aren't we doing something with generic drugs? The Senator talked about the Patients' Bill of Rights, terrorism insurance—on all the domestic issues, we have heard not a word and are getting no help from the majority in the House or the minority in the Senate, and certainly not from the White House.

Does the Senator acknowledge we are not spending much time on economic issues?

Mr. DORGAN. I talked about the issue of security and I said it is deadly serious business, national security, homeland security. But there is another area very important for the country. That is economic security. We are spending virtually no time on that. We ought to. The American people deserve to have a Congress that, yes, is concerned about national security, concerned about homeland security, but that is willing to tackle during tough economic times the economic security issues as well. This Congress has not been willing to do that.

Let me end as I began, because this is important. I will never minimize the importance of the security issues. In my judgment, the President and the Congress need to act and speak as one when we talk about the security of this country. No one will never, ever hear me say any Member in this Chamber does not believe in the security of this country or does not act to support the security of this country. I will never say that. I don't want to hear the President say it. I don't want to hear anyone else say it. I believe every Republican, Democrat, conservative and liberal, believes in their heart that whatever they are doing represents the security interests of this country. They love this country and believe in the country, and that goes for everyone serving this country. I don't want anyone to suggest in any way under any context there are those who believe in security more than others. We all love this country. We all want to do what is right and best for this country. I will strongly support the security of this country. It is national security. It is homeland security. It is economic security.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the second half of the time shall be under the control of the Republican leader or his designee.

The Senator from Pennsylvania.

HOMELAND SECURITY

Mr. SPECTER. Mr. President, I have sought recognition to encourage my Senate colleagues to pass legislation on homeland security and to send it to conference. There are many more agreements, much more agreement than disagreement, and the disagreements are relatively minor.

Last week, I said the Senate was dysfunctional because we had not passed a budget resolution. For the first time since the Budget Act was passed in 1974, the Congress has not passed a budget resolution. The Senate has not passed a budget resolution. Thirteen appropriations bills have not been passed. We have been on the Interior bill for weeks now and homeland security for weeks. Long speeches. Not getting to the point. Not voting. Not moving ahead with the legislation.

Last week, it was an accurate characterization to say the Senate was dysfunctional. This week, the Senate has become a chamber of rancor. It is plain that President Bush did not intend to impugn anyone's patriotism. He was commenting on two provisions of the homeland security bill related to labor-management relations. Even on those matters, the differences are relatively minor. The relationship between Republicans and Democrats is better characterized by the embrace between President Bush and the majority leader at the joint session of Congress shortly after September 11, 2001.

The current controversy may well be giving encouragement, aid, and comfort to Osama bin Laden, deep in some cave, and Saddam Hussein, in the bowels of some bomb shelter. However, we know who the enemies are. The enemies are the terrorists and the enemies are those who pose the risk of using weapons of mass destruction.

I believe it is vital to move ahead with the homeland security bill to correct major deficiencies which have been disclosed in the intelligence agencies in the United States. We had a veritable blueprint, prior to September 11, 2001, and if we had connected all of the dots, I think the chances were good that we could have avoided September 11. The Congress of the United States and the administration have a duty, a solemn duty, to do everything in our power to prevent another terrorist attack. We lost thousands of Americans and the official word from the administration, articulated by a number of ranking executive department officials, is that there will be another terrorist attack. It is not a matter of if, it is not a matter of whether, it is a matter of where or when.

I am not prepared to accept that conclusion. I believe the United States has the intelligence resources and can muster the intelligence resources to prevent another September 11.

When I served as chairman of the Intelligence Committee in the 104th Congress, I introduced legislation which would have brought all of the intelligence agencies under one umbrella. There have been repeated efforts to accomplish that, not just the legislation I introduced in 1996. There is on the President's desk a plan submitted by former National Security Adviser, General Scowcroft, to accomplish a coordination of all intelligence agencies. However, it has not been done because of the turf battles between the various intelligence agencies. Those turf battles regrettably are endemic and epidemic in Washington, DC. They have to come to a conclusion.

