

views. A decision of the Board following completion of the remand shall be the final decision of the Board and shall be subject to judicial review.

(f) Pursuant to Section 406(c) of the Act, in conducting its review of the decision of a Hearing Officer, the Board shall set aside a decision if it determines that the decision was:

(1) arbitrary, capricious, an abuse of discretion, or otherwise not consistent with law;

(2) not made consistent with required procedures; or

(3) unsupported by substantial evidence.

(g) In making determinations under paragraph (g), above, the Board shall review the whole record, or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error.

(h) Record: what constitutes. The complaint and any amendments, notice of hearing, answer and any amendments, motions, rulings, orders, stipulations, exhibits, documentary evidence, depositions, and the transcript of the hearing (together with any electronic recording of the hearing if the original reporting was performed electronically) together with the hearing officer's decision and the petition for review, and any cross-petition, shall constitute the record in the case.

§8.02 Compliance with final decisions, requests for enforcement

(a) A party required to take any action under the terms of a final decision of the Office shall carry out its terms promptly, and shall within 30 days after the decision or order becomes final and goes into effect by its terms, provide the Office and all parties to the proceedings with a compliance report specifying the manner in which compliance with the provisions of the decision or order has been accomplished. If complete compliance has not been accomplished within 30 days, the party required to take any such action shall submit a compliance report specifying why compliance with any provision of the decision order has not yet been fully accomplished, the steps being taken to assure full compliance, and the anticipated date by which full compliance will be achieved.

(b) The Office may require additional reports as necessary;

(c) If the Office does not receive notice of compliance in accordance with paragraph (a) of this Section, the Office shall make inquiries to determine the status of compliance. If the Office cannot determine that full compliance is forthcoming, the Office shall report the failure to comply to the Board and recommend whether court enforcement of the decision should be sought.

(d) Any party may petition the Board for enforcement of a final decision of the Office or the Board. The petition shall specifically set forth the reasons why the petitioner believes enforcement is necessary.

(e) Upon receipt of a report of non-compliance or a petition for enforcement of a final decision, or as it otherwise determines, the Board may issue a notice to any person or party to show cause why the Board should not seek judicial enforcement of its decision or order.

(f) Within the discretion of the Board, it may direct the General Counsel to petition the Court for enforcement of a decision under Section 406(e) of the Act whenever the Board finds that a party has failed to comply with its decision and order.

§8.03 Judicial review

Pursuant to Section 407 of the Act, a party aggrieved by a final decision of the Board under Section 406(e) in cases arising under Part A of Title II of the Act may file a petition for review with the United States Court of Appeals for the Federal Circuit.

Subpart I—Other Matters of General Applicability

§9.01 Attorney's Fees and Costs

§9.02 Ex parte Communications

§9.03 Settlement Agreements

§9.04 Revocation, amendment or waiver of rules

§9.01 Attorney's fees and costs

(a) Request. No later than 20 days after the entry of a Hearing Officer's decision under Section 7.17 or after service of a Board decision by the Office, the complainant, if he or she is a prevailing party, may submit to the Hearing Officer who heard the case initially a request for the award of reasonable attorney's fees and costs, following the form specified in paragraph (b) below. The Board or the Hearing Officer, after giving the respondent an appointment to reply, shall rule on the request.

(b) Form of Request. In addition to setting forth the legal and factual bases upon which the attorney's fees and/or costs are sought, a request for attorney's fees and/or costs shall be accompanied by:

(1) accurate and contemporaneous time records;

(2) a copy of the terms of the fee agreement (if any);

(3) the attorney's customary billing rate for similar work; and

(4) an itemization of costs related to the matter in question.

§9.02 [Reserved—Ex parte Communications]

§9.03 Settlement agreements

(a) Application. This Section applies to formal settlement agreements between parties under Section 414 of the Act.

(b) Informal Resolution. At any time before a covered employee files a complaint under Section 405, a covered employee and the employing office, on their own, may agree voluntarily and informally to resolve a dispute, so long as the resolution does not require a waiver of a covered employee's rights or the commitment by the employing office to an enforceable obligation.

(c) Formal Settlement Agreement. The parties may agree formally to settle all or part of a disputed matter. In that event, the agreement shall be in writing and submitted to the Executive Director for review and approval.

§9.04 Revocation, amendment or waiver of rules

(a) The Executive Director, subject to the approval of the Board, may revoke or amend these rules by publishing proposed changes in the Congressional Record and providing for a comment period of not less than 30 days. Following the comment period, any changes to the rules are final once they are published in the Congressional Record.

(b) The Board or a Hearing Officer may waive a procedural rule contained in this Part in an individual case for good cause shown if application of the rule is not required by law.

Signed at Washington, D.C., on this 13th day of November, 1995.

R. Gaul Silberman,
Executive Director, Office of Compliance.

TRIBUTE TO ALEX BING

Mr. DOLE. Mr. President; I know I speak for all Members of the Senate in extending our condolences to the family of Alex Bing, who passed away on September 28, 1995.

At the time of his death, Alex had worked for the Senate for 10 years as a valued employee of the Sergeant at Arms' environmental service operation.

In 1992 and 1993 Alex was selected as the environmental services' Employee of the Year, in recognition of his outstanding performance and attendance record.

Alex's primary responsibility was the care and maintenance of the Minton tile floors located throughout the Senate wing of the Capitol Building.

Alex was a dedicated and loyal employee who took great pride in his work. As a result of his dedication, many visitors to the Capitol have been provided the opportunity to view this historic building at its very best.

All those who knew Alex knew him as a kind, quiet, and caring person. He will be missed by all.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m., having arrived, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:31 p.m., the Senate recessed until 2:16 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

The PRESIDING OFFICER. The Senator from Alaska is recognized.

ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION ACT—CONFERENCE REPORT

Mr. MURKOWSKI. Mr. President, on behalf of Senator DOLE, I ask that the Chair lay before the Senate the conference report to accompany S. 395, the Alaska Power Administration bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 395) to authorize and direct the Secretary of Energy to sell the Alaska Power Marketing Administration, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 6, 1995.)

Mr. MURKOWSKI. Mr. President, it is my understanding that the Senator from Washington, who is here, has agreed to 2 hours equally divided on this issue.

The PRESIDING OFFICER. That is the order.

Mr. MURKOWSKI. I thank the Chair.

Mr. President, I am pleased to bring before the Senate the conference report on S. 395, historic legislation that our State has sought for over a decade. Our citizens will no longer be discriminated against and kept from selling the State's most valuable resource in the world market. Working with small and integrated oil producers, with independent tanker operators, and with maritime labor, we have demonstrated that it still is possible to get something good done for the country.

Title I of the conference report provides for the sale of the Alaska Power Administration's assets and the termination of the Alaska Power Administration once the sale is completed.

The Alaska Power Administration is unique among the Federal power marketing administrations. First, unlike the other Federal power marketing administrations, the Alaska Power Administration owns its power generating facilities, which consists of two hydroelectric projects. Second, these single-purpose hydroelectric projects were not built as the result of a water resource management plan, as is the case with most other Federal hydroelectric dams. Instead, they were built to promote economic development and the establishment of essential industries. Third, the Alaska Power Administration operates entirely in one State. Fourth, the Alaska Power Administration was never intended to remain indefinitely under Government control. That is specifically recognized in the Eklutna project authorizing legislation.

The Alaska Power Administration owns two hydroelectric projects, Snettisham and Eklutna. Snettisham is a 78-megawatt project located 45 miles south of Juneau. It has been Juneau's main power source since 1975, accounting for 80 percent of its electric power supply. Eklutna is a 30-megawatt project located 34 miles northeast of Anchorage. It has served the Anchorage and Matanuska Valley areas since 1955, accounting for 5 percent of its electric power supply.

The Alaska Power Administration's assets will be sold pursuant to the 1989 purchase agreements between the Department of Energy and the purchasers. Snettisham will be sold to the State of Alaska, and Eklutna will be sold jointly to the municipality of Anchorage, the Chugach Electric Association, and the Matanuska Electric Association. For both, the sale price is determined under an agreed-upon formula. It is the net present value of the remaining debt service payments that the Treasury would receive if the Federal Government had retained ownership of the two projects. The proceeds from the sales are currently estimated to be about \$85 million, however, the actual sales price will vary with the interest rate at the time of purchase.

S. 395 and a separate formal agreement provide for the full protection of fish and wildlife. The purchasers, the State of Alaska, the U.S. Department of Commerce National Marine Fisheries Service, and the U.S. Department of the Interior have jointly entered into a formal binding agreement providing for post-sale protection, mitigation, and enhancement of fish and wildlife resources affected by Eklutna and Snettisham. S. 395 makes that agreement legally enforceable.

The Alaska Power Administration has 34 people located in Alaska. The purchasers of the two projects have pledged to hire as many of these as possible. For those who do not receive offers of employment, the Department of Energy has pledged that it will offer employment to any remaining Alaska Power Administration employees, although the DOE jobs are expected to be in the lower 48.

Title II of the bill would at long last allow exports of Alaska's North Slope crude oil when carried in U.S.-flag vessels. This legislation will finally allow my State to market its most valuable product in the global marketplace, letting the market determine its ultimate usage.

So that my colleagues will better understand the provisions of title II, let me expand on the description provided in the "Statement of Managers." Section 201 of the conference report authorizes ANS exports, making inapplicable the general and specific restrictions in section 7(d) of the Export Administration Act of 1979, section 28(u) of the Mineral Leasing Act of 1920, section 103 of the Energy Policy and Conservation Act, and the Department of Commerce's short supply regulations, unless the President determines that they would not be in the national interest. The conference report negates, as well, any other existing law, regulation, or executive order that might otherwise be interpreted to block ANS exports.

Before making his national interest determination, the President must consider an appropriate environmental review. Because questions were raised when the bill was first before the Senate, I want to assure my colleagues that the conferees have recommended a provision fully consistent with the National Environmental Policy Act. Under the conference report, the administration is directed to conduct an "appropriate environmental review." As my colleagues may know, "appropriate environmental review" is not a term defined in NEPA. Because it is unique to this legislation and was not given a statutory definition, I think I should explain what the conferees meant through the selection of this term and how it will operate consistently with NEPA.

In its comprehensive report on the costs and benefits of exporting ANS crude oil, the Department of Energy found "no plausible evidence of any direct negative environmental impact

from lifting the ANS crude export ban." In fact, the Department concluded that, "[w]hen indirect effects are considered, it appears that the market response to removing the ANS export ban could result in a production and transportation structure that is preferable to the status quo in certain respects." The Department found, for example, that "[l]ifting the export ban will reduce overall tanker movements in U.S. waters." The Department also found that the "[i]mported oil that would substitute for ANS crude exports would have a lower sulfur content than ANS crude, thereby lowering the average sulfur content of the crude processed in California refineries." The weight of the testimony taken before my committee and the House Resources Committee affirmed the appropriateness of the Department's ultimate finding that enactment of this legislation would not have any direct negative effect on the environment.

In light of the work already done and the conclusions reached by the Department of Energy, the conference report directs, as the "appropriate environmental review," an abbreviated 4-month study. The environmental review is intended to be thorough and comprehensive. Given the Department's findings and the compressed time frame, neither a full environmental impact statement nor a more limited environmental assessment is contemplated. NEPA is satisfied because the conference report directs that, if any potential adverse effects on the environment are found, the study is to recommend "appropriate measures" to mitigate or cure them. This procedure tracks the well-recognized procedure whereby an agency may forego a full EIS by taking appropriate steps to correct any problems found during an EA. Under current law, if an EA reveals some potentially adverse environmental effects, an agency may take mitigating measures that lessen or eliminate the environmental impact and, thereupon, make a finding of no significant impact and decline to prepare a formal EIS. Similarly, as long as potentially adverse impacts can be mitigated by conditions on exports included in the President's national interest determination, NEPA is satisfied.

In making his national interest determination, the President may impose—with one significant exception—appropriate terms and conditions on ANS exports. As set forth in the original Senate bill and the House companion measure, the President may not impose a volume limitation of any kind. We want the market given a chance to work. Having been discriminated against for so long, we fought hard to ensure that our oil could be sold under free market conditions. The conference report is intended to permit ANS crude oil to compete with other crude oil in the world market under normal market conditions.

To facilitate competition and in recognition that the conference report precludes imposition of a volume limitation, the conferees intend that the President direct exports to proceed under a general license. Although crude oil exports historically have been governed through the use of individual validated licenses, this type of before-the-fact licensing procedure would not be appropriate here. Like the rule governing exports of refined petroleum products, which are permitted under a general license, the rule governing ANS exports should permit use of a general license for at least three reasons.

First, the conference report explicitly negates the short supply regulations and the statutory authority underlying them as they relate to ANS exports. Our intent was to clear away two decades of accumulated obstructions to ANS exports.

Second, the conference report specifically precludes the President from imposing a volume limitation. In almost every instance today, individual validated licenses on crude exports are necessary because of the need to deal with volume limitations, such as those imposed on exports of California heavy crude oil or ANS crude to Canada. Finally, it is our intent that the market finally be given an opportunity to operate. We do not want unnecessary paperwork to impede proper functioning of the market.

