$2.1 billion per year. Now that is not enough; \$2.1 billion is not enough. We have to go in this bill much above that, to \$2.35 billion, for the space station.

Now, certainly, I have argued with my colleagues, Republicans and Democrats, in this body that a \$100 billion space station is too much, that we do not return the science, we do not return good science or good economics

for our taxpayers. Now we are going up to a \$2.35 billion per year space station, and last month the primary contractor estimated cost overruns to exceed \$600 million, and NASA guessed \$800 million cost overruns.

This means that we have to go into other very, very worthwhile important programs, Space Shuttle safety, education grants, a host of other programs, and take money away from good NASA programs that are working to reward cost overruns.

I think that we need to take a very, very careful look at this budget, Mr. Speaker, and enforce some physical discipline. We have fits around here when we have \$600 toilet seats. This is a \$600 million cost overrun.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. GREEN].

Mr. GREEN. Mr. Speaker, I rise, obviously, in support of the rule. But let me talk about a little problem I have with some of the reforms that the Housing and Urban Development Department is doing.

I have had an ongoing dialog with HUD over the last 4 areas, and my main point of discussion is making sure that in the Houston area HUD offers all the program areas that serve the people in Houston, TX, the fourth largest city in the country, which they do not.

The problem we have now is, HUD has a reform plan to refocus, streamline, and downsize the Department. In our Houston office we have over 100 HUD employees now. Now I hear that we are going to reduce them to 14. So those 14 are going to have to do the work of those over 100 employees.

We do not even have all the program areas offered now in the Houston office, and yet, in this reorganization that has been going on now for a number of years, we are not going to have all the program areas offered in Houston. If they are offering them with 14 employees, they are not going to be able to do the job.

HUD now, under the HUD 20/20 reform plan, they have developed two mission statements. The first is to empower people in communities to improve themselves and succeed in today's time of transition, and the second is to restore public trust by achieving and demonstrating competence.

These are admirable goals, but I am not sure that releasing 85 employees or staffers will help achieve those goals and make HUD effective in the Houston markets. Again, this is not the first time I have said this and it will not be the last. I would hope Secretary Cuomo would be able to sit down with those of us who represent the Houston area and make sure that HUD can provide all the programs in Houston even if it is with reduced employees, but do not make it impossible.

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

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

move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1515

Mr. LEWIS of California. Mr. Speaker, pursuant to House Resolution 261, I call up the conference report on the bill (H.R. 2158), making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 261, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 6, 1997 at page H8323.)

The SPEAKER pro tempore. The gentleman from California [Mr. LEWIS] and the gentleman from Ohio [Mr. STOKES] each will control 30 minutes.

The Chair recognizes the gentleman from California [Mr. LEWIS].

GENERAL LEAVE

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on the conference report on H.R. 2158, and that I may include tables, charts and other extraneous materials.

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

There was no objection.

Mr. LEWIS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as we bring H.R. 2158 to the floor, I would like the Members to know that while this is a very complex bill that involves appropriations for fiscal year 1998 for agencies such as all of our public housing programs, for issues that flow around the Environmental Protection Agency, issues that are very important to the future of our general economy, this very controversial bill comes to us in a circumstance where these agencies are faced with the overall effort to reduce the pattern of growth of spending for the Federal Government. So we are dealing with a shrinking dollar circumstance and very important and competitive programs, and yet this bill comes to us in a way that very much reflects the best of bipartisan work in the House.

For that work I want to pay special tribute to my colleague and friend, the gentleman from Ohio [Mr. STOKES], as well as his very fine staff that has cooperated so much with us in developing this bill. Without their support we would have perhaps a lot of controversy today, but instead I think we

have before us truly a model reflecting the way the Committee on Appropriations, working with their authorizing committees, should present bills on the House floor.

I think the Members should know that in that environment, so many important issues competing with one another, about 90 to 95 percent of our bill has not been authorized for one reason or another. That is, the authorizing committees have not, over several years in some instances, been able to move bills through the House and the Senate and send those bills to the President's desk for signature. So the bill finds itself in a position where much of the language in the bill reflects some of the priorities of our authorizers as well, as we go about trying to deal with the competition for dollars between these various programs.

Let me illustrate just a bit of that for the Members. The fiscal year 1998 VA-HUD bill reaffirms our commitment to serving veterans, protecting the environment, providing housing for the poorest of the poor, and ensuring America's continued leadership in space.

In spite of the difficult challenges in putting this conference report together, the final product represents a balance of tough choices as well as common interests.

The bill meets the important test of keeping the appropriations process on track to meet the vital objective of attempting to balance the budget shortly after the turn of the century. I might add that since the fiscal year 1995 rescission bill, this subcommittee has saved the American taxpayer nearly \$25 billion from the President's request. Yes, I say some \$25 billion as we make our contribution to reducing the rate of growth as we go forward with these very important programs.

Let me take just a moment to list some of the bill's funding highlights. Within the Department of Veterans Affairs, we have provided a total agency budget of \$40.452 billion. We have increased the Medical Care account over the President's request by roughly \$100 million to a total of \$17.661 billion. That is \$648 million over the 1997 level. We have increased the Medical and Prosthetic Research account by \$38 million over the President's request to a total of \$272 million.

Within the Department of Housing and Urban Development, we have provided a total agency budget of \$24 billion.

Our bill increases housing for the elderly, section 202, by \$345 million over the President's request to a total of \$645 million. This measure also increases housing for the disabled by \$20 million over the President's request to a total of \$194 million.

We have increased funding for the Community Development Block Grant programs by some \$75 million to a total of \$4.675 billion. Furthermore, we funded the HOME investment partnership program at \$1.5 billion. We also funded

the Native American Housing Block Grant program at \$600 million.

Finally, we provided the funding necessary to renew expiring Section 8 contracts, which have been discussed by more than one of my colleagues today. We have also accomplished a critical goal of both bodies, as well as the administration, by reducing Federal subsidized rent under Section 8 rental assistance programs to more closely resemble market rates. In fiscal year 1998 alone, this provision saves the committee nearly \$560 million. Further, it fairly addresses the concerns of residents and taxpayers, as well as building owners who, after all, entered into this partnership with the Federal Government in the first place.

Within the Environmental Protection Agency, we have provided a total agency budget of \$7.363 billion, an increase of \$564 million over the 1997 level.

We increased the Superfund program by over \$100 million over the 1997 level to nearly \$1.5 billion, and provided also \$650 million in additional Superfund funding which is subject to the enactment of an authorization bill in the year ahead of us.

Further, as a result of recently announced National Ambient Air Quality Standards, we have provided \$49.6 million for particulate matter research, as an underpinning to try to make sense out of those standards and the impact they may very well have over time on our economy.

We have funded State and Tribal Assistance Grants at \$3.2 billion. This represents a \$300 million increase over fiscal year 1997 levels for important Safe Drinking Water and Clean Water programs.

Within the National Aeronautics and Space Agency, we have provided a total agency budget of \$13.648 billion. This

amount includes \$5.5 billion for the Human Space Flight account, \$5.69 billion for the Science, Aeronautics, and Technology account, and nearly \$2.4 billion for Mission Support.

We have provided the National Science Foundation with a total agency budget of \$3.429 billion.

The Federal Emergency Management Agency has been funded at \$829 million, including \$320 million for the Disaster Relief account in that package.

In closing, I want to express one more time my thanks to my ranking member and good friend for continuing to work in a spirit of bipartisanship and goodwill on this very important measure. Over the last several years the gentleman from Ohio [Mr. STOKES] and I have worked very closely together in the finest tradition of the Committee on Appropriations, and I am grateful to him for that.

I also want to thank and commend our very capable staff, beginning with Mr. Del Davis, who has been of great assistance to Mr. STOKES; to Dave Reich as well, Fredette West, Frank Cushing, Paul Thomson, Tim Peterson, Valerie Baldwin, Rose Roberts, a detailee who is spending time with us and carrying on very important assistance, Alex Heslop, Dave LesStrang and Jeff Hockey for their hard work and long hours in putting this diverse and complex bill together.

Mr. Speaker, I wish to note that within the Statement of Managers there are a few corrections that we want to clarify at this point, before I yield to the gentleman from Ohio [Mr. STOKES], if my colleagues will be patient with me. I wish to note that there are certain items contained within the Statement of Managers that were either printing errors or were inadvertently left out of the final draft.

Regarding particulate matter research under the EPA's Science and Technology account: on page 114 of the Conference Report and Statement of Managers, in the fourth line on the last paragraph, the word "near" should be included so the sentence would read, "Initiate key near-term research."

Regarding section 107 grants under Housing and Urban Development, the conferees included some \$32 million. However, the breakdown of the funding levels was inadvertently omitted from the Statement of Managers.

The breakdown is as follows: \$4 million for technical assistance, \$6.5 million for Community Development Work Study, with a \$3 million set-aside for Hispanic-serving institutions; \$500,000 for the National Center for Revitalization of Central Cities; \$7.5 million for the Community Outreach Partnership program; \$7 million for Insular Areas; and \$6.5 million for Historically Black Colleges and Universities.

Regarding Economic Development projects also under HUD, the fourth item down on page 96 of the Statement of Managers should be in the town of Arab, Alabama, not Arab, Illinois.

Regarding including the Hazardous Substance Superfund under EPA, the conferees failed to note in the Statement of Managers that \$2.5 million is to be made available for the Gulf Coast Hazardous Substance Research Center.

Regarding NASA's Science, Aeronautics and Technology account list of projects on page 132, the Statement of Managers should include the following, which were inadvertently omitted: \$2 million for the Bishop Museum in Honolulu, Hawaii.

Mr. Speaker, I include charts and graphs pertaining to my statement at this time in the RECORD:

VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 1998 (H.R. 2158)

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I						
Veterans Benefits Administration						
Compensation and pensions.....	18,671,259,000	19,932,997,000	19,932,997,000	19,932,997,000	19,932,997,000	+ 1,261,738,000
Supplemental (P.L. 105-18).....	928,000,000					-928,000,000
Readjustment benefits	1,377,000,000	1,366,000,000	1,366,000,000	1,366,000,000	1,366,000,000	-11,000,000
Veterans insurance and indemnities.....	38,870,000	51,360,000	51,360,000	51,360,000	51,360,000	+12,390,000
Veterans housing benefit program fund program account						
(indefinite).....		192,447,000	192,447,000	192,447,000	192,447,000	+ 192,447,000
(Limitation on direct loans).....		(300,000)	(300,000)	(300,000)	(300,000)	(+ 300,000)
Administrative expenses.....		160,437,000	160,437,000	160,437,000	160,437,000	+ 160,437,000
Guaranty and indemnity program account (indefinite).....	158,643,000					-158,643,000
Administrative expenses.....	105,226,000					-105,226,000
Loan guaranty program account (indefinite)	14,091,000					-14,091,000
Administrative expenses.....	33,810,000					-33,810,000
Direct loan program account (indefinite)	30,000					-30,000
(Limitation on direct loans).....	(300,000)					(-300,000)
Administrative expenses.....	80,000					-80,000
Education loan fund program account.....	1,000	1,000	1,000	1,000	1,000	
(Limitation on direct loans).....	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	
Administrative expenses.....	195,000	200,000	200,000	200,000	200,000	+ 5,000
Vocational rehabilitation loans program account.....	49,000	44,000	44,000	44,000	44,000	-5,000
(Limitation on direct loans).....	(2,822,000)	(2,278,000)	(2,278,000)	(2,278,000)	(2,278,000)	(-544,000)
Administrative expenses.....	377,000	388,000	388,000	388,000	388,000	+ 11,000
Native American Veteran Housing Loan Program Account.....	205,000	515,000	515,000	515,000	515,000	+ 310,000
Total, Veterans Benefits Administration	21,327,936,000	21,704,389,000	21,704,389,000	21,704,389,000	21,704,389,000	+ 376,453,000
Veterans Health Administration						
Medical care	16,313,447,000	16,958,846,000	16,441,846,000	16,476,840,000	16,487,396,000	+ 173,949,000
Delayed equipment obligation.....	700,000,000		565,000,000	550,000,000	570,000,000	-130,000,000
Total	17,013,447,000	16,958,846,000	17,006,846,000	17,026,840,000	17,057,396,000	+ 43,949,000
Medical collections guarantee					15,000,000	+ 15,000,000
Medical care cost recovery collections:						
Offsetting receipts.....		-604,000,000	-604,000,000	-604,000,000	-604,000,000	-604,000,000
Appropriations (indefinite).....		604,000,000	604,000,000	604,000,000	604,000,000	+ 604,000,000
Total available.....	(17,013,447,000)	(17,562,846,000)	(17,610,846,000)	(17,630,840,000)	(17,661,396,000)	(+ 647,949,000)
Medical and prosthetic research.....	262,000,000	234,374,000	292,000,000	267,000,000	272,000,000	+ 10,000,000
Medical administration and miscellaneous operating expenses	61,207,000	60,160,000	60,160,000	60,160,000	59,860,000	-1,347,000
General Post Fund, National Homes:						
Loan program account (by transfer)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	
Administrative expenses (by transfer)	(54,000)	(54,000)	(54,000)	(54,000)	(54,000)	
(Limitation on direct loans).....	(70,000)	(70,000)	(70,000)	(70,000)	(70,000)	
General post fund (transfer out).....	(-61,000)	(-61,000)	(-61,000)	(-61,000)	(-61,000)	
Total, Veterans Health Administration.....	17,336,854,000	17,253,380,000	17,359,006,000	17,354,000,000	17,404,256,000	+ 67,602,000
Departmental Administration						
General operating expenses.....	827,584,000	846,385,000	853,385,000	786,385,000	786,135,000	-41,449,000
Offsetting receipts.....	(32,000,000)	(36,000,000)	(36,000,000)	(36,000,000)	(36,000,000)	(+ 4,000,000)
Total, Program Level.....	(859,584,000)	(882,385,000)	(889,385,000)	(822,385,000)	(822,135,000)	(-37,449,000)
National Cemetery System.....	76,864,000	84,183,000	84,183,000	84,183,000	84,183,000	+ 7,319,000
Office of Inspector General	30,900,000	31,013,000	31,013,000	31,013,000	31,013,000	+ 113,000
Construction, major projects	250,858,000	79,500,000	159,600,000	92,800,000	177,900,000	-72,958,000
Construction, minor projects.....	175,000,000	166,300,000	176,500,000	166,300,000	175,000,000	
Parking revolving fund.....	12,300,000					-12,300,000
Grants for construction of State extended care facilities.....	47,397,000	41,000,000	54,500,000	80,000,000	80,000,000	+ 32,603,000
Grants for the construction of State veterans cemeteries.....	1,000,000	10,000,000	10,000,000	10,000,000	10,000,000	+ 9,000,000
Total, Departmental Administration	1,421,903,000	1,258,381,000	1,369,181,000	1,250,681,000	1,344,231,000	-77,672,000
Administrative Provision						
Medical collections guarantee (sec. 108)			15,000,000			
Total, title I, Department of Veterans Affairs.....	40,086,493,000	40,216,150,000	40,447,576,000	40,309,070,000	40,452,876,000	+ 366,383,000
(By transfer)	(61,000)	(61,000)	(61,000)	(61,000)	(61,000)	
(Limitation on direct loans).....	(3,195,000)	(2,651,000)	(2,651,000)	(2,651,000)	(2,651,000)	(-544,000)
Consisting of:						
Mandatory	(21,187,993,000)	(21,542,804,000)	(21,542,804,000)	(21,542,804,000)	(21,542,804,000)	(+ 354,811,000)
Discretionary.....	(18,898,500,000)	(18,673,346,000)	(18,904,772,000)	(18,766,266,000)	(18,910,072,000)	(+ 11,572,000)

**VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2158) — continued**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE II						
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Public and Indian Housing						
Housing Certificate Fund		10,676,000,000	10,393,000,000	10,119,000,000	9,373,000,000	+ 8,373,000,000
Expiring section 8 contracts		(9,232,000,000)	(9,200,000,000)	(8,666,000,000)	(8,180,000,000)	(+ 8,180,000,000)
Section 8 amendments		(850,000,000)	(850,000,000)	(1,110,000,000)	(850,000,000)	(+ 850,000,000)
Section 8 relocation assistance		(594,000,000)	(343,000,000)	(343,000,000)	(343,000,000)	(+ 343,000,000)
Prevention of resident displacement	4,640,000,000					-4,640,000,000
Expiring section 8 contracts	(3,600,000,000)					(-3,600,000,000)
Section 8 amendments	(850,000,000)					(-850,000,000)
Section 8 relocation assistance	(190,000,000)					(-190,000,000)
Transfer from recaptures	(50,000,000)					(-50,000,000)
Subtotal	(4,690,000,000)	(10,676,000,000)	(10,393,000,000)	(10,119,000,000)	(9,373,000,000)	(+ 4,683,000,000)
Annual contributions (rescission)		-855,000,000	-565,000,000		-550,000,000	-550,000,000
Rescission (P.L. 105-18)	-3,650,000,000					+ 3,650,000,000
Public housing capital fund		2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	+ 2,500,000,000
Public housing operating fund		2,900,000,000	2,900,000,000	2,900,000,000	2,900,000,000	+ 2,900,000,000
Preserving existing housing investment	5,750,000,000					-5,750,000,000
Public housing operating subsidies	(2,900,000,000)					(-2,900,000,000)
Public housing modernization	(2,500,000,000)					(-2,500,000,000)
Preservation	(350,000,000)					(-350,000,000)
Rescission of recaptures	-150,000,000					+ 150,000,000
Prepayment authority	2,000,000					-2,000,000
Supplemental (P.L. 105-18)	3,500,000					-3,500,000
Subtotal	(5,605,500,000)	(5,400,000,000)	(5,400,000,000)	(5,400,000,000)	(5,400,000,000)	(-205,500,000)
Drug elimination grants for low-income housing	290,000,000	290,000,000	290,000,000	290,000,000	310,000,000	+ 20,000,000
Revitalization of severely distressed public housing (HOPE VI)	550,000,000	524,000,000	524,000,000	550,000,000	550,000,000	
Homeownership and opportunity for people everywhere grants (HOPE grants) (transfer out) (P.L. 105-18)	(-30,200,000)					(+ 30,200,000)
Native American housing block grants		485,000,000	650,000,000	485,000,000	600,000,000	+ 600,000,000
Indian housing loan guarantee fund program account	3,000,000	3,000,000	3,000,000	6,000,000	5,000,000	+ 2,000,000
(Limitation on guaranteed loans)	(36,900,000)	(36,900,000)	(36,900,000)	(73,800,000)	(73,800,000)	(+ 36,900,000)
Development of additional new subsidized housing	1,039,000,000					-1,039,000,000
Housing for the elderly	(645,000,000)					(-645,000,000)
Housing for the disabled	(194,000,000)					(-194,000,000)
Indian housing development	(200,000,000)					(-200,000,000)
Capacity Building for Community Development and Affordable Housing						
National community development initiative (by transfer)	(30,200,000)					(-30,200,000)
Capital Grants/Capital Loans Preservation Account						
Capital grants/Capital loans preservation account					10,000,000	+ 10,000,000
Community Planning and Development						
Housing opportunities for persons with AIDS	171,000,000	204,000,000	204,000,000	204,000,000	204,000,000	+ 33,000,000
Transfer from recaptures	(25,000,000)					(-25,000,000)
Community development block grants	4,600,000,000	4,600,000,000	4,600,000,000	4,600,000,000	4,675,000,000	+ 75,000,000
Emergency appropriations (P.L. 105-18)	250,000,000					-250,000,000
Emergency appropriations, FY 1998 (P.L. 105-18)	250,000,000					-250,000,000
Section 108 loan guarantees:						
(Limitation on guaranteed loans)	(1,500,000,000)	(1,261,000,000)	(1,261,000,000)	(1,261,000,000)	(1,261,000,000)	(-239,000,000)
Credit subsidy	31,750,000	29,000,000	29,000,000	29,000,000	29,000,000	-2,750,000
Administrative expenses	675,000	1,000,000	1,000,000	1,000,000	1,000,000	+ 325,000
Brownfields redevelopment		25,000,000			25,000,000	+ 25,000,000
Empowerment Zones and Enterprise Communities		100,000,000		25,000,000	5,000,000	+ 5,000,000
HOME investment partnerships program	1,400,000,000	1,309,000,000	1,500,000,000	1,400,000,000	1,500,000,000	+ 100,000,000
Supportive housing program (rescission)		-6,000,000	-6,000,000	-6,000,000	-6,000,000	-6,000,000
Shelter plus care (rescission)		-4,000,000	-4,000,000	-4,000,000	-4,000,000	-4,000,000
Homeless assistance grants	823,000,000	823,000,000	823,000,000	823,000,000	823,000,000	
Youthbuild		30,000,000				
Housing counseling assistance		23,000,000				
Total, Public and Indian Housing (net)	16,003,925,000	23,657,000,000	23,842,000,000	23,922,000,000	22,950,000,000	+ 6,946,075,000
Housing Programs						
Housing for special populations		474,000,000	839,000,000	839,000,000	839,000,000	+ 839,000,000
Housing for the elderly		(300,000,000)	(645,000,000)	(645,000,000)	(645,000,000)	(+ 645,000,000)
Housing for the disabled		(174,000,000)	(194,000,000)	(194,000,000)	(194,000,000)	(+ 194,000,000)
Rental housing assistance:						
Rescission of budget authority, indefinite		-125,000,000	-125,000,000	-125,000,000	-125,000,000	-125,000,000
(Limitation on annual contract authority, indefinite)	(-2,000,000)					(+ 2,000,000)

**VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2158) — continued**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
Federal Housing Administration						
FHA - Mutual mortgage insurance program account:						
(Limitation on guaranteed loans).....	(110,000,000,000)	(110,000,000,000)	(110,000,000,000)	(110,000,000,000)	(110,000,000,000)	.....
(Limitation on direct loans).....	(200,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	.....
Administrative expenses.....	350,595,000	333,421,000	333,421,000	333,421,000	338,421,000	-12,174,000
Offsetting receipts.....	-350,595,000	-333,421,000	-333,421,000	-333,421,000	-333,421,000	+17,174,000
FHA - General and special risk program account:						
Program costs.....	85,000,000	81,000,000	81,000,000	81,000,000	81,000,000	-4,000,000
(Limitation on guaranteed loans).....	(17,400,000,000)	(17,400,000,000)	(17,400,000,000)	(17,400,000,000)	(17,400,000,000)	.....
(Limitation on direct loans).....	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)	.....
Administrative expenses.....	207,470,000	222,305,000	222,305,000	222,305,000	222,305,000	+14,835,000
Subsidy - multifamily.....	-18,000,000	-18,000,000	-18,000,000	-18,000,000	-18,000,000	.....
Subsidy - single family.....	-64,000,000	-64,000,000	-64,000,000	-64,000,000	-64,000,000	.....
Subsidy - Title I.....	-25,000,000	-25,000,000	-25,000,000	-25,000,000	-25,000,000	.....
Total, Federal Housing Administration.....	185,470,000	196,305,000	196,305,000	196,305,000	201,305,000	+15,835,000
Government National Mortgage Association						
Guarantees of mortgage-backed securities loan guarantee program account:						
(Limitation on guaranteed loans).....	(110,000,000,000)	(130,000,000,000)	(130,000,000,000)	(130,000,000,000)	(130,000,000,000)	(+20,000,000,000)
Administrative expenses.....	9,383,000	9,383,000	9,383,000	9,383,000	9,383,000	.....
Offsetting receipts.....	-218,000,000	-204,000,000	-204,000,000	-204,000,000	-204,000,000	+14,000,000
Policy Development and Research						
Research and technology.....	34,000,000	39,000,000	39,000,000	34,000,000	36,500,000	+2,500,000
Fair Housing and Equal Opportunity						
Fair housing activities.....	30,000,000	39,000,000	30,000,000	30,000,000	30,000,000	.....
Management and Administration						
Salaries and expenses.....	420,000,000	451,000,000	451,000,000	400,000,000	446,000,000	+26,000,000
(By transfer, limitation on FHA corporate funds).....	(546,782,000)	(544,443,000)	(544,443,000)	(544,443,000)	(544,443,000)	(-2,339,000)
(By transfer, GNMA).....	(9,383,000)	(9,383,000)	(9,383,000)	(9,383,000)	(9,383,000)	.....
(By transfer, Community Planning & Development).....	(675,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(+325,000)
Total, Salaries and expenses.....	(976,840,000)	(1,005,826,000)	(1,005,826,000)	(954,826,000)	(1,000,826,000)	(+23,986,000)
Office of Inspector General.....	36,567,000	36,567,000	45,567,000	36,567,000	40,567,000	+4,000,000
(By transfer, limitation on FHA corporate funds).....	(11,283,000)	(11,283,000)	(11,283,000)	(16,283,000)	(16,283,000)	(+5,000,000)
(By transfer from Drug Elimination Grants).....	(5,000,000)	(10,000,000)	(10,000,000)	(5,000,000)	(10,000,000)	(+5,000,000)
Total, Office of Inspector General.....	(52,850,000)	(57,850,000)	(66,850,000)	(57,850,000)	(66,850,000)	(+14,000,000)
Office of federal housing enterprise oversight.....	15,500,000	16,312,000	16,312,000	15,500,000	16,000,000	+500,000
Offsetting receipts.....	-15,500,000	-16,312,000	-16,312,000	-15,500,000	-16,000,000	-500,000
Administrative Provisions						
Mark to market legislation.....	.....	.....	.....	-317,000,000	-562,000,000	-562,000,000
Sec. 203 - FHA Assignment Reform, 1997.....	-128,000,000	.....	.....	.....	.....	+128,000,000
Sec. 204 - Multifamily property disposition - FHA fund.....	-80,000,000	.....	.....	.....	.....	+80,000,000
Sec. 210 - financing adjustment.....	464,442	.....	.....	.....	.....	-464,442
Sec. 212 - demonstration.....	10,000,000	.....	.....	.....	.....	-10,000,000
Total, administrative provisions.....	-197,535,558	.....	.....	-317,000,000	-562,000,000	-364,464,442
Total, title II, Department of Housing and Urban Development (net)						
Appropriations.....	16,303,809,442	24,573,255,000	25,123,255,000	24,821,255,000	23,661,755,000	+7,357,945,558
Rescissions.....	(19,453,809,442)	(25,563,255,000)	(25,823,255,000)	(24,956,255,000)	(24,346,755,000)	(+4,892,945,558)
Emergency appropriations.....	(-3,850,000,000)	(-990,000,000)	(-700,000,000)	(-135,000,000)	(-685,000,000)	(+2,965,000,000)
Emergency appropriations, FY 1998.....	(250,000,000)	.....	.....	.....	.....	(-250,000,000)
(Limitation on annual contract authority, indefinite).....	(-2,000,000)	.....	.....	.....	.....	(+2,000,000)
(Limitation on guaranteed loans).....	(238,900,000,000)	(258,661,000,000)	(258,661,000,000)	(258,661,000,000)	(258,661,000,000)	(+19,761,000,000)
(Limitation on corporate funds).....	(573,123,000)	(576,109,000)	(576,109,000)	(576,109,000)	(581,109,000)	(+7,986,000)
TITLE III						
INDEPENDENT AGENCIES						
American Battle Monuments Commission						
Salaries and expenses.....	22,265,000	23,897,000	26,897,000	23,897,000	26,897,000	+4,632,000
Chemical Safety and Hazard Investigations Board						
Salaries and expenses.....	.....	.....	.....	4,000,000	4,000,000	+4,000,000
Department of the Treasury						
Community Development Financial Institutions						
Community development financial institutions fund program account.....	50,000,000	125,000,000	125,000,000	.....	80,000,000	+30,000,000

**VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2158) — continued**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
Consumer Product Safety Commission						
Salaries and expenses	42,500,000	45,000,000	44,000,000	45,000,000	45,000,000	+2,500,000
Corporation for National and Community Service						
National and community service programs operating expenses	400,500,000	546,500,000	200,500,000	420,500,000	425,500,000	+25,000,000
Office of Inspector General	2,000,000	2,500,000	2,000,000	3,000,000	3,000,000	+1,000,000
Total	402,500,000	549,000,000	202,500,000	423,500,000	428,500,000	+26,000,000
Court of Veterans Appeals						
Salaries and expenses	9,229,000	9,380,000	9,319,000	9,320,000	9,319,000	+90,000
Department of Defense - Civil						
Cemeterial Expenses, Army						
Salaries and expenses	11,600,000	11,815,000	11,815,000	11,815,000	11,815,000	+215,000
Environmental Protection Agency						
Science and Technology	552,000,000	614,269,400	629,223,000	600,000,000	631,000,000	+79,000,000
Transfer from Hazardous Substance Superfund	35,000,000	39,755,900	35,000,000	35,000,000	35,000,000	.....
Subtotal, Science and Technology	587,000,000	654,025,300	664,223,000	635,000,000	666,000,000	+79,000,000
Environmental Programs and Management	1,752,221,000	1,887,590,900	1,763,352,000	1,801,000,000	1,801,000,000	+48,779,000
Office of Inspector General	28,500,000	28,500,000	28,501,000	28,500,000	28,501,000	+1,000
Transfer from Hazardous Substance Superfund	11,000,000	11,641,300	11,641,000	11,641,000	11,641,000	+641,000
Transfer from Leaking Underground Storage Tanks	577,000	.....	.....	.....	.....	-577,000
Subtotal, OIG	40,077,000	40,141,300	40,142,000	40,141,000	40,142,000	+65,000
Buildings and facilities	87,220,000	141,420,000	182,120,000	19,420,000	109,420,000	+22,200,000
Hazardous Substance Superfund	1,294,245,000	2,094,245,000	1,500,699,000	1,300,000,000	1,400,000,000	+105,755,000
Delay of obligation	100,000,000	.....	.....	100,000,000	100,000,000	.....
Advance appropriation, FY 1999 .....	.....	.....	.....	.....	650,000,000	+650,000,000
Transfer to Office of Inspector General	-11,000,000	-11,641,300	-11,641,000	-11,641,000	-11,641,000	-641,000
Transfer to Science and Technology	-35,000,000	-39,755,900	-35,000,000	-35,000,000	-35,000,000	.....
Subtotal, Hazardous Substance Superfund	1,348,245,000	2,042,847,800	1,454,058,000	1,353,359,000	1,453,359,000	+105,114,000
Fiscal Year 1999 .....	.....	.....	.....	.....	650,000,000	+650,000,000
Leaking Underground Storage Tank Trust Fund	60,000,000	71,210,700	60,000,000	65,000,000	65,000,000	+5,000,000
Transfer to Office of Inspector General	-577,000	.....	.....	.....	.....	+577,000
(Limitation on administrative expenses)	(7,000,000)	.....	(7,000,000)	(7,500,000)	(7,500,000)	(+500,000)
Subtotal, LUST	59,423,000	71,210,700	60,000,000	65,000,000	65,000,000	+5,577,000
Oil spill response	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	.....
(Limitation on administrative expenses)	(8,000,000)	.....	(8,000,000)	(8,500,000)	(9,000,000)	(+1,000,000)
State and Tribal Assistance Grants	2,236,000,000	2,043,000,000	2,275,925,000	2,322,000,000	2,468,125,000	+232,125,000
Categorical grants	674,207,000	750,257,000	750,257,000	725,000,000	745,000,000	+70,793,000
Subtotal, STAG	2,910,207,000	2,793,257,000	3,026,182,000	3,047,000,000	3,213,125,000	+302,918,000
Working capital fund	(101,526,000)	(101,000,000)	(101,000,000)	(101,000,000)	(101,000,000)	(-526,000)
Total, EPA	6,799,393,000	7,645,493,000	7,205,077,000	6,975,920,000	7,363,046,000	+563,653,000
Fiscal Year 1999 .....	.....	.....	.....	.....	650,000,000	+650,000,000
Executive Office of the President						
Office of Science and Technology Policy	4,932,000	4,932,000	4,932,000	4,932,000	4,932,000	.....
Council on Environmental Quality and Office of Environmental Quality	2,436,000	3,020,000	2,506,000	2,436,000	2,500,000	+64,000
Unanticipated needs .....	.....	.....	.....	.....	1,000,000	+1,000,000
Total	7,368,000	7,952,000	7,438,000	7,368,000	8,432,000	+1,064,000
Federal Deposit Insurance Corporation						
Office of Inspector General (transfer) .....	.....	(34,365,000)	(34,365,000)	(34,265,000)	(34,365,000)	(+34,365,000)
Federal Emergency Management Agency						
Disaster relief	1,320,000,000	370,000,000	500,000,000	320,000,000	320,000,000	-1,000,000,000
Emergency appropriations (P.L. 105-18)	3,300,000,000	.....	.....	.....	.....	-3,300,000,000
Emergency approp (transfer out) (P.L. 105-18)	(-20,000,000)	.....	.....	.....	.....	(+20,000,000)
Disaster assistance direct loan program account:						
State share loan	1,385,000	1,495,000	1,495,000	1,495,000	1,495,000	+110,000
(Limitation on direct loans)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	.....
Administrative expenses	548,000	341,000	341,000	341,000	341,000	-207,000
Community disaster loans (by transfer) (emergency)	(20,000,000)	.....	.....	.....	.....	(-20,000,000)
Salaries and expenses	170,500,000	171,773,000	171,773,000	171,773,000	171,773,000	+1,273,000
Office of Inspector General	4,673,000	4,803,000	4,803,000	4,803,000	4,803,000	+130,000
Emergency management planning and assistance	218,701,000	202,146,000	261,646,000	207,146,000	243,546,000	+24,845,000
Pre-disaster mitigation .....	.....	.....	.....	(5,000,000)	.....	.....

**VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES
APPROPRIATIONS BILL, 1998 (H.R. 2158) — continued**

	FY 1997 Enacted	FY 1998 Estimate	House	Senate	Conference	Conference compared with enacted
Emergency food and shelter program.....	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	.....
National Flood Insurance Fund (limitation on administrative expenses):						
Salaries and expenses	(20,981,000)	(21,610,000)	(21,610,000)	(21,610,000)	(21,610,000)	(+ 629,000)
Flood mitigation	(78,464,000)	(78,464,000)	(78,464,000)	(78,464,000)	(78,464,000)	.....
Working capital fund	(16,816,000)	.....	.....	.....	.....	(-16,816,000)
Administrative provision: REP savings	-12,251,000	-12,000,000	-12,000,000	-12,000,000	-12,000,000	+251,000
Total, Federal Emergency Management Agency	5,103,556,000	838,558,000	1,028,058,000	793,558,000	829,958,000	-4,273,598,000
General Services Administration						
Consumer Information Center Fund	2,260,000	2,119,000	2,419,000	2,419,000	2,419,000	+ 159,000
Department of Health and Human Services						
Office of Consumer Affairs	1,500,000	1,800,000	.....	.....	.....	-1,500,000
National Aeronautics and Space Administration						
Human space flight	5,362,900,000	5,326,500,000	5,426,500,000	5,326,500,000	5,506,500,000	+ 143,600,000
Science, aeronautics and technology	5,767,100,000	5,642,000,000	5,690,000,000	5,642,000,000	5,690,000,000	-77,100,000
Mission support	2,562,200,000	2,513,200,000	2,513,200,000	2,503,200,000	2,433,200,000	-129,000,000
Office of Inspector General	17,000,000	18,300,000	18,300,000	18,300,000	18,300,000	+ 1,300,000
Administrative provision: Transfer authority	(177,000,000)	.....	(150,000,000)	.....	.....	(-177,000,000)
Total, NASA	13,709,200,000	13,500,000,000	13,648,000,000	13,490,000,000	13,648,000,000	-61,200,000
National Credit Union Administration						
Central liquidity facility:						
(Limitation on direct loans)	(600,000,000)	(600,000,000)	(600,000,000)	(600,000,000)	(600,000,000)	.....
(Limitation on administrative expenses, corporate funds)	(560,000)	(203,000)	(203,000)	(203,000)	(203,000)	(-357,000)
Revolving loan program	1,000,000	.....	.....	.....	1,000,000	.....
National Science Foundation						
Research and related activities	2,432,000,000	2,514,700,000	2,537,526,000	2,524,700,000	2,545,700,000	+ 113,700,000
Major research equipment	80,000,000	85,000,000	175,000,000	85,000,000	74,000,000	-6,000,000
Delay of obligation .....	.....	.....	.....	.....	35,000,000	+ 35,000,000
Education and human resources	619,000,000	625,500,000	632,500,000	625,500,000	632,500,000	+ 13,500,000
Salaries and expenses	134,310,000	136,950,000	136,950,000	136,950,000	136,950,000	+2,640,000
Office of Inspector General	4,690,000	4,850,000	4,850,000	4,850,000	4,850,000	+ 160,000
Total, NSF	3,270,000,000	3,367,000,000	3,486,826,000	3,377,000,000	3,429,000,000	+ 159,000,000
Neighborhood Reinvestment Corporation						
Payment to the Neighborhood Reinvestment Corporation	49,900,000	50,000,000	70,000,000	50,000,000	60,000,000	+ 10,100,000
Selective Service System						
Salaries and expenses	22,930,000	23,919,000	23,413,000	23,413,000	23,413,000	+ 483,000
Total, title III, Independent agencies	29,505,201,000	26,200,933,000	25,890,762,000	25,237,210,000	26,620,799,000	-2,884,402,000
Appropriations	(29,505,201,000)	(26,200,933,000)	(25,890,762,000)	(25,237,210,000)	(25,970,799,000)	(-3,534,402,000)
Advance appropriation, FY 1999 .....	.....	.....	.....	.....	(650,000,000)	(+ 650,000,000)
(Limitation on administrative expenses)	(114,445,000)	(100,074,000)	(115,074,000)	(116,074,000)	(116,574,000)	(+ 2,129,000)
(Limitation on direct loans)	(625,000,000)	(625,000,000)	(625,000,000)	(625,000,000)	(625,000,000)	.....
(Limitation on corporate funds)	(560,000)	(203,000)	(203,000)	(203,000)	(203,000)	(-357,000)
Grand total (net)	85,895,503,442	90,990,338,000	91,461,593,000	90,367,535,000	90,735,430,000	+ 4,839,926,558
Appropriations	(85,745,503,442)	(91,980,338,000)	(92,161,593,000)	(90,502,535,000)	(90,770,430,000)	(+ 5,024,926,558)
Rescissions	(-3,650,000,000)	(-990,000,000)	(-700,000,000)	(-135,000,000)	(-685,000,000)	(+ 2,965,000,000)
Emergency appropriations (net)	(3,550,000,000)	.....	.....	.....	.....	(-3,550,000,000)
Advance appropriation, FY 1999 .....	.....	.....	.....	.....	(650,000,000)	(+ 650,000,000)
(By transfer)	(82,170,564,442)	(91,024,764,000)	(91,496,019,000)	(90,401,861,000)	(90,119,856,000)	(+ 7,949,291,558)
(Limitation on administrative expenses)	(114,445,000)	(100,074,000)	(115,074,000)	(116,074,000)	(116,574,000)	(+ 2,129,000)
(Limitation on annual contract authority, indefinite)	(-2,000,000)	.....	.....	.....	.....	(+ 2,000,000)
(Limitation on direct loans)	(985,095,000)	(984,551,000)	(984,551,000)	(1,021,451,000)	(1,021,451,000)	(+ 36,356,000)
(Limitation on guaranteed loans)	(238,900,000,000)	(258,661,000,000)	(258,661,000,000)	(258,661,000,000)	(258,661,000,000)	(+ 19,761,000,000)
(Limitation on corporate funds)	(573,683,000)	(576,312,000)	(576,312,000)	(576,312,000)	(581,312,000)	(+ 7,629,000)
Total amounts in this bill	85,895,503,442	90,990,338,000	91,461,593,000	90,367,535,000	90,735,430,000	+ 4,839,926,558
Scorekeeping adjustments	-3,832,100,000	32,100,000	32,100,000	32,100,000	-617,900,000	+ 3,214,200,000
Total mandatory and discretionary	82,063,403,442	91,022,438,000	91,493,693,000	90,399,635,000	90,117,530,000	+ 8,054,126,558
Mandatory	21,187,993,000	21,542,804,000	21,542,804,000	21,542,804,000	21,542,804,000	+ 354,811,000
Discretionary:						
Defense	125,930,000	128,919,000	129,413,000	128,413,000	128,413,000	+ 2,483,000
Nondefense	60,749,480,442	69,350,715,000	69,821,476,000	68,728,418,000	68,446,313,000	+ 7,696,832,558
Total, Discretionary	60,875,410,442	69,479,634,000	69,950,889,000	68,856,831,000	68,574,726,000	+ 7,699,315,558

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

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

Mr. Speaker, I rise in strong support of this conference agreement, and I urge my colleagues to vote for it. I must say there are several areas where I wish that we could have done more, but given the budgetary restraints within which we had to work, I believe the conferees have done a very commendable job.

First of all, Mr. Speaker, I want to salute the gentleman from California [Mr. LEWIS], the chairman of the subcommittee. Without his fairness, persistence and sense of humor, I might say, the task of putting this agreement together would have been immeasurably more difficult.

I also want to commend the majority staff, in particular Frank Cushing, Paul Thomson, Tim Peterson, Valerie Baldwin, Jeff Shockey, Alex Heslop and Rose Roberts also for the patience, professionalism, and courtesies they have demonstrated throughout the development of this legislation.

I also want to acknowledge the invaluable assistance I have received from the minority staff in the persons of Del Davis and David Reich, whose professionalism and advice and counsel have been enriching to me at all times, along with Ms. Fredette West of my own congressional staff who has also been invaluable.

Our chairman, the gentleman from California [Mr. LEWIS], has already indicated a number of the more important details of the conference agreement. I just wish to make a few additional observations about this package.

Recognizing the great contributions made by our Nation's veterans, this agreement provides more for the Veterans Health Administration and for the VA in total than either the House or the Senate bill did. Although total funding for the Department of Housing and Urban Development has been reduced from the amount in the House-passed bill, most of this change is a result of including Section 8 reforms, the so-called mark to market provisions, that resulted in substantial savings to the program, those provisions worked out in long negotiating sessions involving the administration and the authorization committees.

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I am grateful that the conferees were able to retain the higher Senate figure, \$550 million for the HOPE VI program and the higher House figure of \$1.5 billion for the HOME program.

The conferees also recommend a total of \$138 million within HUD's Community Development Block Grant program for economic development activities. Some of these funds have been designated for specific purposes, and a significant portion are available at the discretion of the Secretary.

In many instances the designated funds will leverage State, local, and

private funding, resulting in synergies that will greatly assist communities across the Nation. I am convinced that this relatively small amount of money will reap benefits far in excess of these funds invested in our cities and towns.

This agreement also reflects discussions held with White House officials before the conference was concluded. Although we were unable to provide everything that the administration indicated was required, I believe that the conferees went a long way to address their concerns. The largest single item in this category is the inclusion of \$650 million for the Superfund program as an advance appropriation for fiscal year 1999, subject to authorization.

Mr. Speaker, I encourage the administration to work closely with the legislative committees of jurisdiction so we do not face a similar situation next year.

Regarding funding for the Environmental Protection Agency, I am pleased to report that the conferees recommend nearly \$7.4 billion in 1998 funding, an increase above the amounts in both the Senate and the House bills, and more than \$500 million above the 1997 total. In addition, there are no anti-environmental riders in this legislation.

There are other programs of great importance to the administration, the Corporation for National and Community Service and Community Development Financial Institutions. Although we could not provide the entire budget request, we were able to provide significant increases above the current year.

The conferees faced a difficult situation concerning the National Aeronautics and Space Administration. Just before the conference NASA indicated it needed \$430 million more than their budget request for the International Space Station program. Although NASA was proposing to take the funding from other existing NASA activities, due to the detrimental impact that this could have on certain NASA programs, this request was not fully acceded to.

The conference agreement notes congressional concerns with the ongoing problems plaguing the Space Station, and directs NASA to take several actions to get the project back on track. Until these actions occur, some funding for the station will be withheld.

