

and private sector place and enterprise. It aims to create a stable business environment for an industry that employs thousands of Americans and generates billions of dollars in economic activity each year.

Our bill pursues this goal in several important ways.

First, it will reduce the bureaucracy and redtape that plagues our regulation of the commercial space industry. Currently, the oversight of space-related businesses is scattered among multiple federal agencies, and burdens businesses with complex, confusing, and often conflicting rules. It is not an environment that encourages progress and innovation.

This bill takes the first step toward clarity by requiring each relevant federal agency to clearly state its requirements for commercial space licensing. That requirement will help space businesses in their efforts to raise capital, develop a consistent business plan, and create new job opportunities within the commercial space industry.

Second, our bill encourages federal agencies to act in a more efficient manner by increasing the private sector's involvement in servicing and launching space hardware, in addition to their current role in building rockets and satellites. This will bolster the expansion of the commercial space industry, while at the same time reducing Government costs and saving tax dollars.

For example, this legislation would call for NASA to look at the role the private sector may play in operating, maintaining, and supplying the international space station. It would also encourage the conversion of old ballistic missiles into launch vehicles, a use that will reduce storage costs and provide for less expensive commercial space launches.

Finally, it is imperative that we update existing Federal law to reflect the rapid pace of technological change. Mr. President, we cannot hope to prepare for the high-tech 21st century if the Federal Government maintains a 20th century mentality. Our laws should be flexible enough to adapt to a world in which new science and technology is created every minute.

These goals will be difficult to achieve, however, if we do not recognize the role of State and local governments in reducing space costs. This is especially relevant to Florida. I am hopeful that our legislation will spur a robust and energized commercial space industry. Within 8 years, the number of launches in Florida are expected to double. But this potential growth can only be achieved if there exists a productive working relationship among all entities involved in the commercial space industry, including state and local governments.

Mr. President, I would like to take a moment to tell you exactly what this legislation will accomplish:

This bill will require NASA to submit a report that identifies and examines

the prospects for commercial development, augmentation, or servicing of the international space station by the private sector. Private sector involvement in the commercial space industry is likely to reduce the costs of operating, maintaining and supplying the space station and will allow State governments to act as potential brokers in reducing space station costs.

We amend the Commercial Space Launch Act and to give the Federal Government the authority to license commercial space reentry activities. This is an essential portion of the bill. Without this legal authorization, commercial reusable launch vehicles will not be allowed to re-enter the atmosphere, a restriction that would stymie the realization of important technological developments and investments by the commercial space industry.

This bill reaffirms our Nation's plans to make the Global Positioning System [GPS] a world standard. GPS is a space-based system that individuals can use to determine their precise position on Earth. Although it began as a military/defense system, the GPS applications have expanded to other sectors. In addition, foreign governments are interested in entering this lucrative global market. Therefore, in an effort to protect our economic interests and our national security, it is imperative that we encourage our President to enter into regional agreements with foreign governments to secure U.S. GPS as the unquestioned global standard.

The legislation further requires the Federal Government to purchase both space hardware and transportation services from the private sector. This will encourage innovation within the commercial space industry, while simultaneously promoting greater cost efficiency and protecting our national security.

This legislation allows the conversion of excess ICBM's into space transportation vehicles. These missiles cannot be used for defense purposes due to the START treaty. The conversion of these missiles could save taxpayer dollars by eliminating storage costs and providing cost effective launches for small scientific and educational payloads.

Mr. President, I was extremely pleased when the House passed its version of this legislation earlier this week. It is my understanding that this legislation will be a priority for the Senate Commerce Committee when Congress returns from recess in 1998.

I look forward to working with Chairman MCCAIN, subcommittee Chairman FRIST, my colleague, Senator MACK, and other members of the committee and the Clinton administration, to enact this important commercial space legislation.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. GREGG. I ask unanimous consent the period for morning business continue until 2:30.

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

THE BUDGET SURPLUS AND PAYROLL TAX BURDEN

Mr. GREGG. Mr. President, I rise to address an issue which has far-reaching concerns for our Nation. Many of our colleagues have heard of the improving economy and have participated in the improving economy and recognize as a result of this improving economy it is likely that the Federal Government will incur a budget surplus in the very near future. This comes about because of a lot of hard work by this Congress, especially this Republican Congress, in controlling the rate of growth of the Federal Government. It is something that is unusual, obviously, not having occurred in the last 25 years.

Not only will we have a budget surplus, but it is projected by OMB that the budget surplus will continue well into the first decade of the next century.

So, I think that we need to discuss how we address this issue. This is an unfamiliar situation, as I mentioned, for Washington. We certainly do not have much experience in dealing with surpluses so there is naturally some perplexity as to how best to address it. To my mind the answer is pretty clear: The surplus should result in relief to the American taxpayers.

Needless to say this is the right answer on economic grounds. If the Government takes in more revenue than it needs to finance its operation, the answer is not for the Government to spend that; rather, it only makes economic sense to return the extra revenues to the private economy that bears the burden of supporting the Government. Not only that, but in this particular case, the appropriateness of tax relief could not be more clear. Let none of us forget what has enabled Congress to accomplish this goal of balancing the budget. It has in large part been the dramatic growth of the economy.

If the private sector in this country had not come through with a surge of productivity, then the budget negotiators might not have been able to reach the agreements necessary to accomplish a surplus to reach a balanced budget. It would, therefore, be ungracious of us, at the least, not to return that surplus to the taxpayers who have earned it.

I rise, Mr. President, today to voice a specific hope—that this Congress will consider, when that time comes, when we have reached a surplus, including a cut in the payroll tax as the appropriate way to address the returning of this surplus to the American taxpayer.

There are several reasons for this—all of them, I believe, noble. First of