We understand that some information is needed to monitor exports. We have looked at the model for exports of refined petroleum products as a guide. Refined petroleum product exporters submit export declarations to the U.S. Customs Service at the time or after they export. The Department of Commerce compiles this information for trade statistics purposes. Similarly, exporters of ANS crude under a general license would routinely file export declarations contemporaneously or after the time of export. These filings will provide any information needed for monitoring ANS crude exports.

In view of the anticipated substantial benefits to the nation of ANS exports, the President should make his national interest determination as promptly as possible. Moreover, given the exhaustive DOE study and the long time that has been available since the bill cleared the Senate to study any potential adverse environmental effects, we believe the President should soon have at hand the necessary information to promptly make the necessary affirmative determination. Because any delay will only delay the benefits the Nation will reap through exports, we hope the President will act as quickly as may be practicable.

As many Members of this body know, there has long been concern in the domestic maritime community that lifting the ban would force the scrapping of the independent tanker fleet and would destroy employment opportunities for merchant mariners. There can

be little doubt that Congress has a compelling interest in preserving a fleet essential to our Nation's military security, especially one vital to moving an important natural resource such as my State's oil. In recognition of this, the conference report requires that ANS exports be carried in U.S.-flag vessels. The only exceptions are exports to Israel under a bilateral treaty and to others under the International Emergency Oil Sharing Plan of the International Energy Agency.

Prior to our taking the underlying bill to the floor, the U.S. Trade Representative assured my committee that this provision would not violate our GATT obligations. As made clear in the statement of managers, the conferees concur with the administration's view that this provision is fully consistent with our international obligations. Moreover, it is supported by ample precedent, including in particular a comparable provision in the implementing legislation for the United States-Canada Free Trade Agreement.

The conference report also directs the Secretary of Commerce to issue any rules necessary to govern ANS exports within 30 days of the President's national interest determination. In light of the overwhelming benefits to the Nation of ANS exports, the Secretary should promulgate any rules necessary contemporaneously with the President's national interest determination.

Title III of the bill would provide royalty relief for leases on Outer Continental Shelf tracts in deep water in certain areas of the Gulf of Mexico. Deep water royalty is an issue I have been working on with the ranking member of the Energy Committee for some time.

I support measures to stimulate oil and gas exploration and production on the Outer Continental Shelf [OCS] and the deep water royalty provisions in S. 395 would be an important step in stimulating energy exploration and development and reducing our reliance on foreign oil.

A report released earlier this year by the Commerce Department suggests that our national security is at risk because we now import more than 50 percent of our domestic petroleum requirements. Department of Energy [DOE] figures predict that crude oil imports will hit 65 percent in the year 2000, and by the year 2005 we will be importing over two-thirds—68 percent—of our crude oil.

The OCS is an invaluable oil and natural gas resource and a prolific source of revenue to the U.S. Treasury, having generated more than \$100 billion in revenues over the years. The OCS could play a major role in reducing the amount of dollars we send overseas to import oil and natural gas. In 1993, our energy deficit was \$46 billion—roughly 40 percent of the total U.S. merchandise trade deficit of \$116 billion.

OCS production from deep water areas could help improve energy secu-

rity, reduce our deficit in our balance of payments, create jobs, stimulate demand for related goods and services, and provide needed revenue through bonus bids, royalties, and ripple effect tax benefits.

The basic need for this legislation is very easy to justify: oil and gas reserves nearest to shore or with easiest access are being depleted, and as this happens companies are forced to look in deeper water for more reserves. That is especially true in the Western and Central Gulf of Mexico, where oil and gas exploration and production activity has declined and it is now necessary for companies to move further and further offshore into water depths previously thought to be prohibitive, both economically and technologically.

I believe the deep water royalty provisions are necessary to stimulate OCS oil and gas production and reduce our reliance on foreign imports. I support the deep water provisions and urge adoption of the conference report on these important provisions.

Mr. President, let me give a brief outline of the legislation that is before us, S. 395, title I, called the Alaska Power Administration sale. Title I of S. 395 provides for the sale of the Alaska Power Administration's assets and the termination of the Alaska Power Administration once the sale occurs.

The sale of the Alaska Power Administration has been a bipartisan effort on the part of both the House and the Senate and the culmination of the efforts of three administrations. It has been some time in the process. It was initiated during the Reagan administration, it was signed during the Bush administration, and the implementing legislation which is contained in this bill was proposed by the current administration.

On September 29 of this year, the Department of Energy, Secretary O'Leary, wrote in support of this legislation, and on October 10 of this year, the Edison Electric Institute wrote in support of the legislation on behalf of the investor-owned electric utility industry.

Mr. President, this organization, known as the Alaska Power Administration, is really unique among the Federal marketing administrations. First of all, unlike the other Federal power marketing administrations, the Alaska Power Administration owns its power generating facilities. These are two hydroelectric projects, one in Anchorage and another near Juneau. They are approximately 600 to 700 miles apart.

Second, the single-purpose hydroelectric projects were not built as a result of water resource management plans. Instead, they were built to promote economic development and the establishment of essential industries within the areas that they serve.

Third, the Alaska Power Administration operates entirely within one State. These services do not cross State lines. And because of the distance between the two areas; namely,

Anchorage and Juneau, there is no opportunity for an intertie. These facilities are separate and distinct.

Furthermore, the Alaska Power Administration was never intended to remain indefinitely under Government control. This is specifically recognized in the Eklutna project authorization legislation.

Fifth, the sale terms of the Alaska Power Administration that were specifically negotiated between the Federal Government and the purchasers are memorialized in the purchase contract.

So for those who might be concerned that this sets precedent, Mr. President, for PMA's, this is clearly not the case, as it is applied to the Alaska Power Administration.

Now, as I have indicated, these two hydroelectric projects in Anchorage and Juneau are known as Snettisham in Juneau and Eklutna in Anchorage. Snettisham is a 78-megawatt project located about 45 miles south of Juneau. It has been in Juneau, which is the capital city's main power source, since 1975, accounting for approximately 80 percent of the electric supply utilization in that area. Eklutna is a smaller plant, a 30-megawatt project, located 34 miles northeast of Anchorage. It has served that area since 1955, accounting for about 5 percent of the electric supply in the Anchorage area.

The Alaska Power Administration's assets will be sold pursuant to the 1989 purchase agreement between the Department of Energy and the purchasers. Snettisham will be sold to the State of Alaska. Eklutna will be sold jointly to the municipality of Anchorage, the Chugach Electric Association, and the Matanuska Electric Association.

The sales price is determined by calculating the net present value to the remaining debt service payments that the Treasury would receive if the Federal Government had retained ownership of the two projects. It is anticipated that the sale proceeds will be in the area of \$85 million. Actual sales price will vary with the interest rate at the time of purchase.

I might add, the bill and separate formal agreements provide for the full protection of fish and wildlife on each of these hydroelectric projects. The purchaser, the State of Alaska, U.S. Department of Commerce, National Marine Fisheries Service, and U.S. Department of the Interior have jointly entered into a formal binding agreement providing for post-sale protection, mitigation, and enhancement of fish and wildlife resources affected by the Eklutna and Snettisham projects. S. 395 makes that agreement legally enforceable.

As a result of this formal agreement, the Department of Energy, Department of the Interior, and the Department of Commerce all agree that the two hydroelectric projects warrant exemption from FERC licensing under the Federal Power Act.

The August 7, 1991, purchase agreement states in part,

The National Marine Fisheries Service and U.S. Fish and Wildlife Services in the State agree that the following mechanisms to protect and implement measures to protect and mitigate damages to and enhance fish and wildlife, including related spotting grounds and habitat, obviate the need for Eklutna purchasers to obtain FERC licensing.

Further, the Alaska Power Administration has some 34 people located currently in Alaska. The purchasers of the two projects have pledged to hire as many of these individuals as possible. For those who do not receive offers of employment, the Department of Energy has pledged that it will offer other employment.

Let me return at this time briefly to title II, known as the Alaska North Slope crude oil exports. Title II of Senate bill 395 would allow the exports of Alaska North Slope crude oil, limited to U.S.-flag and U.S. crude vessels.

The export restrictions were first enacted shortly after the commencement of the 1973 Arab-Israeli war and the first Arab oil boycott. Following the second major oil shock in 1979, Congress effectively imposed a ban on exports. Much has changed since then.

Last year, for the first time, imports met more than half of our domestic consumption because domestic production has drastically declined.

By precluding the market from operating normally, the export ban has had the unintended effect of discouraging further energy production.

With this market disorientation eliminated, producers will make substantial investments in California and other areas that would lead to additional production on shore.

Every barrel of additional oil produced in California and on the North Slope is one less that would have to be imported from the Middle East or anywhere else in the world, where currently our imports are about 51 percent of our total consumption.

Some Senators have expressed concern that lifting the ANS export oil ban would jeopardize the supply of U.S. crude on the west coast. It is important to recognize that Washington and California are the closest and are natural markets for ANS crude because of the transportation distance. Washington and California ports are the closest to Alaska, and the ANS crude will continue to be supplied to their refineries because of the cost and proximity.

Furthermore, the only major refinery that previously opposed the lifting of the ban, Tosco, has a 5-year contract with one of the major oil companies to keep the refinery in Washington supplied. There is still nearly 4 years to run on that contract.

Further, the lifting of the oil export ban would relieve the pressure that forces some of the ANS crude oil down to Panama where it is unloaded and transported across Panama via pipeline and then reloaded onto vessels to take it into the gulf coast.

It no longer makes economic sense to handle the oil that many times and transport it the long distance. That is the oil that will be available for export.

Let me elaborate a little more on this because there has been concern expressed in this body, and by others, as to the merits of why we would attempt to increase development of oil on the west coast of the United States and Alaska, from the standpoint of exploration, at the same time we are authorizing the export of Alaskan oil that previously has been precluded from export.

Again, let me ask the Chair to visualize the circumstances. The oil that is produced from Alaska initially was 2 million barrels a day—now 1½ million barrels a day—moves down the west coast and is dropped off at Puget Sound, or San Francisco Bay, or the Los Angeles area for their refineries to refine that oil. There is some excess. That excess, for the last 17 to 18 years, has been going down to Panama.

In Panama, there is a pipeline across the isthmus, and that excess oil is unloaded off United States-flag vessels from Valdez, AK, moving through the pipeline across the Isthmus of Panama and then is required to be reloaded on a smaller United States tanker and taken into the gulf ports of Galveston and other areas, where the oil is refined.

Because of the double handling, it is no longer economic to take that oil in that rather cumbersome process. This is the oil that we would anticipate that would be marketed into primarily the Pacific rim ports. And one has to consider the merits of taking oil that is excess to the west coast and transporting it over the Pacific, across the Pacific to Japan, Korea, and Taiwan, in United States-flag vessels with United States crews, when indeed that oil can be imported into those countries, the Mideast or whatever, in foreign-flag vessels.

So I want to put to rest the thought that there would be any significant amount of oil moved that would be detrimental to the concentration of where the oil is currently consumed; namely, the West Coast of the United States. What we are really looking at is that oil that is excess to the west coast, currently moving through the Panama Canal at substantial costs, that it simply makes sense to move that oil to the markets where that oil can be consumed in a more economic, viable manner.

So, Mr. President, the current prohibition just does not make economic sense. For too long it has hurt the citizens of my State of Alaska. It has certainly damaged the California oil and gas onshore industry and precluded many of the small stripper wells from producing in the market and from functioning normally and freely.

I might add, a recently released Department of Energy report determined that lifting the Alaska crude oil export ban would specifically: First, add as

much as \$180 million in tax revenue to the U.S. Treasury by the year 2000; second, allow California to earn as much as \$230 million during that same period; third, increase U.S. employment somewhere between 11,000 and 16,000 jobs by 1995, and perhaps 25,000 jobs by the year 2000.

Mr. JOHNSTON. Will the Senator yield?

Mr. MURKOWSKI. I am happy to yield to the Senator.

Mr. JOHNSTON. I want to ask my colleague what the vote was in the energy committee on this bill, the Alaska North Slope bill, when it came out?

Mr. MURKOWSKI. If I can respond just very briefly, the energy committee, Energy and Natural Resources Committee, voted to support that. It would take me a moment to look at the exact vote, but it was overwhelming in support. I want to acknowledge that my good friend from Louisiana, who is the ranking member of that committee, perhaps he has the exact figure available to him.

Mr. JOHNSTON. My recollection was that it came out without opposition. I do not recall precisely.

Mr. MURKOWSKI. The Senator from Louisiana is almost correct. Since this is government business, it is close enough for government work, but it was 17 to 4.

Mr. JOHNSTON. What was the position of the administration on this bill?

Mr. MURKOWSKI. As I indicated in my remarks earlier, the administration does support the bill. The Secretary of Energy supports the bill, and I know of no opposition within the administration to the bill.

Mr. JOHNSTON. When the bill came up on the floor here for a vote, does the Senator recall that was cleared on the hotline and passed on a voice vote? Am I correct on that?

Mr. MURKOWSKI. If my memory serves me correct, it was voted on and it passed. I think we had about 70 votes, but I have to defer to the record.

Mr. JOHNSTON. I stand corrected. I am advised it was 74 yeas and 25 nays.

Mr. MURKOWSKI. And if I may correct the record in response to the Senator from Louisiana, the vote in question in the Energy Committee was 14 to 4.

