



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

SENATE—Friday, June 18, 1999

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, as we approach this Father's Day weekend, we praise You that You are our Heavenly Father from whom we learn what true fatherhood really means. You exemplify the perfect blend of admonition and affirmation, discipline and nurture, encouragement and inspiration.

May this Father's Day be more than a celebration honoring fathers, but a day of calling fathers to their responsibility for the spiritual and character formation of their children. In this time of absentee fathers, when 21 million children in America live without a father in their homes, we ask You to instigate a father movement.

Bless the families of our land. Stir fathers who have abdicated their responsibility. When fathers are silent about their faith, children miss the strength and courage of learning how to trust You with the ups and downs of life. O God, we need a great spiritual awakening. Thank You for waking up the fathers of the land and for a Father's Day dedicated to the recovery of the role of strong fathers to love their wives and their children. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. ENZI. Mr. President, today the Senate will immediately begin the vote on final passage of H.R. 1664, the steel, oil and gas appropriations legislation. Following that vote, the Senate will begin consideration of the State Department authorization bill under a previous consent agreement. Therefore, votes are anticipated.

I thank my colleagues for their attention.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from West Virginia.

KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999

Mr. BYRD. Mr. President, I am authorized by the distinguished majority leader to ask for 5 minutes prior to the vote to be equally divided between Mr. NICKLES and myself.

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

Mr. BYRD. Mr. President, I ask unanimous consent also that other Senators may include statements in the RECORD if they so wish.

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

The clerk will report the bill by title. The legislative assistant read as follows:

A bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes.

The Senate resumed consideration of the bill.

Mr. VOINOVICH. Mr. President, no one cares about our Nation's steelworkers and steel industry more than I.

Since 1979, I have been at the forefront in support of Ohio's steel industry. As Mayor of Cleveland and Governor of Ohio, I pressured the Reagan and Bush Administrations to enforce the voluntary restraint agreements, VRAs, on steel and to make sure that all U.S. trade laws were enforced as soon as those agreements expired. In 1991, I set up the first Ohio Steel Industry Advisory Council as a public-private partnership to strengthen ties among the steel industry, the state of Ohio and its citizens.

And last year, when steel imports reached record levels, I was one of the first elected officials to pressure the Clinton administration to stop the ille-

gal dumping of steel in our country. Since October of 1998, I have written the President three letters urging him to take action on behalf of the steel industry.

Ohio is now the largest steel producing state in the Nation—a development that occurred during my term as governor. Many have assumed that because steel is so important to the state of Ohio that I would vote in favor of this legislation. But it is because steel is so important that I cannot vote in favor of this legislation. There are three fundamental reasons why.

First, this bill does not provide industry-wide assistance. The legislation as it has been presented to the Senate provides loan-guarantee assistance to a few steel companies, and not all companies. In fact, the vast majority of steel companies in Ohio have not approached me indicating that my vote in favor of this legislation was crucial. Some steel companies in my state are opposed to this bill.

It does not make sense that in an economy as strong as ours, with steel production in the United States at record, all-time highs, with all the construction that is occurring in our nation, and all the cars that are being made and the record unemployment, that we should pass a package that is meant to assist only a handful of companies.

Which brings me to my second point: the government should not be in the position of picking winners and losers. What this legislation does is tell those companies that may have made poor business decisions that they will be given help. Meanwhile, we ignore those companies that have done the right actions to make themselves competitive. This is not the spirit of American enterprise.

Indeed, I have to ask if we are going to make it the business of the federal government to help companies inside particular industries on a regular basis. We could be here in the Senate spending every taxpayer dollar bailing out specific businesses inside specific industries whenever we saw an economic threat or whenever we desired. Where will we draw the line? How will

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

we decide which failing companies we'll bail out? What criteria will we use? Every time a company has a bad quarter or a bad year, should the federal government provide them with financial assistance? How are we different from those foreign countries we criticize for subsidizing their companies that are struggling to compete? These are the kinds of questions we need to ask if this is going to be the policy our government pursues.

Third, the history behind such loan programs points to a high default rate. The proponents of this legislation have indicated that they expect a default rate on the loans of 14%. That means of the \$1 billion worth of loans that the government will guarantee for steel manufacturers, \$140 million of that is expected to never be repaid. For the oil and gas industry, the expected default rate is higher, 25%, or \$125 million on a loan guarantee of \$500 million.

