LEAHY, Mrs. BOXER and Mr. BYRD conferees on the part of the Senate.

Mr. COCHRAN. Mr. President, I express my sincere appreciation to all Senators for their assistance and cooperation in the consideration of the agriculture appropriations bill. In particular, I thank my distinguished colleague and good friend from Arkansas, who has served for 20 years as a member of this committee and was helping manage the agricultural appropriations bill for the last time in his Senate career. He has been not only a very good friend but very helpful, thoughtful, intelligent and effective as a Senator in this capacity, helping shape this legislation during the time we have had the opportunity to work together as members of the Appropriations Committee.

I am going to miss him very much. The Senate is going to miss DALE BUMPERS. He is one of the most astute, articulate and effective Senators serving in the Senate today.

I want Senators to know, too, that at my request, this bill includes a general provision to designate the United States National Rice Germplasm Evaluation and Enhancement Center in Stuttgart, AR, the DALE BUMPERS National Rice Research Center.

In my judgment, Senator BUMPERS is the father of this center. He has helped guide the development of the research there in this important agriculture sector. I think it is very appropriate and I was pleased that the subcommittee included that in our committee print. It was approved by the full committee and is included in the bill that was passed by the Senate.

Mr. President, I also say that without the wonderful assistance of members of our staff and the other members of our subcommittee, the passage of this bill would not have been possible.

I particularly praise the hard work and effective work of the chief clerk of our subcommittee, Rebecca Davies. Those who have assisted her have also turned in exemplary performances, and I appreciate very much all of their work. They are: Martha Scott Poindexter, Rachelle Graves, Hunt Shipman, who is a member of my personal staff and legislative assistant for agriculture and other issues, and our summer intern, Haywood Hamilton, from Albin, MS, who we are glad to have with us in our office this summer.

Those who worked closely with Senator BUMPERS on the Democratic side: Galen Fountain, his chief assistant on this subcommittee we have come to know and appreciate over a period of time, and we are grateful for his excellent assistance; Cornelia Teitka, who is a designee allocated to us as a resource from the Department of Agriculture, has been very helpful in the handling of the legislation; Ben Noble and Carole Geagley also have assisted them from Senator BUMPERS staff. We thank them all. We appreciate very much everyone's good efforts in the work on this bill.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I extend my congratulations and appreciation to the managers of this very important agriculture appropriations bill. My colleague from the State of Mississippi, Senator COCHRAN, always exhibits patience and real leadership on this important legislation. I thank him for what he does. And also to Senator BUMPERS, I think it is absolutely appropriate that this National Center on Rice Research be named after Senator BUMPERS. He certainly has labored in the vineyards on rice and also on the agriculture appropriations bill.

So thank you both for the work that you have done.

Mr. DASCHLE. Will the majority leader yield for a moment?

Mr. LOTT. Certainly.

Mr. DASCHLE. I join with the majority leader in complimenting the manager, the very distinguished Senator from Mississippi, as well as our ranking member. This will be the last bill our ranking member will manage, at least on the appropriations side. He may have other responsibilities in other committees, but on this bill it will be his last bill. We will miss his managerial skills, his remarkable sense of humor, and the ability that he demonstrates each and every day to work with all of us. So I compliment both of them and thank them for their fine work tonight.

I thank the majority leader for yielding.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

Mr. LOTT. I ask unanimous consent that the Senate now resume the HUD-VA appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A bill (S. 2168) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Daschle amendment No. 3063, to amend the Public Health Service Act and the Employee Retirement Income Security Act of 1974 to protect consumers in managed care plans and other health coverage.

Mr. LOTT. Mr. President, I ask unanimous consent that with respect to the HUD-VA appropriations bill, all first-degree amendments must be offered and debated tonight, and if votes are ordered with respect to those amendments, they occur, in a stacked sequence, beginning at 9 o'clock in the morning—I want to emphasize to our colleagues, we are beginning a little earlier than normal; it will be 9 o'clock; and we will go right to the stacked sequence, with 2 minutes of debate prior to each vote for explanation, as has been requested and is the normal practice—and that all succeeding votes be limited to 10 minutes.

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

Mr. LOTT. Now, Mr. President, I know that there are several amendments that need to be worked through. I see that Senator WELLSTONE is here on the floor ready to go. And I believe we can get some time agreements on other issues.

Does the manager, Senator BOND, wish to comment?

Mr. BOND. Thank you.

Mr. President, I believe Senator NICKLES was prepared to go, and I know that Senator WELLSTONE wants to go right after that. But I believe before we move forward, I need to yield to the distinguished minority leader who has to deal with this. It was our understanding from the discussions that Senator NICKLES would move forward on a major amendment he has, and then I would hope we would be able to turn to Senator WELLSTONE.

With that, let me yield to the minority leader.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

AMENDMENT NO. 3063 WITHDRAWN

Mr. DASCHLE. Mr. President, the majority leader and I have been talking throughout the day. And I believe we are making progress in setting up a procedure by which at some point in the not too distant future—I think the prospects are greater tonight than they have been in some time—we might have a good debate on the Patients' Bill of Rights. Because I believe that these negotiations are proceeding successfully, I withdraw the pending amendment on HUD-VA with an expectation that we will come to some successful conclusion at a later date.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 3063) was withdrawn.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Might I make a request for 1 second?

I ask unanimous consent that I be able to follow the Nickles amendment, so I can go back to the office and come back.

Mr. BOND. No objection.

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

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I thank the majority leader and the minority leader for allowing us to get back to this VA-HUD bill. We have had good discussions on it. We have had a very important amendment debated at length on

the space station. This is always one of the important points that we have to debate on the VA-HUD bill.

We have had great cooperation from Senators on both sides. I think we have narrowed the list of amendments. And we hope to be able to accept and include in the managers' amendment many of the things that have been raised by our colleagues.

We are now waiting for Senator NICKLES to come forward to debate an amendment on the FHA limits. But we do have a number of amendments we can accept while we are waiting.

AMENDMENT NO. 3195

(Purpose: To increase funds for VA homeless grant and per diem program)

Mr. BOND. First, I send an amendment to the desk on behalf of myself, Senator CLELAND, and Senator MIKULSKI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND], for himself, Mr. CLELAND, and Ms. MIKULSKI, proposes an amendment numbered 3195.

Mr. BOND. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 7, line 18, add the following new provisos prior to the period: ": *Provided further,* That of the funds made available under this heading, $14,000,000 shall be for the homeless grant program and $6,000,000 shall be for the homeless per diem program: *Provided further,* That such funds may be used for vocational training, rehabilitation, and outreach activities in addition to other authorized homeless assistance activities".

Mr. BOND. Mr. President, this amendment would provide, within the $17.2 billion medical care appropriation, $20 million for VA's homeless grant and per diem program. The amendment would make these funds available for vocational training, outreach, shelter, and other important activities to aid homeless veterans in a comprehensive manner.

This should help meet the needs of the 275,000 veterans who are estimated to be homeless on any given night of the year. Together with funds already included in the bill, we will have provided $100 million in VA homeless assistance. This is a critical need. I commend the other Senators who worked on supporting this. I urge adoption of the amendment.

Mr. CLELAND. Mr. President, I would like to thank the Chairman and Ranking Member for their outstanding leadership on this important piece of legislation. Given the hard work that went into this bill, I wanted to first express my appreciation for what they have done. I am reminded of the old phrase "too many cooks spoil the broth." Sometimes the legislative branch might be thought of in that way. As I offer this amendment, I have attempted to be mindful not to "spoil the broth."

As the former head of the Veterans Administration, the veterans portion of this bill continues to be near and dear to my heart. I am extremely pleased to see that the Appropriations Committee under the leadership of Senator BOND and Senator MIKULSKI has increased funding for the Department of Veterans Affairs by over $1.5 billion when compared to last year's budget. This represents a real increase in funding even when inflation is factored in. Senator BOND and Senator MIKULSKI are true friends of America's veterans, and we thank them.

The amendment I have offered attempts to fill a void that exists with respect to services for veterans. When I was head of the Veterans Administration, it was clear to me that the VA could not be everywhere at all times. We relied heavily on other government agencies and private entities in our attempt to assure that all veterans could obtain the benefits they were entitled to and the assistance they needed. Today, in an era of balanced budgets, we cannot depend solely on federal dollars to solve every problem. The era of balanced budgets brings with it the era of partnership.

The VA must continue to partner with other entities to fulfill its mission. For instance, in this year's Defense Authorization bill, I have authored language which would strongly encourage the VA to partner with the Department of Defense to provide health care for our nation's military personnel, their dependents, military retirees, and veterans.

Today, I am advocating much stronger partnering between the VA and the private sector to fill the basic needs of our nation's veterans. The Homeless Providers Grant and Per Diem Program was established in 1992 to fund the development and operation of transitional housing for homeless veterans who are free of alcohol and drugs. Over 2,000 beds have been made available under this program. Over $21 million has been appropriated for this purpose.

Unfortunately, the current program is completely inadequate in the face of the overwhelming need which exists for housing for homeless veterans. The VA estimates that over 275,000 veterans are currently homeless on any given night. In a given year, over 500,000 veterans find themselves homeless at some point. In Atlanta, Georgia, nearly 10,000 veterans are in need of homeless assistance. This is clearly unacceptable. A mere 2,000 beds, while important, would not meet the needs of one state, let alone the entire nation. The program does not come close to fulfilling the entire need. Currently at approximately $7 million, it represents less than two-hundredths of a percent of the entire VA budget.

The amendment I have offered would set aside $20 million for the Homeless Providers Grant and Per Diem program. This would nearly triple the amount available for this program. It would also insure that funds are available for rehabilitation, vocational training, and outreach. These are critical elements because the list of successful programs have demonstrated that helping veterans become drug and alcohol free and employable is the best way to insure that they not find themselves homeless again. Furthermore, it is important to provide for successful outreach to veterans in need to insure that veterans are able to take advantage of the services, both public and private, that are available to them.

Several groups have contacted me since I was elected to the Senate to seek support for the veterans assistance projects they are trying to establish or expand. I would like to take a few moments to describe two such programs.

Last year, the Georgia Military College conducted a pilot program in which veterans voluntarily undergoing drug rehabilitation were offered a college course. The program was paid for through the proceeds of a golf tournament sponsored by the Atlanta Veterans Administration Medical Center. Eighteen veterans participated in the original program. In light of the initial success, the Georgia Military College seized on the idea of expanding the program not only to provide for education but to offer additional counseling and to provide shelter for the participants. The College is in the process of establishing a 5-year program aimed at improving the lives of Georgia's homeless veterans. This is the type of program that can truly make a difference. Instead of a "band-aid" approach, it offers true skills training, and the transitional housing these veterans need to be able to continue with the program.

The National Veterans Foundation offers perhaps one of the most important services a nation can provide to our veterans in need—a human voice. The Foundation was founded by Floyd "Shad" Meshad in 1985 to help veterans recover from the pain of war. It has aided over a quarter of a million veterans, funding housing, legal services, job training, counseling, and rehabilitative programs. A major focus of the Foundation is its toll-free Information and Referral Line. Shad Meshad refers to it as a "Clearing House" to direct veterans and their families to the assistance they need. It is a real human voice on the other end of the line, not a recording. Over the years, the National Veterans Foundation has logged thousands of calls. Unfortunately, this critical outreach program is only available during business hours, Monday through Friday. Our veterans deserve the kind of service provided by the National Veterans Foundation—but they deserve it 24 hours a day, 7 days a week.

These are just two of the types of programs that deserve the support of the VA. In my view, it is only lack of resources which currently limits that support. It should be made clear that what we are talking about is not the old give-away of federal funds. This is not new "corporate welfare." I was introduced to the Homeless Providers

Grant and Per Diem program fairly recently. I was surprised to learn that the Veterans Administration does not currently have a comprehensive grant program that could fund meritorious projects, but it does have this program. I believe the Homeless Providers Grant and Per Diem Program combined with a future comprehensive grant program will leverage federal dollars with private, state, and local money to create a multiplier effect that will aid our nation's veterans for years to come. It is my intent to introduce legislation in the future to provide the necessary statutory authority to establish a comprehensive grant program that goes beyond the current homeless assistance program.

Mr. President, I would like to thank Senator BOND and Senator MIKULSKI for their cooperation and support for this amendment. Without their leadership, this amendment would not be possible. I look forward to working closely with them in the future to further assist our nation's veterans.

I yield the floor.

Ms. MIKULSKI. Mr. President, I am proud to concur with Senators CLELAND and BOND on this amendment. It will increase by $13 million the amount for the homeless grants for the VA. Nobody who fought to save our country should be out on the street. These men have borne the permanent wounds of war, some of which have caused deep-seated emotional problems—unable to find a job.

What I like about the VA homeless program is, it not only provides a shelter but tries to get them focused on starting a new way of life. We have an outstanding one in Maryland. I am proud of it. And I look forward to accepting this amendment and say hats off to try to give the vets a new lease on life.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Without objection, it is so ordered.

The amendment (No. 3195) was agreed to.

Mr. BOND. I move to reconsider the vote.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3196

(Purpose: To require entities that operate homeless shelters to identify and provide certain counseling to homeless veterans)

Mr. BOND. Mr. President, on behalf of Senator MCCAIN, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND], for Mr. MCCAIN, proposes an amendment numbered 3196.

Mr. BOND. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 93, between lines 18 and 19, insert the following:

SEC. 423. (a) Each entity that receives a grant from the Federal Government for purposes of providing emergency shelter for homeless individuals shall—

(1) ascertain, to the extent practicable, whether or not each adult individual seeking such shelter from such entity is a veteran; and

(2) provide each such individual who is a veteran such counseling relating to the availability of veterans benefits (including employment assistance, health care benefits, and other benefits) as the Secretary of Veterans Affairs considers appropriate.

(b) The Secretary of Veterans Affairs and the Secretary of Housing and Urban Development shall jointly coordinate the activities required by subsection (a).

(c) Entities referred to in subsection (a) shall notify the Secretary of Veterans Affairs of the number and identity of veterans ascertained under paragraph (1) of that subsection. Such entities shall make such notification with such frequency and in such form as the Secretary shall specify.

(d) Notwithstanding any other provision of law, an entity referred to subsection (a) that fails to meet the requirements specified in that subsection shall not be eligible for additional grants or other Federal funds for purposes of carrying out activities relating to emergency shelter for homeless individuals.

Mr. BOND. Mr. President, this amendment will assist homeless veterans by requiring the federally funded homeless shelters report to the Veterans' Administration the number of homeless veterans they serve, and it seeks to ensure that these homeless veterans be provide information regarding the availability of veterans benefits.

The amendment will improve the Federal Government's database on homeless veterans and will help homeless veterans know about programs which can help them address critical needs. It has been cleared on both sides.

I urge its adoption, and yield the floor.

Mr. MCCAIN. Mr. President, I rise to offer an amendment to the VA/HUD Appropriations bill for Fiscal Year 1999. The amendment will assist homeless veterans and seek to eliminate some of the suffering of those less fortunate Americans who served their country in the military.

This amendment will develop better methods for identifying veterans who utilize federally funded homeless shelters so that they can be educated about veteran benefits to which they are entitled, including Department of Veterans Affairs health care. A homeless shelter which receives federal funding would be required to inquire if a person, man or woman, entering the shelter is a veteran. This information would be used solely to assist in tracking the number of homeless veterans and providing counseling to the veteran regarding all available benefits, including job search, veterans preference rights, and medical benefits. Additionally, the Secretary of Veterans Affairs and the Secretary of Housing and Urban Development will coordinate these activities and specify a schedule for notifying the Department of Veteran Affairs of the status of these homeless veterans. It is the intent of this amendment to require homeless shelters to follow this procedures if they are to be eligible for additional Federal grants.

Today, there is no easy or accurate way to track the number of homeless veterans in the United States. I find this astonishing. We just celebrated Independence Day, and this country owes a great deal to the men and women who bore arms to keep America free. It is astonishing to me that there would be no mechanism or process set up to accurately track or keep national records on homeless veterans. The Department of Veterans Affairs estimates the number of homeless veterans to be between 275,000 and 500,000 over the course of a year. Conservatively, one out of every three individuals who is sleeping in a doorway, alley, or box in our cities and rural communities has worn a uniform and served our country. Mr. President, the time is right, right now, to give a helping hand.

Of the figures the Department of Veterans Affairs does acknowledge, homeless veterans are mostly male; about three percent are women. The vast majority are single; most come from poor, disadvantaged communities; forty percent suffer from mental illness; and half have substance abuse problems. More than seventy-five percent served our country for at least four years and Vietnam veterans account for more than forty percent of the total number estimated.

Mr. President, there are many complex factors affecting all homelessness: extreme shortage of affordable housing, poverty, high unemployment in big cities, and disability. A large number of displaced and at-risk veterans live with lingering effects of Post Traumatic Stress Disorder (PTSD) and substance abuse, compounded by a lack of family and social support networks.

I do not mean to be critical of the Secretary of Veterans Affairs or the Secretary of Housing and Urban Development in offering this amendment. To a certain degree the Department of Veterans Affairs is responsive in taking care of some homeless veterans. But the ones that are receiving critical medical treatment and veterans benefits are those who know that such programs exist. It is incumbent on our government to reach out to all homeless veterans. However, to do that, there must be a process in place.

Homeless veterans need a coordinated effort, between the Secretaries of Veterans Affairs and Housing and Urban Development, that provides secure housing and nutritional meals, essential physical health care, substance abuse aftercare and mental health counseling. They may need job assessment, training and placement assistance. To those that may argue that this is a new entitlement program, I

would say that these rights and benefits currently exist for veterans today. Why would we as a nation not do everything in our power to provide this help for those less fortunate veterans.

Mr. President, our veterans deserve no less. I hope my colleagues will support this amendment and support our veterans.

Ms. MIKULSKI. Mr. President, no one can speak for the veterans the way a former POW can. I wish to be associated with the remarks of Senator MCCAIN and move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Without objection, the amendment is agreed to.

The amendment (No. 3196) was agreed to.

Mr. BOND. I move to reconsider the vote.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3197

(Purpose: To provide funds for the Primary Care Providers Incentive Act, once authorized)

Mr. BOND. Mr. President, I send an amendment to the desk on behalf of myself, Senator MIKULSKI, and Senator ROCKEFELLER and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] for himself, Mr. ROCKEFELLER and Ms. MIKULSKI, proposes an amendment numbered 3197.

Mr. BOND. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 7, line 18, add the following new provisos prior to the period: ''*: Provided further,* That of the funds made available under this heading, $10,000,000 shall be for implementation of the Primary Care Providers Incentive Act, contingent upon enactment of authorizing legislation''.

Mr. BOND. This amendment has been cleared on both sides and would provide $10 million within the VA medical appropriation for the Primary Care Providers Incentive Act contingent upon authorization.

Senators MIKULSKI and ROCKEFELLER have been working to create a program to facilitate the employment of primary care personnel at the VA, including an education debt reduction program which Senator MIKULSKI has long been interested in establishing. This program is intended to improve the recruitment and retention of primary care providers, a very important element in the service to the VA.

The Primary Care Providers Incentive Act seeks to update VA's educational assistance programs for prospective employees, particularly in areas where recruitment has been difficult. I urge the authorizing committees to act expeditiously on this important program.

I urge adoption of the amendment.

Mr. BOND. I yield to my distinguished colleague from Maryland.

Ms. MIKULSKI. Mr. President, this does attempt to recruit the very best and brightest in the field of primary care to the VA. I proposed the debt reduction program, a student debt reduction program, back in 1992.

Now, why do I approach this as debt reduction rather than scholarships? The scholarship program is very worthwhile, but there are many very talented people who have already graduated. They have a substantial student debt from studying either nursing or other primary care practices. What the $5 million would do would go towards reducing their student debt if they would enter VA services; they would get a year's worth of debt reduction for a year's worth of service.

This way, we know they have completed their training, they have passed their licensing requirement, they are as fit for duty as the veterans they will serve. That is why we approached it from that policy standpoint. It also joins with the outstanding efforts being made by Senator ROCKEFELLER to also develop other tools.

I concur in the amendment, and I urge its adoption and ask it be accepted unanimously.

Mr. ROCKEFELLER. Mr. President, I am delighted that $10 million to fund S. 2115, the Department of Veterans Affairs Primary Care Providers Incentive Act, has been provided through a managers' amendment to the VA/HUD appropriations bill. I thank the Chairman and Ranking Member of the VA/HUD Subcommittee, Senator BOND and Senator MIKULSKI, for their cooperation in making this possible.

The new scholarship and educational debt reduction programs that are contained in S. 2115 are designed to revitalize the Health Professionals Education Assistance Program at VA. This program was originally intended to help VA to recruit and retain health professionals, but it has atrophied in recent years, despite an ongoing demand for educational financial aid by health professionals employed by or interested in working at VA. This funding will help breathe new life into the educational assistance programs, and provide much needed incentives to improve recruitment and retention of primary care providers.

The VA health care system is in the midst of a major reorganization that is simultaneously reducing the current workforce and creating the need for more primary care health professionals. VHA's five-year strategic plan includes the activation and/or planning of nearly 400 community-based outpatient clinics, to be staffed by primary care health professionals. Yet hiring of these professionals and retraining of current employees, to prepare for these changes, has lagged behind the planning process. The Primary Care Providers Incentive Programs that will be funded through this amendment will motivate current employees to get training in new areas of need by providing scholarships, and assist in the recruitment of new primary care providers by helping to pay off student loans.

VA needs educational assistance programs such as these to effectively recruit and retain trained primary care health professionals. In VA hospitals and clinics, some of the most difficult positions to fill are those of nurse practitioners, physical therapists, and occupational therapists. In my own state of West Virginia, for example, at one of the VA hospitals, there has been a vacancy for an occupational therapist for over 12 years! Two of the VA hospitals have no physical therapists at all. This is simply unacceptable.

The plain fact is that starting salaries in the VA are not competitive with those in private practice. The Education Debt Reduction Program gives the VA a financial recruitment tool that will be an enormous help in making the VAMCs more competitive for these much-needed and highly skilled individuals. In fact, one of the most frequently asked questions by prospective new employees is whether or not VA has a debt reduction program. Clearly, this program will answer a critical need.

But improving recruitment is only half of the story. Retention of trained people is equally important. Funding the employee incentive scholarship program can help solve this very real problem. Eligibility is limited to current VA employees, providing a way for vulnerable individuals to protect themselves against future RIFs by acquiring training in the new areas of need. This will go a long way toward improving staff morale at the VA, which has been severely undermined in the last few years due to the necessary streamlining that resulted from significant budget cuts.

The educational assistance programs in S. 2115 are a valuable investment, enhancing morale of the VA health care providers in the short term, while building a workforce that matches VA's needs and improves veterans' health care in the long run. In the coming months, I will be working with my colleagues on the Senate Committee on Veterans' Affairs to authorize these worthwhile programs.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3197) was agreed to.

Mr. BOND. I move to reconsider the vote.

Ms. MIKULSKI. I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3198

(Purpose: To provide for the National Fallen Firefighters Foundation)

Mr. BOND. Mr. President, I send an amendment to the desk on behalf of Senators SARBANES and MIKULSKI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] for Mr. SARBANES, for himself and Ms. MIKULSKI, proposes an amendment numbered 3198.

Mr. BOND. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. ___. NATIONAL FALLEN FIREFIGHTERS FOUNDATION.

(a) ESTABLISHMENT AND PURPOSES.—Section 202 of the National Fallen Firefighters Foundation Act (36 U.S.C. 5201) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) primarily—

''(A) to encourage, accept, and administer private gifts of property for the benefit of the National Fallen Firefighters' Memorial and the annual memorial service associated with the memorial; and

''(B) to, in coordination with the Federal Government and fire services (as that term is defined in section 4 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2203)), plan, direct, and manage the memorial service referred to in subparagraph (A)'';

(2) in paragraph (2), by inserting ''and Federal'' after ''non-Federal'';

(3) in paragraph (3)—

(A) by striking ''State and local'' and inserting ''Federal, State, and local''; and

(B) by striking ''and'' at the end;

(4) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(5) by adding at the end the following:

''(5) to provide for a national program to assist families of fallen firefighters and fire departments in dealing with line-of-duty deaths of those firefighters; and

''(6) to promote national, State, and local initiatives to increase public awareness of fire and life safety in coordination with the United States Fire Administration.''

(b) BOARD OF DIRECTORS OF FOUNDATION.—Section 203(g)(1) of the National Fallen Firefighters Foundation Act (36 U.S.C. 5202(g)(1)) is amended by striking subparagraph (A) and inserting the following:

''(A) appointing officers or employees;''.

(c) ADMINISTRATIVE SERVICES AND SUPPORT.—Section 205 of the National Fallen Firefighters Foundation Act (36 U.S.C. 5204) is amended to read as follows:

''SEC. 205. ADMINISTRATIVE SERVICES AND SUPPORT.

''(a) IN GENERAL.—During the 10-year period beginning on the date of enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, the Administrator may—

''(1) provide personnel, facilities, and other required services for the operation of the Foundation; and

''(2) request and accept reimbursement for the assistance provided under paragraph (1).

''(b) REIMBURSEMENT.—Any amounts received under subsection (a)(2) as reimbursement for assistance shall be deposited in the Treasury to the credit of the appropriations then current and chargeable for the cost of providing that assistance.

''(c) PROHIBITION.—Notwithstanding any other provision of law, no Federal personnel or stationery may be used to solicit funding for the Foundation.''.

Mr. BOND. Mr. President, this amendment by Senator SARBANES and Senator MIKULSKI affects the National Fallen Firefighters Foundation, which is a federally chartered corporation dedicated to helping families of fallen firefighters in assisting State and local efforts to recognize firefighters who die in the line of duty.

The Federal Emergency Management Agency, U.S. Fire Administration, is a member of the foundation's board. Senator SARBANES sponsored the original legislation creating this foundation.

His amendment, along with Senator MIKULSKI, makes some technical changes to the law and eliminates the cap on staff. We understand it has been approved by FEMA. It has been cleared by the Commerce Committee. It would have no impact on spending and will ensure that the foundation is able to employ the staff it needs to operate.

I urge adoption of the amendment, and I yield to the sponsors.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I thank the chairman of the subcommittee for his support for this amendment.

The National Fallen Firefighters Foundation has done an absolutely outstanding job. I think it bears out the wisdom of the Congress in establishing it. The services they are now providing to the families of deceased firefighters are really exemplary. We have had many communications from spouses, from children, from parents, of how much the activities of the Fallen Firefighters Foundation mean to them.

They have enlisted very significant support from the private sector for their activities. These changes are technical in nature in order to enable the foundation to carry out its responsibilities with greater efficacy and greater efficiency.

I didn't want to let this opportunity pass without underscoring the tremendously fine work that is being done by the National Fallen Firefighters Foundation.

Ms. MIKULSKI. Mr. President, I concur with the remarks of my distinguished Senator. He has really done the heavy lifting on this policy issue. I want to thank him for doing this. I absolutely concur with the direction in which we are going. I think it will be an important memorial and a way to staff it properly.

I urge this amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3198) was agreed to.

Mr. BOND. I move to reconsider the vote.

Ms. MIKULSKI. I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3199

(Purpose: To restore veterans tobacco-related benefits as in effect before the enactment of the Transportation Equity Act for the 21st Century)

Mr. WELLSTONE. Mr. President, I will get started on this amendment.

Mr. BOND. Might I ask for clarification? I ask the Senator which amendment he has that he wants to discuss.

Mr. WELLSTONE. This is the amendment that will restore benefits to veterans for smoking-related diseases.

Mr. President, this amendment which I now send to the desk is on behalf of myself, Senator MURRAY and Senator MCCAIN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] for himself, Mrs. MURRAY, and Mr. MCCAIN, proposes an amendment numbered 3199.

Mr. WELLSTONE. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. ALLARD). Without objection, it is so ordered.

The amendment is as follows:

On page 16, between lines 19 and 20, insert the following:

SEC. 110. (a)(1) Section 1103 of title 38, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 11 of such title is amended by striking the item relating to section 1103.

(b) Upon the enactment of this Act—

(1) the Director of the Office of Management and Budget shall not make any estimate of changes in direct spending outlays under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 for any fiscal year resulting from the enactment of this section; and

(2) the Chairmen of the Committees on the Budget shall not make any adjustments in direct spending outlays for purposes of the allocations, functional levels, and aggregates under title III of the Congressional Budget Act of 1974 for any fiscal year resulting from the enactment of this section.

Mr. WELLSTONE. Mr. President, my amendment would restore benefits to veterans with smoking-related diseases. How would we do that? It is simple. The TEA 21 highway program canceled the disability benefits that veterans would have received under existing rules and procedures, and it used that money instead to pay for more highway projects. My amendment would simply return the favor. It would repeal that offset from the highway bill.

Let me go through the procedural history of this to review how we got to where we are today. This offset first appeared in the President's 1999 budget request. The administration, I think, wildly overestimated the cost of benefits for smoking-related disabilities. But this money was then taken from veterans and it was used elsewhere. There is a tremendous amount of indignation in the veterans community over this, and there should be. Congress decided to play the same game. In the budget resolution they agreed to deny benefits to veterans and use the money

elsewhere just like it had been done by the administration. But the budget priorities were a little different. The savings were used for highway projects. That didn't happen on the Senate side, but by the time it came back from the House, that is what happened. That was the major reason I voted against that bill.

The appropriate place to repeal this offset and restore veterans' benefits would have been in the technical corrections to the TEA 21 highway bill. Senator ROCKEFELLER and I intended to offer an amendment which would have done just that, but we never got a chance because that amendment was folded into another conference report so we could never get an up-or-down vote. We all know that conference reports, as I just said, cannot be amended.

As I have said before on the floor, it is only right that we should have a clean vote on this issue. This is not only a question of veterans, it is a question of accountability. There is simply no excuse for hiding behind procedural gimmicks to avoid responsibility. Some have said we have already voted on this bill, or we have already voted on this question, but I don't think that is true.

Let me explain. The two votes we had on the budget resolution did not deal directly with this question. Senators got a chance to pretend they were for veterans and against the offset, knowing that 5 minutes later we could cast a vote in the opposite direction.

We had some camouflage about doing a study sometime in the future. But I think we all recognize it was only a study. And the vote on the IRS reform bill was not a clean up-or-down vote; it was only a procedural vote, a point of order. We need to have a clean vote up or down, no subterfuge, no trickery. It is not enough to take these benefits away from veterans. Congress will add insult to injury by not having a clean up-or-down vote on this question.

I think veterans should take a clear position on this issue, and that should go on the RECORD. Now, some may object to this amendment because it is legislation on an appropriations bill, or they may think that this appropriations bill is the wrong place to remedy this particular problem. Let me remind my colleagues that this offset was a jurisdictional raid to begin with. Transportation conferees stole the money without ever going through the Veterans' Affairs Committee. This was originally the Veterans' Affairs Committee. If we now repeal this offset through the Veterans' Affairs Committee, we will have to pay for it by taking even more money away from veterans. The highway bill took that money away. It was not taken away by the Veterans' Committee. Nobody wants to do that. Nobody wants to take more funding away from veterans.

There are a few misconceptions that I would like to clear up. First and foremost, compensation for veterans with smoking-related illnesses was not a new program. It was not an expansion of a program. It was a benefit to which disabled veterans were entitled to under existing law. Veterans who had become addicted to tobacco because of their service in the military had the right to apply for disability. The highway bill took that right away.

It is a very tough test that the veterans have to meet. Only 300 have passed it. These were not special rules, either. Those veterans had to meet the same legal and evidentiary requirements as for any other service-connected disability. They had to prove that their addiction began in the military service. They had to prove that their addiction continued without interruption. They had to prove that their addiction resulted in an illness. They had to prove that their addiction resulted in a disability.

There is another thing that ought to be pointed out tonight. We are not really talking about $17 billion here. Let's be clear about it. OMB first came up with that figure based on an estimate of 500,000 claims granted every year. But over the past 6 years, a grand total of only 8,000 veterans have applied, and only 300 of those claims have been granted. CBO came in with a lower, but still high, estimate of $10.5 billion. But the TEA 21 conferees needed more money, so they took advantage of the higher OMB number to pay for a huge increase in funding for highways.

The administration's cost projections are based on many, many unknowns. More importantly, OMB is assuming VA will grant 100 percent of all claims but, to date—listen to this, colleagues—VA has granted only 5 percent of the claims. The test veterans have to meet is simply much harder than OMB seems to think.

There are a number of other unknowns with the administration's methodology. On the percentage of veterans who currently smoke or are heavy smokers, VA experts made what we consider to be a questionable assumption that veterans who smoke more than 100 cigarettes in their lifetime would have the same disease rates as smokers; the percentage of veterans who may file claims for tobacco-related illnesses that are already receiving compensation for those or other conditions; the rate at which the VA can adjudicate these claims. There are lots of assumptions I would question.

Let me get right down to the very nitty-gritty of what this amendment is about. My first choice would be to keep the old rules for deciding disability claims—the ones we had before the TEA 21 highway bill. I don't see why Congress should go out of its way to deny disability benefits to veterans. Don't we have better places to look for spending offsets? Back in World War II, these veterans had free and discounted cigarettes included in their rations, and those packs didn't even have warning labels on them. Soldiers were encouraged to smoke to relieve the stress of military strain. And now some of them are suffering the consequences and they are not getting the compensation. That is what is so outrageous about what we have done, and that is what this amendment intends to correct.

The second choice—even if Congress does decide to deny these benefits, I find it hard to understand why this money should be taken away from veterans' programs. I believe, at the very least, it should stay with veterans. It is quite one thing to argue, look, though they deserve this compensation, they have to meet strict criteria to get this compensation. We handed cigarettes out like candy and we know veterans became addicted. They should have been entitled to this benefit. It is quite one thing to take away the compensation benefit, which we have done; it is adding insult to injury to not at least have to put that money, scored by OMB and CBO, back into veterans' health care.

That is why I come to the floor and I speak with so much indignation about this. That is why Senator MURRAY from Washington and Senator MCCAIN from Arizona join me in this amendment. If this offset proposal had been considered in the Veterans' Affairs Committee, as it should have been, I doubt that it would have seen the light of day. But if it had passed the committee, those savings would have remained within the committee's jurisdiction. Those savings would have been plowed right back into veterans' programs. That would have been my second choice.

So let me be clear again. The first choice: This compensation should have gone to the veterans. This is an injustice; it really is. Secondly, if we weren't going to do that, it should have stayed in the Veterans' Committee. I can tell you that committee would have at least made sure that this money would have been invested in veterans' health care. Only because it is late at night and because there are other colleagues who have amendments—trust me, I think I can talk, without notes, for 2 hours about the holes right now—gaping holes—in veterans' health care, in the financing and delivery of veterans' health care.

After all, we are running out of excuses for underfunding veterans' programs. Remember, for many years, Congress used deficit reduction as an excuse. That was the justification for flat-lining the VA budget in the 1997 budget deal. By the way, the flat-line budget is not going to work. It doesn't take into account inflation. It doesn't take into account all of the veterans now living to be 85—an ever-aging veterans population. It won't work. But now the deficit is gone and we can no longer claim that there are no offsets available. The first time an offset comes down the pike, and it is a real whopper, Congress immediately whisks it away to pay for other programs—

programs that obviously have a much higher priority.

I can't imagine how Congress can make its budget priorities any clearer. I have to tell you that if our priority is to live up to our commitment to veterans, then I believe we should have 100 votes for this amendment.

The VA-HUD appropriations bill does include a significant $222 million increase over the President's request in funding for veterans' health care. I thank my colleagues, the Senators from Missouri and Maryland, for their very fine leadership.

Let me bring something to my colleagues' attention. As the Veterans Affairs' Committee wrote in its letter to Appropriations, an increase of over $500 million is necessary to maintain the current level of services. My argument is that not only did we not give the veterans the compensation they would have gotten if we hadn't raided—really, what was their funding for their addiction, for their illness—but to add insult to injury, if we didn't do that, we should have at least put it into veterans' health care because we are not properly funding health care for veterans in this country. Before the budget deal, we just simply did not take into account the inflation that is taking place. The budget is not enough.

Finally, let me be clear about what this amendment will do and what it will not do.