Mr. JOHNSTON. It was 14 to 4. I thank the Senator.

Mr. President, I would like to offer my strong support and endorsement of the conference report on S. 395, the Alaska Power Administration sale and exports of Alaskan North Slope oil. This legislation is supported by the President, was passed with an overwhelming margin by the House last week and should be passed with a similar margin in the Senate.

Title III of S. 395 is the Outer Continental Shelf [OCS] Deep Water Royalty Relief Act. This provision is straightforward. For the next 5 years, deep water leases will be offered for sale under the following terms: First, payment of an upfront bonus bid, and

second, waiver of the royalty on a fixed volume of oil and gas based on the water depth of the lease. In addition, this provision provides for royalty relief to encourage production on existing leases only if the Secretary of the Interior determines the leases would not be drilled but for the relief. It only affects leasing and development in oil and gas producing areas of the central and western Gulf of Mexico west of the Alabama-Florida border. This provision does not in any way affect leasing or development off the coast of Florida or any other region of the Outer Continental Shelf, nor does it affect any areas or leases subject to moratorium.

The Treasury will gain in two ways from these leases that otherwise would never have been developed—from current tax revenues and from royalties once the waiver volume has been produced. This provision will generate substantial revenues over the next 5 years as companies bid more for deep water leases and risk investing in leases that are currently too marginal to even consider. The revenues received by the Treasury for oil and gas leases are the combination of bonus bids received at the time of lease sales and royalties paid in the event a lease is developed and brought into production. Since the Federal leasing system began in 1954, \$56 billion in bonus payments have been generated versus \$47 billion in royalty revenues. In other words, we have received more money from producers paying for the option to produce leases than from actual production royalties. This is especially true in deep waters where only one out of 16 leases ever produce and pay royalties.

The Congressional Budget Office [CBO] estimated the Outer Continental Shelf Deep Water Royalty Relief Act, introduced in the Senate as S. 158, would generate additional revenues of \$100 million over 5 years. The Minerals Management Service [MMS] of the Department of Interior has estimated that bonus bids would increase by \$485 million over 5 years as a direct result of enactment of this legislation. In particular, MMS stated that the leases sold over the next 5 years "could be expected to rise by 150 percent, with higher percentage increases at greater water depths."

It is essential that the United States remedy this inane policy of chronic reliance on oil imports when we can more effectively develop our domestic resources in areas such as the central and western gulf. The United States is currently importing 50 percent of its oil at a cost of over \$50 billion per year. By the year 2010, the Department of Energy predicts imports will have risen to 60 percent of consumption. In February of this year, the President announced that the current level of oil imports "threaten[s] the Nation's security because they increase U.S. vulnerability to oil supply disruptions." Some 4.2 million of the 8 million barrels per day of oil imports are from OPEC countries.

Major deep water development projects are funded with international capital. Failure to invest in the Gulf of Mexico is a lost opportunity for the United States. Those dollars will not move into other domestic development; they will move to Asia, South America, the Middle East, or the former Soviet Union. In 1985, the domestic producers capable of developing projects of this magnitude were investing two-thirds of their exploration and production capital in the United States. This figure has been on a steady downward trend, currently only one-third of those dollars are being invested in the United States. Due to the high cost of development in deep waters, currently only 6 percent of the leases sold are ever developed. The Department of the Interior projects this provision will more than double production otherwise expected to be brought on line. One deep water platform costs upward of \$1 billion—this translates directly into jobs. According to the Bureau of Labor statistics each \$1 billion invested in the oil and gas extraction industry generates 20,000 new jobs.

This provision will improve our energy security situation, create jobs, and benefit the Treasury.

Mr. MURKOWSKI. I add, from the standpoint of the ranking member, Senator JOHNSTON, his position has always been in support of this legislation covering all aspects of title I, title II, and I have not mentioned title III, but that is the deep-water royalty, which I know the Senator from Louisiana supports as well.

May I take this opportunity to thank him and his colleagues on the Energy Committee for their continued support.

Let me just very briefly conclude a couple points on title II and a few remarks very briefly on title III.

I was recounting the Department of Energy report determining that the lifting of the Alaska crude oil ban would accomplish some specific objectives and inject an economic impact of substance. First was to add as much as \$180 million in tax revenue to the U.S. Treasury by the year 2000; second, to allow California to earn as much as \$230 million in the same period; third, increase U.S. employment by 11,000 to 16,000 jobs by 1995, and up to 25,000 by the year 2000; preserve as many as 3,300 maritime jobs; increase American oil production by as much as 110,000 barrels a day by the year 2000; add 200 to 400 million barrels of Alaska oil reserves.

Another point I think deserves mentioning is some Members have expressed concern that gas prices might go up on the west coast if export of ANS oil is authorized. That is a legitimate concern, but it is simply not the case. The Department of Energy studied this issue and concluded that customers and consumers would not see a discernible increase at the gas pump.

Another concern you might hear today is that the crude oil exports will

create some increased hazards, including increased chances of oil spills. I think that needs some definitive identification. The Department of Energy carefully studied this issue and found that exports of Alaskan oil will actually decrease—decrease, Mr. President—tanker traffic in the U.S. waters.

Furthermore, any tankers exporting ANS oil exported from Alaska will proceed over 200 miles off the coast of Alaska—over 200 miles offshore—while proceeding overseas. In other words, the oil has all been moving off the coast of Alaska, off the coast of British Columbia and the Queen Charlotte Islands, off the coast of Washington, Oregon, and California.

That will not be the case with that portion of the oil that will be exported. It will move in larger vessels, hence reducing the number of vessels, and it will move across the ocean as compared to moving parallel to our west coast of the United States and Canada.

There are other concerns that exporting oil will decrease work for U.S. shipyards. However, I think it will have the reverse effect. Most tankers in the trade will stay in the U.S. trade and therefore be repaired in U.S. yards.

If Alaska crude oil production continues to decline in part because of the depressed prices caused by the export ban, why, then, there would be less tankers in service to put in and available for repair.

One should remember that any U.S.-flagged tanker that is repaired in a foreign yard is subject to a 50-percent fee that is paid to the Federal Government as a penalty for repair in those foreign yards. Clearly, there is enough opposition and enough economic detraction to ensure that those tankers will not be repaired in U.S. yards.

Finally, of course, what we are doing is ensuring that more vessels will be employed in the trade because what we are doing is moving some of this oil—not very much, but some of it—further. If you move it further, it takes more time. It takes more time, you need more ships.

So it is anticipated more steps would be taken on a lay up with U.S. crews. So we are putting U.S. sailors to work in the international trade.

Finally, title III, which is part of the Senate bill, is entitled “deep-water OCS royalty relief.” I know my good friend from Louisiana has worked very hard, and his colleagues, to ensure that we had adequate support in both the Senate and the House on this portion. It is in the energy security interests of our Nation to do so.

It would encourage oil and gas exploration and production in the deep waters of the western and central Gulf of Mexico. It would offer the incentive to drill in deep-water areas defined as those being in water depths greater than roughly 200 meters, or 600 feet, by exempting increasingly larger amounts of new production as water depths increase. With modern technology, we will be able to allow oil and gas extrac-

tion in deep-water areas in excess of this 2,000 to 3,000 feet, but the cost would be tremendous, Mr. President.

Stimulus is needed to recover oil resources believed to lie in the deep-water areas of the central and western Gulf of Mexico. It would not cost the American taxpayer a cent, but would cause oil to be produced that otherwise would remain in the ground without this relief.

This legislation is necessary as a consequence of the recent Commerce Department report indicating the United States is importing now more than half of its domestic crude oil needs, and this presents a potential threat to our national security.

Further, the Department of Energy figures predict the crude oil imports will hit some 65 percent by the year 2000, and by the year 2005 we could be exporting more than two-thirds or 68 percent of our crude oil. Two-thirds of our crude oil would be imported in less than 10 years.

The OCS is an invaluable oil and natural gas resource and prolific source of revenue to the U.S. Treasury which has generated historically more than \$100 billion in revenues. The OCS could play a major role in reducing the amount of dollars spent overseas to import oil and natural gas. We import dollars and export our jobs, Mr. President. In 1993, it was important to note the energy deficit ran as high as \$46 billion, roughly 40 percent of the total U.S. merchandise trade deficit of \$116 billion.

If we look at our trade deficit, Mr. President, half of it primarily with our trade inequity with Japan and the other half is imported oil. OCS production for deep-water areas could help improve energy security, reduce the deficit and balance of payments, create jobs, stimulate demand for related goods and services, and provide needed revenue through bonus bids, royalty, ripple effects, and so forth.

Mr. President, I might add again that President Clinton has indicated that he will sign this legislation, and I know there are concerns that were concerns expressed by my good friend, the junior Senator from Washington, relative to ensuring adequate safeguards be implemented in regard to tankers in Puget Sound. I am sure she is prepared to speak on that.

I know my colleague, the senior Senator from Oregon, is concerned about the effect that this activity would have on his shipyard on the Columbia River.

So I am sure that we will have some debate on the Senate bill, and I look forward to that.

At this time, Mr. President, I ask for the yeas and nays on the conference report, and ask how much time I have taken on my hour.

The PRESIDING OFFICER. The Senator has 36 minutes 40 seconds remaining.

The yeas and nays have been requested.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MURKOWSKI. I thank the Chair. Mrs. MURRAY. Mr. President, I yield myself 10 minutes at this time.

The PRESIDING OFFICER. The Senator is recognized.

Mrs. MURRAY. Mr. President, I stand here today concerned, anxious, and worried. Along with all Americans, we have nervously waited as this budget impasse puts every citizen in a precarious situation.

It seems incredible to me on a day where the Government is shut down and the budget is in crisis we are on the floor of the Senate debating a major giveaway to foreign oil companies. I must say that I am deeply concerned that in the midst of a national catastrophe we may pass legislation that begins another national crisis.

I know that not all of my colleagues understand the ramifications of S. 395. I realize that many feel this is an Alaskan issue and, because of that, some have questioned my intense interest in this issue. For nearly 2 days this past spring I held the Senate floor expressing my dissatisfaction with this bill. I often stood alone. But in the end several of my colleagues came forward to express concerns of their own. All of the arguments raised on each side of this issue are, unfortunately, based on assumptions, and that remains the crux of our problem in this debate. Those in favor of exporting Alaskan North Slope oil say it will increase production, promote jobs, and raise revenues for the State of Alaska. These are positive possibilities that certainly help my neighboring State of Alaska, and if the impact of exporting that oil stops within Alaska's boundaries, I would have wholeheartedly accepted this legislation and would have wished my neighbor success. However, that additional income for a few of our citizens must be weighed by a body charged with addressing the concerns of an entire nation.

After 8 months of intense scrutiny of this issue, I am still convinced that the exporting of American oil can only lead to job losses, price increases, a dependence on foreign oil, and great environmental risks.

I know that my colleagues from Alaska can show stunning charts that predict differently. However, these are merely predictions. We do not know that tankers heading to Asia with Alaskan oil will not stay in Asia for ship repair. This means 5,000 jobs within our region and \$160 million in annual employment income—more than half of the marine industry's west coast employment.

We do not know that Alaskan oil, once bound for independent refineries within Puget Sound will now steer for Far-Eastern markets throwing 2,000 refinery workers out on the streets. We do not know that exports of our oil will not lead to price increases at the pump for our citizens.

And perhaps most importantly to me and the millions of residents of Washington State that live, play, and work

along the beautiful waters of Puget Sound and the Strait of Juan de Fuca, we have no guarantee that exporting U.S. oil will not lead to increased oil imports on environmentally risky, foreign ships. The Coast Guard rates as high risk one half of the current foreign tanker fleet that carries crude through Puget Sound.

This is why I have stood for so long. I have remained stubborn and angered some of my colleagues for concerns that I truly believe outweigh the benefits garnered by a single State.

I was able to include several amendments that I thought would attempt to address these concerns. Knowing that a Senate cloture vote was impossible, I relented on this legislation with the assurance that my amendments would be included. These amendments included a thorough GAO study that examines job, price, and environmental changes before oil exports may begin. I was also able to include language that mandated an escort vessel, dedicated at the entry to Washington State waters and available 24 hours a day to assist tankers that have run adrift.

For the first time, we had created legislation that proactively fought oil-spills. This amendment would have prevented the spill before it occurred rather than focusing on the millions spent on cleanup of these spills once the damage is done.

Unfortunately, even this was too much for House conferees concerned more with overmanagement of the Coast Guard rather than the protection of our fragile coast. The current language adopted by the House mandates a 15-month plan that would implement a private-sector tug-of-opportunity system. This system utilizes current vessels already in operation, coordinated to provide timely emergency response to vessels in distress. It also directs the Coast Guard commandant to work with the Canadian Government in implementing this plan and making available Coast Guard equipment for purposes of response.

I am pleased that this language incorporates the private industry. I applaud the proactive segments of this community who came forward to seek a compromised solution. Our intent was never to tax cargo and grain shippers, but to impose a fee on those who stand to gain millions from these oil exports—the oil companies themselves. This new amendment does clarify that U.S. shippers will not be taxed and their continued desire to meet these environmental concerns is commendable.