Mr. Speaker, once again, in concluding my remarks, I want to thank the gentleman from California, Chairman LEWIS, for the very evenhanded way in which he has guided this bill. I have taken great pleasure in serving on this committee with him and, as the ranking member, have been appreciative of the bipartisan manner in which he and I have approached our responsibilities relative to getting this legislation from the House over to the Senate and then back to the House. For that reason, I am very proud to be able to support this bill that is before the House today.

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

Mr. LEWIS of California. Mr. Speaker, it is my pleasure to yield 4 minutes to the gentleman from Michigan [Mr. KNOLLENBERG], a member of the committee, for his statement and a colloquy.

Mr. KNOLLENBERG. I want to thank the chairman for yielding me this time, Mr. Speaker.

I rise to address an issue that I believe strikes at the integrity of this committee. It came to my attention just last week, and it has serious implications on what we have done regarding fair housing activities.

Last week HUD announced the award of fiscal year 1997 funds under the Fair Housing Initiatives Program, also known as FHIP. As we know, the FHIP provides support to private, nonprofit organizations to assist in enforcement of the Fair Housing Act.

For fiscal year 1997, both the House and Senate committees specifically directed HUD to use FHIP funds only, only to address those forms of housing discrimination that are expressly proscribed by the Fair Housing Act. The report emphasized repeatedly that the Fair Housing Act makes no mention of the practices of property insurance. It further instructed that the FHIP funds not be allocated for purposes of enforcing the Act against insurers.

HUD's announcement, in direct contradiction to this committee's intent, awarded numerous grants specifically for activities including investigating property insurance and otherwise seeking to enforce the Fair Housing Act against property insurers. In taking this action, HUD appears to have ignored completely this committee's directive. This is, in my judgment, a very serious matter that has implications beyond fiscal year 1997.

The House in the legislation before us once again stated its intent that FHIP funds appropriated under this measure should not be used to address insurance practices.

Mr. Speaker, for the past two fiscal years this committee, including myself and my good friend the gentleman from Ohio [Mr. STOKES], the ranking member, have worked together to craft report language to everyone's agreement. We did not do this to have it ignored by HUD. Report language is meant to be adhered to, and I intend to question HUD about their intent and apparent neglect of our wishes.

The House Committee Report on the fiscal year 1997 VA-HUD appropriations legislation stated:

The Committee intends that funds appropriated to the Fair Housing Initiatives Program (FHIP) for enforcement of title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services, be used only to address such forms of discrimination as they are explicitly identified and specifically described in title VIII. Recognizing that there are limited resources available for FHIP activities, the Committee believes that

FHIP funds should serve the purposes of Congress as reflected in the express language of title VIII.

The Committee notes that HUD's Office of Fair Housing and Equal Opportunity has undertaken a variety of activities pertaining to property insurance under the authority of the Fair Housing Act. HUD recently testified that, due to Congressional concern about such activities, it does not intend to focus its regulatory initiatives on property insurance. The Committee is encouraged by this statement, but remains concerned about HUD's use of funds for other fair housing activities aimed at property insurance practices.

HUD's insurance-related activities duplicate state regulation of insurance. Every state and the District of Columbia have laws and regulations addressing unfair discrimination in property insurance and are actively investigating and addressing discrimination where it is found to occur. HUD's activities in this area create an unwarranted and unnecessary layer of federal bureaucracy.

The Fair Housing Act makes no mention of discrimination in property insurance. Moreover, neither it nor its legislative history suggests that Congress intended it to apply to the provision of property insurance. Indeed, Congress' intention, as expressly stated in the McCarran-Ferguson Act of 1945 and repeatedly reaffirmed thereafter, is that, unless a federal law "specifically relates to the business of insurance," that law shall not apply where it would interfere with state insurance regulation. HUD's assertion of authority regarding property insurance contradicts this statutory mandate.

This language, which was repeated almost verbatim in the Senate Committee report, makes extremely clear that no fiscal year 1997 funds appropriated for the FHIP were to be used to target the practices of insurance companies.

On February 7, 1997, I wrote to HUD to seek confirmation that the Department's Office of Fair Housing and Equal Opportunity [FHEO] would adhere to the directive expressed in the committee report. I specifically asked: "Will the FHEO Office honor any requests for FHIP funding for activities relating to enforcement of the FHA against insurers?"

In a letter to me dated March 13, 1997, HUD's Assistant Secretary for Congressional and Intergovernmental Relations responded: "All requests for funding under the fiscal year 1997 FHIP Notice of Funding Availability [NOFA] will be screened for proposed activities. The Department will not fund activities relating to enforcement of the FHAct against property insurers."

The letter also provided confirmation of intended adherence by the Department to the Report directive by responding to other questions as follows:

Question. Will the FHEO Office identify, in its public announcement of FHIP awards, whether any portion of those awards might be used for activities relating to applications of the FHA to insurance?

Answer. Yes, the NOFA will state that activities relating to application of the Fair Housing Act to property insurance will not be funded under any of the three Initiatives for which Congress has allocated funding in FY'97—i.e., Private Enforcement Initiative, Fair Housing Organization Initiative, or Education and Outreach Initiative. In addition, the application kit also will emphasize that such activities will not be funded, including as an "in-kind" contribution to the budget. Further, the Office of FHEO will

place a special condition on all FY'97 awards regarding this restricted use of funds.

Question. How will the FHEO Office monitor whether any portion of its FHIP awards are used for activities relating to application of the FHA to insurance?

Answer. While the FHEO Office will make it clear that such activities will not be funded, the Office will monitor whether any portion of the FY'97 FHIP awards are used for activities relating to application of the FHA to insurance in several ways: (1) requiring submission of work products which would show the scope of planned activities, such as training outlines, conference agendas and materials, and testing methodologies; (2) a thorough review of reports submitted regarding actual activities under the grant, such as enforcement logs, quarterly progress reports and financial statements; and (3) on-site monitoring of grantees. Monitoring visits include interviews with grantee staff and testers, examination of financial and personnel records, review of testing and other enforcement records.

Subsequently, in a letter to me dated May 13, 1997 the Assistant Secretary qualified the above quoted answer by stating that the Department would seek to ensure that FHIP funds are "not used for narrowly focused enforcement purposes" and that FHIP funded projects "would not be focused upon a single issue, such as insurance discrimination."

Then on September 30, 1997, HUD announced 67 awards of fiscal year 1997 grants under the FHIP. Out of the total of \$15,000,000 in funds awarded, HUD announced that almost one third, an amount of \$4,170,002, was awarded for activities including investigations, testing, and other enforcement-related projects specifically targeting insurance companies. This is in direct contradiction of the statements in HUD's March 13, 1997, letter to me. More importantly, it flatly contravenes the intent expressed by Congress in the House and Senate Committee Reports on HUD's fiscal year 1997 appropriations.

Such a flagrant defiance of Congressional intent suggests the need for serious consideration about continued funding for the FHIP. I note that the House Committee Report on the fiscal year 1998 VA-HUD appropriations legislation states:

The Committee is encouraged by HUD's recent testimony and correspondence stating that the Office of Fair Housing and Equal Opportunity does not intend to use FHIP funds to solicit or fund applications that would address enforcement of the Fair Housing Act against property insurers. As the Committee has previously emphasized, given the limited resources available for enforcement of title VIII, it is appropriate that funds should serve the particular purposes expressly identified by Congress in the statute. The Committee appreciates HUD's acknowledgment of these budgetary priorities and looks forward to the agency's continued cooperation in adhering to them.

In light of HUD's recent actions, there no longer appear to be grounds for believing that the Department will, in fact, act in "continued cooperation and adhering to" our budgetary priorities. This is a very serious matter that I strongly feel should be addressed promptly, including, if necessary, through cutbacks in funding for the Department.

Mr. Speaker, I rise to enter into a colloquy with the distinguished gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. KNOLLENBERG. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, I am pleased to join in a brief colloquy with my colleague, the gentleman from Michigan.

Mr. KNOLLENBERG. Mr. Speaker, reclaiming my time, I am pleased to see that the conferees saw the need and the value to conduct a near-term research program for PM2.5 immediately. Specifically, as an initial phase of the program, the conferees noted the ongoing efforts to conduct research as well as the need to conduct new research with the goal to start and rapidly complete before the next NAAQS review in 2002. This would be in coordination with NAS and target broad-based research program, intensively peer-reviewed research in line with the near-term priorities that the gentleman cites, and to fully reanalyze the key epidemiologic studies in this program.

We have heard estimates that successful completion of this near-term research would be in the range of \$5 million. I would ask the chairman, does this agree with the estimates that have been suggested to him?

Mr. LEWIS of California. Mr. Speaker, if the gentleman will continue to yield, the gentleman is correct, the near-term research is vital, and \$5 million is a good estimate of what would be necessary to carry out this research.

Mr. KNOLLENBERG. Mr. Speaker, reclaiming my time, would the Health Effects Institute, HEI, be an example of the type of independent research institute that was suggested in the conference report that should have priority to undertake this work?

Mr. LEWIS of California. If the gentleman will continue to yield, Mr. Speaker, the gentleman is correct. It would be the intent of the conferees and this conference report that institutes such as HEI would receive priority in the process laid out in the conference report.

Mr. KNOLLENBERG. I thank the distinguished chairman for his time.

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

Mr. STOKES of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Ohio [Ms. KAPTUR], a very hard-working and highly respected member of the subcommittee.

Ms. KAPTUR. Mr. Speaker, I thank our ranking member, the gentleman from Cleveland, OH [Mr. STOKES] for granting me this time, along with our chairman, the gentleman from California [Mr. LEWIS], who has been very gracious.

Mr. Speaker, I rise to engage the chairman in a colloquy on the proposed VA cemetery, Veterans Administration Cemetery in Guilford Township, Ohio. I am concerned about the potential conflict that could arise between Federal and local land and water uses between Medina County and Wayne County related to the development of that new veterans cemetery.

As ranking member of the Subcommittee on Agriculture, Rural Development Food and Drug Administration, and Related Agencies of the Committee on Appropriations and a member of this VA-HUD subcommittee as well, I have heard from many local officials and citizens in the community concerned about farmlands preservation being essential to the maintenance of a sound rural economy in this region of Ohio.

Before the final Federal water contracts are negotiated, I would urge the Veterans Administration to meet with township and other local officials in both counties to ensure that local land use is respected, the impact of the proposed VA water acquisition on productive farmland is assessed, and the best water source for the new national cemetery is developed.

Mr. LEWIS of California. Mr. Speaker, will the gentlewoman yield?

Ms. KAPTUR. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, first let me say that I very much appreciate the gentlewoman's work on our committee. She is a most effective member.

She and I have discussed the fact that water rights are really State and local issues, but at the same time, the gentlewoman is in a perfect position to make this point at a very appropriate time. I concur with the gentlewoman from Ohio, and encourage the VA to act expeditiously to resolve this conflict.

Ms. KAPTUR. Mr. Speaker, reclaiming my time, I thank the chairman very much for his leadership on this entire measure. Congratulations on a fine bill, and I want to thank the gentleman from Ohio [Mr. STOKES], the ranking member, as well.

Mr. LEWIS of California. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN], a very diligent and effective member of our subcommittee.

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

Mr. Speaker, I rise in support of the conference agreement. I especially want to congratulate the gentleman from California, Chairman LEWIS, and the gentleman from Ohio, Mr. STOKES, the ranking member, for their hard work on this bipartisan agreement, and thank their staffers for their excellent work in cooperation.

Mr. Speaker, this bill contains essential funding for our Nation's veterans for protection and preservation of the environment, and for meeting the housing needs of our older citizens, as well as citizens with disabilities, and for exploration and scientific research.

While I am pleased that this agreement provides full funding for our veterans health care system, I remain concerned about the way the VA is distributing these funds among their new network system and the effect it may have on our veterans in the Northeast, their

access to medical care. That is why I am pleased that this agreement asks the General Accounting Office to review the network system and provide Congress with a report in 9 months on its findings. I look forward to the GAO's analysis.

In addition, this conference report contains increased funding for the EPA's Superfund program, and having visited 11 sites in my district over the last 2 weeks, I am very pleased that the committee has provided an additional \$100 million, for a total of \$1.5 billion. As I have said on previous occasions, there remains a desperate need to reform the Superfund program. With this agreement Congress is telling the EPA that we are committed to cleaning up these sites, and at the same time urges the EPA to work with Congress to reauthorize this important program.

As detailed in a recent GAO report, the current program spends less than 49 cents of every dollar on actual cleanups. This is simply not acceptable. When our citizens ask where the money is for cleanups, the answer is, the money is there, it is just not used, or in many cases not being used wisely and effectively. I remain optimistic, nonetheless, that by working together this program can achieve its goal of cleaning up all sites across America.

In summary, Mr. Speaker, this is a good, balanced conference report. I urge my colleagues to support it.

Mr. STOKES. Mr. Speaker, I am pleased to yield 4½ minutes to the gentleman from West Virginia [Mr. MOLLOHAN], a very valuable and hard-working member of our subcommittee.

Mr. MOLLOHAN. Mr. Speaker, I would first like to express my gratitude to the gentleman from Ohio [Mr. STOKES], the ranking minority member, for his hard work on this committee and the leadership he has provided. I have held him in high regard ever since I came here, and I appreciate his good efforts, and for yielding this time to me. Likewise, I would express my appreciation to the chairman of the committee for the excellent work he has done on this bill. I am pleased to join him and the gentleman from Ohio [Mr. STOKES] in supporting it.

Mr. Speaker, I rise for a colloquy with the chairman.

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. MOLLOHAN. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, I am happy to participate in a colloquy with my colleague and member of the committee.

Mr. MOLLOHAN. First of all, I thank the chairman for agreeing to participate in this colloquy to discuss how EPA will proceed with the particulate matter research program. This program will determine the scientific soundness of EPA's newly announced national ambient air quality standards, and will ensure that the regulations promulgated under these standards are based on solid scientific evidence.

As we know, EPA has been criticized for its handling of the current research program. This criticism has undermined the credibility of the stated research results, and this in turn has called into question the recently finalized standards. While we want to move forward on air quality improvement, it must be justified, because the economic dislocation associated with the promulgation of new regulations is very real.

The chairman is to be commended for the inclusion of the \$49.6 million in the conference report for the express purpose of developing a fair and comprehensive particulate matter research program. He is also to be commended for directing the National Academy of Sciences to develop and oversee the implementation of this research program and to periodically report back to the Congress. This process should give credibility to the program and foster confidence in research results, thereby laying a consensus scientific foundation for the standard-setting and promulgation of regulations.

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Since the National Academy of Sciences has until April 1998 to complete this planning agenda, and since EPA will continue research activities until then, I would like to clarify how EPA will proceed with this research program in the interim.

