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In addition, witness after witness testified that a major problem they faced in obtaining Government contracts is the lack of access to timely information on procurement bids. S. 1730 contained several proposals to get more detailed information out to small business firms interested in contracting. However, the bill we introduce today retains this theme. The provisions in our legislation on this topic underscore the crucial importance of getting adequate information to interested firms in a timely manner.

One area where I have received numerous comments from small firms interested in procurement contracts is the issue of accountability. Many small business owners contend that all the legislation in the world will not improve their situation unless Government agencies are held accountable for efforts to bring in small business contracts. Again, the bill I introduce today takes some important steps in this direction. Of particular significance in this vein are the provisions of the bill pertaining to Breakout Procurement and Small Business representatives.

In conclusion, Mr. President, I am pleased to see the effort to bring more small firms into the Federal procurement process take another step forward today. The bill I introduce today serves as an excellent springboard to this new legislation. I look forward to continued cooperation between all interested parties in our efforts to address one of the most serious concerns in the small business community: increased small business participation in the Federal procurement process.

Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of S. 2489, the Small Business Competition Enhancement Act of 1984. This measure is an improved version of a bill I cosponsored during the first session of this Congress, S. 1730. I believe S. 2489 makes a significant improvement in the manner in which both civilian agencies and the Department of Defense procure spare parts, support equipment and services. I urge my colleagues to support this bill.

This bill provides remedies for problems many small businesses encounter when they attempt to compete for Federal Government procurements. It provides an advantage to a prime contractor or subcontractor who is willing to allow open competition for replenishment spare parts for the system.

It addresses the use of prequalification requirements as barriers to competition—more about this point later. It requires major systems contractors to sell technical data to the procuring agency, so competitive replenishment spare parts procurements can be undertaken.

It establishes a requirement that proprietary data claims be validated and justified, and establishes a system of financial disincentives for asserting unfounded claims for proprietary rights to data. Finally, it expands the Small Business Administration's Breakout Procurement Center representation for small businesses to these representatives' authority and responsibility as advocates for competition in procurement.

Rather than go through these provisions in detail, I want to tell you why I have suggested that it is unfortunately too easy to find horror stories in spare parts procurement. I want to relate an experience of mine in this area, an experience which had a happy ending both for the small business concerned and for the U.S. taxpayer.

This story involves overpricing of spare parts, but rather than retell the financial details, I want to describe for your benefit an open opportunity which this one small business faced, and explain how this measure, S. 2489, would have prevented it from happening had it been law at the time.

A small New York firm, B. H. Aircraft Co., Long Island, was excluded from an Air Force spare parts procurement because B. H. was not an engineering qualified source. After a long struggle, B. H. qualified and won a contract which saved the U.S. taxpayer many millions of dollars.

S. 2489 would correct this problem by requiring that, if an agency employs a prequalification requirement for an engineering qualified source process, it must do the following things: First, prepare a written justification for the requirement; second, establish specific standards to be met to become qualified; third, provide to a contractor the opportunity to attempt to become qualified; and fourth, return test results in a timely manner, setting forth specifically why a contractor failed to qualify, in the event of failure.

In the B. H. Aircraft case, this small business was first encouraged to submit a bid, but was then told their bid would not be accepted because they were not an engineering qualified source. When they enquired what actions they would have to take to become qualified, they suffered a long delay. Apparently, no written standards had ever been established, so the contracting office had to contact the original equipment manufacturer to ask their opinion on the proper qualification process.

When the original equipment manufacturer, who was a competitor for the contract upon which B. H. Aircraft sought to bid, replied to the request from the Air Force, the Air Force chose to establish a more demanding standard than the original equipment manufacturer had provided. This standard required an extensive and intensive testing procedure for the item being procured, a process which could not be completed before the competition question ended with the contractor award to one of the two qualified sources. This tactic effectively closed the procurement to B. H. Aircraft.

Fortunately, through great personal effort by the officers of B. H. Aircraft and through my personal involvement, the Air Force was persuaded to re-examine its decision and, ultimately, to allow B. H. to compete for the contract, which they won.

This was an extraordinary effort, a bureaucratic odyssey which most small businesses would not consider attempting and which even fewer could complete. This single example of one of the barriers facing a small business attempting to compete for Federal procurements is illustrative of a whole class of such experiences. No small businessman should be forced to face the difficulties B. H. Aircraft faced and overcome. This measure would prevent new instances of abuse of the prequalification requirement to prevent other businesses from competing for award of certain contracts.