First of all, this amendment does not cancel or deny any transportation projects. Those projects are already in law. This amendment would not affect them in any way.

Second, this amendment that I have introduced with Senator MURRAY and Senator MCCAIN would not trigger a budget sequester. It includes the same protection against sequestration, the same budget gimmickry that was included in the TEA 21 bill.

It may be argued that this amendment would be using the surplus to pay for veterans' benefits. I would argue that the highway bill was spending the surplus because it was using an unreasonably high estimate for this offset. That is going to happen whether or not we repeal that offset.

But to the extent we do restore previous law on veterans' disability benefits and waive the Budget Act—I am asking colleagues to waive the Budget Act—the cost is not going to be anywhere near $17 billion. I want to be clear about that.

In the summer of 1997, the VA said it wouldn't be able to process more than a couple billion dollars worth of claims over 5 years.

Mr. President, and colleagues, let me just summarize. I have decided to really try to be brief. There is a lot that I feel strongly about, and there is a lot that I would like to talk about. But I think my colleagues from Missouri and Maryland were gracious enough to let me come to the floor with this amendment and get to work on it.

I summarize this way. This amendment would restore benefits to veterans with smoking-related diseases. This amendment that I introduce on behalf of myself and Senator MURRAY and Senator MCCAIN does what we should have done—to have provided this funding for compensation to go to veterans for smoking-related disease. We did not do that through a whole lot of gimmickry and a whole lot of zigs and zags. We took that funding away from veterans.

My second choice would have been to have at least invested this funding into veterans' health care.

We have got so many needs for those that are 85, and elderly veterans; so many needs for veterans that are walking around and struggling with PTSD; so many needs for more drop-in centers; so many needs to fill the gaps in our current VA health care system. And we didn't put the money into the veterans' health care.

Then, finally, I want to make real clear what this will do and what it will not do.

I don't want anybody to be able to say that we are now going to cancel any transportation projects. That is not what this amendment does.

I don't want anybody to say it is going to trigger a budget sequester. It has the same protection that we had against sequestration.

I don't want anybody to argue that we will waive a budget order, that we will have to go into a surplus. We have a huge surplus. We put the surplus into the highways. Now, I am just saying take it back, even though you don't take it from the highways, because you have already funded that. You should at least take that money that belongs to the veterans that should have gone to them directly for compensation.

I don't think we can avoid an up-or-down vote on this any longer. We should have a clear up-or-down vote. We should all be accountable. I feel very strongly about this, and I hope that I will receive very strong support for this amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I think the Senator from Alaska has another amendment. I was going to say that I believe the Senator from New Mexico, the chairman of the Budget Committee, will raise a point of order tomorrow. As the Senator from Minnesota knows, the Senator from Maryland and I have supported his position. There will be a Budget Act point of order.

But I ask for the yeas and nays on Senator WELLSTONE's amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, first of all, I would like to thank Senator WELLSTONE for his cooperation in this debate, and for his willingness to stay on the floor. I also appreciate his remarks. I know the passion that the Senator from Minnesota has on behalf of veterans. He spoke in behalf of atomic veterans, and in behalf of a group of veterans in his own State that have been ignored. He has spoken for the homeless, for the mentally ill veterans, and also for the need for long-term care for the veterans. I thank him for that.

Mr. President, when we debated both the highway bill and the budget bill, I supported the sense-of-the-Senate resolution that we not raid the veterans' medical care. Thence, when we voted on the highway bill, I voted for final passage, but was very clear saying we should not fix America's potholes on the backs of America's veterans and their needs for health care, many of whom bear the permanent wounds of war.

I thank the Senator for raising this issue again. I want the Senator from Minnesota to know that I support his policy position on this. I, too, believe that promises made should be promises kept to the veterans, and we should find other ways of funding that highway bill.

I look forward to further work with him on this topic.

Mr. MCCAIN. Mr. President, I rise to offer my strong support, as an original cosponsor of the amendment offered by Mr. WELLSTONE to the VA/HUD Appropriations bill for fiscal year 1999 which will rightfully transfer approximately $10.5 billion back to the Department of Veterans Affairs for veterans programs. I understand from the managers of the bill that the vote on this critical amendment will not occur until tomorrow. I would have voted for this provision if I was not called out of town on a prior commitment. Furthermore, I urge my colleagues to show their support for veterans and vote for this measure.

On July 8, 1998, I submitted for the RECORD a statement regarding veterans' health care activities for tobacco-related illnesses and disabilities. At that time, I had every intention to offer an amendment to the VA/HUD Appropriations bill that would restore the $10.5 billion in funding that was so egregiously and eagerly taken from our nation's veterans to fund pork-laden highway programs in the Intermodal Surface Transportation Efficiency Act of 1998 (ISTEA). Unfortunately, there was simply no possibility that this amendment would be adopted, simply because of the inflexibility of the Appropriations Committee's allocation of funds between the Transportation and VA/HUD Committees.

Because of the arcane rules of the Senate, I and my cosponsors are precluded from righting this profound wrong that has been perpetrated against those who have served and sacrificed for our country. I am not sure that our efforts will be more successful this evening, but I do know, that it is

the right thing to do. This issue is far from dead.

It is important, I believe, that my colleagues fully understand the facts regarding the funding shortfall for veterans health care and compensation for tobacco related diseases.

First, the Department of Veterans Affairs critical funding shortfall is a result of President Clinton's legislative proposal to Congress to disallow service-connected disability or death benefits based on tobacco-related diseases arising after discharge from the military. Congress, eager to fund pork-laden highway programs, then transferred nearly $10.5 billion to the Intermodal Surface Transportation Efficiency Act of 1998 (ISTEA), H.R. 2400, earlier this year. This egregious act was fully supported by President Clinton.

Second, on April 2, 1998 the Senate voted for an amendment sponsored by Senators DOMENICI, LOTT, and CRAIG on the Balanced Budget Act which transferred approximately $10.5 billion over five years from the Department of Veterans Affairs for veterans' tobacco-related diseases to the ISTEA bill for transportation related projects. I voted for this amendment, in part, because I believed that the tobacco companies, rather than the taxpayers, should bear the burden for tobacco-related diseases caused partially by smoking and using other tobacco products while they were in military service. Military service did not force servicemembers to smoke, but I acknowledge that for morale reasons, the services made cigarettes available for free or at inexpensive prices. The services also give servicemembers condoms and birth control pills at no cost to military personnel, but that does not mean that they want our men and women in uniform to be promiscuous.

Third, on the tobacco bill, I sponsored legislation that would provide not less than $600 million per year to the Department of Veterans' Affairs for veterans' health care activities for tobacco-related illnesses and disability and directed the Secretary of Veterans' Affairs to assist such veterans as is appropriate. The amendment would have provided a minimum of $3 billion over five years for those veterans that are afflicted with tobacco-related illnesses and disability. Additionally, the amendment would have provided smoking cessation care to veterans from various programs established under the tobacco bill.

Now that the tobacco bill has been returned to the Commerce, Science, and Transportation Committee, I feel more compelled to rectify this situation. As a conferee on the ISTEA bill, I refused to support and sign the ISTEA Conference Report. I opposed the ISTEA Conference Report for a number of reasons, particularly because of my objections to shifting critical veterans funding to support pork barrel spending in this massive highway bill. It seems that the Congress has no hesitation in breaking budget agreements, when it suits their own purposes to do so, to spend far more on transportation than agreed to in the balanced budget plan. What's worse, it seems that the Congress has no problem with robbing from veterans, whose programs have been seriously under funded for years, to pay for this luxury.

Furthermore, Mr. President, the facts are clear with respect to tobacco related health care costs and the impact on veterans:

Tobacco-related diseases, for example, include cancers of the lip, oral cavity, and pharynx; esophagus; pancreas; larynx; lung; bladder; kidney; coronary heart disease; cerebrovascular disease (stroke); various circulatory diseases; and chronic bronchitis.

The Department of Veteran Affairs' (VA) fiscal year 1997 expenditures for health care for veterans with tobacco-related illnesses are estimated to be $2.6–$3.6 billion.

In fiscal year 1997, the VA treated 405,000 patients with at least one tobacco-related illness.

In fiscal year 1997, the VAs' average cost per patient with at least one tobacco-related illness was $8,800.

In fiscal year 1997, patients with tobacco-related illnesses accounted for over 6.5 million visits to the VAs' health care facilities.

The projected additional health care costs for tobacco related-illnesses for the VA are estimated to be $2.9 billion over the next five years.

The projected additional health care costs for tobacco related-illnesses for the VA are estimated to be negligible for fiscal year 1999.

The projected cost for tobacco claims in fiscal year 1999 is about $500 million based on the number of claims that could be processed. Processing time for claims is expected to increase with an influx of tobacco claims.

Our nation's veterans should not be excluded from payments by tobacco companies for health care costs associated with tobacco-related diseases. The failure to address the tobacco-related health care needs of our men and women who faithfully served their country in uniform would be wrong. Congress cannot continue to rob from veterans, whose programs have been seriously under funded for years, to pay for these and other special interest projects.

Mr. President, our veterans deserve no less. I hope my colleagues will support this amendment and support our veterans. Thank you.

Mr. WELLSTONE. Mr. President, if there is more comment on this amendment, I will wait. I ask my colleague from Alaska whether he intends to move on to another amendment, or comment on this amendment.

Mr. MURKOWSKI. Mr. President, in response to my friend, it would be my intent to ask unanimous consent that the amendment be set aside so I can offer mine.

Mr. WELLSTONE. Mr. President, other colleagues may want to speak to that. I will take 2 minutes, I say to all of my colleagues.

I would like to thank the Senator from Maryland for her very kind remarks. I have to say that I will not go now through the technical part of what happened. I am telling you that this was a real injustice. We sort of went on record saying we wouldn't do this, and we have done it. We shouldn't have. This amendment restores that funding to where it should go.

I wish to say to my colleagues that we have a huge surplus. We really essentially took some of that money and put it in the highways. We shouldn't have. We got the highways. But we left the veterans out in the cold. They know that. All of these veterans organizations know that. I will say this tomorrow again. All these veterans know that. Senator MURRAY, Senator MCCAIN, and many of my colleagues know it as well.

I hope that there will be very strong support for this, Democrats and Republicans alike, because, again, the money should have gone to deal with the problem, to deal with veterans who really are struggling with illness based upon addiction to tobacco, and, if not, it should have gone into the veterans' health care. It should not have gone, as my colleague from Maryland said, to pay for additional highways, which is what happened.

So let's correct a wrong. Please. Let's have a very strong vote on this tomorrow morning.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 3200

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside, and the clerk will report.

The legislative clerk read as follows:

The Senator from Alaska (Mr. MURKOWSKI) proposes an amendment numbered 3200.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

SEC. . VIETNAM VETERANS ALLOTMENT.

The Alaskan Native Claims Settlement Act (43 U.S.C. 1600, et seq.) is amended by adding at the end the following:

OPEN SEASON FOR CERTAIN NATIVE ALASKAN VETERANS FOR ALLOTMENTS

SEC. 41. (a) IN GENERAL.—(1) During the eighteen month period following promulgation of implementing rules pursuant to paragraph (6), a person described in subsection (b) shall be eligible for an allotment of not more than 160 acres of land under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as such Act was in effect before December 18, 1971.

(2) Allotments selected under this section shall not be from existing native or non-native campsites, except for campsites used primarily by the person selecting the allotment.

(3) Only federal lands shall be eligible for selection and conveyance under this Act.

(4) All conveyances shall be subject to valid existing rights, including any right of

the United States to income derived, directly or indirectly, from a lease, license, permit, right-of-way or easement.

(5) All state selected lands that have not yet been conveyed shall be ineligible for selection under this section.

(6) No later than 18 months after enactment of this section, the Secretary of the Interior shall promulgate, after consultation with Alaska Natives groups, rules to carry out this section.

(7) The Secretary of the Interior may covey alternative federal lands, including lands within a Conservation System Unit, to a person entitled to an allotment located within a Conservation System Unit if—

(A) the Secretary determines that the allotment would be incompatible with the purposes for which the Conservation System Unit was established.

(B) the person entitled to the allotment agrees in writing to the alternative conveyance; and

(C) the alternative lands are of equal acreage to the allotment.

(b) ELIGIBLE INDIVIDUALS.—(1) A person is eligible under subsection (a) if that person would have been eligible under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as that Act was in effect before December 18, 1971, and that person is a veteran who served during the period between January 1, 1968 and December 31, 1971.

(c) STUDY.—The Secretary of the Interior shall—

(1) conduct a study to identify and assess the circumstances of veterans of the Vietnam era who were eligible for allotments under the Act of May 17, 1906 but who did not apply under that Act and are not eligible under this section; and

(2) within one year of enactment of this section, issue a written report with recommendations to the Committee on Appropriations and the Committee on Energy and Natural Resources in the Senate and the Committee on Appropriations and the Committee on Resources in the House of Representatives.

(d) DEFINITIONS.—For the purpose of this section, the terms 'veteran' and ''Vietnam era'' have the meanings given those terms by paragraphs (2) and (29) respectively, of section 101 of title 38, United States Code.

Mr. MURKOWSKI. Mr. President, I think we have given the amendment to both of the floor leaders.

The simple reality of this amendment is that this affects a group of native Alaskans—Aleut, Eskimo, and Indian—who served in uniform during the Korean or Vietnam war, and as a consequence of that service were unavailable and not in the State at the time when they would have had the opportunity to take advantage of an individual allotment, which was authorized under the 1906 Alaska Native Allotment Act, allowing the collection of up to 160 acres of nonmineral, vacant, unappropriated, unreserved land in Alaska to any qualified Alaska Native head of a household.

What happened during that timeframe between 1968 and 1972, which is the 3 years that are explicitly addressed in this amendment, is that the authorization for the selection ended. So what we have here is the passage of the Alaska Native Claims Settlement Act in 1971 that terminated this selection opportunity, and there were a number of Alaska Natives serving in the military who did not have an opportunity to take advantage of the 160 acres that were due them under the 1906 law.

Now, Mr. President, it is fair to say that we do not have a scoring on this. We hope to have one tomorrow. It is fair to say also that scoring would be very insignificant because this is land where they traditionally have fished, they have hunted, they have subsisted, and it is not land in areas of sensitivity relative to parks, wilderness areas, and wildlife areas. In all candor, it is also appropriate to say that the Department of Interior will be in opposition to it from the standpoint of any public land transferring to any individuals, even the indigenous people who were given by congressional action the right to the selection of this land.

Now, it is also fair to reflect on the fact that Alaska contains about 365 million acres. We are talking about authorization for those valid recipients of land in an amount less than 300,000 acres. So it would be equivalent to dropping, if you will, a tack in the State of Virginia in relationship to the footprint.

I recognize the effect that anything of significant scoring would have on this bill. We do not want to jeopardize the bill. I have talked to the floor manager. It is my hope that we can get an accurate scoring that reflects reality. It is also my hope that we recognize this truly belongs in the category of veterans issues. I am on the Veterans' Committee. I have been on that committee for 18 years. These veterans simply were unable to take advantage of the opportunity because they were serving in the Armed Forces.

So the amendment would restore the right of the Vietnam era Alaskan Native veterans to apply for these allotments as a right that they were denied only because they were serving in the uniform of our Nation.

The Amendment calls for the same standards that were in effect under the Allotment Act to be used to evaluate the new applications. Additionally, it calls for DOI to develop rules to implement this bill in consultation with Alaska Natives.

This amendment allows the Department of the Interior ample time to promulgate regulations needed to carry out the provisions of this amendment.

The amendment protects the current valid rights of the Federal Government.

The amendment also addresses the concerns of the administration about possible Veteran allotments within Conservation System Units.

If an Allotment is within a Conservation System Unit The Secretary of the Interior is authorized to offer other lands to the allottee.

I think this is a fair solution as these veterans had rights to these lands long before they were ever made part of a CSU.

This amendment is appropriate on this bill as it addresses a specific problem incurred by Veterans of the Vietnam war who are Alaska Natives and were denied a privilege offered other Alaska Natives, for the sole reason that they were overseas defending our freedom.

I know the administration would like to see this amendment ''tightened'' to include a smaller class of veterans and I think that is plain wrong.

Where our veterans are concerned I think we should always err on the side of greater participation as without every one of them we would not be here today as free people.

On a per capita basis, Alaska Natives represent the largest group of minorities serving in active duty in the U.S. Armed Forces.

It is my intention to ask for the yeas and nays tomorrow sometime, but I hope to have the opportunity to have further discussion with the floor managers on the scoring unless they have specific questions for me at this time.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, the Senator from Alaska presents a very compelling case. As a Senator interested in that area, I can see the importance of the case he makes. The problem is, this deals with a subject matter over which this subcommittee does not have primary jurisdiction, and therefore I would have to say, No. 1, I cannot comment on or respond properly to the views of the appropriate appropriations subcommittee, nor could I respond to the questions that might be raised by the authorizing committee.

The Senator has advised us that we do not have the scoring from CBO. He has assured us it will be minimal. Frankly, this bill is very close to our limits, and if the scoring turns out to push us over the allocations, we will have to raise a Budget Act point of order.

So I urge the Senator to talk with the chairman of the Appropriations Committee—the chairman and ranking member, and the chairman and ranking member of the appropriations subcommittee, and seek their counsel on it. We will be happy to have a vote on it or to deal with it tomorrow. While it does involve veterans, the subject matter is not one which is within the expertise of this subcommittee, and we do need to hear from the other appropriations subcommittees and the authorizing committee on it.

Mr. MURKOWSKI. If I may respond to the floor manager, I appreciate his understanding. I don't want to jeopardize activities of the committee. If there is a significant scoring, I will be willing to withdraw the amendment. But if it is a significant scoring, I would appreciate your consideration. If I may leave it at that, I would reserve the right—it would be my intention to have it listed on the pending amendments. I will ask for the yeas and nays.

Mr. BOND. I would be happy to join in asking for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MURKOWSKI. I will address it in the morning. I thank the floor managers, the gentlelady from Maryland, and the gentleman from Missouri.

I yield the floor.

Ms. MIKULSKI. Mr. President, I concur in the remarks of Chairman BOND. It sounds as if it is a worthwhile endeavor, a complex issue, and not necessarily appropriate to our subcommittee. So we await further information in the morning to see what are the appropriate next steps. I concur that the Senator always has a right to ask for a vote on his amendment. So we will just wait to hear what we hear on the scoring and what the Interior subcommittee chairman and ranking member say.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

AMENDMENT NO. 3201

(Purpose: To provide class size demonstration grants)

Mr. FEINGOLD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is laid aside. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 3201.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 93, between lines 18 and 19, insert the following:

SEC.___. CLASS SIZE DEMONSTRATION GRANTS.

Subpart 3 of part D of title V of the Higher Education Act of 1965 (20 U.S.C. 1109 et seq.) is amended to read as follows:

''Subpart 3—Class Size Demonstration Grants

''SEC. 561. PURPOSE.

''It is the purpose of this subpart to provide grants to State educational agencies to enable such agencies to determine the benefits, in various school settings, of reducing class size on the educational performance of students and on classroom management and organization.

''SEC. 562. PROGRAM AUTHORIZED.

''(a) PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—The Secretary shall award grants, on a competitive basis, to State educational agencies to pay the Federal share of the costs of conducting demonstration projects that demonstrate methods of reducing class size that may provide information meaningful to other State educational agencies and local educational agencies.

''(2) FEDERAL SHARE.—The Federal share shall be 50 percent.

''(b) RESERVATION.—The Secretary may reserve not more than 5 percent of the amount appropriated under section 565A for each fiscal year to carry out the activities described in section 565.

''(c) SELECTION CRITERIA.—The Secretary shall make grants to State educational agencies on the basis of—

''(1) the need and the ability of a State educational agency to reduce the class size of an elementary school or secondary school served by such agency;

''(2) the ability of a State educational agency to furnish the non-Federal share of the costs of the demonstration project for which assistance is sought;

''(3) the ability of a State educational agency to continue the project for which assistance is sought after the termination of Federal financial assistance under this subpart; and

''(4) the degree to which a State educational agency demonstrates in the application submitted pursuant to section 564 consultation in program implementation and design with parents, teachers, school administrators, and local teacher organizations, where applicable.

''(d) PRIORITY.—In awarding grants under this subpart, the Secretary shall give priority to demonstration projects that involve at-risk students in the earliest grades, including educationally or economically disadvantaged students, students with disabilities, and limited English proficient students.

''(e) GRANTS MUST SUPPLEMENT OTHER FUNDS.—A State educational agency shall use the Federal funds received under this subpart to supplement and not supplant other Federal, State, and local funds available to the State educational agency to carry out the purpose of this subpart.

''SEC. 563. PROGRAM REQUIREMENTS.

''(a) ANNUAL COMPETITION.—In each fiscal year, the Secretary shall announce the factors to be examined in a demonstration project assisted under this subpart. Such factors may include—

''(1) the magnitude of the reduction in class size to be achieved;

''(2) the level of education in which the demonstration projects shall occur;

''(3) the form of the instructional strategy to be demonstrated; and

''(4) the duration of the project.

''(b) RANDOM TECHNIQUES AND APPROPRIATE COMPARISON GROUPS.—Demonstration projects assisted under this subpart shall be designed to utilize randomized techniques or appropriate comparison groups.

''SEC. 564. APPLICATION.

''(a) IN GENERAL.—In order to receive a grant under this subpart, a State educational agency shall submit an application to the Secretary that is responsive to the announcement described in section 563(a), at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

''(b) DURATION.—The Secretary shall encourage State educational agencies to submit applications under this subpart for a period of 5 years.

''(c) CONTENTS.—Each application submitted under subsection (a) shall include—

''(1) a description of the objectives to be attained with the grant funds and the manner in which the grant funds will be used to reduce class size;

''(2) a description of the steps to be taken to achieve target class sizes, including, where applicable, the acquisition of additional teaching personnel and classroom space;

''(3) a statement of the methods for the collection of data necessary for the evaluation of the impact of class size reduction programs on student achievement;

''(4) an assurance that the State educational agency will pay, from non-Federal sources, the non-Federal share of the costs of the demonstration project for which assistance is sought; and

''(5) such additional assurances as the Secretary may reasonably require.

''(d) SUFFICIENT SIZE AND SCOPE REQUIRED.—The Secretary shall award grants under this subpart only to State educational agencies submitting applications which described projects of sufficient size and scope to contribute to carrying out the purpose of this subpart.

''SEC. 565. EVALUATION AND DISSEMINATION.

''(a) NATIONAL EVALUATION.—The Secretary shall conduct a national evaluation of the demonstration projects assisted under this subpart to determine the costs incurred in achieving the reduction in class size and the effects of the reductions on results, such as student performance in the affected subjects or grades, attendance, discipline, classroom organization, management, and teacher satisfaction and retention.

''(b) COOPERATION.—Each State educational agency receiving a grant under this subpart shall cooperate in the national evaluation described in subsection (a) and shall provide such information to the Secretary as the Secretary may reasonably require.

''(c) REPORTS.—The Secretary shall report to Congress on the results of the evaluation conducted under subsection (a).

''(d) DISSEMINATION.—The Secretary shall widely disseminate information about the results of the class size demonstration projects assisted under this subpart.

''SEC. 565A. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this subpart $15,000,000 for fiscal year 1999 and each of the 4 succeeding fiscal years.''.

SEC. ___. PROHIBITION REGARDING RESEARCH AND DEVELOPMENT BY NASA RELATING TO SUPERSONIC OR SUBSONIC AIRCRAFT.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Administrator of the National Aeronautics and Space Administration may not carry out research and development activities relating to supersonic aircraft or subsonic aircraft.

(b) DEFICIT REDUCTION.—Upon the date of enactment of this Act, savings resulting from amounts reduced pursuant to the application of subsection (a) shall be subject to the following provisions:

(1) BUDGET AUTHORITY AND SPENDING LIMITS.—The Office of Management and Budget shall—

(A) reflect the reduction in discretionary budget authority that results from the application of subsection (a) in the estimates required by section 251(a)(7) of the Balanced Budget and Emergency Deficit Control Act of 1985 in accordance with that Act, including an estimate of the reduction of the budget authority for each outyear; and

(B) include a reduction to the discretionary spending limits for budget authority and outlays in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985 for each applicable fiscal year set forth in section 251(c) of that Act by amounts equal to the amounts for each fiscal year estimated pursuant to subparagraph (A).

(2) ADJUSTMENTS TO SPENDING LIMITS.—The Office of Management and Budget shall make the reduction required by paragraph (1)(B) as part of the next sequester report required by section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985.

(3) CBO ESTIMATES.—As soon as practicable after the date of enactment of this Act, the Director of the Congressional Budget Office shall provide to the Committee on the Budget of the House of Representatives and the Committee on the Budget of the Senate an estimate of the reduction of the budget authority and the reduction in outlays flowing from such reduction of budget authority for each outyear.

On page 78, line 24, strike ''$1,305,000,000'' and insert ''$866,000,000''.

Mr. FEINGOLD. Mr. President, just briefly, my amendment accomplishes three things: It provides States some modest funding to promote one of the single most effective reforms we can make to improve the education of our children, and that is smaller class size; it eliminates a notorious piece of corporate welfare in the budget; and it reduces our budget deficit by $2.1 billion over the next 5 years.

The amendment authorizes a limited number of innovative demonstration grant programs to assist States in their efforts to reduce public school class size and to improve learning in the earliest grades.

My State of Wisconsin has been a leader in the effort to reduce public school class size, and this amendment is modeled after Wisconsin's successful pilot program, the so-called Student Achievement Guaranty in Education, or the SAGE Program.

Mr. President, we have been very proud of this program. It has worked well, and I think a model for it on the national level would be extremely helpful.

The amendment is fully offset by cuts in a wasteful and unnecessary Federal subsidy that benefits research and development for the world's largest aircraft manufacturer. We can fully fund this important SAGE Program and still reduce the Federal budget by more than $2.1 billion over 5 years if this amendment is adopted.

As we near the end of the 105th Congress, I fear that Congress will somehow go home having done nothing to reduce public school class size. My amendment approaches this issue without expanding the deficit and it eliminates an expensive corporate subsidy.

Briefly, passage of this amendment will save $2.2 billion by dealing with certain research efforts that have the explicit goal of maintaining the company's market share in the global aircraft market.

For the information of my colleagues, this company has reported profits in excess of $5 billion over the last 5 years, and I don't think there is any justification for this kind of subsidy. It flies in the face of free-market economics and it wastes billions of our constituents' tax dollars.

My distinguished colleague, the senior Senator from Texas, in speaking out against this subsidy, said, ''The market system is much more efficient at creating jobs and opportunities than the Government is.''

So I urge my colleagues to take his heed and eliminate this form of corporate welfare. As I noted before, we would produce in our amendment a $2.1 billion net deficit reduction over the next 5 years. To some of us, we may sometimes feel we are belaboring the obvious, but I feel constrained to point out that we still do have a deficit in our Federal budget and that this amendment will be very helpful in that regard.

I thank the Senator from Oklahoma and my friend, the senior Senator from Wisconsin, for deferring to me briefly so I could have the opportunity to speak about this amendment and offer it. In light of the understanding that the Senate wants to move forward on this bill, let me, in a moment, withdraw my amendment, but indicate I hope to offer it on another appropriations bill later this year.

With that, Mr. President, I withdraw the amendment and yield the floor.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment (No. 3201) was withdrawn.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I express my appreciation to the Senator from Wisconsin. We are now ready for the amendment by the Senator from Oklahoma. The Senator from Rhode Island has an amendment to go after this one. I ask the Chair to recognize him after this amendment has been dealt with.

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

The Senator from Oklahoma.

AMENDMENT NO. 3202

(Purpose: To amend the bill with respect to single family maximum mortgage amounts, and for other purposes)

Mr. NICKLES. Mr. President, on behalf of myself and Senators KOHL, MACK, ALLARD, FEINGOLD, DEWINE and FAIRCLOTH, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself, Mr. KOHL, Mr. MACK, Mr. ALLARD, Mr. FEINGOLD, Mr. DEWINE and Mr. FAIRCLOTH, proposes an amendment numbered 3202.

Mr. NICKLES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 53, strike lines 9 through 25 and insert the following:

SEC. 219. INCREASE IN FHA SINGLE FAMILY MAXIMUM MORTGAGE AMOUNTS AND GNMA GUARANTY FEE.

(a) FHA SINGLE FAMILY MAXIMUM MORTGAGE AMOUNTS.—Section 203(b)(2)(A) of the National Housing Act (12 U.S.C. 1709(b)(2)(A)) is amended by striking ''38 percent'' and inserting ''48 percent''.

(b) GNMA GUARANTY FEE.—Ssection 306(g)(3)(A) of the National Housing Act (12 U.S.C. 1721(g)(3)(A)) is amended by striking ''No Fee or charge'' and all that follows through ''or collected'' and inserting ''A fee or charge in an amount equal to not less than 12 basis points shall be assessed and collected''.

Mr. NICKLES. Mr. President, before I describe the amendment, first I would like to just express my appreciation to my colleagues, Senator BOND from Missouri and Senator MIKULSKI from Maryland. I have the pleasure of serving with them on the Appropriations Committee, on this subcommittee, and I enjoyed the work on this subcommittee. This subcommittee is a hard committee because it deals with so many agencies. It is not easy. It is not just one agency. The bill is commonly VA-HUD and other agencies. It includes EPA, the Science Foundation, NASA and so on. So it requires an enormous amount of work by staff and by Senators to try to stay on top of all the demands, and the multitude of requests by the agencies and Senators who are involved with them. So I compliment them for their work.

Mr. President, I agree with most of the things they have in their bill, although I have some questions about the cost of the bill, but I will may raise that at another time. I notice in the committee report the bill has about a $5 billion increase in requests compared to last year. I do not know of any other appropriations bill that has that kind of increase. I am going to have to check into that, but that is not what I raise tonight. I may vote against the bill because of the $5 billion compared to last year's level. I am concerned about that, but I am going to do my homework on that.

The reason I am rising to introduce this amendment is because in the committee bill it increases the FHA loan limits and increases them rather significantly. For those who are not familiar with this, FHA, the Federal Housing Administration, insures mortgage loans. These mortgages are 100 percent guaranteed by the Federal Government. It was started many, many years ago, and its purpose was to expand housing in areas where people maybe could not afford it. It had a noble purpose. We had a housing shortage. We had people who could not get money, could not borrow money. The private sector markets were not there and money was not available to assist people to buy a home.

One of the basic, fundamental principles we have in this country is we want people to be able to buy their own homes. We want people to be able to own their own homes, not just rent, we want people to own their own homes. So the Federal Government assisted in this program with the Federal Housing Administration.

But we have limits. We have guiding principles that say, if we are going to have the Federal Government insure home loans to individuals, they basically be limited to about 95 percent of the median home price for that area. It kind of makes sense. You should not be able to get 100 percent Federal insurance for home loans far in excess of the value of homes in the area. That does not make sense.

There is in effect, base amounts or a bottom amount so every county across the country would not fall below a particular amount. And then there is also a cap. We ought to have some kind of limit. We should not have the Federal Government insuring loans very expensive homes. I see my colleague from Rhode Island. There are some areas of Rhode Island, at least one area there,

where there are probably all million-dollar homes.

Mr. REED. That is in Massachusetts.

Mr. NICKLES. Maybe that is in Massachusetts, I am not sure. But the Federal Government should not be insuring those million dollar homes. So we have a maximum limit to make sure the federal government doesn't insure million dollar homes. The bottom loan limit is $86,000 this year. Last year, it was $81,000, so it has increased. The top limit it is $170,000. So you have limits set at 95 percent of the median value of homes, but everywhere in this country is going to have at least this base limit, $86,000. Right now, current law, you can get a home Loan, insured 100 percent by the Federal Government, guaranteed by the taxpayers, in an amount equal to $86,000. In some areas, the higher price home areas, up to $170,000.

The committee increased both of those limits. They increased the base amount from $86,000 to $109,000. And they also increased the top limit from $170,000 to $197,000—almost $200,000. Our amendment strikes the increase in the top limit.

I hope my colleagues would say, wait a minute, $170,000 is enough for the Federal Government to insure. Shall we really go up to $200,000? Last year, it was $160,000, so, because it is tied to a percentage of the Freddie Mac conforming loan limit, it already goes up from last year's level in the top areas, from $160,000 it goes to $170,000. Isn't that enough? But, no, the committee said let's go on up to almost $200,000.

The purpose of this program was to assist low-income people, or people who could not get loans to be able to get a loan with a Federal guarantee; a loan that is guaranteed by taxpayers 100 percent. But now the committee is going all the way up to $200,000? I think that is too high. I do not think that was the purpose of the program.

The Secretary of Housing called me two or three times and said, ''Can't we do this?'' I disagreed with him. He wanted to do it on the highway bill, and I respect the Secretary of Housing, but I said, ''No. That is bad public policy.'' They tried to get this put in the highway bill and I disagreed with him and we were successful in stopping it. Now the VA-HUD appropriations subcommittee is doing it.

Our amendment does not touch the bottom increase. I might tell my colleagues, I think we should. I did not want to increase the bottom amount, but I also know how to count votes. I didn't have the votes to prevent the increase in the bottom limit. I hope we will have the votes to not increase the top limit. I hope we will keep the Federal Housing Administration targeted to lower income individuals. You have to have a pretty good income in order to be able to afford a $200,000 mortgage. Is that the purpose of the Federal Government, to insure loans and mortgages up to $200,000? I don't think so. I don't think that is why FHA was created.

What brought us here? The Secretary of Housing wants to increase the loan limits. I guess there was a Housing Affairs letter, an internal industry newsletter that quoted a HUD official saying, ''The increase in the loan limit is vital to the President's nationwide home ownership campaign, and if it passes Congress, it will surely translate into votes in the next Presidential campaign.''

I'm not sure that is why we have this increase. I just don't think that is what the Federal Government should be doing. I might mention the administration wanted to take it up to $227,000, so maybe I should thank my colleagues from Maryland and Missouri because they did not go to $227,000. They did not accede to the President's request. The President wanted to take it to $227,000 nationwide. That is a quarter of a million dollars. That was the administration's proposal. To me, that is absolutely wrong and we should not do that.

What kind of a job has FHA been doing? Have they done such a great job that we should be encouraging them to make more and more loans? I might mention, when you are having a Federal insured loan, you are crowding out private sector loans. Shouldn't the private sector be making loans? If we are talking about loans of $200,000, shouldn't the private sector be making those loans with the risk that is involved? Or are we going to have the Federal Government do it and have the taxpayers at risk? I think the private sector should do it. If somebody wants to build or buy a $200,000 home, great, I hope they do. But I don't think the taxpayers should be at risk for it.

I have a young son who is working. When he looks at his paycheck he says, ''Hey, Dad, thank you very much. You guys are taking a big chunk out of my check. Thank you very much.'' I don't think we should put his tax dollars at risk for somebody having a $200,000 home. He doesn't have one. My daughter doesn't have one. Why in the world should we be putting them at risk to be guaranteeing $200,000 loans? I don't think we should be doing that. But we are getting ready to do it in this bill. So I think that is a serious mistake.

Is FHA doing such a great job? They have three times the default rate of conventional loans. They are not doing that great if they have a default rate running at 8.4 percent, three times the national rate in conventional loans.

They have a smaller downpayment, which means a much greater risk. If you have a loan with FHA, I believe the loan-to-value ratio is 96 percent. That is far lower than conventional loans, so you have a lot more risk and three times the default rate.

FHA is not doing such a great job. We have a system that really encourages lenders to make FHA-insured loans, and that is another part of our amendment. We try to take some of the incentive away from lenders steering home buyers into FHA. Right now the system is really loaded, really geared towards FHA. You get a 100 percent Federal guarantee if you go FHA, and if you happen to be in the business of lending, you are going to get a much better deal going through FHA than you do through the private sector.

In our amendment, we also change the point level dealing with Ginnie Mae. We raise the Ginnie Mae guaranty fee from 6 basis points to 12. I might mention, under most conventional loans, servicing fees to lenders are usually about half, about 25 points, but under current law, FHA, it is 44 points.

