

Whereas despite decades of conflict with the State of Israel, King Hussein invariably maintained a dialogue with the Jewish state, and ultimately signed a full-fledged peace treaty with Israel on October 26, 1994;

Whereas King Hussein has established a model for Arab-Israeli coexistence in Jordan's ties with the State of Israel, including deepening political and cultural relations, growing trade and economic ties and other major accomplishments;

Whereas King Hussein contributed to the cause of peace in the Middle East with tireless energy, rising from his sick bed at the last to assist in the Wye Plantation talks between the State of Israel and the Palestinian Authority;

Whereas King Hussein fought cancer with the same courage he displayed in tirelessly promoting and making invaluable contributions to peace in the Middle East;

Whereas on February 7, 1999, King Hussein succumbed to cancer in Amman, Jordan: Now, therefore, be it

Resolved by the Senate, (The House of Representatives concurring), That the Congress—

(1) extends its deepest sympathy and condolences to the family of King Hussein and to all the people of Jordan in this difficult time;

(2) expresses admiration for King Hussein's enlightened leadership and gratitude for his support for peace throughout the Middle East;

(3) expresses its support and best wishes for the new government of Jordan under King Abdullah;

(4) reaffirms the United States commitment to strengthening the vital relationship between our two governments and peoples;

SEC. 2. The Secretary of the Senate is directed to transmit an enrolled copy of this resolution to the family of the deceased.

NOTICES OF HEARINGS

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Health, Education, Labor, and Pensions will be held on Tuesday, February 9, 1999, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is Department of Education Elementary and Secondary Education Proposals. For further information, please call the committee, 202/224-5357.

COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Health, Education, Labor, and Pensions will be held on Wednesday, February 10, 1999, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is Labor Department Budget Initiatives. For further information, please call the committee, 202/224-5375.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. JEFFORDS. Mr. President, I would like to announce for information

of the Senate and the public that a hearing of the Senate Committee on Health, Education, Labor, and Pensions will be held on Thursday, February 11, 1999, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is Education Budget Proposals. For further information, please call the committee, 202/224-5375.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Energy and Natural Resources Committee to consider the President's proposed fiscal year 2000 budget.

The committee will hear testimony from the following:

1. The Department of Energy and the Federal Energy Regulatory Commission on Thursday, February 25, 1999, beginning at 9 a.m., in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

2. The Forest Service on Thursday, February 25, 1999, beginning at 2 p.m., in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

3. The Department of the Interior on Tuesday, March 2, 1999, beginning at 9:30 a.m., in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

For further information, please call Betty Nevitt, staff assistant at (202) 224-0765, Amie Brown, staff assistant at (202) 224-6170, or Jo Meuse, staff assistant at (202) 224-4756.

ADDITIONAL STATEMENTS

APPROPRIATIONS COMMITTEE RULES—106TH CONGRESS

• Mr. STEVENS. Mr. President, the Senate Appropriations Committee has unanimously adopted rules governing its procedures for the 106th Congress. Pursuant to Rule XXVI, paragraph 2, of the "Standing Rules of the Senate", I send to the desk a copy of the Committee rules for publication in the CONGRESSIONAL RECORD.

The rules follow:

SENATE APPROPRIATIONS COMMITTEE RULES—106TH CONGRESS

I. Meetings—

The Committee will meet at the call of the Chairman.

II. Quorums—

1. Reporting a bill. A majority of the members must be present for the reporting of a bill.

2. Other business. For the purpose of transacting business other than reporting a bill or taking testimony, one-third of the members of the Committee shall constitute a quorum.

3. Taking testimony. For the purpose of taking testimony, other than sworn testimony, by the Committee or any subcommittee, one member of the Committee or subcommittee shall constitute a quorum. For the purpose of taking sworn testimony

by the Committee, three members shall constitute a quorum, and for the taking of sworn testimony by any subcommittee, one member shall constitute a quorum.

III. Proxies—

Except for the reporting of a bill, votes may be cast by proxy when any member so requests.

IV. Attendance of staff members at closed sessions—

Attendance of Staff Members at closed sessions of the Committee shall be limited to those members of the Committee Staff that have a responsibility associated with the matter being considered at such meeting. This rule may be waived by unanimous consent.