Mr. Chairman, I know that it is very likely that EPA will obligate some of the 1998 research funds before the completion of the National Academy of Sciences' planning agenda. It is important that when EPA does obligate funds, it does so in the spirit of the gentleman's directive, applying the principles of diversity and scientific integrity, and I ask if the gentleman would agree.

Mr. LEWIS of California. Mr. Speaker, if the gentleman would yield, I would respond by saying to my colleague that I very much appreciate his involvement in this critical issue, a critical issue to us, those of us who focus on this problem in the Congress, but to the country as well.

Mr. Speaker, I would respond further to the gentleman by saying that I agree that EPA has worked closely with us in developing the particulate matter research program outlined in H.R. 2158. They have pledged to fulfill the requirements in the statement of managers to the best of their ability. I expect them to exercise sound judgment in the distribution of funds and be prepared to reorient certain of their efforts upon completion of the NAS research plan.

Mr. MOLLOHAN. Mr. Speaker, reclaiming my time, it is my understanding that the research program described in the report is intended to build on activities currently underway at EPA at the National Institute for Environmental Health Sciences, the National Academy of Sciences, the Health Effects Institute, and many other public and private entities.

Mr. Speaker, I would ask the gentleman from California whether we can be assured that EPA will establish diversity among the researchers such that all stakeholders should feel comfortable with the composition of the research community which would give credibility to the results of the research.

Mr. LEWIS of California. Mr. Speaker, if the gentleman would yield further, certainly the gentleman is correct. The legislation, in fact, directs EPA to ensure that quality researchers participate in broadly based, comprehensive, competitive, and peer-reviewed research programs. Only when we bring together a diverse community of the best scientific minds on this matter, both inside and outside of government, can we feel assured that science is being used to lay a credible foundation for policy.

Mr. Speaker, I very much appreciate the gentleman allowing me to participate in this colloquy.

Mr. MOLLOHAN. Mr. Speaker, again reclaiming my time, I thank the gentleman from California for his leadership in this matter and for these clarifications.

Mr. LEWIS of California. Mr. Speaker, I yield 1½ minutes to the gentleman from Arizona [Mr. STUMP], the chairman of the Veterans' Affairs Committee.

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

Mr. STUMP. Mr. Speaker, I rise in strong support of the conference report on H.R. 2158, and I particularly want to commend the gentleman from California [Mr. LEWIS], the chairman of the Subcommittee on VA, HUD and Related Agencies, for his insistence that veterans programs be funded at adequate levels.

Mr. Speaker, I also commend the gentleman from Ohio [Mr. STOKES] for his effort on behalf of the veterans, and I urge my colleagues to support this report.

Mr. STOKES. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. BROWN], the distinguished ranking member of the Committee on Science.

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Speaker, I commend the gentleman from Ohio [Mr. STOKES] and the gentleman from California [Mr. LEWIS] for the excellent work that they have done in bringing this bill before us.

Mr. Speaker, I do not want to be overly enthusiastic, but in the roughly 32 years that I have worked with this committee, I think from the standpoint of the Committee on Science we have probably reached some sort of a peak of efficiency and effectiveness and concern and sharing. I want to say that I am grateful for this situation and hope that it can continue.

I, of course, as the chairman indicated, am the ranking member on the

Committee on Science, which deals with a number of the programs contained in this bill, NASA, FEMA, EPA, NSF, as far as the research elements are concerned. I want to say that I feel that in every case these programs have been treated with sensitivity. Where there are problems within the agencies, they have been recognized and efforts have been made to guide them in the right direction.

And we will continue to have problems, of course, with some of these agencies, NASA and EPA, perhaps amongst the most, and we will need to continue to give them guidance and assistance in achieving their goals.

Mr. Speaker, I want to also indicate that for many, many years I have had a deep interest and a high priority in the areas of housing and veterans' concerns. I served 8 years on the Committee on Veterans' Affairs, and, again, I compliment the committee for the excellent way in which they have handled these. I am not as directly involved, but I am as deeply concerned about these programs as I am with the programs with research.

So, Mr. Speaker, I look forward to our continued cooperation. I will not indicate the scientific items on which I am extremely grateful for the chairman and the ranking member's concern, but I think they know what they are. But overall, I think the important message is that this committee in this bill has done more for research and development than the Administration has asked for. I have been critical of the Administration because I felt that it was shortchanging some of these very important investments, and we are now on the right track.

Mr. Speaker, I submit for the RECORD an article from the latest issue of Science magazine, the organ of the American Association for the Advancement of Science, which is headlined: "Friendly Finish Looms on Spending." Mr. Speaker, this article points out, if I may quote the first couple of sentences, "Congress is proving kind to most federal science and technology programs as it wraps up work on the 1998 budget."

I include the full article for the RECORD.

[From Science, Oct. 3, 1997]

FRIENDLY FINISH LOOMS ON SPENDING

(By Andrew Lawler)

Congress is proving kind to most federal science and technology programs as it wraps up work on the 1998 budget. The National Science Foundation (NSF) can look forward to a 5% boost in research, spending for defense R&D will rise enough to cover inflation, and most technology programs that the Republican Congress loved to hate only a year ago have sailed through both houses.

But some of the details are not so rosy. Cash-strapped NASA, for example, faces another delay in the space station. Congress also ordered the Department of Energy (DOE) to postpone for at least a year the restart of a troubled reactor used by neutron scientists at Brookhaven National Laboratory in Upton, New York. And it failed to grant NSF's wish to build a polar cap observatory near the magnetic North Pole.

Here are some highlights of the appropriations bills that emerged from joint House-Senate conferences last week. They must still be approved by each body and signed by the president:

NSF: The good news is that the agency's research account will increase by \$113 million to \$2.55 billion. The bad news is that NSF must spend \$40 million of that increase on a plant genome initiative, a project promoted by agricultural lobbyists and championed by Senator Kit Bond (R-MO) that was not part of NSF's request (Science, 27 June, p. 1960). The agency's education programs will receive \$633 million, a 2% rise that doubles the request.

The toughest decisions came in the agency's account for large facilities. Legislators did not fund a \$25 million polar cap observatory to study solar-upper atmosphere interactions, asking for more information on the proposed site near the magnetic North Pole in northwest Canada. Senator Ted Stevens (R-AL) wants the facility built at an Alaskan defense lab, which scientists say would greatly reduce its value. But conferees added \$4 million to complete the twin Gemini telescopes and maintained initial funding for the \$200 million millimeter array. And they voted \$70 million for a new South Pole station, a compromise between the Senate's \$25 million increment and the House's \$115 million that would have funded the full cost of construction. They also dropped a House plan to give \$5 million more to two super-computer centers being phased out.

NASA: The space agency received \$13.65 billion, \$100 million above the request and close to the 1997 level. But that windfall won't go far, as the agency failed to win approval to move money from other accounts into the station budget to meet cost overruns. Lawmakers like Senator Barbara Mikulski (D-MD) worried that other programs—particularly the space shuttle and science efforts—would suffer as a result, so it severely restricted the agency's flexibility. Congressional sources say the language is intended to force the Administration to request a bigger NASA budget, but NASA managers aren't heartened. "We're in a bad situation," says one. "This would force a slip in the station's schedule."

Mikulski also insisted that NASA use more competitive methods to distribute money set aside for programs such as New Millennium, a new program administered by the Jet Propulsion Laboratory in Pasadena, California, that aims to test advanced technology for future space science missions. That move could open the door for Johns Hopkins University's Applied Physics Laboratory in Mikulski's home state.

DOE: There were few surprises in DOE's final 1998 budget, which meets the Administration's \$2.36 billion request for science programs. Conferees did give high-energy physics and nuclear physics slight increases, and added nearly \$25 million for several pork-barrel projects in biological and environmental research. DOE can continue to clean up the leaking High-Flux Beam Reactor at Brookhaven, but is forbidden from spending money on restarting it for 1 year, Martha Krebs, DOE energy research chief, says the reactor would not have been ready for a restart then anyway, but that decision on its future is due in January. However, opponents may try to extend the provision next year.

Environmental Protection Agency: The agency's science and technology account appears likely to receive \$15 million more than the president request and \$80 million above the 1997 level. But the \$630 million figure includes \$23 million more for a research program on the health effects of particle air pollution, with advice from the National Academy of Sciences. The conferees discarded

proposals from the House to funnel this money through other agencies and a Senate plan to set up university-based research centers.

Defense Department (DOD): Funding for basic science at DOD has survived a roller-coaster ride to finish at about the same level—\$1.08 billion—as this year. Applied research funds will increase 8.9% to \$3.1 billion. This category includes grant money for university research activities, which increases by 7% to \$230.8 million. Total R&D at the Pentagon rises 3.5% to \$37.9 billion. In addition, the conferees have retained several popular biomedical programs, including \$135 million for breast cancer studies and \$45 million for prostate cancer research. "It's a mixed bag," says analyst George Leventhal of the Association of American Universities.

Meanwhile, the massive bill that includes funding for the National Institutes of Health was still in limbo after legislators met last Friday. Biomedical advocacy groups hope the conferees will split the difference between the House's offer of a 6% increase and the Senate offer of a 7.5% raise.

Mr. LEWIS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. WALSH], the chairman of the Subcommittee on Legislative Appropriations.

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

Mr. WALSH. Mr. Speaker, I rise in strong support of this conference report, and I congratulate the gentleman from California [Mr. LEWIS], the chairman, and the gentleman from Ohio [Mr. STOKES], the ranking member.

Mr. LEWIS of California. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa [Mr. LEACH], the chairman of the Committee on Banking and Financial Services.

Mr. LEACH. Mr. Speaker, with reservation I rise today in support of this conference report.

Mr. Speaker, let me begin by offering my appreciation to the gentleman from California [Mr. LEWIS], my friend and colleague, as well as the gentleman from Ohio [Mr. STOKES], the ranking member, for their work in completing what is clearly a strong bipartisan agreement.

I would also like to thank the gentleman from New York [Mr. LAZIO], chairman of the Subcommittee on Housing and Community Opportunity, for his exceptional work in helping craft a solution to the problem of expiring section 8 multifamily housing contracts. The dedication of the gentleman from New York and the gentleman from California [Mr. LEWIS] to sound housing and community development policy is a credit to their respective chairmanships.

Mr. Speaker, so there is no misunderstanding, current section 8 programming symbolizes Congress being placed by prior Congresses in a catch-22 where good public intentions have, in too many cases, crossed wires with imperfect private sector motivations, which in turn have been exacerbated by unrealistic legislation.

The deferred obligations implicit in section 8 housing present Congress

with an untenable choice: Either walk away from projects that serve hundreds of thousands of needy people, many of whom are elderly, or accept funding obligations far in excess of those originally conceived.

The end effect of the current program has been the classic scheme of advancing programs for the moment, with huge deferred funding liabilities. Those liabilities have now come due and are stretching the congressional budget process in an unseemly as well as expensive manner.

Mr. Speaker, from the authorizing committee's perspective, we have attempted to devise an approach correcting the deferred liability schematics of the past. It is clear that the status quo is unfair to taxpayers and unfavorable to tenants. Owners, on the other hand, have unintentionally been provided cost-plus incentives to maximize return without necessarily paying adequate attention to property maintenance.

The section 8 reforms presented by the Senate for consideration by the Committee on Appropriations were clearly improvements over the current system, but the House authorizing committee, in negotiations with the Senate, took the position that the public treasury would still be at risk and tenants in jeopardy unless systems were put in place that took owners out of the driver's seat.

Hence, the authorizing committee developed a legislative approach based on three broad premises: One, full and fair competition among administrative entities with a greater emphasis and utilization of nonprofit institutions; two, greater empowerment opportunities for program participants and the assumption that the greater the choices allowed tenants, the greater the accountability of landlords; and, three, stronger protections against potential fraud and abuse by building checks and balances into Administration decision-making.

Some of our approaches were embraced by the appropriations conference. We cannot say, however, that our concerns have fully been met or that we have been pleased with all of the processes of consideration that have taken place.

Finally, Mr. Speaker, let me just say I must express some concern with the significant number of targeted special purpose grants included in this report. At issue are questions of judgment as well as the proper constitutional role of the Congress, which may in the end be embarrassed by a President exercising proper line-item veto authority.

Mr. Speaker, with reservation I rise today in support of the fiscal year 1998 VA, HUD and independent agencies appropriations conference report.

Let me begin by offering my appreciation to my friend and colleague from California, the subcommittee chairman, and the ranking member from Ohio for their work in completing the bipartisan agreement we have before us today.

I must also thank the Housing Subcommittee chairman from New York, Mr. LAZIO, for his exceptional work in helping craft a solution to the problem of expiring section 8 multifamily housing contracts. His and Mr. LEWIS' sincere dedication to sound housing and community development public policy are a credit to their respective chairmanships.

So there is no misunderstanding, current section 8 programming symbolizes Congress being placed by prior Congresses in a catch-22, where good public intentions have in too many cases crossed wires with imperfect private sector motivations which in turn have been exacerbated by unrealistic legislation. The deferred obligations implicit in section 8 housing present Congress with an untenable choice: Either walk away from projects that serve hundreds of thousands of needy people many of whom are elderly, or accept funding obligations far in excess of those originally conceived.

The end effect of the current program has been the classic scheme of advancing programs for the moment, with huge deferred funding liabilities. Those liabilities have now come due and are stretching the congressional budget process in an unseemly as well as expensive manner.

The goal of the multifamily restructuring legislation contained in title V of the conference report is to reform today's system, but also to assure that taxpayers and tenants are better protected in the future.

In my view, this can only be done if it is clear to landlords that their ownership is jeopardized both by financial profligacy and by ill-service to tenants. Hopefully, the conference report lays out a legislative scheme which allows the Government to more easily say "no" and to allow intervention by nonprofits, as well as alternative voucher approaches. In my judgment, without the possibility of Government intervention and vouchers, imperfect landlords will be given free rein.

A key element under the multifamily restructuring program is the determination of rents for comparable properties, or market rents. The conference report provides that "where applicable" comparable properties should be located in the same market area as the section 8 project. Thus, the conferees recognize that it may not be possible to find comparable properties in some areas. This is particularly true for projects in rural communities, and especially for specially designed properties for the elderly. In those cases the appraiser could look to other areas to locate comparable properties.

From the authorizing committee's perspective, we have attempted to devise an approach correcting the deferred liability schematics of the past. It is clear that the status quo is unfair to taxpayers and unfavorable to tenants. Owners, on the other hand, have unintentionally been provided cost-plus incentives to maximize return without necessarily paying adequate attention to property maintenance.

The section 8 reforms presented by the Senate for consideration by the Appropriations Committee were clearly improvements over the current system, but the House authorizing committee in negotiations with the Senate, took the position that the public treasury would still be at risk and tenants in jeopardy unless systems were put in place that took owners out of the driver's seat.