We have the mechanism now, the homeland security bill, to make those corrections. We knew prior to September 11, from the FBI Phoenix memorandum, about men taking flight training who had big pictures of Osama bin Laden. The report was disregarded. We knew prior to September 11 that there were two terrorists in Kuala Lumpur. The CIA knew about it, but did not tell the FBI or INS, and they turned out to be two of the pilots on September 11.

We know from the efforts made by the Minneapolis Office of the FBI to get a warrant under the Foreign Intelligence Surveillance Act as to Zacarias Moussaoui, which would have given us a veritable blueprint of al-Qaida's intention, that certainly it would have led us to the trail and could have prevented September 11.

Then we have the famous, or infamous, report coming to the National Security Agency on September 10 about an attack the very next day, which was not translated.

There is much more I could comment about, but the time is limited.

Mr. REID. Will the Senator yield for a question?

Mr. SPECTER. OK, on your time.

Mr. REID. We don't have any time, but I am sure if we need any time——

Mr. SPECTER. Senator DOMENICI, who is the only Senator waiting, says it is OK, so I will be glad to respond to the question.

Mr. REID. The reason I want to have an exchange with the Senator is I think maybe what the Senator said here today could resolve this homeland security matter.

I believe, as the Senator from Pennsylvania does, that if there are differences we have here in the Senate version of the bill, it will go to conference with the House. The House and the Senate will sit down, the White House people will be involved, as they always are in important conferences, and we will come up with a product. I think instead of scrumming, as we are here, I think we would be better off, as the Senator has suggested, to get a bill out of here, get it to conference, and get something to the President's desk.

So I fully support, as I heard him, the Senator from Pennsylvania. I think that is the way to resolve this matter. Get a bill out of here, get it to the conference, and, as the Senator said—how much difference is there between the two versions of this amendment that is creating so much controversy? There are differences, but I am not sure they are as big as some think.

The labor-management issue, which seems to be a big problem, if that matter is as close as what the Senator from Pennsylvania said, I think it could be resolved in conference.

Mr. SPECTER. I thank the distinguished Senator from Nevada for that question, and I am glad to respond. I had intended to talk a little later about the differences. Let me take them up now to emphasize the point that the Senator from Nevada has made, that the differences are not very big.

I agree with the Senator from Nevada that we ought to send the bill to conference. When we had prescription drugs on the Senate floor, I voted for the Republican measure, Grassley-Snowe, and then I voted for the bill put up by the Democrats, by Senator GRAHAM of Florida. It seemed to me the important thing was to get the matter to conference so that the issue could be resolved with finality.

The two pending issues which are outstanding on labor relations, the difference between the bill offered by Senator GRAMM and the bill offered by Senator LIEBERMAN, with the Breaux amendment, boil down to this: It is the President's authority to waive the provisions on collective bargaining in the event of a national emergency.

Now, listen closely to what the President must do under existing law:

> The President may issue an order excluding any agency or subdivision thereof for coverage under this chapter, collective bargaining, if the President determines that, A, the agency or subdivision has as a primary function intelligence, counterintelligence, investigative, or national security work; and the provisions of this chapter cannot be applied to that agency or subdivision in a manner consistent with national security requirements and considerations.

This is what Senator BREAUX wishes to add:

> The President could not use his authority without showing that, No. 1, the mission and responsibilities of the agencies or subdivision materially changed and, No. 2, a majority of such employees within such agencies or subdivision have as their primary duty: Intelligence, counterintelligence, or investigative work directly related to terrorism investigation.

It is true the Breaux amendment does add a requirement for the President to exercise his authority. It is true that there is an additional requirement, and the President does lose a little power. However, the requirements of existing law which relate to intelligence, counterintelligence, and investigation are very similar to the provisions of the Breaux amendment which again relate to intelligence, counterintelligence, or investigative work directly related to terrorism investigation.

The President must make an additional showing. However, it is a showing which is very much in line with what the President has to show under existing law.

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. SPECTER. Mr. President, I ask unanimous consent for an additional 5 minutes.

Mr. DOMENICI. Reserving the right to object, what is the order following the distinguished Senator from Pennsylvania?

The PRESIDING OFFICER. There is no order of speakers.

Mr. DOMENICI. I ask unanimous consent that I follow him for up to 15 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMENICI. I thank the Chair.