In essence, what Congress wants to do is allow the federal government to simply write off \$265 million of taxpayer funds. That money has to come from somewhere, whether it's the Social Security trust fund, tax increases, or cuts in essential programs for our children.

The last time this nation established a steel loan guarantee program in 1978, the default rate was 77%. Five companies took out loans—all five companies defaulted and the U.S. taxpayer was forced to pick-up the tab for \$222 million. The U.S. Commerce Department's Economic Development Administration said at the time, "By any measurement, EDA's steel loan program would have to be considered a failure." In addition, EDA said, "the program is an excellent example of the folly inherent in industrial policy programs." Now, I cannot guarantee that the companies today, if given these loan guarantees, will default at such a high rate, but I do not believe we should be making the same mistakes twice at the expense of other federal programs.

Mr. President, there have been scant few instances where the Federal Government getting involved in market decisions has been productive. I do not believe that we should do so here.

Mrs. LINCOLN. Mr. President, yesterday during consideration of the Steel and Oil and Gas Loan Guarantee Program the Senator from Illinois, Senator FITZGERALD, raised several concerns regarding the potential for program abuse. During these discussions, my colleague from Illinois questioned whether or not a bank, or other investor, would be able to transfer their risk to the government upon enactment of the Steel and Oil and Gas Loan Guarantee Program.

Fiscal responsibility is a top priority of mine and upon hearing of these concerns, I was initially troubled. However, I have been assured by the distinguished Senator from West Virginia,

Senator BYRD, that the loan approval board is structured such that these situations will be prevented. Loans will not be approved on a whim and the taxpayers' dollars will not be thrown about recklessly to benefit those who did not need help in the first place. This program provides much needed, temporary assistance to keep our steel industry afloat.

It should be noted that the Steel and Oil and Gas Loan Guarantee Program sunsets in three years and is not a permanent change in public policy. We are simply responding to the crisis currently faced by many in our nation's steel industry.

I rise in support of this measure and thank the Senator from West Virginia for his leadership on this issue.

Mr. BYRD. Mr. President, this bill on which we are about to vote is a buy-American bill. A vote for this bill is a buy-American vote, a vote of confidence in American steel, American workers, and American families. But a vote against the bill sends a very different message. It says buy Russian, buy Japanese, buy South Korean, buy from our foreign competitors and send our steel industry and our steel jobs overseas. I urge my colleagues to vote American.

Now, if I have any time remaining in the 2½ minutes, I wish to compliment Mr. NICKLES, Mr. GRAMM, and others who were the opponents of the bill. They were honorable opponents, and I think they made good contributions, especially in our discussions yesterday. Their proposals improve the bill. I was happy to support their proposals and to join as a cosponsor of the amendment.

I especially wish to thank Senator STEVENS and Senator DOMENICI. Senator STEVENS has kept his word. He is a man of his word. Senator DOMENICI has done a great job in proposing a similar program for the oil and gas industry. I hope that he will be able to speak likewise at some point.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I urge my colleagues to vote against this bill. I compliment the sponsors of it, Senator BYRD and Senator DOMENICI. They are very persistent. I expect they will be successful today, but I hope that this bill doesn't pass either today in the Senate or in the conference.

I urge our colleagues to vote against it. The reason is because I think it is a mistake. It is not that I don't want to help the steel industry or that I don't want to help the oil and gas industry. I want to help both.

I do not think the Federal Government guaranteeing loans is the right thing to do. We have tried it. We have been there. It did not work. We did it in 1978 and 1979. The Federal Government had a loan guarantee program for the steel industry—\$290 million worth

of steel loans were made, guaranteed by the Federal Government. The Federal Government loaned \$222 million on which the steel industry defaulted. That is a 77 percent default rate. Basically, the people who ran the program at the time or later said, well, really, it was replacing the marketplace with politicians making those decisions, saying that we don't think that the marketplace should be making capital decisions; we are going to have those decisions being made by Government.

I think that was a serious mistake. We have urged other countries not to go into this industrial policy; let the marketplace work. And now we are trying to come back and do it. We have done it before. It did not work before.

I want to help the oil and gas industry. It is really hurting in my State. But I do not think that having the Federal Government guaranteeing loans is the right solution. As a matter of fact, I do not think it will help anybody. I do not think it will even help the steel industry. It might help them reshuffle some debt, but I do not think it makes sense.

