



**TEAMWORK:** Members of the Horace Fire Department, the North Dakota National Guard, and volunteers help to sandbag a retention pond to keep flood water from the water treatment facility March 28 near Horace, North Dakota. SCOTT OLSON/GETTY IMAGES

## House Passes Serve America Act

By JARED PEARMAN  
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WASHINGTON—Amid some of the biggest challenges that the United States has faced in recent history, the U.S. House of Representatives on Tuesday passed a landmark national service bill, which the president is expected to sign upon his return from Europe.

“Just one month ago, in his address to Congress, President Obama called upon Congress to pass legislation ‘to encourage a renewed spirit of national service for this and future generations.’ Today, The Edward M. Kennedy Serve America Act is on its way to his desk to become law,” said Speaker of the House Nancy Pelosi in a statement after a vote of 275 to 149 in favor of the new legislation.

The Senate passed the act, formerly called the GIVE Act, last week and it now goes to President Obama for his signature into law.

In general, community service is growing during the economic crisis, with many displaced workers joining the ranks of citizens looking to give back. In 2007, more than 61 million Americans spent over 8 billion hours volunteering, and teenagers are more involved than ever according to the House Education and Labor Committee.

Investing in service as the act proposes may also yield economic returns. In 2007, volunteers generated \$158 billion worth of economic benefits.

The House Education and Labor Committee also cites a recent cost-benefit analysis of AmeriCorps as reasoning for the new act. The analysis shows that every \$1 invested produced returns of \$1.50 to \$3.90 in direct measurable benefits.

The act will provide the great-

est expansion of national service since President John F. Kennedy first issued his call to serve over 50 years ago. Among other things, the bill will create 175,000 new volunteer opportunities for Americans to help meet the nation’s toughest challenges, including energy, education, health care, veterans’ needs, and more.

**‘This legislation is just what we need, at this pivotal moment, to get our nation back on track.’**  
—U.S. Rep. George Miller

It will also strengthen our nation’s disaster relief efforts—a need highlighted by the severe flooding overwhelming North and South Dakota. Officials estimate that tens of thousands of volunteers are already giving of their time and effort to help with local recovery efforts.

Eighty thousand volunteers arrived to help in Fargo, a city with a population of 90,000.

### Support From the President

“Because of this legislation, millions of Americans at all stages of

their lives will have new opportunities to serve their country. From improving service learning in schools to creating an army of 250,000 Corps members a year dedicated to addressing our nation’s toughest problems ... this is legislation that will usher in a new era of service in America, and I look forward to signing it into law when I return to Washington,” said President Obama in a statement issued from Europe where he is attending the G-20 summit.

Service-oriented organizations also applauded the passage of the new bill.

Joseph DeMattos Jr., Senior State Director for AARP Maryland, released the following statement: “AARP members stand ready to give, and offer a lifetime of acquired skills to meet a range of community needs. The Serve America Act will help provide the additional service opportunities people age 50+ are looking for.”

“History has shown that in times of crisis, Americans turn to service and volunteering for healing, for rebuilding and for hope. The spirit and generosity of the American people is one of our nation’s greatest assets,” said U.S. Rep. George Miller (D-CA), chairman of the House Education and Labor Committee. “This legislation is just what we need, at this pivotal moment, to get our nation back on track.”

### Engaging Americans

The Edward M. Kennedy Serve America Act will engage Americans of all ages, from middle school through retirement, in service and volunteerism.

The legislation will more than triple the number of volunteers officially serving in this country from 75,000 to 250,000 and establish four

new service corps: a Clean Energy Corps to increase energy efficiency and conservation; an Education Corps to help increase student engagement, achievement, and graduation; a Healthy Futures Corps to help improve health care access; and a Veterans Service Corps to enhance services for veterans.

These 175,000 new volunteer opportunities will expand current AmeriCorps programs and provide members for these four new service corps.

It will increase the education award that service members receive in exchange for their contributions to \$5,350 for next year, the same as the maximum Pell Grant scholarship. The award will also be permanently linked to match any future increases in the Pell Grant.

New opportunities will be available for older Americans and retirees, and they will be able to transfer their education awards—up to \$1,000 for at least 350 hours of service—to a child, foster child, or grandchild.

