

CONCLUSION OF MORNING  
BUSINESS

The ACTING PRESIDENT pro tempore. The time for morning business has expired.

## DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the VA-HUD conference report. There are 60 minutes for debate to be equally divided.

The report will be stated.

The assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4194), have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 5, 1998.)

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. BOND. I yield to my distinguished colleague from Maryland for a request.

## PRIVILEGE OF THE FLOOR

Ms. MIKULSKI. Mr. President, I ask unanimous consent that during consideration of the report 105-769, that Ms. Bertha Lopez, a detailee from HUD serving with the VA-HUD committee, be afforded floor privileges.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Ms. MIKULSKI. Thank you. I yield the floor and look forward to proceeding on our conference.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Missouri is recognized.

Mr. BOND. I thank our distinguished ranking member, Senator MIKULSKI. Before I get into the bill, let me say Senator MIKULSKI and her staff have given us tremendous cooperation, guidance and support. The process is always very difficult in this bill, but it runs much more smoothly because of her leadership, her guidance, and her deep concern for all of the programs covered.

Mr. President, I am pleased to present to the Senate the conference report on the fiscal year 1999 VA-HUD and independent agencies appropriations bill. The conference report provides \$93.4 billion, including \$23.3 billion in mandatory veterans' benefits. I believe this represents a fair and balanced approach to meeting the many compelling needs that are afforded this subcommittee, particularly in the face of a very tight budget allocation.

The conference report accords the highest priority to veterans' needs,

providing \$439 million more than the President's request for veterans' programs. Other priorities include elderly housing, protecting environmental spending, and ensuring sufficient funding for space and science.

We did our best to satisfy priorities of Senators who made special requests for such items as economic development grants, water infrastructure improvements, and similar vitally important infrastructure investments. Such requests numbered over 1,000 individual items, illustrating the level of interest and the demand for assistance provided in this bill.

We also attempted to address the administration's top concerns wherever possible, including funding for 50,000 new incremental housing vouchers, funding for the National Service Program at the current year rate, additional funding for the cleanup of Boston Harbor, and \$650 million in advance funding for Superfund, contingent upon authorization and reform of the Superfund Program by August 1, 1999.

For the Department of Veterans Affairs, the conference report provides a total of \$42.6 billion. This includes \$17.306 billion for veterans medical care. That figure is \$278 million more than the President's request, and \$249 million more than the 1998 level. Thus, we have increased by just about a quarter of a billion dollars the amount of money going to veterans health care above what was available for the past fiscal year. There was a strong consensus in this body, on a bipartisan basis, that the President's request for veterans medical care was inadequate, and that additional funds were needed to ensure the highest quality care to all eligible veterans seeking care.

Funds above the President's request also provided for construction, research, State veterans nursing homes, and the processing of veterans claims. I am confident these additional funds will be spent to honor and care for our Nation's veterans.

In HUD, the conference report provides for the Department of Housing and Urban Development a total of \$26 billion. Again, this is \$1 billion over the President's request. We were able to provide this significant increase in funding because of additional savings from excess section 8 project-based funds as well as savings from our reform of how HUD conducts its FHA property disposition program.

Because of these savings and reforms, we have been able to increase funding for a number of important HUD programs, including increasing critically needed funding for public housing modernization from \$2.55 billion to \$3 billion; increasing HOPE VI to eliminate distressed public housing from \$550 million to \$625 million; increasing the very important local government top priority, Community Development Block Grants from \$4.675 billion to \$4.750 billion.

We increased HOME funds, providing the flexibility for local governments to

make improvements in providing needed housing for low-income and needy residents, from \$1.5 billion to \$1.6 billion, and we increased funding for homeless assistance from \$823 million to over \$1 billion, including requirements for HUD, recapturing and reprogramming unused homeless funds.

We also included \$854 million for section 202 elderly housing, and section 811 disabled housing. This is an increase of some \$550 million over the President's request for the section 202 program.

This reflects the sense of this body, expressed in a resolution jointly sponsored by my ranking member and myself, saying that we could not afford an 80-percent cut in assistance for elderly housing as proposed by the Office of Management and Budget.

I want to be clear that these funding decisions for HUD do not reflect a vote of confidence for HUD. HUD remains a troubled agency with significant capacity problems and dysfunctional decisionmaking. Let me remind my colleagues that HUD remains designated as a high-risk area by the General Accounting Office, the only department-wide agency ever so designated. I am not confident that HUD is making appropriate progress. I also want to warn my colleagues that, while we have provided the additional 50,000 welfare-to-work incremental vouchers that the administration requested, HUD and we are fast approaching a train wreck. And the debris will be on our hands.

Let me call our colleagues' attention to this chart. It shows an explosion. To be specific, in fiscal year 1997 we had to appropriate \$3.6 billion in budget authority for the renewal of existing section 8 vouchers. These are the renewals for people who are now receiving section 8 assistance. Because in prior years we had multiyear authorizations, those authorizations are expiring, and just to maintain the section 8 assistance we are providing we had to go up to \$8.2 billion this year. We will go up next year to \$11.1 billion, the year after \$12.8 billion, and by 2004 we will have to find budget authority of \$18.2 billion, just to maintain the section 8 certificates, the vouchers for assisted housing for those in need that we already provide.

So, this is a budgetary problem of huge magnitude and it is something that is coming. Unless we are to stop providing assistance for those who need section 8, we are going to have to find in the budget room for that much budget authority. I have asked HUD repeatedly, in hearings before our committee, to address this fiscal crisis. Yet HUD has repeatedly failed to fulfill these responsibilities. This is something this body and the House are going to have to work on next year and the year after and the year after. The problem grows significantly more severe as we move into the outyears.

The conference report, at the request of the House and the leaders of the Housing Authorization Committee in

the Senate—the distinguished chairman of that subcommittee, Senator MACK, will be addressing this later—includes a public housing reform bill entitled the “Quality Housing and Work Responsibility Act of 1998.” I congratulate the members of the authorizing committee for making significant and positive reforms to public and assisted housing programs. I believe that, given the legislative calendar and the situation, it was appropriate, with the advice, counsel and direction of the leadership, that we included it.

There are some issues I want to flag now because I think we may want to come back and readdress them, as we do in so many things that we pass in the housing area in this body.

I am concerned that the requirements on targeting might adversely impact the elderly poor. I am concerned about a provision that could allow HUD to micromanage housing choices of public housing families on a building-by-building basis, and I don't agree with the provision that would provide the HUD Secretary with a slush fund of some \$110 million.

Most of my concerns, however, relate to provisions that will become effective in fiscal year 2000. I expect that we will continue to review these areas and we will work, as we have in the past, in full cooperation with our distinguished colleagues on the authorizing committees in both the House and the Senate and discuss these further in future bills.

Finally, this appropriations bill provides a significant increase for FHA mortgage insurance. We raised the floor from \$86,000 to \$109,000 and the ceiling for high-cost areas from \$170,000 to \$197,000. This is a critical provision. It means that families will have new and important opportunities to become homeowners.

With respect to the Environmental Protection Agency, the conference report provides \$7.650 billion for EPA. That is about \$200 million more than current year funding. Included in this is the President's full request for the clean water action plan which totals \$150 million in new funding, principally for State grants aimed at controlling polluted runoff or nonpoint source pollution. The conference report also provides \$2.125 billion for State clean water and safe drinking water revolving funds, an increase of \$275 million over the President's request and \$50 million over the current year.

Mr. President, I am very proud that we were able to provide this, because I think in every State, if you talk with the people who are actually doing the hard work of making sure that wastewater is cleaned up and that we have safe drinking water, they will tell you that these State revolving funds, which provide low-cost loans and enable communities to take vitally important steps necessary to ensure that they clean up their wastewater and they have safe drinking water, they will tell you that these State revolving funds

are absolutely critical for meeting the long-term needs of our communities.

Back to the rest of the bill, for Superfund, the conference report provides \$1.5 billion, the same as the current year funding. In addition, there is an advance appropriation of \$650 million, contingent upon authorization by August 1, 1999.

Other high priorities in EPA, which we have funded, include particulate matter research, funding for the brownfields at the full request level, providing to the States the tools they need to prevent pollution, cleanup of waste sites and enforcing environmental laws. Almost half of the funds provided in this bill will go directly to the States for these purposes.

For FEMA, the Federal Emergency Management Agency, there is a total of \$827 million, approximately the same amount as current year funding, with emphasis on preparing for both natural and man-made disasters.

The conference report includes the President's request of \$308 million for disaster relief spending. While there are not any additional funds above the President's request for disaster relief, let me assure everyone that the current balances in the disaster relief fund are sufficient to meet all the needs at this time, including those stemming from Hurricane Georges, as well as the flooding that hit my State over the weekend and resulted in tragic deaths in the Kansas City area, as well as severe damage to homes and businesses.

We all appreciate the good work FEMA has done to help the victims struggling to recover from recent devastation, whether it is hurricanes, floods or tornadoes. Our thoughts and prayers are with the many people who suffered severe losses because of natural disasters.

In order to support efforts aimed at mitigating against future disasters, the conference report provides \$25 million for predisaster mitigation grants. These funds are intended to ensure communities will be better prepared and that losses will be minimized when the next disaster strikes. We hope these funds will be well spent to strengthen the Nation's preparedness for natural disasters.

Finally, within FEMA, the conference agreement provides the full budget amount requested by the administration in July for antiterrorism activities. My ranking member and I believe this is vitally important preparation. It is something we need to be looking at in every area, and we are very proud to be able to provide this assistance for FEMA, because this is critical as part of an interagency effort aimed at preparing States and local governments for possible terrorists incidents.

For the National Aeronautics and Space Administration, NASA, the conference report provides a total of \$13.665 billion. This is \$200 million over the President's request, including \$5.480 billion for the international space station and shuttle activities.

We remain very concerned over cost overruns, and the failure of the Russian Government to meet its obligations as a partner in the development and operation of the space station. As a result, this conference report includes requirements for NASA to address Russian noncompliance and includes a provision addressing the need for NASA to explore alternative ways of doing business with the Russians. Again, I thank my distinguished ranking member for her leadership on this issue.

For the National Science Foundation, the conference agreement provides \$3.6 billion for NSF. This is \$242 million above the enacted level for the past year. Included in this is \$50 million for the plant genome program. Mapping the significant crop genomes is vitally important to the future of agriculture and to feeding our country and to feeding the hungry people of the world. This is an increase of \$10 million over last year's level and the initial phases of what I believe will be a significant scientific breakthrough.

Before I yield to my colleague from Maryland, I do want to take this opportunity to talk about a crisis that is wreaking havoc throughout our country. That crisis is in Medicare home health benefits. They are in severe jeopardy.

The Health Care Financing Administration implemented a home health interim payment system, the IPS, which hits hundreds of home health agencies, many of which are small, freestanding providers, and has been forcing them out of business.

In Missouri alone where we had last year 230 home health care agencies, 50 agencies have already shut their doors entirely or have stopped accepting Medicare patients. One of them is the largest program in the State, the St. Louis Visiting Nurses Association, but many of them are small businesses that provide vitally needed health care services. It may be in rural areas or it may be in the inner cities, but they are serving some of the most deserving, poor elderly and disabled in our country.

The agencies that are being hit are those that serve the most complex cases, the ones with the most difficult challenges. Some parts of Missouri are losing their only source of home health care.

My hometown of Mexico, MO, has a small rural hospital. It is the Audrain Medical Center. We are very proud of it. But recently I received a letter from David Neuendorf, the medical center's chief financial officer, describing the difficulties they are facing. He stated the following:

In Mexico the HealthCor, Beacon of Hope, and Homecare Connections agencies have closed. Other firms headquartered elsewhere have closed their Mexico offices. People who need home care in this area are simply not going to be able to get it in the future. When

they become sick enough they will end up in the hospital where they will receive more expensive treatment.