What does that mean? If you are servicing a $100,000 loan, under a conventional mortgage you will get about half of those 50 basis points, or $250 on a $100,000 mortgage. If you do it for FHA, you get $440, a much better deal if you go with the Government-guaranteed loan. There is a much lower downpayment, and the Federal Government is going to guarantee it 100 percent. There is a real encouragement for people to steer home buyers into FHA. The Government is going to take care of it.

I might mention, that has had a catastrophic effect in many, many neighborhoods. This is sad.

Let me read a little summary. And, Mr. President, I will have several articles printed in the RECORD from people who studied this issue far more than I. But this is from a report that was done by the Chicago Area Fair Housing Alliance policy paper dated March of 1998, and it talks about the two faces of FHA. I will read a couple points:

> The Chicago Area Fair Housing Alliance has conducted studies which indicate that when FHA lending is concentrated, it has disastrous effects on these areas of concentration, resulting in undue levels of blight and disinvestment.

It goes on. It says:

> Yet our research clearly indicates that a pattern of FHA lending that limits housing opportunities contributes to segregation, perpetuates a myth of race as a contributor to community disinvestment and ultimately leads to community decline itself. The racially discriminatory effects of FHA single-family programs have been known to HUD for more than 25 years. However, HUD has failed to take its share of responsibility for the role FHA plays in the destruction of these communities.

It goes on:

> FHA has allowed itself to be a direct contributor to community disinvestment and decline.

We should be ashamed of ourselves. In other words, FHA in many areas has done more damage than good and has contributed to the decline of many, many neighborhoods.

This didn't come from DON NICKLES, from my research, this came from a group, the Chicago Area Fair Housing Alliance.

Mr. President, I will point out a few other comments that were made by people who have studied this issue, again, far more than I, just for the information of our colleagues, so they can see what a lot of people have said, that raising the FHA loan limits is not the right thing to do.

There is a letter from the Cato Institute, dated July 16, 1998. I will read a section.

Mr. President, it says:

I wish to remind you that in the late 1980s the FHA lost over $2 billion of taxpayer funds when it became overextended. I fear that we may soon be facing the same problem today.

It is also worth noting that the FHA already has a very poor lending record. At a time when the average conventional mortgage default rate hovers between 2 and 3 percent, FHA incredibly has an 8.4 percent default rate. I am very fearful that the FHA is becoming a ticking timebomb that will explode in the taxpayers' laps.

That was by Stephen Moore.

Americans for Tax Reform—I will highlight one page:

The time has long passed since potential homeowners needed drastic federal intervention to qualify for affordable loans. With today's home ownership at an all-time high and with an innovative private mortgage market meeting the needs of homeowners across the bracket, logic would strongly suggest scaling back the FHA.

The bill we have before us doesn't scale back the FHA, Mr. President, it expands it, and expands it rather dramatically.

The Heritage Foundation issued an executive memorandum, dated July 16, 1998. I will read a short part of it:

If ultimately enacted into law, these provisions—referring to the expansion, raising the loan limits—would expand the federal government's role even deeper into the residential mortgage market, provide windfall profits to a select group of mortgage financiers, undermine the viability of private mortgage insurers, and expose the U.S. taxpayers to a costly bailout for an already faltering FHA insurance fund.

According to budget data provided to Congress by HUD, the FHA's 1997 property acquisitions through foreclosure were up 117 percent, or a staggering $2.3 billion, from initial projections.

I might mention, if my memory serves me correct, in 1997, FHA foreclosed on $5 billion worth of properties. This is not a success story in housing.

I will read from a different group. I have read from the Heritage Foundation, from the Cato Institute, and from a taxpayers group. Those groups are usually perceived to be free enterprise, conservative think-tanks and institutions.

This is from the Consumer Federation of America. It doesn't fall into the above category. It says:

''I am writing to express our strong support for your amendment''—the amendment by myself, Senator KOHL and others—''to the HUD Appropriations bill when it comes to the Senate floor.''

The amendment eliminates a proposed increase in the high-cost FHA loan limit, which will keep FHA focused on the moderate-income home buyers it was created by Congress to serve.

It continues:

Your amendment discourages lenders from inappropriate behavior by bringing the fee they make on FHA loans more in line with private sector fees—without any increase in the cost of an FHA loan to consumers.

They are right. Again, I reiterate, one of the things that we did in adjusting the guaranty fees on Ginnie Mae, going from 6 points to 12 points, will be to bring down the staggering servicing fees to the lenders from 44 basis points to 38. That is not much, but it moves it closer to being in line with the private marketplace. The marketplace is a lot closer to 25 basis points. Right now this very high fee is a real incentive for people to steer loans to FHA. We shouldn't have a Federal policy making it more profitable for people to send their loans FHA insurance with the Federal Government guaranteeing the loans. That doesn't make sense, but that happens to be current policy.

I ask unanimous consent that letters and statements from the Cato Institute, from the Americans for Tax Reform, and the National Taxpayers Union, as well as the Consumer Federation of America, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CATO INSTITUTE,
Washington, DC, July 16, 1998.

Hon. DON NICKLES,
U.S. Senate, Washington, DC.

DEAR SENATOR NICKLES: I just wanted to write you to thank you for your efforts to block any increase in the top FHA loan limit this year. With the FHA already holding over $300 billion of loans in its portfolio, it is the height of fiscal folly to be substantially increasing the size of the FHA loan portfolio, particularly since this policy would mostly affect higher income homebuying. Taxpayers are already at great risk of default, especially if the housing market goes into slowdown. I wish to remind you that in the late 1980s the FHA lost over $2 billion of taxpayer funds when it became overextended. I fear that we may soon be facing the same problem today.

It is also worth noting that the FHA already has a very poor lending record. At a time when the average private mortgage insurance claims rate hovers between 2 and 3 percent, FHA incredibly has an 8.4 percent default rate. I am very fearful that the FHA is becoming a ticking timebomb that will explode in taxpayers' laps. just as the savings and loan bailout required billions of dollars of taxpayer rescue funds in the late 1980s.

There is no reason that a federally subsidized agency should compete with the private market place, when private companies are quite adequately serving market need. The primary effect of increasing the FHA loan limit will be to divert homebuyers from PMI insurance to FHA insurance.

I'm enclosing a recent article of mine on FHA policy as well as my recent testimony before the Banking Committee. My position has been and continues to be that we ought to move aggressively towards privatizing the FHA, not expanding it.

Best wishes,

STEPHEN MOORE,
Director of Fiscal Policy Studies.

AMERICANS FOR TAX REFORM,
Washington, DC, June 18, 1998.

Hon. DON NICKLES,
U.S. Senate, Washington, DC.

DEAR SENATOR NICKLES: I am writing to applaud your efforts to reject the provision in the FY 99 VA/HUD Appropriations bill that unnecessarily hikes the current Federal Housing Administration (FHA) loan limits to $197,490 in high-cost areas and to nearly $109,000 in lower-cost markets. Though lower than the $227,150 nationwide limit requested by the Administration, the new limits put forth in the Senate bill would substantially hinder the private market's ability to provide adequate mortgage capital and subsequently place the taxpayer at a higher risk of losses.

In what may have seemed like a plausible solution to solving mortgage debt defaults during the Great Depression, today's FHA loan program has changed little to meet the current structure of the market. The time has long passed since potential homeowners needed drastic federal intervention to qualify for affordable loans. With today's home ownership at an all-time high and with an innovative private mortgage market meeting the needs of homeowners across the income bracket, logic would strongly suggest scaling back the FHA.

Instead of limiting such loan programs, however, the Clinton Administration wants to increase the guaranteed loan rate for the most affluent homeowners, making it possible for higher-income individuals who cannot qualify for credit in the private market to obtain taxpayer-insured loans. Why should Americans, at any level of income, run the risk of paying higher taxes to cover the potential mortgage defaults of higher-income individuals with poor credit ratings?

The FHA loan program, which requires minimal payments yet loses $4 billion per year, has a default rate of three times the national average in comparison to the private sector. Lacking any credible economic wisdom, we must assume that the Clinton Administration will use the taxpayer-funded loans to harvest votes.

The Congress should not place American taxpayers at a higher risk of losses by increasing FHA's loan limits. Americans for Tax Reform, and the undersigned groups, in support of limiting the tax burden on all Americans, considers such an increase as fiscally irresponsible and a gross intrusion into the private market. On behalf of all taxpayers, we applaud your efforts to defeat this provision.

Sincerely,

GROVER G. NORQUIST
(And 6 others).

THE HERITAGE FOUNDATION,
July 16, 1998.

EXECUTIVE MEMORANDUM—WHY RAISING THE FHA MORTGAGE INSURANCE LIMIT WOULD BE BAD POLICY

(Ronald D. Utt, Ph.D.)

As Congress moves to consider the House and Senate appropriations bills for the Departments of Housing and Urban Development (HUD) and Veterans Affairs (VA), lawmakers will have to consider provisions to raise the maximum mortgage amount that can be backed by the Federal Housing Administration (FHA) insurance fund. If ultimately enacted into law, these provisions would expand the federal government's role even deeper into the residential mortgage market, provide windfall profits to a select group of mortgage financiers, undermine the viability of private mortgage insurers, and expose the U.S. taxpayers to a costly bailout for the already faltering FHA insurance fund.

Since early this year, the FHA has been confronting much-higher-than-expected loan defaults and insurance claims. According to budget data provided to Congress by HUD, the FHA's 1997 property acquisitions through foreclosure were up 117 percent, or a staggering $2.3 billion, from initial projections. The FHA further announced that it anticipated this higher rate of foreclosure to continue,

and that it was revising 1998 foreclosed property acquisition estimates upward from an initial $1.9 billion to almost $4 billion. The FHA's declining confidence in the quality of its mortgage insurance portfolio has been justified by events. In the first quarter of 1998, despite the booming economy and rising employment throughout the United States, the FHA's delinquency rate reached an all-time high of 8.35 percent, meaning that nearly one in ten FHA borrowers were behind in their payments. This compares with a default rate of just 2.91 percent on conventional mortgages, the market on which the FHA seeks congressional approval to encroach.

Apparently having learned little from the devastating collapse of the savings and loan industry in the 1980s and the subsequent scandals that revealed shoddy underwriting standards in billions of dollars of mortgages, some Members of Congress are proposing that the FHA be allowed to insure a greater share of the market by moving into riskier, higher-valued mortgages. They also are recommending that the FHA's minimum down-payment requirement be reduced from its already inadequate levels. Minimal down-payment requirements under current law allow the FHA to insure 99.6 percent of a $100,000 loan, leaving little or no equity cushion to protect FHA reserves in the event of loan default and/or foreclosure.

HUD Secretary Andrew Cuomo has proposed that the FHA maximum loan limit be increased to $227,150 throughout the country, and that FHA's already generous down-payment requirements be made even more generous. House and Senate appropriators have agreed to propose much of what Cuomo is asking for: upping the regional cap on the minimum loan from $86,000 to $109,000, raising the maximum cap from $170,000 to $197,000, and allowing borrowers to make an even smaller down payment.

If enacted into law, these changes would worsen an already deteriorating situation within the FHA's insured portfolio by exposing it to disproportionately greater risks. With FHA out-of-pocket losses typically running at a rate equivalent to 30 percent of the value of the loan on the foreclosed property, the unanticipated foreclosed property acquisitions in 1997 and 1998 could lead to additional losses of $1.26 billion against the FHA's reserves.

Rather than placing the taxpayer at far greater risk of having to pick up the tab on foreclosed FHA-backed mortgages, a better alternative for Congress to consider is an amendment to the Senate bill that will be offered by a bipartisan coalition composed of Senators Don Nickles (R–OK), Herbert Kohl (D–WI), Connie Mack (R–FL), Wayne Allard (R–CO), and Russell Feingold (D–WI). Their amendment would raise the floor on the maximum-size mortgage the FHA can insure from the current $86,000 to $109,000 to target first-time and moderate-income home buyers more accurately while also eliminating much of the windfall corporate welfare benefits FHA mortgages bestow on some mortgage financiers. Whereas conventional mortgages allow mortgage originators to keep just 20 to 25 basis points in servicing fees, the FHA currently allows them 44 basis points, which largely explains the real estate industry's enthusiasm for the further federalization of the market. Under the bipartisan coalition's plan, these excessive servicing fees would be cut back to 38 basic points, with the 6-basis-point difference applied to the Government National Mortgage Association, a part of HUD that repackages and reinsures FHA and VA mortgages for final sale to investors.

Although the bipartisan coalition's amendment is a step in the right direction, an even better alternative would be for Congress to reject any expansion of the FHA's scope and instead hold oversight hearings to determine the reason the FHA and the mortgage originators that use the program have done such a consistently poor job of maintaining the financial integrity of a program that could be of considerable value to first-time home buyers. By failing to achieve underwriting standards common in the conventional mortgage market, the existing management of the FHA has exposed the U.S. taxpayer to the risk of a costly bailout and made it likely that many more FHA home buyers will face the humiliation and financial loss of foreclosure.

[Ronald D. Utt, Ph.D. is Grover M. Hermann Fellow in Federal Budgetary Affairs at The Heritage Foundation. For additional information, see the author's ''HUD Wants Federal Housing Administration to Offer More Corporate Welfare,'' Heritage Foundation Executive Memorandum No. 512, March 9, 1998.]

CONSUMER FEDERATION OF AMERICA,
Washington, DC, July 13, 1998.

Hon. DON NICKLES and Hon. HERB KOHL,
U.S. Senate, Washington, DC.

DEAR SENATOR NICKLES AND SENATOR KOHL: I am writing to express our strong support for your amendment to the HUD Appropriations bill when it comes to the Senate Floor.

The amendment eliminates a proposed increase in the high-cost FHA loan limit, which will keep FHA properly focused on the moderate-income home buyers it was created by Congress to serve. Congress should not increase FHA's loan limit to enable borrowers making as much as $75,000 a year to use a government program to buy a home.

The amendment also is a step in the right direction in lowering lender incentives to steer borrowers to FHA-insured mortgages when they may not be the best financing option. Lenders now make nearly twice the amount servicing FHA loans than they do servicing conventional loans. Your amendment discourages lenders from inappropriate behavior by bringing the fee they make on FHA loans more in line with private sector fees—without any increase in the cost of an FHA loan to consumers. Lowering lenders' fees on FHA loans even further would serve as a more effective disincentive for such anti-consumer lender action.

Sincerely,

STEPHEN BROBECK,
Executive Director.

NATIONAL TAXPAYERS UNION,
Alexandria, VA, July 14, 1998.

Hon. DON NICKLES,
U.S. Senate, Washington, DC.

DEAR SENATOR NICKLES: On behalf of the 300,000-member National Taxpayers Union (NTU), I am writing to applaud your opposition to any increase in FHA mortgage insurance ceilings.

The Federal Housing Administration was created in 1934 to fill a void in the marketplace created by the Depression. Its aim has been to assist lower income families in obtaining their first home through mortgage insurance and lower down payments. Thanks to the enormous economic growth experienced in America since World War II, first time homeowners' reliance of FHA subsidized loans has fallen from 50% of the market during the 1950s, to the current level of only 10%. Yet, instead of trumpeting the success in lowering the number of Americans reliant upon government assistance to enter the housing market, the Clinton Administration is seeking to expand this entitlement to the wealthiest 14% of American households.

Now, some in Congress are pushing a ''compromise'' that would raise the top FHA limit to $198,000 and the base FHA limit to $109,000 (up from $86,000). This ''compromise'' will expand FHA benefits to the richest 16% of Americans and will direct FHA away from low and moderate income borrowers.

Defenders of the FHA note that the agency provides an important resource to lower-income families and minorities who wish to purchase a home. NTU fails to see how low income families will be served by FHA loans to those in the middle-to upper-class income range. This is especially curious since approximately 90% of Americans at this income level already own a home or have owned a home in the past. In most cases, families in this income bracket who cannot obtain private mortgages are trying to purchase homes out of their price range. Apparently, supporters of raising the ceilings will not be happy until every wealthy American owns a home at government expense.

In fact, the evidence suggests that low income families would actually be hurt by increasing the mortgage ceiling. A recent GAO report shows that in 1994, the FHA insured only 24% of all loans made to minorities, 20% of all loans to low-income families, and 21% of all loans to first time buyers—all of whom the FHA was supposedly created to help. Under the current system, the only means FHA has to direct loans to these target groups is through the loan insurance ceilings. Raising the ceilings would direct even less FHA assistance to these presumably needy groups. Who can defend lessening federal entitlements to the poor and minorities in order to expand benefits to the richest Americans?

This move also represents an unnecessary government intervention into the private sector—which could have disastrous results. As a document prepared by the House Banking Committee notes:

''Since the FHA pays mortgage lenders significantly higher servicing fees than either Fannie Mae or Freddie Mac (.44% of a loan value compared to .25%) and the agency assumes the total risk, allowing the FHA to expand into this market would skew the incentives of mortgage lenders against dealing with private entities to no justifiable public end.''

In other words, the federal government would crowd private mortgage insurers out of the home mortgage business, leaving the government as the main mortgage insurer for most Americans. What's next? The official U.S. Government Visa card? This represents a clearly unneeded and harmful intrusion into the private sector by the federal government and should be stopped.

In fact, there is some question as to whether the FHA is even necessary in today's market. Presently, home ownership is at an all time high of 65.7%. In 1997 alone, there was a 27.7% surge in minority home ownership. Clearly, the days when most Americans couldn't afford their own home are over.

While the need for the FHA has been decreasing, there has been a serious increase in mismanagement at the FHA. In fact, as recently as last year, the GAO designated the FHA as ''high-risk.'' Within the last year, FHA was forced to change its adjustable rate mortgage program as a result of high losses caused by weak underwriting. A report prepared by the House Banking Committee notes that:

''[I]n 1997, the FHA fund paid 71,599 claims, an 18% increase from the previous year. These foreclosures occurred despite reforms to the FHA fund, the Omnibus Budget Reconciliation Act of 1990, a record low levels of unemployment, increasing real wages, historically low mortgage interest rates, and a period of sustained economic prosperity since 1993. According to the Mortgage Bankers of America, FHA delinquencies have

risen by 23% since 1988. During that same period, Department of Veterans Affairs Single Family Mortgage Guaranty Program delinquencies rose at a much lower rate (only 9%) and conventional mortgage delinquencies actually fell by 8%.''

Plainly, wise lending practices are not being followed by the FHA. What the FHA needs is reform, not expansion.

To put it simply, Washington wants to expand an inefficient federal program that barely helps those it is intended to help in order to provide an entitlement to the richest 14% of American families—done at the expense of low income and minority families.

Mr. NICKLES. Mr. President, I also ask unanimous consent to have printed in the RECORD an editorial that was in the Wall Street Journal on June 8 of this year talking about vote building, which is an excellent editorial that talks about how this policy will hurt areas, large cities, blighted areas, and how this policy will increase, unfortunately, the plight of many, many neighborhoods, as well as the exposure to taxpayers.

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

[The Wall Street Journal, June 8, 1998]

REVIEW & OUTLOOK

VOTE BUILDING

It seemed like a worthy idea at the time. In 1934, when Congress created the Federal Housing Administration, half the nation's mortgage debt was in default. It was felt some entity was needed to help home buyers who couldn't qualify for conventional mortgages. Today, home ownership's at an all-time high and an innovative private mortgage market keeps coming up with new products to extend credit to low and moderate income home buyers. Logic suggests scaling back the FHA: instead, the Clinton Administration wants to make it easier for the affluent to qualify for 100% taxpayer-insured loans. This is intriguing.

FHA's share of the mortgage market has fallen to 9.1% in 1996 from 13.1% in 1990. This has prompted Housing and Urban Development Secretary Andrew Cuomo to propose a plan he says will let the FHA ''maintain its market share'' by increasing its maximum loan amount to $227,150, a one-third increase over current levels.

Not only would this reorient the program to higher-income borrowers who don't need government help to purchase a home, but it would increase the taxpayer risk of loans going sour. Democratic Senator Herb Kohl of Wisconsin notes that the default rate on FHA lending, which requires minimal down payments, is almost three times as high as in the private sector. This year, the FHA is losing $4 billion in loan defaults.

Even at current loan levels, the FHA is having a perverse effect on neighborhoods. The Chicago Area Fair Housing Alliance issued a study this month that found the FHA's 100%-backed loans offer service fees that are twice as large as those for privately insured loans and that encourage mortgage lenders to create loans likely to fail. The result is clusters of abandoned and boarded-up homes in marginal neighborhoods. ''Large inventories of FHA foreclosed, vacant and deteriorating properties are found concentrated in minority and racially changing areas,'' the study concluded. ''It is this blight that creates the impression that racial change causes neighborhood decline.''

There are better ways to open the housing market. Financing isn't the only restraint on supply; there are politically created obstacles. In 1991 a commission headed by then-HUD Secretary Jack Kemp called for removing unnecessary barriers to the creation of housing. New studies have estimated that in high-priced California, where many new FHA loans would be made, the amenity and code requirements can boost prices as much as $60,000 a home.

Despite the taxpayer risks inherent in increasing the FHA loan limit, the Clinton Administration is trying to sell the expansion as a revenue raiser. Added premiums from FHA mortgage insurance would add some $1 billion to the Treasury over five years.

But it may also be an attempt to use a taxpayer-funded program to harvest votes. The April 17 issue of the Housing Affairs Letter, an internal industry newsletter, quoted a HUD official as saying, ''The increase in the loan limit is vital to the president's nationwide homeownership campaign, and if it passes Congress, it will surely translate into votes in the next presidential campaign.'' Former HUD Secretary Kemp calls raising FHA loans limits a ''classic Clinton-Gore strategy: courting suburbanites with proposals that they could rationalize through the prism of politics, but couldn't defend as sound policy.''

Under ideal conditions, a political playpen like the FHA would be privatized and local governments encouraged to fine-tune their zoning and code requirements to help home buyers now frozen out of high-priced markets. But so long as that doesn't happen, it makes little sense to expand FHA loans to people with upper-middle-class incomes.

Who should be eligible for FHA loans? Why not restrict such loans only to those families in the 15% tax bracket. If the Clinton Administration wants to help more people buy homes, it can lower the number of people subject to the steeper 28% bracket, and at the same time provide them with more money to meet the loan payments and avoid default. But with its more upscale ''reform,'' it appears that the White House prefers buying votes the old-fashioned way.

Mr. NICKLES. Mr. President, I have a letter from Jack Kemp, who was former Secretary of Housing and Urban Development, dated July 15, 1998. I will read one short paragraph. He says:

Your amendment will also stop a brash move by the administration to push the FHA further and further away from its core mission of supporting the home ownership dreams of low- and moderate-income American families, a noble mission that has enjoyed bipartisan support in Congress.

The drive to raise the FHA loan limit to $197,000 is motivated by a desire for votes in the fall elections. It would take an income of about $75,000 a year to qualify for such a loan, or the top 16% of wage earners.

Mr. President, I ask unanimous consent to have that letter printed in the RECORD.

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

JULY 15, 1998.

HON. DON NICKLES,
SH–133 Hart Senate Office Building, Washington, DC.

DEAR SENATOR NICKLES: I am writing to you today to support your efforts to stop yet another attempt by the federal government to expand its power, harm those it intends to serve and trample on the private sector mortgage market. As you know, I have opposed raising the FHA loan limits at all. And the provision in the current HUD/VA Appropriations Bill raising the limits to the proposed level would expose the federal taxpayer to $10 billion in contingent liability. It also would increase economic incentives for mortgage lenders to steer borrowers to the FHA program even though it may not be the best financing option. Therefore, I cannot support raising the FHA loan limits a single dollar.

However, if you have concluded that the provision has sufficient support to pass, I believe your amendment to raise Ginnie Mae's guarantee fees from 6 to 12 basis points goes a long way toward making a bad idea a livable one. And on its own merits, I believe you have an excellent proposal. Without costing a homebuyer an extra cent, your amendment removes the incentive for mortgage companies to unnecessarily direct buyers toward FHA loans. Currently, lenders make twice as much in servicing fees from FHA loans than they do in servicing conventional loans. Even though they require lower downpayments, FHA loans are more costly to the borrower over the life of the loan. By reducing lenders' fees for servicing FHA loans, lenders will have less incentive to steer borrowers to these higher cost FHA loans when they might have qualified for cheaper conventional financing.

Furthermore, the point must be made that without your amendment, the contingent liability on the American people will increase by $10 billion. With FHA delinquencies already at an all-time high, an economic slowdown or recession could render the FHA insurance fund insolvent and that contingent liability would come due.

Your amendment also will stop a brash move by the administration to push the FHA further and further away from its core mission of supporting the homeownership dreams of low- and moderate-income American families, a noble mission that has enjoyed bipartisan support in Congress.

The drive to raise the FHA loan limit to $197,000 is motivated by a desire for votes in the fall elections. It would take an income of about $75,000 a year to qualify for such a loan, or the top 16% of wage earners. Among these borrowers, 86% are homeowners today. It would make more sense to target families making less than $50,000, 40% of whom own their home, and can use the FHA program at today's levels.

I applaud you for your efforts to sensibly raise money for housing programs and keep the FHA program true to its mission of serving low- and moderate-income Americans.

Very sincerely yours,

JACK KEMP.

Mr. NICKLES. Let me just conclude by stating that I regret coming in and opposing my friends and colleagues from Missouri and Maryland on this issue. But if my memory serves, several years ago the Senator from Maryland and I wrestled with this issue on the floor of the Senate.

At that time there was an effort for people to raise the limits. I said, ''Wait a minute. Why are we having the Federal Government guaranteeing more and more loans?'' Home ownership, I might mention, in this country is at an all-time high. I think that is great. Most of that is done in the private sector. It just so happens FHA is losing its percentage share as the private sector has exploded. I think that is good.

I think this increase is an effort by the Secretary of Housing to say, ''Wait a minute. We want the Federal Government to be making more loans.'' I also think it is also driven by a desire to generate more money for the Government. Because as you increase the loan

limits, you increase the fees, and so on, and that allows the Government to spend more money.

I will not get too technical on the budget, but if the committee raises money through fees and so on, that allows them to stay within the ''budget caps'' because they get an offset for the increase in fees, and as a result, by increasing the fees both on the bottom and the top, the committee is going to get about an extra $80 million a year over and above the budget that we agreed to last year, that the President signed. I am not saying it is not within the rules of the Congress. I am just saying I think it is an attempt to have more money to spend. I personally am somewhat troubled by that.

Under existing law, loan rates on both the low end and the top end have already increased. They increased on the low end from $81,000 to $86,000. This committee bill increases it to $109,000. We do not touch that. I think maybe we should, but we do not.

Our amendment just says we should not increase the top limit from $170,000—keep in mind, last year's was $160,000—to $197,000. A $10,000 increase in Federal Government loan guarantees in the high income areas, surely that is enough. The committee wants to take it almost $200,000. I think that is a serious mistake. I think that takes FHA away from its core mission. FHA's mission was to help low- and moderate-income people, not the wealthiest 15 percent of society.

I urge my colleagues to vote in favor of this amendment. We will be voting on it early tomorrow morning. I think it is very important that we protect taxpayers from greater risk, and that we keep FHA focused on low and moderate income home buyers. I thank my colleague from Wisconsin for his leadership and support on this amendment, his coauthorship of this amendment, as well as my colleague, Senator MACK, from Florida, who happens to be chairman of the authorizing committee. I also want to thank Senators FAIRCLOTH, ALLARD, and FEINGOLD for their support in trying to eliminate this expansion of the higher income limits for FHA.

Mr. President, I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, it is always good to see our former colleague on the VA-HUD committee come to the floor to talk about the difficult issues. We certainly appreciate his kind comments.

The VA-HUD-Independent Agencies is a very challenging and interesting area. He raised the question about the increase in spending; and to explain that will perhaps give my colleagues some idea why this is such a complex area.

The total spending includes—total spending is about $93 billion—includes $22 billion in mandatory spending for veterans administration categories. That is about a $4 billion increase over fiscal year 1998. The increase is attributable largely to the following—about a $1.5 billion increase in veterans administration, primarily mandatory spending, things over which our subcommittee has no control.

In addition, there is, HUD figures, about $2.6 billion over last year's figure. And that is because money was taken from section 8 contracts earlier in the year to pay for a supplemental. This is the budget that is always raided. And the broader Appropriations Committee has raided these section 8 contracts. That would be good except for the fact that the cost of renewing section 8 contracts in HUD continues to escalate.

In fiscal year 1997, we needed $3.6 billion in budget authority to renew existing section 8 contracts. Because we had moved to shorter and shorter term contracts, from multiyear contracts down to 2-year and 1-year contracts, it then shot up to $8.2 billion in budget authority for fiscal year 1998, the current year; and it jumps to $11.1 billion in fiscal year 1999. That is the result of the length of the contracts.

But it means, in order to continue providing the same assistance we do currently under section 8, we have to have about $2.9 billion more in budget authority for fiscal year 1999 than we did for fiscal year 1998. If you say we do not want to increase it, it means, in essence, that we are going to have to take away section 8 housing contracts and kick people out. That is just a simple choice.

I must oppose the amendment of my good friend from Oklahoma to strike the increase in FHA mortgage insurance limits for high-cost areas and to offset that with an increase of 6 basis points to the fees that Ginnie Mae charges for servicing costs.

The first point we need to make is that the FHA mortgage insurance increase is a bipartisan proposal, a bipartisan congressional proposal, that enjoys wide support from both Republicans and Democrats in this body. I do not see this modest increase as growing government. Rather, the FHA mortgage increase represents an approach to fill a gap that allows Americans of modest means—moderate-income Americans—to own their own homes, one of the great American dreams for all families.

The FHA was established in 1934 as a result of nearly impossible lending conditions during the Great Depression, and in over 60 years the public-private partnership of FHA and private lenders has enabled more than 25 million families to realize the dream of home ownership. Moreover, the FHA Mortgage Insurance Program supplements and complements the role of private mortgage insurance by assisting families who do not have adequate resources to meet the private mortgage markets' downpayment requirement, which is often 20 percent of the mortgage amount.

While the private mortgage insurance market has made tremendous strides in providing new products to assist families in purchasing homes, many families would be unable to purchase their home without the benefit of FHA mortgage insurance. In brief, the Senate VA-HUD fiscal year 1999 appropriations bill provides modest increases in the FHA mortgage insurance limits, raising the floor from 38 percent of the Freddie Mac conforming loan limit, or about $86,000, to 48 percent of the conforming loan limit, or some $109,000. It establishes a new ceiling for high-cost areas from the existing 75 percent of the conforming loan limit, or some $170,000, to 87 percent of the conforming loan limit, or some $197,000.

And let me indicate where these higher loan limits would be implemented. Right now—this is a chart which shows the United States. The colors of the chart indicate where the low rate, the base limit, is in place. These are the areas in blue. This is where the base lending rate would go from $86,000 to roughly $109,000.

The green areas on here are 95 percent of the local median.

The high-low rate, the one which is being challenged in this amendment which is raised to $197,000, would be in these few red areas on the East Coast—essentially, Boston, New York, Washington, DC area, Denver, CO, and California along the coastline. The rest of the country is not affected by the increases in the higher-end loan limit.

I think the legislation seeks to strike a reasonable balance to promote additional home ownership and would allow home ownership for some 30,000 families, 20,000 in high-cost areas and 10,000 basically nonurban areas. In particular, these new FHA mortgage insurance limits will help in nonurban areas where the price of new housing has escalated beyond the capacity of first-time home buyers to use FHA mortgage insurance to buy a house in some areas because the FHA lower-limits financing is not available for construction of first homes for families of workers with lower wages.

The problem is that the existing FHA mortgage insurance limits do not reflect the higher cost of new homes. New homes cost more than existing homes because of the cost of materials and labor. In addition, there are many other expenses. For example, the cost to develop new housing subdivisions is expensive because of the cost of utility hookups, environmental requirements, local taxes and surcharges for things like schools, roads, fire protection, as well as the cost of buildable land. Currently, the median price for a new home is $142,000, while the median price for an existing home is $126,500, for a $15,500 difference.

Now, this difference is very important for Missouri as well as the rest of the Nation. Home ownership in housing construction has been and always will be a locomotive for the U.S. economy. In addition to the jobs created through

the development of new housing, many nonurban areas in particular will be able to provide the affordable housing that is so critical to attracting new business and to maintaining existing businesses.

I have talked with people in areas just outside the metropolitan Kansas, MO area, in areas of north Missouri, where they are benefiting from new jobs coming into the area but they are strangled because the new jobs bring in people who can't get housing. They can't get affordable housing. This is one of the critical needs for people in those areas so that they can continue to create jobs and see their communities grow. They need to have affordable housing. I am hoping that the raising of the lower limit will enable them to get FHA financing and build new homes.

Now, I don't want to confuse anyone. As I said, Senator NICKLES' amendment does not seek to reduce the increase to the FHA mortgage insurance floor, the one I was just talking about, as provided in the VA-HUD 1999 appropriations bill. Senator NICKLES' concern, as well as those of his colleagues, is that the proposed new mortgage insurance limit of $197,000 for high-cost areas is too high. In particular, in a ''Dear Colleague'' letter, Senators NICKLES, MACK, ALLARD, KOHL, and FEINGOLD state that to qualify for a mortgage of $197,000, a family would need an income of at least $75,000. Well, $197,000 is a lot of money for a house. That cost, however, is the reality in many areas and it needs to be addressed.

In addition, I think it is fair to say that $75,000 is not an extraordinary amount of income for a family. For example, it means that a two-income family, a schoolteacher and a firefighter, will be able to live in a community in which they serve. This is important. I do not think we should lose sight of the importance of mixed-income communities while providing opportunities for home ownership.

Moreover, as part of Secretary Kemp's FHA reform initiative as enacted in the National Affordable Housing Act, Price Waterhouse conducts an actuarial review of the FHA Mutual Mortgage Insurance Fund on an annual basis. From the perspective of actuarial soundness, NAHA mandated a fund to achieve a capital ratio of at least 2 percent by fiscal year 2000. However, the fund reached a capital ratio of 2.81 percent in fiscal year 1997 and is expected to reach 3.21 percent by fiscal year 2000. Moreover, the projected economic value of the Mutual Mortgage Insurance Fund was $11.3 billion at the end of fiscal year 1997. This represents a more than $14 billion increase in the value of the fund since Secretary Kemp's reforms in 1990, when it was a negative $2.7 billion.

In addition, the FHA Single Family Mortgage Insurance Program is self-sustaining, has not cost the American taxpayer any money in its entire existence. Insurance premiums and loan loss recovery proceeds pay for all costs incurred in the administration of the program, leaving sufficient reserves from an actuarial perspective to pay all future claims.

I note that Senators NICKLES, MACK, and FAIRCLOTH have developed a number of very worthwhile reforms to the FHA mortgage insurance program which have been agreed to and will be included in the next managers' amendment. As with my colleagues, I remain concerned over HUD's capacity to administer its many programs, including its FHA mortgage insurance programs. These FHA management reforms would require that each lender provide a comparison of FHA mortgage funding with three of a lender's most frequently employed mortgage loan structures, an annual study by GAO on steering by lenders to FHA, and a requirement that HUD submit an initial report within 60 days annually on how HUD plans to correct mortgage problems in the FHA Single Family Mortgage Insurance Program.

Finally, I have concerns about any changes to the Ginnie Mae servicing structure. I have been advised that any change in the servicing fee will likely result in increased home ownership costs to families, with estimates that it could cost consumers some $250 million per year and price some 15,000 home buyers out of the market each year.

I have a letter from a significant group of veterans organizations that I will place at the end of my statement for the RECORD from the AMVETS, Disabled American Veterans, Non Commissioned Officers Association, Blind Veterans Association, and Paralyzed Veterans of America, saying that any increase in Ginnie Mae fees will result in an added cost to lenders which will invariably be passed on to VA loan recipients. We estimate that even just a 6-basis-point increase in the Ginnie Mae guarantee fee will cost VA borrowers over $67 million annually, with a typical veteran paying over $250 in upfront closing costs. With the veterans already struggling to afford their first homes, this cost increase would be devastating.