Hence the House authorizing committee developed a legislative approach based on three broad premises: first, full and fair competition among administrative entities with a greater emphasis on utilization of non-profit institutions; second, greater empowerment opportunities for program participants on the assumption that the greater choices allowed tenants, the greater the accountability of landlords; and third, stronger protections against potential fraud and abuse by building checks and balances into administration decisionmaking.

In this regard, it is interesting to note that the House authorizing committee's legislation scored savings of \$759 million in fiscal year 1998 according to CBO, almost \$200 million more than the Senate legislation. The Appropriations Conference unfortunately chose to lean to the Senate approach. Nevertheless, from an authorizing committee perspective, we are pleased that reform is underway and that some of our approaches were embraced by the Appropriations Committee.

We cannot say, however, that our concerns have been fully met or that we have been pleased with all the processes of consideration that have taken place.

Finally, I must express my concern with the significant number of targeted special purpose grants included in the conference report. For instance, almost 130 separate communities or projects will receive exclusive funding grants totaling more than \$100 million in carve-outs under the \$138 million Economic Development Initiative program. I must urge my colleagues to carefully consider the implications of stipulating so many projects for funding. At issue are questions of judgment as well as the proper constitutional role of a Congress, which may, in the end, be embarrassed by a President exercising proper line-item veto authority.

We in Congress are simply obligated to recognize that there is a place for professionalism in executive departments like HUD where individual program priorities should be set. Congress' role should be to pass broad laws with definitive policy parameters. Individual program decisions, on the other hand, should largely be left to the executive branch.

Mr. STOKES. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. KUCINICH], my friend and distinguished colleague who shares the representation of Cleveland, Ohio, with me.

Mr. KUCINICH. Mr. Speaker, I first want to congratulate the gentleman from California [Mr. LEWIS] for the work which he has done on this important appropriations bill. I also thank the gentleman from Ohio [Mr. STOKES], my friend, for sharing his knowledge and understanding of the process with me to enable me to more effectively participate as a freshman.

Mr. Speaker I rise in support of the conference agreement on the fiscal year 1998 VA-HUD appropriations bill. This bill provides \$13.6 billion for the programs in the National Aeronautics and Space Administration, which fully funds the President's request, including the National Aeronautics and Space Administration's aeronautics program, and also provides for the work associated with Lewis Research Center, which I am proud to say is served by the gentleman from Ohio

[Mr. STOKES], the gentleman from Ohio [Mr. LATOURETTE], the gentleman from Ohio [Mr. BROWN], and myself and the entire Ohio delegation.

I am pleased that the conference agreement provides increased funding for the International Space Station. This action by the Congress will help to keep the Space Station on schedule.

The bill also provides essential support for Mission to Planet Earth, the NASA program which will enable a system of Earth observing satellites to study global climate change.

In this Congress, we have seen important debates about the future of NASA and the International Space Station. This fiscal year 1998 appropriation will enable the agency to continue its progress on exploring the last frontier, the frontier of space, while bringing back to Earth the technological benefits of that exploration.

Mr. Speaker, for this I commend this bill to my colleagues and urge its support. And I want to express my continued appreciation to the men and women of the National Aeronautics and Space Administration for their vision, for their attention to detail, and for their commitment to our country.

Mr. LEWIS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. OXLEY].

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

Mr. OXLEY. Mr. Speaker, I want to be sure that my understanding of the provisions in the bill before us is correct. As I read the bill, it appropriates \$2.15 billion for the Superfund program, but \$650 million of that money is effectively held in reserve. I ask the gentleman from California if that is correct.

Mr. LEWIS of California. Mr. Speaker, if the gentleman would yield, that is correct.

Mr. OXLEY. Mr. Speaker, reclaiming my time, let me further be sure that I understand the two events that are necessary to unlock the funding. First, the money will only be available after October 1, 1998; is that correct?

Mr. LEWIS of California. Mr. Speaker, if the gentleman would again yield, that is correct.

Mr. OXLEY. Mr. Speaker, again reclaiming my time, second, let me be very clear in how I ask this question. The money will only be available at that time if we enact comprehensive Superfund reform; is that correct?

Mr. LEWIS of California. Mr. Speaker, if the gentleman would continue to yield, the language requires that Superfund be reauthorized by May 15, 1998, in order to receive the additional funds. It certainly is my intent that such a reauthorization be comprehensive reform of the Superfund law.

Mr. OXLEY. Mr. Speaker, again reclaiming my time, is the committee trying to tell us that it shares our strong desire for fully funding toxic waste cleanups?

Mr. LEWIS of California. Mr. Speaker, the gentleman is correct.

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Mr. OXLEY. So if we fix it, the Committee on Appropriations will fund it? Mr. LEWIS of California. Mr. Speaker, that is correct.

Mr. OXLEY. Mr. Speaker, I thank the gentleman for his time. We will get a new law as soon as we can.

Mr. LEWIS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. BACHUS].

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

Mr. BACHUS. Mr. Speaker, the Subcommittee on General Oversight and Investigations of the Committee on Banking and Financial Services undertook an investigation of the CDFI fund in the past year. As a result of that investigation, the two top officials of that fund have resigned. I have been working with the Committee on Appropriations to legislate some safeguards to end the type practices which resulted in their resignation. Among these practices, one that continues to go on is they still are paying outside consultants, one, \$217,000 for a 15-month period. I am happy to report to this body today that the Committee on Appropriations and this conference report, this conference report has addressed most of these concerns.

There is, however, one concern that I think we are leaving hanging out there. I do not think it was an intentional thing. I think it was just the conference language unintentionally may not have taken care of that.

Mr. Speaker, I wish to yield to the gentleman from California [Mr. LEWIS] for the purpose of engaging in a colloquy concerning this practice of hiring outside contractors.

Mr. Speaker, is it correct that the VA-HUD conferees sought to curtail the exorbitant use of management consultants and outside consultants at the CDFI fund? As we know, they spent a little over \$2 million this past year.

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. BACHUS. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, the gentleman is correct.

Mr. BACHUS. That being the case, would the gentleman join me in a request to the Department of Treasury that it immediately bring its contracting practices at the CDFI fund into conformance with the intent of the VA-HUD conference report language, that being that contractors, outside contractors not be paid more than the ES-3 rate?

Mr. LEWIS of California. Mr. Speaker, if the gentleman will continue to yield, that is my intention and I will be happy to join the gentleman.

Mr. BACHUS. Mr. Speaker, I have shared with the gentleman my concern, and I ask the gentleman and the committee to support me in separate legislation to achieve the goal of limiting

abusive contracting practices at the CDFI fund. I intend to introduce legislation.

Mr. LEWIS of California. Mr. Speaker, I very much appreciate the gentleman's leadership on this matter. I will be happy to join him.

Mr. BACHUS. Mr. Speaker, I thank the gentleman from California.

Mr. Speaker, the Banking Oversight Subcommittee has conducted a review of the procedures of the CDFI fund administered by the Department of the Treasury. I think it is safe to say there is a consensus that the CDFI fund operated with very few safeguards against abuse during its first round of awards in 1996.

I am pleased that these concerns have been addressed in the VA, HUD, and independent agencies conference report. However, this conference report fails to address one area of concern.

One area of abuse by the CDFI Fund brought to the attention of the Appropriations Subcommittee is the exorbitant use of so-called management consultants by the CDFI Fund. In less than 2 full fiscal years, the CDFI fund has paid out approximately \$1.2 million to these management consultants. Our review has shown that contracts were handed out without full or open competition to a network of contractors. Certain of these contracts are truly sweetheart deals: one consultant alone was paid \$216,713.41 for part-time work over a period of approximately 15 months.

I appreciate that the VA, HUD, and independent agencies conferees seemed to recognize this problem and attempted to place limits on the amounts the CDFI Fund pays to outside contractors. The conference report to H.R. 2158 provides funds for the CDFI fund "including services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES-3.

Unfortunately, the conferees seemed to have failed in their goal of closing this loophole. The conference report language will have no impact whatsoever upon abuse of contracting authority by the CDFI fund as it is limited solely to the CDFI fund's use of contractors retained under 5 U.S.C. 3109. Although much confusion remains concerning the procedures used by the CDFI fund in selecting outside contractors and fixing their compensation, the one thing that has been established is that the CDFI fund did not rely upon 5 U.S.C. 3109 in retaining its contractors. As a result, the conference report fails to place any limitations upon the CDFI fund's use of contractors.

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

Mr. STOKES. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. PRICE], a very distinguished and valuable member of the subcommittee.

Mr. PRICE of North Carolina. Mr. Speaker, I am proud to support this conference report. As a new member of this subcommittee, I am grateful to both the gentleman from California [Mr. LEWIS] and the gentleman from Ohio [Mr. STOKES] for their evenhanded bipartisan work in putting together this difficult piece of legislation.

The bill has broad support from both parties and in both Chambers. In nu-

merous ways this conference report addresses our Nation's critical priorities. For example, the report increases the appropriation for veterans' medical care to \$17.7 billion, higher than either House initially approved, with \$600 million coming from medical care cost recovery sources.

The report increases funding for the HOME program at the Department of Housing and Urban Development to \$1.5 billion, \$109 million above last year's level. The HOME program allows those providing affordable housing to use Federal block grants to leverage private sector money with a minimum of unnecessary regulation. It is an efficient and a practical way to open up homeownership to thousands of Americans. I am pleased that in a tight budget year we were able to find additional resources for HOME.

Funding for the EPA at a level of \$7.4 billion is more than \$500 million above the fiscal 1997 level. The budget for EPA includes \$3 million for research and monitoring of Pfiesteria, an environmental threat that even now, the full dimensions of that threat are not known to us. In addition, nearly \$50 million of the funding at the EPA is for research on fine particulate matter. Many of us may have differences over the new clean air regulations. No one can argue with the necessity of doing research to determine exactly what standard is justified.

Within the FEMA section, I was pleased that language that would have restricted States and municipalities from using disaster relief to clean up streams and parks and beaches was removed, giving full flexibility for the use of these funds which have been critical in allowing my State to recover from last year's devastation caused by Hurricane Fran.

The National Science Foundation receives a healthy 4.7 percent increase to a level of \$3.4 billion. I am particularly pleased that in that NSF budget we have given good support to the Advanced Technology Education program, which for the first time has the NSF working effectively with our Nation's community colleges.

I am very appreciative, Mr. Speaker, of the leadership of the gentleman from Louisiana [Mr. LEACH] and the gentleman from California [Mr. LEWIS], the gentleman from Wisconsin [Mr. OBEY] and the gentleman from Ohio [Mr. STOKES]. I want to add my appreciation for the excellent staff work that has been done on this bill, as fine as any I have ever seen. The help I received, particularly from Frank Cushing and Valerie Baldwin on the majority side, Del Davis and David Reich on the minority side, has been absolutely invaluable.

I urge my colleagues to support this conference report. I assure them they can do so with confidence.

Mr. STOKES. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY], distinguished ranking member of the full Committee on

Appropriations, who has been of great assistance to both me and the gentleman from California [Mr. LEWIS] as we developed this bill and took it through to the point where we now bring it.

Mr. OBEY. Mr. Speaker, let me make clear that I think that this bill is very much short of what we need in a variety of areas, including environmental protection, housing and veterans' care. The problem, however, is that this committee was constrained in its ability to meet those needs by the budget agreement, and given that fact, I think the committee has done a perfectly reasonable job.

I am especially pleased by the fact that the committee did not do what is often done in this place, which is to dump amendments that are adopted in the House once they go to conference on important matters. I am happy that the committee retained the spirit of the amendment that I offered when this bill was on the floor, which removed a good many millions of dollars for the insider deal on the wind tunnel and instead transferred that money to veterans' funding so that we could do a better job of providing for veterans' health care.

I am pleased that the committee retained the spirit of that amendment in conference and wound up providing a higher amount for veterans' health care than was in the original administration request or the committee bill. I appreciate that action on the part of the gentleman from California [Mr. LEWIS] and the gentleman from Ohio [Mr. STOKES] and the committee.

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

I have no further requests for time. I will just take a moment once again to express my appreciation to my chairman, the gentleman from California [Mr. LEWIS] for the excellent manner in which we have been able to work together and bring this legislation to the floor. I think both of us take a great deal of pride in the fact that we think that our work together is a model for this institution and the manner in which bipartisanship can bring to the floor the kind of legislation that all of us can support. I do support this conference report, and I do urge all my colleagues to vote for it.

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

Mr. LEWIS of California. Mr. Speaker, I yield myself such time as I may consume.

Let me echo my colleague's remarks about the bipartisanship of the work that we have done together. I want to express my appreciation to the gentleman from Wisconsin [Mr. OBEY], ranking member of the full committee, certainly the gentleman from Ohio [Mr. STOKES], my colleague. I am very appreciative of the help of the gentleman from Louisiana [Mr. LIVINGSTON], as well as all of our staff.

I would just note one item. The bill is a very complex bill, as we have suggested. We have operated in a circumstance where a very high percentage of our bill has not been authorized, in some instances for several years. It is very important, to help us with that work, that our authorizing committees go forward with their work as well. We will try to work with them positively in the next Congress or the next go around. Without authorization, it is very difficult to reflect all the needs of the Members of the House.

Mr. FAZIO. Mr. Speaker, I rise today to discuss the health care needs of Northern California's veterans, as the debate on the Conference Report to the VA, HUD and Independent Agencies Appropriations bill comes to a close. Included in the bill is the Department of Veterans Affairs' plan for veterans health care in Northern California. I recommended that the conference committee which negotiated the final version of bill accept and fully fund this plan, and I am pleased that they did.

Serving the health care needs of Northern California's veterans has always been and will always be one of my top priorities. The Loma Prieta earthquake of 1992 rendered the veterans' hospital in Martinez, CA unusable, and for the last several years I have worked with my colleagues in the House, the veterans in my district and the Veterans Administration to ensure the veterans in the area receive the medical care that they deserve. Since the Martinez Hospital closed, I have relied heavily on the input and feedback from the local veterans community, represented by Operation VA. Without question, Operation VA has been the voice of the veterans community, and their tireless commitment to this cause has kept the issue in the forefront for the last several years.

This has been a long hard fight. In 1994 and 1995, I worked with my colleagues in the House to secure funding for a new veterans hospital to be built at Travis Air Force Base, but several studies were commissioned that recommended against construction of a new hospital at Travis. The recommendations of the most recent study, completed by Price Waterhouse, did not adequately address the needs of Solano County's veterans. Working together with area veterans, led by Operation VA, through hard and dedicated work, we were able to convince the VA and Congress that the Price Waterhouse recommendations were an insult to the men and women in the Travis area who are dependent on the VA to address their health care needs. We persuaded the VA to re-evaluate the needs of the Travis area veterans. To that end, they recommended the Air Force give one-third of Travis's David Grant Medical Center's inpatient beds to the VA creating a wing that will be staffed by VA doctors and they recommended a comprehensive VA outpatient clinic at Travis.