Mr. SPECTER. I thank my colleague from New Mexico.

Mr. President, the other provision which is in controversy relates to the flexibility which the President is seeking on six categories. The Breaux amendment would allow the President to have the flexibility under four of the categories, and then in the event of disagreement between management and the union, the controversy would go to the Federal Services Impasse Panel.

There are seven members of that panel and all have been appointed by President Bush. It is customary for that panel to change when the administration changes. The four categories which are in the Breaux bill allow for performance appraisal, classification, pay raise system, and labor-management relations, all of which the President wants, and only the limitation going before the impasse panel, which should not be an obstacle, and then the other two are adverse actions and appeals.

So that if you boil it all down, our area of disagreement is really very minor. The bill which is going to come out of conference is obviously going to take up these issues. We know as a matter of practice when there is a Presidential veto or a firm statement about a Presidential veto, invariably the Congress relents on an individual point.

So it would be my hope that we could yet resolve this controversy. I talked to Senator BREAUX, Senator GRAMM of Texas, and Senator LIEBERMAN, and the parties are very close. I have not yet stated a preference for either position. I am being lobbied on both sides. It is a very major matter for my constituency on both sides, a very large labor constituency in Pennsylvania, and very grave concern on my part that the President's powers not be diminished in a way which would impede his efforts on a Department of Homeland Security.

When you take a look at where we are with the various problems of lapses in security—there have been a parade of witnesses before the joint intelligence committees of the House and Senate. We counted some of these, not all. In view of the limited time, Mr. President, I ask that there be added at the conclusion of my comments a recitation of a number of other warnings which were given, which could have provided a veritable blueprint.

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

(See exhibit 1.)

Mr. SPECTER. Our job is plain, it seems to me, and that is to move ahead, to have a reconciliation, a rapprochement. Let us not have this as a chamber of rancor. Let us not have a dysfunctional Senate. We have many bills which are now pending in the conference committees, which have not been acted upon—the energy bill, the Patients' Bill of Rights, the voting machine correction bill, the terrorism reinsurance bill, the bankruptcy bill, and others, which are awaiting conference. We have a very heavy duty to the American people to complete the people's business, and we need to finish the appropriations bills and not have a continuing resolution.

I think it is becoming apparent to the American people that we have a dysfunctional Senate. We have to move away from that. We have to let our enemies—the terrorists and Saddam Hussein—know that the Democrat and Republican Party system is better characterized by that famous embrace between the President and Senate majority leader at the Joint Session of Congress shortly after September 11.

I intend to return to the floor to talk in more detail about the Breaux amendment, but I think it is plain by an analysis of what the Breaux amendment does that it ought to be resolved and it ought not to stop this Congress in legislating. It would be a travesty and a tragedy if we were to go over into next year without having a homeland security bill so that we can correct the major problems in the intelligence function of this country.

I again thank my colleague from New Mexico and yield the floor.

EXHIBIT 1

A VIRTUAL BLUEPRINT

NSA INTERCEPTS

The NSA intercepted two messages on the eve of September 11 attacks on the world Trade Center and the Pentagon warning that something was going to happen the next day, but the messages were not translated until September 12. The Arabic-language messages said, ''the match is about to begin,'' and ''Tomorrow is zero-hour.'' They came from sources—a location or phone number—that were of high enough priority to translate them within two days but were not put in the top priority category, which included communications from Usama bin Laden or his senior al Qaeda assistants.

MURAD

In January 1995, the Philippine National Police discovered Ramzi Yousef's bomb making lab in Manila and arrested an accomplice named Abdul Hakim Murad. Captured materials and interrogations of Murad revealed Yousef's plot to kill the Pope, bomb U.S. and Israeli embassies in Manila, blow up 12 U.S.-owned airliners over the Pacific Ocean, and crash a plane into CIA headquarters. Murad is a promoter of the same radical interpretation of Sunni Islam ideology as Usama bin Laden, who emerged during this time frame as promoting this radical ideology.

NOTE: This provided a data point on a terrorist group discussing a plan to use an aircraft as a weapon in the possession of the Intelligence Community.