I expect the argument of my colleagues will be that lenders currently receive a fee for servicing FHA-insured mortgages of 38 basis points, almost double the fee that lenders receive for servicing loans in the private sector. For example, as opposed to the 38 basis points lenders receive in service fees under FHA, lenders receive between 20 and 25 basis points for servicing fees associated with conventional mortgages guaranteed by Fannie Mae and Freddie Mac. Nevertheless, Ginnie Mae operates significantly different from Fannie Mae and Freddie Mac, particularly when Fannie Mae and Freddie Mac take on the responsibility that all security holders receive their payments, whereas the servicer is responsible for the pass-through on a Ginnie Mae security, and where a servicer fails, it is no longer permitted to participate in a Ginnie Mae program. That is a significant responsibility and merits additional fees.

I send this letter of July 14 to the desk. It happens to be addressed to the distinguished occupant of the Chair. This is a letter from AMVETS, Disabled Veterans, Non Commissioned Officers, Blind Veterans, and the Association of Paralyzed Veterans of America.

I ask unanimous consent to have it printed in the RECORD.

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

July 14, 1998.

Hon. WAYNE ALLARD,
U.S. Senate, Washington, DC.

DEAR SENATOR ALLARD: The Senate is scheduled to consider the FY 99 VA/HUD Appropriations bill, S. 2168 in the next few days. As organizations that share a deep commitment to our nation's veterans, we ask that you oppose any amendments to increase the Ginnie Mae guaranty fee. Specifically, this fee increase would mean added costs to veterans taking out VA mortgages. Quite simply, this policy would make homeownership more expensive for veterans.

Because VA mortgages are typically placed into mortgage-backed securities guaranteed by Ginnie Mae, the VA home loan program is linked to the capital markets. This link means lower cost mortgage funds for veteran borrowers. Ginnie Mae, which charges lenders a fee for the guaranty, makes the whole process possible.

However, any increase in Ginnie Mae fees will result in an added cost to lenders, which will invariably be passed on to VA loan recipients. We estimate that even just a six basis point increase in the Ginnie Mae guaranty fee would cost VA borrowers over $67 million annually—with the typical veteran paying over $250 more in up-front closing costs. With many veterans already struggling to afford their first homes, this cost increase could be devastating.

Please vote against any amendments to increase the Ginnie Mae guaranty fee.

Sincerely,

AMVETS.
DISABLED AMERICAN VETERANS.
NON COMMISSIONED OFFICERS ASSOCIATION OF THE USA.
BLINDED VETERANS ASSOCIATION.
PARALYZED VETERANS OF AMERICA.

Mr. BOND. I urge my colleagues, when the vote is held on this very important amendment tomorrow morning, that they oppose this amendment. I believe the time has come to provide this modest increase in the loan limits, and I hope our colleagues will support the committee in this effort.

I yield the floor.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I rise as a cosponsor of the amendment offered by my colleague from Oklahoma, Senator NICKLES. As my colleagues know, this amendment would strike the increase to the high-end FHA loan limit included in the VA/HUD bill.

FHA is intended to fill an important mission—helping low- and middle-income Americans purchase their first

homes—helping those who are not served by the private market.

For this reason, our amendment leaves the proposed increase to the low-end FHA loan limit in place, ensuring that in the vast majority of States across the country—97 percent of the counties in the United States—the loan limit will be more than sufficient for low- to moderate-income people to purchase homes of their own.

But we should all be reminded that any decision to raise the loan limits on the high end should be approached with caution. FHA loans are 100 percent insured by the Federal Government. If a home owner goes into default, it is the taxpayer, not the lender, that bares the risk. And that's no small risk—FHA default rates are three times higher than defaults on conventional mortgages. Last year, foreclosures on FHA homes resulted in over $5 billion in claims.

There is no reason to extend that risk on behalf of home buyers who are already well-served by the private market. Raising the high end limit and expanding FHA to cover expensive homes may very well jeopardize the health of the entire program. Higher priced home loans, especially when combined with the relatively low downpayments required by FHA, default more often—and obviously cost more when they default. Raising the high end limit would clearly place the Federal Government in competition with the private sector, needlessly expose taxpayers to more risk, and give upper income home buyers access to mortgage credit they don't need.

Changing the high end limit will steer the program away from working families—at a higher cost to taxpayers—with more devastation to the communities that hold abandoned, foreclosed-upon FHA properties.

With this amendment, we have the chance to ensure that the program stays focused on borrowers who legitimately need help and also to create a strong, healthy FHA that works for everyone—home buyers, lenders, and the taxpayers.

So I urge my colleagues to support the Nickles amendment.

Mr. FEINGOLD. Mr. President, I rise today to join my colleagues, Senator NICKLES, Senator KOHL and Senator MACK in supporting this amendment to strike language raising the ceiling on mortgage limits insured by the Federal Housing Administration.

Mr. President, the appropriations bill we are currently considering includes language that would raise the ceiling on the Federal Housing Administration's loan limit from the current level of 75% of the conforming loan limit—approximately $170,000—to 87% of the conforming loan limit, which is approximately $197,000.

Mr. President, it is—quite frankly—astounding to me that Congress is considering action that would raise the FHA loan limit. In a time when Congress needs to be focusing on balancing the budget, it is truly ironic to me that some members seem to want to increase the burden to taxpayers by expanding a government program into an area already well-served by the private sector. In case you or any of our colleagues is wondering, a $197,000 loan translates to a house worth over $200,000. To afford such a house, a family would have to have annual earnings of over $75,000—an income level that only about 16% of American families are at. I don't know about you, Mr. President, but in Wisconsin, we don't consider folks who own $200,000 homes to be ''needy.'' These upper-income families are already well-served by the private market.

Mr. President, the arguments against raising FHA loan limits are overwhelming: HUD's own FY 1999 Budget proposal predicts a 100% increase in the default rate for 1998—totaling $4 billion. The very same Committee Report seeking to raise the loan limits also acknowledges, and I quote, ''concern[s] about HUD's capability to manage the FHA mortgage insurance programs and the potential exposure of the Federal Government if there is an economic downturn.'' Since 1990, while the mortgage delinquency rate in the conventional market fell by 8%, the FHA delinquency rate rose by 23%. FHA backs 100% of every loan it insures, and so those delinquencies and defaults are borne 100% by taxpayers. It would seem to me, Mr. President, that those who seek to increase FHA's loan-limits are sending a strong message that they are willing to let American taxpayers pick-up the tab.

Mr. President, I have here a letter from the National Taxpayers Union to Congressman Bob Livingston, Chair of the House Appropriations Committee. The letter, which I would ask be inserted in the record, sums-up—I think very nicely—the manifold concerns with increasing the loan limit ceiling:

> Defenders of the FHA note that the agency provides an important resource to lower-income familes and minorities who wish to purchase a home. NTU fails to see how low-income families will be served by FHA loans to those in the middle-to upper-class income range . . . Apparently, supporters of raising the ceilings will not be happy until every wealthy American owns a home at government expense.

It would seem to me, Mr. President, that rather than raising the FHA loan limits, Congress needs to be thinking critically about what steps we can take to improve the actuarial safety and soundness of FHA programs so that it can continue to help working families purchase their homes. Rather than expanding the program for the benefit of upper-income borrowers and special interest groups, we ought to be thinking about how we can make sure those working families of modest means are truly being served by the existing FHA programs.

Mr. President, the amendment my colleagues and I are introducing today would remove language raising the FHA loan limit ceiling and increase the Ginnie Mae guaranty fee by 12 basis points. I believe that raising the loan limit ceiling to $197,000 is fiscally irresponsible, unnecessarily expands a government program into an area already well-served by the private sector, and distracts the FHA from its mission to serve lower-income home-buyers. I hope my colleagues will give careful consideration to these concerns and support our amendment.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I rise in opposition to the Nickles amendment. The simple fact is that the Nickles amendment would greatly reduce the availability of FHA loans, which have helped millions of first-time, low-income and minority home buyers share in the American dream of home ownership. S. 2168, before us, currently includes a provision that would expand the FHA loan limits in high-cost markets only—in high-cost markets only—from a current cap of $170,000 to a new cap of $197,000 in such high-cost markets. My able colleague from Missouri earlier indicated on a map where those markets would be located.

Now, the committee's proposal represents, I think, a very significant and appropriate compromise to the administration's request. The administration's request was to institute a single, nationwide loan limit of $227,000. The committee did not go down that path. The committee, instead, went down the path of raising the lower limit which, interestingly enough, this amendment does not try to strike, apparently, according to my colleague from Oklahoma, because of just political realities of the matter, and also raise the high-cost limit, maintaining that distinction. I think it represents a very significant compromise. I urge my colleagues to support the committee and to reject the amendment.

Now, we are experiencing a time when almost two-thirds of American families own their own homes today. This would not have been possible without the FHA Single Family Mortgage Insurance Program. Each year, about 700,000 Americans purchase homes using FHA insurance. The vast majority of these home buyers could not qualify for a conventional home loan. If the FHA weren't available, they would not have been able to break into the ranks of homeowners.

The point is made that the default rate within the FHA is somewhat greater, at 8 percent, than it is in the private insurance market. But that is because, of course, the FHA is making this opportunity available to people who would otherwise be closed out of the market altogether. Of course, the reverse side of the 8 percent is the 92 percent who were able to break into the home ownership market.

It is estimated that 77 percent of first-time home buyers and 85 percent of minority home buyers who use FHA

would not have qualified for private mortgage insurance. And since the FHA insurance premium is financed through borrower premiums, it does not end up costing the taxpayer.

One of the difficulties is that FHA insurance, at a set figure, cannot be utilized effectively in all parts of the country. Nationwide, there are 43 metropolitan areas, representing 25 percent of the population, which are capped at the current ceiling of $170,000. In 32 out of the 43 metropolitan areas, the median home price exceeds the $170,000 figure. So at the $170,000 figure, in 32 of the 43 metropolitan areas, the median home price exceeds that figure. In Maryland, half of our counties—12 of our 24 countries—are now capped at $170,000. Now, by striking the provision in S. 2168 which raises the loan limits in high-cost areas to $197,000, the result of the Nickles amendment would be that hundreds of thousands of Americans would be denied the opportunity to purchase modestly priced homes simply because they live and work in high-cost parts of the country.

These are not wealthy Americans. These are teachers, policemen, and firemen who serve in communities where they often cannot afford to live. Now, this isn't just unfortunate, this is also unfair. What has to be understood is that a limit that will work in one part of the country will not work in another part of the country. In other words, if you say, well, we ought to give moderate-income people an opportunity to have home ownership, you have some parts of the country where the cost of housing is low, incomes are lower, costs are lower, a whole different dynamic works, and other parts of the country where costs are much higher and housing costs in particular are much higher.

I can take you on a very short ride from here to jurisdictions where ordinary working people would not have a chance at home ownership, except through the FHA program. We need to raise those limits in those areas because the median housing cost is now well above the existing cap.

Furthermore, I want to know—because of the split which the Senator from Oklahoma has made where he said he doesn't go after the lower limits, which, of course, have a much broader application throughout the country—the Nickles amendment imposes substantial increases in Ginnie Mae user fees. This imposes a double hit on consumers. First, the increased cost to lenders will be passed along to FHA consumers in the form of higher interest rates and/or larger downpayments. Second, FHA lenders may opt out of the program if the cost of participation becomes too high.

The net result of these changes, the increase in the Ginnie Mae user fees, would be a substantial reduction in FHA use and availability even within the current loan limits. And to those of my colleagues who do not have high-cost areas in their State, I point out that the Nickles amendment provision to increase the Ginnie Mae user fees would hurt all FHA users regardless of the size of their loans. By contrast, S. 2168 would increase FHA participation without placing a cost on the taxpayers or any additional financial burdens upon FHA consumers.

Mr. President, the FHA program has helped millions of Americans purchase homes who would not otherwise qualify. The FHA program serves a much higher percentage of first-time, low- and moderate-income and minority home buyers than any conventional loan product.

If we as a Nation are committed to supporting home ownership for all Americans, we should reaffirm our commitment to the FHA program.

I really want to commend the committee, I think, for the very careful balance which they developed. This is a far departure from what the administration's request was. In fact, I think the committee obviously took into account the number of points that had been raised by proponents of the Nickles amendment in making their calculations and reaching their judgments in terms of what to do. But unless we raise the cap in the high-cost markets, they are really going to get excluded from the possibility of home ownership. People really qualify as low- and moderate-income people in those high-cost areas. The Nickles amendment allows the floor figure to come up, which in those areas of the country means that the very sort of people that I am concerned about in the high-cost areas would, in fact, not be able to obtain home ownership. I don't think the people in the high-cost areas who confront a whole different economic circumstance ought to be denied that opportunity.

This program has been enormously important and successful in moving Americans into home ownership who would not otherwise have had that opportunity.

I urge my colleagues to vote against the Nickles amendment.

I yield the floor.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Mr. President, I rise in support of the Nickles amendment.

At the outset, I want to say to the chairman of the VA-HUD Subcommittee, both to Senator BOND and Senator MIKULSKI, that I congratulate them for their effort in putting together what is generally a good and balanced HUD appropriations bill.

As chairman of the HUD's authorizing subcommittee, I appreciate the difficulty of funding the most important parts of HUD's mission, while also addressing the critical need of the Department to reform its management and operations.

I especially appreciate Senator BOND's cooperation in helping ensure the effective implementation of the section 8 ''mark-to-market'' program we enacted last year. However, on the issue of FHA loan limits, Senator BOND and I disagree.

I am concerned that the Appropriations Committee did not consider the views of the authorizing committee. This is a major policy change that is being implemented through the appropriations process despite evidence gathered in hearings that would indicate that the change is ill-advised.

Last month, the Housing Opportunity and Community Development Subcommittee held two days of oversight hearings on FHA. The Subcommittee heard extensive testimony from HUD, GAO, the HUD Inspector General and outside witnesses on the programs, operations and mission of FHA, and on proposals for reform. I heard little testimony at those hearings that made a compelling case to raise the FHA loan limit. As chairman of the authorizing subcommittee, I would not have recommended an increase in the loan limits.

This bill does not contain the Administration's initial proposal for raising the loan limits—a proposal I strongly oppose. However, the proposal contained in the bill does focus attention away from the traditional mission of FHA of serving low- and moderate-income families and first-time home buyers. Further, it covers up some of the fundamental problems in the FHA single-family insurance program that jeopardize its long-term stability.

This proposal would result in targeting FHA, in part, to households well above median income, the vast majority of whom are already homeowners. An increase in the maximum mortgage amount would do little to help the households that FHA is intended to serve, namely moderate income families who for one reason or another do not have access to the conventional mortgage market.

Mr. President, Senator NICKLES, I think, did a good job of arguing his position, and the points that Senator SARBANES raised is one of the central areas of debate.

I would like to focus my attention on some other aspects of FHA. I want to focus the bulk of my comments now on a series of management problems in FHA which should be corrected before FHA expands its program and assumes further risks.

At a Housing Subcommittee hearing in May, we heard testimony concerning serious material weaknesses in internal controls, financial systems and resource management that make the Department vulnerable to waste, fraud and mismanagement. Although HUD is in the process of a major management reform program, the ultimate success of that effort is questionable.

FHA, with about $400 billion of insurance-in-force and a portfolio of 6.7 million single-family loans, is HUD's largest, most visible—and most vulnerable—program area. Many of the material weaknesses identified and described by the HUD Inspector General,

the General Accounting Office and others, involve FHA programs. Further, these problems have been identified in each independent audit of FHA conducted since fiscal year 1991.

First, FHA's staffing resources have significantly declined over the past several years. Furthermore, the majority of staffing reductions that have already occurred or are planned under HUD's 2020 Management Reform come out of FHA's single-family operations. FHA's staffing resources have declined during a period where its insured portfolio has continued to increase. In 1992, FHA's staff was about 6,800, but today, its staff is down to around 4,100. This is equivalent to a 40 percent reduction. This raises concerns about the quality of skilled staff that remain at FHA today, since many senior staff have left the Department. Replacing this staff is problematic, since unlike private entities, FHA does not have the authority to hire staff or the ability to quickly invest more resources in automated tools or staff training when its business increase.

Second, FHA has serious weaknesses with its accounting and financial management systems. The main problems with its information system is that the systems are not linked and integrated or configured to meet all financial reporting requirements. Also, data quality problems exist in its default monitoring system. Although these problems have been recognized for several years. The HUD Inspector General has found that ''resources needed to develop state-of-the-art systems are lacking'' because of budgetary constraints or the lack of prioritizing these matters.

FHA's accounting and financial management systems will also be affected by the so-called ''Year 2000'' or ''Y2K'' problem. FHA has 19 critical systems that OMB has mandated to be Y2K compliant by March 1999. However, only two systems have been programmed to address Y2K, and neither has been certified as Y2K compliant. The GAO recently warned that failure to address the Y2K problem could result in system failures that would interrupt the processing of applications for mortgage insurance and the payment of mortgage insurance claims.

Third, data integrity problems with its default monitoring system has affected FHA's ability to effectively monitor the performance of its mortgagees. FHA also lacks an effective underwriting system that can predict which borrowers pose the greatest risk. Identifying and managing risk is absolutely critical to the long-term soundness of FHA.

While FHA's single-family insurance fund currently exceeds its capital reserve requirement, there have been recent indications of potential problems in the FHA program. If these problems are not corrected, then FHA faces financial instability. For example, FHA defaults are serveral times higher than either the VA or the conventional mortgage market. During fiscal year 1997 claim payments for FHA-insured loans, especially for adjustable rate mortgages, were far higher than expected. The inventory of single-family properties owned by HUD increased by about 30 percent to more than 30,000. We have also heard and seen evidence that the geographic concentration of mortgage defaults, and FHA's inability to manage and monitor its portfolio, have damaged neighborhoods and permitted families to purchase homes that are either substandard or unafforable. In addition, Fannie Mae and Freddie Mac have recently introduced lower down payment mortgage products that may attract some of FHA's lower-risk borrowers, leaving FHA with more of the high-risk market.

There is no denying that the FHA single-family insurance program has been a success. More than 24 million households have used FHA since its creation in 1934. FHA has traditionally been a preferred tool for homeownership by young families and first-time homebuyers and by lower income and minority households who for many reasons have not been served well by the conventional marketplace. And, thanks to reforms begun under Secretary Jack Kemp, FHA has made significant strides toward financial stability. I have a strong interest in ensuring that FHA take all of the necessary steps to ensure that it continues to serve the people and communities the program is intended to serve and will ultimately make the program more financially stable.

However,I question whether it is prudent for any business, let alone one ultimately subsidized by the taxpayer, to expand its operations while attempting to deal with serious management problems. And on the basis of this concern alone, an increase in FHA loan limits would not be prudent.

Mr. President, I yield the floor.

Mrs. BOXER, Mr. President, I take the floor to stand in opposition to the amendment that would strike the raise in the ceiling on the Federal Housing Administration loan limit. I believe the raise in the ceiling is critical for high cost real estate market areas, and I urge my colleagues to vote no on this amendment.

This bill raises the ceiling on FHA loans from 75 percent of the Freddie Mac conforming loan limit, which is about $170,000, to 87 percent of the conforming loan limit, or about $197,000. This is particularly good for my state, where the cost of housing is so high, especially in Los Angeles and San Francisco.

FHA loans encourages lenders to make mortgage credit available in areas and to borrowers who may not otherwise qualify for conventional loans on affordable terms, such as first-time home buyers. Raising the loan limit will help those who have not been able to get conventional loans because of small credit blemishes or a lack of a large cash downpayment. These are the gaps in homeownership that FHA now fills, across income levels, and home prices.

This is a modest proposal, and one that helps consumers residing in high-cost areas of the country who are currently locked out of housing because the FHA maximum of $170,362 is less than the average cost of housing.

The cost of housing is so high in the Bay Area, that Bridge Housing Corporation rarely uses FHA. Carol Galante, the president of Bridge, one of the largest non-profit housing developers in the country, says she rarely can use FHA insurance because the loan limits are so far below the median home price for Northern California.

Raising the FHA loan limit will enable FHA to reach more borrowers and more communities which are not currently being served by the private mortgage industry. The raise in the FHA loan limit as provided for in this bill will help between 125,000 and 175,000 worthy American families, including 16,500 to 23,100 California families, to have access to homeownership over the next 5 years.

In the 15 highest cost U.S. housing markets, the homeownership rate is only 58%. That is more than 7 percentage points below the national average, and in these markets, FHA is the only credit program not available to moderate-income households. Thus, in places like New York, Boston, Los Angeles, and San Francisco, over 7% of families are systematically denied access to homeownership. This increase in the loan limit will allow 18 counties in California to raise their loan limits.

The increase in the loan limit will generate revenues of about $80 million a year. FHA has never called upon the taxpayers for a bailout, and certainly will not under this proposal.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I rise in opposition to the Nickles amendment.

I wish to associate myself with the remarks by the chairman of the subcommittee, the Senator from Missouri, Mr. BOND, as well as the senior Senator from Maryland, Mr. SARBANES, who also is the ranking member on the Housing, Banking, and Urban Affairs Committee. Senator SARBANES outlined, I think in rather solid, logical terms, exactly why the Nickles amendment really is, though well-intentioned, flawed in its public policy ramifications, as did Senator BOND.

I must say that initially, when Secretary Cuomo came and presented this idea, I really raised my eyebrows. I thought, my gosh, FHA—he wanted to raise the limit to $227,000. That is a quarter of a million dollars. That is a lot of money. Now, from the time I either chaired the subcommittee or now, as ranking, it has been my passion and my commitment to public policy to expand opportunities for first-time home ownership, and two significant tools

were in the VA-HUD Subcommittee—the VA mortgage itself, which has been a significant empowerment tool for minorities and for others who might have been really segregated out of the mortgage market, and also FHA has been very, very important in terms of first-time home buyers.

But yet as we looked at the facts, it really became important for us to lift the limit, and we felt that a reasonable approach would be to raise the FHA loan limit in high-cost areas, many of which are in my State, from $170,000 to $197,000, and also to raise the limit in low-cost areas from $86,000 to $108,000, which are also in my State, and to streamline the downpayment calculations to reduce administrative costs and burdens.

The administration wanted to have just that one limit of $227,000 for all communities. I do not believe that one size fits all. I do believe we need to recognize the realities of the market.

In addition to that, we are concerned about foreclosures, and we did not want to risk people getting into so much debt early in their lives or risking the loss of a home because they got in over their heads. We did not want to end up with heartbreak for the families and heartburn for the taxpayers.

I believe what we have here is a good middle ground. Included in the language, in addition to the mortgage, we direct HUD to consult with Congress before beginning its bulk sale of foreclosed properties so that we can deal with the way they deal with foreclosed properties, which I am not happy about and I know the Presiding Officer is not either. I do not want to see those properties go at fire sale prices or end up blighting a community when it should have been a tool of empowerment. The Federal Government ends up being a slum landlord, selling it to someone who either cannot afford it or chooses to use it to downgrade the neighborhood. FHA should be a tool for first-time home buyers and not a tool for neighborhood deterioration.

Let me just give you some figures from Maryland and why I think this bill is good for Maryland and also good for the Nation. There are three counties in Maryland at the current low end limit of $86,000. They are Allegany, Garrett, and Somerset. And I also know Dorchester sits somewhere in there as well. In Garrett, the realtors report that the median home price is $124,000 in a county where the FHA limit is $86,000. That is a poor county. FHA is a very important tool. It is not a poor county, but it is of very modest means.

Eleven counties out of our 23 and Baltimore have limits at the FHA limit of $170,000, yet in Montgomery County housing the median price is $174,000. Raising these limits, I note, could help create 2,000 new home buyers in the State of Maryland.

Well, Mr. President, that talks about Maryland, and I have a whole set of facts here on why it would be good for the Nation and also why increasing the Ginnie Mae fees would really give me pause, and I absolutely oppose raising the Ginnie Mae fees.

What applies in Maryland will also apply in many communities around the country.

This is especially true in many urban high cost areas, particularly in the Northeast and California. It is also true that in many rural areas in the heartland of the country. FHA does not meet the local market realities.

HUD estimates that the provision we have included in our bill will provide for 17,000 new home buyers annually and generate $80 million a year in revenue for the FHA fund.

HUD estimates the Senate's FHA increase will raise the limits in 32 high-cost metropolitan areas and 174 lower cost areas.

But let's be clear; we're not talking about buying a place, but we are talking about buying a home. It is estimated that the average loan amount under the Senate proposal will only be $142,000.

We have raised the limits enough to meet today's market realities without unduly increasing the risks for foreclosures.

FHA is also a critical resource to fill the gap for potential home buyers who are credit worthy, but don't have the money for large down payments. Two-thirds of FHA loans have down payments of 5 percent or less, while only 8 percent of private mortgage insurance purchases are low down payment loans.

Why oppose the Nickles amendment? Two reasons: it eliminates the high-cost area increase and increases GNMA fees by 6 basis points, from 6 to 12.

ELIMINATES INCREASE IN LOAN LIMIT IN HIGH COST AREAS

Striking the high-end increase will affect people in 32 high-cost areas across the country, including several areas in Maryland—Baltimore City, and three counties: Baltimore, Montgomery, and Prince Georges.

For thousands of people in high cost cities and counties across the country, FHA will be severely limited in its ability to provide this real resource for families shopping in the local housing markets.

INCREASES GNMA FEES

The Nickles amendment also increase the GNMA fees for those who handle FHA loans. This can get really technical, and the ''experts'' have a nice time detailing the intricacies.

The bottom line is that it will cost more for a lender to have GNMA securitize both FHA and VA loans and despite what people may say, I think we all would agree that when costs go up for a product provider, costs often go up for the consumer.

Simply put, this amendment could make FHA and VA loans more costly for consumers. HUD estimates that it will increase the cost to the lender by an average of $2,200. Several veterans services organizations have also estimated that the increase in GNMA fees will increase costs for veterans purchasing a home by $250. These costs may be passed along to those trying to purchase their first homes.

We do not want to burden our first-time home buyers or our veterans with pass-through costs.

Mr. President, home ownership is critical step in a person or family's attempt to obtain assets and become a more permanent fixture in a community.

Like many of my colleagues, I share the concern about the effect that foreclosures can have on individuals' credit and the stability of a community. My own hometown of Baltimore has been a victim of foreclosures harming neighborhoods.

We have provided a modest increase that does not raise the limit too much too quickly.

Our objective is clear, for those who FHA serves, ensure that it is a useful tool. The objective is not to put the private mortgage insurance companies out of business or to move FHA away from providing for low- and moderate-income buyers.

I believe that the FHA provision included in the Senate bill before us is good for Maryland and good for the Nation.

I believe that this is a positive step in rewarding investment and provides relief to working families.

I encourage my colleagues to oppose the Nickles amendment and support the Appropriations Committee's attempt to help home buyers across the country.

Mr. President, I hope that we defeat the Nickles amendment at tomorrow's vote and I look forward to hearing my colleagues' comments.

Mr. BOND. Mr. President, I think the distinguished Senator from Colorado wishes to speak on this. Has the Senator from North Carolina spoken yet? I believe he also wishes to speak. And then I believe we are ready to go on to the amendment by the Senator from Rhode Island. So I thank the Chair.

The PRESIDING OFFICER (Mr. MACK). The Senator from Colorado.

Mr. ALLARD. I thank the Senator from Missouri. I thank the Chair for recognizing me. I appreciate the other Members who are on the floor allowing me to go ahead and speak. I was presiding, and the Senator from Florida has graciously consented to give me some relief from the Chair while I come down and make some comments on this important piece of legislation.

I want to talk a little bit about my State because I think it gives some idea of how this issue impacts my State.

I happen to be rising in favor of the Nickles amendment, the Senator from Oklahoma. You see the map on the Senate floor entitled ''FHA Loan Limits by County,'' which was alluded to during comments made by my colleague from Missouri. During his comments, he pointed to the Rocky Mountain region in my State. That region

characterizes counties of high levels of income which would be impacted by the upper loan limit increase in the VA/HUD Appropriations bill. These counties have a high preponderance of second homes. The reason these counties have a higher FHA loan limit is that they are recreation counties. People who go to these counties and have second homes make a considerable amount of money.

Now, there is no doubt that there is a housing problem in those counties for individuals who have to run the ski lifts, individuals who work in the ski lodges, but they do not have the income level to afford a loan of $197,000 for a home. In fact, some may not even qualify for the lower loan limit range, which we are raising from $86,000 to $109,000. In addition to this disparity of wages that you see in these areas, many of these counties have implemented a no-growth policy.

Finding affordable housing is certainly a problem we all should strive to deal with, not just at the Federal level, but also at the local level, at the county level, and particularly at the city level. Many counties in Colorado, because of their rapid growth rate, have decided to try to slow down that growth by increasing the costs of development, increasing the costs of homes.

If we have a problem in those counties with obtaining affordable housing, I think that local governments should have a responsibility and should implement some programs that would hold the costs of those homes down so that those with lower and median incomes can afford them.

I think my colleague from Oklahoma, Senator NICKLES, did a very good job in explaining what the current situation is, and the proposed increase of the FHA loan limit. Currently, the lower FHA loan limit is $86,000 and the upper limit is $170,000. This appropriations bill raises both of these limits to a lower limit of $109,000 and an upper limit of $197,000. I like the idea that we raise up the lower loan limits. I think that helps us meet the needs of lower income and median-income families. The higher income limits, in my view, don't need to be subsidized. Most of that market is already met by conventional loans. In fact, in order to have a $197,000 mortgage, a buyer typically needs an income level of $74,000 or more. These individuals are the top 16 percent of the income earners in the United States. Nearly 85 percent of households earning more than $50,000 already own homes. I think that is reflected in the State of Colorado.

I point out this idea of raising the loan limits is a rather controversial issue, as far as Colorado is concerned. The mortgage lenders in my State cannot reach a consensus as to whether this ought to happen or not. They are divided. So it is with a considerable amount of thought and concern that I enter into the debate as it applies to my State of Colorado.

I see no reason why the Congress should be advocating that HUD compete against a very successful private market. I would also point out, from some of the testimony that was received by the Banking Committee on which I serve with the Senator from Florida, Senator MACK, there is really no clear connection between FHA loan limit increases and greater access to financing affordable houses.

So when I put all these factors together, I find myself opposing raising the upper loan limit, and yet supporting an increase in the lower FHA loan limit. I think a lot of the testimony that was heard by the Banking Committee, the authorizing committee, was significant in pointing out that there is a three-times higher default rate for higher loans than there is for lower loans. In other words, the higher the loan is for the home, the higher the default rate is, as far as FHA is concerned.

In this program, if there is a default on a loan, the taxpayers must pick up the cost. I do not think it is necessary for us to provide for that indirect subsidy.

If we look at the lower loan limit, 73 percent of all mortgages of $85,000 or less are already provided by the private sector. Therefore, I think we can assume that this market is being serviced sufficiently. The FHA program is set up to make riskier loans to individuals who are not serviced in the private sector. By allowing the loan limit to increase, FHA will be insuring higher valued loans and will be, as a consequence, exposed to an increased risk.

As I pointed out earlier, as these loan limits increase, the number of defaults will simply increase. I don't think that we should be increasing the upper loan limit. Therefore, I am supporting the Nickles amendment. I think it is the correct approach to the problem, particularly as it applies to my State. I think it is also the right approach as far as the country is concerned since only three percent of the counties will be affected by the upper limit.

Without any further ado, I yield the floor. I thank Senators for their indulgence.

Mr. FAIRCLOTH. Mr. President, I rise to support this amendment. This amendment does two things. First, it limits the FHA loan limit increase to the base level. Second, it creates an equal playing field for private sector and FHA loans.

The current FHA limit for low-cost areas is $86,000. Although it gets indexed every year to median home sale prices in that area (so that it is increased annually), many believe that the limit is too low. Some argue that you cannot build new construction for $86,000.

Now, I thought FHA was for first-time and low and moderate income home buyers. And I didn't realize that first-time home buyers were entitled to a brand new house. I thought FHA was supposed to help with ''starter homes''. But some people feel otherwise and so this amendment will leave the increase in place that raises the limit from $86,000 to almost $109,000.

However, I feel very strongly that we should not be raising the ceiling from the current $170,000 to more than $197,000. To qualify for a mortgage of $197,000 a person must make more than $75,000 a year. Only 15% of the people in this country make salaries that high—and most of those folks already own homes through the private sector.

I don't think when President Roosevelt created FHA back in 1934 that he intended the program to help people making $75,000 a year. I don't think he intended for the federal government to back 100% of those loans. He believed that FHA should step in where the private sector cannot. The private sector is making these loans already. There is no reason to raise the limit to almost $200,000.

Second, the amendment establishes a more level playing field between FHA and private sector loans so that borrowers are not steered towards FHA. Currently, lenders receive huge financial incentives to make loans through FHA.

The first incentive is that the federal government insures 100% of the loan amount. There is no risk to the lender. Total to taxpayer. In the private sector, the lender assumes some of the risk of the loan so there is a greater stake in making sure that a borrower can pay back the loan.

Second, under FHA, the lender makes twice the amount in servicing the loan than what he makes in the private sector. A servicing fee is charged for collecting the monthly mortgage payment, escrowing real estate taxes, etc. There is no justification why lenders should get much bigger servicing fees for FHA loans. CRS said that it would have no effect on FHA loans or increasing costs on homeownership. It only goes to the profit that the servicers make.

Until we level the playing field lenders will have every economic incentive to steer borrowers towards FHA. Remember we've already given the lender a 100% federal guarantee that the loan will be paid back. Now we are making them rich in servicing fees.

I urge my colleagues to support this amendment. FHA has a lot of problems already. Default rates for FHA loans are already three to four times the rate of the private sector. Unless we take steps to change the situation and deter borrowers from being steered towards FHA, things may only get worse for the program and, ultimately, the country. Join consumer groups, the National Taxpayer Union and others in supporting this amendment.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, as the ranking member on the Committee on Banking, Housing and Urban Affairs, I echo the comments made by others praising the work that has been

done by Senator BOND and Senator MIKULSKI in framing the housing part of this appropriations bill. I have had a chance to go over it. I think they have been very sensitive to the various concerns existing in this field. I think they have done a very good job on the legislation. So as the ranking member on the authorizing committee, I want to enter that into the RECORD as others have done, recognizing the general work they have done on this legislation.

Ms. MIKULSKI. I thank my colleague.

The PRESIDING OFFICER. Does the Senator wish a recorded vote?

Mr. BOND. Mr. President, I do not see any other Senators wishing to speak on this amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BOND. I ask this amendment be set aside and the Senator from Rhode Island be recognized to offer his amendment.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 3203

(Purpose: To increase the funding for community development block grants)

Mr. REED. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. REED] proposes an amendment numbered 3203.

Mr. REED. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 33, line 17, strike ''$60,000,000'' and insert ''$70,000,000''.

On page 33, line 21, insert *''Provided:* That none of these funds shall be available for the Healthy Homes Initiative'' before the period.

Mr. REED. Mr. President, I am offering this amendment tonight not only on behalf of myself, but Mr. ABRAHAM, Mr. CHAFEE, Mr. LEAHY, Mr. WELLSTONE, and Ms. MIKULSKI. My amendment would add a modest $10 million increase to the budget for the Office of Lead Hazard in the Department of Housing and Urban Development.

I first want to commend and thank the chairman and ranking member for their assistance and their help. Both Senator BOND and Senator MIKULSKI have committed to finding more resources to prevent the exposure of young children to the lead hazard which is so prevalent in older housing throughout the United States. They have worked very closely with my staff and myself. I thank them for that. I am also very confident they will continue these efforts in conference so we can increase even more the funds that are allocated to this important endeavor.

Over the last 20 years, the United States has made great strides in reducing lead exposure among our population, particularly among our children. Since the enactment of a ban on lead-based paint, since the elimination of lead solder in food cans and the deleading of gasoline, we have seen a significant decrease in blood level exposures of American citizens by about an order of 80 percent. However, it is still estimated that approximately 1 million children nationwide still have excessive levels of lead in their blood, making lead poisoning a leading childhood environmental disease and a disease that can be prevented.

Today, the key culprit in this exposure is lead-based paint in housing. It is the major source of exposure and is responsible for most cases of childhood lead poisoning. It has been estimated that approximately half of America's housing stock, roughly 64 million homes, contain some lead-based paint. Twenty million of these homes contain lead-based paint in a hazardous condition, paint which is peeling, cracked or chipped, paint that can be ingested by children, taken into their bloodstream, causing them severe health problems.