This bill includes funding and a commitment that will allow Travis to become a viable veterans health care center. This is a bittersweet victory because while we fell short of our ultimate goal of a full fledged hospital at Travis, we were able to secure much more than the Price Waterhouse report recommended and our Congressional opposition was willing to provide us. I will continue to fight to make sure that the long-term health care interests of Solano County's veterans are addressed and I

will work to make sure everyone involved honors their commitments.

Mr. DOYLE. Mr. Speaker, I would like to express my strong support for a provision in H.R. 2158, the fiscal year 1998 VA-HUD funding bill that would significantly improve the health care provided to the veterans of Western Pennsylvania.

Language included in this measure would allow the University Drive VA Medical Center (VAMC), located in Pittsburgh, PA, to go ahead with plans to renovate a number of the hospital's patient rooms and support facilities. The improvements are planned for the main building of the University Drive facility, which has not been significantly changed since it was built in 1954. The renovations will bring the medical center up to VA minimum standards for life safety, patient privacy and handicapped accessibility. Additionally, these changes are required to more adequately meet the needs of the increasing number of female veterans who are being treated at the medical center.

This project would improve the overall quality of health care provided at the University Drive VAMC, a facility that plays an important role in VA health care, not only in the Pittsburgh area where I live, but across the entire Veterans Integrated Service Network 4 (VISN 4) region. In addition to serving as the primary medical facility for many of the veterans in my district, the University Drive facility serves as a major medical-surgical tertiary care center for the entire western Pennsylvania VA health care network. The facility also operates a number of specialty services, such as liver transplantation, that benefit veterans across an even wider geographic area.

Even though the University Drive VAMC holds significant responsibilities within the VA health care system, current conditions at the facility are making it increasingly difficult for hospital staff to continue to provide high quality medical care. This past Spring, I revisited the facility and toured the main building where the renovations are planned. The conditions that I found, which would be alleviated under the renovation plans funded by this bill, would not be tolerated for a single day in a private hospital environment, let alone the years that such conditions have been present at University Drive.

The University Drive facility has patient rooms with such limited space that a patient must be removed from the room when another patient is brought in on an emergency room gurney to share that room. In other patient wards, as many as 16 veterans share quarters, with limited space and only hanging cloth screens between them. Congregate bath facilities create additional dilemmas for patients and hospital staff, especially with the number of female veterans being treated at the facility increasing. These and other problems associated with the aging building not only inconvenience patients, but also put unnecessary obstacles in the path of hospital employees and their efforts to provide quality medical care to these veterans. Such conditions are certainly not consistent with how we should be honoring and caring for our nation's veterans.

The VA health care system is a very important part of the Pittsburgh community. Our area has one of the largest populations of veterans in the Nation. Thus, VA benefits and services, including health care, have played a large part in the lives of many of our residents.

One of the things I am proudest of about the people of western Pennsylvania is that they understand the gifts our Nation's veterans have given to them. They realize that it is because of the sacrifices our veterans have made on battlefields around the globe that our Nation has been able to prosper, and this prosperity has allowed us to enjoy, among other things, a medical system that is one of the best in the world. I am pleased that H.R. 2158 would finally allow the veterans of western Pennsylvania to share a piece of that medical prosperity, a benefit that they helped secure for the rest of the Nation, and one that is long overdue to the veterans of western Pennsylvania.

Mr. PAYNE. Mr. Speaker, I would like to take this opportunity to commend the Chairman and Ranking Member of the VA/HUD and Independent Agencies Subcommittee for their hard work on this important funding bill. In addition to the crucial funding for affordable housing, especially Section 8 units for low-income and the elderly, the measure includes provisions which will promote economic growth and development in communities throughout the Nation. I want to express my personal thanks for an important investment that my colleagues agreed to make in my home city of Newark. Let me especially thank Chairman JERRY LEWIS, Ranking Member LOUIS STOKES, and my good friend and New Jersey colleague RODNEY FRELINHUYSEN, for their responsiveness to our request to include \$3 million for the restoration of Weequahic Park, a site which has great potential for stimulating our local economy and enhancing the quality of life for local residents.

Improvements in Weequahic Lake, which falls within Newark's Enterprise Community boundaries, make it accessible for families, school children, church groups and other members of the community.

We are all aware of the severe budget restraints under which Congress is operating, but I believe that investments in housing and in our communities are sound investments which will bring considerable future returns. I urge approval of the VA/HUD conference report.

Mr. SHUSTER. Mr. Speaker, I rise in support of the conference report on H.R. 2158, the VA-HUD-Independent agencies appropriations act for fiscal year 1998. This bill provides needed funding for, among other agencies, the Environmental Protection Agency (EPA) and the Federal Emergency Management Agency (FEMA).

First of all, as chairman of the Transportation and Infrastructure Committee which has jurisdiction over EPA and FEMA, I want to thank my colleagues on the Appropriations Committees for their cooperation. In particular, I want to thank the gentleman from California (Mr. LEWIS) for his leadership as chairman of the House Appropriations Subcommittee. As usual, he and his staff have worked hard to accommodate colleagues and produce a reasonable bill. While in a perfect world no Appropriations bill would include authorizations or policy-making provisions, provisions in this bill have generally attempted to take into account concerns of the authorizing committee.

With regard to EPA's clean water and drinking water programs, I would make a few comments and clarifications. I appreciate the efforts of the conferees to provide a level of funding (\$1.35 billion) for the Clean Water

Act's State revolving fund (SRF) that is higher than the level requested by the administration. The record compiled by our committee and other speaks for itself; adequate funding to capitalize and maintain clean water SRFs pays enormous dividends in terms of environmental protection and economic development.

I am also pleased to support provisions allowing the so-called "cross-collateralization" between the CWA SRF and Safe Drinking Water Act SRF. This flexibility can be extremely helpful to states as they strive to administer clean water and drinking water programs to meet infrastructure needs. I would note that Senate-passed language was modified in conference to clarify that nothing in the provision authorizes the transfer of funds between the SRFs or in any way conflicts with the combined financial administration provisions in Section 130(g) or transferability of funds provisions in section 302 of the Safe Drinking Water Act Amendments of 1996. In addition, nothing in this provision affects in any way the jurisdiction of or understanding between the House Transportation and Infrastructure Committee and the House Commerce Committee relating to the clean water act, the safe drinking water act, and the two SRF's.

I would also like to clarify provisions regarding the State and tribal assistance grants and accompanying joint explanatory statement of managers. The conferees included funds for wastewater and drinking water system needs in Clearfield, Mifflin, Snyder, and Fulton Counties. Unfortunately, the statement of managers inadvertently omitted the community of Wallace-Boggs as the recipient of \$1,250,000; I have been assured the intent of the conferees was simply to include the language in the report of the House Appropriations Committee which did in fact specify Wallace-Boggs as the recipient. In addition, the reference in the statement of managers to Adams Township should instead be to Union Township. I appreciate the indulgence of my colleagues on the Appropriations Committee for the opportunity to correct this technical error.

Regarding Superfund, I would simply make a few observations. I am encouraged by the contingent appropriation of an additional \$650 million if specific reauthorization of the Superfund Program occurs by May 15, 1998. The Superfund Program doesn't simply need more money. In fact, more money without reform can cause more harm than good. Superfund needs comprehensive, statutory reform and redirection. For too long, the program has been ineffective and unfair, resulting in far too few cleanups and too much litigation. I am hopeful the May 15, 1998 date will help our efforts to move comprehensive reauthorization and reform legislation through the Congress and to the President as soon as possible.

I would also note that the conferees have properly limited the use of Brownfields Grants. Brownfields initiatives are important, but EPA currently has no authority to spend superfund money for remedial actions at facilities that are not on the national priorities list. In addition, Congress must first review and authorize the use of revolving funds before the executive branch proceeds down that path.

Regarding appropriations for FEMA, I am pleased that the conferees resisted language proposed by the Senate prohibiting the use of disaster relief funds in certain instances. I

share the conferees' concern regarding the escalating Federal cost of natural disasters but feel that solutions to this problem are better considered as part of a more comprehensive and deliberative reauthorization process.

In contrast, I would note that the uses specified in the statement of managers for portions of the pre-disaster mitigation fund are not authorized. Indeed, existing authority for such a fund is extremely narrow and it seems extremely likely that the vast bulk of the \$30 million appropriated for this fund will be spent on unauthorized projects. I would encourage the appropriations committees and FEMA to work closely with the authorizing committees as these provisions are implemented and as we consider legislation to provide appropriate authority for pre-disaster mitigation efforts.

Mr. Speaker, I urge my colleagues to support the conference report.

Mr. WELDON of Florida. Mr. Speaker, for far too long, the veterans of east central Florida have had to travel great distances to receive quality inpatient medical care. This is an intolerable situation which I have worked hard to change. In the Fall of 1998, a new VA clinic will be opened in Brevard County which will help meet the outpatient medical needs of local veterans. This will be the first ever permanent facility to serve area veterans in east central Florida.

However, the long drives for hospital stays currently continue. That is why I led the effort in the last Congress to allow the VA to contract with local health care facilities for inpatient care. This year, language I wrote with my colleague BILL MCCOLLUM establishing this pilot program was included in H.R. 2158, the fiscal year 1998 VA/HUD Appropriation Bill. The program was funded at the level of \$5 million in the House bill. This language was not included in the Senate version, but the final House-Senate agreement included the provision.

This pilot project represents the wave of the future, a new and more efficient way to deliver quality health care to those who have sacrificed so much for our freedoms. No longer should the brave men and women who served their country selflessly have to travel long distances for quality care. I am confident that this project will be a great success, and will lead to more widespread contracting efforts in the future.

I strongly support this conference report and I urge my colleagues to vote "yes" on behalf of our Nation's veterans.

Mr. LAZIO of New York. Mr. Speaker, I have strong reservations about the legislative approach the conference report takes toward resolving the problem of expiring section 8 multifamily housing projects under HUD. The House first recognized this problem in the 104th Congress by including in the House Budget Resolution language addressing the so-called mark-to-market dilemma. However, the Senate rejected the provision included in that act. Although the House has been working on this issue for the past two years, I remain concerned that legislation of this magnitude was formulated outside of the regular legislative process. Given the complexity of the program, lack of available data, and the short amount of time to negotiate, the authorizing committees or with outside groups have not vetted many of the details. I believe the conference report legislation may lead to unforeseen, unintended consequences.

The legislation included in the report raises a number of problems, including: First, the likelihood that owners will not participate in this program before their contracts expire because of the uncertainties surrounding the tax consequences of mortgage restructuring; second, the inadequate protection and representation of the taxpayer, third, an over-reliance on HUD, the only Federal Agency to be classified as high-risk, which would effectively control the office that administers this program and affects billions of taxpayers' dollars; and fourth, the lack of full and fair competition to select the most qualified entity to work one-on-one with owners in the restructuring process, leaving housing finance agencies with a virtual monopoly.

UNKNOWN TAX CONSEQUENCES

The uncertainties surrounding the tax consequences of mortgage restructuring may undermine the legislation's effectiveness and ultimately reduce the savings of the reforms. The most responsible mark-to-market approach would motivate owners to restructure their mortgages before their contracts expire. Such proactivity on the owners' part is vital to the savings of the legislation. Under the conference report, owners will likely not participate in the program before their section 8 contracts expire because the tax consequences of mortgage restructuring are uncertain. Therefore, I am concerned not only that the reforms will not achieve the expected savings but, also that a better bill would achieve more savings.

On September 17, 1997, the Subcommittee on Housing and Community Opportunity held a hearing regarding the tax consequences of FHA-insured, section 8 multifamily housing mortgage restructuring. In that hearing, Ken Kies, Chief of Staff of the Joint Committee on Taxation testified that:

Absent legislation or a Treasury announcement clarifying the Federal income tax treatment under any of the HUD restructuring proposals, it is likely that many project owners will not elect to restructure the FHA-insured mortgages before the expiration of their section 8 contracts for fear of incurring immediate tax liabilities. . . . However, it is clear that if all project owners restructure their mortgages under any of the proposals it is likely that some of these taxpayers will recognize taxable income as a result of the transaction. The possibility of such recognition likely will inhibit many project owners from electing to restructure their mortgages under a proposal.

Moreover, under the conference report's legislation, up to 26 percent of the owners may be forced to choose foreclosure over a bifurcated mortgage restructuring or debt forgiveness because of the different tax treatment of the events. A foreclosure would result in increased costs to the taxpayers as well as a loss of valuable affordable housing stock for low-income families, seniors, and persons with disabilities. I do not want to force a decision based on tax issues that could result in low-income families—particularly seniors—being thrown out into the streets. I want the owners to be no better, nor substantially worse off, than they would have been had they not chosen to participate in this program.

LACK OF TAXPAYER PROTECTION AT THE FEDERAL LEVEL

The conference report legislation does not adequately represent and protect taxpayers against fraud and abuse. In 1996, the HUD inspector general concluded that HUD's Office of Multifamily Housing was "not equipped to

provide reasonable stewardship over taxpayer funds expended for its programs." In addition, the Department's poor record in administering its existing programs has earned it the designation by the General Accounting Office of being at "high-risk" for waste, fraud and abuse—the only Cabinet-level Agency in history to receive such a designation. In this context, HUD is simply ill-equipped to handle complex financial restructurings so that the American taxpayer is protected. For this reason, I fought for a provision in this legislation to create an Office of Multifamily Housing Assistance Restructuring [OMHAR], a temporary office within HUD for purposes of administering the mark-to-market program. For any chance of success, the program must be administered by a highly professional staff with the proper technical knowledge, functioning as much as possible at arms-length from the standard HUD bureaucracy.

The Office will be led by a Director appointed by the President, with the advice and consent of the Senate, who must have proven experience in restructuring complex financial transactions. The President is required to choose the Director within 60 days after enactment of this legislation. Funding for the Office shall come from HUD salaries and expenses so there will be no net increase in expenditure of taxpayer funds in connection with the operations of the Office. The Office is limited in scope and mission, established solely to administer the mark-to-market program. Confusion and the possibility of "mission creep" or of being burdened with secondary objectives are thereby avoided. Although the Office will sunset at the end of fiscal year 2001, I expect Congress will need to reauthorize the Office through fiscal year 2003, at which time the majority of project-based contracts will have expired.

OMHAR is the taxpayer's proxy to assure that the restructuring process is administered as professionally and efficiently as possible. For this reason, the Secretary must not interfere with the independent functioning of this Office. I am disappointed that Congress has missed an opportunity to create a truly independent entity that would not be forced to answer to the HUD Secretary. However, as an alternative, this legislation requires the Director to report to Congress immediately on any action or directive by the Secretary that has an adverse impact on the functioning of the Office, or that may undermine its effectiveness. As chairman of the Subcommittee on Housing and Community Opportunity, the relevant authorizing and oversight subcommittee, I have every intention of closely monitoring the Department in this regard in order to ensure that the interests of the taxpayer are not ignored.