Mr. President, in Missouri we have a well known phrase: "Show me." Mr. President, people in Missouri have shown me that the interim payment system is denying access to critical home health services. The IPS is the worst case of false economy I have ever seen. If the elderly and disabled cannot get care in the home, what is going to happen? They either will wind up in the emergency room very sick or they will go into institutionalized care, going into expensive nursing homes or even hospitals, or the patients simply will not get care at all.

One agency chief officer who testified before the Small Business Committee exemplifies the problem. She tells me she provides care to the most complex cases, the most difficult ones to serve in a central city area. And if this system and the proposed cuts go through, she could go out of business, and of the 350 patients she has, almost half of them would have to go immediately into nursing homes.

This means that not only will Medicare costs rise, but there will be an explosion in State and Federal Medicaid budgets. We are going to have to pay for these poor, elderly, and disabled who are very sick. If we do not take care of them in the home health setting, we are going to take care of them in less convenient, less comfortable ways for them but far more expensive ways for us.

We must demand this insane, inequitable, and punitive system be corrected before we adjourn. And there are many proposals floating around. I believe Members on both sides of the aisle of this body know stories about how serious this crisis is. Some of them provide needed relief to home health agencies, those whom they serve. Some of them merely add a few lifeboats to a sinking ship. But it is clear one important consideration is missing. It is imperative we restore access to home health care for medically complex patients, especially those in center cities and rural areas. We cannot just reshuffle the deck and cause losses to vulnerable patients.

Mr. President, I would have addressed this under the VA-HUD bill, under the FEMA's emergency budget. Unfortunately, home health care does not qualify for disaster relief. But let me assure my colleagues, that the human disaster of failing to address this home health care problem is going to be as severe, if not more severe, than many of the tragic natural disasters we address in FEMA.

Mr. President, to sum up, I am very proud of the work that we have been able to accomplish. I appreciate once again the work of my distinguished colleague. I will recognize others who have worked on this later, but now it is my pleasure to defer to the distinguished Senator from Maryland.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Thank you very much, Mr. Chairman and Mr. President.

I am really proud once again to come to the floor with my colleague, Senator BOND, to bring to the Senate's attention the 1999 VA-HUD conference report and urge that we move quickly to vote on and pass what I believe is a very solid report. This is a strong conference report, and I believe it is one which will be signed by the President of the United States. And why? Because it meets the day-to-day needs of the American people as well as the long-range needs of the United States of America.

It provides a safety net for our seniors. It gets behind our kids. It invests in science and technology and makes our world safer. It meets compelling human needs and at the same time makes public investments in Federal Laboratories that will come up with the new ideas for the new products, for the new jobs, for the 21st century.

Let's talk about a safety net for seniors. We have often said to our veterans that we are a grateful nation for the sacrifice that they have made in the wars, and many of them bear the permanent wounds of war. But I believe the way a grateful nation expresses its gratitude is not with words but with deeds. That is why I am so pleased that we are providing in the VA medical care account \$17.3 billion to meet that need. This will ensure that our veterans will receive quality medical care and that whenever they enter a VA hospital or an outpatient clinic, promises made will be promises kept.

At the same time, we provided \$316 million for VA medical research. VA medical research is different from NIH research. Building on basic science, it actually does research in hands-on ways to improve clinical practice—both in acute care as well as in prevention and home health care. This means that this will focus on those diseases that ravage our veterans—like diabetes and like prostate cancer as well as the Gulf War Syndrome.

In addition to what we have done for senior citizens in the veterans health care program, we also worked to make sure that there is a safety net for seniors in our housing for the elderly. Misguided budget cutters sent a budget to us cutting housing for the elderly by a half a billion dollars, and at the same time they wanted to convert those funds to vouchers. On a bipartisan basis, Senator BOND and I said that was absolutely unacceptable.

First of all, the Housing for Elderly Program is one of the most popular programs within HUD. And it is often run by nonprofit organizations, many of whom are faith-based, like Catholic Charities and Associated Jewish Charities in my own State, not only taking taxpayers' dollars and adding housing for the elderly but value adding to that. That is why we restored that cut

of a half-billion dollars, to make sure that the funds are there.

We also rejected their approach to providing vouchers. Senator BOND and I really did not believe that an 80-year-old frail, elderly woman with her walker should be walking up and down the streets of St. Louis, MO, or Baltimore, MD, or any of our communities, trying to get into an apartment that might not meet the needs of the elderly, and certainly the frail elderly.

So we got rid of the misguided budget cutting and also the poor policy thinking that went into it. We are challenging HUD, however, to come up with new thinking in their housing for the elderly to develop new approaches for our seniors, and particularly those that are aging in place. There will be a demonstration project run by Catholic Charities just to do that.

At the same time, in this subcommittee, we showed our commitment to the next generation in terms of our children. Within the National Science Foundation account, we have increased the funding for the training of science teachers as well as expanding the informal science education programs to reach beyond the classroom to our children to encourage them to study math, science, and engineering.

Also, we have added assistance for the historically black colleges, as well as ones serving Hispanic institutions, to develop important laboratory infrastructure so that they can modernize their facilities, so they can provide the best quality education available.

In addition to our educational efforts in terms of our children, we also wanted to look out for their health. That is often in the Labor-HHS appropriation, but there is a secret here often in housing, in old housing in slum neighborhoods, which is that they are loaded with lead. Lead constitutes one of the biggest problems facing many of the children in my own hometown of Baltimore. And we have taken Federal dollars and increased the funding for our lead abatement program. Again, we have worked on a bipartisan basis.

Scientists and physicians at Johns Hopkins point out when a child comes into Hopkins and his or her blood is loaded with lead, the very nature of detoxification is not only painful, but it often costs in the Medicaid budget thousands of dollars. The impact of lead not only can lead to death but severe impairment of intellectual ability. By getting the lead out of our housing and getting the lead out of our bureaucracy, we will make sure we get the lead out of our children. We are very pleased to have been able to do that.

While we are looking now to the day-to-day needs of the American people, we know we have to invest in science and technology. Again, Senator BOND and I believe that public investments in science and technology will lead to the new ideas, the new products and the new jobs for the 21st century. That is why we have provided significant

funding for critical science and research at the National Science Foundation and the National Space Agency. This legislation will provide \$3.6 billion in the National Science Foundation account. This is an 8 percent overall increase in funding.

The NSF has peer review programs focusing on developing cutting-edge science and technology. We want to, again, work to make sure that this money is used wisely. We believe that the National Science Foundation is on track.

In addition to that, this appropriation provides \$13.6 billion for the National Space Agency. It will spur technology development, as well as look for the origins of the universe.

To my colleagues in the Senate and to those also watching, while we were working on the funding for NASA we recognized a great American hero, Senator JOHN GLENN. At the request of his colleague from Ohio, Senator DEWINE, we have renamed the NASA Lewis Research Center in Cleveland the "John Glenn Research Center," which we think is an appropriate recognition. We thank the junior Senator from Ohio for making that request.

While we are working on NASA, we have been troubled about the funding for the space station and also the failure of the Russian Government to deliver its promises. We have instructed NASA to take a look at how we are going to get value for taxpayers' dollars and how we are going to get technology for taxpayers' dollars. After rather firm conversations with the National Security Advisor of the United States, as well as the Administrator, we believe we have language in our appropriations that will help us get both value and technology for our cooperation in this effort.

We are also working on a safe world. We have funded the Environmental Protection Agency to clean up our environment and also take those steps that are necessary to prevent increased environmental degradation. One of the efforts, of course, is in brownfields, which we hope will be a new tool to be able to clean up those contaminated areas and turn a brownfield into a "green field" for economic development.

We continue to be troubled about the lack of an authorization for Superfund. We will fund Superfund at last year's level but we encourage the authorizers to be able to move ahead and pass an authorization. We have an additional \$650 million included, contingent on a reauthorization by August 1. Those are the things we believe will truly be able to help clean up our environment and do preventive work.

Certain aspects in this legislation regarding EPA are important to my home State of Maryland. In Maryland, we consider good environment is absolutely good business. That is why we thank, once again, Senator BOND for work in continuing the funding for the cleanup and revitalization of the

Chesapeake Bay. The bay is important because it provides tremendous jobs in our State, from the watermen who harvest the different species, including the crabs and oysters of the bay, to other small businesses that work on the bay.

All of my colleagues in the U.S. Senate know we were hit by the terrible situation of *pfisteria*—this "X-like" organism that sits in the mud, mutates 24 times, and then wreaks havoc with our fish. What our legislation provides is important research in *pfisteria*. We hope to be able to come up with solutions that will be important not only for Maryland and the causes of it, but also that will help other parts of the country, like North Carolina, and rivers that are affected by animal wastes, with dire consequences.

We are also very pleased the Federal Emergency Management Administration has been funded. We will meet, of course, the 9-1-1 request of the United States of America, but I believe in FEMA we provided the three "R's." We have funded readiness; we have funded response; and we have also funded both rehabilitation, but more importantly, prevention. This has been the hallmark, I think, of FEMA during the last 5 years, to do training at the local community and throughout this Nation, to be ready for those disasters that normally would affect a particular region, but at the same time the readiness help to move to a quick response. Often after a disaster we can't restore it to its old condition or even better, and, therefore, we need to look at ways to prevent disasters.

There is also another disaster that threatens the United States that is very deeply troubling to me. That is the whole issue of threats of terrorist attacks on our own United States of America. I know at the highest level there are coordinated task forces, particularly from our military, but within our legislation we made sure we fund FEMA's effort to do the training necessary to deal with attacks, particularly of bioterrorism and chemical weapons. We regard this as a very important effort.

I want to mention before I close the very close cooperation we have had in this bill with the authorizers on Housing and Banking. I particularly acknowledge the role of my senior Senator, Senator PAUL SARBANES, and Senator MACK of Florida. They really worked hard this year to come up with a new authorizing framework for public housing. I believe that they did it. They worked on economic integration of public housing so it doesn't remain ZIP Codes of pathology. We have worked together in our legislation. We are taking their authorization and incorporating it here to make sure that there are new housing resources. In our bill there will be 50,000 new vouchers designed for welfare-to-work, to make sure that welfare is not a way of life but a tool to a better life, and that public housing is not a way of life but a tool to a better life. We have worked

cooperatively with them, and we have worked long and hard on our bill to eliminate outmoded public housing rules that only hold people in place, and often have kept people in poverty.

Also, this legislation will extend the life of HOPE VI. HOPE VI is a program that I helped develop that not only tried to eliminate the concentrations of poverty and bring down the old walls of public housing, but to create new hope and new opportunity. I am so pleased the authorizers have spent over 2 years looking at this to come up with a new framework.

I know my own colleague, Senator SARBANES, is trying to get here to speak on this bill. If he doesn't, I know he will speak later. We were both due at a breakfast meeting in Baltimore and he covered that so I could be here to move my bill. How I like working as a team. It is really a great pleasure to me to have my senior colleague, PAUL SARBANES, on the Budget Committee, as well as on the Housing and Banking where we have worked as a team to look at the day-to-day needs of people.

He took this concept of what was happening in public housing and delved into it to come up with new ideas and a new framework. He had the support of Senator MACK, who I know has gone into public housing, talked with residents, listened to the best ideas of foundations and think tanks and also the needs of residents, as did my own senior colleague. I wish all of my colleagues could enjoy the relationship with their colleague within my State as I do. Senator SARBANES and Senator MACK have come up with a new framework. They pushed us to the wall to come up with new funding. We had to forage for the funds, but we were able to do it. We truly hope this will create hope and opportunity.