I urge my colleagues to vote no on this bill today.

Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD) is necessarily absent.

I further announce that the Senator from New Mexico (Mr. BINGAMAN) is absent attending a funeral.

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

The result was announced—yeas 63, nays 34, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—63

Abraham	Daschle	Johnson
Akaka	DeWine	Kennedy
Baucus	Domenici	Kerrey
Bayh	Dorgan	Kerry
Bennett	Durbin	Kohl
Biden	Edwards	Landrieu
Bond	Feinstein	Lautenberg
Boxer	Gorton	Leahy
Breaux	Graham	Levin
Bryan	Harkin	Lieberman
Byrd	Hatch	Lincoln
Campbell	Helm	Lugar
Chafee	Hollings	Mikulski
Cleland	Hutchinson	Moynihhan
Cochran	Inhofe	Murray
Conrad	Inouye	Reed

Reid	Sarbanes	Stevens
Robb	Shumer	Thurmond
Roberts	Sessions	Torricelli
Rockefeller	Shelby	Wellstone
Santorum	Specter	Wyden

NAYS—34

Allard	Frist	Murkowski
Ashcroft	Gramm	Nickles
Brownback	Grams	Roth
Bunning	Grassley	Smith (NH)
Burns	Gregg	Smith (OR)
Collins	Hagel	Snowe
Coverdell	Hutchinson	Thomas
Craig	Jeffords	Thompson
Crapo	Kyl	Voinovich
Enzi	Lott	Warner
Feingold	Mack	
Fitzgerald	McConnell	

NOT VOTING—3

Bingaman	Dodd	McCain
----------	------	--------

The bill (H.R. 1664), as amended, was passed, as follows:

Resolved, That the bill from the House of Representatives (H.R. 1664) entitled "An Act making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes," do pass with the following amendments:

Page 2, strike out all after line 7 over to and including line 21 on page 3 and insert:

SEC. 101. EMERGENCY STEEL LOAN GUARANTEE PROGRAM. (a) SHORT TITLE.—This chapter may be cited as the "Emergency Steel Loan Guarantee Act of 1999".

(b) CONGRESSIONAL FINDINGS.—Congress finds that—

(1) the United States steel industry has been severely harmed by a record surge of more than 40,000,000 tons of steel imports into the United States in 1998, caused by the world financial crisis;

(2) this surge in imports resulted in the loss of more than 10,000 steel worker jobs in 1998, and was the imminent cause of 3 bankruptcies by medium-sized steel companies, Acme Steel, Laclede Steel, and Geneva Steel;

(3) the crisis also forced almost all United States steel companies into—

(A) reduced volume, lower prices, and financial losses; and

(B) an inability to obtain credit for continued operations and reinvestment in facilities;

(4) the crisis also has affected the willingness of private banks and investment institutions to make loans to the United States steel industry for continued operation and reinvestment in facilities;

(5) these steel bankruptcies, job losses, and financial losses are also having serious negative effects on the tax base of cities, counties, and States, and on the essential health, education, and municipal services that these government entities provide to their citizens; and

(6) a strong steel industry is necessary to the adequate defense preparedness of the United States in order to have sufficient steel available to build the ships, tanks, planes, and armaments necessary for the national defense.

(c) DEFINITIONS.—For purposes of this section:

(1) BOARD.—The term "Board" means the Loan Guarantee Board established under subsection (e).

(2) PROGRAM.—The term "Program" means the Emergency Steel Guarantee Loan Program established under subsection (d).

(3) QUALIFIED STEEL COMPANY.—The term "qualified steel company" means any company that—

(A) is incorporated under the laws of any State;

(B) is engaged in the production and manufacture of a product defined by the American Iron and Steel Institute as a basic steel mill product, including ingots, slab and billets, plates, flat-rolled steel, sections and structural products, bars, rail type products, pipe and tube, and wire rod; and

(C) has experienced layoffs, production losses, or financial losses since the beginning of the steel import crisis, in January 1998 or that operates substantial assets of a company that meets these qualifications.

(d) ESTABLISHMENT OF EMERGENCY STEEL GUARANTEE LOAN PROGRAM.—There is established the Emergency Steel Guarantee Loan Program, to be administered by the Board, the purpose of which is to provide loan guarantees to qualified steel companies in accordance with this section.