The problem of lead-based paint is particularly severe in my home State of Rhode Island. Forty-three percent of our housing stock was built before 1950, the time in which lead paint was universally used in painting homes.

But the problem of lead-paint exposure and lead-paint poisoning in children is not related to Rhode Island; it is truly a national problem. One in 11 children nationwide have elevated blood levels, and if you refer to the chart on my left, you can see that, for example, in the city of Baltimore, 22 percent of children age 1 through 6 have dangerously high levels of blood—Chicago, 12 percent; Davenport, Iowa, 18 percent; Denver, CO, 16 percent; Milwaukee, 36 percent; St. Louis, MO, 23 percent; my home State, Providence, RI, 28 percent of children tested have higher than normal levels of lead in their bloodstream. This is a nationwide problem. It is a problem particularly severe in the older urban areas of the country, but not exclusively there.

Again, one of the key factors is housing stock of the community. Housing built before 1950 typically have extensive lead paint still residing in these homes. If you look across the country, there are States everywhere that have significant totals of housing built before 1950. For example, in Illinois, 36 percent of the housing was built before 1950; in Michigan, 31 percent; in New York, 47 percent.

All of this points to an extremely important public health problem. It is important because childhood lead poisoning has a profound health effect on children, a profound educational impact on children, their ability to learn and their ability to develop intellectually. Children with high blood levels can suffer from brain damage, behavior and learning problems, slow growth and hearing problems.

Children with a history of lead poisoning frequently require special education to compensate for intellectual deficits and behavior problems. In my State of Rhode Island, officials believe special education services are 40 percent higher among children with significant lead exposure, and in 1990 dollars, it costs roughly an additional $10,000 to provide special education services to a child.

By failing to eliminate the hazard of lead in homes, we are harming not only the children directly, but we are also incurring huge additional costs for education and health care. This is truly a problem that we must address, and we have to address it with the resources necessary to address this problem effectively.

Mr. President, childhood lead poisoning is a significant health, educational and fiscal issue. We must do everything to eliminate this lead-based paint hazard to our children. By providing sufficient funding to the HUD's Office of Lead Hazard Control, which has the primary responsibility for addressing this hazard in housing, and since 1992, the Office of Lead Hazard Control has been a highly effective component of the Federal Government's effort to address childhood lead poisoning.

Through its grant program, this office has provided grants to State and local governments to reduce the exposure of young children to lead-based paint hazards in their homes. Specifically, they have given grants to privately owned homes, to low-income occupied, and rental housing, all in an attempt to help them eliminate the source of lead poisoning in children, the most common source, and that is lead paint within homes.

Since 1993, $385 million has been awarded to 30 States and the District of Columbia. These grants have helped abate or mitigate lead-based paint hazards in 50,000 homes where young children reside. Regrettably, this is just, in effect, the tip of the iceberg, because there are so many homes that have these particular hazards to children.

In addition to helping mitigate and abate lead exposure in homes, they have also supported programs to test children for lead-based paint exposure, and also to test the homes. All of these efforts together have helped in some small way to eliminate this problem, and I have had the opportunity in my own home State of Rhode Island to visit and look at the efforts that are undertaken to eliminate these exposures to children. They are important.

What is most important is ensuring that we have the resources so that we can protect the health of all of these young children. As I stated before, this is a problem that is terribly frustrating. We know that children, if they ingest lead into their system, will suffer some type of health effect. This health effect will usually result in poor intellectual development and behavioral problems. We will be paying later through special education and through

the lifetime of these children who then become adults.

We can at this point take an effective step to ensure that these problems are addressed. It is preventable. It is a pediatric disease we can prevent if we simply get the lead out. My amendment this evening will increase the resources to the Office of Lead Hazard Mitigation so that we can, in fact, help local communities ensure that the housing these young children are living in is lead free.

Oftentimes, the families of these children have no choice. They must go to homes that is the best available housing, but in providing a shelter for their child, in some cases unwittingly they are exposing their child to a hazard which will claim not only their health, but also their intellectual development.

I urge all of my colleagues to support this amendment. I am prepared to yield to the chairman at this time.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Missouri.

Mr. BOND. Mr. President, I commend the Senator from Rhode Island because there is no question about the dangers of lead-based paint, what hazards they present. This is a critical program. The program is funded at $60 million. The Senator's amendment will increase it to $70 million.

There is a great need to reduce lead-based paint hazards for children. As the Senator has pointed out, some of the statistics of lead-based paint and the dangers in some of our more mature urban areas is really frightening. I believe the figures are that there are some $3 billion in housing rehabilitation needs existing out there to address all of the lead-based paint problems in the country.

It is our desire to accept the amendment on this side. The funding will be taken from the overall CDBG funding of $4.75 billion, which is $75 million over last year's level. We are willing to accept it on this side.

Ms. MIKULSKI. Mr. President, I, too, concur with the chairman. I thank the Senator from Rhode Island for his leadership. The facts speak for themselves. The situation in Baltimore of 22 percent of children in Baltimore city have some type of lead in their blood, this is a serious issue. I won't go into all the public health aspects and pediatric consequences this late. But I will tell you what it means.

It means lower intellectual achievement. It means a lethargy, a sluggishness that is perpetual. Unless the child has their blood chelated, and if you go into Johns Hopkins and you are going to have your blood chelated because there was lead paint dust on your mom's kitchen table that kind of got mixed up with after-school cookies, then it is going to cost $8,000 in Medicaid to clean out your blood.

Even if we can clean that blood out, we can't necessarily clean out the consequences that have already set this child back, particularly in cognitive development.

I thank the Senator from Rhode Island for raising this, to move it up.

I am glad we can finally accept it with an offset. I asked that I be a cosponsor of the amendment. And we know that we need more research. We need the type of licensed people to be able to clean out the lead paint and protect our children. I view this as an important public health, get-behind-our-kids initiative. I look forward to just accepting it and defending it in conference.

The PRESIDING OFFICER. Is there further debate on the amendment?

The question is on agreeing to the amendment.

Without objection, it is so ordered.

The amendment (No. 3203) was agreed to.

Mr. BOND. I move to reconsider the vote.

Mr. REED. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOND. I thank the Senator from Rhode Island.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 3204

(Purpose: To prohibit the Administrator of the Environmental Protection Agency from implementing or enforcing the public water system treatment requirements related to the copper action level of the national primary drinking water regulations for lead and copper until certain studies are completed.)

Mr. KERREY. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY], for himself and Mr. HAGEL, proposes an amendment numbered 3204.

Mr. KERREY. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 93, between lines 18 and 19, insert the following:

SEC. 423. TEMPORARY PROHIBITION ON IMPLEMENTATION OR ENFORCEMENT OF PUBLIC WATER SYSTEM TREATMENT REQUIREMENTS FOR COPPER ACTION LEVEL.

(a) IN GENERAL.—None of the funds made available by this or any other Act for any fiscal year may be used by the Administrator of the Environmental Protection Agency to implement or enforce the national primary drinking water regulations for lead and copper in drinking water promulgated under the Safe Drinking Water Act (42 U.S.C. 300f et seq.), to the extent that the regulations pertain to the public water system treatment requirements related to the copper action level, until—

(1) the Administrator and the Director of the Centers for Disease Control and Prevention jointly conduct a study to establish a reliable dose-response relationship for the adverse human health effects that may result from exposure to copper in drinking water, that—

(A) includes an analysis of the health effects that may be experienced by groups within the general population (including infants) that are potentially at greater risk of adverse health effects as the result of the exposure;

(B) is conducted in consultation with interested States;

(C) is based on the best available science and supporting studies that are subject to peer review and conducted in accordance with sound and objective scientific practices; and

(D) is completed not later than 30 months after the date of enactment of this Act; and

(2) based on the results of the study and, once peer reviewed and published, the 2 studies of copper in drinking water conducted by the Centers for Disease Control and Prevention in the State of Nebraska and the State of Delaware, the Administrator establishes an action level for the presence of copper in drinking water that protects the public health against reasonably expected adverse effects due to exposure to copper in drinking water.

(b) CURRENT REQUIREMENTS.—Nothing in this section precludes a State from implementing or enforcing the national primary drinking water regulations for lead and copper in drinking water promulgated under the Safe Drinking Water Act (42 U.S.C. 300f et seq.) that are in effect on the date of enactment of this Act, to the extent that the regulations pertain to the public water system treatment requirements related to the copper action level.

Mr. KERREY. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. KERREY. Mr. President, I am offering this amendment together with my colleague from Nebraska, Senator HAGEL, to delay implementation of a rule that has been promulgated by the Environmental Protection Agency. This delay would be required until the agents review existing scientific data to determine whether there is ample evidence to support the rule.

Mr. President, this rule, together with the rule on lead, is there to protect Americans, to give us safe drinking water. Unlike lead, however, copper is an essential element and is regulated in a much different fashion. I intend with my statement to lay before the body an appeal.

Nebraska has an unusual situation. Perhaps other States do have a similar situation. But ours is essentially this: The Environmental Protection Agency has a limit with their rule of 1.3 milligrams per liter. There isn't a single city in Nebraska that has 1.3 milligrams per liter. Here is the problem. In some communities, the water level is sufficiently acidic if it remains in the pipes for 6 hours or longer. When you turn the water on, you will get more than 1.3 milligrams per liter. Run the water for a minute, and the water drops below 1.3 milligrams per liter.

The EPA is saying, it does not matter. The EPA is saying, ''We test the

water. It comes out of the pipe immediately. It is over 1.3 milligrams; therefore, you have to make investments, substantial investments.''

Hastings, NE, is having to invest about $1 million initially, and $250,000 per year. Sixty communities are being asked to make substantial investments in their water systems to remove copper from their water, even though not a single citizen in Nebraska is getting sick—not a single person. I emphasize this.

The EPA comes into Nebraska and says, ''You are right, Senator, nobody is getting sick.'' I say, ''Wait a minute, what is the Safe Drinking Water Act for?'' They say, ''Well, it is to make the water safe.'' I say, ''The water is safe, is it not? If somebody was getting sick, then we would have unsafe water.'' They say, ''Yes, that is right. But we have established 1.3 milligrams per liter as the level allowed.'' And even though there is not a single community with 1.3 milligrams per liter—if it sets in the pipe 6 hours—even though it is flushed out immediately, and even though the State public health people are willing to implement a program of public education to make sure they stay below 1.3 milligrams, the EPA says, ''It doesn't matter.''

Unfortunately, Mr. President, this has become one of those litmus test issues. I have talked to many people in the environmental community. And they have said to me, ''Gee, Senator, you can't put this on this bill because it is another rider.'' They compare it to the 1995 bill—I guess it was 1995 or 1996—the year when a lot of riders were attached. ''We don't want another rider.'' I said, ''Well, what does that have to do with anything? Do you think the public health data supports what you are trying to do in Nebraska? Is there a reason?'' They say, ''No, it doesn't matter. What we are talking about here, Senator,'' they say, ''is politics. We don't disagree with the public health aspect of this.''

Mr. President, I ask unanimous consent that two studies be printed in the RECORD, both done by the Centers for Disease Control, that say there isn't a problem.

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

INTERIM TRIP REPORT: CU HEALTH EFFECTS IN DELAWARE, 1996

DATES AND PLACES

Washington, DC: Feb. 12.

Dover, DE: July 10–12, July 29–Aug. 7, Nov. 7–8.

BACKGROUND

Copper is an established gastro-intestinal irritant which has been documented to cause nausea, vomiting, stomach cramps, and diarrhea in humans. The lowest level at which these adverse effect occur has not been well defined. Following amendments to the Safe Drinking Water Act in 1986, EPA promulgated a revised standard for Cu. The new copper standard required action, such as the installation of corrosion control measures, when the highest 10% of first morning flush household tap samples exceeds 1.3 mg/1 for a given water distribution system. During a state-wide survey of water systems in Delaware in 1995, 35 systems exceeded the action level for copper. Thirteen of these systems had 10% of their samples higher than 5.3 mg/1, the EPA's LOEL (lowest observable effect level).

Out of concern for the health of individuals consuming high levels of copper, and to utilize the unique social and geological conditions in Delaware to better document the consequences of such exposure. Delaware Health and Social Services contacted CDC for technical assistance. Many small communities in Delaware have older houses with copper pipes and utilize untreated, acidic groundwater sources from high silica soils. The results of this collaborative effort are presented herein. Note that data collection is ongoing and the results presented are those of a work in progress.

PRINCIPLE PERSONS MET

EPA: Jeff Cohen, Office of G.W. and D.W.; Ken Baily, ORD; Bruce Mintz, ORD; Ed Hoddum.

Delaware: Ed Hallock, Barbara Ashby, Raymond C. Davidson, and Donna Stulir, Office of Drinking Water, Health and Social Services; Gerald Llewellyn, Dir. of Public Health, Health and Social Services; Mahhadeo Verma, Director, Public Health Laboratory; and Christopher Zimmerman, Dep. Dir., Public Health Laboratory.

METHODS

Those communities which has high levels of copper during the state-wide survey of 1995, had a population over 100, and which were suspected of not having installed adequate corrosion control measures as of June, 1996 were included in the study. Because of the widespread installation of corrosion control systems in the preceding year, only 4 communities met this criteria. One additional trailer park which not in violation during the 1955 survey but which had older homes with acidic water was also visited. All household in the area with homes built before 1980 were visited.

Contacted households were given a copper free container and asked to capture the first water of the day out of whichever tap they usually drank on the following morning. Participants were asked not to run any other taps and not to flush their toilets in the morning until after they had collected the water sample. On the morning after the bottles were handed out, samples were picked-up by investigators, stored in a cooler, and taken to the State Public Health Laboratory by 1 PM.

Households with > 5.0 mg/l copper in the first flush sample were revisited and interviewed. For each of these ''High Copper'' households, 2 neighborhood matched ''Control'' households were interviewed. Potential control households were those with less than 0.5 mg/l copper in the first flush water sample they had provided. A copy of the interview form is attached.

To attempt to estimate individual doses, all ''High Copper'' individuals and 10 individuals from ''Control'' households were asked to collect a daily water intake sample in a provided bucket. To do this, each time a person ingested coffee, or water, or any other drink containing water, they were asked to put an equal volume, taken from the same tap at the same time, into a bucket. Houses were also revised at the end of the study to obtain a second first flush water sample to help confirm that their exposure status did not change over the course of the study. Blank samples consisted of bottles filled with store bought distilled water. Some bucket samples were shaken and two bottles were filled to serve as duplicates. The laboratory was blinded to the cohort status and the sample type (first flush vs. blank vs. bucket) by a sample numbering scheme. Duplicate samples were separated in the numbering sequence.

Households were contacted by phone once per week over a period of 12 weeks between August 5th and October 21st. Interviewees were asked, ''Has anyone in your household been ill during the past week?'' If the answer was yes, a questionnaire regarding patient symptoms was completed. No individuals were ill with the same symptoms for more than one phone interview. A copy of the illness inquiry form is attached.

Households that were called 3 times without an answer were considered ''not contacted'' for that week. Households who departed for the season or asked to no longer be contacted were terminated and information from the household was included for those person-weeks during which successful phone contact took place. Weeks in which interviewers neglected to call households were also excluded from the analysis.

Self-reported nausea, vomiting, stomach cramps, diarrhea, and constipation were all defined as being consistent with copper toxicity (CCT). Having acute nausea and/or vomiting alone or with a headache, or any 3 of the 5 symptoms consistent with copper toxicity was defined as indicative of copper toxicity (ICT).

RESULTS

Cohort selection

867 houses were approached and 365 successfully contacted (42%). Of those, 7 (1.9%) refused to participate, 32 (8.8%) drank bottled water exclusively, and the remaining 326 self-reported tap water drinkers were asked to collect a first flush sample. Forty-seven households (14.4%) did not return the sample bottle. Of the 279 samples collected, 23 were above 5.0 mg/l copper.

Of these 23 high copper households, 3 could not be re-contacted, and 3 decided that they did not drink the water by the time they were re-contacted. 17 high copper households were enrolled in the study. During the course of the study, 2 households began drinking bottled water, 1 used a RO unit which had been by-passed during our initial sampling, and 1 pregnant woman was advised by the investigators to drink only bottled water. Thus, 13 households and 40 individuals were followed over the entire course of the study. Of the 40 enrolled control households, 3 acquired filters during the course of the study and 7 reported beginning to use bottled water exclusively. These control households were not excluded from the analysis since the new water source did not change their copper exposure status. Two control households and 1 ''High Copper'' household asked to be dis-enrolled during the study.

Water

The average ''High Copper'' household first flush concentration was 7.21 mg/l Cu among the 17 households enrolled. Nine bucket samples were collected from nine individuals. The average first flush concentrations for these people was 7.00 mg/l Cu while the average daily intake value was 2.91 mg/l Cu. Thus, average intake was 41% of first flush values. These 9 people ingested an average of 2.3 quarts per day according to our bucket collection procedure.

Health

A summary of the weekly phone surveillance results is presented below.

Parameter	Control	High Cu
No. of households	40	13
No. of individuals	102	40
Person/week-phone contacts as a % of attempts	818/1127 (72%)	346/413 (84%)
Illness events (all)	26	15
Persons ill at some time during study	20 (19.6%)	11 (27.5%)

Parameter	Control	High Cu
Cases consistent with Cu toxicity (CCT)	31	9
Cases CCT/all person-weeks	31/818 (3.8%)	9/346 (2.6%)
No. of people with CCT at some point	13 (12.6%)	8 (20.0%)
Cases indicative of copper toxicity (ICT)	22	4
Cases ICT/all person-weeks	22/818 (2.7%)	4/346 (1.2%)
No. of people with ICT at some point	9 (8.8%)	4 (10.0%)

Other findings

It is possible that more people (as a fraction of the population) consume high levels of copper (>5 mg/l) in their water in Southern Delaware as anywhere in the U.S. Therefore Gerald Llewellyn and Laurie Cowen of Delaware's Dept. of Health and Social Services searched the state databases to look at the incidence of Wilson's Disease, an illness previously associated with copper ingestion. Between 1979 and the present, only one case of Wilson's Disease was reported in the State and that case occurred in the Wilmington area where systems have little problem with corrosion control. This is a Statewide reported rate of .08 illnesses per million population per year. Nationally, approximately 15 deaths per year were recorded between 1979 and 1992 with Wilson's Disease being listed as the primary cause. Between 1988 and 1990, less than 700 hospital discharges were estimated to occur nationally via the NCHS Hospital Discharge Database (less than 2.8 hospitalizations per million population per year). Given the rarity of Wilson's Disease and the potential for incomplete reporting of this illness, little significance can be attributed to Delaware's apparently lower rate of the illness.

DISCUSSION

While the study reported herein included far fewer households than initially intended, there seems to be no difference in the symptoms typically associated with copper toxicity among the two study groups. If copper is a gastro-intestinal irritant at the levels observed in the 40 individuals included in our study, the effect was not observed here. The most specific and direct indicator for a persistent irritant would be displayed by contrasting the persons meeting the most specific case definition divided by the number of person/week observation periods, ''Cases ICT/all person weeks'' in this study. Individuals in the ''High Copper'' household had a statistically similar, but lower rate of symptoms ''Indicative of Copper Toxicity'' than did the individuals in the ''Control'' households.

There are three possible explanations for this finding.

(1) People drinking water with an average of 2.7 mg/l Cu and with a first flush level of 7.2 mg/l are not ingesting enough copper to develop G.I. symptoms.

(2) The ''High Copper'' exposure level in this study is enough to make people sick, but not the people in this study.

(3) These copper levels do make people sick, but the study failed to detect this fact.

Addressing these issues in reverse order, while the sample size in this study was small, it is likely that a major effect from copper ingestion would have been detected. People displayed symptoms, like those expected in copper toxicity cases (ICT), during approximately 2% of the person weeks surveyed (2.7% in control households, 1.2% in high copper households). Thus, if the effect was missed due to a lack of power in the study, the effect is likely to be less than 3 episodes of nausea or vomiting per person per year, which is not consistent with the ongoing symptoms of copper toxicity typically described in the scientific literature. The final data set was sufficient in size to detect a relative risk of 2.5 in ''cases ICT/all person weeks'' and a relative risk of 3.5 in the ''number of people with ICT at some point'' with 95% confidence and 80% power. While self-described symptoms via a phone interview can produce lower quality data than some other methods, for exmaple, medical examinations, it is unlikely in this case that a systematic bias on the part of the interviewee or the interviewer resulted in an underreporting in the ''High Copper'' cohort. The interviewers were blinded to the cohort status of the study participants.

Explanation 2, that the study population was not susceptible to copper induced illness, is somewhat more problematic. People may be susceptible to copper for a short period and then acclimate. This study had very few transient participants and most households had been at their present location for months or years. Likewise, within a population, some individuals may be particularly susceptible to copper toxicity, realize that their water is making them ill, and change sources. Because households who reported not drinking their water were not enrolled in the study, the data here cannot address that possibility. Several people during the initial interview process reported becoming ill after moving to their present address and attributed their illness to their water. Several of these individuals lived in ''High Copper'' homes.

Explanation 1, that the ingested levels of copper in the study were not sufficient to cause illness, seems the most likely explanation, perhaps in conjunction with the self-exclusion bias described above. Given that the average intake was 2.4 liters with a Cu concentration of 2.9 mg/l, and given this level is below the EPA LOEL, this is not surprising. What is surprising is that, in perhaps the systems serving some of the most corrosive water in the U.S., studying just the older homes with copper pipes, no adverse health effects can be detected. Houses in the study were receiving water at 6 times the concentration of EPA's 90th percentile action level, and represented the 92nd percentile, of the oldest portions of the State's most problematic systems (therefore, perhaps the 99th percentile of their communities). Thus, it is unlikely that there is widespread acute illness in Delaware from the ingestion of copper in people's homes.

FINDINGS

(1) This study indicated that those people drinking the highest levels of copper identified in Delaware are not suffering adverse acute effects from this exposure.

(2) No evidence of Wilson's Disease can be seen in the state registry in this population with some of the highest water copper levels seen in the U.S.

(3) Average daily intakes of copper are not well predicted by first flush values. A time and volume weighed daily intake was typically 41% of the Cu concentrations found in the first flush samples.

(4) The bucket collection procedure employed here for estimating daily dose was easy and quantitative. Future studies should use urine collection techniques to confirm its accuracy.

RECOMMENDATIONS

To Delaware

Future inquiries regarding population concerns over Cu in drinking water in Delaware should be addressed with a one page summary of this study since it represents a best effort to identify the most problematic systems and households in the state. Susceptible individuals may exist and individual complaints regarding systems with corrosive water should be investigated and copper toxicity events reported to the CDC.

Many good reasons exist for promoting corrosion control measures independent of copper and lead toxicity. The results of this investigation should not be used by utilities to avoid undertaking prudent investments in municipal infrastructures or treatment processes.

Cooperation between the Department of Epidemiology, the State Public Health Laboratory, and the Drinking Water Program has been exemplary throughout this study. The study should be held forward as a model cooperatively and thriftily addressing public health concerns.

Phone monitoring efforts in future studies should remain directly under the supervision of the Delaware official with principle responsibility for the study.

To CDC

CDC should not conduct future studies to identify and quantify the copper LOEL in a stable domestic population without reports of symptomatic illness. It is unlikely that ongoing illness from copper exposure in drinking water is a major problem anywhere in the U.S. among domestic users. If the EPA LOEL of 5.3 is an accurate estimate of where health effects begin to be seen, this study indicated that first flush levels of 13 mg/l would be needed to inflict daily average tap water level of 5.3 mg/l Cu. No households in our study or the state-wide survey had such high concentrations of Cu.

the daily dose method employed here was appears to be effective and should be validated.

Support of the kind provided to Delaware in this modest study: (a) is a cost-effective way to produce valuable public health data, (b) established excellent ties for future cooperation, (c) is educational for both State and Federal participants who often have dramatically different perspectives.

INTERIM REPORT

Evaluating Gastrointestinal Irritation among Humans From Copper in Drinking Water, Lincoln, Nebraska (Epi-E94–73)—Sharunda D. Buchanan,[1] Ph.D., Robby Diseker,[1] M.P.H., Jack Daniel,[2] Thomas Floodman,[2] Thomas Sinks,[1] Ph.D.

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ABSTRACT

EVALUATING HUMAN GASTROINTESTINAL IRRITATION FROM COPPER (CU) IN DRINKING WATER, LINCOLN, NEBRASKA, 1994

Background: In 1993, Nebraska copper (Cu) drinking water levels exceeded EPA's action level of 1.3 mg/L Cu in 50% (19 of 38) of public water systems serving 3,300 to 10,000 people. The action level is based on gastrointestinal illness (GI) including vomiting, nausea, stomach cramps, or diarrhea. Officials at the state health department were concerned that Nebraskan's were suffering adverse health effects as a result of this exposure and requested assistance from the Centers for Disease Control and Prevention.

Methods: To determine if Nebraskan's were at increased risk of GI due to Cu concentrations in drinking water, we interviewed people living in homes having Cu levels (measured in 1993) of >3 mg/L (51 homes), 2 to 3 mg/L (54 homes), and <1.3 mg/L (42 homes). Case-subjects were those who had rapid onset of vomiting or nausea with abdominal pain during the 2 weeks preceeding interview. To validate the relationship between Cu and GI, we conducted a nested case-control study, resampling drinking water in the homes of 22 case-subjects and 27 age-matched control-subjects.

Interim Results: The risk of GI was greater for persons in households with drinking

water >3 mg/L (RR=1.65; 95% CI 0.63, 4.31) but not for persons in households with copper levels from 2 to 3 mg/L (RR=0.73; 95% CI: 0.24 to 2.17) when compared to individuals with copper levels less than 1.3 mg/L. The relationship was not confirmed in the nested case-control study ($OR_{>3\ mg/L,\ <1.3\ mg/L}$=0.44, 95% CI 0.8 and $OR_{2\ to\ 3\ mg/L,\ <1.3\ mg/L}$=0.11, 95% CI 0.02 to 0.62) because 1993 sampling results differed substantially from sampling results in 1994. The occurrence of GI was explained by weight loss (OR=8.30; 95% CI 1.56 to 44.11) and self-reported flue-like illness (OR=4.18; 95% CI 0.77, 22.78).

Interim Conclusions: These preliminary data indicate that at the time of the survey, people were not experiencing GI related to the level of Cu in their drinking water, even though 51 of the selected homes had Cu drinking water levels that were greater than two times the EPA action level the year prior to the study. We also noted that Cu concentrations in drinking water at the time of the study were far less than the levels measured one year earlier. We encourage further investigations of the health effects of copper in drinking water. We also encourage further work to evaluate the reproducibility of the sampling method recommended by the EPA to establish compliance with the drinking water standard for Cu and Pb.

Mr. KERREY. Mr. President, copper is a substance that at certain levels will cause gastrointestinal problems. That is the issue here. Unlike lead, it is a different sort of public health problem. Again, it is an essential element. Understand, that the estimated content in mother's milk in some cases will exceed 1.35—will exceed 1.3 milligrams per liter. You can imagine what the EPA would say if we gave them the authority to regulate mother's milk. Perhaps they would require some sort of contraption to be applied in order to make certain that babies are not getting a dose in excess of 1.3 milligrams, even though no scientific study, Mr. President, has concluded that there is a problem.

The EPA will say, remarkably, ''Well, the World Health Organization has a standard of 2.0 milligrams per liter, and 1.3 milligrams per liter is close.'' Two is almost twice of 1.3. It may look close if you are calculating the size of the deficit, but it is not very close as a multiple of 1.3.

They set a level, Mr. President, an arbitrary level, that cannot be supported by science. All we are asking for is delay. I would be willing to accept some change in the law, some report language that would enable Nebraska to say, ''We will, with our public health effort, make certain that no one in Nebraska is going to get sick. But, for gosh sakes, don't make these Nebraska communities invest millions of dollars in water treatment efforts.''

Some of these communities have very, very small budgets. You are asking them to invest substantial amounts of money even though there isn't a single person in their communities getting sick—no one. There is no public health problem. And what we are being told—we tried to get this amendment accepted. We tried to get EPA to change their rule. They said to us, ''We don't care. We don't care, Senator, that science demonstrates that 1.3 milligrams is not really supportable. We don't care that nobody in Nebraska is getting sick. We are not concerned.'' ''Please, do not offer this because of the political problems of another rider on this bill.''

Mr. President, this is one of the reasons that people like myself—that have supported the Clean Water Act and the Safe Drinking Water Act and the Clean Air Act—we struggle to sustain our support for this kind of effort because time and time again we find ourselves faced with a situation where common sense and science combine to say the EPA should not be given authority to require local communities to make these kinds of investments because there is no public health case that can be made to require them to do it.

This amendment, Mr. President, is propublic health and pro-environment. I, too, seek public health protections, and I seek environmental protections as well. Senator HAGEL and I see this as an amendment that says that money spent on threats that do not exist is money that cannot be spent to prevent actual hazards to health or the environment.

I am not seeking to overturn EPA regulations, and I am not seeking to instruct EPA on scientific issues on which myself and the legislative branch are not qualified to provide instructions. I am seeking, Mr. President, to have the EPA give adequate consideration, evidence from another Federal agency that is amply qualified in this respect, an agency, Mr. President, that is charged with ensuring public health and safety, and that is the Centers for Disease Control and Prevention.

Mr. President, whatever you think on this issue, we should all agree that the people of this country who are drinking the water and who are paying the bills should at least have a say in this matter. And they should have a say through their elected officials. The argument that comes from the EPA that Congress does not have the right or the responsibility to question regulations or to weigh in on regulatory debates is an argument that government should not be held accountable to the people.

Mr. President, that is an argument that I do not support. And it is an argument I hope we would all dismiss outright. But, Mr. President, beyond this argument—and there is a truly valid argument against that scientific basis for this EPA rule which I, tonight on this floor, challenge with this amendment. I challenge any of my colleagues to come to the floor and dispute the evidence that I offer.

The rule pertains to copper levels in drinking water, and the requirement that communities treat their water supplies to remove copper when it is present at levels higher than EPA's 'action level' of 1.3 milligrams per liter (mg/l). There are currently 60 communities in Nebraska that are being required by EPA to begin treating their water to remove copper. I have here in my hand two studies conducted by the federal Centers for Disease Control and Prevention that indicate the drinking water in these communities is safe, and is not causing any illness or adverse health effects. One of the studies was conducted in my state of Nebraska. However, the EPA will not consider these studies until they are peer reviewed and published. Fair enough, I say—they are scheduled to be published before the end of the calendar year, and likely sooner than that. So my amendment simply states that EPA wait until these studies are published, and that they review these studies, and any additional peer-reviewed data pertinent to this issue, to determine whether the CDC is correct, and perhaps this copper action level is not set at the appropriate level.

There is also a savings clause in my amendment that will allow any state that so chooses to continue to implement and enforce, if they desire, the copper treatment aspect of this rule. If a community or a state is currently treating its water supplies to reduce copper, or chooses to implement treatments based on copper levels, nothing in my amendment precludes them from doing so.

Mr. President, I support fully the efforts and the importance of the mission and the work of the Environmental Protection Agency. I support fully the Safe Drinking Water Act, the Clean Water Act, the Clean Air Act, and all the other acts under whose auspices the authorities of the EPA lie. However, I support these Acts based on the assumption that all the rules and regulations that are promulgated by the agency are based on sound science. But in this case—in the case of a copper action level in drinking water supplies—we do not have sound science at work. What we are seeing here is a level that has been set that cannot be supported by science—a level that even the federal Centers for Disease Control and Prevention, EPA's sister agency, says in at least two different studies causes neither illness nor adverse health effects. The CDC has indicated that in my home state of Nebraska, and in Delaware, copper in drinking water supplies that is in excess of EPA's action level does not cause any illness or adverse health effects.

But 60 small- and medium-sized communities in Nebraska are being forced to implement expensive water treatment activities to remove the copper from their drinking water. One community alone, Hastings, Nebraska, with a population of 23,000, has estimated the costs of this treatment at $1 million to start, and $250,000 annually thereafter. That is for one community alone. In the Village of Snyder, which has a population of 280, and an annual water budget of $31,000, the estimated cost to treat two wells is $30,000 for building modifications and equipment purchases, plus an additional annual cost

of $12,000 for chemicals, training, administrative, and repair and maintenance costs. For the first year, then, this figure represents $11,000 more than the Village of Snyder's annual water budget—or a total first year cost of $42,000. Multiply these figures and these hardships by 60 communities, we are talking about an inordinate amount of money to remove an essential mineral, a naturally occurring element, from drinking water when there are no known or associated adverse health effects at the levels that it is present at.

But that's not the most unreasonable aspect of this issue, Mr. President—because there is more. Here's the rub. The ground water that these public water supplies rely on for drinking water in these 64 Nebraska communities does NOT contain copper in excess of EPA's action level. As a matter of fact, none of the natural groundwater supplies in Nebraska exceed the copper action level as established by EPA. Not one.

The problem is the method EPA requires that States use when testing for copper. EPA requires that the water be tested only after being undisturbed for at least 6 hours—that is, the water must be sitting in the pipes and plumbing of a home for at least 6 hours, or overnight, before being tested. And while the water sits in these pipes, copper leaches out of the pipes, and the ''action level'' is exceeded. Why does this happen? It so happens that the acidity of the ground water in my state of Nebraska causes the copper to corrode, or to leach out when it sits in pipes for a long period of time, such as overnight. However, if you run this water for a few minutes before testing it, or before drinking it, the copper action level set by EPA are not exceeded.

But even the CDC has questioned this testing method. In one of its studies, the CDC states:

> We encourage further investigations of the health effects of copper in drinking water. We also encourage further work to evaluate the reproducibility of the sampling method recommended by EPA to establish compliance with the drinking water standard for Cu (copper) and Pb (lead).

But even beyond that, even at the levels that are coming out of these pipes now, and that the people of these Nebraska communities are drinking now, there is no incidence of illness or other deleterious effects from this water. My amendment will simply delay some costly requirements to remove copper from water that is not causing illness.

So the issue immediately at hand, at best I or anyone else can discern, is really an issue of testing. Despite the fact that none of the groundwater in Nebraska exceeds EPA's copper action level, the manner of testing required by EPA results in some communities actually exceeding the action level. Flushing for a few minutes prior to testing, or to drinking, would result in copper levels in the water that are below EPA's action level. And it is likely that an improved testing methodology will result in none of these water systems exceeding the copper rule. But until this is reviewed, we have no way of knowing.

Beyond the testing issue is the greater issue of the validity of the rule. No, I am not a scientist qualified to decide this issue, but some of the scientists that I have talked to about the issue agree that the science is insufficient to support EPA's action level for copper. Even government scientists who have studied copper their entire careers agree that the evidence just isn't there—and I'm talking about human nutrition scientists, not just the scientists who conducted the studies at the CDC. Scientists have told me that there is little evidence of chronic health effects caused by ingestion of copper at the levels we are talking about in our communities. There is even preliminary evidence that seems to suggest that elevated copper plays a role in reducing or preventing the incidence of osteoporosis, a disease which causes significant suffering, discomfort and associated medical problems, primarily in the elderly. What this underscores is the lack of definitive knowledge about this substance.

My colleagues in the State of Nebraska have tried to work with the EPA on this, and have tried to offer reasonable alternatives and solutions that will prevent costly and needless treatments from being required. My colleagues in Nebraska asked the EPA if it would be acceptable to implement an educational program to get folks in these communities to run the water for a time, to flush out the water that may have absorbed some copper, before drinking it. EPA said no.

My colleagues asked the federal Centers for Disease Control to study the issue in the state, and determine if the copper was causing any illness or adverse health effects. The CDC did this, and found no adverse health effects. EPA's response is that they cannot consider this data because it is not yet peer-reviewed and published. That is what bring me here now.