A new Summer of Service program will be established to engage middle and high school students in service and allow them to earn a \$500 education award to put toward college.

Double the resources will be made available to help youth with disabilities get involved in service programs.

Disaster relief efforts will be strengthened, and the bill establishes an alumni corps of former service participants who can help respond during natural disasters and other emergencies.

The bill also establishes a call-to-service campaign that encourages Americans to volunteer and observe September 11th as a National Day of Service and Remembrance.

## Man Loses Home in Flood, Stays to Help Others

FLOOD CONTINUED FROM A1

When the water began to fill his home, Kjera was forced to abandon it to the flood. He put on chest waders to walk through the close-to-35-degree waters, making his way to the main road and then to town, where he now stays.

“The water was about two inches from going over the main road. But to get from the house to the main road, I had to walk in some places where it was probably about five feet deep, I suppose,” he said.

Kjera didn’t seem to be too fazed by his loss. When asked if he feels any good has come out of this, he said, “Oh yeah. If we can get through the next couple of days, there’s going to be a lot of good that comes out of things.”

“Everyone is coming around, helping each other out, and doing whatever they can for each other. You know, if you’ve got to lose one house to save twenty, that’s the way it is.”

Currently, many homeowners have taken the responsibility to watch the dike for leaks. Others are working in the local Fargo-dome stadium, making sandbags to further support the main dike and the backup dikes throughout the town.

“I don’t think most people realize how hard these homeowners work who are on the side of the river where the dikes are and how they have to keep their pumps running every day, 24 hours, so the dike doesn’t give way,” Kjera said.

“People have been cooperating unbelievably. It’s just been excellent.”

“They get to know their neighbors like their best of friends be-

cause they’re all helping each other too.”

Still, there are some changes that will need to be made once the flood subsides. According to Kjera, the biggest change that needs to happen is the construction of a permanent dike.

“There’s no way they can just keep doing this. In the last 12 years, we’ve had three major-type floods that are hundred-year floods, that are only supposed to happen once every hundred years. We’ve had three now, and two of them are record-setting ones,” he said.

As water levels begin to drop, residents and rescue workers haven’t let up.

Barb Sturner, FEMA public affairs officer, said that FEMA relief workers are still working closely with the local and state government.

“We’re there at the request of the state. As long as they feel there’s a need for us to participate in the response activities, we’ll be there. There’s no significant change in terms of FEMA right now [with the waters] going down a little bit. There’s still some vulnerabilities there,” Sturner said in a phone interview.

Among the larger concerns is helping those who don’t have flood insurance to help repair water damage or lost homes. Sturner said that FEMA held public meetings on precisely this issue to encourage people to get flood insurance.

When asked about the response of people getting flood coverage, Sturner said, “Well obviously we wish more people did. It kind of remains to be seen, once the water goes down, what kind of damage is there.”



**YOUNG AND OVERWEIGHT:** Weighing 150 pounds, Prashant Kumar, age 8, works on an exercise machine with his brother Prakeet, who comes to the gym with Prashant for support in Upper Marlboro, Maryland.

TIM SLOAN/AFP/GETTY IMAGES

## Boston’s Hancock Tower Auctioned Off

NEW YORK (Reuters)—The John Hancock Tower, New England’s tallest office building, sold in a foreclosure auction on Tuesday for \$660 million, about half what the sellers paid three years ago, underscoring the crumbling state of the U.S. commercial real estate market.

The building, a distinctive presence on the Boston skyline, was bought by Normandy Real Estate Partners and Five Mile Capital Partners, investors that had previously snapped up distressed loans on the property.

The building, designed by renowned architect I.M. Pei and officially named Hancock Place, went into foreclosure in January after its owner, Broadway Partners, defaulted on the mezzanine loans it used to finance the \$1.3 billion sale in late 2006.

“This is exactly what is happening with many other buildings across the country,” Chris Stanley, an analyst at real estate research firm Reis Inc. in New York. “Now that things have started to deteriorate, they will deteriorate at a much faster rate because of all the leverage in the system.”

And the trend is expected to get much worse.