I could provide other examples from my country. Unquestionably, these examples are many and few ended as happily for the small business involved and the U.S. taxpayer as did the B. H. Aircraft matter. I will not take the Senate's time with such a recanting, because I am certain my colleagues have had similar experiences and can provide their own lengthy lists of constituents who have encountered these barriers and who were turned back by them. I hope this personal experience will help my colleagues reach the conclusion I have reached, that urgent action to break down these barriers is necessary and that this measure is the tool we need to achieve this goal.

I want to underline the reasons why we must act now why this measure is vital. First, this measure is fair. It allows small businesses to compete fairly in the marketplace which is characteristic of source or restrictive procurements. Second, this measure improves competition. Competition enhances the strength and diversity of our industrial base and holds down costs for the taxpayer dollars. Increased competition produces lower prices for the Government and lower expenditure levels for the Treasury while we are attempting to reduce the Federal deficit.

In closing, I again urge my colleagues to review this measure and join me in supporting it and securing its rapid passage.

By Mr. STAFFORD (for himself, Mr. PELL, Mr. QUAYLE, Mr. HAWKINS, Mr. KENNEDY, Mr. RANDOLPH, Mr. SARBANES, and Mr. EAGLETON).

S. 2489. A bill to amend and extend the Library Services Construction Act; to the Committee on Labor and Human Resources.

Library Services and Construction Act, amended.

Mr. STAFFORD. Mr. President, today, on behalf of myself and Sena-
Amendments to the 1985 Amendments of 1985. The case with all of us, they will need and interested in the library services for those populations Mr. President, the bill that I am introducing together with Senators Pell, Quayle, Hawkins, Kennedy, Randolph, Sarbanes, and Eagle- ton, preserves the flexibility that has made this program popular with State and local governments. The Library Services and Construction Act has been and continues to be a productive Federal investment in our Nation's libraries. It has been a catalyst for expansion and improvement and it will continue to be vital task in a nation founded on individual freedoms, that places a premium on education for all Americans. I commend these amendments to the attention of my colleagues and ask unanimous consent that this legislation and a section-by-section analysis be printed in the CONGRESSIONAL RECORD. There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 3490
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) This Act may be cited as the "Library Services and Construction Act Amendments of 1986".

(b) The Congress finds that—

(1) the role of libraries has expanded to include (A) providing programs to meet the needs of special segments of the population, including librarian training and outreach programs, and (B) sharing resources and materials among a wide variety of libraries; 

(2) it has become necessary to expand the role of libraries as information centers for their communities, utilizing improved and new technologies and resources to meet the increasing needs of all citizens; 

(3) funds for construction of new libraries and renovation of existing libraries is essential to ensure continuation of library services for the public; 

(4) attention should be paid to the needs of small and rural community libraries and information centers because these facilities are often regarded as an integral part of the community and as a consequence cannot adequately serve the needs of the community; and

(5) the scope and purpose of the Library Services and Construction Act should therefore be revised to include a more comprehensive range of programs which may receive funds thereunder and to ensure the extension of services to minorities and other populations that would otherwise be unable to use regular library facilities.

DECLARATION OF PURPOSE

SEC. 2. (a) Section 4(a) of the Library Services and Construction Act (hereafter in this Act referred to as "the Act") is amended to read as follows:

(2) It is the purpose of this Act to assist the States in the extension and improvement of public library services to areas and populations of the States which are served by such services, but for which services are inadequate. It is the further purpose of this Act to assist with (1) public library construction; (2) improving State and local public library services for older Americans and Indian tribes, handicapped, institutionalised, and other disadvantaged individuals; (3) strengthening State library administrative agencies; (4) promoting interlibrary cooperation and resource sharing among all types of libraries; (5) strengthening major urban resource libraries; and (6) increasing the capacity of libraries to keep up with rapidly changing information technology.

(b) Section 2(b) of the Act is amended by inserting "and Indian tribes" before the period at the end of the second sentence.