I still feel this language does not go far enough, though. I am concerned that without a dedicated vessel at one location, the availability of an operating tug may put them out of reach of the distressed vessel. I am also concerned that once that tug reaches the distressed tanker, it may not have the capability to tow that large vessel, or in the least hold it from running aground.

Sadly, we may not know the answers to all of these questions until oil is exported, foreign tankers are moving through our waters and we experience a major oilspill. None of us, particularly my colleagues from Alaska, ever want to relive the *Valdez* situation. None of us want oil on our hands under our watch. When and where it will happen remains the paramount question. I only hope that all in this body can head home at night knowing that we did all within our power to decrease that risk. The White House has committed to me that they will proactively seek out these risks, even before the 15-month study expires. They are prepared to conduct hearings in the State that address these issues and will enter into the RECORD a letter from the White House stating these actions. I appreciate that commitment and hope I can count on the Alaskan leadership to do all that they can to meet these environmental concerns before exports begin.

I realize that I can stand again for 2 days or 2 weeks and try to delay this legislation. However, I am a realist who knows that this legislation could be attached to reconciliation without amendments, and I understand that the votes to stop these exports that were there for decades have now been reversed. I only ask my colleagues to try to understand some of the logic that has motivated the debate to export oil. It is truly in our national interest to produce our own oil, and if we agree that the North Slope of Alaska has a finite amount of oil left, why must we send our oil overseas and more quickly dry up our own wells? There are certainly projected increases, but to whose benefit?—executives of British Petroleum and car owners in Tokyo.

Further, it will only lead us closer and much more quickly to the opening of ANWR. More U.S. oil can be expected to be exported, and will again pit profits of international interests against environmental concerns.

I ask everyone to consider the implications of exporting our oil: the policy implications, job risks, price concerns, and environmental risks. If you truly believe that these questions pale in comparison to the profits of a very few, then support 395. Otherwise, vote with a clear conscience that errs on the side of people and the world we are entrusted to protect. I urge my colleagues to vote against this conference report.

Again, Mr. President, I must say that it does seem very disconcerting to me when my office phones are ringing off the hook with my constituents who are saying this Government is shut down, it is hurting me, and it is hurting our country. It is not the right direction that we are standing in front of this body debating a bill that will benefit an oil company, a special interest.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair. I believe my senior colleague from Alaska would like time on this bill. I yield 15 minutes.

The PRESIDING OFFICER. The Senator is recognized for 15 minutes.

Mr. STEVENS. Mr. President, let me ask the Senator from Massachusetts. Is he going to make a statement on this? Does the Senator from Massachusetts seek time on this bill, or another matter?

Mr. KERRY. Mr. President, the Senator sought time on the bill but not speaking specifically to the subject matter.

Mr. STEVENS. I thank the Senator.

Mr. President, in February, Senator MURKOWSKI and I introduced this bill, the Alaska Power Administration Sale Act. There are several bills put together here. I am very pleased to be here today to congratulate Senator MURKOWSKI and to speak in support of this conference report. The House has agreed to this bill, and the President said that he would sign it. I urge the Members of the Senate to support the conference report.

For Senators not familiar with the Alaska Power Administration, I would like to point out that Congress authorized the Eklutna and Snettisham hydroelectric projects in 1950 and in 1962, respectively. Those were to encourage and promote economic development and to foster establishment of essential industry in Alaska. The projects have provided, at moderate prices, substantial amounts of hydroelectric energy for marketing in our area. There are no other proposed Federal projects in Alaska.

As Alaska's economy has grown, the relative importance of the Federal power program in Alaska has decreased. This is a bill that is long overdue. The idea to privatize the Alaska Power Administration is not new. During the Nixon administration, I introduced the bill that proposed to sell the Federal energy project in Alaska, and in the last 20 years, during three administrations, there have been 14 different studies of whether or not this APA, as we call it, should be privatized.

Today, more than 90 percent of the State's electric power needs are provided by non-Federal power plants. Federal operations such as the Alaska Power Administration can be managed more efficiently by non-Federal public or private entities. The State of Alaska and the local electric utilities which have entered into formal agreements to purchase these projects are capable of planning, building, and managing our State's power facilities in a manner that is consistent with our future energy needs.

We are concerned about the people who work for the Alaska Power Administration, and we should be. Today,

there are 34 people who still work in the Federal Government for the APA. The project purchasers have pledged to hire as many of these employees as possible, and the Department of Energy has pledged that it will offer employment to any Alaska Power Administration employee who does not receive offers, although the Department jobs are probably going to be in what we call the lower 48 States.

The sales of Eklutna and Snettisham are expected to generate Federal proceeds now of about \$73 million. That is nearly a total recovery of the original investment in these projects, and there have been payments made over the period of their use.

The sale and termination of the Alaska Power Administration now is supported by each of the Alaska Power Administration's utility customers, the municipalities of Juneau and Anchorage, Alaska's Governor, and the administration here in Washington.

I do support that portion of this conference report and urge the Senate to approve the report that recommends the privatization of the APA.

Let me now just mention briefly title II, which is the Trans-Alaska Pipeline Authorization Act amendment, which will permit the export of Alaska's North Slope crude oil carried in U.S.-flag vessels.

This legislation will create jobs and economic wealth around the Nation and increase oil production in Alaska and in California. It will ensure the survival of an independent U.S. tanker fleet manned by U.S. crews, a critical component I believe of our national security.

This legislation eliminates the discrimination that has persisted exclusively against our State of Alaska for over 20 years, and the citizens of Alaska have waited for this day. They have waited too long.

For those who may have forgotten, who were not around then, the first export restrictions of Alaska North Slope crude oil were enacted after commencement of the 1973 Arab-Israeli War and the first Arab boycott. Many believed that enactment of these restrictions would enhance our national security. Congress effectively banned export of Alaska crude oil in 1979, following a second major oil shock. But times have changed, and I have argued for a long time that the ban itself was and is unconstitutional.

We have discovered that the ban has had the unintended effect of actually threatening our energy security by discouraging further energy production and creating unfair hardships for the struggling oil industry, particularly in the Southwest. Fundamentally, the existing export restriction distorts the crude oil markets in Alaska and the west coast. The ban has created a glut of oil on the west coast, and faced with glut-induced prices small independent producers have been forced to abandon wells, the so-called stripper wells, particularly in California.

In 1994, for the first time in history, more than half of the oil used in the United States was imported at a cost of over \$50 billion a year. By the year 2010, we will be importing over 60 percent of our oil needs but part of the reason is the reason for this legislation itself. We have in our increased reliance on foreign oil brought about the situation where it is not profitable to drill and produce new discoveries in our own country. We are importing over half of our Nation's oil not because consumption is rising but because domestic production is declining so significantly and this legislation will provide the incentive to domestic producers to correct that situation.

Currently, most North Slope crude oil is delivered to the west coast, especially California, on U.S.-flag vessels. The existence of a single market for Alaskan oil drastically reduces the value of the oil and creates an artificial surplus on the west coast. This depresses the production and development of both North Slope crude and the heavy crude produced by small independent producers in California.

As existing oil fields become depleted, the domestic oil industry must find new sources of oil and new technologies of production if they are going to stay in business. But they don't have the incentive.

In June 1994, the Department of Energy issued a comprehensive report as part of the administration's "Domestic Natural Gas and Oil Initiative." The Department concluded in this report that the export ban is an artificial subsidy that has depressed the price that west coast refiners pay for crude oil. A key conclusion of the report is that the national economic and energy benefits of permitting export of Alaska North Slope crude oil would be significant. It would create new jobs, stimulate on-shore production, and increase State and Federal revenues.

Oil production-related employment would increase by up to 25,000 jobs nationally by the end of the decade; many would be in California oil production.

The export of Alaskan oil would boost production in Alaska and California by 100,000 to 110,000 barrels per day by the end of the century.

Federal receipts would total between \$99 and \$180 million in 1992 dollars.

Alaska and California would also gain. Alaska would gain \$700 million to \$1.6 billion in taxes and royalties, while California's return would be as much as \$230 million. These are net gains.

The Department of Energy also found that there would be no significant environmental implications from the export of Alaskan oil.

Mr. President, in addition to creating jobs and economic wealth for the Nation at little cost to the environment, this legislation will go a long way toward helping to preserve our U.S. tanker fleet. Congress has a compelling interest in preserving a fleet essential to the Nation's military security, especially one which transports such a val-

uable commodity as oil. This bill requires that Alaskan oil exports be carried in U.S.-flag vessels. The only exceptions are exports to Israel under a bilateral treaty and to others under the international emergency oil sharing plan of the International Energy Agency.

Finally, as I have said before, the prohibition on the export of Alaskan North Slope crude oil is unfair. Alaska is the only State prohibited from exporting its most marketable product.

Mr. President, thank you for the opportunity to speak in support of this legislation. I urge my colleagues to support it.

I do again congratulate the chairman of the Energy Committee, my good friend and colleague, Senator MURKOWSKI, for his persistence, and I thank him for the opportunity to speak in support of this conference report. I urge my colleagues to support it.

If I have any further time, I yield it back.

The PRESIDING OFFICER. Who yields time?

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. I did want to enter into the RECORD a statement from the White House at this point stating their plans to evaluate the environmental problems including holding field hearings in my State. Ironically, due to the Government shutdown, the Council of Economic Advisers and other White House staff working on that letter had to go home at noon today, so I will have to submit it when I get it. I guess irony goes to show it is extremely incredible to me that we are continuing to talk about this bill at a time when our budget is in crisis.

I yield to my colleague from Massachusetts 5 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 5 minutes.

Mr. KERRY. I thank the Chair. I thank the Senator from Washington.

SHUTDOWN OF THE GOVERNMENT

Mr. President, I had hoped to have time later today to talk about the situation we find ourselves in with respect to the budget and the so-called shutdown of Government. Regrettably, we hear that the majority leader is going to, at least it appears, put the Senate into recess after the discussion on this bill. I think it would be unfortunate to deprive the Senate of the debate it is supposed to have on issues of great concern, and I hope it is not true that the majority leader intends to recess the Senate as a way of silencing voices that want to talk about what is happening to this country.

Mr. President, what we find ourselves in is a moment of entirely predictable, crass, brazen, craven, basic political trickery.

What we are living out at this moment is a simple choice by the Speaker of the House to confront America, and to confront the Senate, with either

bowing to the will of one group of people, without the legislative process duly working its will, or suffering the consequences of a shutdown. That is what has happened. It is fundamentally a form of blackmail. It is a hard term. It is a tough term. But that is exactly what is happening. It is either, you accept our way or everybody is going to pay a big price. Either you buy on to those things, which we are not able to pass through the normal legislative process, or we're willing to shut the Government down.

Now, our colleague from North Dakota shared with us earlier this morning some very important statements that simply document what I have just said. If you do not want to believe the partisan words of a Democrat, fine. But listen to what NEWT GINGRICH himself said. On April 3, in the Washington Times, NEWT GINGRICH vowed to "create a titanic legislative standoff with President Clinton by adding vetoed bills to must-pass legislation, increasing the national debt ceiling."

On April 3, again in the Washington Times, Speaker GINGRICH boasted that the President "will veto a number of things, and we'll then put them all on the debt ceiling. And then he'll decide how big a crisis he wants."

On June 3, Speaker GINGRICH, in the Rocky Mountain News, said, :

We're going to go over the liberal Democratic part of the government and then say to them: 'We could last 60 days, 90 days, 120 days, five years, a century. There's a lot of stuff we don't care if it's ever funded.'

What is the "stuff" they do not care if it is ever funded? Well, evidently it is money for veterans because \$15 billion is going to be cut right after we just marched around and celebrated Veterans Day. Perhaps as many as 35 out of 172 hospitals will be shut over the next 7 years; 5 in the next year. I have veterans all over my State saying to me, "What are you guys doing? Don't you remember the contract, the real contract with America?"

Evidently, what they are willing to shut down is education, making it more expensive for kids to go to school, at the same time as they give people earning more than \$300,000 a tax break; a fundamental breach of fairness.

Now, I am not the only one who feels that fundamental breach of fairness. Let me read what one of their own, David Gergen, wrote just yesterday in the U.S. News & World Report. The headline: "The GOP's 'Fairness Doctrine'." And what he says is:

U.S. News reported last week that internal studies by the executive branch estimate that the lowest 20 percent of the population would lose more income under these spending cuts than the rest of the population combined. At the other end, the highest 20 percent would gain more from the tax cuts than everyone else combined.

It goes on to say:

Ronald Reagan is often invoked as the patron saint of this revolution. How soon we forget that as president, Reagan insisted that seven key programs in the safety net—Head Start, Medicare, Social Security, veter-

ans, Supplemental Security Income, school lunches, and summer jobs for youth—would not be touched; now, six of those seven are under the knife.

So, Mr. President, what we have here is a fundamental confrontation with fairness, a fundamental confrontation with how we should do our legislative business.

We Democrats are prepared to vote for a temporary extension immediately and are prepared to negotiate a fair budget. But NEWT GINGRICH and his soul mates want to come down here and say, "Oh, no, no, no, no, that is not good enough. You're going to have to accept programs that we want to pass that we're not able to pass through the normal process. And if you don't do that, we're willing to continue to keep the Government shut down."

So, they have huge Medicare cuts included in here.