V. Broadcasting and photographing of Committee hearing—

The Committee or any of its subcommittees may permit the photographing and broadcast of open hearings by television and/or radio. However, if any member of a subcommittee objects to the photographing or broadcasting of an open hearing, the question shall be referred to the Full Committee for its decision.

VI. Availability of subcommittee reports—

To the extent possible, when the bill and report of any subcommittee are available, they shall be furnished to each member of the Committee thirty-six hours prior to the Committee's consideration of said bill and report.

VII. Amendments and report language—

To the extent possible, amendments and report language intended to be proposed by Senators at Full Committee markups shall be provided in writing to the Chairman and Ranking Minority Member and the appropriate Subcommittee Chairman and Ranking Minority Member twenty-four hours prior to such markups.

VIII. Points of order—

Any member of the Committee who is floor manager of an appropriation bill, is hereby authorized to make points of order against any amendment offered in violation of the Senate Rules on the floor of the Senate to such appropriation bill.●

NOTICE OF INTENT TO SUSPEND THE RULES

• Mr. DASCHLE. In accordance with rule V, on behalf of myself and Senator FEINSTEIN, I hereby give notice in writing that it is my intention to move to suspend the following:

Rule VII, paragraph 2 the phrase "upon the calendar"; and

Rule VIII, paragraph 2 the phrase "during the first two hours of a new legislative day."

In order to permit a motion to proceed to a censure resolution, to be introduced on the day of the motion to proceed, notwithstanding the fact that it is not on the calendar of business.●

NOTICE OF INTENT TO SUSPEND THE RULES

• Mrs. FEINSTEIN. In accordance with rule V, on behalf of myself and Senator DASCHLE, I hereby give notice in writing that it is my intention to move to suspend the following:

Rule VII, paragraph 2 the phrase "upon the calendar"; and

Rule VIII, paragraph 2 the phrase "during the first two hours of a new legislative day."

In order to permit a motion to proceed to a censure resolution, to be introduced on the day of the motion to proceed, notwithstanding the fact that it is not on the calendar of business.●

TAX TREATMENT OF TAX-EXEMPT BONDS UNDER ELECTRICITY RESTRUCTURING

● Mr. GORTON. Mr. President, last Saturday, together with my colleagues Senators KERRY, JEFFORDS, HOLLINGS, THURMOND, HARKIN, MURRAY, SMITH of Oregon, JOHNSON, and WYDEN. I introduced "The Bond Fairness and Protection Act of 1999." This is a bi-partisan compromise approach to legislation addressing the tax consequences of electricity restructuring on tax-exempt bonds that are issued by municipally-owned or state-owned utilities (often referred to as "publicly-owned" utilities) for the generation, transmission, and distribution of electricity.

As my colleagues may recall, last Congress I introduced a substantially similar bill, S. 2182, with eleven cosponsors from both sides of the aisle. Unfortunately, the 105th Congress did not have an opportunity to address this or other proposals on electricity restructuring. This year we have worked to simplify and refine last year's legislation in response to thoughtful comments we received last year, and in an effort to facilitate timely consideration of the legislation in this Congress.

Despite the lack of Federal legislation in this policy area, 18 states have already gone forward and begun to allow retail market choice for electricity consumers at the state and local level. The era of retail competition has already started both for publicly-owned and investor-owned utilities operating in these states.

Until recently, publicly-owned utilities have been able to operate under a strict regime of Federal tax rules governing their ability to issue tax-exempt bonds. These rules were enacted in an era when decision makers did not contemplate retail or wholesale electricity competition. These so-called "private use" rules limit the amount of electricity that publicly-owned utilities may sell to private entities through facilities that are financed with tax-exempt bonds. For years, the private use rules were cumbersome but manageable. As states move to restructure the electricity industry however, the private use rules were threatening many public power communities with significant financial penalties as they adjust to the changing marketplace. In effect, the rules are forcing publicly-owned utilities to face the prospects of violating the private use rules, or walling off their customers from competition.

In either case, this will raise rates for consumers—the precise opposite of what restructuring is intended to achieve. The consumer can only lose when the marketplace operates in this inefficient manner.

The legislation that I am introducing today would protect all consumers by grandfathering outstanding tax-exempt bonds, but only if the issuing municipality or state utility elects to terminate permanently its ability to issue tax-exempt debt to build new generating facilities. Such an election would not affect transmission and distribution facilities, which generally would still be regulated under most restructuring proposals or frameworks. Publicly-owned utilities that do not make this irrevocable election would continue to operate under a clarified version of existing law, thus remaining subject to the private use rules.