DEFINITIONS; ADMINISTRATIVE AMENDMENT

Sec. 3. (a) Section 3 of the Act is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following:

"Secretary' means the Secretary of Education;"

(2) by inserting after the first sentence in paragraph (3) the following new sentence: 

"Such term includes States, Indian tribes, and other organizations eligible for grants under this Act;"

(3) by inserting "the Northern Mariana Islands," after "the Virgin Islands," in paragraph (7); 

(4) by striking out the parenthetical in paragraph (9) and inserting in lieu thereof the following: "(including mentally retarded, hearing impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired who by reason thereof require special education);" and

(5) by adding at the end thereof the following:

"(b) 'Indian tribe' means any Indian tribe, band, nation, or other organised group or community, including any Alaskan Native village or region or village organization as defined in or established pursuant to the Alaskan Native Claims Settlement Act, which is recognized as eligible for the special education assistance provided by the United States to Indians because of their status as Indians, as determined by the Secretary of the Interior.

(b) The Act is amended—

(1) by striking out "Commissioner" each place it appears and inserting in lieu thereof "Secretary"; and

(2) by striking out "Commissioner's" each place it appears and inserting in lieu thereof "Secretary's.

AUTHORIZATION OF APPROPRIATIONS

Sec. 4. (a) Section 4(a) of the Act is amended to read as follows:

"(a) There are authorized to be appropriated—

(1) for the purpose of making grants as provided in title I, $75,000,000 for fiscal year 1986, $80,000,000 for fiscal year 1987, and $85,000,000 for fiscal year 1988.

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for fiscal year 1988, and $85,000,000, for fiscal year 1989:

"(2) for the purpose of making grants as provided in title II, $50,000,000 for each of the fiscal years 1985, 1986, 1987, 1988, and 1989; and

"(3) for the purpose of making grants as provided in title III, $18,000,000 for fiscal year 1985, $24,000,000 for fiscal year 1986, $27,000,000 for fiscal year 1987, and $30,000,000 for fiscal year 1988.

"There shall be available for the purpose of making grants under title IV for each of the fiscal years 1986, 1987, 1988, and 1989, one cent of the amount appropriated pursuant to paragraphs (1), (2), and (3) for each such fiscal year."

(b) Section 4 of the Act is further amended by adding at the end thereof the following new subsection:

"(d)(1) For the purpose of affording adequate notice of funding available under this Act, appropriations under the Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year in which they are first available for obligation.

"(2) In order to effect a transition to the advance funding method of timing appropriation, in fiscal years 1985, 1986, and 1987, each appropriation Act or other Appropriations Act thereto is to be regarded as containing two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal years.

ALLOTMENTS TO STATES AND INDIAN TRIBES

Sec. 5. Section 5 of the Act is amended—

(a) by inserting "and Indian tribes" after "after the date of the hearing on such matters" in subsection (c);

(b) by striking paragraph (1), (2), (3), or (4)" each place it appears in subsection (a) and inserting in lieu thereof paragraph (1), (2), or (3); and

(c) by inserting the "the Northern Mariana Islands," after "the Virgin Islands," each place it appears in subsection (a)(3);

(d) by adding a new paragraph (5) to subsection (a), the text of which is as follows:

"(5) by inserting "and the Northern Mariana Islands," after "the Virgin Islands," in subsection (b)(1); and

(e) by adding at the end thereof the following new subsection:

"(C) From the sums available pursuant to the first sentence of section 4(a), the Secretary shall make such grants to such tribe as have an approved plan under section 403 an amount equal to such tribe's allotment under section 4(c)(2), except that such additional allocation shall not exceed 80 percent of the cost of carrying out such plan."

GRANTS FOR LIBRARY SERVICES

Sec. 6. Section 101 of the Act is amended—

(a) by inserting "and Indian tribes" after "after the date of the hearing on such matters" in subsection (c);

(b) by striking paragraph (1), (2), (3) and (4)" each place it appears in subsection (a) and inserting in lieu thereof paragraph (1), (2), or (3);

(c) by striking out "and" at the end of subparagraph (B), by striking out "and" at the end of subparagraph (C), and by striking out subparagraph (D); and

(d) by adding at the end thereof the following new subsection:

"(o)(1) From the sums available pursuant to the last sentence of section 4(a) for any fiscal year, the Secretary shall allot an equal amount to each Indian tribe from such allotted amounts shall be made to Indian tribes which have submitted approved applications under section 403.

"(2) Any allotted funds for which an Indian tribe does not apply, or applies but does not qualify, shall be reallocated by the Secretary among Indian tribes which have submitted approved plans under section 404.