What frustrates me most about this is that I am a staunch proponent of the role of the federal government in protecting the safety and health of the people. This role is perhaps one of the greatest issues separating our country from many other industrialized and non-industrialized countries—we protect our nation from potential hazards in our food and drink, and from many other hazards that may befall us. But I am also a proponent of a government that is of, by, and for the people—of a government that serves to protect when protection is needed, but that does not intervene needlessly when intervention is not needed. Yet here we have evidence that a regulation promulgated by a federal agency will cost Nebraska communities millions of dollars, and will have no apparent impact on the health or safety of the people. So I am here to ask for a delay before costly treatment is required in these communities, a delay to allow these studies to be published, which they imminently will be, and a review of the data, to include these studies.

To help my colleagues understand how deeply flawed this action level may be, and thus, how inappropriate is the insistence of the EPA that these small Nebraska communities spend millions of dollars to correct a ghost problem, let me share with you some additional information on how copper in drinking water is treated elsewhere.

On an international scale, the World Health Organization, or WHO, which is recognized worldwide as the preeminent public health and welfare agency in both developed and underdeveloped nations, has declared that:

> In view of uncertainties regarding copper toxicity in humans, a provisional guideline value for copper of 2 mg/litre was established in the 1993 WHO guidelines for drinking water quality.

The WHO further states that:

> A copper action level of 2 mg/litre in drinking water will be protective of adverse effects of copper and provides an adequate margin of safety. It is also noteworthy that copper is an essential element.

This provisional, international action level for copper of 2 mg/l is set at a level that approaches twice EPA's action level of 1.3 mg/l. Yet EPA cites this level as evidence that their level is ''not far off'' from the WHO level, and thus is supportive of their 1.3 mg/l level.

Mr. President, there are two last, astounding pieces of information. The National Research Council of the National Academy of Sciences has established a recommended daily allowance for copper of 3 mg, with an adult toxic dose of 100 mg. These recommendations are for adults. But more astounding is the following information, published in peer reviewed literature: ''Copper levels of human milk range from 0.15 to 1.34 mg./litre.'' Human breast milk, Mr. President, contains up to 1.34 mg/litre of copper, which is in exceedance of the EPA copper action level.

There is much more evidence to support my contention, Mr. President, that there is cause to review the data and perhaps revise EPA's action level for copper, and I am more than willing to share it with my colleagues. At the moment, however, there is great urgency in offering this amendment and approving it to prevent needless costly treatments from being implemented in many small American communities that will be more harmed from the economic impacts of this rule than from the potential adverse health effects from copper.

The EPA says, ''We don't care''—the EPA says, ''We don't care. This is a political issue.''

I say wait a minute, what is the purpose here? ''We don't care.'' Reject it out of hand, ignore the scientific evidence, and say we are concerned that this is one of these riders. They are not

willing to come and debate each rider on its merit. They say ''rider''; we rule out of hand.

I would love to have Administrator Browning come to Hastings, NB, and explain that to my citizens in Nebraska. She would not be able to do it. That is what I have to do. I have to go home and explain these rules. When I go home and explain these rule to these 60 communities where nobody is getting sick, why they have to spend millions of dollars to invest in their water systems, they say this doesn't make any sense at all.

So I invite any Senator who opposes—I would love, if they take the EPA position—come out to Hastings, NB. Come out to my State and talk to the community and explain to them why, if nobody is getting sick, I have two CDC studies saying there is no health problem and yet the rule still is going to be enforced.

As I said earlier, I am not looking to overturn the EPA regulation. Indeed, in this amendment there is a savings clause that allows any State that so chooses to continue to implement and enforce the copper treatment aspect of the rule. If the communities—or State, is currently treating its water supplies to reduce copper, or chooses to implement treatments based on copper levels, nothing in my amendment precludes them from doing so.

I see both the Senator from Montana and the Senator from Alabama. It looks like they have an amendment. I would like to talk longer, and I apologize to the Senator from Missouri and the Senator from Maryland. I know both they and I would like to go to sleep. I would prefer a healthier debate. Unfortunately, what will happen is, we will talk tomorrow, we will have 2 minutes equally divided, the opponents will offer some reason to oppose this amendment, and everybody is likely to walk down and oppose it.

What will happen is, I will have millions of dollars' worth of investments that will have to occur and there will be a deterioration of support for any regulation of this kind.

I am willing to stop and allow the Senators from Montana and Alabama to offer their amendment. I don't know how long they will take.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I will tell you briefly why this amendment is going to have to be opposed and why I think it will be defeated and move to table it, because we do have other amendments to go on to tonight.

Obviously, the Senator can seek the floor later on if he has not finished.

If he has finished with his argument, I am happy to respond briefly.

The chairman and/or ranking member of the Environment and Public Works Committee will be here tomorrow to express their opposition, and I will print in the RECORD tonight the letter from the Environmental Protection Agency which says the EPA is strongly opposed to this amendment.

Unfortunately, Mr. President, the Senator has some compelling arguments. I sympathize with his frustration, but the EPA said, ''We believe it is unnecessary, inconsistent with the policy requirements of the 1996 amendments to the Safe Drinking Water Act and harmful to the protection of the public health.'' He goes on to cite articles. He does state that, ''The State of Nebraska has yet to avail itself of several opportunities for substantial flexibility and assistance described herein,'' and the EPA Assistant Administrator, Robert Perciasepe, has offered to go to Nebraska and show up in Hastings. I think my colleague from Maryland and I will urge him in the strongest possible terms to coordinate his schedule with yours and go to Hastings and other towns to answer.

But the fact of the matter is that there is a strong objection by the EPA to this. That objection is supported by the members of the authorizing committee. In our appropriations measures, we have not, we do not, and we will not take authorizing measures or legislative matters which are strongly opposed by the authorizing committee. We believe as a courtesy to the committees of jurisdiction that we should not do it. We have not done it and we don't intend to do it.

Mr. KERREY. Mr. President, I guess—as I said, I am willing—I don't know how long the Senator from Montana and Alabama want to talk. I intend to talk further. I appreciate what will happen tomorrow is, there will be 2 minutes equally divided and Senator CHAFEE and Senator BAUCUS will come down here and they will say, ''We don't necessarily disagree with you but we have a letter from the EPA and they are saying for rules''—blah, blah, blah—''we don't care that there is no public health problem. We don't care that nobody is getting sick, and we are willing to be flexible.''

Well, I appreciate you are willing to be flexible, but the problem is, we don't have a public health problem. What are you talking about, you want to be flexible? Thank you, Mr. Perciasepe. I appreciate you being willing to visit these communities, but I have 60 communities you are asking to spend millions of dollars. You have a rule that you are going to enforce it even though there is no public health problem.

I know we have a dilemma here. It is 10:30 at night and the unanimous consent procedure requires me to talk for however long I am prepared to talk, and then we will have 2 minutes tomorrow. I will have 1 minute, Senators CHAFEE and BAUCUS will come down here and they will say whatever, and this thing will get knocked out.

Mr. President, I appeal to my colleagues, this is not something that is a small item. Nobody is going to walk down here. I suspect the Senator from Missouri will not stand up and say that there is a compelling public health reason why Nebraska citizens and their communities should have to make these investments. EPA doesn't. They don't make a case that it is a public health problem. They don't come to Nebraska and say, gee, there is somebody getting sick that we haven't noticed.

Copper is different from lead. We are not talking about something that has the dangerous properties of lead. This is an essential element. This is an element that is contained in mother's milk, for gosh sakes. And in some cases the mother's milk is at a level higher than what the EPA will allow in drinking water.

Nebraska is being forced to sue the Environmental Protection Agency because the Environmental Protection Agency is unwilling to be flexible. I seek a remedy to this, Senators. You are saying you don't accept the amendment, fine. I am prepared to talk, then, further, because I want to make certain that Nebraskans understand what is at stake here—that even though nobody is getting sick, even though there is no public health problem, even though there is no safety issue at all in our State, it doesn't matter; the Federal Government is still going to require and this Senate is going to say, ''Well, it is a rider, we will accept the EPA's recommendation, regardless. We will vote to table or we will vote no on the amendment, we don't care. It doesn't matter.''

It seems to me that what we have here is a reasonable request by a State that has an unusual situation that deserves to be remedied. It is not enough for the EPA to say,''We are willing to be flexible.'' It doesn't work. Their flexibility still, at the end of the day, will say, ''You will have to get your copper levels down to 1.3 milligrams per liter in the first burst of water that comes out of the faucet,'' even though nobody in Nebraska is getting sick, even though no faucet is at 1.3 milligrams per liter. Only the first burst has the problem.

I go back to my statement here and continue.

Mr. BOND. Mr. President, I might ask the Senator from Nebraska. He obviously has made some very compelling points. It is noted there are Senators who are waiting to offer amendments. If he would be willing to do so, I would like to finish up the work of the Senators who are waiting, and I will move to table the amendment, and then I will offer to go back in morning business and afford the Senator from Nebraska as much time as he wishes, because we have heard the compelling arguments—the situation is very clearly that with the authorizing committees opposing this, the agency opposing it, it is our policy not to accept these amendments on an appropriations bill. His arguments are made with a great deal of passion and common sense, but they are not going to be accepted, and he will have an opportunity to appeal to our colleagues in a colloquy or in discussions later this evening, or in the

1 minute tomorrow. Would that be acceptable to the Senator from Nebraska?

Mr. KERREY. Mr. President, I appreciate what you are trying to do, but I am not sure I understand what it is you are trying to do.

First of all, I ask the Senator from Montana, how long does he and the Senator from Alabama want to take?

Mr. BURNS. Mr. President, responding to the Senator's question, it will take me less than 5 minutes. I can assure the Senator from Nebraska that I will support his amendment.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Will the Senator yield so that I may have a letter printed in the RECORD?

Mr. KERREY. Mr. President, I will yield only for that purpose, without losing my right to the floor.

Mr. BOND. Mr. President, I ask unanimous consent that this letter from the U.S. Environmental Protection Agency be printed in the RECORD.

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

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, July 9, 1998.

Hon. JOHN CHAFEE,
Chairman, Senate Committee on Environment and Public Works, Washington, DC.
Hon. MAX BAUCUS,
Ranking Member, Senate Committee on Environment and Public Works, Washington, DC.

DEAR SENATOR CHAFEE AND SENATOR BAUCUS: As you requested, this letter presents the views of the Environmental Protection Agency (EPA) regarding the draft amendment proposed by Senators Hagel and Kerrey to the Fiscal Year 1999 Appropriation Bill for VA–HUD and Independent Agencies, which amendment would prevent for an indefinite period of time the implementation of the portions of the Lead and Copper Rule providing protection from hazardous levels of copper in public drinking water supplies. EPA strongly opposes this amendment. We believe it is unnecessary, inconsistent with the policy directions and requirements of the 1996 Amendments to the Safe Drinking Water Act (SDWA), and harmful to the protection of public health.

The proposed amendment is based on the questions raised by the State of Nebraska on the validity of the science underlying the Copper Rule. These questions are said to be based on interim reports on recent surveillance studies performed in Nebraska by the Federal Centers for Disease Control (CDC), and in Delaware by Delaware's Division of Public Health. Neither of these studies has been peer reviewed or published. The interim findings on the level of adverse health effects reported for the CDC Nebraska study actually are consistent with the scientific data EPA relied upon to develop the action level for copper. That action level incorporates a margin of safety below the lowest level of adverse health effects, as required by SDWA. The interim findings of the Delaware study are based on a very small sample with low statistical ''power'' to identify health effects.

In the 1996 Amendments to SDWA, your Committee developed, and Congress and the President enacted, a requirement that standard setting under the SDWA must be ''based on the best available, peer reviewed science.'' This requirement is equally applicable to EPA's review and revision of existing standards such as the Copper Rule, which was finalized in 1991, as it is to the setting of new standards. EPA does not believe that the interim reports on these studies meet the test of scientific rigor required by the 1996 Amendments for the revision of any existing drinking water standard, or make a compelling scientific case to change the action level for copper. EPA is participating in planning further studies on health effects of copper, and is prepared to reevaluate the scientific basis of the present copper action level if appropriate.

In this regard, an article entitled ''Defining a Safe Level for Copper in Drinking Water'' was published in the July 1998 issue of Journal AWWA by Frederick Pontius, a staff member of the American Water Works Association. This article presents a review of available scientific research on the health effects of copper exposure, noted that ''USEPA's MCLG and action level for copper have been criticized as being either too low, or not low enough, depending on the health study cited,'' and concluded that a ''change in the copper action level would be difficult to justify based on feasibility of corrosion control treatment unless a better measure is developed for determining when optimal corrosion control for copper is being applied.''

The State of Nebraska has also expressed serious concerns about excessive costs and implementation burdens on affected communities from enforcement of the Copper Rule. However, the copper standard is framed as an action level. When public water systems exceed the level in 10 percent or more of the required samples, the State primacy agency is supposed to work with the systems to help them develop and implement a treatment optimization plan. Such a plan is not a ''one size fits all'' approach that seems to have generated exaggerated estimates of compliance costs cited for some Nebraska towns. Rather, treatment optimization is to address in the most cost effective way possible the specific conditions in the system that caused them to exceed the action level, and meet effectiveness criteria set by the State.

The 1996 SDWA Amendments give States additional flexibility to use the exemption process to phase in whatever tailored approach to treatment the State and water system agree to implement. Also, the Amendments provided for a new source of Federal funding, the Drinking Water States Revolving Loan Fund, to offer subsidized financing to water systems facing significant costs associated with implementing treatment. The State of Nebraska has yet to avail itself of any of the several opportunities for substantial flexibility and assistance described here.

I appreciate your request to present our understanding of this issue and the several workable, potential solutions available. EPA wants to continue working with the State of Nebraska to resolve this matter, and stands ready to provide hands-on technical assistance to demonstrate how the State can identify practical, common sense ways to help towns provide the important public health protections that compliance with the Copper Rule will bring.

Sincerely,

ROBERT PERCIASEPE,
Assistant Administrator.

Mr. KERREY. Mr. President, do I have the floor?

The PRESIDING OFFICER. Yes, the Senator from Nebraska has the floor.

Mr. KERREY. Mr. President, in that case, I would like to continue with my statement. Again, I don't mean to tie up the Senator from Missouri and the Senator from Maryland here unreasonably, I appreciate that I am, but this is a very serious issue in my State. We have a UC here that gives me very limited options. The unanimous consent puts me in a position where I have 1 minute tomorrow, and the authorizers are going to come down here and they are going to merely say, ''we object.'' They are not going to offer any science, or refute the scientific evaluation, or argue what the CDC has said. They are not going to present a case that 1.3 milligrams is reasonable. They are not going to refute statements about nobody getting sick in Nebraska, or they are not going to say what EPA is doing is reasonable.

We are left with a situation where the State of Nebraska is going to have to sue the EPA. That is what we are left with. Again, I am willing to step aside here and allow the Senator from Alabama and the Senator from Montana to do their work. I guess what you are seeking is an opportunity to go into morning business so you could all leave and I can stay here and talk. Is that basically what you are saying?

Mr. BOND. The Senator is correct. You have made a very compelling case. We have expressed our views. I was suggesting that other Senators also have amendments to offer. Quite frankly, the people who wish to hear this can read this in the RECORD. They will be able to do so. But there are other people waiting.

Mr. KERREY. I am perfectly willing to make an effort to accommodate. Unfortunately, I am in a situation where I don't feel like I am going to get much accommodation from the Senators in communities that are going to spend millions of dollars to invest in something that is going to produce no improvement in public health.

Ms. MIKULSKI. If the Senator from Nebraska will yield, the suggestion by the Senator from Missouri is not to deny the Senator from Nebraska from presenting his arguments. What it does do is give us a framework for moving on these other two amendments and it relieves us of our responsibility to conduct our business. It doesn't preclude the Senator from Nebraska from talking.

If the Senator will yield further, why would talking while we two are here accomplish what you want to accomplish, beyond what we have already discussed? I don't understand why you are objecting to morning business when we are not in any way asking you to give up your right to continue to speak.

Mr. KERREY. Well, my hope is that by listening to these wonderful arguments, there is going to be persuasion. You are saying that you want to move to table my amendment and leave and go into morning business, and then I will have 2 minutes tomorrow to persuade a majority of my colleagues, which is not going to happen. There is going to be no persuasion. Senator CHAFEE and Senator BAUCUS will come

down with 30 seconds each and they are going to say no, and they are not going to offer any arguments at all. They are not going to read anything into the RECORD or consider any arguments given. I appreciate that things get scheduled and bumped up against a late hour.

Ms. MIKULSKI. But why is it that speaking on the bill is different than speaking in morning business, if you want to continue to persuade?

Mr. KERREY. Are you basically saying you want to move to table my amendment and then walk out? Is that it? You will leave and we will say we are in morning business; is that the offer?

Ms. MIKULSKI. Is it the Senator's belief that the longer we stay, there will be a change in our position?

Mr. KERREY. Well——

Ms. MIKULSKI. Is that his hope?

Mr. KERREY. That is my hope.

Ms. MIKULSKI. Hope springs eternal, as does this evening.

Mr. KERREY. Mr. President, I am sort of teetering on the edge of how reasonable I want to be. I am appealing to colleagues. I have 70 communities in Nebraska that are facing substantial costs. There is no argument against this, other than that EPA opposes it. I don't hear any scientific argument against it or any public health argument against it. Earlier today, by a voice vote, the Senator from Arkansas and the Senator from Mississippi accepted a $500 million amendment to indemnify farmers in disaster aid—just like that—and it was accepted on a voice vote.

Here we are being told, no, we can't accept this amendment. EPA isn't saying we disagree with the science, or we disagree that it is an unreasonable rule in the case of Nebraska, or we disagree with any argument you offer; we are just going to enforce it. I say to the Senator from Missouri—and as you know, I am preaching to the choir here. The Senator from Missouri has faced this sort of thing in the past in Missouri as a Governor and as a Senator.

I am seeking some sort of remedy other than merely voting this amendment down. Had this occurred earlier in the day, my colleague, Senator HAGEL, would be on the floor with me, arguing with much passion in favor of this amendment, that it is reasonable, and that science supports what we are trying to do.

Again, I say to the Senator from Missouri and the Senator from Maryland, I know it is 10:45, and I would rather not be here either, but that is the hand I have been dealt. If it were earlier in the day, there would be more debate on this. I would love to have Senator CHAFEE and Senator BAUCUS come and tell me why this rule should be enforced, tell me why what I am offering, with a savings clause that enables any State that wants to, to continue to enforce 1.3 milligrams per liter—allow them to continue to do that—is not a reasonable thing. Or some other alternative, or some language that would enable Nebraska to engage in a public health effort. Let us spend the money per year to engage in a public health effort to make certain that these communities are keeping their drinking water levels safe.

I am just appealing to my colleagues to look for an alternative. You all have the votes and you have the way to knock this thing out. But there must be some way to give me some assistance with the EPA other than to say they are going to give me flexibility. You know what their idea of flexibility is at the end of the day.

Ms. MIKULSKI. If the Senator will yield, what would he suggest?

Mr. KERREY. I would accept report language that would say the State of Nebraska would be allowed to make a public health investment in those communities where there is in excess of 1.3 milligrams that first minute. I would allow Nebraska to be permitted to experiment with the different testing methodology—anything that would give me something that would say to the communities in Nebraska that the Federal Government is prepared to be reasonable, other than just surrendering me to the good wishes of the EPA, saying they are willing to come out and be flexible. We all know what that means. I would be willing, I say to my colleagues, to accept report language and not put this amendment up for a vote—accept report language that made an attempt to rectify this situation. You know what we are dealing with. I see heads shaking there. Are you saying no?

Ms. MIKULSKI. It would have been useful if perhaps the Senator had suggested this earlier and we could have consulted with the authorizers. Our hands are shackled, really, because of the authorizers strongly opposing the amendment.

Mr. KERREY. I appreciate that. I didn't know at 8 o'clock this morning that we were going to be taking this thing up.

Ms. MIKULSKI. Could the Senator talk to the Senator from Montana, Mr. BAUCUS, and the Senator from Rhode Island, Mr. CHAFEE, to see if they would accept some report language, and come back and discuss the report language?

Mr. KERREY. I would agree to in some sort of consent agreement. I don't want to surrender the floor and then end up with my amendment tabled with no capacity to appeal for some sort of flexibility in law or report language that would enable me to satisfy the concerns that I have. I think what you are asking for is reasonable. I would be willing to talk to Senator CHAFEE, Senator BAUCUS, and Administrative Browner, and see if they would accept some kind of report language that would do precisely what you are saying.

I would say to the Senator from Missouri that I would be willing to go right this minute to the cloakroom and make those calls. But I would like to resolve it without having my amendment tabled, because I know I am going to have to bring a report back to you and say what they said and see if you would agree with it.

Mr. BOND. If the Senator from Nebraska would yield, we are willing to try to be as helpful as we possibly can. I have outlined for him the position in which we find ourselves. We are not going to be able to accept the amendment that is proposed. We have gone through that. The EPA has filed a letter that is now on the record objecting to it. That is not going to change.

The Senator can speak as long as he wishes. But he is not going to change that position from my standpoint.

If the Senator is willing to work with us—we can't do report language here. We can do report language in the committee and attempt to work with him on getting report language and seeing what we can encourage the authorizing committee to do. I have said we would be willing to ask the EPA Administrator to go out there. We don't direct and we cannot control the EPA. I think that is clear. You know what the political situation is.

Frankly, continuing to talk on the floor tonight when others are waiting to offer amendments is not going to encourage us to work with the Senator from Nebraska on the very compelling problem he has. But we would be willing to help him. But talking about it on the floor at greater length is not going to further the process of cooperation and assist us in working out report language or some alternative means by which we can encourage the EPA to come to an agreement with the State of Nebraska.

Mr. KERREY. Mr. President, I appreciate that. The Senator from Missouri knows that a couple of years ago we did the very same thing with the radon rule the EPA had and the Senator from Missouri cooperated. We knew what the impact was going to be, and we delayed or withheld the money from EPA to enforce a radon rule that we all knew was unreasonable. We did that because they could not make a scientific case that the rule that they had was going to increase public health. We withheld their money. As I recall, the Senator from Missouri supported that.

I appreciate what you are saying. I understand I am pushing here to a point where you are saying that if I continue doing this I am going to get less than I would likely get by trying to work cooperatively. I regret that at 11 o'clock at night that I am in that position. I am prepared to call Senator CHAFEE and Senator BAUCUS to ask them. I am prepared to talk to them to see if there is some flexibility to achieve it either in report language or in some fashion.

But I appeal to my colleagues. The flexibility offered by the EPA, as you know, is not sufficient. They have the law on their side. They are going to enforce 1.3 milligrams per liter. They are

not going to give us any testing flexibility. They are going to force 1.3 milligrams per liter even though nobody is getting sick. I have communities investing enormous amounts of money. Again, you are hearing this for the seventh or eighth time, this argument.

Again, I would be willing to allow this thing to come to a painful close. The Senators are saying if I talk to Senator CHAFEE and Senator BAUCUS that they are willing to consider some sort of report language and this thing will move in committee if I can get some report language.

Mr. BOND. In the conference.

Mr. KERREY. But not on this bill.

Mr. BOND. Mr. President, we don't have further report language we can offer.

Mr. KERREY. In conference, you would be willing.

Mr. BOND. I thought we tried to emphasize, we are willing to do anything we can the next opportunity we have. We have already stated on the floor that we would urge the assistant administrator to come out. He has talked in his letter about flexibility being available for the State of Nebraska. The EPA contends that there are a number of remedies available.

I would certainly urge my colleagues on the Environment and Public Works Committee to work with you and the State of Nebraska to see if there are accommodations that can be made. We can work with you. And based on what we learned from the authorizing committee—the majority and minority—we might put language in the report directing or asking that steps be taken. But, frankly, that is not going to be bill language. But we are willing to work with you and with the ranking member and the chairman of the authorizing committee.

Mr. KERREY. First of all, let me say that I appreciate the good-faith effort to try to accommodate this. I know that both the Senator from Missouri and the Senator from Maryland are in a bind. You were facing the situation in your State before. And I know it has been frustrating. I have spoken with both of you about these kinds of regulations and how they can decrease our citizen support for environmental regulations.

I have all week long been approached by environmental organizations begging me not to offer this amendment, and not a single one of them, by the way, being able to offer a single shred of evidence as to why this rule ought to be enforced—not a one of them—just saying, ''for political reasons, we would rather the Senator not offer it.''

Ms. MIKULSKI. Will the Senator yield for a question without in any way yielding the floor? The talented staff has come up with an idea that might help. We would like to discuss it with you by going into a quorum without you losing your right to the floor. This is no trick.

Mr. KERREY. I would be willing to do a UC and let the Senators from Montana and Alabama go to theirs.

Ms. MIKULSKI. I would like you to hear this proposal and see if it would be acceptable to get out of the logjam that we are in right this minute.

Mr. KERREY. I don't object to that. I just want to make it clear that I have a sufficient amount of trust in both the Senator from Maryland and the Senator from Missouri that I would be willing to allow the Senators from Alabama and Montana to offer their amendments. I am not even that concerned about that. The problem is—I know I need to talk to both of you to try to get something and, when I talk to Senator CHAFEE and Senator BAUCUS, that I have instructions as to what it is I am trying to do.

Do we need to go into a quorum call? I would be prepared to let them go ahead, just as long as I get back to this thing when they are finished.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the pending Kerrey amendment be laid aside for not more than 5 minutes, and that the Senator from Montana offer his indemnification amendment, and that at the conclusion of that amendment we return to the amendment of Senator KERREY.

The PRESIDING OFFICER. Is there objection to that unanimous consent request?

Without objection, it is so ordered.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

AMENDMENT NO. 3205

(Purpose: To provide for insurance and indemnification with respect to the development of certain experimental aerospace vehicles)

Mr. BURNS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana (Mr. BURNS) proposes an amendment numbered 3205.

Mr. BURNS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 93, between lines 18 and 19 insert the following:

SEC. 4___. INSURANCE; INDEMNIFICATION; LIABILITY.

(a) IN GENERAL.—The Administrator may provide liability insurance for, or indemnification to, the developer of an experimental aerospace vehicle developed or used in execution of an agreement between the Administration and the developer.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Except as otherwise provided in this section, the insurance and indemnification provided by the Administration under subsection (a) to a developer shall be provided on the same terms and conditions as insurance and indemnification is provided by the Administration under section 308 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b) to the user of a space vehicle.

(2) INSURANCE.—

(A) IN GENERAL.—A developer shall obtain liability insurance or demonstrate financial responsibility in amounts to compensate for the maximum probable loss from claims by—

(i) a third party for death, bodily injury, or property damage, or loss resulting from an activity carried out in connection with the development or use of an experimental aerospace vehicle; and

(ii) the United States Government for damage or loss to Government property resulting from such an activity.

(B) MAXIMUM REQUIRED.—The Administrator shall determine the amount of insurance required, but, except as provided in subparagraph (C), that amount shall not be greater than the amount required under section 70112(a)(3) of title 49, United States Code, for a launch. The Administrator shall publish notice of the Administrator's determination and the applicable amount or amounts in the Federal Register within 10 days after making the determination.

(C) INCREASE IN DOLLAR AMOUNTS.—The Administrator may increase the dollar amounts set forth in section 70112(a)(3)(A) of title 49, United States Code, for the purpose of applying that section under this section to a developer after consultation with the Comptroller General and such experts and consultants as may be appropriate, and after publishing notice of the increase in the Federal Register not less than 180 days before the increase goes into effect. The Administrator shall make available for public inspection, not later than the date of publication of such notice, a complete record of any correspondence received by the Administration, and a transcript of any meetings in which the Administration participated, regarding the proposed increase.

(D) SAFETY REVIEW REQUIRED BEFORE ADMINISTRATOR PROVIDES INSURANCE.—The Administrator may not provide liability insurance or indemnification under subsection (a) unless the developer establishes to the satisfaction of the Administrator that appropriate safety procedures and practices are being followed in the development of the experimental aerospace vehicle.

(3) NO INDEMNIFICATION WITHOUT CROSS-WAIVER.—Notwithstanding subsection (a), the Administrator may not indemnify a developer of an experimental aerospace vehicle under this section unless there is an agreement between the Administration and the developer described in subsection (c).

(4) APPLICATION OF CERTAIN PROCEDURES.—If the Administrator requests additional appropriations to make payments under this section, like the payments that may be made under section 308(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b(b)), then the request for those appropriations shall be made in accordance with the procedures established by subsections (d) and (e) of section 70113 of title 49, United States Code.

(c) CROSS-WAIVERS.—

(1) ADMINISTRATOR AUTHORIZED TO WAIVE.—The Administrator, on behalf of the United States, and its departments, agencies, and instrumentalities, may reciprocally waive claims with a developer and with the related entities of that developer under which each party to the waiver agrees to be responsible, and agrees to ensure that its own related entities are responsible, for damage or loss to its property for which it is responsible, or for losses resulting from any injury or death sustained by its own employees or agents, as a result of activities connected to the agreement or use of the experimental aerospace vehicle.

(2) LIMITATIONS.—

(A) CLAIMS.—A reciprocal waiver under paragraph (1) may not preclude a claim by any natural person (including, but not limited to, a natural person who is an employee of the United States, the developer, or the

developer's subcontractors) or that natural person's estate, survivors, or subrogees for injury or death, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(B) LIABILITY FOR NEGLIGENCE.—A reciprocal waiver under paragraph (1) may not absolve any party of liability to any natural person (including, but not limited to, a natural person who is an employee of the United States, the developer, or the developer's subcontractors) or such a natural person's estate, survivors, or subrogees for negligence, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(C) INDEMNIFICATION FOR DAMAGES.—A reciprocal waiver under paragraph (1) may not be used as the basis of a claim by the Administration or the developer for indemnification against the other for damages paid to a natural person, or that natural person's estate, survivors, or subrogees, for injury or death sustained by that natural person as a result of activities connected to the agreement or use of the experimental aerospace vehicle.

(d) DEFINITIONS.—In this section:

(1) ADMINISTRATION.—The term ''Administration'' means the National Aeronautics and Space Administration.

(2) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the National Aeronautics and Space Administration.

(3) COMMON TERMS.—Any term used in this section that is defined in the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.) has the same meaning in this section as when it is used in that Act.

(4) DEVELOPER.—The term ''developer'' means a person (other than a natural person) who—

(A) is a party to an agreement that was in effect before the date of enactment of this Act with the Administration for the purpose of developing new technology for an experimental aerospace vehicle;

(B) owns or provides property to be flown or situated on that vehicle; or

(C) employs a natural person to be flown on that vehicle.

(5) EXPERIMENTAL AEROSPACE VEHICLE.—The term ''experimental aerospace vehicle'' means an object intended to be flown in, or launched into, suborbital flight for the purpose of demonstrating technologies necessary for a reusable launch vehicle, developed under an agreement between the Administration and a developer that was in effect before the date of enactment of this Act.

(e) RELATIONSHIP TO OTHER LAWS.—

(1) SECTION 308 OF NATIONAL AERONAUTICS AND SPACE ACT OF 1958.—This section does not apply to any object, transaction, or operation to which section 308 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b) applies.

(2) CHAPTER 701 OF TITLE 49, UNITED STATES CODE.—The Administrator may not provide indemnification to a developer under this section for launches subject to license under section 70117(g)(1) of title 49, United States Code.

(f) TERMINATION.—

(1) IN GENERAL.—The provisions of this section shall terminate on December 31, 2002, except that the Administrator may extend the termination date to a date not later than September 30, 2005, if the Administrator determines that such an extension is necessary to cover the operation of an experimental aerospace vehicle.

(2) EFFECT OF TERMINATION ON AGREEMENTS.—The termination of this section does not terminate or otherwise affect a cross-waiver agreement, insurance agreement, indemnification agreement, or any other agreement entered into under this section except as may be provided in that agreement.

Mr. BURNS. Mr. President, this is a pretty straightforward amendment.

This is an indemnification amendment that would be part of the reauthorization of the National Aeronautics and Space Administration. We have in process now the building of the X–33 and the X–34, which are unmanned space capsules, and it is probably key to our next step into space. Those tests are due to start next year, and no test has ever been conducted by this country that this clause was not included to cover the testing of those experimental aircraft. I have been told by the leadership that this will require a vote in the morning, and so I would just let the amendment remain at the desk and also call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BURNS. That is all the time I need. I yield the floor.

The PRESIDING OFFICER. The amendment will be laid aside and now the Kerrey amendment 3204 recurs.

Mr. BOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. BOND. I object.

The PRESIDING OFFICER. Objection is heard.

The bill clerk continued with the call of the roll.

Mr. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 3204, WITHDRAWN

Mr. KERREY. Mr. President, I have spoken to the managers of this bill, the distinguished Senator from Missouri and the distinguished Senator from Maryland. I appreciate, very much, their cooperation. I understand why they have to oppose this amendment. I know that they have experienced very frustrating situations themselves with regulations that are being imposed with no benefit attached.

What I would propose to do, and I would like to ask the Senator from Missouri and the Senator from Maryland just to engage me in a little bit of colloquy on this, I would be prepared to withdraw this amendment and to work with the Senator from Missouri and the Senator from Maryland as well as the Senator from Rhode Island and the Senator from Montana, the ranking members of the Environment and Public Works Committee, and with Administrator Browner of the EPA, to see if some kind of report language could be included in the conference that would allow us to apply some common sense to the implementation of this rule without sacrificing the public health objective, which is all that I want to accomplish.

Ms. MIKULSKI. First of all, I appreciate the willingness of the Senator from Nebraska to actually withdraw the amendment. The Senator from Missouri has my absolute assurance to work for report language or another acceptable approach that would deal with the compelling issue that he raised about the State of Nebraska. This would mean working with the appropriate authorizers. It also means working with the Administrator. We are willing to work with the Senator.

We understand that Nebraska comes under a rule where there are consequences with excessive copper—with nausea, diarrhea, and other things. They might not affect anybody in Nebraska, but there are consequences. We are not going to debate science tonight.

What we want to let the Senator know is, first of all, we appreciate the Senator's withdrawing the amendment. The Senator has our assurance we will work with him to advance this so that Nebraska's small communities do not have to make these expensive expenditures to comply with a rule that might in that State have either no or limited utility. We all have examples in our States. And the consequences, particularly to small, rural areas, are quite severe.

I have had to confront some of these issues in Maryland myself. I won't give the examples because of the time. But I know what it is like for a county not to have a lot of money, to maybe have to go into bonds to be able to do that and then, having to spend their bond money, they can't build another school, another library, buy another computer for a child. So we understand that and look forward to working with the Senator. The Senator has my assurance we will work with him in conference.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I, too, thank the Senator from Nebraska for his willingness to withdraw the amendment. This is not a productive road we are going down. But we are willing to work with both Senators from Nebraska because the points they make raise some very serious issues that need to be addressed by the EPA and by the authorizing committee with staff. I hope that we can bring them together and perhaps we can come out of the conference with report language that will outline a solution, or at least we can work with the authorizing committees and the other scientific entities to find out if the science on which the EPA is relying is adequate.

Also, as I believe I mentioned, the EPA has said there are flexibility options under the existing programming in which Nebraska could take advantage. I cannot tell the Senator what

those are, but we can find out and present those to the Senators so that a determination can be made if the problem can be solved by flexibility that EPA will utilize. At this juncture, at this time of night, we can't say what it will be, but we certainly assure the Senator that we will work to find, to explore every avenue to bring the relief the Senator seeks.

Mr. KERREY. I sincerely thank the Senator from Missouri and I thank the Senator from Maryland. I know the hour is late. I regret that I am in the Chamber dragging you beyond what is a reasonable hour.

I appreciate very much your willingness to try to work with both Senator HAGEL and I, and I will assure you that I will talk to the chairman and ranking member, Senator CHAFEE and Senator BAUCUS, to try to come up with some report language that will satisfy EPA.

One of the reasons we are here today is the flexibility offering that the EPA made to the Department of Environmental Control in the State of Nebraska was so insufficient the State attorney general has filed a lawsuit against EPA as a consequence. So we have reached this extreme situation, and I am very grateful for the willingness of both Senators to cooperate.

Mr. President, I ask unanimous consent that the amendment I sent to the desk earlier be withdrawn.

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

The amendment (No. 3204) was withdrawn.

AMENDMENT NO. 3206

(Purpose: An amendment increasing funding for activities of the National Aeronautics and Space Administration concerning science and technology, aeronautics, space transportation, and technology by reducing funding for the AmeriCorps program)

Mr. SESSIONS. Mr. President, I send to the desk an amendment and ask for its consideration.