This legislation attempts to balance and be fair to the interests of all stakeholders in electricity restructuring while keeping the interest of the consumer paramount. It strikes a compromise between publicly-owned utilities and investor-owned utilities by providing an option for publicly-owned utilities to address the problem of how to comply with private use restriction in a restructured marketplace, an option that involves significant trade-offs for the publicly-owned utilities that seek to utilize it. For investor-owned utilities, requiring publicly-owned utilities to forego the ability to issue tax-exempt debt for new generation facilities should mitigate any potential or perceived competitive advantage in the new competitive world. At the same time, it honors promises made to bondholders under contract and existing tax law, thereby avoiding the inequitable consequence of applying old rules to the newly-emerging competitive world of electricity.

In addition, for those concerned about the environment, it provides incentives to deliver electricity efficiently through open access and retail competition. Most importantly, for consumers the legislation allows competition to thrive while providing additional local options.

Mr. President, we plan to work with all interested parties, and most importantly American consumers, to ensure that we develop the fairest and most reasonable solution to this complex problem. We want electricity restructuring to be a good deal for everyone involved, especially the American consumer who deserves the lower electric bills that a competitive marketplace should provide. I believe this legislation addresses all of these concerns and promotes fair competition in the electricity industry. I urge my colleagues to join me in co-sponsoring this legislation.

Mr. President, I ask that the text of the bill, and an explanatory memorandum be printed in the RECORD.

The material follows:

S. 386

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bond Fairness and Protection Act of 1999".

SEC. 2. TAX-EXEMPT BOND FINANCING OF CERTAIN ELECTRIC FACILITIES.

(a) PERMITTED OPEN ACCESS TRANSACTIONS NOT A PRIVATE BUSINESS USE.—Section 141(b)(6) of the Internal Revenue Code of 1986 (defining private business use) is amended by adding at the end the following:

“(C) PERMITTED OPEN ACCESS TRANSACTIONS NOT A PRIVATE BUSINESS USE.—

“(I) IN GENERAL.—For purposes of this subsection, the term ‘private business use’ shall not include a permitted open access transaction.

“(ii) PERMITTED OPEN ACCESS TRANSACTION DEFINED.—For purposes of clause (I), the term ‘permitted open access transaction’ means any of the following transactions or activities with respect to all electric output facility (as defined in subsection (f)(4)(A)) owned by a governmental unit:

“(I) Providing open access transmission services and ancillary services that meet the reciprocity requirements of Federal Energy Regulatory Commission Order No. 888, or that are ordered by the Federal Energy Regulatory Commission, or that are provided in accordance with a transmission tariff of an independent system operator approved by such Commission, or are consistent with state administered laws, rules or orders providing for open transmission access.

“(II) Participation in an independent system operator agreement (which may include transferring control of transmission facilities to an independent system operator), in a regional transmission group, or in a power exchange agreement approved by such Commission.

“(III) Delivery on an open access basis of electric energy sold by other entities to end-users served by such governmental unit's distribution facilities.

“(IV) If open access service is provided under subclause (I) or (III), the sale of electric output of electric output facilities on terms other than those available to the general public if such sale is to an on-system purchaser or is an existing off-system sale.

“(V) Such other transactions or activities as may be provided in regulations prescribed by the Secretary.

“(iii) DEFINITIONS; SPECIAL RULES.—For purposes of this subparagraph—

“(I) ON-SYSTEM PURCHASER.—The term ‘on-system purchaser’ means a person who purchases electric energy from a governmental unit and whose electric facilities or equipment are directly connected with transmission or distribution facilities that are owned by such governmental unit.

“(II) OFF-SYSTEM PURCHASER.—The term ‘off-system purchaser’ means a purchaser of electric energy from a governmental unit other than an on-system purchaser.

“(III) EXISTING OFF-SYSTEM SALE.—The term ‘existing off-system sale’ means a sale of electric energy to a person that was an off-system purchaser of electric energy in the base year, but not in excess of the kilowatt hours purchased by such person in such year.

“(IV) BASE YEAR.—The term ‘base year’ means 1998 (or, at the election of such unit, in 1996 or 1997).

“(V) JOINT ACTION AGENCIES.—A member of a joint action agency that is entitled to