"(3) In making such allocations (A) no funds shall be allotted to an Indian tribe unless such funds will be administered by a librarian, and (B) the Secretary shall take into account the needs of Indian tribes for such allocations by taking into account the activities described in section 403(b)."

PLANS AND PROGRAMS

Sec. 8. Section 6 of the Act is amended—

(a) by striking out "states" in the heading thereof;

(b) by striking out "titles I, II, III, and IV" in subsection (a) and inserting in lieu thereof "titles I, II, and III";

(c) by striking out clause (4) of subsection (b) and inserting in lieu thereof the following:

"(4) provide that priority will be given to programs and projects—"n

"(A) that improve access to public library resources and services for the least served populations in the state, including programs for individuals with limited English proficiency, handicapping conditions and programs and projects in urban and rural areas;

"(B) that serve the elderly;

"(C) that are designed to combat illiteracy; and

"(D) that increase services and access to services through effective use of technology;"

"(4) by adding at the end thereof the following new subsection:

"In determining the amount of funding under subsection (a) for each such fiscal year:"

"(2) and (6) each tribe desiring to receive its allotment under section 8(c)(1) shall submit an application to the Secretary in accordance with section 403.

"(2) An Indian tribe desiring to receive an additional allocation under section 8(c)(2) shall submit a plan in accordance with section 404."
INTERLIBRARY COOPERATION AND RESOURCE SHARING

Sec. 12. (a) The heading of title III of the Act is amended by inserting "AND RESOURCE SHARING" after "INTERLIBRARY COOPERATION".

(b) Section 301 of the Act is amended—

(1) by striking out "section 8 and" in subsection (b) and (c), and

(2) by inserting before the period at the end thereof a comma and the following: "and have submitted long-range and annual program plans which are directed toward eventual compliance with the requirements of section 304(b)."

(c) Section 303 of the Act is amended by inserting "shall comply with the requirements of section 304(b)." and in the second sentence.

(d) Title III of the Act is further amended by adding at the end thereof the following new section:

"RESOURCE SHARING"

"Sec. 304. (a) The long-range program and annual program of each State shall include a statewide resource sharing plan.

(b) In developing the State basic and long-range library services plans, the State Library agency with the assistance of the State advisory council on libraries shall consider recommendations from current and former participating institutions in the interlibrary and resource sharing programs authorized by this title.

(c) The State's long-range program shall identify interlibrary and resource sharing objectives to be achieved during the period covered by the basic and long-range plans required by section 6. The long-range program may include—

(1) criteria for participation in statewide resource sharing to ensure equitable participation by libraries of all types that agree to meet requirements for resource sharing;

(2) an analysis of the needs for development and maintenance of bibliographic access, including data bases for monographs, serials, and audiowisional materials;

(3) an analysis of the needs for development and maintenance of communication systems for information exchange among participating libraries;

(4) an analysis of the needs for development and maintenance of delivery systems for library materials among participating libraries;

(5) a projection of the computer and other technological needs for resource sharing;

(6) an identification of means which will be required to provide users access to library resources and collection development and maintenance in major public, academic, school, and private libraries serving as resource centers;

(7) a proposal, where appropriate, for the development, establishment, demonstration, and maintenance of intrastate multitype library systems;

(8) an analysis of the State's needs for development and maintenance of links with State and national resource sharing systems;

(9) a description of how the evaluations required by section 6(d) will be conducted.

(d) Libraries participating in resource sharing activities under this section may be reimbursed for their expenses in loaning materials to the following:

LIBRARY SERVICES FOR INDIAN TRIBES

Sec. 13. Title IV of the Act is amended to read as follows:

"TITLE IV—LIBRARY SERVICES FOR INDIAN TRIBES"

"FINDINGS AND PURPOSE; AUTHORIZATION OF GRANTS"

"Sec. 401. (a) The Congress finds that—

"(1) most Indian tribes receive little or no funds under any of title II of this Act;

"(2) Indian tribes and reservations are generally considered to be separate nations and seldom are eligible for direct library allocations.

"(3) the vast majority of Indians living on or near reservations do not have access to adequate libraries or have access to no libraries at all; and

"(4) this title is therefore required specifically to promote special efforts to provide library service to Indian tribes.

"(b) It is therefore for the purpose of this title (1) to promote the extension of public library services to Indian people living on or near reservations; (2) to assist in the establishment and expansion of tribal library programs; and (3) to improve the administration and implementation of library services for Indians by providing funds to establish and support ongoing library programs.