I also ask that Mr. Jim Frees, a member of my staff, be given the privilege of the floor throughout the debate.

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

The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Alabama [Mr. SESSIONS] proposes an amendment numbered 3206.

Mr. SESSIONS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is printed in today's RECORD under ''Amendments Submitted.''

Mr. SESSIONS. Mr. President, I wish to express my sincere appreciation to my good friend, Senator BOND, from Missouri, who is managing this bill in a magnificent fashion, and the ranking member, the distinguished Senator from Maryland, Senator MIKULSKI. She is a true friend of space and NASA. Under the leadership of these two distinguished Senators, the subcommittee has done an excellent job in crafting this important piece of legislation. But, this bill provides funding for a variety of important Federal agencies, and a number of areas in this bill are of special interest to me and my constituents. However, today I would like to confine my remarks to the issues involving NASA and its funding and budget.

First, I congratulate this Senate for its strong support of the International Space Station. On July 7, a few days ago, this body voted by a 2 to 1 margin to continue this Nation's commitment to research in space. The first assembly flights of the space station are only a few months away. When it becomes operable, the space station will provide a unique microgravity laboratory that will far exceed any capability that has been previously available on the space shuttle or the Mir Space Station. Advances in medical and pharmaceutical science that result from space station research alone, may ultimately justify our national investment in the space station. Shuttle-based research is just beginning to demonstrate the enormous potential of using the microgravity environment for research into pharmaceutical products, and other aspects. Important developments in physics, materials science, life science and other fields through the space station research are not only possible, but probable in the future.

Furthermore, perhaps more important, the space station represents a bridge to further human exploration in space. The willingness and foresight of this Congress to take a long-term view to keep the United States involved in manned exploration of the universe is important.

Since its establishment in 1958, NASA has been a tremendous force for scientific and technological progress in this Nation. In addition, NASA has been a source of inspiration for literally millions of people, myself included, who were captivated by the dream of exploring the frontiers of space. Despite its great record and strong public support, however, NASA is laboring under the weight of several successive years of significant budget cuts.

For fiscal year 1999, the President proposed giving NASA less than $13.5 billion, which is far less than 1 percent of the national budget. This would mark the fifth year in a row that NASA's budget has been cut, in terms of real dollars. If we consider the further reduction in buying power caused by inflation during this 5-year period, the significance of these cuts become apparent. To make matters worse, the administration's budget estimate for fiscal year 2000 contemplates almost $200 million in additional budget cuts to NASA. The cuts in the President's budget request are all the more disconcerting in that they come in a year in which the President is proposing increases for almost every other civilian research and development budget as part of what the administration calls the 21st Century Research Fund.

Let me ask, can any agency symbolize to our people, and to the world, the discovering, adventuring spirit of America better than NASA? The administration, and this budget, appear to suggest differently. If the administration wants to build a bridge to the 21st century, then NASA must be one of its trusses. It simply does not make sense for our dynamic, high-tech Nation to keep cutting NASA's budget year after year.

I share the concern expressed by the National Space Society. They wrote recently:

> NASA's potential to be a world leader as we move into the next millennium will be compromised by a lack of Administration interest in space exploration.

That is a serious comment and we ought to think carefully about it. The low priority put on the space program is evident when you compare the President's budget submission with the budget projections for NASA from past administrations. This chart makes the comparison.

In 1991, a very distinguished panel studied space, the Committee on the Future of the U.S. Space Program. They projected what we ought to be spending to keep NASA at the level at which they thought it should be. It went all the way up to almost $60 billion by the year 2003, and would be at $37 billion next year. Right now we are at $13 billion in this budget.

In addition to that, according to the FY 1993 budget submission that was projected to carry out through this time period, we would have substantially more money in the NASA budget. Indeed, this year shows us $8 billion below the budget submission that was projected in 1993 for NASA. That is a significant reduction. During this whole time, the total reduction from the budgetary projections for NASA total $27 billion. So they have had basically a flat and declining budget at a time they were projected to go up significantly. I think those are matters of great importance.

Norm Augustine, the Chairman of Martin Marietta, saw the need for NASA budgets which would rise by 10 percent a year through the end of the decade. We have not kept up with his vision for America and the Commission's vision for America, and we must do better about that.

Let me ask this: How has NASA coped with these large budget reductions that they sustained? In my view, they have done very well. Under the leadership of Administrator Dan Goldin, NASA has made ''Doing more with less'' not just a slogan, but a reality. Administrator Goldin has pushed his agency over and over again to do things better, faster and cheaper. The results at NASA, in my opinion, have been remarkable. They have done a good job. Mr. Goldin told me several weeks ago that ''business as usual'' does not count anymore at NASA.

I am sure all of my colleagues recall the fascinating Mars Pathfinder Mission. Just 1 year ago, Pathfinder, on

July 4, with its little Sojourner rover, was busy exploring the surface of the red planet.

Most of my colleagues probably recall also the Viking mission in 1976. The Viking spacecraft landed on Mars, took photos, and was the first mission to scoop up and analyze Martian soil. Viking was a remarkable success. It cost over $3 billion, however, in today's dollars, and took about a decade to develop. It was about the size of an average car. By contrast, the Mars Pathfinder of last year took a quarter of the time to develop, it cost less than one-tenth as much, and it was a fraction of the size, yet produced remarkable results, catching the attention of the world. I am told the Internet site, NASA's Internet site, received more hits during that period of time than any other site in history.

So this chart summarizes what has been accomplished in terms of Mr. Goldin's goal of faster, better, and cheaper.

As to cheaper, the average spacecraft development cost has gone from, in fiscal years 1990 to 1994, a cost of $600 million, down to $175 million in the period fiscal years 1995 to 1999, and they expect it to be at $85 million. That is the kind of progress we like to see. It makes space exploration much more viable in today's world than it was.

The average development time in terms of years: In fiscal year 1990 to 1994, a new mission took 8.3 years; in 1995 to 1999, it is now at 4.4. It will go to 3.5, and 3.1, under their efforts.

With regard to flight rate, that is the number of launches they are able to conduct per year—in 1990 to 1994 there were just 2. In 1995 to 1999 they have gone up to 9. In fiscal year 2000 they expect to have 13; and, in 2004, they expect to have 16. That is good. They are doing what this Congress has asked; that is, to do more with less, to explore space and to make the kind of progress that makes America proud.

Mr. President, during this time since 1993, NASA has cut its number of employees 25 percent. I recall a time 3 years ago when I became Attorney General of Alabama and I faced a budget crisis of enormous proportions. The first day I took office, we made a major decision. We had to terminate the employment of one-third of our people. We worked hard, we did a lot of different things, and we were able to continue the productivity of that office; and begin to build on that as time went by and have a better office.

NASA has done what we have asked them to do. There is no other agency, I believe, in this kind of research and exploration that has had that kind of employment cut in the last 4 or 5 years. They have done well. They are doing more in less time at less cost and at the same time with less people. I think it is something we ought to be proud of and we ought to celebrate. But we ought not to keep taking advantage of them and always cutting their budget because they are performing as we encouraged them to do.

With regard to space flight by humankind, they have continued to work on that, and it is difficult, but they have reduced the cost of space shuttle flights by 42 percent between 1992 and 1997. That is what we like to see. They are working to cut those costs even more.

The conclusion we draw is that during a time of tight budgets, NASA has been doing better than could be expected, and they responded to this Congress' challenge. Certainly, up to a point, budget challenges can be healthy for an agency. They force some critical self-examination, and they result in some positive changes.

We have heard that the periodical giving of blood makes a person strong, but if you give more than a pint and more blood and more blood, it begins to weaken you. I believe NASA is lean and healthy and strong now. It is at a good point, and we need to strengthen it now and allow it to flower and grow and continue its great scientific exploration.

The budget request for 1999 increases other civilian and research development agencies. Almost all of them, whether it is the NIH or National Science Foundation, received substantial budget increases, but not NASA. The administration proposes increases for all the major agencies in VA and HUD, but not for NASA. For fiscal year 1999, the administration has requested less than $13.5 billion, a reduction of $183 million from last year's budget.

Fortunately, Senator BOND and Senator MIKULSKI restored $150 million of that cut, and that leaves NASA facing a $33 million cut for fiscal year 1999. That is just not acceptable for this Nation. This is not a huge amount, but it is an important principle.

Our history, our heritage, our character as a nation is that we are explorers. We believe in discovery and reaching out beyond our homeland and exploring this universe. That character is at stake if year after year we keep cutting our exploration agency.

That is why I am proposing this amendment. It would add $33 million in funds for NASA for fiscal year 1999. That would bring it up to level funding—that is all—but it would be a statement, an important message by this Congress, that the day of cutting their budget more and more will end.

We are supposed to have offsets for that, and we have worked hard at that. There is no way you can have a pleasant experience when you talk about finding funds for an offset.

I have noticed, and it is well known at this time by the Members of this body, that the House committee has terminated the AmeriCorps budget, zeroed it out. We have over $220 million in this bill's funding for AmeriCorps. The whole program is about $400 million.

If we take $33 million from that, we are talking about less than a 10-percent reduction in that budget. That will probably happen in conference committee because, as I said, the House committee has zeroed out the budget, and we expect it to be less. This may be and does appear to be a perfect place to find the funds we need to maintain the NASA spending at the level of last year. In the future, we need to work to increase that budget to identify the kind of programs that will be exciting and worthwhile in this Nation and in this world.

Of the $33 million in additional funds provided by my amendment, $20 million would go to NASA's aeronautics, space transportation, and technology line item, which includes the Reusable Launch Vehicle Program. It will also provide funds to accelerate research in advanced space transportation technologies.

Additional funds will also be available for NASA's important aeronautics programs and many other projects. It will have $13 million for additional funding for NASA's science and technology programs. It will provide them the kind of affirmation and support they need.

I thank our distinguished subcommittee chairman, the Senator from Missouri, and our ranking member, the Senator from Maryland, for their efforts in restoring much of the money that was cut from NASA's budget by the President's budget request. While the amount of money is not large in terms of this Senate's overall budgetary concerns, it is significant and it sends an important signal.

Adoption of my amendment will send an important message, a message that says that NASA's programs are significant for the future of this country and its citizens and that this Congress is not going to be a party to continued reductions in support for space exploration. That is not what we ought to do. We ought not to worry about it when we have well below 1 percent of our budget going for this project.

Next year's budget submission from the President will literally take this Government into the 21st century. I call on President Clinton to demonstrate true leadership by proposing an increase in NASA's budget. The President's plan to cut additional millions from NASA next year is not acceptable.

Last year, on this floor, I made a speech proclaiming my conviction that we must continue to be a nation of explorers. At that time, I stated the following:

> Space is a key to the image and the future of this Nation in the 21st century and beyond. We must have national leadership, keen vision, clear-cut goals and a strong commitment from this Congress and the Congresses to follow. We must be willing to pay the price necessary to realize our dreams and the dreams and goals of our children.

That was true last year, and it is true today, and it will continue to be true. We are a nation of explorers. This is how the world sees us. It is how we see ourselves. All over the world on July 4 last year, people watched Pathfinder

on Mars. The Internet lit up like it has never lit up before. There were record high levels of inquiries. Let's not allow this great achievement to slip away from us. Let's not give it away at this point in time. We have to make a decision as we stand on the threshold of the next millennium. It is no time to be timid; it is no time to fall back. We are on the verge of some of the world's greatest accomplishments in science and space and technology. NASA will play a key role in that.

Mr. President, that is why I ask for support for this amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. SESSIONS. I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. I rise in opposition to the Sessions amendment. I really respect the Senator from Alabama and his deep commitment to space and to the significant investments that must be made in science if America is to be a leader in the 21st century.

I have been to the Huntsville NASA program where they are doing a significant amount of the space station work, along with so many other worthwhile projects, and can see why he would have such a passion both from a patriotic standpoint, a competitive standpoint, and in actually seeing it hands on. I do not dispute the need to increase NASA's budget. Both the chairman and I have really dealt with this issue as forcibly as we could.

Given our parameters, we felt that we have come up with essentially a funding for NASA that keeps crucial and critical programs, that keeps us exploring, keeps the Shuttle safe, and continues our work in Earth observatory data. What I object to, though, in the amendment of the Senator from Alabama, is his offset. He takes the offset of $33 million from the Corporation for National and Community Service. That program, too, has been flatlined for more than 3 years.

When we talk about national and community service, let me just say what it is. This corporation makes grants to States, institutions of higher education, and public and nonprofit organizations to create service opportunities. But most of all, one of its most significant programs is to have volunteers in communities. If you are an AmeriCorps volunteer, you get a voucher to reduce your student debt or to be able to use that voucher to either go to college, higher education, vocational education, or get yourself ready for the future.

Essentially, it is an earned-learned service opportunity. I could ask the Senator from Alabama a series of questions but I will not. But if we are going to talk about $33 million, know that $5 million in this program is to continue the Points of Light Foundation established by President Bush which we have supported in a bipartisan way. It is also $18 million from the Civilian Conservation Corps. I cannot support cutting $18 million for the Civilian Conservation Corps. So $5 million, $18 million, and we are up to $23 million. I really do not want to cut Points of Light. I really do not want to cut the Civilian Conservation Corps.

Then there is $43 million for school-based and community-based service learning. I think we do need to teach values. I do think we need to teach habits of the heart, and service learning is one of the most important ways we could do that.

The benefits in my State, my State of Maryland, show that when students have participated in volunteer services as part of the requirement to graduate from high school, they have been forever changed by the fact that they worked in a library, visited senior citizens, helped in a soup kitchen and did a whole series of other things.

Mr. President, tonight is not the night to extol the virtues of the Corporation for National and Community Service, but it has served the Nation very well. It, too, has been flatlined.

I will just conclude by saying this. There is a program in Baltimore, it is an old convent called St. Stanislaus Convent right down the street from where I lived in a neighborhood called Fells Point. It has been recycled where Catholic nuns and AmeriCorps volunteers are working with children from very poor families—really out of the public housing projects. Because of what the AmeriCorps volunteers bring, they recruit other volunteers to help the sisters be able to educate these children.

When we talk about exploring the future, we have to get behind our kids to make sure that our kids have the skills that they need to get ready for this future. And what AmeriCorps does in many ways is that the very volunteers work in public education, work to be able to recruit people for an American roots program, and gets them ready for the exciting opportunities that we have.

So while we want to go into space to explore—I want to make sure we look for yet unidentified planets—I want to make sure we have those programs that make sure that we get our kids ready to be able to work in these science and technology programs. And I believe the AmeriCorps program helps do that. And, therefore, I urge rejection of the Sessions amendment.

Mr. BOND. Mr. President, I listened with great interest to all of the wonderful and exciting things my colleague from Alabama said about the space program. He made very telling points about how this is the future and motivation of our children, this is a symbol for the next century. There are many, many, many good things about our space program. As a matter of fact, I agree with almost everything he said about how important the space program is, and I think my colleague from Maryland agrees. And, frankly, that is why in a very extremely tough budget, when the President recommended $13.465 billion for NASA, we recommended we appropriate $13.615 billion for NASA.

Now, these are the people who are running NASA. They say all they want is $13.465 billion. And we said, ''No. You've got to do better. You are going to take another $150 million beyond what the folks who are running it—under the direction of the Director of OMB—have asked for. We are increasing it. And we think that is very important.''

Unfortunately, we have had to make these choices in a budget where we had to restore an 83-percent cut in elderly housing, the section 202 elderly and assisted housing, the supportive housing that was savaged by Secretary Cuomo and the administration. We have had to restore money for veterans' health care where that was cut.

Frankly, we have reached the accommodation on a very difficult bill. And we have agreed to maintain the funding at the National Service and AmeriCorps. And as part of, I think, an overall responsible approach to the budget for all of these agencies we work on, and, in addition, to assure that the administration will be able to sign the bill—because without the administration signing the bill, it does not do us any good to go through the drill of coming up with a totally different set of priorities than they have—we have kept in funding for National Service and AmeriCorps.

Therefore, I commend the Senator for his enthusiasm for NASA. I do not believe it is feasible to achieve it. Therefore, I move to table the amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. BOND. I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. The amendment will be set aside until tomorrow.

AMENDMENT NO. 3207

(Purpose: To provide for the ineligibility for certain housing assistance of individuals convicted of manufacturing or producing methamphetamine)

Mr. BOND. Mr. President, I send to the desk an amendment for Mr. ASHCROFT and myself.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Missouri [Mr. BOND], for Mr. ASHCROFT, for himself and Mr. BOND, proposes an amendment numbered 3207.

Mr. BOND. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in title IV, insert the following:

SEC. 4___. INELIGIBILITY OF INDIVIDUALS CONVICTED OF MANUFACTURING OR PRODUCING METHAMPHETAMINE FOR CERTAIN HOUSING ASSISTANCE.

Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended by adding at the end the following:

''(f) INELIGIBILITY OF INDIVIDUALS CONVICTED OF MANUFACTURING OR PRODUCING METHAMPHETAMINE ON THE PREMISES.—Notwithstanding any other provision of law, a public housing agency shall establish standards for occupancy in public housing dwelling units and assistance under section 8 that—

''(1) permanently prohibit occupancy in any public housing dwelling unit by, and assistance under section 8 for, any person who has been convicted of manufacturing or otherwise producing methamphetamine on the premises in violation of any Federal or State law; and

''(2) immediately and permanently terminate the tenancy in any public housing unit of, and the assistance under section 8 for, any person who is convicted of manufacturing or otherwise producing methamphetamine on the premises in violation of any Federal or State law.''.

Mr. BOND. Mr. President, quite simply, this has to do with getting and keeping methamphetamine production out of public housing. Many of my colleagues do not have the misfortune of understanding why the amendment is so important. Methamphetamine is a raging crisis in Missouri and many other States in the Midwest. And if it isn't in your State now, it may well be soon.

For those of you unfamiliar with the drug, it is a highly addictive, artificial stimulant constituted of such unwholesome products as lighter fluid, antifreeze, and ether, among other things. It is highly addictive, some say more so than crack; but it is perhaps the most physically destructive of illegal drugs.

In my State of Missouri, through the excellent work of local law enforcement, in cooperation with the State, and with the DEA, nearly 800 clandestine methamphetamine labs were busted last year. Law enforcement reports that there may be even more this year.

Meth started off as a rural drug, but labs have started to turn up in the major metropolitan areas of St. Louis and Kansas City. Urban drug users are starting to discover this drug as well. It is not likely that this trend will slow down, because the drug is cheaper than crack, it is more potent than crack or cocaine, it is more addictive than either of those drugs, and it can be made in the home or, in fact, almost anywhere else. In fact, it largely, in our State, is a home-made drug, which is the reason why this amendment is important.

Most of the meth being consumed in Missouri is homemade in mom-and-pop drug stores. Information necessary to make the drug is widely available and the ingredients can be purchased at your local convenience store or discount store.

The drug, however, is very dangerous to produce. While some who make this drug may consider themselves to be amateur chemists, they are actually rather ignorant individuals who are not only endangering themselves but innocent others.

Mr. President, I have seen pictures of children horribly burned because adults caring for them have them in the room where this junk is being produced, and when it goes off it can be highly dangerous. It is highly explosive. Producing meth in a kitchen or a basement produces toxins, and it produces highly explosive gas. Meth labs have been known to explode when drug officers go into a bust. They use low-velocity guns, they use low-intensity flashlights, because a flashlight, a hot flashlight, could set off the ether.

If you don't believe it, there are buildings that have had the sides blown out of them—motel rooms, shacks, wherever they have done it. When one of the meth labs explodes, it doesn't just cause a little fire. It can burn people. It can kill people. It can blow the sides of buildings out. It is very, very dangerous. That is why this bill provides for training and more assistance to local law enforcement officers, the first responders in emergency personnel—fire officials, law enforcement officials—so they will know what to do when they go into a meth lab.

We need to send a clear message that this activity is not welcome and it will not be tolerated in public housing. Not only do we want drug dealers out, but we especially want those out who are so cavalier with the safety of others that they would conduct a chemical operation, a chemistry operation that is highly dangerous, in the heart of a densely populated residential area. Should anyone doubt that this is taking place, law enforcement officers have told me about drug dealers performing the process in hotel rooms, moving cars, trailer parks, State parks, in the parking lot next to our official offices in one city, and in homes with children.

This amendment adopts zero tolerance for drug dealers. I hope that it can be adopted.

Ms. MIKULSKI. Mr. President, this side of the aisle accepts the amendment offered by Senators BOND and ASHCROFT. I commend the Senators from Missouri for bringing this to our national attention.

It obviously points out this despicable drug has two negative consequences. It is horrendous and devastating to anyone who takes it, but it is also dangerous in where it is made, and innocent people, innocent children nearby, are unwittingly exposed to and even in additional danger around its manufacturer.

We want to support this amendment. I believe we need those steps to get crime out of public housing. Public housing should be an opportunity to lead a better life, not an incubator for small business drug trafficking.

Mr. ASHCROFT. Mr. President, I rise in strong support of the amendment offered by my colleague, the senior Senator from Missouri. I am proud to be an original cosponsor of this amendment because it addresses the most pressing illegal drug problem facing our state and, perhaps, our country.

As my colleague explained, our amendment provides for a lifetime ban for individuals who manufacture or produce methamphetamine on public housing premises. Specifically, the amendment requires public housing agencies to prohibit occupancy in any public housing unit by any person convicted of manufacturing methamphetamine in violation of federal or state law. Current tenants convicted of meth manufacturing will be evicted immediately and permanently.

The need for this amendment could not be clearer. According to the Drug Czar's office, methamphetamine is by far the most prevalent synthetic controlled substance manufactured in the United States. This fact is not news to my constituents in Missouri. Last year alone, authorities seized 396 meth labs in Missouri, more than double the number of labs seized in California.

Congress has taken some significant steps to address the growing meth problem. I was proud to have sponsored the Comprehensive Methamphetamine Control Act of 1996 and to have helped secure funding for the creation of a high-intensity drug trafficking area in the Midwest. We have tried to target meth production by giving it higher priority in the demand for limited federal resources.

Unfortunately, the meth problem has become a crisis. Just this past weekend, the National Institute of Justice released a study showing that methamphetamine use among adult arrestees and detainees has risen to alarming levels. The problem is not confined to adults, however. Among 12th graders, the use of ice, which is a slang term for a very pure, smokeable form of meth, has risen 60 percent since 1992.

The amendment we are offering today sends a clear signal to meth producers: We will not tolerate your behavior and we certainly will not subsidize it. If you want to turn your taxpayer-subsidized residence into a meth lab, the only public housing you will be eligible for in the future is the penitentiary.

Our amendment attacks the problem of meth production and manufacture in federal housing projects in order to protect the safety and welfare of those law-abiding individuals who need subsidized housing. The sponsor of this amendment, my colleague from Missouri, deserves a great deal of credit for his lead role in cracking down on drug users and dealers in public housing. In 1996, he was instrumental in getting Congress to pass a provision requiring the eviction of any tenant from publicly or federally assisted housing if that tenant is determined to be involved in a drug-related criminal activity. As a result of his efforts, tenants

involved in drugs are prohibited from receiving federal housing assistance for three years or until the evicted tenant successfully meets certain rehabilitation requirements.

These provisions were designed to ensure the safety and security of families living in public housing. In addition, the reforms sought to instill responsibility in families participating in the federally assisted housing programs and to emphasize that federal housing assistance is a privilege, not a right. The amendment we are offering today extends and strengthens these provisions to address the deadly consequences of meth production.

Meth labs have been called toxic time bombs, containing highly flammable materials and deadly chemicals. As DEA Special Agent Michael Cashman has observed, ''The investigation of clandestine methamphetamine laboratories is one of the few instances where the evidence and crime scene can hurt or even kill the investigator.''

Clandestine lab explosions are responsible for killing and injuring not only meth producers and law enforcement investigators, but innocent bystanders as well. Just last year, a four-year-old child was killed in Arizona when the meth lab his parents had erected in their apartment caught on fire. As horrifying as this case is, it is not an isolated incident. Within the last couple of years, other innocent young children of meth-producing addicts as well as heroic law enforcement agents have been victimized by the highly dangerous enterprise of meth manufacturing.

As the epidemic of meth production has grown, so has its presence in public housing. When I asked local prosecutors if they knew of recent manufacturing activities in Missouri, it seemed everyone had a story or two to tell.

In Dekalb County, two men recently pled guilty to attempted manufacturing of meth in a public housing unit. Sadly, when police made the arrest, they found not only gas cans, paint thinner, butane fuel, and other meth paraphernalia, but an infant girl.

In Platte County, a man living in section 8 housing was recently convicted of meth production, possession, and endangering the welfare of a child.

And, in Grundy County, two recipients of federal housing assistance were found guilty recently of attempting to manufacture meth in their apartment.

Mr. President, these examples were obtained with just a few phone calls. I do not doubt that many of my colleagues have heard about similar crimes from police and prosecutors in their states.

We need to get serious again about fighting the use of meth and all illegal drugs in this country. I say ''again'' because for the past five and one-half years, the Clinton-Gore Administration has failed to provide leadership on this critical threat to our nation. Since President Clinton took office, use of marijuana by 8th graders has increased 176 percent. Cocaine and heroin use among 10th graders have more than doubled. And, as I mentioned before, use of meth ice has risen 60 percent on this Administration's watch.

Even if it is accepted, this amendment will not single-handedly reverse these frightening trends. It is, however, a step in the right direction. It sends the signal this Congress needs to send; namely, that the dangerous manufacture of illegal drugs in public housing is unacceptable.

I want to thank my colleague again for his leadership on this issue. He understands the destruction meth has caused in our state and around the country, and his amendment is an appropriate response. I am glad to join him in this effort.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3207) was agreed to.

Mr. BOND. I move to reconsider the vote.

Ms. MIKULSKI. I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3208

(Purpose: To state the sense of the Senate that it should be the goal of the Department of Veterans Affairs to serve all veterans at health care facilities within 250 miles of their homes, and for other purposes)

Mr. BOND. Mr. President, on behalf of Senators SNOWE and COLLINS, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. BOND] for Ms. SNOWE, for herself, and Ms. COLLINS, proposes an amendment numbered 3208.

Mr. BOND. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

SEC. 110. (a) It is the sense of the Senate that it should be the goal of the Department of Veterans Affairs to serve all veterans at health care facilities within 250 miles of their homes, and to minimize travel distances if specialized services are not available at a health care facility operated by the Veterans Health Administration within 250 miles of a veteran's home.

(b) Not later than 6 months after the date of enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report on the estimated costs to and impact on the health care system administered by the Veterans Health Administration of making specialty care available to all veterans within 250 miles of their homes.

Ms. SNOWE. Mr. President, this amendment will help ensure that America's veterans get the health care and services they deserve as close to home as possible.

My amendment does two things: It expresses the sense of the Senate that it should be the goal of the VA to serve all veterans at health care facilities within 250 miles of their homes, and minimize travel distances if specialized services are not available at a health care facility operated by the VA within 250 miles of a veteran's home.

Second, it mandates that the VA submit a report to Congress on the estimated cost to and impact on the health care system administered by the VA of making specialty care available to all veterans within 250 miles of their homes.

Mr. President, I represent a rural state, Maine, which is served by one Department of Veterans Affairs facility, the Togus VA Medical Center outside the state's capital, Augusta. Many of Maine's veterans already must travel hundreds of miles just to reach Togus—and often, if specialized services are required, they must travel even further to facilities in Boston. This means long drives, frequently in terrible weather, and separation from the vital support that family and friends can provide.

This is not a problem limited to Maine—far from it. It is a problem that exists anywhere where there are vast distances between cities—out west, in the heartland, and down south.

The level of our commitment to this nation's veterans should not be contingent upon the whims of geography. I understand the financial constraints under which the VA must operate, however, the debt we owe our veterans will never be repaid until we do all we can to ensure that all our nation's veterans have appropriate access to services.

Mr. President, this amendment does not all any additional funding to the VA/HUD bill. All it does is to recognize that there is a serious disparity in terms of veterans' access to the services which they earned and to which they are entitled, encourage the VA to make a priority of serving all veterans equally, and require the VA to explore the situation further.

I think we can all agree that we owe our veterans that much. I know that the VA is facing challenging times, but my hope is that the VA will also recognize that our veterans are facing serious challenges in accessing the services they were promised. I urge my colleagues to join me in supporting this amendment.

Mr. BOND. The amendment has been cleared on both sides. It is a sense-of-the-Senate resolution that it should be the goal of the Veterans' Administration to serve all veterans at health care facilities within 250 miles of their home. It sounds like a very reasonable proposal. I urge its adoption.

Ms. MIKULSKI. I gladly accept the amendment offered by my colleague from Maine. Her commitment to health care and its accessibility is long standing. To ensure that veterans don't have to drive miles and miles and miles to get the health care that they need is a very modest amendment that we could agree to.

Mr. BOND. I thank my colleague from Maryland.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3208) was agreed to.

Mr. BOND. I move to reconsider the vote.

Ms. MIKULSKI. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. CRAIG. Will the Senator from Missouri yield for purposes of a colloquy?

Mr. BOND. I am happy to enter into a colloquy with the Senator from Idaho.

Mr. CRAIG. As the Senator is aware, I have worked extensively on assuring the Waste Isolation Pilot Project, a site in New Mexico to store low-level, transuranic waste, is open to dispose of nuclear waste.

Mr. BOND. I am aware of the extensive support the Senator has given to WIPP.

Mr. CRAIG. Is the Senator aware that the New Mexico Environment Department is in the process of issuing a RCRA Part B Permit to have mixed waste shipped to and stored at the site?

Mr. BOND. The Senator from Idaho has made me aware that the RCRA Part B permit is to be issued soon.

Mr. CRAIG. Well, I would like to address that process and the actions of the New Mexico Environment Department for a moment. Mr. Chairman, it is my belief that the State of New Mexico is using an unprecedented process in issuing the RCRA Part B. If the current draft is finalized, the permit would require that each site which seeks to ship mixed waste to WIPP go through a modification of the Part B Permit. This could delay already stalled shipments from sites in New Mexico, Colorado and Idaho because of procedural impediments put in place by the State of New Mexico. This needless delay would likely cause the Department of Energy to violate their agreement regarding the disposal of nuclear waste from Idaho. Mr. Chairman, my point is this: The reason that the State of New Mexico is involved in this process is that the Environmental Protection Agency has delegated its authority over materials regulated by RCRA to the State of New Mexico. However, delegating authority does not, I believe, relieve EPA from its responsibility to ensure that the permitting of the WIPP facility is done within the intent of Congress in the WIPP Land Withdrawal Act and RCRA. As a matter of fact, it is tasked with ensuring that the State acts within the intent of federal law. Mr. Chairman, the Environmental Protection Agency has recently certified that WIPP can accept transuranic waste. However, it sits idly by as the State works to ensure that WIPP is not opened in a timely manner. The EPA should provide adequate oversight of the State of New Mexico to assure WIPP's timely opening.

Mr. BOND. I thank the Senator for bringing this to the attention of the Committee. I would hope EPA would carefully evaluate the situation and keep the Committee informed of its progress.

SENIOR CITIZENS HOUSING

Mr. D'AMATO. Mr. President, I would like to enter into a colloquy with my friend Senator KIT BOND, the distinguished Chairman of the Veterans Affairs and Department of Housing and Urban Development (HUD) Appropriations Subcommittee. I applaud the strong efforts of the Chairman in protecting funding for housing programs for senior citizens. I am pleased to support the funding provided by this bill for elderly housing.

I was pleased to cosponsor Senator BOND's amendment to the Senate Budget Resolution earlier this year, expressing the Sense of the Senate that funding for the HUD Section 202 Elderly Housing program should be protected. The amendment, which passed the Senate by a vote of 97–2 on April 2, 1998, expressed a policy that was not only met but exceeded by this bill. Specifically, I fully support this bill's inclusion of $676 million for the Section 202 program in Fiscal Year 1999—a $31 million increase from the Fiscal Year 1998 funding level.

The HUD Section 202 program is a critical component of our federal housing strategy. The program provides funding for the development of new affordable housing opportunities and services for seniors. This combination of affordable housing with services helps to promote and maintain the independence and dignity of our senior citizens. This critical program helps to protect seniors' quality of life by offering them an opportunity to remain active and respected members of the community.

I was dismayed earlier this year by the Administration's proposal to reduce funding for this important program by over 83 percent, to a level of $109 million. This proposal to cut housing for the elderly was unacceptable. The funding increase provided by this bill sends a strong signal to the Administration that future proposals to cut the program will be met by fierce opposition by the Senate.

Mr. President, I would also like to applaud Chairman BOND's inclusion of a requirement for HUD to conduct a formal study assessing the housing needs of elderly Americans. This much-needed study will examine the unmet housing needs of the elderly and assess the physical condition of the existing stock of affordable housing for the elderly.

In connection with this study, I would like to bring to the attention of the Senate an important resource for elderly housing in my home state of New York. The Council of Senior Centers and Services of New York City (Council) can provide invaluable input to HUD during the development of this study. The Council represents 265 senior service organizations—ranging from individual community centers to large, multiservice, city-wide organizations.

I would ask the distinguished Chairman of the Subcommittee if it is his intent that HUD should develop the required study with the input and assistance of local senior housing providers and nonprofit organizations such as the Council of Senior Centers and Services?

Mr. BOND. Mr. President, I agree with the comments of my friend, Senator D'AMATO, the Chairman of the Committee on Banking, Housing and Urban Affairs, which has jurisdiction over federal housing programs. In an effort to ensure that HUD's elderly housing programs are operating in an effective manner, the Subcommittee included a provision in the legislation to require a report on the unmet housing needs of the elderly and the condition of the existing elderly housing stock. In addition, HUD will report on new and innovative approaches to providing additional housing opportunities while reducing costs and increasing efficiency.

It is the intent of the authors of this legislation that HUD's report on elderly housing shall be developed with meaningful input from a wide variety of interested parties, including government entities and housing organizations. In particular, the authors fully intend HUD to develop this study in partnership with housing and service providers. Furthermore, the Subcommittee is fully cognizant of the invaluable work of the Council of Senior Centers and Services in meeting the housing and service needs of the elderly in New York City. The Subcommittee strongly encourages HUD to solicit the input and advice of the Council in the development of this study.

I thank Senator D'AMATO for his clarifying remarks and I look forward to receiving this much-anticipated HUD report on elderly housing.

TORNADO PREPAREDNESS PILOT PROGRAM IN SOUTH DAKOTA

Mr. JOHNSON. Mr. President, on the night of May 30 a powerful tornado devastated the small community of Spencer, South Dakota. The tornado destroyed ninety percent of the town, injured 150 people, and, most tragically, killed six South Dakotans. I am pleased to say the positive determination of the residents of Spencer to rebuild their lives has been inspirational and all of the surviving victims are making progress toward returning their lives to some semblance of normality.

Unfortunately tornadoes are all too common in my state, however one aspect of the Spencer tornado caught my attention right away—that is the fact the warning siren did not sound because the electricity had been blown out. I recognize that the tornado which hit Spencer was so powerful that sounding a warning siren may not have

spared the residents of Spencer the total destruction of their community. However, reports of the lack of a warning from the siren in Spencer prompted a statewide focus on the quality of the emergency alert capability around my state of South Dakota. Unfortunately, almost every county in my state has acknowledged that it urgently needs some sort of emergency alert upgrade.

Mr. President, my guess is that South Dakota is not unique in that the emergency alert system for tornadoes is inadequate in virtually every part of the state. I suspect many states have never systematically examined their emergency alert systems and how needs have changed since the civil defense sirens were initially erected and technology advanced.

I am hopeful that at least one positive development to come out of the devastation of the Spencer tornado can be legislative action to address the emergency alert needs across the state of South Dakota and this nation. Consequently, I have proposed the creation of Tornado Preparedness Pilot Program to be administered by Region VIII of the Federal Emergency Management Agency.

Mr. President, this pilot program would provide $1 million from the Emergency Planning and Assistance appropriation for grants directly to local and county emergency management officials in South Dakota to provide 75% of the cost of purchasing emergency alert equipment. Examples of emergency alert equipment eligible for purchase under this Tornado Preparedness Pilot Program includes: new sirens with back-up capability, siren upgrade equipment, weather radio transmitters, weather radios and other emergency alert equipment.

