

ON THE INTRODUCTION (BY REQUEST) OF THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND AMENDMENTS OF 1998

**HON. BRUCE F. VENTO**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 1, 1998*

Mr. VENTO. Mr. Speaker, today I am introducing by request of the Administration, along with the Chairwoman of the Financial Institutions and Consumer Credit Subcommittee, Mrs. ROUKEMA, the Community Development Financial Institutions Fund Amendments of 1998.

The reauthorization of the Community Development Financial Institutions Fund should be an important part of the Financial Institutions and Consumer Credit agenda this year. The CDFI fund was established to increase access to credit in distressed areas and to provide community development and financial services opportunities to disadvantaged people. Created in 1994, funds allocated to the CDFI Fund help leverage additional private capital used by CDFIs to revitalize neighborhoods, encourage and promote entrepreneurs, restore private market activity in distressed communities and empower local residents. The Administration's FY 1999 budget has requested \$125 million for the CDFI program and in concert with a reauthorization effort, we can improve and further empower the CDFI funded programs.

Demand for the CDFI funded programs has exceeded expectations. The Treasury Department has reported that requests for assistance in the first two rounds have been approximately \$500 million. Of the \$125 million requested by the Administration in FY 1998, only \$80 million was appropriated. This, along with the earlier appropriations, has barely scratched the surface of the need for the unique activities of the CDFI Fund and its sister program, funded with one-third of the appropriations, the Bank Enterprise Act (BEA).

I look forward to working with the Administration, Chairwoman ROUKEMA and other Members of the Banking Committee on a reauthorization of the CDFI. We do need to act soon to help the CDFI and BEA programs to go forward in the future with new initiatives that can expand the CDFI Fund's tools for assisting community development financial institutions. CDFI provides seed money for the creation of jobs, brings capital into distressed communities, and lifts people out of poverty. With our efforts this year, we can maximize the benefits CDFIs can provide to underserved communities across the country.

A section-by-section of the bill follows:

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND AMENDMENTS ACT OF 1998—  
SECTION-BY-SECTION ANALYSIS

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

This section designates this legislation as the Community Development Financial Institutions Fund Amendments Act of 1998 and provides a table of contents.

SECTION 2. TECHNICAL CORRECTIONS TO REFLECT STATUS OF THE FUND WITHIN THE TREASURY DEPARTMENT; MISCELLANEOUS TECHNICAL CORRECTIONS.

Subsection (a) amends the purpose section of the Community Development Banking and

Financial Institutions Act of 1994 (the Act) to add language that clarifies that the purpose of the Act is to promote economic revitalization and community development not only through investment in community development financial institutions (CDFIs), but also through incentives to insured depository institutions under the Bank Enterprise Act of 1991.

Subsections (b) and (c) amend the Act to reflect the intent of subsequent appropriations provisions that made the Community Development Financial Institutions Fund (CDFI Fund) a wholly owned government corporation within the Treasury Department. Technical amendments to the Act eliminate the concept of a presidentially appointed Administrator of the CDFI Fund, and, as with other Treasury programs, vest all of the duties and responsibilities of the CDFI Fund in the Secretary of the Treasury (subject to existing statutory delegation authority). The Secretary may appoint all officers and employees of the CDFI Fund, including a Director.

Subsection (c) also makes technical changes to clarify that the Inspector General of the Treasury Department is the Inspector General of the CDFI Fund.

SECTION 3. AMENDMENTS TO PROGRAMS ADMINISTERED BY THE FUND.

Subsection (a) makes minor changes to the Community Development Financial Institutions Awards Program (CDFI Program) administered by the CDFI Fund. The amendments provide that, for the training and technical assistance programs already authorized by the Act, the Fund may enter into cooperative agreements in addition to the other methods described.

Subsection (b) contains amendments clarifying the Bank Enterprise Act (BEA) Awards Program for insured depository institutions. The subsection provides technical amendments and clarifies that the Fund may provide assessment credits to insured depository institutions for increases in loans and other assistance provided to CDFIs. The provisions clarify the manner in which the Fund may take account of forms of assistance provided by insured depository institutions. In addition, the provisions permit the Fund to use alternative eligibility requirements to determine the definition of a "qualified distressed community." Current criteria are difficult to interpret and may exclude some insured depository institutions, particularly those serving rural areas, from participation in the BEA Program.

SECTION 4. EXTENSION OF AUTHORIZATION.

This section authorizes appropriations in such amounts as may be necessary for the CDFI Fund to carry out its responsibilities under the Act.

SECTION 5. AMENDMENTS TO THE SMALL BUSINESS CAPITAL ENHANCEMENT PROGRAM.

Subtitle B of Title II of the Act currently provides the CDFI Fund with authority to administer a program to encourage states to implement small business "capital access programs" with participation of certain depository institutions. These "capital access programs" expand access to small business loans by creating a loan loss reserve, funded by the depository institution, the borrower, and the state. This reserve fund allows banks to make more difficult small business loans. The Fund, under the Small Business Capital Enhancement (SBCE) Program, could reimburse participating states for a portion of funds contributed to these loan loss reserve accounts.