PHOENIX MEMORANDUM

The FBI paid too little attention to a July 10, 2001 memorandum written by an FBI agent in Phoenix urging bureau headquarters to investigate Middle Eastern men enrolled in American flight schools. The ''Phoenix Memo'' cited Usama bin Laden by name and suggested that his followers could use the schools to train for terror operations.

Federal authorities have been aware for years that a small number of suspected terrorists with ties to bin Laden had received flight training at schools in the United States and abroad.

Pakistani terrorist plotter Murad, who had planned to blow up airliners over the Pacific,

trained at four U.S. schools in the early 1990s.

CRAWFORD BRIEFING

President Bush and his top advisers were informed by the CIA in early August 2001 that terrorists associated with Usama bin Laden had discussed the possibility of hijacking airplanes. The top-secret briefing memo presented to President Bush on August 6 carried the headline, ''Bin Laden Determined to Strike in US,'' and was primarily focused on recounting al Qaeda's past efforts to attack and infiltrate the United States.

MOUSSAOUI & MINNEAPOLIS FBI

Minneapolis FBI agents investigating terror suspect Zacarias Moussaoui last August were severely hampered by officials at FBI headquarters, who resisted seeking FISA surveillance and physical search warrants, applied erroneous probable cause standards, and admonished agents for seeking help from the CIA.

KUALA LUMPUR

The CIA tracked two of the Flight 77 (Pentagon) terrorists to a Qaeda summit in Malaysia in January 2000, then did not share the information as the terrorists reentered America and began preparations for September 11. The CIA tracked one of the terrorists, Nawaf Alhazami, as he flew from the meeting to Los Angeles, and discovered that another of the men, Khalid Almihdhar, had already obtained a multiple-entry visa that allowed him to enter and leave the United Stats as he pleased. The CIA did nothing with this information. Instead, during the year and nine months after the CIA identified them as terrorists, Alhazami and Almihdhar lived openly in the United States, using their real name, obtaining drivers licenses, opening bank accounts and enrolling in flight schools—until the morning of September 11, when they boarded American Airlines Flight 77 and crashed into the Pentagon.

BIN LADEN

On February 26, 1993, a bomb was detonated in the parking garage of the World Trade Center in New York City. On June 24, 1993, the FBI arrested eight individuals for plotting to bomb a number of New York City landmarks, including the United Nations building and the Lincoln and Holland tunnels. The central figures in these plots were Ramzi Yousef and Shaykh Omar Abd al-Rahman—both of whom have been linked to Usama Bin Laden and are now serving prison sentences.

Following the August 1998, bombings of two U.S. Embassies in East Africa, Intelligence Community leadership recognized how dangerous Bin Laden's network was and that he intended to strike in the United States. In December 1998 DCI George Tenet provided written guidance to his deputies at the CIA, declaring, in effect, ''war'' with Bin Laden.

Concern about Bin Laden continued to grow over time and reached peak levels in the spring and summer of 2001, as the Intelligence Community faced increasing numbers of reports of imminent al Qaeda attacks against U.S. interests. In July and August 2001, that rise in intelligence reporting began to decrease, just as three additional developments occurred in the United States: the Phoenix memo; the detention of Zacarias Moussaoui; and the Intelligence Community's realization that two individuals with ties to Usama Bin Laden's network—Nawaf Alhazami and Khalid Almihdhar—were possibly in the United States.

In June 1998, the Intelligence Community learned that Usama Bin Laden was considering attacks in the U.S., including Washington, DC, and New York. This information was provided to senior U.S. Government officials in July 1998.

In August 1998, the Intelligence Community obtained information that a group of unidentified Arabs planned to fly an explosive-laden plane from a foreign country into the World Trade Center. The FBI's New York office took no action on the information. The Intelligence Community has acquired additional information since then indicating links between this Arab group and al Qaeda.

In September 1998, the Intelligence Community obtained information that Usama Bin Laden's next operation could involve flying an aircraft loaded with explosives into a U.S. airport and detonating it; this information was provided to senior U.S. Government officials in late 1998.