Mr. President, I ask for 2 additional minutes.

Mrs. MURRAY. I yield 2 additional minutes.

The PRESIDING OFFICER (Ms. SNOWE). The Senator is recognized for 2 additional minutes.

Mr. KERRY. Mr. President, here are these massive Medicare cuts, the largest ever in recent—I think ever in American history, \$270 billion, so you can have a \$245 billion tax cut. We have had 1 day of hearings on the impact of those cuts, and yet we have had in the House 42 days of hearings on Whitewater, Waco, and Ruby Ridge, and in the Senate we have had about 48 days of hearings on Whitewater and Ruby Ridge. One day of hearings on Medicare, which will affect millions of citizens, and day after day after day of hearings on Whitewater and Ruby Ridge. And now they are trying to ram that through with increases in Medicare payments on senior citizens by holding the entire Government hostage.

Mr. President, it just violates most Americans' sense of fairness. It violates the tradition in this institution of legislating and of letting the votes fall where they may in trying to decide something. It really violates, I think, everybody's sense of how we ought to do business here. I tell you, as you look around the country, this is a very different revolution from what most Americans wanted.

Most Americans voted for common sense. We are prepared to balance the budget. We are prepared to try to do it in 7 years or whatever. We are prepared to do that, Mr. President. But we are not prepared to succumb to a kind of political blackmail that forces people to do things that are against the Constitution of this country. And I hope that in the hours ahead, we will get back to a levelheadedness, a reasonableness that is the higher standard of how we should do business in the U.S. Senate.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. I yield back, if there is any time.

Mrs. MURRAY. Mr. President, I yield 5 minutes to my colleague from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 5 minutes.

Mr. DORGAN. Mr. President, it is my hope that later today we will have an opportunity to have a discussion with our colleagues on the other side of the aisle about the issues that have brought us to this point. I must say that I think today describes for all the American people why it is important, even in the Contract With America, to understand what the fine print in the contract really means.

We are starting now to discover that something that is high sounding and was put together through polls and focus groups that looked attractive to the American people has some fine print that causes some dilemma.

My colleague just read an analysis of this by David Gergen. David Gergen has worked in two Republican administrations: President Reagan and President Bush. He also worked in the Clinton administration. He described our circumstances this way: He said, "The Republicans should get some credit for wanting to balance the budget." I agree. So should Democrats. In 1993, when we had a bill on the floor of the Senate that cut \$500 billion from the deficit and led us to a position from having a \$270 billion yearly deficit down to a \$160 billion yearly deficit, I voted for that. That was heavy lifting because a lot of it was not very popular.

We did not get one Republican vote, not even by accident. You would think occasionally someone would make a mistake here and vote for something good. But we did not even get one Republican vote for that. We passed it with all Democratic votes. The fact is, the deficit substantially reduced from \$270 billion down to \$160 billion.

There is a lot of work left to do. I agree with that. And I think both parties ought to roll up their sleeves and get it done. But David Gergen is absolutely correct when he describes the problem with the Contract With America and the imposition of this so-called solution on the country at this point.

What he describes is this: He says that a study that was developed last week shows the lowest 20 percent of the population would lose more income from these spending cuts. The lowest 20 percent would essentially lose more income than the top 80 percent. And he says the tax cuts—the top 20 percent will gain more from those tax cuts than the entire bottom 80 percent.

Let me frame it a little differently. The priorities here are what is at odds. It is the disagreement; it is not the goal. All of us think we ought to balance the budget. The question is how? My hometown has about 400 people. Let us assume we had a town meeting in my hometown in North Dakota and said, "All of you take chairs." So we sat them all down. We sat them down.

We say, "All right, those in here with the least income, the 20 percent of you with the least income, we would like you to stand up." So 20 percent of the population with the lowest income in my town stands up. And we say, "All right, we've got a deal for you. We have all these spending cuts. You 20 percent with the lowest income in our town, you get 80 percent of the spending cuts. You are going to lose 80 percent of the income from these spending cuts." Then we say, "All right, you sit down."

Now, how about the 20 percent with the highest incomes in my hometown? "Why don't you all stand up?" And so the 20 percent with the highest incomes in my hometown stand up, and we say, "We've got a deal for you. We're going to give you 80 percent. You 20 percent with the highest incomes, we're going to give you 80 percent of the tax cut."

Does anybody think there is any reasonable standard of fairness by which you could suggest that makes sense; the bottom 20 percent of the income earners take 80 percent of the spending cuts and the top 20 percent of the income earners take 80 percent of the tax breaks? Well, that is what the Contract With America gives us.

We come to a debate about priorities. It is a worthy debate to have. Some say, "Let's build star wars. Let's buy B-2 bombers. Let's have more F-15's and F-16's than the Pentagon ordered and, by the way, even though we can afford all that, let's kick 55,000 kids off Head Start. Let's decide not to provide the kind of resources necessary to help low-income people stay warm in the winter. Let's decide we have low-income veterans with disabilities that are not going to get all they should get. Let's decide to make it harder for middle-income families to send their kids to college."

Those are enormous differences in priorities. The debate is about priorities, not the goal, and the priorities are important. We do not come to this point by accident, the point of a shutdown.

Last April, Speaker GINGRICH started to boast about this. On April 3, he vowed "to create a titanic legislative standoff with President Clinton by adding vetoed bills to must-pass legislation increasing the national debt ceiling."

I ask for 1 additional minute.

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

Mrs. MURRAY. I yield 1 minute.

Mr. DORGAN. He boasted that the President "will veto a number of things, and we'll then put them all on the debt ceiling. And then he'll decide how big a crisis he wants."

Speaker GINGRICH says: "I don't care what the price is. I don't care if we have no executive offices and no bonds for 30 days—not this time."

Mr. HARKIN. Will the Senator yield?

Mr. DORGAN. I will be happy to yield.

Mr. HARKIN. What was the date of those remarks?

Mr. DORGAN. Some were April. The last one was September 22.

Mr. HARKIN. The early one you quoted was April?

Mr. DORGAN. April 3.

Mr. HARKIN. So this is not a recent thing Speaker GINGRICH said.

Mr. DORGAN. No. The point of all this is, this is not a train wreck that ought to surprise everybody. This is the engineer of a locomotive who predicted in April he is going to cause a train wreck, boasted about it. I do not think anybody ought to take great credit for shutting down the Federal Government, all because the priorities are to say we would like to give the poorest people in town all the spending cuts and the richest people in town all the tax breaks.

Mr. HARKIN. If the Senator will yield, the Senator has made a very important point here. This is something that has been planned for some months.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mrs. MURRAY. I yield my colleague from North Dakota 3 additional minutes.

Mr. HARKIN. I think the Senator from North Dakota is making a very important point. I think a lot of people are confused who think this has happened over the last couple of days and it just sort of happened because things did not work out right.

If I understand what the Senator from North Dakota is saying, and reading the quotes of Speaker GINGRICH as long ago as April, this has sort of been a plan to create this kind of train wreck, and the Senator quoted Speaker GINGRICH saying this back in April.

I think the American people ought to understand that this is not something that just happened; that because the Speaker and his allies have not been able to get their work done in time—I will ask the Senator, is it not true that we did not filibuster, we did not stop these bills from going through?

Mr. DORGAN. The Senator from Iowa is correct. In fact, only three appropriations bills have been signed by the President because he has not gotten the rest of them. The work was not done on time. In fact, the reconciliation bill is due on June 15. It is now 5 months later. It is scheduled to come to the floor later this week, but it is 5 months late.

Mr. HARKIN. If the Senator will yield further. Watching and observing the flow of legislation through here during the spring and summer and how it was slowed down, we did not filibuster. Things just did not happen. Like in the Agriculture Committee, we could not get our ag bill through. We still do not have an ag bill this late in the year. Now it occurs to me perhaps this was a design all along to create this impasse; to create an impasse so that we would have the kind of train wreck that we are looking at here with the shutting down of the Government.

Just too many of these things fit together. It indicates to me that this has been part of an overall plan for some time.

Mr. DORGAN. If I might say, this is not a search for villains, it is a search for solutions. This country has vexing problems, and we have to address the problems, but we do not solve problems by deciding to create train wrecks.

I will say again, Speaker GINGRICH on November 8 said "he would force the Government to miss interest and principal payments for the first time ever to force Democrat Clinton's administration to agree to his" deficit reduction plan. That is November 8, Investor's Business Daily. The point is, this is not an accident.

In the Chaplain's prayer this morning at the start of the Senate session, he talked about the need for people to come together and to reason together. That is the basis of 200 years of democratic Government.

We must find a compromise. We have people of vastly different views in a representative democracy. How do you resolve those? Over 200 years, you resolve them by coming together and reasoning and reaching a reasonable compromise.

The American people have a good sense of what is fair, a good sense of what a good compromise ought to be. What the American people have said clearly in the last couple of months is they are worried about the extremes here. People who never cared much about Medicare now pretend they want to save it. They do not want to save it.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mrs. MURRAY. Madam President, I yield 5 minutes to my colleague from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I thank the Senator from Washington, and I join my colleagues in regretting that it has been the decision of the majority leader not to permit those of us who want to be able to speak to the Senate and to talk with our colleagues about the current crisis that is affecting so many families, not only here in Washington but all across this Nation with all of the uncertainty it brings, to try to at least address that issue and to try and find some common ground in terms of how to avoid this current situation.

I am grateful to the Senator from Washington for letting me speak briefly on the issue of where we are at this time and what we must look at.

Madam President, the fundamental issue that divides the Democrats and Republicans is how to balance the budget. Only a few moments ago, the President of the United States, in an excellent address, restated his strong commitment to a balanced budget and challenged our Republican friends to work with him to try and achieve that in a way that is going to be fair and

where the issues of equity are going to be addressed.

It is reckless and wrong for the Republicans to effectively shut down the Federal Government because they cannot get their way in balancing the budget. The Democrats categorically reject the Republican priorities that balance the budget on the backs of senior citizens, students, working families, and the environment.

I, too, was a candidate in 1994. When I traveled around Massachusetts, my Republican opponents were not saying we are treating our elderly too well; we think that their copays and deductibles and premiums ought to go up; we think that we ought to tighten the belt on those who have contributed so much to making this a great country, who worked their way through the Great Depression and fought in the wars, that was never mentioned by my Republican opponent.

We have to tighten the belt on education. Under this proposal, they are cutting 40 percent of all the education programs—all the education programs—\$36 billion in cuts over the next 7 years under the Republican opposition, and about \$30 billion in higher education. I did not travel around Massachusetts and hear we are doing too much in the education of handicapped children, or we are doing too much in terms of feeding children, or we are doing too much in taking down the dollar sign for the schools and colleges.

We do not want signs on the schools and colleges of Massachusetts saying: "Wealthy only need apply."

In the course of that campaign, I did not hear Republicans use the argument that working families of this country that are making up to \$28,000, \$29,000 and have several children and are able to have the EITC, have too much disposable income. We always hear on the floor of the U.S. Senate, "Well, let's give the money back to the individuals who spend it. They can make a better judgment about how to spend their money than the Federal Government."

That seems to be a good enough rule for the wealthy individuals in this country but not for the working families, those that are making up to \$30,000 a year. This Republican budget is saying that they are going to have their taxes increased. No one was talking about that in 1994 and no one was talking about putting additional kinds of pressures on the needy, particularly the children. The belt is going to be tightened on the children of this country perhaps more severely than anyone else.

No one was talking about our air was too clean, our water was too pure, that what we have to do is make way to limit the kinds of regulations and protections on legislation that, by and large, were signed by Republican Presidents and worked through this Congress in bipartisan ways.

No one was talking about those particular issues in 1994, but I can tell you something, they will be talking about

it in 1996, because those are the issues that are being addressed. And on each and every one of those issues, the Republican budget flunks every responsible test. The current Republican strategy is a serious mistake. If they want to enact priorities like this, they are going to have to elect a Republican President in 1996, and that is not going to happen.

In sum, the current shutdown of the Federal Government is taking place, just as Speaker GINGRICH has been planning and boasting about all year. My colleague from Massachusetts and my colleague from North Dakota have made that case here this afternoon. The shutdown is entirely unnecessary. We are at this point because the Republicans, who control the Congress, have passed only 4 of the 13 annual bills necessary to appropriate the funds to keep the Federal Government open for the coming year—only 4 of the 13 annual bills. They have failed to meet their responsibilities in this whole appropriations process.

Those bills should have been passed by October 1, 6 weeks ago. We are 6 weeks into the new fiscal year, and the Republicans in Congress have not done their job.

The Government shutdown is part of a long-term strategy by the Speaker and the radical Republicans in Congress to force President Clinton to approve their extreme measures to destroy Medicare. Let it wither on the vine, as GINGRICH said, cut education, limit the health and safety protections that have been built up over 30 years.

The Democratic plan is based on genuine American values and priorities. It is a plan to balance the budget fairly, not at the expense of families and the environment, and it deserves to be passed by the Congress.

Mrs. MURRAY. How much time is left on both sides?

The PRESIDING OFFICER. The Senator has 29 minutes, 45 seconds, and the Senator from Alaska has 27 minutes, 51 seconds.

Mrs. MURRAY. Does the Senator from Alaska wish to take some time?