(e) LOAN GUARANTEE BOARD MEMBERSHIP.—There is established a Loan Guarantee Board, which shall be composed of—

(1) the Secretary of Commerce;

(2) the Chairman of the Board of Governors of the Federal Reserve System, who shall serve as Chairman of the Board; and

(3) the Chairman of the Securities and Exchange Commission.

(f) LOAN GUARANTEE PROGRAM.—

(1) AUTHORITY.—The Program may guarantee loans provided to qualified steel companies by private banking and investment institutions in accordance with the procedures, rules, and regulations established by the Board.

(2) TOTAL GUARANTEE LIMIT.—The aggregate amount of loans guaranteed and outstanding at any one time under this section may not exceed \$1,000,000,000.

(3) INDIVIDUAL GUARANTEE LIMIT.—The aggregate amount of loans guaranteed under this section with respect to a single qualified steel company may not exceed \$250,000,000.

(4) TIMELINES.—The Board shall approve or deny each application for a guarantee under this section as soon as possible after receipt of such application.

(5) ADDITIONAL COSTS.—For the additional cost of the loans guaranteed under this subsection, including the costs of modifying the loans as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), there is appropriated \$140,000,000 to remain available until expended.

(g) REQUIREMENTS FOR LOAN GUARANTEES.—A loan guarantee may be issued under this section upon application to the Board by a qualified steel company pursuant to an agreement to provide a loan to that qualified steel company by a private bank or investment company, if the Board determines that—

(1) credit is not otherwise available to that company under reasonable terms or conditions sufficient to meet its financing needs, as reflected in the financial and business plans of that company;

(2) the prospective earning power of that company, together with the character and value of the security pledged, furnish reasonable assurance of repayment of the loan to be guaranteed in accordance with its terms;

(3) the loan to be guaranteed bears interest at a rate determined by the Board to be reasonable, taking into account the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of such loan;

(4) the company has agreed to an audit by the General Accounting Office prior to the issuance of the loan guarantee and annually thereafter while any such guaranteed loan is outstanding; and

(5) in the case of a purchaser of substantial assets of a qualified steel company, the qualified steel company establishes that it is unable to reorganize itself.

(h) TERMS AND CONDITIONS OF LOAN GUARANTEES.—

(1) LOAN DURATION.—All loans guaranteed under this section shall be payable in full not later than December 31, 2005, and the terms and conditions of each such loan shall provide that the loan may not be amended, or any provision thereof waived, without the consent of the Board.

(2) LOAN SECURITY.—Any commitment to issue a loan guarantee under this section shall contain such affirmative and negative covenants and other protective provisions that the Board determines are appropriate. The Board shall require security for the loans to be guaranteed under this section at the time at which the commitment is made.

(3) FEES.—A qualified steel company receiving a guarantee under this section shall pay a fee to the Department of the Treasury to cover costs of the program, but in no event shall such fee exceed an amount equal to 0.5 percent of the outstanding principal balance of the guaranteed loan.

(4) GUARANTEE LEVEL.—No loan guarantee may be provided under this section if the guarantee exceeds 85 percent of the amount of principal of the loan.

(i) REPORTS TO CONGRESS.—The Secretary of Commerce shall submit to Congress a full report of the activities of the Board under this section during each of fiscal years 1999 and 2000, and annually thereafter, during such period as any loan guaranteed under this section is outstanding.

(j) SALARIES AND ADMINISTRATIVE EXPENSES.—For necessary expenses to administer the Program, \$5,000,000 is appropriated to the Department of Commerce, to remain available until expended, which may be transferred to the Office of the Assistant Secretary for Trade Development of the International Trade Administration.

(k) TERMINATION OF GUARANTEE AUTHORITY.—The authority of the Board to make commitments to guarantee any loan under this section shall terminate on December 31, 2001.

(l) REGULATORY ACTION.—The Board shall issue such final procedures, rules, and regulations as may be necessary to carry out this section not later than 60 days after the date of enactment of this Act.

(m) IRON ORE COMPANIES.—

(1) IN GENERAL.—Subject to the requirements of this subsection, an iron ore company incorporated under the laws of any State shall be treated as a qualified steel company for purposes of the Program.