In October 1998, the Intelligence Community obtained information that al Qaeda was trying to establish an operative cell within the United States. This information indicated there might be an effort underway to recruit U.S. citizen Islamists and U.S.-based expatriates from the Middle East and North Africa;

In the fall of 1998, the Intelligence Community received additional information concerning a Bin-Laden plot involving aircraft in the New York and Washington, DC, areas;

In November 1998, the Intelligence Community learned that a Bin Laden was attempting to recruit a group of five to seven young men from the United States to strike U.S. domestic targets.

In the spring of 1999, the Intelligence Community learned about a planned Bin Laden attack on a U.S. Government facility in Washington, DC. Additionally, in 1999, the threat of an explosive-laden aircraft being used in a suicide attack against the Pentagon, CIA headquarters, or the White House, was noted in a Library of Congress report to the National Intelligence Council.

In late 1999, the Intelligence Community learned of Bin Laden's possible plans to attack targets in Washington, DC, and New York City during the New Year's Millennium celebrations.

On December 14, 1999, an individual named Ahmed Ressam was arrested as he attempted to enter the United States from Canada with detonator materials in his car. Ressam's intended target was Los Angeles International Airport. Ressam, who has links to Usama Bin Laden's terrorist network, has not been formally sentenced yet.

In March 2000, the Intelligence Community obtained information regarding the types of targets that operatives in Bin Laden's network might strike. The Statue of Liberty was specifically mentioned, as were skyscrapers, ports, and airports, and nuclear power plants;

Between late March and September 2001, the Intelligence Community detected numerous indicators of an impeding terrorist attack, some of which pointed specifically to the United States as a possible target. Among these are:

Between May and July, the National Security Agency reported at least 33 communications indicating a possible, imminent terrorist attack—none of which were specific as to where, when, or how an attack might occur, nor was it clear that any of the individuals involved in these intercepted communications had any first-hand knowledge of where, when, or how an attack might occur. These reports were widely disseminated within the Intelligence Community.

In May 2001, the Intelligence Community obtained information that supporters of Usama Bin Laden were reportedly planning to infiltrate the United States via Canada in order to carry out a terrorist operation. This report mentioned an attack within the United States, though it did not say where in the U.S., or when, or how an attack might occur. In July 2001, this information was shared with the FBI, the Immigration and Naturalization Service (INS), U.S. Customs Service, and the State Department and was included in a closely held intelligence report for senior government officials in August 2001.

In May 2001, the Intelligence Community received information that seven individuals associated with Usama Bin Laden departed various locations for the United States;

In June 2001, the DCI's Counter Terrorism Center (CTC) had information that key operatives in Usama Bin Laden's organization were disappearing while others were preparing for martyrdom;

In July 2001, the DCI's CTC was aware of an individual who had recently been in Afghanistan who had reported, ''Everyone is talking about an impending attack.'' The Intelligence Community was also aware that Bin Laden had stepped up his propaganda efforts in the preceding months;

In the late summer 2001, the Intelligence Community obtained information that an individual associated with al Qaeda was considering mounting terrorist operations in the United States. There was no information available as to the timing of possible attacks or on the alleged targets in the United States.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I say to Senator SPECTER, I am sure you had some more to say and I apologize, but it seems like the harder I try to get time here the worse it works out for me.

Mr. SPECTER. It is the Senator's turn, and I am anxious to hear what the Senator has to say.

Mr. DOMENICI. I thank the Senator.

THE BUDGET

Mr. DOMENICI. Mr. President, I made a few remarks 3 or 4 days ago talking about where we are and what we are doing, and I would like to finish those remarks today, perhaps start on a discussion of the American economy.

First, in less than 5 days the new fiscal year begins. That means if you are a businessman, no matter how small or how large, you would be closing down your books, you would be adding everything up, you would be doing a couple of additions and subtractions, and you would find out how well or how poorly you did—a very important event in the life of an ongoing business.

The United States is similar except it is much bigger. Frankly, it does not keep its books nearly as well as the small businesspeople of America, who must keep them much better than we do because of the Internal Revenue Service if nothing else. We are not audited by anybody. We do ours in some strange ways.

The truth is that the year ends October 1. I think both the occupant of the Chair and the Senator from New Mexico can remember when it was July. We found out that was too soon in the year. If you started a year in January, you started work, it was too quick to have everything done in July. So we had a completed year, since I have been