Mr. MURKOWSKI. I would like to continue to hold my time because several Senators are coming. So I will defer to the Democratic side.

Mrs. MURRAY. Madam President, I yield 5 minutes to the Senator from Iowa.

Mr. HARKIN. I thank the Senator. To follow up on my colloquy with the Senator from North Dakota, let me just state that today the Republican leadership has put our country into an artificial crisis—an artificial crisis—which is a very cynical act, and I think a very shameful act.

Let us make no mistake about what is going on. The Republican leadership is holding a gun to the head of the President and the whole Government, saying that if they are not able to get their way by cutting Medicare, by putting an additional \$130-a-year burden on our seniors, on their part B pre-

miums, they are going to shut the Government down.

Let me repeat that. The Republican leadership is saying that unless you let us put an additional tax on seniors of \$130 per senior, per year for Medicare part B, we are going to shut the Government down.

I do not know what they could possibly be thinking about. The American people have said, very loudly and clearly, that they do not want to cut Medicare. Our elderly are saying, look, we have enough bills to pay, and now you want us to pay more? It is \$132 a year—what a ransom; holding the elderly ransom to get their way, and shutting down the Government.

Madam President, 50 percent of the elderly in the State of Iowa have an annual income of less than \$12,000 a year. Eighty percent of the elderly have an income of less than \$25,000 a year. Now they are being told they have to pay an additional \$130 a year for Medicare part B premiums. That is the rider that is on the continuing resolution.

The President of the United States has said, "You take that off and we will negotiate." He is right. That is nonnegotiable, especially on a continuing resolution. If the Republicans want to put it on legislation and pass it, as they try to do through the reconciliation process, that is fine. But to use a short-term resolution to keep the Government operating is really a cynical and a shameful act.

It also really amazes me that Republicans are willing to go after the seniors to raise the money for Medicare before they go after waste, fraud and abuse. This Senator offered an amendment on the reconciliation bill that would have saved billions of dollars by cutting out waste, fraud, and abuse. It would have provided, for the first time, competitive bidding for durable medical equipment and medical supplies in Medicare.

Madam President, I had one of my staff people go to several drugstores in Iowa to get the price of a bandage. The average price, retail, was 17 cents. The same bandage cost the Veterans' Administration 4 cents. That same bandage costs Medicare 86 cents. Why Medicare 86 cents, and the Veterans' Administration 4 cents for the same bandage? Because the Veterans' Administration uses competitive bidding; Medicare does not.

My amendment was simply to do what I thought most of my fellow Senators on the other side of the aisle speak so loudly about—"free enterprise, capitalism, competitive bidding, that is the way to go." Yet, every single Republican voted against my amendment to provide for competitive bidding. I do not know why because we have it in the Veterans Administration, and it works well. But, for some reason, we cannot apply it to Medicare.

My amendment would have provided for better computers and software to catch more fraud. But, no, we could not do that. But we can tell the seniors to

pay \$130 more a month. But, no, we cannot have competitive bidding, you see.

Why is this so important, Madam President? Last year, I asked the GAO to do an investigation on medical supplies, and here is what they found. They took a sample of high dollar claims that Medicare had paid, and they went behind the bills to get an itemized statement. This is going to shock you. I have stated it many times on the floor, so maybe you know the figures already. GAO found that 89 percent of the claims should have been totally or partially denied; 61 percent of the dollars spent by Medicare should never have been spent; 61 percent paid out wasted.

What does that amount to? Well, last year, Medicare was billed \$6.8 billion for medical supplies—\$6.8 billion. If you take 61 percent and say it should have been paid out, you are talking about \$4 billion a year. Just take 50 percent and you are talking about \$3 billion a year. But, no, no, we cannot go after that, you see. There are a lot of big, powerful medical supply companies in this country making a lot of money on that. We cannot go after that. But we can go after the seniors in my State who make \$10,000 a year.

So what the Republicans are doing, I think, is a very shameful act in trying to force onto the continuing resolution the \$130 more.

Last, Madam President, here is another quote. The Senator from North Dakota read some quotes. Here is a quote by Representative KASICH:

I do not see the Government shutdown as a negative; I see it as a positive, if things get righted.

Congressman CHRISTENSEN said:

If we have to temporarily shut down the Government to get people's attention to show that we are going to balance the budget, then so be it.

What are we talking about? Madam President, 800,000—I am told—Government workers went home today because the Government shut down. Who are these people? Madam President, they are people like you and me. These are mothers and fathers. These are people with children. These are people that have illnesses at home. These are people that have mortgages to pay and car payments to pay, maybe have one or two kids in college that are trying to get through college.

These are not some kind of people that are not part of our American family of workers. Yet somehow we are being told they are worthless—send them home, we do not care.

What a hard-hearted, cruel approach to take, that somehow these Government workers who are outstanding upright taxpaying God-fearing Americans who do their job for the American people, that somehow they are not worth anything and they can go home.

It is cruel and it is heartless. I think the American people understand that. That is why I hope that we can reason together, get the Medicare off the

table, have a short-term CR. We can get together.

I add one thing. I happen to sit on the Agriculture Committee. I picked up the paper this morning and I found out the chairman of the Senate Agriculture Committee has announced that the conferees have reached an agreement on an agriculture bill, and this Senator has never even been invited to one meeting. What does that say for trying to work together?

The PRESIDING OFFICER. The time of the Senator has expired.

Mrs. MURRAY. Madam President, how much time is remaining?

The PRESIDING OFFICER. The Senator has 22 minutes.

Mr. MURKOWSKI. Is anyone seeking recognition? How much time would the Senator from North Carolina require?

Mr. FAIRCLOTH. I request 10 minutes.

Mr. MURKOWSKI. I yield 10 minutes to the Senator from North Carolina.

BALANCED BUDGET LACKS PRESIDENTIAL COMMITMENT

Mr. FAIRCLOTH. Just a few minutes ago the President spoke to the Nation in a press conference. I watched his speech and was amazed at the sincerity, that he appears to really believe what he was saying. Certainly what he has been doing does not match what he was saying.

Madam President, last night the Federal Government ran out of money and thousands of Federal workers were sent home. The question on everyone's mind is, why will Bill Clinton not agree to a balanced budget? Why will Bill Clinton not agree to a balanced budget?

He has flipped and flopped so many times on the budget that it is hard to know where he stands on the issue. It should be perfectly clear that the blame for this shutdown can be traced directly to the White House and not anywhere else, and to the President's new imagemakers at the House. They are determined that he appear strong, regardless of the consequences to the Nation.

As a candidate for the Presidency, Bill Clinton promised to balance a budget in 5 years. However, once in office, he flipped on the campaign promise. In fact, Bill Clinton has never submitted to Congress a plan for balancing the budget. The first budget which he submitted this year never reached balance, and he knew it when he submitted it.

After consulting with pollsters and realizing that Congress was serious about reaching a balanced budget in 7 years, Bill Clinton flipped again and submitted a second budget which he claimed would balance the budget in 10 years. However, that was not true and he knew it when it was submitted.

For all the flipping and flopping, Bill Clinton is not making any headway on the budget. In fact, in this very body, not a single Member of the Senate—Democrat or Republican—voted for his budget—not one. Realizing the American people knew that he was not seri-

ous about a 10-year budget plan, he flipped again and accepted a congressional timeframe of 7 years.

We are now hours away from having a conference report on a balanced budget. Congressional leaders have invited the President to begin working with us. For 26 hours last week he was on the same plane with Speaker NEWT GINGRICH and Majority Leader DOLE. A captive audience—no negotiation. Madam President, 26 hours of prime time and he did not use it.

Last Friday he told Congress to remain in session as he got into a Government limousine and rode off to the golf course. No negotiation.

The fact of the matter is that Bill Clinton just is not serious about balancing the budget. However, he is very serious about improving his image. His campaign advisers tell him a balanced budget is popular with America's voters and therefore he is trying desperately to get on board. So he gives press conferences and issues press releases proclaiming his support for a balanced budget. But there simply is not any commitment or substance to back up what he is saying.

Bill Clinton pretends that he vetoed a temporary spending measure because he wanted to protect Medicare. Just as the President has no credibility on the budget, he has no credibility on Medicare. His own Medicare trustees informed him earlier this year that Medicare bankruptcy is imminent. Bill Clinton's response was to do nothing.

The Republican continuing resolution maintains secure Medicare premium percentage that recipients pay. It maintains the current premium, that Medicare premium percentage, that recipients pay. It says that we need to hold off on decreasing premiums until we implement a comprehensive plan to save Medicare. It does not cut the premium. It does not raise the premium 1 percentage. It simply keeps it the same. Very simply, no change.

Dick Morris, the President's new top adviser, calls the President's plan triangulation. In Washington language, this is supposed to mean that Bill Clinton is a moderate. In North Carolina we speak more directly. This triangle of Bill Clinton's consist of no leadership, no principle, and no negotiation. That is the triangulation.

Medicare is going broke. The Government is trillions of dollars in debt. The Government is shutting down and the President is concerned about triangulation. Deficits and the national debt are a tax on future generations. That has been said many times in this Chamber but the fact that it has been repeated does not lessen its truth or its value or its impact upon the American people.

In 1975 the debt ceiling was \$595 billion. Today, it is right at \$5 trillion. Every child born today faces \$187,000 interest bill on the debt incurred by past Congresses.

The issue before the country is a balanced budget. That is what the bill is

about. That is what we are talking about. The current stalemate will not end until Bill Clinton stops being a candidate for President and starts being President. He needs to work with the Congress for the good of this country.

I end this short speech where it began, with the simple question: Why will Bill Clinton not agree to a real balanced budget as he pledged to do when he was running for President? When he was running for President he pledged to the voters and the people of this country a balanced budget within 5 years. Why will he not come forth and agree to a balanced budget now in 7 years?

I yield the floor.

Mrs. MURRAY. Madam President, I yield 5 minutes to the Senator from Arkansas.

THE GOVERNMENT SHUTDOWN

Mr. BUMPERS. Madam President, I thank the Senator for yielding. People across America are looking at this Government shutdown and saying, what on Earth are those people thinking? What is this all about? And why is it necessary to furlough 800,000 workers?

The Baltimore Sun said today that people are no longer mad as hell. They are scared to death. I can tell you there are people around here who are getting anxious. Why are we doing this? I have been in the Senate 21 years. This is the most bizarre time I have ever witnessed. I assumed, just as in the past, that reasonable heads would prevail, the thing would be worked out last night, everybody would come to work today, and we would get on with our legitimate business. But that has not happened.

One group of people say, "Why doesn't the President sign that bill?" What is wrong with that? And other people say, "I am with the President. I hope he will hang tough." That is where I come down. It is not that big a deal in some ways. But it is essentially an intrusion on the President's authority. It is an intrusion on our turf, too, to attach something like regulatory reform to the debt extension bill. Not our version of regulatory reform, the House version, which could not see the light of day in the U.S. Senate. It would never pass the U.S. Senate. And where is it? On the debt ceiling bill. Why on Earth do we put regulatory reform and habeas corpus reform on the debt ceiling?

The debt ceiling is designed to provide the full faith and credit of the United States to people who buy our bonds. Twenty-five percent of our national debt, Madam President, is owned by the Western Europeans and the Japanese, and they do not think this is fun and games. I heard a young Congressman on the "Jim Lehrer Show" say last night that this is "where the rubber hits the road. This is fun." It is a lot of things, but fun is not one of them.

What if the Japanese and Western Europeans decide to start pulling out of American securities, our bonds and our T bills. Where are we going to pick up 25 percent, or over \$1 trillion of new investment? Are we going to get it from the American people? We do not have that kind of savings in this country. So what happens? Interest rates start skyrocketing. What happens then? It costs us billions and billions to finance the national debt at a time when we say our whole *raison d'être* is to balance the budget.

What else? To provide for a \$245 billion tax cut. Do you want to balance the budget in 7 years? I do not know whether it should be 7 years or 8 years or some other period, nor does anybody in America. But I can tell you one thing. A \$245 billion tax cut is not consistent with balancing the budget. Any tax cut—any tax cut—should be postponed until the budget is balanced. And who gets it? You know the rest of that story.

The \$500 per child tax credit would not be for everybody; not for the people who make less than \$30,000 a year with two or three children. They get no part of the child tax credit. Instead, they get a cut in the earned income tax credit. That is a tax increase. Some 49.5 percent of the people in this country get nothing but a tax increase out of this budget bill. But if you happen to be wealthy and have three or four kids, you get \$500 for each one.

So this morning I read where the Republicans are trying to make this \$500 per child credit retroactive to the year just gone by. They cannot pay for the full \$500 per child for 1995, but they want to come up with \$125 per child. Of course, the 1995 tax returns have already been printed, and there is no place for \$125 credit on the return. So guess what? It will be payable with a green check from the U.S. Treasury next October 1, 30 days before the election. How cynical can you get to take \$125 for all these children out of the Treasury 30 days before the election? Talk about buying an election. It is one of the most hypocritical things I have ever read in my life.

Colleagues, why did you run for this office? Do you have any values? Do you care about the fact that children are not going to be educated? Do you care about the fact that my State is going to lose 40 percent of its Medicaid funds? We will not have a Medicaid program. Do you care about elderly people? Seventy-five percent of the people over 65 live on less than \$25,000 a year. So what do you do? You savage them to pay for a tax cut for the wealthy.

