

of deals are being restructured. HUD reports that the program has saved the federal government about \$500 million on a present value basis to date.

The legislation we have before us includes a series of purposes designed to reiterate Congress' emphasis on adequate rehabilitation and reserves in order to meet ongoing affordability commitments. Similarly, we want to make sure that expenses are properly calculated, so that rents and mortgages can be set correctly. This is included in the bill because of concerns raised by a number of stakeholders, including both residents and owners, that these important goals have been short-changed. We chose not to burden the program with an overly prescriptive set of directives regarding these matters. Nonetheless, we expect HUD and the Office to bear these purposes very much in mind as they administer the program.

The bill reauthorizes grants to tenant and non-profit groups to help residents participate in the Mark-to-Market process. It calls for independent rent calculations to determine whether a property should go through the restructuring process, a simple rent reduction, or a straightforward contract renewal. This independent assessment will be used to set rents for vouchers, should the owner choose to opt out of the program. Owners will continue to have the right to appeal the rent set by the independent review. The bill also expands the flexibility of the Department to approve market rent exceptions where necessary.

The bill gives the Secretary flexibility to reduce the 25 percent owner rehabilitation contribution for the cost of significant additions to a project that are required by HUD. This was done in response to a reasonable equity argument made by the owners.

Finally, in consultation with HUD and a number of owners, we include changes that will expedite refinancing of the old mortgages and lengthen the term of the new first mortgages. We also make adjustments that will allow the size of the second mortgages to be larger, thereby reducing the potential for cancellation of indebtedness income rulings by the IRS with their attendant tax penalties. Taken together, these changes will allow the underwriting to provide for more rehabilitation, reduce the amount of claims taken against the FHA fund, and increase the collection of the second mortgages, thereby saving the taxpayer additional funds on top of the rent savings.

We take HUD's suggestion and put the Director of OMHAR under the authority of the FHA Commissioner, as did the House Financial Services Committee. We keep the provision in current law that establishes higher compensation for OMHAR employees because we want to retain the highly skilled staff. A significant part of the reason we are moving this legislation so expeditiously is that we want to signal that staff that it is our intention to keep them on board and on the job.

The legislation extends the life of both the program and the Office for 5 years. I understand that HUD requested a 3 year extension only. However, data from the GAO indicates that there will still be a significant, if declining, stream of expiring contracts after the third year of the reauthorization. Frankly, I see no reason to revisit this issue a third time. I would strongly prefer to make sure this is the last time we have to act on this issue. Of course, as we move forward, I would expect to continue to discuss these and other matters, both with the administration and with the House.

In closing, this legislation has broad bipartisan support. My colleagues and I tried to be responsive to the administration and other stakeholders, while ensuring that we maintain a highly skilled staff at the Department. I am hopeful that we can move this legislation quickly through the process.

#### SUPPORT FOR FULL FUNDING OF THE NATIONAL GUARD

Mr. GRASSLEY. Madam President, I rise to express my strong support for the National Guard's counterdrug mission. I am concerned that proposed Department of Defense, DoD, funding for the National Guard's FY-2002 Counterdrug Program, State Plans, is not sufficient to ensure the continuance of this valuable service to law enforcement and local communities, and request that the funding be increased \$40.7 million, from the President's \$154.3 million request, to a total of \$195 million.

The National Guard's Adjutant Generals, from the various States, have indicated to the National Guard Bureau, that without a minimum of \$195 million budgeted for this program, large personnel layoffs may occur. My staff has heard reports that one State may have to downsize by as much as one-third their personnel. Over ninety percent of the National Guard's counterdrug program costs are personnel-based, and as such, it is extremely sensitive to variations in funding, taking years to recover from any reduction in trained and experienced personnel. These reductions affect supported agencies, including the Customs Service, DEA, U.S. Border Patrol, FBI, HIDTAs, scores of State and local law enforcement agencies, and community based organizations.

I am also concerned about the apparent lack of emphasis, and even distancing of itself, by the Department of Defense, on the counterdrug mission, especially in a year of discussions of increased DoD funding for other military mission areas. I sense this repeatedly in insufficient funding for the National Guard and other critical counterdrug mission areas, and believe this would be a poor policy decision and a poor indication of the nation's priorities.