Delinquency rates for U.S. commercial properties, which stand between 1.2 percent and 1.8 percent, could rise between 3.5 percent and 5 percent by the end of



**SOUR TOWER:** The John Hancock Tower, pictured here, was sold on Tuesday after the former owners, Broadway Partners, defaulted on their 2006 loan that was nearly double the cost of what the building was just sold for. ELSA/GETTY IMAGES

the year, according to forecasters. The default rate is expected to top that next year.

During the U.S. commercial real estate boom from 2005 through 2007, cheap debt financing enabled investors to snap up property by using as much as 90 percent debt.

Investors paid skyrocketing prices based on very aggressive assumptions that rental rates and oc-

cupancy would soar and that they could sell or refinance the property at a much steeper price.

But frozen credit markets sent the U.S. economy foundering, rental rates falling, and occupancies dropping as layoffs mounted.

The properties that were priced for perfect conditions are finding they can’t survive the current market downturn and are going into default.

“As soon as it stops performing, it makes it much more difficult to service the debt, which is why we’re seeing what we are seeing now,” Reis’s Stanley added.

Added to that, the funding sources that many borrowers plan to use to repay the principal of the loans have dried up, igniting a slew of defaults from borrowers who were otherwise current on their payments.

In the meantime, investors, such as Normandy Real Estate Partners and Five Mile Capital Partners, the Hancock building’s new owners, have been storing up cash to snap up distressed property.

The Hancock building is one of the most widely photographed features of the Boston skyline, rising 790 feet in a skin of blue glass and steel that reflect the surrounding 19th-century buildings of Boston’s Back Bay.

Normandy and Five Mile were the only bidders at the auction—part of the foreclosure process—and bought the Hancock building for \$20.1 million, \$100,000 above the opening bid, plus the assumption of the \$640.6 million mortgage. The \$640 million mortgage has been securitized into commercial mortgage-backed securities bonds.

The building is 85 percent occupied, according to Reis. The largest tenants include John Hancock and Ernst & Young.

## PTA Calls for End to ‘Junk’ Food in Schools

WASHINGTON (Reuters) — Congress can fight the epidemic of childhood obesity by getting “junk” food out of school stores and snack machines, a parent-teacher group and the American Dietetic Association said on Tuesday.

They backed an overhaul of federal rules so all food sold in schools must meet nutritional standards similar to school lunches. High-fat, high-sugar, or high-calorie “competitive” foods now can be sold anytime outside of school cafeterias.

Roughly 17 percent of school-age children are obese, triple the rate in 1980 and “an epidemic in the United States,” says the Centers for Disease Control and Prevention. Obesity increases the risk of diabetes, heart disease, arthritis and other chronic illnesses.

“The best interests of our children demand that the nutrition standards be modernized,” said Byron Garrett of the National Parent Teacher Association during a Senate Agriculture Committee hearing on “reforming nutrition for kids in school.”

National standards are needed, the dietitian group said, so all children “have equal opportunity to a healthy school environment.”

U.S. child nutrition programs like school lunch and the Women, Infants and Children feeding program are due for renewal this year. They cost \$21 billion a year.

School meals comply for the

most part with the Dietary Guidelines for Americans, which encourage exercise and more consumption of fruits and vegetables, said Agriculture Committee chairman Tom Harkin.

But sugary drinks, candy, and high-fat snacks undermine the investment in good food, Harkin said, because “on an average day only 62 percent of American kids who could do so eat the federally sponsored lunch.”

Senators Richard Lugar and Amy Klobuchar spoke in favor of national standards during the hearing. Sen. Mike Johanns said he disliked heavy-handed regulation and Sen. Saxby Chambliss said physical exercise should be part of the school day.

Reginald Felton of the National School Boards Association noted that some schools rely on snack sales to help cover costs. He contended that students would buy snack food outside school if it was unavailable inside the building.

Susan Neely of the American Beverage Association said that under a 2006 voluntary guideline, “there has been a 58 percent decrease in beverage calories shipped to schools.” She said the guideline should become mandatory.

Mars Snackfood US said it supported an update of school nutrition standards and described the work of the nonprofit Alliance for a Healthier Generation to limit fat and sugar content in snack foods.