In addition to that, we are particularly appreciative of the conference report to maintain the funding for national service, which others had wanted to eliminate.

We want to thank them for that because that is also another tool for creating hope and opportunity. So that is my perspective on the VA-HUD bill. Once again, working on a bipartisan basis, we show that we can meet the day-to-day needs of our American people, as well as the long-range needs of the United States of America. I thank Senator BOND and his staff for, once again, the cooperative and bipartisan way that they have worked with my staff and myself. Senator BOND, I thank you for all of the courtesies, the collegiality, and the consultation in which we engaged on this bill. I thank you for really the professionalism of your staff, Jon Kamarck and Carrie Apostolou, who really helped me in many ways to come up with good ideas and worked with you for good solutions.

I also thank my own staff, Andy Givens and David Bowers, and Bertha Lopez, a detailee from HUD who has been with us, who has worked hard to

make sure I could fill my responsibilities. I thank them for their hard work and effort.

In closing, I also want to say that over on the House side, another member of VA-HUD is retiring. We pay our respects to Congressman LOUIS STOKES, who has also really helped move this bill forward.

So, Mr. President, that is my perspective on the bill. In a few minutes, I know we will be moving toward a vote. I urge every single Senator on my side of the aisle to support this bipartisan effort to move the appropriations and really encourage all others with outstanding appropriations to act in the same bipartisan fashion that we have.

Mr. President, I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I join with my colleague from Maryland in expressing our appreciation to the House authorizing committee. She mentioned Senator SARBANES. I want to express my sincere appreciation to Senator MACK. They spent 4 years in "legislative purgatory" attempting to come up with a resolution of these very difficult and important issues.

Mr. ALLARD. Mr. President, I wish to thank the conference committee members, and in particular the chairman of the VA/HUD Appropriations Committee, Senator BOND, and the Chairman of the Housing Subcommittee, Senator MACK. I appreciate their working with me to include two provisions in public housing reform language which I feel are important.

We have worked together to include a provision to allow vouchers for crime victims. This would create an opportunity for individuals who are living in public housing units the chance to leave a bad situation if they are a victim of a crime.

Public housing residents could receive a housing voucher if they were the victim of a crime of violence that has been reported to law enforcement.

These individuals would be empowered with the choice of where they want to live and are given the freedom to determine what surroundings they desire. I strongly believe that people should have the option of vouchers when their housing is unsafe.

We have also included what I hope will be a thorough study by the General Accounting Office of the full costs of each federal housing program. I have been dismayed by the lack of data on the cost and benefits of public housing, section 8, and voucher programs. We need better data.

Once we determine what these programs actually cost on a unit by unit basis we can better determine the best approach. I personally prefer vouchers, but I want a complete review of all these programs to help us determine the most cost effective means of providing government assisted housing as we enter the 21st century.

Again, I would like to thank the chairmen and their staff for completing action on public housing reform legislation and look forward to working with them in the future.

CLARIFYING THE STATEMENT OF THE MANAGERS ACCOMPANYING THE VA-HUD CONFERENCE REPORT

Mr. LAUTENBERG. Mr. President, I want to clarify a section in the statement of the managers accompanying the VA-HUD conference report. The language urges EPA not to spend any funds or require any parties to dredge contaminated sediments until completion of a National Academy of Sciences report on dredging technology. The report may take two years to complete. It is my understanding that the language is not intended to limit EPA's authority during the next two years with respect to dredging contaminated sediments that pose a substantial threat to public health or the environment where EPA has found that dredging is an appropriate response action.

Mr. BOND. The Senator is correct. The statement of the managers is not intended to limit the EPA's authority with respect to dredging contaminated sediments that pose a substantial threat to public health or the environment where EPA has found, consistent with its contaminated sediment management strategy, that dredging is an appropriate response action.

ECONOMIC DEVELOPMENT INITIATIVES

Mr. SPECTER. Mr. President, I have sought recognition to thank Chairman BOND for his inclusion of funding within the Economic Development Initiatives account for three important projects in Pittsburgh, Wilkes-Barre, and Philadelphia, Pennsylvania that I requested.

The conference report also includes \$2 million for the City of Pittsburgh to redevelop the LTV site in Hazelwood, Pennsylvania. These funds can be used by the city to clean up and prepare the site for eventual reuse. One possibility being contemplated in the area is an effort to attract the Sun Oil Company to build a new coke facility which create hundreds of new jobs.

I am pleased that we have been able to increase the level of funding in the bill from \$750,000 to \$1 million for the downtown revitalization project in Wilkes-Barre which is also a top priority for Mayor Tom McGroarty and Congressman PAUL KANJORSKI.

I am also pleased that the conference report includes \$50,000 for a project in Central and South Philadelphia, which is plagued with an average annual family income of \$7,600, a 45 percent unemployment rate, and a 50 percent high school drop-out rate. These funds are intended to provide initial resources for the development of a job training and business center to generate employment in this section of Philadelphia. The renewal project is spearheaded by Universal Community Homes, a not-for-profit community development corporation which has a strong presence in the city, and which

has received grants from the Department of Housing and Urban Development for housing and other initiatives which are geared toward improving the quality of life for low-income families. In January of this year, I had the opportunity to visit Universal Community Homes to tour their facilities. More importantly, I met with individuals who directly benefit from the programs and services delivered by Universal Community Homes. Members of the media and community leaders were also present to bring to my attention that the South Central Philadelphia sections of the city are in critical need of a job training and business center.

I take this opportunity to clarify with Chairman BOND that it is the conferees' intent that Universal Community Homes is the appropriate applicant for the EDI grant for Central and South Philadelphia.

Mr. BOND. I thank my colleague for his comments and have appreciated his input on worthwhile projects in Pennsylvania. I agree with his understanding that the conferees intend that Universal Community Homes is the appropriate applicant for the funds provided for a job training and business center Central and South Philadelphia.

NEW ENGLAND HEALTH SYSTEM

Mr. LIEBERMAN. Mr. President, I rise with my colleague from Connecticut for the purpose of a colloquy with the Chairman and the Senator from Vermont. Is the Chairman aware of the financial constraints facing the veterans health system in New England's VISN 1?

Mr. BOND. Yes, the Chair is aware of the financial constraints in New England.

Mr. LIEBERMAN. Mr. President, news accounts have indicated that New England's veteran health care system will suffer additional cuts despite recent efficiency and consolidation efforts. Veterans could find themselves cut off from health services throughout the region. Is the Chairman aware that without additional dollars administrators will have to cut deeply into valuable health care programs and basic administrative support services?

Mr. BOND. I am well aware that the New England region has had to make significant reductions in health care costs, in part because of the VA funding formula.

Mr. DODD. I know the Chairman knows that the veterans in VISN 1 live in a region that stretches from Connecticut to Maine. The budget for our region's medical care has dropped from \$854 million in fiscal year 1996 to \$809 million in fiscal year 1998. I have been informed by the Department of Veterans Affairs that the New England region will endure yet another budget cut in fiscal year 1999. I hope that the Appropriations Committee will take note of the impact these reductions are having on facilities across New England.

Mr. LEAHY. Mr. President, as is the Chairman, I am a member of the VA/

HUD Subcommittee that funds the Department of Veterans Affairs. He knows my personal concern about the situation facing our veterans in New England. The Appropriations Committee added \$278 million in this conference report for veterans medical care, a significant increase over the President's budget request. It was my understanding that a portion of this increase will go to New England. Am I correct in that assumption?

Mr. BOND. The Senator from Vermont is correct. All networks will receive some part of these additional funds, and these funds will help New England and all regions address some critical funding issues.

Mr. LEAHY. I look forward to working with the Senator from Missouri on this issue in the coming year, and I thank him for his leadership on all issues affecting our nation's veterans.

Mr. LIEBERMAN. As did my colleague from Vermont, I thank my friend from Missouri for his consideration on this issue of profound importance to New England veterans.

#### NOTICE OF PREPAYMENT

Mr. WELLSTONE. Mr. President, I rise today to speak on an important provision of the FY1999 VA/HUD appropriations bill. Thanks to the hard work and grassroots efforts of tenants and housing advocates across the country, this VA/HUD bill includes a 5 month minimum requirement to notify tenants and communities of an owner's intent to repay his or her federally assisted mortgage.

This provision helps tenants of Section 236 and Section 221(d)(3) housing as created by the National Housing Act for federally assisted, privately owned affordable housing. Under the Section 221 program, the federal government insures the mortgages on certain rental housing; under the Section 236 program, the federal government subsidizes the interest payments that owners of rental housing made on the mortgages. Both of these programs offer the security of a federal subsidy for building owners in return for their maintaining these buildings as affordable housing. Regulatory agreements signed between HUD and the building owners restrict the rents which could be charged on the units within the building so long as the mortgage is insured or subsidized by HUD. To be eligible, an owner signs a 40 year mortgage; however, the owner can prepay the mortgage or end the contract after 20 years and has the ability to remove that building from the pool of affordable housing.

Twenty years have now passed, and the legislative housing initiatives of the 1980s have failed to curb the collapse of this once sturdy guarantee of affordable housing for low-income families and individuals. One major provision is that owners of a Section 236 project simply need to give their tenants a 30-60 day notice that the property is under the prepayment process. All too often the prepayment of the

mortgage by the owners results in a tremendous loss to the tenants of that project. Without the federally backed restriction on rents that can be charged, the prepayment of the mortgage opens the door to new owners who on average have increased the tenants monthly rent by 49%.

This increase in rent forces low-income tenants out of their homes. This increase in rent forces these tenants to search for new housing, often in rental markets with exceptionally low vacancy rates. At the same time the supply of low-income housing takes a big hit, fewer and fewer units are available with each prepayment of Section 236 housing for the low-income families in desperate need of adequate housing.

Mr. President, the Senate version of the VA/HUD bill included a provision to give tenants of Section 236 housing a fair notice—one full year—of the owner's intent to prepay the mortgage on the building. This critical one year notice was designed to accomplish two goals. First, it would have given the tenants a notice of the owner's prepayment intentions. For some tenants, especially those living in the Minneapolis/St. Paul Metropolitan area, finding housing has been extremely difficult. The vacancy rate is at 1.9%. It was simply unreasonably to expect those tenants to find alternative housing within only 30 days with such a low vacancy rate. In fact, it has been nearly impossible for low-income tenants and families to find adequate housing in such a short time in such a tight housing market. Secondly, the one year notice would have given a community the critical time necessary to begin to formulate options to keep that building available for those in need of affordable housing. I am pleased that the Senate is on record supporting the need for a fair notice to tenants.

Unfortunately, the conference report does not include the full extent of my provision. The one-year notice period was reduced in the VA/HUD Conference Committee. It was reduced to not shorter than five months, but not longer than a nine months notice by owners. In addition, the provision now includes an enactment date effective 150 days after passage of the bill. Clearly, I am not enthusiastic about this revision to the notice requirement, but it is certainly an improvement over the current requirement of 30-60 days. As a result, the shorter time may only buy additional time for the families facing the increase in rent and their eventual move to alternative housing. I fear that the 5-9 months will not accord non-profits and communities with the necessary time to purchase the building and maintain those units as affordable housing.

However, this revised provision does put the right foot forward. Not only is it a public acknowledgment that Congress sees the prepayment of Section 236 and Section 231 housing as a potential crisis facing the market, it gives tenants and communities the frame-

work to find affordable alternatives for low-income families. This is only the first step. To truly restore fairness to the housing situation, tenants should have a longer period of time—one year or longer advance notice. The Senate is on record in support of a one-year notice and the next Congress should move to increase the notice period again. I am proud of the work that has been done, but I believe we have to do more.