(2) TOTAL GUARANTEE LIMIT FOR IRON ORE COMPANY.—Of the aggregate amount of loans authorized to be guaranteed and outstanding at any one time under subsection (f)(2), an amount not to exceed \$30,000,000 shall be loans with respect to iron ore companies.

FEDERAL ADMINISTRATIVE AND TRAVEL EXPENSES (RESCISSIONS)

SEC. 102. (a) Of the funds available in the nondefense category to the agencies of the Federal Government, \$145,000,000 are hereby rescinded: Provided, That rescissions pursuant to this subsection shall be taken only from administrative and travel accounts: Provided further, That rescissions shall be taken on a pro rata basis from funds available to every Federal agency, department, and office in the Executive Branch, including the Office of the President.

(b) Within 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsection (a) of this section.

Page 4, strike out all after line 1 over to and including line 14 on page 22 and insert:

SEC. 201. PETROLEUM DEVELOPMENT MANAGEMENT. (a) SHORT TITLE.—This chapter may be cited as the “Emergency Oil and Gas Guaranteed Loan Program Act”.

(b) FINDINGS.—Congress finds that—

(1) consumption of foreign oil in the United States is estimated to equal 56 percent of all oil consumed, and that percentage could reach 68 percent by 2010 if current prices prevail;

(2) the number of oil and gas rigs operating in the United States is at its lowest since 1944, when records of this tally began;

(3) if prices do not increase soon, the United States could lose at least half its marginal wells, which in aggregate produce as much oil as the United States imports from Saudi Arabia;

(4) oil and gas prices are unlikely to increase for at least several years;

(5) declining production, well abandonment, and greatly reduced exploration and development are shrinking the domestic oil and gas industry;

(6) the world’s richest oil producing regions in the Middle East are experiencing increasingly greater political instability;

(7) United Nations policy may make Iraq the swing oil producing nation, thereby granting Saddam Hussein tremendous power;

(8) reliance on foreign oil for more than 60 percent of our daily oil and gas consumption is a national security threat;

(9) the level of United States oil security is directly related to the level of domestic production of oil, natural gas liquids, and natural gas; and

(10) a national security policy should be developed that ensures that adequate supplies of oil are available at all times free of the threat of embargo or other foreign hostile acts.

(c) DEFINITIONS.—In this section:

(1) BOARD.—The term “Board” means the Loan Guarantee Board established by subsection (e).

(2) PROGRAM.—The term “Program” means the Emergency Oil and Gas Guaranteed Loan Program established by subsection (d).

(3) QUALIFIED OIL AND GAS COMPANY.—The term “qualified oil and gas company” means a company that—

(A) is—

(i) an independent oil and gas company (within the meaning of section 57(a)(2)(B)(i) of the Internal Revenue Code of 1986); or

(ii) a small business concern under section 3 of the Small Business Act (15 U.S.C. 632) (or a company based in Alaska, including an Alaska Native Corporation created pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)) that is an oil field service company whose main business is providing tools, products, personnel, and technical solutions on a contractual basis to exploration and production operators that drill, complete wells, and produce, transport, refine, and sell hydrocarbons and their by-products as the main commercial business of the concern or company; and

(B) has experienced layoffs, production losses, or financial losses since the beginning of the oil import crisis, after January 1, 1997.

(d) EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM.—

(1) IN GENERAL.—There is established the Emergency Oil and Gas Guaranteed Loan Program, the purpose of which shall be to provide loan guarantees to qualified oil and gas companies in accordance with this section.

(2) LOAN GUARANTEE BOARD.—There is established to administer the Program a Loan Guarantee Board, to be composed of—

(A) the Secretary of Commerce;

(B) the Chairman of the Board of Governors of the Federal Reserve System, who shall serve as Chairman of the Board; and

(C) the Chairman of the Securities and Exchange Commission.

(e) AUTHORITY.—

(1) IN GENERAL.—The Program may guarantee loans provided to qualified oil and gas companies by private banking and investment institutions in accordance with procedures, rules, and regulations established by the Board.

(2) TOTAL GUARANTEE LIMIT.—The aggregate amount of loans guaranteed and outstanding at any 1 time under this section shall not exceed \$500,000,000.

(3) INDIVIDUAL GUARANTEE LIMIT.—The aggregate amount of loans guaranteed under this section with respect to a single qualified oil and gas company shall not exceed \$10,000,000.