LACK OF TAXPAYER PROTECTION AT THE LOCAL LEVEL

The conference report legislation may also negatively impact taxpayer interests at the local level due to the selection process created for choosing participating administrative entities [PAE's]. Under the legislation, PAE's will work with owners to restructure their mortgages, making decisions on the size of the second mortgage and the amount that the mortgage must be written down to create a sustainable bifurcated mortgage. Both of these items will be paid for by the American taxpayer out of the FHA fund. Therefore, the PAE should be the most qualified entity for the job. As discussed in the conference report, such

may not be the case. Instead, the selection process in the report gives housing finance agencies [HFA's] an effective monopoly. If an HFA meets minimum qualifications, it must be selected, even if another entity is more qualified. Although in many cases HFA's will be the most qualified entities, there is no reason to give them a priority.

Optimally, HFA's should form partnerships with other entities, such as experienced nonprofits, to better meet the needs of the restructuring program. When an entity is controlling millions of dollars of the Federal Government's budget, it should be the most qualified entity available. We owe that to Americans who work hard every day to pay their taxes. They expect Congress to spend their tax dollars wisely and efficiently. I do not believe that will be done if PAE's are not chosen in an open, competitive process. It is my hope that Congress will reconsider this provision in the near future.

TENANT EMPOWERMENT AND SELF-SUFFICIENCY

One important principle, for which I am gratified that the House conferees adopted the authorizing committee's position, is the greater emphasis on choice-based assistance. Vouchers bring a market mechanism to federally assisted housing by motivating owners to maintain their properties and compete for tenants. I seek to empower tenants before owners or bureaucrats. Tenants with vouchers often have a greater opportunity to reach self-sufficiency by choosing where to live. Rather than being forced to live in projects that are run-down and in dangerous neighborhoods, tenants can make decisions based on the school system, the proximity to job opportunities, community safety, and the condition of the apartments. I fully expect that, for a large percentage of eligible projects, project-based assistance will be converted to vouchers, in large part because the legislation allows a 5-year transition period for gradual movement toward tenant-based assistance. This transition will provide owners time to rehabilitate projects and change their image in the communities in order to be financially viable after such a conversion.

CONCLUSION

Regardless of the uncertainty surrounding the unforeseen consequences of enacting the conference report legislation, the Appropriations Committee feels the need to enact legislation immediately to fill a \$500 million shortfall in funding for nonhousing programs. Most parties involved admit that this legislation will need substantial revisions within the next year. Congress should not pass incomplete, flawed bills solely to generate savings for other programs but should, instead, pass good legislation that truly solves the problem.

HOUSE OF REPRESENTATIVES, COMMITTEE ON BANKING AND FINANCIAL SERVICES,

Washington, DC, September 23, 1997.

FLOYD L. WILLIAMS,

National Director of Legislative Affairs,

Internal Revenue Service, Washington, DC.

DEAR MR. WILLIAMS: I am writing to seek your guidance on certain tax matters involving one of the most complex issues facing the Banking Committees of both the House and the Senate. As you may know, I refer to the restructuring of the FHA-insured Section 8 multifamily housing portfolio. Recently, I introduced H.R. 2447, the "Multifamily Housing Restructuring and Affordability Act of 1997," which creates a program for mortgage

restructurings. Senator Mack has introduced S. 513, which has similar objectives.

With some differences, both bills provide for the use of bifurcated mortgages in restructuring existing debt. Inherent in this approach is the belief that the restructured debt would be excluded from the application of IRS Code Section 7872, based on the temporary regulations under section 1.7872-5T(b)(5) regarding below-market interest rate loans. One of the required provisions under these temporary regulations is that these below market-interest rate loans be made available under "a program of general application to the public".

The proposed House and Senate legislation apply to projects with FHA debt that meet the following criteria:

1. rents must exceed the rent of comparable properties in the same market area;
2. the project must be covered in whole or in part by a contract for project-based assistance; and

3. the project must be financed by a mortgage insured under the National Housing Act.

In his written testimony before the House Subcommittee on Housing and Community Opportunity on September 16, 1997, Mr. Ken Kies of the Joint Committee on Taxation raised as an issue the possibility that "the HUD refinancing program will not qualify under this regulation on the basis that it is not a program of "general application," but only an offer made to certain owners." Since an integral component of the success of any legislation is an understanding of the likely tax consequences to owners associated with restructuring their Section 8 mortgages, your clarification of the meaning of "general application" in this regard is critical.

I would appreciate your immediate attention to this issue as legislation is moving forward quickly. If the approaches envisioned in either H.R. 2447 or S. 513 do not meet this "general application" requirement, please provide guidance as to what technical modifications are needed. If you have any questions or comments, you may contact Shanie Geddes or Joe Ventrone at 202/225-6634. I look forward to your response.

Sincerely,

RICK LAZIO,

Chairman, Subcommittee on,

Housing and Community Opportunity.

HOUSE OF REPRESENTATIVES, COMMITTEE ON BANKING AND FINANCIAL SERVICES,

Washington, DC, June 18, 1997.

Hon. ROBERT E. RUBIN,
Secretary, Department of Treasury,
Washington, DC.

DEAR SECRETARY RUBIN: During yesterday's testimony before the Senate Subcommittee on Housing Opportunity and Community Development, HUD Secretary Andrew Cuomo stated that the Department of Treasury believes that the bifurcated mortgage restructuring "tool" included in S. 513, "The Multifamily Assisted Housing Reform and Affordability Act of 1997," would result in an immediate taxable event for most owners. The Secretary went on to note further that "while this provision purports to address owners' tax problems, it is unworkable—thus defeating the larger purpose of the legislation."

Apparently, there remains considerable confusion as to the tax treatment of a soft-second mortgage in the restructuring of FHA-insured mortgages subsidized by Section 8 project-based assistance. The issue of taxation in the mortgage restructuring is vital to the success of any bill that deals with the Section 8 crisis. You addressed this concern in your work on the tax provisions included in the Administration's legislation: H.R. 1433—Housing 2020: Multifamily Management Reform Act, which was introduced

in the House by myself and Congressman JOSEPH KENNEDY at the request of the Administration. A workable bill must proactively bring project owners to the bargaining table early. Based on Secretary Cuomo's testimony, it is unclear that S. 513 would prevent participants in the program from being subject to negative tax consequences in the future, thus discouraging proactive restructuring.

A workable tax treatment of restructuring is critical in this matter. Otherwise, we risk simply perpetuating the FHA multifamily restructuring demonstration programs included in FY1996 and FY1997 appropriations. If the House is to agree to consider FHA multifamily restructuring legislation in expedited procedures (i.e. during the budget reconciliation process), the solution must not be simply an academic exercise that implements incremental change.

Please provide the Subcommittee with a clarification of the Administration's position on the taxation of soft-second mortgages as included in S. 513. Your timely response is critical to solving this dilemma.

Sincerely,

RICK LAZIO,
Chairman, Subcommittee on
Housing and Community Opportunity.

Mr. LEWIS of California. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. PEASE). The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 405, nays 21, not voting 7, as follows:

[Roll No. 505]

YEAS—405

Abercrombie	Brown (OH)	DeFazio
Ackerman	Bryant	DeGette
Aderholt	Bunning	Delahunt
Allen	Burr	DeLauro
Andrews	Burton	DeLay
Archer	Buyer	Dellums
Armey	Callahan	Deutsch
Bachus	Calvert	Diaz-Balart
Baesler	Camp	Dickey
Baker	Canady	Dicks
Baldacci	Cannon	Dingell
Barcia	Capps	Dixon
Barr	Cardin	Doggett
Barrett (NE)	Carson	Dooley
Barrett (WI)	Castle	Doolittle
Bartlett	Chabot	Doyle
Barton	Chambliss	Dreier
Bass	Chenoweth	Duncan
Bateman	Christensen	Dunn
Becerra	Clay	Edwards
Bentsen	Clayton	Ehlers
Bereuter	Clement	Emerson
Berman	Clyburn	Engel
Berry	Coble	English
Bilbray	Coburn	Ensign
Billirakis	Collins	Eshoo
Bishop	Combest	Etheridge
Blagojevich	Condit	Evans
Bliley	Conyers	Everett
Blumenauer	Cook	Ewing
Blunt	Cooksey	Fattah
Boehlert	Costello	Fawell
Boehner	Coyne	Fazio
Bonilla	Cramer	Filner
Bonior	Crapo	Flake
Bono	Cubin	Foley
Borski	Cummings	Forbes
Boswell	Cunningham	Ford
Boucher	Danner	Fowler
Boyd	Davis (FL)	Fox
Brady	Davis (IL)	Frank (MA)
Brown (CA)	Davis (VA)	Franks (NJ)
Brown (FL)	Deal	Frelinghuysen

Frost	Livingston	Rohrabacher
Furse	LoBiondo	Ros-Lehtinen
Gallegly	Loftgren	Rothman
Ganske	Lowey	Roukema
Gejdenson	Lucas	Roybal-Allard
Gekas	Luther	Ryun
Gephardt	Maloney (CT)	Sabo
Gibbons	Maloney (NY)	Salmon
Gilchrest	Manton	Sanchez
Gillmor	Manzullo	Sanders
Gilman	Markey	Sandlin
Goode	Martinez	Sawyer
Goodlatte	Mascara	Saxton
Goodling	Matsui	Schaefer, Dan
Gordon	McCarthy (MO)	Schaffer, Bob
Goss	McCarthy (NY)	Schumer
Graham	McCollum	Scott
Granger	McCrery	Sensenbrenner
Green	McDade	Serrano
Greenwood	McDermott	Sessions
Gutierrez	McGovern	Shadegg
Gutknecht	McHale	Shaw
Hall (OH)	McHugh	Shays
Hall (TX)	McInnis	Sherman
Hamilton	McIntyre	Shimkus
Hansen	McKeon	Shuster
Harman	McKinney	Sisisky
Hastert	McNulty	Skaggs
Hastings (FL)	Meehan	Skeen
Hastings (WA)	Meek	Skelton
Hayworth	Menendez	Slaughter
Hefley	Metcalfe	Smith (NJ)
Hefner	Mica	Smith (OR)
Herger	Millender-McDonald	Smith (TX)
Hill	Miller (CA)	Smith, Adam
Hilleary	Miller (FL)	Smith, Linda
Hinchey	Mink	Snowbarger
Hinojosa	Moakley	Snyder
Hobson	Mollohan	Solomon
Holden	Moran (KS)	Spence
Hoolley	Moran (VA)	Spratt
Horn	Morella	Stabenow
Houghton	Murtha	Stark
Hoyer	Myrick	Stearns
Hulshof	Nadler	Stenholm
Hunter	Neal	Stokes
Hutchinson	Nethercutt	Strickland
Hyde	Ney	Stump
Inglis	Northup	Stupak
Istook	Norwood	Sununu
Jackson (IL)	Nussle	Talent
Jackson-Lee (TX)	Oberstar	Tanner
Jefferson	Obey	Tauscher
Jenkins	Oliver	Tauzin
John	Ortiz	Taylor (MS)
Johnson (CT)	Owens	Taylor (NC)
Johnson (WI)	Oxley	Thomas
Johnson, E. B.	Packard	Thompson
Johnson, Sam	Pallone	Thornberry
Jones	Pappas	Thune
Kaptur	Parker	Thurman
Kasich	Pascrell	Tiahrt
Kelly	Pastor	Tierney
Kennedy (MA)	Paxon	Torres
Kennedy (RI)	Payne	Towns
Kennelly	Pease	Trafficant
Kildee	Pelosi	Turner
Kilpatrick	Peterson (MN)	Velazquez
Kim	Petri	Vento
Kind (WI)	Pickering	Visclosky
King (NY)	Pickett	Walsh
Kingston	Pitts	Wamp
Klecza	Pombo	Waters
Klink	Pomeroy	Watkins
Klug	Porter	Watt (NC)
Knollenberg	Portman	Watts (OK)
Kolbe	Poshard	Waxman
Kucinich	Price (NC)	Weldon (FL)
LaFalce	Pryce (OH)	Weldon (PA)
LaHood	Quinn	Weller
Lampson	Radanovich	Wexler
Lantos	Rahall	Weygand
Largent	Ramstad	White
Latham	Redmond	Whitfield
LaTourette	Regula	Wicker
Lazio	Reyes	Wise
Leach	Riggs	Wolf
Levin	Riley	Woolsey
Lewis (CA)	Rivers	Wynn
Lewis (GA)	Rodriguez	Yates
Linder	Rogan	Young (AK)
Lipinski	Rogers	Young (FL)

NAYS—21

Ballenger	Ehrlich	McIntosh
Campbell	Hoekstra	Minge
Cox	Hostettler	Neumann
Crane	Kanjorski	Paul

Peterson (PA)	Rush	Smith (MI)
Roemer	Sanford	Souder
Royce	Scarborough	Upton

NOT VOTING—7

Farr	Hilliard	Schiff
Foglietta	Lewis (KY)	
Gonzalez	Rangel	

□ 1630

Mr. SMITH of Michigan, Mr. SCARBOROUGH, and Mr. RUSH changed their vote from "yea" to "nay."

Mrs. NORTHUP, Mrs. ROUKEMA, Mr. ROHRBACHER, and Mr. BLUNT changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. FARR of California. Mr. Speaker, I was unavoidably absent on rollcall No. 505. I was hosting an event with Secretary Shalala at the time concerning breast cancer awareness and could not make it back in the Chamber in time to vote. Had I been present, I would have noted "aye."

MOTION TO INSTRUCT CONFEREES ON H.R. 1757, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1998 AND 1999, AND EUROPEAN SECURITY ACT OF 1997

Mr. CALLAHAN. Mr. Speaker, I offer a motion to instruct conferees on the bill (H.R. 1757), to consolidate international affairs agencies, to authorize appropriations for the Department of State and related agencies for fiscal years 1998 and 1999, and to ensure that the enlargement of the North Atlantic Treaty Organization [NATO] proceeds in a manner consistent with United States interests, to strengthen relations between the United States and Russia, to preserve the prerogatives of the Congress with respect to certain arms control agreements, and for other purposes.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. CALLAHAN moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 1757 be instructed to insist upon the provisions contained in title XXI of the House bill (relating to United States policy with respect to forced abortion and foreign organizations that perform or promote abortion).

The SPEAKER pro tempore (Mr. PEASE). Pursuant to the rule, the gentleman from Alabama [Mr. CALLAHAN] and the gentleman from Connecticut [Mr. GEJDENSON] each will control 30 minutes.

The Chair recognizes the gentleman from Alabama [Mr. CALLAHAN].

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