

# Legislative Alert

WEDNESDAY

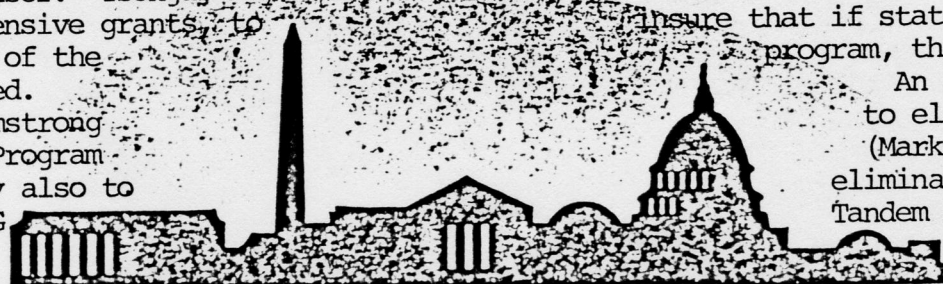
JUNE 3, 1981

- \* The Senate goes into session today at 11:45. The Senate will consider S.1197 the HOUSING and COMMUNITY DEVELOPMENT AMENDMENTS. Paul is likely to play an active role in floor debate.
- \* Highlights of Paul's schedule:
  - Gov. Peabody
  - WBZ executive
  - Industry officials re the Fuel Use Act
  - Ambassador Harrop, Kenya
- \* The Energy Committee will vote today on two FERC nominees and will resume oversight hearings on standby oil controls.
- \* The Democratic Caucus of the Foreign Relations Committee meets today on the Lefever nomination.
- \* Your attention is called to the Evans and Novak op-ed piece in this morning's Washington Post regarding Sens. Tsongas and Percy and the Lefever nomination.
- \* The Small Business Committee yesterday completed mark-up of changes needed to comply with reconcilliation instructions. The essential features of the legislation are: 1)FY81 a \$97 million reduction in direct lending programs, but protection of local development companies and investment companies at essentially the same levels. 2)FY82, a total of \$300+ million in reductions (more than 50%) including no new appropriations for disaster loan fund (the program will run on repayments, with elimination of credit worthy borrowers, non-physical disaster applicants, and increase in interest rates up to the treasury borrowing rate, currently 13%) and reductions in direct lending programs, with retention of LCD and MESBIC/SBIC at only slightly lower levels. Also, reductions in salaries and expenses (which includes technical support programs) but retention of small business development centers.

This is the one and only major SBA Authorization action of the year, but Paul will pursue introduction of a 501/502/503/ "Cleanup" Bill later on this summer.

- \* Sens. Chafee and Boschwitz will introduce an ENTERPRISE ZONES Bill today. It is much better than earlier versions, in that it incorporates physical distress criteria. The bill calls for 10 to 25 EZ designations per year. More on this later.
- \* On the Housing bill-- Major issues will include: an amendment to strike the changes in community development law (to leave small cities under HUD jurisdiction, restore application and review requirements). Tsongas is a cosponsor. Tsongas may also do a colloquy with Sen. Garn on small cities comprehensive grants, to insure that if states take control of the program, they will be protected. An amendment by Sen. Armstrong to eliminate GNMA (Market rate) and possibly also to eliminate the Sec. 8 Tandem Assistance. and UDAG

(MORE)



JUNE 3, 1981  
LEGISLATIVE ALERT

PAGE TWO

Also expected on the Housing Bill: An amendment by Sen. Helms to require a minimum monthly rent of \$50; An amendment to repeal DAVIS-BACON for Section 8 and Public Housing.

ALL DEMOCRATS on the Banking Committee voted against the bill, and while the bill is expected to pass essentially as reported, we can expect a healthy number of votes against the bill on the floor.