I am sorry I do not have more time. I thank the Senator for yielding.

Mrs. MURRAY. Madam President, I yield 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island has 5 minutes.

A PLEA FOR CIVILITY

Mr. PELL. Mr. President, like most of my colleagues, I am deeply dis-

tressed and, indeed, saddened that the legislative and executive branches of our Federal Government have reached an impasse over the future funding of Federal activity, as embodied in the continuing resolution for the current fiscal year and in the temporary debt limit extension bill, with the debate over the long-term budget reconciliation bill still to come.

While it is not surprising that we should arrive at this point—considering the differences in philosophy which are at stake—it does seem to me that deadlock could have been avoided, and still can be, if only more respect can be granted to the traditional norms of behavior that are the underpinning of our democratic system.

Comity and civility, transcending differences of party and ideology, have always been crucial elements in making government an effective and constructive instrument of public will. In times such as these, when the pendulum of history seems to be reversing its swing and when there is so much fundamental disagreement about the role of government, it is all the more essential that we preserve the spirit of civil discourse.

Last year, before retiring from the Senate to become president of the University of Oklahoma, David Boren sent a letter to his colleagues lamenting the fact that "we have become so partisan and so personal in our attacks upon each other that we can no longer effectively work together in the national interest." It was a thoughtful warning that has meaning far beyond the U.S. Senate.

The fact is that the democratic process depends on respectful disagreement. As soon as we confuse civil debate with reckless disparagement, we have crippled the process. A breakdown of civility reinforces extremism and discourages the hard process of negotiating across party lines to reach a broad-based consensus.

The Founding Fathers who prescribed the ground rules for debate in Congress certainly had all these considerations in mind. We address each other in the third person with what seems like elaborate courtesy. The purpose, of course, is to remind us constantly that whatever the depth of our disagreements, we are all common instruments of the democratic process. That process is not well served by spin doctors and sound bytes. Nor is it well served by blustering assertions of no compromise.

This certainly should be kept in mind with respect to the current dispute over the continuing resolution. This legislation is necessitated by the failure of this Congress to enact appropriation bills in a timely fashion, and President Clinton has every right to insist that a temporary continuation of spending authority come to him unencumbered by an extraneous policy matter. Whatever the level of future Medicare premiums is to be, it should be determined by reasoned debate and

not be set by the forced process of a take-it-or-leave-it add-on to a continuing resolution.

Similarly, with respect to the debt limit extension, no amount of partisan oneupmanship is worth the cost of bringing the credit rating of the U.S. Government to the brink of world-wide doubt and disrepute. The way to curb future borrowing is through reduction of deficits, which we are all committed to accomplishing. But in the meantime, the United States must honor its commitments, and it seems to me highly irresponsible to attach any conditions to an extension that would limit the Government's ability to do so.

It does seem to me, Mr. President, that there are the makings of negotiated agreement on these issues, and on the larger issues that face us in the reconciliation bill, if only we can return to the basic ground-rules of civil discourse and reasoned deliberation. President Clinton for his part has long since indicated his commitment to the goal of a balanced budget. So the differences between the two sides are differences of degree—quantitative questions of how many dollars will be cut over what span of years—which certainly are susceptible to compromise.

Edmund Burke, the eloquent British statesman whose 18th century comments are so often relevant to democratic government today, once said that "All government is founded on compromise and barter." Those words have meaning for us all today, including those who feel they have a mandate for radical change.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I yield 5 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin has 5 minutes.

A REALISTIC BUDGET PLAN

Mr. FEINGOLD. Madam President, I thank the Chair and I thank the Senator from Washington.

I join my colleagues from both sides of the aisle in deploring the circumstances that have brought us to this situation where the Federal Government is basically shut down because of the failure of the Congress and the White House to reach agreements over the Nation's fiscal needs.

Each side of this abysmal impasse has a somewhat different perspective on where the fault lies. Ultimately, neither side can win that debate because the American public sees this kind of problem as a failure of both sides. This kind of gamesmanship simply serves to undermine public confidence in public officials, and that does not benefit the Nation either in the long term or the short term.

Shutting down the Federal Government and jeopardizing the credit of the United States by allowing us to move to the brink of a default in our obligations is irresponsible.

According to OMB and GAO, shutting down the Federal Government will cost

the Federal Treasury millions and millions of dollars. At a time when we are working to bring down the Federal deficit, we can certainly not afford that. There is no need for this shutdown to have occurred.

I must say there is no justification for trying to use emergency legislation to continue Government functions as a vehicle for extraneous policy issues, issues like weakening environmental protection laws, undermining the writ of habeas corpus, or ramming through increases in Medicare premiums.

I note today some of the leadership on the other side is saying, well, this is really about a 7-year balanced budget. But the fact is the reason we are here now is not the 7-year balanced budget issue; it is inclusion of these extraneous matters that have nothing to do with balancing the budget.

Congress ought to get serious and pass a clean continuing resolution and debt ceiling extension so that we can move on with the pressing business of reaching agreement on long-term deficit reduction legislation and actually achieve a balanced budget. I think the President is correct that these negotiations should take place without the threat of budget blackmail hanging over the negotiating table. We ought to be able to reach the agreements needed without this needless disruption of Government services and the undermining of public confidence.

Let me also focus for a moment on what I mean by the threat of budget blackmail hanging over the negotiating table.

At the heart of this impasse is an effort driven primarily by the House backers of the Republican contract to force through a budget reconciliation bill that is predicated in large part on delivering what the Speaker of the House has called the crown jewel of the Republican Contract With America, and that crown jewel is this massive tax cut.

In other words, it is not just an issue of whether we should balance the budget in 7 years or earlier, with which I do agree. It is a goal on the part of those pushing that Contract With America that we balance the budget but also find enough money in there to provide a \$245 billion tax cut, particularly for those in the upper income brackets. So there is no legitimacy to the claim that the dispute today is only about whether we do this in 7 years. It is about doing it in 7 years and letting these cuts occur to human service programs and safety net programs and delivering a significant tax cut to upper income folks in this society. That is what is really at stake here today.

The deep cuts in Medicare and Medicaid and education and environmental protection programs and other vital domestic programs are driven by the need to provide offsets for the \$245 billion tax cut which the Republican leadership seems absolutely determined to protect.

I have opposed this tax cut from the beginning. It is bad economic policy,

bad public policy, and bad judgment by the political leadership in Congress.

There is a simple solution to this crisis. Drop the \$245 billion tax cut. Use it to cut back on some of the significant cuts in Medicare and Medicaid and other programs and still balance the budget by the year 2002.

That is the true answer to this dilemma, and I believe, if both parties are serious about this matter at this point, we would realize that that is the crux of the issue. A \$245 billion tax cut skewed toward those in upper income brackets is not the same as saying we have to balance the budget in 7 years. That is the problem. That is what is holding this up, and that is what would solve the problem.

Madam President, I will conclude by simply saying that I hope we can get a clean resolution and stop this shutdown at this point.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. How much time is remaining?

The PRESIDING OFFICER. The Senator from Alaska has 20 minutes and 9 seconds, and the Senator from Washington has 6 minutes and 11 seconds.

Mr. MURKOWSKI. I thank the Chair. I am going to yield myself a few moments because I think it is appropriate to recognize that we have been talking about S. 395, which is the pending business before the body. That is the bill that passed including sale of the Alaska Power Authority, moving some of our excess oil off the west coast.

Instead, we have been hearing the spin doctors of the Senate, spin doctors criticizing the Republican plan to balance the budget. They suggest that we are putting this on the backs of the seniors, the working families, the children, reducing our educational commitments. Come on. We are trying to save a program, save a system.

To suggest that the Republicans have no compassion in this area is absolutely ludicrous. What are we doing on Medicare? We are responding to the Democratic alarm that Medicare is going to be broke by the year 2002. So what we are doing is not cutting it. We are reducing the rate of growth from 10 to 6 percent.

Is that irresponsible? I suggest it is responsible. Shut down Government? That is not our objective. Our objective is to balance the budget. This is not a continuing resolution. This is a commitment, a commitment to balance the budget, the 1995 balanced budget amendment. That is the issue before this body, and that is the issue down at the White House, to balance the budget.

Why do we need to balance the budget? Because we have a \$4.9 trillion accumulated debt. And the American people have said that that is enough.

What are we spending for interest on the debt? What is the interest cost of

that? About 14 percent of our total Federal budget. Canada is nearly at 20 percent. What happens when you have to spend 14 percent of your budget on interest on a \$4.9 trillion accumulated debt? That means less money for our social responsibilities, less money for our seniors, less money for education.

You have not heard one Democratic Member of this body say how you are going to balance the budget. They simply criticize our plan. You have to cut. You have to cut Government or you have to increase revenues.

There is no magic to it. We have heard the Democrats say that the Medicare Program would be broke by the year 2002, and they are right. We are doing something about it. They are criticizing us for what we are doing about it, but they do not say what they would do about it. We have heard today that, yes, they want to balance the budget. The President said 10 years. Now he says maybe 9 years. One Senator in the Chamber today said 7 years. But that Senator did not say how we were going to do it.

The reason Government is shut down is because the President of the United States will not agree on a plan to balance the budget. He will not come before this body or the House or the leadership and tell us what his plan is to balance the budget.

Madam President, this is important. This is the most important thing we could be doing because we are talking about the survival of our Government, the survival of our fiscal system. Make no mistake about it, Madam President, this is historic. This is a historic attempt to turn around Government so that we can survive under our Democratic system as we know it today, because, Madam President, this is the first time in 35 years, since 1969, that we have imparted on a path to balance the budget. The last budget balance we had was back in 1969. It has been 35 years. We have accumulated \$4.9 trillion in accumulated debt. That is the legacy we are passing on.

So it is historic, Madam President, you bet. And we propose a commitment and a plan and a responsible roadmap to get it done. We have a pledge to the American people to do it. The American people expect the Republican-controlled Congress to get the job done and stay the course. And this is indeed a very historic moment, Madam President.

I am going to give some time to my colleague from the State of Louisiana. How much time might he like?

Mr. JOHNSTON. Four minutes.

Mr. MURKOWSKI. Four or five minutes.

I ask the Chair, how much time do I have?

The PRESIDING OFFICER (Mr. THOMPSON). The Senator has 14 minutes 7 seconds.

Mr. MURKOWSKI. I yield 5 minutes.

Mr. JOHNSTON. I thank my colleague.

Mr. President, I congratulate my colleagues on this side of the aisle for

using this opportunity to debate this question of a shutdown of the Government which, in my view, is unnecessary. In my view, this debate really is not about a balanced budget in 7 years; the question is whether you want a deep tax cut which costs a great deal of money and, in the process, socks it to the seniors through the Medicare trust fund.

But, Mr. President, as strongly as I believe that our colleagues on this side of the aisle are making the correct statement, correct arguments, to which I subscribe and to which I heartily agree, I just want to put in context what the measure is that we are debating just so we do not lose sight of the fact that this is the conference report on the Alaskan North Slope oil and to tell my colleagues what is involved.

Initially, Mr. President, we required that Alaskan North Slope oil destined for the gulf coast go all the way, by tanker, to the Panama Canal where it was offloaded, pipelined across the isthmus and then reloaded and then transported to the gulf coast. Why did we do that? Because of seamen's jobs, because of the Jones Act which required that American seamen pilot those ships.

Of course, it was economically not feasible to do that. It did not make economic sense except in the context of American seamen and the Jones Act. And the reason that the law so said that all those years really had nothing to do with energy security; it had to do with American seamen's jobs. It has taken all this time, all these years, to get it worked out for American seamen and the Jones Act to make our grand compromise on this question of seamen's jobs.

That now having been done, virtually all sides support this legislation in this conference report. There is, of course, some opposition. I think when it originally came up, the conference report passed by a vote of 74 to 20 something. The deport of royalty part of this legislation was part of that conference report at that time or part of the Senate bill at that time, which got 74 votes. The deport of royalty came up again and passed by 71 to 28.

The administration supports this legislation. It is economically efficient, saves the country money, is good for the economy of America. And for those reasons, there is virtually no opposition. I simply say that, Mr. President, not because there has been any argument here today to speak of on this conference report, but just so that my colleagues will know that this conference report has nothing to do with the balanced budget or tax cuts for the rich or any of those grand and wonderful subjects. This has to do only with the Alaskan North Slope oil and whether it can be exported in the most efficient way. And it also has to do with deport of royalty. Both parts of that have been overwhelmingly approved here on the floor of the Senate. The deport of royalty was approved

here twice, and the Alaskan North Slope was approved by a margin of 74 to 25.

So, I simply say that, Mr. President, so that my colleagues will know that the conference report ought to be approved however you feel about tax cuts for the rich, Medicare cuts and all the rest of the subjects that are so much on everyone's mind. I yield the floor, Mr. President.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

Mr. President, the events in the past few days are disheartening. Congress passed two bills that should provide stopgap measures for the Government to operate, both the debt extension and the continuing resolution. These bills are necessary to buy time to work out differences that we have on the budget. But both were loaded down with political baggage, and the President has been forced to veto both.