I thank my colleagues for supporting this important provision. While the revisions in the conference report may be the best possible solution to the crisis facing the tens of thousands of families dealing with the prepayment of their building, it does provide a necessary improvement to existing law.

Mr. KERRY. Mr. President, I rise in support of the VA-HUD Appropriations bill. I thank Chairman BOND and Senator MIKULSKI for their success in bringing this bill to the floor with such widespread support. Balancing the many competing needs in an appropriations bill is never an easy task, and Senators BOND and MIKULSKI and all of the other conferees should be proud of the work they have done.

As ranking member of the Subcommittee on Housing Opportunity and Community Development, I am particularly pleased with the appropriations for the Department of Housing and Urban Development. The Fiscal Year 1999 appropriations for HUD is the agency's best in the past 10 years. Roughly \$2 billion more has been appropriated for Fiscal Year 1999 than was made available in 1998. These gains would not have been possible without the tireless efforts of Secretary Cuomo, who delivered a strong and thoughtful budget request to the appropriators last January.

The Fiscal Year 1999 HUD appropriations bill symbolizes a renewed commitment to meet our nation's severe housing shortages. Today, only about one out of every 4 households in need of housing assistance receives it. Of the roughly 12 million families that need housing assistance but do not receive it, almost half have worst case housing needs. These families are paying more than half of their incomes every month in rent, or live in physically substandard Housing, or both.

The appropriations bill will help address this need by funding 50,000 new section 8 vouchers, many of which will be targeted to people moving from welfare to work. These vouchers establish a crucial link between housing and employment opportunities, while simultaneously helping those who are making a concerted effort to get off of welfare assistance. They are important tools whose significance cannot be overstated given the uncertainty of welfare reform.

Furthermore, this bill changes current law so that housing authorities no longer have to hold off on reissuing vouchers and certificates for a period of three months upon turnover. Repealing this delay will provide section 8

vouchers to as many as 40,000 more low-income families each year. I commend the appropriators for recognizing the need for this resource, and implementing this important change.

The conference report also reaffirms our nation's commitment to homeownership by expanding the FHA single family mortgage insurance program. We are currently seeing record levels of homeownership in this country, and HUD should take great pride in this accomplishment. But not all of those who qualify for homeownership are afforded an opportunity to purchase a home in the neighborhood of their choice. The Fiscal Year 1999 appropriations bill will help address this inequity by raising the FHA loan limits in both high cost urban areas and lower cost rural areas. These new loan limits will enable roughly 17,000 additional families to become homeowners each year.

The conferees are also to be commended for increasing the levels of funding for a number of important HUD programs. Funding for the CDBG program, the HOME program, the public Housing capital fund, the HOPE VI program, the homeless assistance fund, Fair Housing initiatives, HOPWA, Housing for Elderly and Disabled, and the Lead Hazard Abatement program have been significantly increased for Fiscal Year 1999. These funding levels, many of which are higher than the Administration's request, demonstrate the appropriators' commitment to supporting housing and economic development initiatives despite other competing needs contained in this appropriations bill.

I am especially pleased that the appropriators have chosen to fund the Youthbuild program at \$42.5 million for Fiscal Year 1999—\$7.5 million over what was enacted in 1998. Youthbuild, which I helped pass into law, provides on-site training in construction skills, as well as off-site academic and job skill lessons, to at-risk youth between the ages of 16 and 24. Approximately 7,300 young people have participated in Youthbuild programs to date, and many more at-risk youth will be able to benefit in the future from the increased resources that have been devoted to this program.

Mr. President, I would also like to express my support for the public housing reform act which was attached to the conference report. As ranking member of the Subcommittee on Housing Opportunity and Community Development, I have worked closely with Senator MACK, Senator SARBANES, Secretary CUOMO, Representative KENNEDY and Representative LAZIO to develop this compromise measure. I am very proud of the final product.

The public housing reform act successfully achieves a delicate balance: it deregulates public housing authorities while simultaneously requiring them to better the lives of the residents they serve. For instance, the reform measure permanently repeals Federal preferences, which had the unintended con-

sequence of concentrating poverty in public housing developments. The bill allows PHAs to develop their own preferences, including a preference for working families, but requires that at least 40 percent of all public housing units and 75 percent of all section 8 units that become available each year be provided to people making below 30 percent of area median income. These protections, which I fought very hard for on the Senate floor and which are better than current law, will benefit residents at all income levels by facilitating the creation of mixed income developments.

The value of mixed income developments cannot be overstated. Working families stabilize communities by offering hope and opportunity in environments of despair. In recognition of this important principle, the reform bill will require housing authorities to develop plans for the economic desegregation of their distressed communities. Each PHA must develop their plan in consultation with its residents, and all plans will be submitted to HUD for approval. The economic desegregation plan was incorporated into the bill at the strong urging of Secretary Cuomo, and I am confident that HUD officials will be committed to making this provision work.

The Reform Act eliminates many burdensome requirements for housing authorities. One-for-one replacement rules, which prevented PHAs from demolishing vacant public housing projects and building lower density developments, have been repealed. Total development costs have been revised to allow housing authorities to construct more viable communities. And PHAs will be permitted to use their Federal funds in a more flexible manner, including investment in mixed finance developments that attract private capital.

But with this freedom comes a new responsibility: housing authorities must involve residents in the decisions that will affect their lives. The Reform Act will empower residents in important ways. They will sit on PHA boards, they will participate in the PHA planning process, and they will be offered greater opportunity to manage their own developments or solicit alternative management entities.

Other provisions in the public housing reform act will benefit residents more directly. For instance, the bill includes a mandatory earned income disregard so that public housing residents who are unemployed, or who have been on welfare assistance, will not be charged any additional rent for a one year period after finding a job. The bill permits and encourages PHAs to establish escrow accounts for residents—accounts which residents can use to fund homeownership activities, moving expenses, education expenses, or other self sufficiency initiatives. The bill also retains the Tenant Opportunity Program as a separately funded grant program, and mandates that at least 25

percent of available funds under this program be distributed directly to qualified resident organizations.

The public housing bill also makes a real commitment to expanding homeownership opportunities for low income Americans. PHAs will now be permitted to use a portion of their capital funds in support of homeownership activities for public housing residents, and families can now use their Section 8 vouchers to help cover the cost of mortgage payments.

In short, the Public Housing Reform Act will go a long way towards improving the lives of the millions of Americans who are receiving Federal housing assistance. It is a nice complement to the funding increases contained in the rest of the VA-HUD bill—increases which will help many more Americans who are in dire need of housing assistance. I urge all of my colleagues to show their support for both of these important initiatives by voting in favor of the VA-HUD conference report.

Mr. DOMENCI. Mr. President, I rise in strong support of the conference agreement on H.R. 4194, the VA-HUD appropriations bill for 1999.

This bill provides new budget authority of \$93.3 billion and new outlays of \$54.0 billion to finance operations of the Departments of Veterans Affairs and Housing and Urban Development, the Environmental Protection Agency, NASA, and other independent agencies.

I congratulate the distinguished subcommittee chairman and ranking member for producing a bill that not only is within the subcommittee's 302(b) allocation, but that also can be signed by the President. When outlays from prior-year BA and other adjustments are taken into account, the bill totals \$91.9 billion in BA and \$102.1 billion in outlays. The total bill is exactly at the Senate subcommittee's 302(b) nondefense allocation for budget authority and is under the outlay allocation by \$197 million. The bill is exactly at the defense allocation for both BA and outlays.

I note that this appropriations bill does include significant authorizing legislation, including a major reauthorization of public housing programs, and that some of the provisions have a revenue impact which will go on the paygo scorecard.

Mr. President, I ask unanimous consent to insert into the RECORD a table displaying the Budget Committee scoring of the conference agreement on H.R. 4194.

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

H.R. 4194, VA—HUD APPROPRIATIONS, 1999—SPENDING COMPARISONS—CONFERENCE REPORT  
(Fiscal year 1999, in millions of dollars)

	De-fense	Non-de-fense	Crime	Man-datory	Total
Conference Report:					
Budget authority .....	131	69,914	.....	21,885	91,930

H.R. 4194, VA—HUD APPROPRIATIONS, 1999—SPENDING  
COMPARISONS—CONFERENCE REPORT—Continued  
[Fiscal year 1999, in millions of dollars]

	De- fense	Non- de- fense	Crime	Man- datory	Total
Outlays .....	127	80,364		21,570	102,061
Senate 302(b) allocation:					
Budget authority .....	131	69,914		21,885	91,930
Outlays .....	127	80,561		21,570	102,258
1998 Enacted:					
Budget authority .....	131	69,286		21,332	90,749
Outlays .....	139	80,250		20,061	100,450
President's request:					
Budget authority .....	131	69,957		21,885	91,973
Outlays .....	127	81,000		21,570	102,697
House-passed bill:					
Budget authority .....	130	70,899		21,885	92,914
Outlays .....	126	80,373		21,570	102,069
Senate-passed bill:					
Budget authority .....	131	69,855		21,885	91,871
Outlays .....	127	80,653		21,570	102,350
CONFERENCE REPORT COMPARED TO:					
Senate 302(b) allocation:					
Budget authority .....					
Outlays .....		-197			-197
1998 Enacted:					
Budget authority .....		628		553	1,181
Outlays .....		-12		1,509	1,611
President's request:					
Budget authority .....		-43			-43
Outlays .....		-636			-636
House-passed bill:					
Budget authority .....		1		-985	-984
Outlays .....		1		-9	-8
Senate-passed bill:					
Budget authority .....				59	59
Outlays .....				-289	-289

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions. Prepared by SBC Majority Staff, 10/07/98.

PROVISIONS IN THE QUALITY HOUSING AND WORK  
RESPONSIBILITY ACT OF 1998

Mr. MACK. Mr. President, I would like to enter into a colloquy with the distinguished ranking member of the Banking Committee, Senator SARBANES, to clarify various provisions in the Quality Housing and Work Responsibility Act of 1998 and discuss the understandings reached among conferees regarding these provisions.

Section 508 requires a disregard of earned income under some circumstances, including persons who obtain employment after one year of unemployment. The rules defining "unemployment" for this purpose should provide sufficient flexibility so that a family member who may have a brief, temporary period of employment during the preceding year would not be ineligible for the disregard. At the same time, the rules must not encourage households to change their employment patterns to take advantage of the disregard.

Section 519 provides guidance for a new Operating Fund formula, including that agencies will "benefit" from increases in rental income due to increases in earned income by families in occupancy. The extent of this benefit will be determined in the negotiated rulemaking on the Operating Fund formula. More generally, the Operating Fund formula should not be skewed against or discourage mixing of incomes in public housing that is consistent with the bill's objectives. With respect to the Capital Fund formula, the possibility of having an incentive to encourage agencies to leverage other resources, including through mixed-finance transactions, should be considered during the negotiated rulemaking process.

Section 520 amends the current definition of total development costs, but

retains the current law directive in section 6(b)(2) of the United States Housing Act that these guidelines are to allow publicly bid construction of good and sound quality. In the past, HUD has not interpreted this reference in a way that allows for sufficiently durable construction, of a nature that will reduce maintenance and repair costs and will assure that public housing meets reasonable community standards. The Department should interpret this section as requiring the use of indices such as the R.S. Means cost index for construction of "average" quality and the Marshal & Swift cost index for construction of "good" quality.