The amendments made by section 5 remove statutory barriers that currently block the

CDFI Fund from administering the SBCE Program. Subsection (a) allows CDFIs to participate in the SBCE Program. Subsection (b) removes the requirement that the SBCE Program receive a threshold appropriation before beginning operations. Finally, this section will allow the CDFI Fund (if the SBCE Program is operating) to reimburse participating states according to criteria established by the CDFI Fund in an amount up to 50 percent of the amount of contributions by the states, until funds made available for this purpose are expended. This permits the Fund to target reimbursements to states that have not yet established these programs or that have insufficient funds for effective programs.

BRONX COMMUNITY COLLEGE'S  
20TH ANNUAL HALL OF FAME  
10K RUN

**HON. JOSÉ E. SERRANO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 1, 1998*

Mr. SERRANO. Mr. Speaker, it is with joy that I rise to pay tribute to Bronx Community College, which will hold its 20th Anniversary Hall of Fame 10K Run on Saturday, May 2, 1998.

The Hall of Fame 10K Run was founded in 1978 by Bronx Community College's third President, Dr. Roscoe C. Brown. Its mission is to highlight the Hall of Fame for Great Americans, a national institution dedicated to those who have helped make America great.

The tradition continues, first under the leadership of Acting President, Dr. Leo A. Corbie and now under Dr. Carolyn G. Williams, the first woman President of Bronx Community College. Both Dr. Corbie and Dr. Williams have endorsed and follow the commitment made by Dr. Brown to promote physical well-being as well as higher education.

As one who has run the Hall of Fame 10K Run, I can attest that the excitement it generates brings the entire City together. It is a celebration and an affirmation of life. It feels wonderful to enable more than 400 people to have this experience—one that will change the lives of many of them. It is an honor for me to join once again the hundreds of joyful people who will run along the Grand Concourse, University Avenue and West 181 Street and to savor the variety of their celebrations. There's no better way to see our Bronx community.

For its entire 19 years, Professor Henry A. Skinner has coordinated the Bronx Community College Hall of Fame 10K race, a healthy competition which brings together runners of all ages from the five boroughs of New York City. He is also the President of Unity and Strength, the organization of minority faculty, staff and administrators of Bronx Community College.

Mr. Speaker, I ask my colleagues to join me in recognizing the individuals and participants who are making the Bronx Community College's 20th annual Hall of Fame 10K Run possible.

THE SAFE ACT JEOPARDIZES  
ISRAEL'S SECURITY

**HON. GERALD B.H. SOLOMON**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 1, 1998*

Mr. SOLOMON. Mr. Speaker, as you know, approval of the SAFE ACT, (H.R. 695) without key recovery will damage America's intelligence gathering capability. This is the reason the National Security and Intelligence Committees strongly oppose the bill.

When terrorist nations or terrorist organizations communicate we now possess the capability to intercept and decode those messages. However, if the SAFE ACT becomes law our country will lose this capability. Approval of this bill would have grave consequences on Israel. First, since the bill effectively eliminates export controls on encryption technology it will weaken our ability to collect intelligence and as a result devalue the intelligence we share. Secondly, making unrestricted encryption technology available to terrorist organizations would jeopardize Israel's own intelligence capability.

When questioned about the effects of H.R. 695 (The SAFE ACT) General Meir Dagan, Advisor to the Israeli Prime Minister on Counter Terrorism stated, "making unbreakable encryption software available would be the equivalent of shooting ourselves with our own gun!" And Major General David Ivry, Advisor to Israel's Minister of Defense said that, "we would encourage all of our friends in the United States to oppose the bill."

The proponents of this bill maintain that our enemies and Israel's enemies will eventually possess encryption technology. Even if true, it fails to explain why we should rush to place this technology in the hands of our enemies. Please give the United States, our allies and our friends the time to develop a strategy and countermeasures to address these new technologies by opposing the SAFE ACT.

THE EMPOWERMENT ZONE  
ENHANCEMENT ACT OF 1998

**HON. CHARLES B. RANGEL**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 1, 1998*

Mr. RANGEL. Mr. Speaker, today, we have the opportunity to take another step closer to a goal that is close to our hearts—renewing investments in our cities and communities. Working closely with the administration, the leadership of numerous Federal agencies, State and local governments, and community residents, I am introducing the Empowerment Zone Enhancement Act of 1998.

The Empowerment Zone Enhancement Act expands on the successful empowerment zone (EZ) initiative we began in the Omnibus Budget Reconciliation Act (OBRA) of 1993. In 1993, OBRA created nine empowerment zone demonstration projects and 95 enterprise communities. In the 1997 Taxpayer Relief Act, we went one step further by authorizing the designation of 20 additional EZs and provided for tax incentives for these zones. However, the 1997 Act did not provide the flexible grant funding critical to assist distressed urban and

rural communities develop and implement holistic revitalization programs. The bill I am introducing today would fulfill this major goal of the Empowerment Zone/Enterprise Community (EZ/EC) Initiative. Specifically, this bill provides for \$1.7 billion in grant funds over a 10-year period, \$1.5 billion for the urban zones and \$0.2 billion for the rural zones. The funds are channeled through the Title XX social services block grant and are in addition to current Title XX resources.