I urge my colleagues and the Department of Defense to give serious consideration to the National Guard program

and its contribution to our national drug control strategy.

#### LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred January 28, 1998 in Webster, MA. A gay man was allegedly attacked by two men, one of whom he met through a gay chat room on the Internet. The men also used anti-gay epithets. William "Billy" Peters was arrested in the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

#### ADDITIONAL STATEMENTS

##### NAGORNO KARABAGH'S INDEPENDENCE DAY

• Mr. JOHNSON. Mr. President, I rise today to recognize September 2, 2001, as the 10th anniversary of Nagorno Karabagh's declaration of independence. Born from the disintegration of the Soviet Union in the late 1980s, the Republic of Nagorno Karabagh has faced incredible odds over the past decade in its struggle for self-determination, independence, peace, and stability.

Many Americans know very little about Nagorno Karabagh. However, the region is culturally rich and historically significant as a bridge between Eastern and Western societies. Armenians have been a distinct political entity in Artsakh—the traditional Armenian name for the Republic of Nagorno Karabagh—since the 2nd Century B.C. Christianity in the region grew and strengthened following the construction of the historic Monastery in Amaras in 330 A.D. Repeatedly destroyed by generations of invaders and rebuilt, the Monastery in Amaras currently stands as a symbol of faith and perseverance for Armenians.

The Soviet Union's oppression of independence in the region began in the 1920s as Nagorno Karabagh and its predominantly Armenian population were attached to Azerbaijan. Most recently, Armenians in Nagorno Karabagh struggled to fight the rise of Islamic fundamentalism in the Caucasus region.

Finally, on September 2, 1991, the Armenians of Nagorno Karabagh declared

their independence and survived a three-year war with Azerbaijan to create legitimate government institutions. Residents of Nagorno Karabagh have participated in national elections for parliament and president since then.

Many challenges face the Republic of Nagorno Karabagh and Armenians in the region. I applaud efforts undertaken earlier this year to bring together Armenia and Azerbaijan in Key West, Florida, to discuss a peaceful end to the Nagorno Karabagh conflict. As Secretary of State Powell noted, "achieving a durable and mutually acceptable resolution to Armenia's conflict with Azerbaijan over Nagorno Karabagh is key to several US interests." In addition to helping to restore stability in the Caucasus region, a lasting peace agreement would allow Armenia to improve its relations with Turkey and focus much of its economic resources on internal development and social improvements.

As a member of the Senate Foreign Operations Appropriations Subcommittee, I will continue to work to secure funding to support a settlement of the Nagorno Karabagh conflict. These funds are critical to the peace process and to post-settlement reconstruction in Azerbaijan and Armenia as part of a coordinated international donor effort.

Again, I commend the Armenians of the Republic of Nagorno Karabagh for their courage and perseverance on this anniversary of their independence. I look forward to years of peace and economic vitality in the region.●

#### MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

#### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

#### MESSAGE FROM THE HOUSE

Under the authority of the order of the Senate of January 3, 2001, the Secretary of the Senate, on August 8, 2001, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

H.R. 93. An act to amend title 5, United States Code, to provide that the mandatory separation age for Federal firefighters be made the same as the age that applies with respect to Federal law enforcement officers.

H.R. 271. An act to direct the Secretary of the Interior to convey a former Bureau of

Land Management administrative site to the city of Carson City, Nevada, for use as a senior center.

H.R. 364. An act to designate the facility of the United States Postal Service located at 5927 Southwest 70th Street in Miami, Florida, as the "Marjory Williams Scrivens Post Office."

H.R. 427. An act to provide further protections for the watershed of the Little Sandy River as part of the Bull Run Watershed Management Unit, Oregon, and for other purposes.

H.R. 558. An act to designate the Federal building and United States courthouse located at 504 West Hamilton Street, in Allentown, Pennsylvania, as the "Edward N. Cahn Federal Building and United States Courthouse."