Where a family is relocated due to demolition or disposition, voluntary conversion of a development to tenant-based assistance or homeownership (sections 531, 533 and 536), the family must be offered comparable housing that is located in an area that is generally not less desirable than the location of the displaced resident's housing. For purposes of this provision, the phrase "location of the displaced resident's housing" may be construed to mean the public housing development from which the family was vacated, rather than a larger geographic area.

Where a family is relocated due to demolition or disposition, voluntary or required conversion of public housing to tenant-based assistance or a homeownership program (sections 531, 533, 536 and 537), relocation may be to another public housing unit of the agency at a rental rate that is comparable to the rental rate applicable to the unit from which the family is vacated. However, this requirement does not mean that the rental rate always must be exactly the same. Specifically, if the agency has exercised its discretionary authority in the initial unit to charge less than thirty percent of adjusted income and that authority would be inapplicable to or inappropriate for the new unit, the comparable rent could be a rent that would apply if this discretionary authority had not been exercised (i.e., up to thirty percent of adjusted income).

With respect to public housing demolition (section 531), the conference report does not include a provision from the Senate bill that would deem applications approved if HUD did not respond within 60 days. However, HUD is urged to continue processing applications responsibly and expeditiously. In the same section, references to demolition or disposition of a "project" may be applied to portions of projects where only portions are undergoing demolition or disposition.

In the provisions for voluntary or required conversion of public housing to vouchers (sections 533 and 537), residents of affected developments are to be provided notification that they can remain in their dwelling unit and use tenant-based assistance if the affected development or portion is to be used as housing. In many such instances, the

development may be undergoing rehabilitation, reconfiguration or demolition and new construction. If so, the resident would be entitled to stay in the same development and use tenant-based assistance, but not necessarily the same dwelling unit.

The bill provides for the possibility of transfer of housing from an agency to an eligible management entity due to the mismanagement of the agency (section 534). Such mismanagement may relate to a single housing development, rather than more widespread mismanagement.

With respect to the definition of "mixed-finance projects" in section 539, the requirement that a project is financially assisted by private resources means that the private resources must be greater than a de minimis amount. In addition, in the same section, new Section 35(h) of the 1937 Act applies only to a mixed-finance project that has a "significant number" of units other than public housing units. Therefore, this section would not apply to a mixed-finance project which had only a de minimis number of units other than public housing units.

It is intended that wherever appropriate in programs authorized throughout the bill, reasonable accommodation be made for persons with disabilities. This would apply, for example, in homeownership programs authorized by section 536. With respect to the setting of voucher payment standards authorized by section 545, agencies are urged to make payment standard adjustments to facilitate reasonable availability of suitable and accessible units and assure full participation of persons with disabilities. Subject to the availability of funds, HUD also should allow administrative fee adjustments to cover any necessary additional expenses for serving persons with disabilities fully, such as additional counseling expenses.

The provision allowing HUD to phase in the new Section 8 law, section 559, provides HUD the flexibility to apply current law to assistance obligated before October 1, 1999. This language is intended to be construed so that HUD may continue for as long as necessary to apply current law to families now assisted by Section 8, to the extent the Secretary deems appropriate.

Mr. SARBANES. I thank the Senator for the clarification and concur with the Senator's understanding of the intent of these provisions.

SECTION 226

Mr. D'AMATO. Mr. President, I would like to enter into a colloquy with my good friend Senator BOND in order to fully clarify a provision of the VA-HUD Appropriations Act for Fiscal Year 1999. I am pleased that the conferees have included language in Section 226 of the VA-HUD Appropriations Conference Report (H. Rpt. 105-769) which would clarify that existing contractual arrangements between the New York City Housing Authority

(NYCHA) and HUD are maintained. Under current practice, NYCHA is expressly allowed, under prior formula agreement with HUD, to utilize its existing allocations of operating and modernization subsidies for the benefit of certain state and city developed public housing units. While the FY 1999 VA-HUD Appropriations Act will not allocate any additional funds for these local units, the Act does include a specific statutory protection for units which were assisted prior to October 1, 1998. Thus, the current contractual relationship between NYCHA and HUD would be fully protected and maintained. I would ask the distinguished Chairman of the VA-HUD Subcommittee if my explanation is consistent with the intent of the conferees?

Mr. BOND. Mr. President, I concur with the statement by Senator D'AMATO, the Chairman of the Senate Banking Committee. The conferees were mindful of the existing situation in New York City and have fully protected existing practice in the VA-HUD Appropriations Conference Report. No provision of the Act is intended in any way to interfere with or abrogate existing contracts for the use of assistance in New York City.

Mr. D'AMATO. I thank the Chairman for his clarifying remarks and wish to express my thanks to the conferees for their consideration of the unique circumstances which exist in New York City.

THE QUALITY HOUSING AND WORK  
RESPONSIBILITY ACT OF 1998

Mr. D'AMATO. Mr. President, I rise to support the Quality Housing and Work Responsibility Act of 1998. This public and assisted housing reform legislation is the result of four years of delicate crafting and compromise and has bipartisan Congressional support and the endorsement of Department of Housing and Urban Development Secretary Cuomo. I support its final passage today as part of the Fiscal Year 1999 Veterans Affairs, Housing and Urban Development (HUD) and Independent Agencies appropriations bill (H.R. 4194).

Mr. President, it is with great respect that I salute the distinguished Chairman of the Banking Subcommittee on Housing Opportunity and Community Development, Senator CONNIE MACK. Senator MACK is owed a debt of gratitude for his great determination and commitment to an informed and reasoned approach to public housing reform. He consistently pursued a steadfast course toward a compromise which represents a positive change to the existing public housing system while protecting our residents whom the program serves. I commend him for his strong leadership and effective stewardship of this landmark legislation.

I also commend Banking Committee Ranking Minority Member PAUL SARBANES, Housing Subcommittee Ranking Minority Member JOHN KERRY, all Members of the Banking Committee

and many interested Members of the Senate for their essential guidance and leadership on this issue. Chairman KIT BOND and Ranking Member BARBARA MIKULSKI of the VA-HUD Appropriations Subcommittee deserve our appreciation for their willingness to allow this bipartisan legislation to be included in the Fiscal Year 1999 VA-HUD Appropriations Act. Our House colleagues, in particular Banking Subcommittee on Housing Chairman RICK LAZIO, Banking Committee Chairman JIM LEACH, Banking Committee Ranking Minority Member JOHN LAFALCE and Housing Subcommittee Ranking Minority Member JOE KENNEDY, all deserve thanks and appreciation. In addition, I commend and thank HUD Secretary Andrew Cuomo and his Administration for his able assistance and support of this bill. All deserve credit for their dedication to this consensus-building effort.

Resident associations, public housing authorities, low-income housing advocates, non-profit organizations, state and local officials and other affected parties have shared their views and participated in this important political and policy process. I express my thanks to all for their significant involvement which has successfully yielded a balanced, fair, and comprehensive reform bill which will enhance and revitalize affordable housing throughout our nation.

The Quality Housing and Work Responsibility Act recognizes that the vast majority of public housing is well-managed and provides over 1 million American families, elderly and disabled with decent, safe and affordable housing. It also responds to the need for improvements to the public and assisted housing system. It will protect our residents by maintaining the Brooke amendment, which caps rents at 30% of a tenant's income, and establishing a ceiling rent voluntary option as an incentive for working families. In addition, the bill will ensure that housing assistance continues to be targeted to those most in need. Forty percent of all public housing units which become vacant in any year and seventy-five percent of re-issued Section 8 vouchers will be targeted to families with incomes below thirty percent of the local area median income. It will expand homeownership opportunities for low and moderate income families. The bill also will speed the demolition of distressed housing projects through the repeal of the one-for-one replacement requirement.

The reforms contained in this Act will reduce the costs of public and assisted housing to the Federal Government by streamlining regulations, facilitating the formation of local partnerships, and leveraging additional state, local and private resources to improve the quality of the existing stock. These changes will help ensure that federal funds can be used more efficiently in order to serve additional families through the creation of mixed income communities.

Mr. President, I would like to comment in more detail on a few of the many significant provisions in the bill. The legislation recognizes that every American deserves to live in a safe and secure community. To achieve that goal, a number of safety and security provisions have been included in the bill. Specifically, the Act will allow police officers to reside in public and assisted housing, regardless of their income. Also, the Act improves tenant screening and eviction procedures against persons engaged in violent or drug-related crimes or behavior which disrupts the health, safety or right to peaceful enjoyment of the premises of other tenants or public housing employees. In addition, the Act will serve to improve coordination between housing authorities, local law enforcement agencies and resident councils, particularly in developing and implementing anti-crime strategies.

Further, at my request, the Act includes provision to ban child molesters and sexually violent predators from receiving federal housing assistance. To achieve this, local public housing agencies would be granted access to the Federal Bureau of Investigation's national database on sexually violent offenders, as well as State databases. This improved records access provision is critical to ensuring that these offenders are properly screened out and prevented from endangering our children.

Another critical safety and security measure will ensure that housing authorities have the well-defined power to ban absentee and negligent landlords from participation in the Section 8 voucher program. Currently, HUD's regulations only allow housing authorities to refuse to do business with absentee landlords on very narrow grounds. The legislation being passed today will clarify that housing authorities may cease to do business with landlords who refuse to take action against tenants who are engaged in criminal activity or who threaten the health, safety or right to peaceful enjoyment of the premises of their neighbors.

In addition, my proposals to protect the essential rights of current residents have been adopted in the Act and I commend the residents of my home State for bringing injustices to my attention so that I might act. First, the protection against eviction without good cause has been fully maintained in the Act. This is critical for the hundreds of thousands of senior, disabled and hardworking low-income New Yorkers who depend on public and assisted housing for shelter. Second, the residents' right to organize and assemble has been fully protected and extended to the project-based and Section 8 opt-out properties. It is imperative that residents have their First Amendment rights to free speech and assembly protected. Finally, the Act makes absolutely clear that no provision of the existing HUD regulation (24 CFR

964) governing resident councils is in any way abrogated by this Act. I am gratified that the Act protects the residents' right to organize and empower themselves to improve further their own communities.

Without the tireless and steadfast efforts of our staff, this bill would not have become a reality. I would like to express my appreciation and thanks to the following Senate majority and minority Banking Committee and Housing Subcommittee staff: Chris Lord, Kari Davidson, Cheh Kim, Jonathan Miller, Matthew Josephs, and Army Randel. I would also like to commend the House Banking Committee and Housing Subcommittee staff for their fine work and spirit of cooperation.

Mr. President, this landmark legislation will greatly improve the quality of life for our nation's families residing in public and assisted housing and will help to ensure the long-term viability of our nation's existing stock of affordable housing. I respectfully urge its immediate passage.

#### RENT CHOICE PROVISION

Mr. D'AMATO. Mr. President, I would ask my friend Senator MACK for a clarification of the provision included in the Quality Housing and Work Responsibility Act of 1998 which will grant residents a voluntary option to choose a flat rent. Several clarifying provisions have been added to the legislation to protect residents and reduce the administrative burden of such a choice on housing authorities. First, residents will be protected from being coerced into making a choice of rents which is adverse to their interest. Second, in the case of a financial hardship, residents are granted the right to an immediate change to the Brooke Amendment rent, which caps rent at no greater than thirty percent of income.

Mr. President, the Act also specifically provides that no additional administrative burden be placed on housing authorities that already administer flat rent or ceiling rent systems. If an agency's present system allows the family the opportunity to annually request a change from an income-based system to a flat or ceiling rent system, or vice-versa, the fact that rent is initially determined by an existing computer system which automatically selects the lower rent should not be considered contrary to the requirements of the Act. I would ask Senator MACK if these statements accurately describe the provisions of the Act?

Mr. MACK. Mr. President, I fully concur with the statements of my friend, Senator D'AMATO. His statements are fully consistent with my understanding of the legislation.