"(c) To receive these funds the following library services shall be carried out by the Secretary:

(1) information or preservation training of Indians as library personnel;

(2) purchase of library materials;

(3) fact of special library programs for Indians;

(4) salaries of library personnel;

(5) construction, purchase, renovation, or remodeling of library buildings and facilities;

(6) transportation to enable Indians to have access to library services;

(7) dissemination of information about library services;

(8) assessment of tribal library needs;

(9) contracts to provide public library services to Indians living on or near reservations; and

(10) programs to expand access to Indian education; to aid in the establishment of the Education and Training Act of 1978, as amended, in providing study grants to Indians who are attending or who are enrolled in an educational institution.;

(11) library services for the Federal, State, and local agencies who have an amount not less than the amount expended by the tribe from such sources for public library services during the second fiscal year preceding the fiscal year for which the determination is made;

(12) nothing in this Act shall be construed to prohibit restricted collections of tribal cultural materials with funds made available under this Act.

"APPLICATIONS FOR LIBRARY SERVICES TO INDIANS"

"Sec. 403. Any Indian tribe which desires to receive its allotment under section 6(c)(1) shall submit an application which contains such information as the Secretary may require by regulation.

"PLANS FOR LIBRARY SERVICES TO INDIANS"

"Sec. 404. Any Indian tribe which desires to receive a special project grant from funds made available under this Act shall submit a plan for library services on or near an Indian reservation. Such plans shall be submitted at such time, in such form, and contain such information as the Secretary may require by regulation and shall set forth a program for the year under which funds will be allocated to the Indian tribe used, consistent with—

(1) a long-range program, and

(2) the purposes set forth in section 404.

COORDINATION WITH PROGRAMS FOR INDIANS

"Sec. 405. The Secretary shall coordinate with the Secretary of the Interior programs under this title with the programs assisted under the various Acts and programs administered by the Department of the Interior that pertain to Indians."

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SEC. 14. Section 5(d) of the National Commission on Libraries and Information Science Act is amended by inserting "(1) after the subsection designation and by adding at the end thereof the following new paragraph:

(2) The Librarian of Congress shall permit the Commission to access the Subject Content Oriented Retrieval for Processing Information On-Line (SUPERPLOT)."

SECTION-BY-SECTION ANALYSIS OF THE LIBRARY SERVICES AND CONSTRUCTION ACT REAUTHORIZATION

SECTION 1

This section gives the title of the Act "Library Services and Construction Act Amendments of 1984" and gives the Congress findings for the Act.

Those findings are as follows: The role of libraries has expanded to include providing programs to meet the needs of special populations, to help establish networks and share resource materials among a wide variety of libraries; the role of libraries as information centers should be expanded to meet the increasing needs of their communities for informational and educational resources, and the scope and purpose of the Library Services and Construction Act (LSCA) should be expanded to include a broader range of programs which may receive funds and to enable services to populations which might otherwise be without library services.

SECTION 2

This section amends the declaration of policy to state that it is the purpose of the Act to assist the states in extending services and programs without such services, including the elderly and Indian tribes; to assist with library construction and renovation or improvement of Indian reservations; to provide special programs for at-risk populations such as the handicapped and institutionalized; to assist in strengthening state library administrative agencies; to remunerate interlibrary cooperation and resource sharing; and to strengthen major urban resource libraries.

SECTION 3

This section amends the definitions section to include the Northern Mariana Islands; to change Commissioner to Secretary of Education; and to add to the definition of construction "standards under the Architectural Barriers Act of 1988, remodeling designed to conserve energy, and renovation or remodeling to accommodate". It also amends the definitions to include "Indian tribe" which is defined as "any Indian tribe, band, or other community, including any Alaskan Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians as determined by the Secretary of the Interior."
This section authorizes the following appropriations: For Title I, $75 million for fiscal year 1985, $50 million for fiscal year 1986, $35 million for fiscal year 1987, $25 million for fiscal year 1988; or Title II, $50 million for fiscal years 1985-1989; for Title III, $18 million for fiscal year 1985, $21 million for fiscal years 1986-1988, and $27 million for fiscal year 1988; and $30 million for fiscal year 1989. For Title IV, the Secretary may use, and the Indian tribe must agree to accept, any additional Federal funds provided for the administration of the LSCA program, and for the establishment and maintenance of interlibrary facilities. This section also authorizes the use of library funds for the purposes of construction as defined in Section 3. The Federal share of the cost of construction shall not exceed the total cost of the construction project. If within twenty years after the completion of construction of a library facility which has been constructed with Federal funds, the title of the facility is no longer used as a library, the U.S. government is entitled to recover an amount which bears the same ratio to the value of the facility at the time of construction as the Federal grant was to the cost of the facility. This section also authorizes the Secretary to make discretionary grants to Indian tribes for the purpose of constructing new library facilities. The value of the building shall be determined by methods established by the Department of the Interior.