H.R. 821. An act to designate the facility of the United States Postal Service located at 1030 South Church Street in Asheboro, North Carolina, as the "W. Joe Trogon Post Office Building."

H.R. 988. An act to designate the United States courthouse located at 40 Centre Street in New York, New York, as the "Thurgood Marshall United States Courthouse."

H.R. 1183. An act to designate the facility of the United States Postal Service located at 113 South Main Street in Sylvania, Georgia, as the "G. Elliot Hagan Post Office Building."

H.R. 1753. An act to designate the facility of the United States Postal Service located at 419 Rutherford Avenue, N.E., in Roanoke, Virginia, as the "M. Caldwell Butler Post Office Building."

H.R. 2043. An act to designate the facility of the United States Postal Service located at 2719 South Webster Street in Kokomo, Indiana, as the "Elwood Haynes 'Bud' Hillis Post Office Building."

H.R. 2213. An act to respond to the continuing economic crisis adversely affecting American agricultural producers.

Under the authority of the order of the Senate of January 3, 2001, the enrolled bills were signed by the President pro tempore (Mr. BYRD) on August 8, 2001.

#### MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

H.R. 4. An act to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.

#### EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3289. A communication from the Deputy Assistant Secretary, Office of Workforce Security, Department of Labor, transmitting, pursuant to law, the report of a rule entitled "Labor Certification Process for the Permanent Employment of Aliens in the United States; Refiling of Applications" (RIN1205-AB25) received on August 7, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC-3290. A communication from the Under Secretary for Health, Department of Vet-

erans Affairs, transmitting, a report relative to the impacts of recent and ongoing research; to the Committee on Veterans' Affairs.

EC-3291. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, a report deciding habeas corpus death penalty petitions for the period beginning July 1, 2001 through June 30, 2001; to the Committee on the Judiciary.

EC-3292. A communication from the Acting Assistant Attorney General for Administration, Justice Management Division, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Nationwide Joint Automated Booking System" (DOJ-005) received on August 9, 2001; to the Committee on the Judiciary.

EC-3293. A communication from the Administrator of the General Service Administration, transmitting, pursuant to law, a report relative to the Federal Employees Clean Air Incentives Act for Fiscal Years 2000 and 2001; to the Committee on Governmental Affairs.

EC-3294. A communication from the Executive Director of the Committee for Purchase from People Who are Blind or Severely Disabled, transmitting, pursuant to law, the report of additions to the procurement list received on August 8, 2001; to the Committee on Governmental Affairs.

EC-3295. A communication from the Director of Employee Benefits, AgriBank, transmitting, pursuant to law, the annual report disclosing the financial condition of the Retirement Plan for the Employees of the Seventh Farm Credit District and the audited financial statements for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC-3296. A communication from the Acting Assistant Secretary of Health Affairs, Department of Defense, transmitting, pursuant to law, a report relative to the Anti-Deficiency Act; to the Committee on Appropriations.

EC-3297. A communication from the Acting Director of the Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Indiana Regulatory Program" (IN-151-FOR) received on August 10, 2001; to the Committee on Energy and Natural Resources.

EC-3298. A communication from the Acting Director of the Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Arkansas Regulatory Program" (AR-038-FOR) received on August 10, 2001; to the Committee on Energy and Natural Resources.

EC-3299. A communication from the Acting Director of the Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Pennsylvania Regulatory Program" (PA-133-FOR) received on August 10, 2001; to the Committee on Energy and Natural Resources.

EC-3300. A communication from the Group Vice President, Structured and Trade Finance, Export-Import Bank of the United States, transmitting, pursuant to law, a report relative to a transaction involving U.S. exports to the Republic of Korea; to the Committee on Banking, Housing, and Urban Affairs.

EC-3301. A communication from the Chairman and President of the Export-Import Bank of the United States, transmitting, pursuant to law, a report relative to a transaction involving U.S. exports to Mexico; to the Committee on Banking, Housing, and Urban Affairs.

EC-3302. A communication from the Director of the Export-Import Bank of the United States, transmitting, pursuant to law, a report relative to a transaction involving U.S.