#### SECTION 8 TENANT-BASED RENEWAL TERMS

Mr. D'AMATO. Mr. President, I would like to ask Senator MACK his view of the provisions of the Quality Housing and Work Responsibility Act of 1998 that relate to the renewal of expiring tenant-based Section 8 contracts. I am greatly heartened by the

inclusion of specific terms for the renewal of expiring Section 8 tenant-based contracts. The renewal terms included in the Act will ensure that housing authorities continue to receive full funding to maintain effective Section 8 assisted housing programs. The Act's renewal provision will address a number of problems which have arisen—including a very serious potential threat to affordable housing in my home State of New York—as a result of HUD's attempt to revise its method of funding renewals.

Under the renewal terms of Section 556 of the Act, housing authorities will be ensured that they receive full funding to maintain their current obligations and continue to re-issue turnover vouchers, without any attrition or loss of assistance. Housing authorities in New York will be able to continue to assist thousands of new families each year—particularly the homeless and victims of domestic violence. Without the changes included in this legislation, the New York City Housing Authority alone could have suffered a loss of over 7,000 vouchers over the next few years. This potential catastrophe has been averted.

To be more specific, Section 556 establishes a baseline for maintaining current Section 8 obligations. This baseline is to be calculated by taking into account the number of families which were actually under lease as of October 1, 1997 plus any incremental units or additional units authorized by HUD after that date. It is the explicit intent of the authors of this legislation that the units approved by HUD pursuant to its April 1, 1998 Notice shall be included in the definition of "additional families authorized." Finally, HUD shall apply an inflation factor to the baseline which takes into account local factors such as actual increases in local market rents.

I would ask Senator MACK, if these statements are consistent with his views of the legislation?

Mr. MACK. Mr. President, Senator D'AMATO's comments are absolutely accurate. Section 556 of the Act was added in response to a vociferous outcry among housing authorities and low-income advocates who feared that HUD's administrative actions during Fiscal Year 1998 could have inadvertently led to a decline in housing assistance under the Section 8 program. The renewal terms included in the Act are intended to avoid such a result and will ensure that full funding for the program is maintained. I appreciate the Chairman's work to ensure that this provision will not have adverse budgetary implications.

Mr. D'AMATO. I thank the Senator for his clarifying remarks and commend him for the excellent work that went into the legislation.

#### DRUG ELIMINATION PROGRAM AMENDMENTS

Mr. D'AMATO. Mr. President, I would like to enter into a colloquy with the respected Chairman of the Banking Committee's Subcommittee

on Housing Opportunity and Community Development, Senator CONNIE MACK and the full Committee Ranking Member, Senator PAUL SARBANES. One of the most significant provisions addressed by the Quality Housing and Work Responsibility Act of 1998 is the amendment of the Public and Assisted Housing Drug Elimination Act of 1990.

Mr. President, the Drug Elimination Program is critical to the fight against drugs and serious, violent crime in our Federal housing developments. The residents of this housing have a right to a safe and peaceful environment. The Federal Government bears a unique and overriding responsibility to ensure that residents feel secure in their homes, can walk to the store or send their children to school without fear for their physical well-being. I am especially appreciative of the inclusion of a funding mechanism which will ensure the continued direction of assistance to housing authorities with significant needs. In my home State, the Drug Elimination Program plays a critical role in communities from Buffalo, Syracuse, Rochester and Albany to Brooklyn, the Bronx and Long Island. The provisions of the Act will ensure that existing programs are placed on a solid financial foundation—without precluding assistance to new programs which meet urgent or serious crime problems.

I would ask the distinguished Chairman of the Housing Subcommittee for his views on the legislation?

Mr. MACK. Mr. President, I welcome the comments of my friend, Senator D'AMATO. Indeed, the amendments to the Public and Assisted Housing Drug Elimination Act of 1990 which we have included in the Act represent a significant improvement in the program. The amendments will provide renewable grants for agencies that meet performance standards established by HUD. In addition, housing authorities with urgent or serious crime needs are protected and will be assured an equitable amount of funding.

Mr. President, the intent of these provisions is to provide more certain funding for agencies with clear needs for funds and to assure that both current funding recipients and other agencies with urgent or serious crime problems are appropriately assisted by the program. The provisions will also reduce the administrative costs of the current application process which entails a substantial paperwork burden for agencies and HUD. Under the terms of the amendments, HUD can establish a fixed funding mechanism in which the relative needs of housing authorities are addressed with a greater amount of certainty.

Mr. SARBANES. Mr. President, I concur with my colleagues. Drug Elimination Grant funds have proven to be an extremely effective tool in fighting drugs and crime in public housing. This provision will enable housing authorities with significant needs to implement long-term strategies to continue this important fight. I

appreciate the work of the Chairman on this important issue.

Mr. D'AMATO. Mr. President, I thank both of my colleagues for their clarifying remarks.

Mr. MCCAIN. Mr. President, once again, I find myself in the unpleasant position of speaking before my colleagues about unacceptable levels of parochial projects in the VA/HUD appropriations bill. Although the level of add-ons in some portions of this conference are down, this bill still contains approximately \$865 million in wasteful pork barrel spending. This is an unacceptable amount of low priority, unrequested, wasteful spending.

The level of add-ons in the Veterans Affairs section of this conference report is down. The total value of specific earmarks in the Veterans Affairs section of this conference report is about \$116 million.

Let me just review some examples of items included in the bill. The bill directs \$1 million for the VA's first-year costs to the Alaska Federal Health Care Partnership's proposal to develop an Alaska-wide telemedicine network to provide access to health services and health education information at VA, IHS, DOD and Coast Guard clinic facilities and linking remote installations and villages with tertiary health facilities in Anchorage and Fairbanks.

An especially troublesome expense, neither budgeted for nor requested by the Administration for the past seven years, is a provision that directs the Department of Veterans Affairs to continue the seven-year-old demonstration project involving the Clarksburg, West Virginia VAMC and the Ruby Memorial Hospital at West Virginia University. Last year, the appropriations bill contained a plus-up of \$2 million to the Clarksburg VAMC that ended up on the Administration's line-item veto list and that the Administration had concluded was truly wasteful.

The VA provides first-rate research in many areas such as prosthetics. However, some of my colleagues still prefer to direct the VA to ignore their priority research programs and instead provide critical veterans health care dollars for parochial or special interest projects. For example, this bill earmarks \$3 million for the Center of Excellence at the Truman Memorial VA Medical Center in Missouri for studies on hypertension, surfactants, and lupus erythematosus, and provides \$6 million in the medical and prosthetic research appropriation for Musculoskeletal Disease research in Long Beach, California. It is difficult to argue against worthy research projects such as these, but they are not a priority for the Department of Veterans Affairs.

Like transportation and military construction bills, the VA appropriations funding bill is no exception for construction project additions to the President's budget request. For example, the bill adds \$7.5 million in funding for the Jefferson Barracks National Cemetery in Missouri for gravesite de-

velopment which will provide 13,200 grave sites for full casket interments. Although this is a worthy cause, I wonder how many other national cemetery projects in other States were leapfrogged to ensure that Missouri's cemetery received in the VA's highest priority.

In the area of critical VA, medical facility funding, again, certain projects in key members' states received priority billing, including \$20.8 million add for the Louis Stokes Cleveland VA Medical Center ambulatory care renovation project in Ohio, a \$9.5 million add for the Lebanon, Pennsylvania VAMC for nursing unit renovations, including providing patients with increased privacy, a \$25.2 million add for construction of an ambulatory care addition at the Tucson VA Medical Center in Arizona, and provides \$125,000 for renovation of the Pershing Hall building in Paris, France for memorial and private purposes.

Mr. President, we are charged with the important responsibility of dedicating funding toward the highest priorities to safeguard our environment. Yet, I am troubled that this conference report is loaded with directed earmarks toward specific projects without adequate explanation of why these projects are higher in priority than national environmental problems and needs.

I continue to hear about the number of Superfund sites that are in critical need of remediation actions or leaking background storage tanks that continue to endanger lives. Yet, the picture that I am putting together from this report is a prioritization of member interest projects. EPA's overall budget contains approximately \$484,325,000 in earmarks that are directed to specific states and to national organizations.

Rather than dedicating funding toward our most pressing environmental concerns, the priorities of the conferees are earmarking spending of \$125,000 for the establishment of a regional environmental finance center in Kentucky and \$225,000 for a demonstration project in Maryland to determine the feasibility of using poultry litter as a fuel to general electric power.

I commend the efforts of my colleagues who worked tirelessly to rectify differences between the two chambers and present us with this conference report. Each of them have worked diligently to ensure that important housing programs and initiatives are adequately funded in a fair and objective manner.

Contained in this bill is funding for many programs vital in meeting the housing needs of our nation and for the revitalization and development of our communities. Many of the programs administered by HUD help our nation's families purchase their homes, assists low-income families obtain affordable housing, combats discrimination in the housing market, assists in rehabilitating neighborhoods and helps our na-

tion's most vulnerable—the elderly, disabled and disadvantaged have access to safe and affordable housing.

In July, I came to the Senate floor and highlighted the numerous earmarks and set asides contained in the Senate version of this bill. At that time, the egregious violations of the appropriate budgetary process in the HUD section amounted to \$270.25 million dollars.

Unfortunately, I find myself coming to the floor today to again highlight the numerous earmarks and budgetary violations which remain in the conference report of this bill. In the HUD section alone there is \$265.1 million in set asides or earmarks. While this amount is slightly lower than when the Senate first considered this bill it is still too great a burden for the American taxpayers.

The list of projects which received priority billing is quite long but I will highlight a few of the more egregious violations. There is \$1.25 million set aside for the City of Charlotte, NC to conduct economic development in the Wilkinson Boulevard corridor, \$1 million for the Audubon Institute Living Sciences Museum in New Orleans and \$2 million for the Hawaii Housing Authority to construct a community resource center at Kuhio Homes/Kuhio Park Terrace in Honolulu, Hawaii.

It is difficult to believe many credible and viable community development proposals may be excluded from access to federal housing funds because such a large amount of funds have been unfairly set aside for specific projects fortunate enough to have advocates on the appropriating committee.

Finally, I would like to comment on the public housing reform bill which is now included in this funding bill. In the limited period of time I was afforded to examine this provision, I have learned that it includes several initiatives intended to enhance the quality of life for many individuals while promoting self sufficiency and personal responsibility in our communities.

While I applaud these goals and will not object to this bill based on the inclusion of this section I am gravely concerned about the process used to pass this reform bill. It concerns me that this complex measure was inserted at the last moment during conference which precluded the Senate from having sufficient time to thoroughly examine its contents and fully evaluate its objectives. This is a very serious matter which directly impacts the lives of thousands of American families and our local communities.

Certainly, this issue deserves thoughtful deliberation and careful review through the established legislative process and should not be attached at the last moment to a funding conference report. This is not the manner in which we should be implementing meaningful reform intended to benefit the citizens of our nation.

Mr. President, I have touched on only the tip of the iceberg. There is more I

could point to, were time available. I continue to look forward to the day when my trips to the floor to highlight member interest spending are no longer necessary.

The PRESIDING OFFICER. The Senator from Missouri has 7 minutes 30 seconds remaining.

Mr. BOND. I yield 7 minutes 30 seconds to the Senator from Florida. I will ask my colleague, if there is additional time remaining, if he might have 2½ minutes.

Ms. MIKULSKI. I would be happy to work with the Senator. I would like to bring to my colleague's attention that Senator SARBANES might be parachuting in, as well, to comment on the public housing initiatives. If he lands, I want to be able to accommodate him.