This section amends the allotments to include allotments for Indian tribes. Each tribe is entitled to receive an equal amount of money for each fiscal year. This section also authorizes the use of library funds for the purposes of construction as defined in Section 3. This section also authorizes the use of library funds for the purposes of construction as defined in Section 3. The Federal share of the cost of construction shall not exceed the total cost of the construction project. If within twenty years after the completion of construction of a library facility which has been constructed with Federal funds, the title of the facility is no longer used as a library, the U.S. government is entitled to recover an amount which bears the same ratio to the value of the facility at the time of construction as the Federal grant was to the cost of the facility. This section also authorizes the Secretary to make discretionary grants to Indian tribes for the purpose of constructing new library facilities. The value of the building shall be determined by methods established by the Department of the Interior.

This section amends the budgeting process for libraries. Competitive grants may be awarded for the purposes of construction and for the improvement of library facilities. This section also authorizes the use of library funds for the purposes of construction as defined in Section 3. The Federal share of the cost of construction shall not exceed the total cost of the construction project. If within twenty years after the completion of construction of a library facility which has been constructed with Federal funds, the title of the facility is no longer used as a library, the U.S. government is entitled to recover an amount which bears the same ratio to the value of the facility at the time of construction as the Federal grant was to the cost of the facility. This section also authorizes the Secretary to make discretionary grants to Indian tribes for the purpose of constructing new library facilities. The value of the building shall be determined by methods established by the Department of the Interior. This section also authorizes the use of library funds for the purposes of construction as defined in Section 3. The Federal share of the cost of construction shall not exceed the total cost of the construction project. If within twenty years after the completion of construction of a library facility which has been constructed with Federal funds, the title of the facility is no longer used as a library, the U.S. government is entitled to recover an amount which bears the same ratio to the value of the facility at the time of construction as the Federal grant was to the cost of the facility. This section also authorizes the Secretary to make discretionary grants to Indian tribes for the purpose of constructing new library facilities. The value of the building shall be determined by methods established by the Department of the Interior.

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Title II of the LSCE authorizes grants for the construction and renovation of library buildings. Regrettably, these funds have been appropriated under this title since 1973, save for a one-time appropriation of 50 million in 1983 as part of the emergency jobs bill. I am especially hopeful that the funds for Title II that are authorized in this bill will be appropriated this year. The need for financial assistance for public library construction and renovation is acute. The funds appropriated for this purpose in 1983 were a bare minimum, and a number of additional potential projects could be carried out with those funds. It is my understanding that over 400 million is the investment needed today to alleviate overcrowding and bring existing library facilities up to date. I am prepared to support a renewed effort in this area, and am delighted that 50 million is authorized in this legislation specifically for library construction projects for each year that this legislation covers.

Funds for Interlibrary Cooperation, under title III, have been especially critical in converting card catalog record systems over to computer-based technology. These funds allow libraries to share information throughout their nationwide network. Libraries are our most important resource for the dispersal of public information, and it is Title III that helps ensure the most efficient distribution of this information to the broadest population. The amount of $18 million is being authorized for Title III in fiscal year 1985—a sum that will help bring interlibrary cooperation fully into the computer age.

This bill will renew our Government's commitment to a healthy, vital, and accessible public library system across the country. Libraries have been described as our most important education resource in the Nation—second only to the classroom. For this reason, I will do all I can to support. I am delighted to join with my colleagues from Vermont, Senator Stafford, in cosponsoring this legislation.

Mr. SARBANES. Mr. President, I am pleased to be a sponsor of this legislation reauthorizing the Library Services and Construction Act for fiscal years 1985 through 1989. The public library provides a unique and vital service to many communities in Maryland and throughout the Nation by providing a multitude of resources and programs to all citizens, usually at no cost. The American public library was created and nourished by such basic ideas as the rights of individuals to think, to believe, to strive for intellectual development, to participate in the political process and to improve job security. Senator Jacoby, a historic friend of libraries, said that "our libraries are cathedrals of the mind which we can afford to ignore only at the peril of losing our intellectual and creative identity." I am proud to join in reaffirming our Federal commitment to libraries today.