Despite the short existence of the EC/EZ Initiative, various elements for success have been identified. This initiative has not produced the intended benefits of creating economic opportunity, broad-based community partnerships and sustainable community development, but has also proven to be one in which local neighborhoods are encouraged to seek solutions to the problems of their community, rather than wait for Washington solutions.

Leveraging public sector resources to enable private-sector community investment is a fiscally responsible means of promoting community development and prosperity. The Empowerment Zone Enhancement Act is the next logical step in permitting the private sector to actively participate in this process of developing and implementing solutions. It is important and appropriate that we continue this process of rebuilding our communities.

DISABLED VETERANS' AUTO-  
MOBILE ASSISTANCE IMPROVE-  
MENT ACT OF 1998, H.R. 3618

**HON. LANE EVANS**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 1, 1998*

Mr. EVANS. Mr. Speaker, today, I am introducing the Disabled Veterans' Automobile Assistance Improvement Act of 1998. Severely disabled veterans are eligible for a grant from the Department of Veterans Affairs (VA) to provide or assist in providing an automobile or other conveyance.

The original intent of this program was to provide a grant which would enable a veteran to actually purchase a motor vehicle. The grant currently available is totally insufficient for that purpose. In 1971, the average cost of a new car was \$3,742 and the VA grant amount was \$2,800. In 1974, the average cost of a new car was \$4,440 and the VA grant was raised to \$3,300. By 1988, the average cost of a new car had increased to \$14,065 and the VA grant had increased to \$5,500. Today, the average cost of a new car is \$20,647, but the VA grant remains limited to \$5,500. These figures dramatically demonstrate the erosion of a benefit which is designed to assist disabled veterans in the purchase of a motor vehicle.

The Disabled Veterans' Automobile Assistance Improvement Act of 1998 will enable disabled veterans to qualify for a grant which will be increased to make up for the increased cost of automobiles over the last ten years and will index these amounts for future inflation. Our severely disabled veterans need assistance with the cost of motor vehicles which, due to the extent of the veterans' service-connected disabilities, frequently cost far more than the average cost of an automobile. This

legislation will provide that assistance and I urge my colleagues to support this important legislation.

HONORING DR. PAUL DRESCHNACK

**HON. MICHAEL BILIRAKIS**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 1, 1998*

Mr. BILIRAKIS. Mr. Speaker, I rise today to commend the work of one of my constituents, Dr. Paul Dreschnack. Dr. Dreschnack is a plastic surgeon who spends several weeks each year in India, voluntarily performing free operations on children born with facial defects.

I recently nominated Dr. Dreschnack and his mentor, Dr. Sharadkumar Dicksheet, for a Nobel Peace Prize. I would like to share with our colleagues the letter I submitted with their nomination application. I nominated these outstanding men because they embody the essence of humanitarianism. They have selflessly given their time, money, and energy to improve the lives of others.

On behalf of the United States House of Representatives, I thank Dr. Dreschnack and Dr. Dicksheet for their tireless work. They are very worthy of this prestigious award and would uphold its tradition of outstanding recipients if it is awarded to them.

DEAR NOBEL COMMITTEE MEMBERS: It is my distinct privilege to bring before the Committee two physicians whose humanitarian contributions in the area of medicine have prompted me to submit their names for consideration as Nobel Prize Laureates.

I became acquainted with the work of Dr. Dicksheet and Dr. Dreschnack during a recent meeting with representatives from a local chapter of an international civic organization, the Rotary Club of Dunedin, North. The story that unfolded over the next several hours could be subtitled by the headlines of some of the articles contained in their packet: "The Doctor's Heart: A New York Doctor Returns to India to Give His Life's Earnings Back"; "New Life to the Deformed"; "One Man, 20,000 Lives."

Most of us, as we mature and recognize that we have been the recipient of unearned blessings or talents in life, desire to give back to the community. Such is the motive driving both Dr. Dicksheet and Dr. Dreschnack. But their vision, the longevity and the largesse of their contributions sets them apart among men.

For thirty years, Dr. Sharad Dicksheet has spent approximately six months each year in the poorest regions of India, providing free surgery to those in need. He brings with him a small team of surgeons, often paying for their travel out of his own funds.

They arrive at one of the many Plastic Surgery Camps, or Shivers, as they are called. Year after year, the routine has been the same. By daybreak, hundreds of people have arrived, (some traveling hundreds of miles) to be evaluated for treatment. In recent years the number arriving at each site has often increased to over one-thousand people.

Time and resources dictate that only those deemed treatable can be assured of surgery. The patients are primarily cleft lip and or cleft palate cases but include a variety of facial deformities, burn injuries, including burn contractures of joints, and deformed ears and eyes.

By nine o'clock, separate operating tables have been set up for the team and the surgeries begin, continuing uninterrupted until