(4) EXPEDITIOUS ACTION ON APPLICATIONS.—The Board shall approve or deny an application for a guarantee under this section as soon as practicable after receipt of an application.

(5) ADDITIONAL COSTS.—For the additional cost of the loans guaranteed under this subsection, including the costs of modifying the loans as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), there is appropriated \$122,500,000 to remain available until expended.

(f) REQUIREMENTS FOR LOAN GUARANTEES.—The Board may issue a loan guarantee on application by a qualified oil and gas company under an agreement by a private bank or investment company to provide a loan to the qualified oil and gas company, if the Board determines that—

(1) credit is not otherwise available to the company under reasonable terms or conditions sufficient to meet its financing needs, as reflected in the financial and business plans of the company;

(2) the prospective earning power of the company, together with the character and value of the security pledged, provide a reasonable assurance of repayment of the loan to be guaranteed in accordance with its terms;

(3) the loan to be guaranteed bears interest at a rate determined by the Board to be reasonable, taking into account the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of the loan; and

(4) the company has agreed to an audit by the General Accounting Office before issuance of the loan guarantee and annually while the guaranteed loan is outstanding.

(g) TERMS AND CONDITIONS OF LOAN GUARANTEES.—

(1) LOAN DURATION.—All loans guaranteed under this section shall be repayable in full not later than December 31, 2010, and the terms and conditions of each such loan shall provide that the loan agreement may not be amended, or any provision of the loan agreement waived, without the consent of the Board.

(2) LOAN SECURITY.—A commitment to issue a loan guarantee under this section shall contain such affirmative and negative covenants and other protective provisions as the Board determines are appropriate. The Board shall require security for the loans to be guaranteed under this section at the time at which the commitment is made.

(3) FEES.—A qualified oil and gas company receiving a loan guarantee under this section shall pay a fee to the Department of the Treasury to cover costs of the program, but in no event shall such fee exceed an amount equal to 0.5 percent of the outstanding principal balance of the guaranteed loan.

(4) GUARANTEE LEVEL.—No loan guarantee may be provided under this section if the guarantee exceeds 85 percent of the amount of principal of the loan.

(h) REPORTS.—During fiscal year 1999 and each fiscal year thereafter until each guaran-

teed loan has been repaid in full, the Secretary of Commerce shall submit to Congress a report on the activities of the Board.

(i) SALARIES AND ADMINISTRATIVE EXPENSES.—For necessary expenses to administer the Program, \$2,500,000 is appropriated to the Department of Commerce, to remain available until expended, which may be transferred to the Office of the Assistant Secretary for Trade Development of the International Trade Administration.

(j) TERMINATION OF GUARANTEE AUTHORITY.—The authority of the Board to make commitments to guarantee any loan under this section shall terminate on December 31, 2001.

(k) REGULATORY ACTION.—Not later than 60 days after the date of enactment of this Act, the Board shall issue such final procedures, rules, and regulations as are necessary to carry out this section.

FEDERAL ADMINISTRATIVE AND TRAVEL EXPENSES (RESCISSIONS)

SEC. 202. (a) Of the funds available in the nondefense category to the agencies of the Federal Government, \$125,000,000 are hereby rescinded: Provided, That rescissions pursuant to this subsection shall be taken only from administrative and travel accounts: Provided further, That rescissions shall be taken on a pro rata basis from funds available to every Federal agency, department, and office in the Executive Branch, including the Office of the President.

(b) Within 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsection (a) of this section.

Page 22, strike out all after line 15 over to and including line 4 on page 32 and insert:

GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in the Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This Act may be cited as the “Emergency Steel Loan Guarantee and Emergency Oil and Gas Guaranteed Loan Act of 1999”.

The title was amended so as to read: “An Act providing emergency authority for guarantees of loans to qualified steel and iron ore companies and to qualified oil and gas companies, and for other purposes.”.

Mr. BYRD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2000 AND 2001

The PRESIDING OFFICER. The clerk will report H.R. 886.

The legislative assistant read as follows:

A bill (S. 886) to authorize appropriations for the Department of State for fiscal years 2000 and 2001; to provide for enhanced security at United States diplomatic facilities; to provide for certain arms control, non-proliferation, and other national security measures; to provide for the reform of the United Nations; and for other purposes.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from North Carolina.