We in Maryland are fortunate to have some of the finest libraries in the country. The branch library system established in Baltimore, home of the Enoch Pratt Free Library, one of the most renowned public municipal libraries in the world, serves as an important focal point to the New Deal Carnegie in his philanthropic efforts to establish branch libraries in many areas of the Nation. Carnegie later funded a system of small, horse-drawn book wagons that would serve parts of western Maryland; and we have had a strong library outreach system throughout the State since these early beginnings. Some of the innovative adult education and literacy programs which serve the people of Baltimore were highlighted by Ms. Jane Helser, a librarian at the Enoch Pratt Library, when she testified before the Senate Subcommittee on Libraries, Senator Hatch, last week. I am proud to note the leadership that Maryland has provided in these other areas of library service.

The Library Services and Construction Act reauthorization which I have joined in sponsoring today would increase funding for library services, library construction, and interlibrary cooperation during the next 4 years. Title I, Library Services, would be strengthened to meet the increasing demand for literacy programs, language services, rural outreach programs, and resources geared to the handicapped and elderly. Title II would provide for library construction funds; and Title III would increase funding for interlibrary loan programs by about 20 percent. This additional funding for Title III is crucial for our challenge within which we depend on State and regional interlibrary cooperation to fill particular readers' requests.

I strongly support our Federal commitment to libraries, which is so important in initiating innovative programs and in providing the incentive for many additional State and private contributions to our public libraries. The amount of money provided by the Federal Government represents a small but important percentage of library budgets, and we must maintain this Federal involvement. In Maryland, Federal funds have provided library services to the blind and physically handicapped, persons who are homebound, to those in hospitals and prisons, and residents of rural areas; and I urge my colleagues to support this important legislation.

By Mr. STAFFORD (for himself, Mr. HATCH, Mr. QUAYLE, Mr. PROCTER, Mr. WEICKER, and Mr. LEAHY):

S. 2491. A bill to establish a system for the consolidation of student loans under title IV of the Higher Education Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

STUDENT LOAN CONSOLIDATION ACT OF 1984

Mr. STAFFORD. Mr. President, on behalf of myself, Senator Hatch, Senator Quayle, Senator Proctor, Senator Cooper, and Senator Weicker, I introduce today legislation to reauthorize loan consolidation opportunities under the guaranteed student loan program. My colleagues will recall that congressional authority for this loan consolidation program expired November 1 of this past year, and I urge my colleagues to work with me for expeditious approval of the measure I introduce today.

Mr. President, let me take a moment to refresh the memories of my colleagues concerning the loan consolidation program, which was first authorized in the 1980 education amendments and has really only begun in the past year and a half. During consideration of the Higher Education Amendments of 1980, the administrative and procedural complexities that often accompany repayment to different lenders from whom a student borrowed under our numerous Federal loan programs were extensively discussed. Consequently, Congress created a program to allow borrowers with threshold levels of debt to consolidate loans from different lenders into a single loan with a single monthly payment. The Student Loan Marketing Association, know commonly as Sallie Mae, was the only lender authorized to make consolidation loans and was authorized to set the borrowing interest rate at 9 percent, irrespective of the composition of a borrower's loan portfolio. In an attempt to reduce default rates, Congress authorized Sallie Mae to offer to eligible borrowers an extension of the repayment period from 10 years to 30 years. Sallie Mae could offer graduated and income-sensitive repayment schedules, an authority which was the crux of Sallie Mae's program.

Mr. President, borrower response to the consolidation program has been substantial over the last 2 years; Sallie Mae has consolidated some $335 million in loans from approximately 32,000 borrowers. Yet accompanying this dramatic response have been numerous and growing concerns about the program's cost and its effectiveness in responding to the goals Congress originally set. Most troublesome, Mr. President, was the discount borrowers with 8 percent loans could receive when these loans were incorporated into a 7 percent consolidation loan, an advantage not given to other student loan borrowers. Obviously, this factor increased Federal costs substantially and represented an unwarranted level of Federal beneficence to borrowers already receiving the additional subsidy that accompanies graduated payments and extended repayment.