The PRESIDING OFFICER. The Senator from Florida is recognized for the remaining time.

Mr. MACK. Mr. President, I am pleased to rise in support of this conference report. I want to commend the chairman of the subcommittee, Senator BOND, and the ranking member, Senator MIKULSKI for bringing to the floor a well-balanced bill.

I am extremely pleased that this bill contains a comprehensive reform of the nation's system of public and assisted housing. We began this process of reforming public housing more than three years ago. Negotiating this legislation was a long, difficult and sometimes painful process. But the end result is a carefully crafted, bipartisan compromise that reflects input from the Senate, the House, and the administration. I believe it is a good bill. I appreciate the indulgence of Chairman BOND in permitting the authorizing committee to utilize the appropriations process as the vehicle to enact these important reforms, and I appreciate his long-standing support of public housing reform. In the end, it was the willingness of the Appropriations Committee to increase the level of incremental section 8 assistance that removed the last hurdle to this agreement.

I want to express special thanks to Senator PAUL SARBANES for his critical role in the development of this legislation and in the recent negotiations. I am convinced that this agreement would not have been possible without the leadership and support of the Senator from Maryland, and I can't thank him enough. I also want to thank the chairman of the Banking Committee, Senator ALFONSE D'AMATO, for his steady support and guidance over the past 3 years, and also the ranking member of the Housing Subcommittee, Senator KERRY, who has made major contributions to this legislation. This has truly been a bipartisan effort throughout.

There are so many people that have played a role in this. Obviously, the Secretary of HUD, Secretary Cuomo, and I spent many hours and many, many phone calls trying to work through this and working also with

Congressman LAZIO, who made a special effort to try to find a way to bring this to a conclusion, and also the work of Congressman LEWIS, the chairman of the subcommittee on the House side. So, again, this has truly been a bipartisan effort. I thank all of those who were involved.

Since my appointment to the Banking Committee almost 10 years ago, I have visited public housing developments throughout Florida and in cities like Detroit, Chicago, and Jersey City. I have seen public housing that is well run and I have seen public housing that concentrates the very poorest of the poor in developments that are havens for crime and drug abuse and islands of welfare dependency.

On a personal note, I want to say to my colleagues that while I have been working on this specific legislation now for 4 years, I have been involved in public housing issues now for 10 years, since I have been on the Banking Committee. There are two particular thoughts that come to my mind, two visits that I made.

I spoke with individuals that lived in public housing, and that significantly affected me. I am pleased to say it has had a major role in this legislation that we developed. One person was an individual from Liberty City in Miami, who, frankly, grew up in public housing in Liberty City and saw how public housing has changed since the late 1930s. She—and I have used this term —“screamed” at me as she was explaining to me the problems she was dealing with and how she used to have a decent place to live and how it had been destroyed over the years. Her message was heard.

I also think of a little 4, 5, or 6-year-old boy in Melbourne, FL. When we walked out of an apartment that was totally destroyed, as we walked down between these three-story buildings and saw the boarding up of windows and doors hanging by their hinges, this little fellow was walking down between the buildings. I thought to myself, what kind of future can this little fellow possibly dream of if the only environment in which he was going to live was the public housing like we saw. I wanted to share that with my colleagues.

The time is long overdue for us to eliminate the disincentives to work and economic self-sufficiency that trap people in poverty, and to ease the complex, top-down bureaucratic rules and regulations that aggravate the problems and prevent housing authorities from operating effectively and efficiently. It is time to begin the process of deconcentrating the poor, create mixed-income communities with role models and establish a foundation for building communities of hope instead of despair.

Let me make clear that this is only the beginning. The effect of these reforms won't be felt overnight. We are creating a framework for meaningful and beneficial change in our public and

assisted housing system. But our ultimate success will depend on the ongoing cooperation and commitment of Congress, HUD, housing authorities, residents, and local communities.

The reforms contained in this legislation will significantly improve the nation's public housing and tenant-based rental assistance program and the lives of those who reside in federally assisted housing. The funding flexibility, substantial deregulation of the day-to-day operations and policies of public housing authorities, encouragement of mixed-finance developments, policies to deal with distressed and troubled public housing, and rent reforms will change the face of public housing for PHAs, residents, and local communities.

This bill empowers residents and promotes self-sufficiency and personal responsibility. It institutes permanent rent reforms to remove disincentives for residents to work, seek higher paying jobs and maintain family unity. Further, it expands homeownership opportunities for residents of both public and assisted housing.

It improves the living environment for public housing residents by expanding opportunities for working poor families and providing flexibility for housing authorities to leverage private resources and develop mixed-income, mixed finance communities.

It refocuses the responsibility for managing public housing back to the public housing authorities, residents and communities, it eliminates counterproductive rules and regulations, and frees public housing communities to seek innovative ways to serve residents.

The bill requires tough, swift action against PHA with severe management deficiencies and provides HUD or court-appointed receivers with the necessary tools and powers to deal with troubled agencies and to protect public housing residents.

It enhances safety and security in public housing by enhancing the ability of public housing authorities to screen out and evict criminals and drug abusers who pose a threat to their communities.

Finally, the bill enhances resident choice. It merges the section 8 voucher and certificate programs into a single, choice-based program designed to operate more effectively in the private marketplace. It repeals requirements that are administratively burdensome to landlords, such as “take-one, take-all,” endless lease and 90-day termination notice requirements. These reforms will make participation in the section 8 tenant-based program more attractive to private landlords and increase housing choices for lower income families.

To get to this stage, we have had to work through some very difficult and contentious issues. All sides have been willing to make concessions in the interest of compromise. I will mention only one of those issues—income targeting.

At a time when housing resources are scarce, a strong argument can be made that the bulk of housing assistance should be made available for the very poor. At the same time, there is a concern that excessive concentrations of the very poor in public housing developments have negatively affected the liveability of those developments.

The final income targeting numbers of public housing and project-based and tenant-based section 8 represent a fair compromise that will encourage mixed income communities in public housing, and ensure that tenant-based assistance remains an important tool for housing choice for very low-income families.

Mr. President, this public housing reform bill is the first comprehensive housing reform measure to pass Congress in almost six years. It is a good, bipartisan package that represents the most significant reform of public and assisted housing in decades. I urge my colleagues to adopt this conference report and I urge the President to sign the bill.

Mr. President, Senator SARBANES was not here when I mentioned earlier how much I appreciate his working with us, working with me, in trying to find ways to keep the process moving as we would hit roadblock after roadblock after roadblock. I want to extend to him publicly my appreciation for his work; also, again, to Senator MIKULSKI, and to Senator BOND. We know that we added to their difficulties. We greatly appreciate what they were able to accomplish with us.

Lastly, I want to mention some members of the staff. Jonathan Miller, and Matt Josephs of the minority staff, again, just went out of their way to help us accomplish this. David Hardiman and Melody Fennel—I thank them as well.

Chris Lord, Kari Davidson, and Cheh Kim of my staff did an outstanding job and worked endless hours to accomplish this, at moments of maybe thinking that we weren't going to make it but held in there to get the job done. I thank them.

I thank the Chair for his indulgence. I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. The Senator has 7 minutes 43 seconds remaining.

Ms. MIKULSKI. I yield such time as he may use to Senator SARBANES, and I very much appreciate his excellent work.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I thank the Chair.

First, although I am going to speak a little more later about our involvement in this process, I thank Senator MACK for his very generous and gracious comments, and I want to say that this bill would never have happened

but for his very fine leadership. I am extremely indebted to him for the very positive and instructive and understating way he moved this process forward. It has been a long and difficult process, but I am very pleased that we have arrived at this day.

First, let me express my very strong support for this bill. I want to commend Senator MIKULSKI and the chairman, Senator BOND, for their very excellent work with respect to the matters before the Appropriations Subcommittee. In particular, I want to applaud them for the excellent bill they have written with regard to the funding for the Department of Housing and Urban Development.

The President submitted a strong budget. And I am happy to see that the bill now before us responds to many of those requests.

The bill represents a well-rounded approach to housing and economic development. It provides for 50,000 new vouchers targeted to helping people move from welfare to work by eliminating the current 90-day wait on re-issuing vouchers upon turnover. The bill effectively adds another 40,000 vouchers.

It provides \$500 million in additional capital funds for public housing modernization to help maintain this important affordable housing resource. And the bill includes a total of \$625 million for HOPE VI, the very innovative program that was created by my very able colleague, Senator MIKULSKI, which is focused on tearing down the worst, most isolated public housing projects and replacing them with mixed-income housing. Senator MIKULSKI has been an absolute champion of trying to rescue this situation which plagues many of our very large housing projects. I want to acknowledge the tremendous leadership that she has provided in this area. Working together with Senator BOND, they have fashioned I think a first-rate piece of legislation. I am very pleased to support it.

Let me say, since she is my very able colleague, what a pleasure it has been working with her. I sit on the authorizing committee. Of course, she is on the appropriating committee. Over the years we have been able to work together I think in a partnership not only for our State but for the country.

Mr. President, the primary reason I come to the floor today is to call the Senate's attention to the fact that an important piece of legislation reforming the Nation's Public Housing Program is attached to this appropriations conference report. This is a tremendous step forward. This public housing legislation I think represents a fine piece of legislative craftsmanship. It reflects a bipartisan approach to reform of our public and assisted housing.

We have been working at this problem, Senator MACK has been working at this problem for 4 years, at least. The success of this effort reflecting what is before us, is, to a very significant extent, the result of the fine lead-

ership provided by Senator MACK as Chairman of the Housing Subcommittee of the authorizing committee; the work of Senator KERRY, the ranking member of that subcommittee, interacting with our House colleagues, and with Secretary Cuomo, who has been a tireless advocate for housing and economic development programs.

Senator MACK has taken a keen interest in the area of public housing since he took over the housing subcommittee in 1995. He has personally visited public housing projects and has spoken to administrators and residents. The commitment of his own time and concern I think is a model of how people responsible for certain programs need to understand the program, oversee the program, and then formulate the changes which will make the program work better.

Senator MACK has been a strongly positive and constructive force throughout the long and often difficult process we have followed to get this positive resolution. I am pleased to express publicly my very deep respect and appreciation for his efforts.

Mr. President, this public housing bill embodies an important bargain. We provide public housing authorities with increased flexibility to develop local situations to address housing needs in their communities but, in turn, they are required to use that flexibility to better serve their residents by creating healthier, more economically integrated communities.

The PHAs will get more flexibility in how to use operating and capital funds. It encourages them to seek new sources of private capital to both build new housing and to repair existing units. It provides more flexibility in the calculation of public housing development costs and encourages the construction of higher quality housing.

Finally, the law gives PHAs increased flexibility to admit higher income families while guaranteeing that the poor, including the working poor, continue to have access to 40 percent of the public housing units made available each year.

This new increased flexibility is not an end in itself. The purpose is to provide higher quality housing in an overall improved living environment to the families who live in public housing. We want the Public Housing Program and the Rental Voucher Program, which the appropriators have generously supported in this legislation, to be stepping stones to better lives, to provide access to better schools and more economic opportunities.

There is now a growing consensus that we need to have a mix of families with different levels of income in public housing. Such a policy will strengthen public housing projects and make them more livable communities. To ensure this outcome, the legislation requires the public housing authorities to demonstrate how they will attempt to create these more economically integrated communities. The Secretary

is required to review these plans and to ensure that housing authorities pursue them.

The bill also creates new rent rules that encourage existing tenants to go to work. There is a mandatory earned income disregard so that tenants who start working will reap the benefit of that effort at least for a year before additional payments are phased in. As a result of the special efforts of Senator KERRY, the bill deepens the targeting above the levels contained in both House and Senate bills for section 8 vouchers, requiring 75 percent of vouchers to go to lower-income families.