Now here, amazingly, today we are talking about exporting Alaskan oil. The Government is shut down, the budget is in crisis, and we are debating a major giveaway to foreign oil companies at the expense of Washington State refinery workers.

Mr. President, it does not have to be this way. We have a job to do. We passed a budget resolution months ago. We passed a budget reconciliation 3 weeks ago. And we literally have been sitting here since then. We have a responsibility to problem solve, to work out our differences and send a package to the President. Yet here we are drawing lines in the sand and wasting time. I think everyone looks bad if we do not keep the budget process moving.

Mr. President, when I came to Washington in 1993, I was excited, motivated, and ready to make a change. I was ready to make Congress work for average people. I was driven to restore common sense to this institution. And in large part I acted on that impulse by becoming a member of the Budget Committee, which put together the Budget Reconciliation Act of 1993. We all remember the 1993 budget debate. It was intense, but yet it was productive. Not everyone liked it, but we got the job done. We had no debates about continuing resolutions or debt limits. There were no discussions of Government shutdowns and work furloughs. Instead, we simply worked hard and we beat every deadline with room to spare.

I understand the new majority's enthusiasm and in many ways I share their interest in changing the way this place works. And, believe me, I understand how difficult it is to put together a comprehensive budget package.

But, Mr. President, what I do not understand is the new majority's inability to do so. Here we are, November 14, and there is no light at the end of the tunnel. This body passed a budget way back on October 27, but we still have not seen a House-Senate compromise

package. More importantly, this Congress still has not passed 8 of its 13 appropriations bills. That astounds me.

Our constituents expect us to pass appropriations by September 30. In fact, we passed the Senate budget plan 3 weeks ago and literally have done nothing since. People do not want to hear about Government shutdowns. And they certainly do not like it when Congress plays political games with their lives. How do we explain the pending Government shutdown without admitting our inability to do what is asked of us? We cannot; it is impossible. We cannot explain this stalemate without telling the public that the last 2 weeks have seen nothing but arguing, posturing, and finger pointing from one end of Pennsylvania Avenue to the other. I do not like to say it, but this behavior reminds me of the preschool classes I used to teach.

Mr. President, we have to be responsible. We should not risk our Nation's creditworthiness and its ability to borrow. We should not shock the bond market, raise long-term interest rates and hurt American investors and consumers. We must understand the ramifications of our actions and our inactions. I urge my colleagues to consider my words. The American people do not care about who wins and who loses in this budget battle, let alone the continuing resolution battle. They simply care about results. They want to feel secure, and they want to know this Congress is up to its job.

Mr. President, our goal should be to restore faith in Government, to demonstrate progress, action, and change. People want to see us working and working hard just like they do. But if the Government shuts down, all they are going to know is the politicians in Washington, DC, dropped the ball again. It is time to put aside the brinkmanship and give people what they want. I hope we can move quickly to enact a reasonable continuing resolution that has no strings attached.

Budget negotiations will come soon enough once we resume work on the budget bill. In the meantime, let us be responsible legislators. Let us live up to our responsibilities and the expectations of our constituents.

As far as the pending legislation is concerned, again I am amazed that we are debating this bill when this Government has come to a standstill. But I want my colleagues to know, I think that this bill is not a good one. It does not favor my constituents or the Nation. It gives away precious oil resources when our own country is 50 percent dependent on foreign oil. It threatens the healthy water of Puget Sound with unsafe, single-hull oil tankers. And most importantly, if this body actually takes a step to opening ANWR to drilling, it is possible that that oil also will be exported. This makes no sense at all to me, Mr. President, and I urge my colleagues to vote no on the conference report.

Mr. MURKOWSKI. Mr. President, I inquire how much time is remaining on both sides.

The PRESIDING OFFICER. The Senator from Alaska has 10 minutes, 25 seconds, and the other side has 38 seconds.

Mr. MURKOWSKI. Mr. President, this has been an extraordinary debate. We started out debating the Alaska Power Authority moving excess oil from the west coast of the United States and deep-water royalty relief under S. 395. A good part of the conversation has involved a spin on the balanced budget amendment and the continuing resolution.

I think that has been identified by both sides relative to the merits. But, again, I remind my colleagues that the reason the Government is shut down today is because the President and the White House cannot come to grips with a Republican plan for a balanced budget, and it is just that simple.

I have listened intently to my good friend from the State of Washington relative to her concerns about the Alaska oil export portion in title II. I can assure you that, indeed, we do not contemplate a giveaway of American oil. We are talking about selling that portion of oil that is excess to the west coast and, in so doing, that will stimulate jobs in California and stimulate jobs in my State of Alaska. As the Senators from Washington know, anything that is good for Alaska is good for the State of Washington, because most of our supplies go through their State.

Furthermore, to suggest that somehow this is going to be detrimental to Puget Sound, I remind those who are somewhat familiar that we are not talking about oil being exported from the State of Washington. What we are talking about ultimately is the State of Washington having to depend more on imported oil coming into that State if, indeed, it cannot rely on a continuing supply of oil from Alaska.

But in concluding remarks, I wish to reflect for a moment on the great relationship which we have had over the years with the State of Washington, her citizens and the congressional delegation. Since the very first days of our statehood upon entering the Union, we in Alaska have had vibrant economic, cultural, and close political ties to Washington. I guess that began some three decades ago. Perhaps Senator STEVENS, the senior Senator, could comment a bit more precisely on the history, but our two congressional delegations have worked together.

We have created new economic opportunities for citizens of both our States. Indeed, we look back with fondness to the efforts of Scoop and Maggie, as they were fondly known, to nurture the development of both our States economically. We have accomplished much since statehood, in large part because our delegations have worked together to promote common interests.

We have differences of opinion, as evidenced by this, but as a result of our

State's geographic location, we always depended heavily on two-way commerce with the State of Washington. Ships carrying the produce and consumer goods of Washington State regularly enter our ports. In return, we continue to share our great mineral wealth, including much of the crude oil that fuels Washington State's transportation system and supports her economy, and we want to do that in the future.

In fact, development of our natural resources have been of immense benefit to Washington State. Between 1980 and 1991, North Slope oil production generated approximately \$1.35 billion in revenues for the State of Washington. Only my State, California, Texas, and Pennsylvania generated greater revenues in providing supplies needed to sustain oil production on the North Slope.

So we look forward to the future. We see vast economic benefits through development of our State's bountiful resources. Opening the Coastal Plain of ANWR to prudent, environmentally sound oil production, for example, would create up to 12,000 new jobs in the State of Washington, ensure the continuity of her refineries, and, as a consequence, we feel we can do it safely.

So, this is, indeed, an important relationship. I have worked hard, along with Senator STEVENS and others, in the conference to ensure that Senator MURRAY's safety and environmental concerns would be addressed. When some of our House colleagues suggested deleting section 206 in its entirety, Congressman YOUNG, from Alaska, and I insisted that efforts be undertaken to find a meaningful compromise. Although I understand my colleague wishes the original language could have been maintained, I believe we did develop a sound alternative.

Let me tell you what that is, because under title IV of the conference report, we have mandated that the Coast Guard examine the most cost-effective methods of using existing towing vessel resources to respond to any vessel in distress. We adopted this alternative because in part we believe that, on the best information available and evidence, that the marine environment of Puget Sound is adequately protected under existing response plan requirements mandated by the Oil Pollution Act of 1990 and other statutory provisions.

OPA is applicable to major oil ports. Puget Sound is one. It requires double-hull tankers over a period of time, inspections, higher liability, response plan and escort vessels and mandates that the Coast Guard be given the discretion relative to escort vessels.

We believe the Coast Guard's existing authority to prevent and respond to oilspills, as well as to impose vessel operating requirements, is fully sufficient to address the needs of all Pacific

Northwest waterways. It is an obligation of the Coast Guard to address that.

Nonetheless, in recognition of the interest among the citizens of Washington State in a so-called tug-of-opportunity system and given our strong desire to ensure that cost-effective measures are adopted to enhance the safety in these waters, the committee of conference included title IV.

With respect to Senator MURRAY's general concerns about the impact of ANS exports on her State, let me offer a few thoughts. We firmly believe, as the weight of the testimony before my committee demonstrated, that the Pacific Northwest will continue to be the most natural market for ANS crude.

Given its geographic proximity and relatively low cost of transporting crude to refiners in Puget Sound, there is no sound economic reason why any oil now coming to Washington would be exported. In fact, the largest independent refiner in the area has a long-term supply contract with the largest North Slope producer. Moreover, some of the owners of the largest refineries in Washington State, in fact, support this legislation. There is, thus, no reason to fear oil shortages or higher prices.

Nor, might I add, is there any basis for the concern expressed that enactment of the legislation will lead to a sudden influx of substandard or environmentally unsound foreign-flag tankers in the waters of Puget Sound. Under OPA 1990, all tankers—American flag and foreign flag—are subjected to the same rigorous safety standards by the U.S. Coast Guard. Environmentally safe foreign-flag tankers today deliver imports to refineries in Puget Sound, as a matter of fact. Finally, along with the American-flag tankers, with some of the best safety records in the world, these tankers will continue to deliver the crude that helps fuel the State's economy.

We have carefully considered all the potential negative implications of the ANS export.

We have given the President all the authority he needs to ensure the exports do not pose negative environmental risks for anybody in the Pacific Northwest. Having done so, we want to share the benefits of export. Like Washington State, which for so long has thrived because of free trade—you can imagine what would happen if the State of Washington was precluded by this body from, say, exporting their apples. We feel that way about our oil, Mr. President. We in Alaska want the chance to sell our most precious resource into the world markets. We in the Alaska delegation have fought so hard for so long to maintain free and open trade opportunities for others, and we now ask that our colleagues help us end the discrimination that has kept our most valuable resource from being freely traded in a competitive market. It has been unfair to the State of Alaska. I thank Senator STEVENS,

Representative YOUNG, Senator BENNETT JOHNSTON, and other members of the Energy Committee, who worked so hard to bring this legislation together, S. 395, covering the sale of the Alaska Power Authority, and the export of excess oil from the west coast of the United States in U.S.-flag vessels with U.S. crews. This means more U.S. ships and more jobs.

Finally, on the benefits of deep water royalty, I had the pleasure of working with Senator BENNETT JOHNSTON to bring together, with my colleagues in the House, this legislation before us. I believe the time has about expired. The yeas and nays have been ordered. I do not know if there is further time.

I yield the remainder of my time.

Mrs. MURRAY. I yield back our time.

Mr. MURKOWSKI. I urge my colleagues to support the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 69, nays 29, as follows:

[Rollcall Vote No. 574 Leg.]

YEAS—69

Abraham	Dorgan	Lott
Ashcroft	Faircloth	Lugar
Baucus	Feinstein	Mack
Bennett	Ford	McCain
Bingaman	Frist	McConnell
Bond	Glenn	Murkowski
Breaux	Gramm	Nickles
Brown	Grams	Nunn
Bryan	Grassley	Pell
Burns	Gregg	Pressler
Campbell	Hatch	Robb
Chafee	Heflin	Roth
Coats	Helms	Santorum
Cochran	Hollings	Shelby
Cohen	Hutchison	Simpson
Conrad	Inhofe	Smith
Coverdell	Inouye	Snowe
Craig	Jeffords	Specter
D'Amato	Johnston	Stevens
Daschle	Kassebaum	Thomas
DeWine	Kempthorne	Thompson
Dole	Kennedy	Thurmond
Domenici	Kyl	Warner

NAYS—29

Akaka	Harkin	Moseley-Braun
Biden	Hatfield	Moynihan
Boxer	Kerrey	Murray
Bumpers	Kerry	Pryor
Byrd	Kohl	Reid
Dodd	Lautenberg	Rockefeller
Exon	Leahy	Sarbanes
Feingold	Levin	Simon
Gorton	Lieberman	Wellstone
Graham	Mikulski	

NOT VOTING—1

Bradley

So the conference report was agreed to.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

COST OF GOVERNMENT SHUTDOWN

Mr. DASCHLE. Mr. President, 800,000 Federal workers were furloughed without pay today as a result of our inability to resolve our differences on the continuing resolution. It could have been avoided. It is as unnecessary as it is unfortunate.

Morale among Federal employees is at one of the lowest points ever. They face great uncertainty, while many are being told they are not essential. It is sad but avoidable. It represents not only a cost to families working for the Federal Government but a huge cost to Government itself. It may cost the Federal Government as much as \$150 million a day, costing taxpayers as well.

While it may have been avoidable, it was also predictable, given statements by the Speaker of the House throughout the year. It was on April 3 when the Speaker pledged to "create a titanic legislative standoff with President Clinton by adding vetoed bills to must-pass legislation."

It was on November 8 that the Investors Business Daily reported that the Speaker would force the Government to miss interest and principal payments for the first time ever to force the administration to agree to his 7-year deficit reduction.

While failure to pass a continuing resolution costs a great deal, failure to pass a debt limit is costing even more. Officials at Standard & Poor's recently noted, "The willingness of American officials to talk about the possibility of default has already done lasting harm to the United States international image as a country willing to pay back what it borrows." Standard & Poor's President Leo O'Neill argued, "Even if the issue is resolved in the 11th hour, the 59th minute, in some respects the damage has already been done."

Mr. President, we can resolve these matters now. In fact, we must do so.