This pilot program would be an excellent first step in establishing a nationwide Tornado Preparedness Program much like the Hurricane Preparedness Grant Program and an Earthquake Hazards Reduction Grant Program which currently exist.

Further, I think South Dakota is the appropriate state to conduct this pilot program because in the wake of the tragic Spencer tornado, awareness has been elevated all over the state of South Dakota about the critical importance of high quality, effective emergency alert capability. Our state is now ready to aggressively deal with this problem. Additionally a large, rural state like South Dakota has unique needs. For example, many South Dakotans need a different kind of alert system than sirens because they live in a remote area. Most small communities lack the tax base to fully fund a siren upgrade or the purchase of additional sirens. Also, the terrain of the Black Hills of South Dakota presents challenges for transmitter coverage and also for adequate siren coverage.

Senator MIKULSKI, do you support my proposal to create a Tornado Preparedness Pilot Program in the State of South Dakota?

Ms. MIKULSKI. I appreciate your bringing the situation in South Dakota to the Senate's attention. I encourage the Federal Emergency Management Agency to fund this important initiative.

Mr. JOHNSON. I deeply appreciate the Senator's support. The number of tornados experienced each year throughout the '90s has remained consistently high. Data available from the National Climatic Data Center shows that in every year in the '90s our country has experienced close to or over 1,100 tornados each year. Mr. Chairman, do you agree that the pilot program I have proposed would be useful not only in terms of meeting the needs in South Dakota, but also in terms of providing this nation a model for the future to be used to increase emergency alert capabilities across the country?

Mr. BOND. I urge the Federal Emergency Management Agency to consider funding the pilot program so that we can assess its success prior to the Fiscal Year 2000 appropriations process.

Mr. JOHNSON. I thank the Chairman for this support, and I deeply appreciate your and the Senator from Maryland's willingness to work with me on this critically important issue.

Mr. FEINGOLD. Responding to several constituent inquiries on this matter, I wanted to clarify with the Subcommittee Chairman and the Ranking Member of the purposes for which the funds contained in FY 1999 Department of Veteran's Affairs and Housing and Urban Development Appropriations bill for Section 319 of the Clean Water Act can be used. Is this Senator correct in his understanding, Mr. Chairman, that Phase I, II, and III projects, and lake water quality assessments which were previously done under the Section 314 Clean Lakes Program may be funded with the funds provided for Section 319 grants?

Mr. BOND. Yes, the Senator is correct. With the resources provided in this bill, states may use Section 319 funding for eligible activities that might have been funded in previous years under Section 314 of the Clean Water Act. It is the Committee's hope that Section 314 program activities can be well supported with the funding provided to the 319 program.

Mr. KOHL. I appreciate the clarification by the Senator from Missouri. There has been considerable concern in our home state of Wisconsin that since EPA has combined its budget request for the 319 and 314 programs, Clean Lakes program grants to states have been reduced in the number of projects and dollars spent. I would ask the Senator from Maryland if she shares Senator from Missouri's understanding?

Ms. MIKULSKI. Again, to be clear, the funds in this legislation can be used to support Section 314 program priorities. EPA Regional Clean Lakes Coordinators and EPA Regional Nonpoint Source Coordinators and their counterparts at the state and local level will need to work together to assure that critical Clean Lakes program needs, such as water quality assessment and diagnostic studies, are accomplished with 319 dollars.

Mr. FEINGOLD. I thank the Chairman and Ranking Members for their explanations.

HOUSING ASSISTANCE

Mr. WELLSTONE. Mr. President, I understand that in conference the issue of FHA property disposition reform may be raised. Without going into the details of any possible changes to the program, I would like to receive some indication from the bill managers as to how the funds that would be saved by such reforms might be used. I hope such savings would be used for housing assistance. It seems to me that this would be a unique opportunity to further address the 5.3 million American households with worst case housing needs. I know that my colleagues on the VA/HUD appropriations subcommittee worked hard to put as much money into housing as possible given the constraints that they were working under. I know housing is a priority for them. So I would simply ask my colleague if he agrees with the logic of putting HUD program reform savings into housing assistance.

Mr. BOND. I appreciate the question from the Senator from Minnesota. I agree that there are greater housing needs in this country than can be met by this bill, though I believe the Committee has done a good job of trying to reconcile a lot of conflicting priorities. Naturally it would be the intent of this senator to maximize the number of Americans who are able to avail themselves of federal housing assistance.

Ms. MIKULSKI. I concur with the observations of the Senator from Minnesota. There is a disturbingly large gap between the number of units of affordable housing and the number of families in need. Savings from HUD property disposition reform should go to federal housing assistance in some form. As a clarification, would it be correct to say that my Colleague from Missouri agrees with the Senator from Minnesota and myself that if savings could be found within the HUD accounts, that housing programs would be a primary target for such funds?

Mr. BOND: That is correct. I also want to emphasize that the reform of FHA property disposition is critical, but needs to be designed to ensure that property disposition helps to protect distressed communities, where applicable.

Ms. MIKULSKI. I concur with Chairman BOND and will work with him to ensure that the reform of the FHA property disposition program protects local communities.

Mr. WELLSTONE. The Chairman and Ranking member's comments on property disposition reform are well taken. I thank my colleagues.

Mr. BINGAMAN. Mr. President, I want to commend Senators BOND and MIKULSKI for their hard work in bringing this appropriations bill to floor. I

realize it is a difficult task to accommodate so many members' requests, and I appreciate their efforts. I do want to bring to their attention, however, a project I believe is very worthy of funding. It is a multi-purpose in Shiprock, New Mexico, which is on the Navajo Indian Reservation. The center would primarily be for Navajo youth. I know the Senator from Maryland is well aware that juvenile crime, drug abuse, alcohol abuse and unemployment are very serious problems on the Navajo reservation. There is a desperate need to get these problems under control and give youth a meaningful alternative. This multi-purpose Center will do exactly that.

Ms. MIKULSKI. I thank the Senator from New Mexico for bringing this worthy project to my attention. I am aware of the serious problems on the Navajo reservation, and I agree that this is a worthy project. The Senator from New Mexico has my commitment to work in conference to support this project should funding become available.

Mr. BINGAMAN. I thank the Senator from Maryland for her commitment to help address the desperate situation facing many of these Navajo youth, and I look forward to working with her.

Mr. NICKLES. I thank my friend from Missouri for allowing me to ask him a question regarding the Supreme Court's June 25th ruling that the line-item veto is unconstitutional. As Chairman of the VA/HUD Appropriations Subcommittee, I believe his opinion on this matter is important. Especially, in light of the fact that his Subcommittee has approved $900,000 in its FY 1998 Conference Report for the final planning and design stages of a new national veterans cemetery in Oklahoma which was line-item vetoed by the president.

My question is this, now that the line-item veto has been declared unconstitutional, does the VA now have the authority to spend the $900,000 that was appropriated in the FY 1998 VA/HUD bill.

Mr. BOND. It is my understanding, now that the Line-item veto has been declared unconstitutional, that the VA can go ahead and spend the $900,000 that was appropriated in the FY 1998 VA/HUD Appropriations bill, and I strongly encourage the VA to do so, as expeditiously as is possible.

Mr. NICKLES. I thank the Chairman. I want to add that my staff asked the Congressional Research Service (CRS) this same question and in a memo to my staff CRS offered this opinion, ''The United States Supreme Court has held that a law that is repugnant to the Constitution is void and is as no law.'' Seeing as the line-item veto has been declared unconstitutional, it is void and is as no law. Therefore one can conclude that the $900,000 set aside for the cemetery in Oklahoma should be spent by the VA for that purpose.

Mr. BOND. Again, I agree with my friend from Oklahoma. I am of the opinion that the VA can and should spend the $900,000 for the national veterans cemetery in Oklahoma. I do want to say to my friend and colleague from Oklahoma, that it is my understanding that the Administration is still debating how to move forward on this issue—the line item veto being declared unconstitutional. If for some reason, the Administration determines that the money is not available to be spent in FY 1998, or does not reach a decision regarding the final disposition of these funds by the time this bill goes to Conference I, as Chairman of this subcommittee will do everything I can to make sure that the $900,000 for the final planning and design stage of the new national veterans cemetery is included in the FY 99 Conference Report so that this important project can move forward in FY 1999.

Mr. NICKLES. I thank the Chairman for his support of this project, and for the cooperative manner in which he has worked with me on this important matter for the veterans of Oklahoma.

Mr. LEVIN. Mr. President, I would like to engage the distinguished majority manager of the bill in a brief colloquy regarding the Great Waters program.

As the Senator from Missouri is aware, the Great Waters program is important to my state, the Great Lakes, the Chesapeake Bay, and Lake Champlain area and all states with coastal waters. The program is intended to monitor atmospheric deposition of toxic air pollutants, provide information on these pollutants sources and loadings in our surface waters, and recommend to Congress any necessary changes in the Clean Air Act to prevent serious adverse effects to public health and serious or widespread environmental effects. These are important multi-media tasks that should receive Congress's full support. This program will help us identify and reduce toxic air pollution in an efficient way.

The FY99 budget request for the Great Waters program, also known as section 112(m) of the Clean Air Act, is $1.484 million. In FY 98, the program received $2.612 million in appropriations. The House Appropriations Committee has included language in its report urging that the EPA ''—provide at least $3 million to carry out—the Great Waters program.'' I would hope that, at a minimum, the Senate would support this amount for this important program.

Could the Senator indicate what the Senate's position would be in the conference on this matter?

Mr. BOND. I thank the Senator from Michigan for his interest. As he knows, the Senate report and bill do not speak directly to the Great Waters program. But, barring action on any amendment specifically to reduce that program, I see no reason that the Senate conferees would not accept the House statement.

Mr. LEVIN. I appreciate the Senator's assistance and attention to this issue.

SWEETWATER BRANCH PROJECT, GAINESVILLE, FL

Mr. MACK. Mr. Chairman, I would like to engage in a colloquy with you concerning a very important project in the State of Florida, known as the Sweetwater Branch/Payne's Prairie Stormwater Protection Initiative.

Mr. BOND. I would be pleased to engage in a colloquy with the Senator from Florida on what I do understand is a project that will have a positive impact on the drinking water supply or the residents of Central Florida.

Mr. Mack. I thank the chairman. Through the Sweetwater Branch/Payne's Prairie Stormwater Protection Initiative, the City of Gainsville, Florida is attempting to tackle a very critical and complex problem that confronts not only Gainesville, but ultimately the drinking water supply of much of Central Florida.

The Sweetwater Basin, which emanates above and beyond Gainesville, runs through some of the oldest sections of the City. The Sweetwater Basin discharges into a very critical natural resource in Florida, known as Payne's Prairie, a natural reserve park owned by the State of Florida. It is home to a number of plants and animal species that are unique to Florida. As these discharges move further through the system, they discharge into what is called the Alachua Sink, a major natural sink hole that drains directly into the Florida Aquifer.

The City has taken the initiative to bring together the State, the County and a broad array of environmental resources and interests in order to tackle the problems that result from contaminated runoffs which seriously impact the health of Payne's Prairie and ultimately the Florida Aquifer. The City is trying to address the problem now, in order to prevent a more serious deterioration. Unfortunately, this is a problem and a project that is beyond the scope and reach of this one small city.

Mr. BOND. Has Gainesville been working with other jurisdictions concerning this initiative?

Mr. MACK. Yes, it has. The City has brought together and obtained the support of Alachua County, the St. Johns Water Management District, and the Florida Department of Environmental Protection for the purpose of providing a solution to this problem. The City of Gainesville is to be commended for bringing together so many various interests and impact parties to address this problem. This City needs help. They have devised a preliminary plan with a relatively low cost which could ameliorate and potentially resolve the situation, but because the project is beyond the scope of the City's jurisdiction, it seems to fall between the cracks of any one federal program at this time.

Mr. BOND. I understand your concerns, and the reasons for you support of this project. This project would appear to warrant support as a special demonstration project through the Environmental Protection Agency.

Do I understand that the City of Gainesville has been devoting its own resources towards the resolution of this problem and is fully committed to a financial partnership on this project?

Mr. MACK. The Chairman is correct. The City of Gainesville has a long history of taking care of its own problems with local resources. In this case the City has already committed resources to the development of this plan and remain commits to a financial partnership.

I am pleased, Mr. Chairman, that you agree with me on the importance of this project and are willing to work with Senator Graham and the City of Gainesville to explore a more specific source of funding for this project in the up coming Conference with the other body. It is my understanding that this is correct?

Mr. BOND. Yes, Senator you are correct in your understanding. Further, I appreciate the position of the Senator from Florida and do commend the City of Gainesville for its initiative. I would like to work with you to further explore ways to assist Gainesville in moving this partnership forward, an to address this further in final FY'99 legislation.

Mr. MACK. Thank you, Mr. Chairman for your consideration. I am confidant that we can work together to provide funding for this project through the Environmental Protection Agency.

DRINKING WATER STATE REVOLVING LOAN FUND MONEY

Mr. BROWNBACK. Mr. President, I ask Senator CHAFEE, as chairman of the committee with jurisdiction over the Safe Drinking Water Act if he could please explain the eligibility requirements to qualify for loans from the Drinking Water State Revolving Loan fund, or DWSRF as it is commonly known?

Mr. CHAFEE. Yes, I would be happy to. The DWSRF is to be used to assist pubiic water systems to finance infrastructure projects needed to comply with federal drinking water regulations. Public water systems that regularly serve at least 25 year-round residents or have a least 15 service connections qualify for assistance. The DWSRF may be used if it will significantly further the public health objectives of the Act. We recognize that there are a few communities that are currently serviced by wells that are contaminated, and the best way to solve the existing public health problems intended to be addressed by the Act may be to create a federally regulated public water system.

Mr. BROWNBACK. A community in Kansas called Colwich receives their drinking water from private wells. When the county tested a sampling of the wells in this community they discovered that 81 percent of the wells are poorly constructed, 75 percent are improperly located, 29 percent experience bacterial problems and 6 percent have levels of nitrates greater than the EPA recommended level. Senator CHAFEE, as a cosponsor to the Safe Drinking Water Act Amendments of 1996, is it your opinion that providing DWSRF money to the community of Colwich will enable the families of Colwich to have safe drinking water and will further the health objectives of this Act?

Mr. CHAFEE. Yes, it is my opinion that providing Drinking Water State Revolving Loan fund money to the community of Colwich to create a public water system will further the health objectives of the Safe Drinking Water Act Amendments of 1996. Therefore, the State of Kansas has the authority to allocate DWSRF money to the community of Colwich.

Mr. BOND. Although the Appropriations Subcommittee on VA, HUD, and Independent Agencies was able to increase the drinking water SRF for fiscal year 1999 to $800 million, it is impossible to expect the DWSRF to fund new projects where there is not a public health threat. The purpose of the DWSRF is to fund drinking water systems that are having difficulties complying with the Act, it is not intended to finance new drinking water systems for communities that are having difficulties distributing drinking water.

FORT HARRISON VAMC SEWER LINE

Mr. BURNS. Mr. President, I'd like to clarify the issue of funding for a new sewer line connecting Fort Harrison VA Medical Center to the City of Helena. The Senate Appropriations Committee Report directs the VA to work with interested parties on a cost-sharing plan for the sewer line. The Committee has received a commitment from the Department of Veterans Affairs to provide $1.4 million for the sewer line out of its minor construction account. This amount is slightly over half of the estimated total cost for the project. Does the Chairman concur that the Committee endorses this funding agreement and expects the VA to make the funds available in an expeditious manner?

Mr. BOND. I concur with the Senator from Montana. The Committee expects the VA to provide $1.4 million for the Fort Harrison sewer line in an expeditious manner. I thank the Senator from Montana for the clarification.

Mr. CRAIG. Mr. President, I rise to commend the Chairman on his leadership and hard work on his bill. He and the Subcommittee have had to make hard decisions about scarce resources and have labored to do so fairly. I also appreciate the Chairman's diligence in pursuing needed, aggressive oversight of some large agencies that, at times, have been sluggish in responding. He and the Subcommittee have made real efforts to make sure the taxpayer's hard-earned dollar is spent effectively and efficiently. I have seen first-hand, and appreciate, the Chairman's dedication to the integrity of this process.

I request that the distinguished Chairman and I be permitted to engage in a colloquy.

As the Chairman knows, the City of McCall, Idaho, is faced with the absolutely critical need to make significant improvements to its water system. McCall faces a potential cost of $6 million because of federal mandates for water purification.

However, as much of 85 to 90 percent of these capital costs might be saved by installing a new, prototype, filtration technology. The City only recently received a proposal for a prototype filtration system. In what ought to be a prototype for voluntary private-public partnerships, the cost of research and development of the system would be borne by the contractor.

That leaves the City with the need for $253,000 toward installation, start-up, and initial testing of the system. Through no fault on anyone's part, the proposal was not ready for the City to review, and could not be submitted to the Subcommittee, in time for consideration during the markup of this bill.

I would ask the Chairman if he could work with us in conference to evaluate this request, with an eye toward inclusion in the conference report.

This investment of $253,000 would not only save the community of McCall possibly more than $5 million, it would be a demonstration project that could help countless other communities, as well as the federal government, save millions of the taxpayers dollars in the future. I believe such a project would be consistent with the missions of either the EPA Science and Technology program or EPA State and Tribal Grants.

Mr. BOND. I appreciate Senator CRAIG's concern for the City of McCall, its environment, the burdens imposed by federal requirements, and the very real need that this and other communities have to comply with federal mandates as economically as possible.

I will be happy to work with the Senator to examine this proposal more thoroughy. If we can determine that this project does, indeed, qualify for existing EPA programs, we will see what can be done to address this need.

EPA GRANT PROGRAMS FOR PLANNING FUTURE GROWTH

Mr. BENNETT. Mr. President, I take the Senate floor to enter a colloquy with the distinguished Chairman of the VA, HUD and Independent Agencies Subcommittee, Senator BOND. The topic of which I speak is the tremendous growth that continues to take place in my home state of Utah. Presently, Utah is ranked by the U.S. Bureau of the Census as the third fastest growing state in the Union. While Utah is often thought of as a rural state, roughly 80 percent of our population resides in the narrow mountain valleys along 100 miles of the Wasatch Front. In reality, Utah is one of the most urban states in the country.

With this in mind, I would like to thank the Chairman of the VA, HUD Committee for his assistance in including report language in the Fiscal Year 1999 bill, which encourages the Environmental Protection Agency (EPA) to work with Envision Utah, a private/

public organization tasked with planning for Utah's future. I would also like to ask Chairman BOND whether or not additional EPA programs might be of assistance to Envision Utah in fulfilling its mission?

Mr. BOND. I am happy to respond to my colleague from Utah that EPA has a number of programs that can assist organizations like Envision Utah in preparing for future growth demands. Clearly, EPA's mission of protecting the environment includes management of resources such as open space by encouraging sound urban planning. I encourage the EPA to look at any grant program that might help Envision Utah meet its goal of preparing Utah for future growth.

Mr. BENNETT. I thank my friend from Missouri for his assistance and support in addressing growth in Utah.

BUDGET COMMITTEE SCORING OF S. 2168

Mr. DOMENICI. Mr. President, I rise in support of S. 2168, the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Bill for 1999.

This bill provides new budget authority of $93.9 billion and new outlays of $54.5 billion to finance the programs of the Departments of Veterans Affairs and Housing and Urban Development, the Environmental Protection Agency, NASA, and other independent agencies.

I congratulate the Chairman and Ranking Member for producing a bill that complies with the Subcommittee's 302(b) allocation. This is a one of the most difficult bills to manage with its varied programs and challenging allocation, but I think the bill meets most of the demands made of it while not exceeding its budget and is a strong candidate for enactment. So I commend my friend the chairman for his efforts and leadership.

When outlays from prior-year BA and other adjustments are taken into account, the bill totals $91.9 billion in BA and $102.4 billion in outlays. The total bill is at the Senate subcommittee's 302(b) allocation for budget authority and outlays, for both defense and nondefense.

I ask members of the Senate to refrain from offering amendments which would cause the subcommittee to exceed its budget allocation and urge the speedy adoption of this bill.

Mr. President, I ask unanimous consent that a table displaying the Budget Committee scoring of the bill printed in the RECORD.

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

S. 2168, VA–HUD APPROPRIATIONS, 1999 SPENDING COMPARISONS—SENATE-REPORTED BILL

[Fiscal year 1999, in millions of dollars]

	Defense	Nondefense	Crime	Mandatory	Total
Seante-reported bill:					
Budget authority	131	69,855		21,885	91,871
Outlays	127	80,653		21,570	102,350
Senate 302(b) allocation:					
Budget authority	131	69,855		21,885	91,871
Outlays	127	80,653		21,570	102,350
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	70,607		21,885	92,623
Outlays	127	81,163		21,570	102,860
House-passed bill:					
Budget authority					
Outlays					
Senate-reported bill compared to:					
Senate 302(b) allocation:					
Budget authority					
Outlays					
1998 Enacted:					
Budget authority		569		553	1,122
Outlays	(12)	403		1,509	1,900
President's request:					
Budget authority		(752)			(752)
Outlays		(510)			(510)
House-passed bill:					
Budget authority	131	69,855		21,885	91,871
Outlays	127	80,653		21,570	102,350

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

AMENDMENT NO. 3209

Mr. BOND. I have a managers' amendment to offer, and I offer it en bloc. It has been cleared on both sides.

First, there are a number of technical amendments.

Second, for Senators CAMPBELL, STEVENS, and MACK, there are several amendments to ensure Native American groups are eligible for HUD drug elimination grants and the HUD rural housing and economic development.

Third, for Senator D'AMATO, we are continuing the authority for the HUD G–4 auction program.

Fourth, we are allowing HUD to use data on multifamily housing developed by the Multifamily Housing Institute.

Fifth, this amendment would require all agencies under the bill to provide detailed salaries and expenses information.

In addition, we are including Senator FRIST's amendment which authorizes OSTP, the Office of Science and Technology Policy, to conduct a study on methods for evaluating federally funded research and development.

We have also included an amendment for Senator WELLSTONE providing for a 12-month notice to tenants before prepaying the mortgage of a preservation project. Owners who have already filed notice would not be impacted. We appreciate Senator WELLSTONE's providing this amendment. We had been hoping we could have adopted this one a number of weeks ago.

Finally, we included a number of reforms of the FHA which we believe are very sound and responsible provisions. They are from Senator NICKLES, Senator MACK, and Senator FAIRCLOTH to direct HUD to improve the management of FHA.

I send this amendment to the desk and ask for its consideration en bloc.

The PRESIDING OFFICER. If there is no objection, the amendments will be considered en bloc.

The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. BOND], for himself and Ms. MIKULSKI, proposes an amendment numbered 3209.

Mr. BOND. I ask unanimous consent reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

NOTICE REQUIREMENTS FOR PREPAYMENT OF FEDERALLY SUBSIDIZED MORTGAGES

Mr. WELLSTONE. Mr. President, I rise today to thank the Chairman and Ranking Member for including in the manager's amendment, my amendment to the VA/HUD appropriations bill. This amendment addresses the loss of Section 236 and Section 221 housing across the country. Prepayment of federally assisted mortgages is exacerbating an already static housing market and is wrenching for the tenants, who often barely receive adequate warning that their homes may soon become too expensive for them to afford. My amendment provides tenants and local officials with fair notice that a Section 236 or 221 building is leaving the federal subsidy program. This allows tenants the ability to try and find alternate housing, and non-profits and local governments the opportunity to preserve the housing by buying out the owner's interest.

Section 236 and Section 221(d)(3) of the National Housing Act provided for the creation of federally assisted, privately owned affordable housing. Under the Section 221 program, the federal government insured the mortgages on certain rental housing, under the Section 236 program, the federally government subsidized the interest payments that owners of rental housing made on the mortgages. Both of the programs offered the security of a federal subsidy for building owners in return for their maintaining these buildings as affordable housing—the regulatory agreement signed between HUD and the building owner restricted the rents which could be charged on the units within the building so long as the mortgage was insured or subsidized by HUD. To be eligible for the program, an owner signed a 40 year mortgage, however, the deeds of trust for such properties that the owner could prepay the mortgage or terminate the insurance contract after 20 years and potentially remove that building from the pool of affordable housing.

By the late 1980's, Congress realized that the loss of Section 236 and Section 211 properties could be devastating to the supply of affordable housing. In many communities across the country, housing and real estate markets were tight enough that owners of such properties had a strong incentive to leave the programs and convert their units to market rate, or to find alternate uses for the property. In 1987, Congress enacted the Emergency Low Income Preservation Act, which created a two year moratorium on prepayment of Section 221 or Section 236 mortgages. This was done to allow Congress some time to formulate a comprehensive solution to the prepayment problem. In 1990 as part of the National Affordable Housing Act, Congress enacted the Low Income Housing Preservation and Resident Homeownership Act of LIHPRHA (LIPRA). This law was intended to manage the prepayment process, to provide incentives for owners with critical properties to stay in the system and to create a mechanism for transfer of properties to nonprofit or resident ownership.

Today this system is in tatters. Congress has not appropriated funds for the incentive program since fiscal year 1997 and it appears that HUD is no longer enforcing the provisions of LIHPRHA which call for fair notice to tenants and a plan of action to be submitted by owners.

Mr. President, the loss of Section 236 and 221 properties has become a crisis in my state. The Minnesota Housing Finance Agency believes that 10% of Minnesota's Section 236 and 221 housing is at risk—Housing advocates believe that the long term losses will be far greater. But the loss of these apartment buildings does not occur in a vacuum, the Twin Cities metropolitan area has a vacancy rate of 1.9 percent—five percent vacancy is usually regarded as full. The loss of these buildings as affordable housing is absolutely devastating to these communities.

Mr. President, I'd like to share some examples from my own state of illustrate the problem facing these tenants. These Minnesotans have had their lives completely disrupted by the prepayment of a Section 236 mortgage and if you listen to their stories over and over again you hear the same thing: with more notice they could have organized an equitable buy out of the current owner's mortgage or have made a dignified search for other housing.

Terry Truja moved into Oak Grove Towers in Minneapolis, MN, ten years ago when she became disabled; she now uses a wheel chair. She lived in the neighborhood around Oak Grove Towers for seven years prior to her disability and worked as a nurse. Her building's Section 236 mortgage was prepaid in July of 1997. Prior to the prepayment, Terry paid $250 a month for her apartment. After prepayment, her apartment now rents for $615. She has been able to stay in her apartment for one year thanks to en Enhanced Section 8 Voucher, but she will not be eligible for ordinary Section 8 after that period. Terry and the other tenants of Oak Grove Towers received 60 days notice that the mortgage was being prepaid. They are trying to work with a local non-profit who wishes to buy the building and keep it as low income housing, but now they are fighting against time. Extra notice could have made all the difference.

Elza Glikina is a Russian immigrant who lives with her husband in Oak Grove Towers. She speaks fluent English and serves as a contact with the outside world for the many elderly Russian immigrants who live in the building, many of whom do not speak English. She says that these people ''lived through so much grief in their lives'' back in their home countries and that they ''thought they had found peace'' here in Oak Grove Towers where they have formed closed bonds with others of the same nationality. For them, Elza said, the prepayment was terrifying. It reminded them of arbitrariness and soullessness of life in the Soviet Union. 60 days was not enough time for these immigrants to get their affairs in order, to apply for supplemental assistance. Though Elza is more capable then most, she says that she ''feels sick at the thought of moving.''

Jennifer Nguyen is a severely disabled Vietnamese immigrant who lives next to her brother and mother in Oak Grove Towers. She suffers from multiple medical problems, including tuberculosis and has only a portion of one lung remaining. Her doctor is located in the neighborhood, and her health might be seriously jeopardized if she is forced to move. She likes living at Oak Grove Towers, but if the building is not sold to a non-profit, she will likely have to relocate to the suburbs—away from her friends and her doctor.

Ann Peterson is a mother with a nine year old son who lives in Boulevard Villa in Coon Rapids, MN. She works, but medical problems make employment difficult. The mortgage on their building was prepaid in April of this year. Tenants and local housing officials received three weeks notice of prepayment. Ann and others tried to find a non-profit to take over the mortgage but three weeks was just not enough time—in fact it took 6 weeks after prepayment for the paperwork to provide Enhanced Vouchers to be approved. She has lived there 8 years and says that she still ''has faith that they will be able to stay.'' She continues to try and find a buyer for the building.

Mr. President, these are a few stories from two buildings where the Section 236 mortgages have been repaid. Together they represent the potential loss of 281 units of affordable housing—in a market that already has a 1.9 percent vacancy. Again, I think there stories show why notice is important for two reasons: as a buffer to the tenant and to allow local governments and non-profits time to react to keep the housing affordable.

Mr. President, I believe my amendment is a step in the right direction. It:

1. Requires an owner of eligable low income housing, such as a Section 236 or Section 221(d)(3) building, who intends to prepay a federally subsidized mortgage or terminate the federal insurance contract to give a one year notice of such intent to the tenants of the affected property and to the appropriate state and local authorities.

2. Waives this requirement in the event that the owner wishes to transfer the property to a non-profit or Residents Council which intends to maintain the units as affordable housing.

3. This amendment does not apply to owners who have already given notice of prepayment or termination, as of July 7, 1998, in accordance with current law and regulation.

Under current federal law, tenants of federally assisted rental housing receive only 30 or 60 days notice of an owner's attempt to pre-pay an insured mortgage. This short time period makes it impossible for the tenants, their advocates, local or state government to devise any alternatives to prevent the permanent loss of affordable housing. Minnesota has enacted a one year prepayment notice requirement, but this been pre-empted by LIHPRHA, LIHPRHA specifically struck down state laws which put more restrictive requirements for Section 236 and 221 than is provided for in federal law. This was justified by the funding mechanism also included in LIHPRHA, which was designed to preserve the housing should the owner decide to prepay. Now that this federal funding is gone, I believe Congress should act to require a firm, one year notice period. Again, however, my amendment is not intended to cover owners who have given legal notice of prepayment or termination under the prepayment process currently being implemented by HUD.

Mr. President, the Congressional budget office has determined that my amendment would not add to the cost of this bill. I don't believe it will be a burden to owners either. It simply provides warning to tenants, warning that I believe out of simple dignity they should be provided, and gives local and state governments the tools they need to preserve the housing—after buying out the owner at a fair price—in the affordable housing pool.

Mr. President, other speakers have talked about the crisis in affordable housing. We are at a point in our history where we are simultaneously experiencing some of the most tremendous economic growth while enduring an all time high of renters with worst case housing needs—5.3 million people across the country. My amendment is a small change, but if it is a change which provides low income tenants with increased security and allows for ample warning so that housing can be preserved then, I believe it will have a big impact.

Mr. BOND. I ask unanimous consent that it be designated as a Bond and Mikulski amendment.

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

The question is on agreeing to the amendment.

The amendment (No. 3209) was agreed to en bloc.

Mr. BOND. I move to reconsider the vote.

Ms. MIKULSKI. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. BOND. Again, my sincere thanks particularly to my colleague from Maryland for her fine staff. My thanks to our staff for staying with us. I think we have set a record for debate, for expeditious handling of VA/HUD bill. We are grateful, No. 1, to the leadership, Senator DASCHLE and Senator LOTT, for giving us such a propitious time to expedite the consideration of this measure.

Let me extend my special thanks to the occupant of the Chair and all of the floor personnel, including the pages, of the Senate for staying with us to quarter to 12, and perhaps a little later. We appreciate your willingness. This has helped us move forward.

Ms. MIKULSKI. Mr. President, as we close the debate on the fiscal year 1999 VA/HUD bill, I thank Chairman BOND, first, for all the courtesies that he has extended both to myself and to my staff during the entire year that we have considered this legislation—many hearings, many discussions, many issues that we ironed out so we could come to the floor with the bill that really met compelling human need and investment in the future.

And at the same time, avoid a lot of the wrangling that sometimes can surround appropriations bills. I also think he handled the bill tonight with great deftness. We want to thank him. I want to thank his staff, Carolyn Apostolou and Jon Kamarck for the outstanding job they did. Of course, I could not stand here and be able to articulate the position of both my party and my own beliefs without my very able staff. I thank Andy Givens, David Bowers and Bertha Lopez, who were with me throughout the entire year as we moved this bill.

So I look forward to voting for the bill tomorrow and in conference. And really, for all of the pages who have worked so late, they should know that this bill has really helped. We have housing for the poor and have saved the environment, invested in the future. I could go on, but I am going to now yield the floor.

Mr. BOND. Mr. President, I ask unanimous consent that the votes ordered with respect to the amendments offered to the VA–HUD appropriations bill occur in the order they were offered, beginning at 9 a.m. tomorrow morning as under the previous order. I further ask that no second-degree amendments be in order to the amendments.

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

Mr. BOND. For the information of all Senators, the voting schedule for Friday morning is as follows:

The Wellstone amendment regarding veterans compensation. I understand that the chairman of the budget committee will raise a point of order with respect to this amendment so the vote will be on a motion to waive the budget act with respect to the Wellstone amendment.

Following the Wellstone vote the Senate will vote on or in relation to the Murkowski amendment regarding Alaska veterans, followed by a vote on or in relation to the Nickles FHA amendment, followed by a vote on or in relation to the Burns amendment regarding NASA indemnification, followed by a vote on or in relation to the Sessions amendment regarding NASA funding.

It is hoped that following the preceding amendment votes the Senate will immediately move to final passage of the VA-HUD Appropriations Bill.

UNANIMOUS CONSENT AGREEMENT

Mr. President, I ask unanimous consent that when the Senate completes all action on S. 2168, that it not be engrossed and be held at the desk. I further ask that when the House of Representatives companion measure is received in the Senate, the Senate immediately proceed its consideration; that all after the enacting clause of the House bill be stricken and the text of S. 2168, as passed, be inserted in lieu thereof; that the House bill, as amended, be read for a third time and passed; that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses thereon, and the Chair be authorized to appoint the following conferees on the part of the Senate: Senators BOND, BURNS, STEVENS, SHELBY, CAMPBELL, CRAIG, MIKULSKI, LEAHY, LAUTENBERG, HARKIN, and BYRD; and that the foregoing occur without any intervening action or debate.

I further ask unanimous consent that upon passage by the Senate of the House companion measure, as amended, the passage of S. 2168 be vitiated and the bill be indefinitely postponed.

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

MORNING BUSINESS

Mr. BOND. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

REMARKS OF THE HONORABLE HOWARD H. BAKER, JR.—LEADER'S LECTURE SERIES

Mr. LOTT. Mr. President, this was old home week in the Senate. Former Senator Howard Baker of Tennessee, who served almost two decades in this body, returned to give us a piece of his mind—in the best sense of the phrase.

To be precise, he delivered, in the august Old Senate Chamber, the second presentation in our Leader's Lecture Series. The first address earlier this year, by former Senator Mike Mansfield, was both moving and memorable. Senator Baker's remarks were no less so.

He entitled his remarks ''On Herding Cats,'' a reference to the nature of the work of a Senator Majority Leader—or, for that matter, a Minority Leader. Suffice it to say that, as the current holder of the leadership office which Senator Baker gave up when he left the Senate, I fully understand what he means.

To advance the public's understanding of the Senate, and to further appreciation of its unique traditions and procedures, I ask unanimous consent that the text of Senator Baker's Lecture be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF THE HONORABLE HOWARD H. BAKER, JR., LEADER'S LECTURE SERIES, JULY 14, 1998

ON HERDING CATS

I first walked into the gallery of the United States Senate nearly sixty years ago. My great-aunt Mattie Keene was secretary to Senator K.D. McKeller of Tennessee, and I came here to visit her in July 1939 as a 13-year-old-boy, and she procured gallery passes for the House and the Senate.

The Senate had only the most primitive air conditioning in those days. It was principally cooled by a system of louvers and vents and sky lights that dated from 1859, when the Senate vacated this chamber and moved down the hall to its present home.

The system did not work very well against Washington's summertime plague of heat and humidity, and as a consequence, Congress was not a year-round institution in those days.