The bill gives tenants an important role in working with housing authorities to determine housing policies. Residents will sit on boards, and the resident advisory boards I think will be very helpful.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SARBANES. May I have 30 seconds, if the chairman has any time?

The PRESIDING OFFICER. All time has expired.

Mr. BOND. Mr. President, I ask unanimous consent that the distinguished Senator from Maryland have an additional minute. I ask for an additional 3 minutes on this side to afford 2 minutes to my colleague from Ohio and a minute for myself to close.

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

Mr. SARBANES. I thank the chairman.

Finally, the bill helps encourage home ownership in two ways. First, as a result of an amendment offered by Senator DODD, our able colleague from Connecticut, public housing authorities will be able to devote part of their public housing capital funds to home ownership activities. In addition, section 8 assistance will be able to be used to support home ownership.

Mr. President, I close again by thanking Senator BOND and Senator MIKULSKI for their very effective efforts. We are deeply appreciative of their cooperation. I again voice my respect for the tremendous leadership which Senator MACK provided in enabling us to achieve public housing reform which we have been striving to achieve for a number of years and to do it in a way that commands a consensus. The process we followed in working this out I really commend to all my colleagues. I think it is an example of how really to craft legislation and in the end achieve a very positive and constructive result.

Finally, I want to recognize and thank the staff for their hard work and dedication. Jonathan Miller and Matt Josephs on the Democratic side, Chris Lord, Kari Davidson, Cheh Kim, David Hardiman, and Melody Fennel from the Majority side, worked extremely well together to help us bring this finished product to the floor today.

In closing, Mr. President, I urge all my colleagues to support this important piece of legislation.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I yield 2 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes.

Mr. DEWINE. I thank my colleague.

Mr. President, I rise today to discuss two important provisions in this bill—provisions that honor two distinguished Ohioans who are retiring from public service this year—LOU STOKES and JOHN GLENN.

Mr. President, the bill before us would name the Veterans Administration Medical Center in Cleveland, Ohio, the Louis Stokes VA Medical Center. That is a fitting tribute for a number of reasons.

First, LOU STOKES is a veteran, serving our country in the U.S. Army during the Second World War.

Second, as ranking member of the House Appropriations Subcommittee on Veterans' Affairs, LOU STOKES has demonstrated that he is a true champion on behalf of his fellow veterans.

Third, LOU STOKES in recent years has dedicated his attention to improving the quality of care at the facility that will bear his name. He has been working tirelessly with me to provide funds to improve this facility for our veterans in northeast Ohio. This bill in fact contains \$20.8 million to improve the ambulatory care unit at the Stokes Medical Center. This is the latest of a lifetime of examples of how LOU STOKES has made a difference—a difference for veterans and for all his constituents.

I also am pleased and proud that the bill before us contains a provision that, in my view, represents the deepest feelings of the people of Ohio regarding our senior Senator JOHN GLENN.

Mr. President, it would be fair to say that the imagination of Ohio, and indeed of all America, has been captured by Senator GLENN's impending space voyage. It is an inspiring odyssey. It is exciting—it reminds us of the spirit of American possibility we all thrilled to when JOHN GLENN made his first orbit back in 1962.

Senator GLENN's return to space as a member of the crew of the space shuttle *Discovery* marks the culmination of an incredible public career.

This is man who flew 149 heroic combat missions as a Marine pilot in World War II and the Korean war—facing death from enemy fighters and anti-aircraft fire.

And none of us who were alive back in 1962 can forget his historic space flight. I was in Mr. Ed Wingard's science class, at Yellow Springs High School in Yellow Springs, Ohio—we were glued to the TV. Our hearts, and the hearts of all Americans, were with him that day.

JOHN GLENN reassured us all that America didn't just have a place in space. At the height of the cold war, he reassured us that we have a place—in the future.

And that, Mr. President, brings me to the purpose of the legislation I am introducing. Even as we speak, in Cleveland, Ohio, there are some hardworking men and women of science who are keeping America strong, who are keeping us on the frontier of the human adventure. They are the brilliant, persevering, and dedicated workers of the NASA-Lewis Space Research Center.

People who understand aviation know how crucially important the cutting-edge work of the NASA-Lewis scientists is, for America's economic and technological future.

Mr. President, what more fitting tribute could there be to our distinguished colleague, Senator GLENN, than to rename this facility—in his honor?

That, Mr. President, is the purpose of this legislation. It recognizes not just a man's physical accomplishments—but his spirit. It inspired us in 1962. It inspires us this year. And it will remain strong in the work of all those who expand America's frontiers.

The facility would be renamed the National Aeronautics and Space Administration John H. Glenn Research Center at Lewis Field—to honor our distinguished colleague, and also the aviation pioneer for whom it is currently named. George Lewis became Director of Aeronautical Research at the precursor to NASA in 1919. It was then called the National Advisory Committee on Aeronautics, or NACA.

Lewis visited Germany prior to World War II. When he saw their commitment to aeronautic research, he championed American investment in aeronautic improvements—and created the center which eventually bore his name.

He and JOHN GLENN are pioneers on the same American odyssey. Ohio looks to both of them with pride—and with immense gratitude for their leadership.

And I am proud, today, that we were able to include this in the bill. I thank my colleagues for that, and I also want to thank our good friend, LOUIS STOKES, who has been instrumental in shepherding this measure honoring Senator GLENN in the other body.

Mr. President, I thank the Chair and I yield the floor.

Mr. BOND. Mr. President, I thank my colleague from Ohio.

I, too, join with him in expressing appreciation for the services of our colleague, Senator GLENN, and our colleague on the House side, Congressman STOKES. I believe it is very important that we recognize them in this bill. I thank him for his comments.

Again, my sincerest thanks to Senator MIKULSKI, to Andy Givens, David Bowers, and Bertha Lopez on their side. On my side, this is a very difficult bill, and I could not have done it without the leadership of Jon Kamarck and the dedicated efforts of Carrie Apostolou and Lashawnda Leftwich.

We have the statement by the chairman of the Budget Committee saying this bill is within the budget guidelines.

I urge my colleagues to support this measure because I believe, while it has many compromises in it, they are reasonable compromises. I am most hopeful that we can have a resounding vote and see this measure signed into law.

I thank the Chair and staff for their courtesies, and I urge a yes vote on the conference report.

Mr. President, I ask for the yeas and nays on this conference report.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the VA-HUD conference report. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from South Carolina (Mr. HOLINGS) are necessarily absent.

The PRESIDING OFFICER (Mr. INHOFE). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 96, nays 1, as follows:

[Rollcall Vote No. 307 Leg.]

YEAS—96

Abraham	Enzi	Lugar
Akaka	Faircloth	Mack
Allard	Feingold	McCain
Ashcroft	Feinstein	McConnell
Baucus	Ford	Mikulski
Bennett	Frist	Moseley-Braun
Biden	Gorton	Moynihan
Bingaman	Graham	Murkowski
Bond	Gramm	Murray
Boxer	Grams	Nickles
Breaux	Grassley	Reed
Brownback	Gregg	Reid
Bryan	Hagel	Robb
Bumpers	Harkin	Roberts
Burns	Hatch	Rockefeller
Byrd	Hutchinson	Roth
Campbell	Hutchison	Santorum
Chafee	Inhofe	Sarbanes
Cleland	Inouye	Sessions
Coats	Jeffords	Shelby
Cochran	Johnson	Smith (NH)
Collins	Kempthorne	Smith (OR)
Conrad	Kennedy	Snowe
Coverdell	Kerrey	Specter
Craig	Kerry	Stevens
D'Amato	Kohl	Thomas
Daschle	Landrieu	Thompson
DeWine	Lautenberg	Thurmond
Dodd	Leahy	Torricelli
Domenici	Levin	Warner
Dorgan	Lieberman	Wellstone
Durbin	Lott	Wyden

NAYS—1

Kyl

NOT VOTING—3

Glenn	Helms	Hollings
-------	-------	----------

The conference report was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

**SENATOR GORTON RECEIVES HIS FIFTH GOLDEN GAVEL AWARD**

Mr. LOTT. Mr. President, yesterday evening the senior Senator from Washington, Senator GORTON, reached 100

presiding hours in the 105th Congress for his 100 hours of service presiding over the Senate. He will be awarded the Golden Gavel. But there is an interesting point here. This is the fifth Golden Gavel that Senator GORTON has obtained in his years in the Senate—representing 500 hours presiding in the Senate Chamber.

I think most Senators will acknowledge that he does an excellent job when he is the Presiding Officer. He is one we call on quite often on Friday afternoons or late at night. He is always willing to do it. And he dedicates each one of these Golden Gavels to one of his grandchildren. He has seven. This is the fifth one; so he has two more to go. This is an assignment that takes time and patience. I publicly thank Senator GORTON for achieving this and for the way that he is doing it for his grandchildren.

I ask my colleagues to join in expressing our appreciation. (Applause.)

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. I do not know that anything else needs to be said, but I certainly want to join with the majority leader in offering my congratulations and my condolences for all of those hours. As one who has only been presented one Golden Gavel in my time in the Senate, I can appreciate the magnitude of the accomplishment just accomplished by the senior Senator from Washington. On behalf of all of our colleagues, I join in congratulating the Senator. I yield the floor.

**INTERNET TAX FREEDOM ACT**

Mr. MCCAIN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 442) to establish national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce via the Internet, and for other purposes.

Pending:

McCain/Wyden amendment No. 3719, to make changes in the moratorium provision.

The Senate resumed consideration of the bill.

AMENDMENT NO. 3719

Mr. MCCAIN. Mr. President, it is my understanding there is no further debate regarding the consideration of the amendment at the desk. I ask that it be adopted.

The PRESIDING OFFICER. Is there further debate?

If not, without objection, the amendment is agreed to.

The amendment (No. 3719) was agreed to.

AMENDMENT NO. 3711, AS MODIFIED

(Purpose: To define what is meant by the term "discriminatory tax" as used in the bill)

Mr. MCCAIN. Mr. President, I call up amendment No. 3711, as modified.

The PRESIDING OFFICER. The clerk will report.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I raise a point of order that this amendment is not germane.

The PRESIDING OFFICER. Would the Senator from Florida suspend for just a moment?

The clerk first will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself and Mr. WYDEN, proposes an amendment numbered 3711, as modified.

The amendment is as follows:

On page 26, beginning with line 3, strike through line 5 on page 27 and insert the following:

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means—

(A) any tax imposed by a State or political subdivision thereof on electronic commerce that—

(i) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving similar property, goods, services, or information accomplished through other means;

(ii) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period;

(iii) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving similar property, goods, services, or information accomplished through other means;

(iv) establishes a classification of Internet access service providers or online service providers for purposes of establishing a higher tax rate to be imposed on such providers than the tax rate generally applied to providers of similar information services delivered through other means; or

(B) any tax imposed by a State or political subdivision thereof, if—

(i) except with respect to a tax on Internet access that was generally imposed and actually enforced prior to October 1, 1998, the ability to access a site on a remote seller's out-of-State computer server is considered a factor in determining a remote seller's tax collection obligation; or

(ii) a provider of Internet access service or online services is deemed to be the agent of a remote seller for determining tax collection obligations as a result of—

(I) the display of a remote seller's information or content on the out-of-State computer server of a provider of Internet access service or online services; or

(II) the processing of orders through the out-of-State computer server of a provider of Internet access service or online services.

The PRESIDING OFFICER. Is there objection to the amendment being modified?

Mr. GRAHAM. Mr. President, I object to the modification of the amendment and raise a point of order that the amendment is not germane.