CONGRESSIONAL RECORD—SENATE

November 18, 1999

U.S.-Israel Free Trade Area Agreement.

Mr. MURKOWSKI. Madam President, at the time Senate Report No. 623 was filed, the Congressional Budget Office report was not available. I ask unanimous consent that the report, which is now available be printed in the Congressional Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

CONGRESSIONAL BUDGET OFFICE
WASHINGTON, DC, November 10, 1999.

Hon. Frank H. Murkowski,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the enclosed cost estimate for S. 623, the Dakota Water Resources Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Megan Carroll (for federal costs), and Marjorie Miller (for the impact on state, local, and tribal governments).

Sincerely,

Barry B. Anderson
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE
S. 623—Dakota Water Resources Act of 1999

SUMMARY

CBO estimates the implementing S. 623 would cost $131 million over the 2000–2004 period, assuming appropriation of the necessary amounts. Starting in fiscal year 2002, S. 623 would affect direct spending: therefore, pay-as-you-go procedures would apply. CBO estimates, however, that changes in direct spending would result in net savings until 2007. S. 623 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The state of North Dakota and local governments in that state would probably incur some costs as a result of the bill’s enactment, but these costs would be voluntary.

S. 623 would amend the existing authority for construction of the Garrison Diversion Unit (GDU) of the Pick-Sloan Missouri Basin Program, administered by the Bureau of Reclamation (the Bureau). S. 623 would authorize the appropriation of about $888 million (in 1999 dollars) for the Bureau to complete the GDU. Adjusting for anticipated cost growth, CBO estimates that implementing this legislation would require the appropriation of $793 million over the 2000–2007 period. Most of the outlays from such funding would occur after 2004. We estimate that enacting the bill would reduce offsetting receipts (a credit against direct spending) by less than $200,000 a year between 2002 and 2006, but would result in increased offsetting receipts of about $7 million a year starting in 2007.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

By Fiscal Year, in Millions of Dollars

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
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<td>Estimated Authorizations</td>
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<tr>
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<td>41</td>
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</table>

1. Most of the costs of implementing S. 623 would occur after 2004. In addition, to the bill’s discretionary costs, it would increase direct spending by less than $200,000 a year over the 2000-2004 period. (That estimated annual effect would continue through 2006, but S. 623 would reduce direct spending by about $7 million a year starting in 2007.)

Assuming appropriation of the necessary funds, CBO estimates that implementing S. 623 would cost $131 million over the 2000-2004 period, $450 million over the 2000-2009 period, and $793 million over the 2000-2018 period. Initially, the bill would have no significant impact on direct spending, but after 2006, S. 623 would increase offsetting receipts by about $7 million a year.

BASIS OF ESTIMATE

Estimates of funds needed to meet design and construction schedules were provided by the Bureau. CBO adjusted those estimates to reflect anticipated cost growth during the construction period, as authorized by the bill. For purposes of this estimate, CBO assumes that S. 623 will be fully funded through fiscal year 2000 and that the authorized amounts will be appropriated. Estimates of outlays are based on historical spending patterns for similar projects.

SPENDING SUBJECT TO APPROPRIATION

Red River Valley Water Supply Project.—S. 623 would authorize the appropriation of $200 million (in 1999 dollars) for the Bureau to construct facilities to meet the water quality and quantity needs of the Red River Valley. Based on information from the Bureau, CBO expects that construction would begin during fiscal year 2004 and would be substantially completed in 2007. Assuming appropriation of the necessary funds, CBO estimates that design and initial construction would cost about $75 million over the 2000-2004 period.

Municipal, Rural, and Industrial Water Systems.—The bill also would authorize the appropriation of $200 million (in 1999 dollars) for the Bureau to make grants to North Dakota to construct municipal, rural, and industrial water systems. The bill would authorize the appropriation of $200 million (in 1999 dollars) for the Bureau to construct, operate, and maintain, on a nonreimbursable basis, municipal, rural, and industrial water systems on certain Indian reservations. CBO estimates that implementing both of these provisions would cost about $45 million between 2000 and 2004.

Operation and Maintenance.—During construction of the Red River Valley Water Supply Project, operation and maintenance costs of the GDU would be covered by funds appropriated for construction. Once the facility is completed in 2007, S. 623 would authorize the appropriation of amounts necessary for the Bureau to operate and maintain certain portions of the facility. Based on information from the Bureau, CBO expects the facility to be put into use in 2007. At that time, we estimate that an additional appropriation of about $3 million would be required each year for operation and maintenance.

S. 623 would also authorize the appropriation of additional amounts necessary for the operation and maintenance of wildlife mitigation and enhancement facilities, including wildlife refuges. Based on information from the Bureau, CBO estimates that such costs would cost about $1 million annually starting in 2001.

Committee’s mark-up of the U.S.-Caribbean Basin Trade Enhancement Act (also known as the “CBI” trade parity bill) to ensure that it does not impose an economic barrier against U.S. imports of Israeli-origin inputs, such as yarn, fabric, or thread, under the U.S.-Israel Free Trade Area Agreement (“PTAA”).

My Government urges the inclusion of a provision in the CBI legislation that will enable U.S. companies to continue utilizing Israeli-origin inputs in producing American-made products without making such products ineligible for CBI duty-free trade preferences.

The current CBI trade program provides preferential tariff treatment to apparel made from U.S.-formed components that are finished in a CBI-eligible country. Currently such components may be cut from fabric, or formed from yarn, originating either in the United States or Israel. The legislation before the Committee incorporates a U.S.-only fabric and thread forward rule of origin. The CBI bill recently approved by the House Ways and Means Committee also incorporates a U.S.-only “yarn forward” requirement for knit-to-shape products. Either bill in its current form would adversely affect U.S.-Israel exports to the United States. Market conditions would all but require U.S. companies to halt imports of Israeli inputs so as not to qualify their products from the duty-free trade preference to be extended unilaterally to CBI-eligible countries. The loss of sales to the U.S. market would harm both Israeli companies and U.S. companies that supply raw materials used in the manufacture of Israeli inputs, such as nylon yarn.

I am撰此信的主要目的是要求在贸易法案中加入一项条款，以确保其不造成对美国与以色列间贸易的经济障碍，特别是针对以色列输入美国的纺织品或化学纤维。据我所知，我方政府已多次向我们通报了这一问题。在法案审议过程中，我们希望确保此法案不包含对美国出口商产生不利影响的规定，导致他们无法从以色列输入的原材料中获取税务优惠。

目前，CBI贸易计划对特定产品的关税优惠政策，适用于从美国来源的原材料加工成的产品。但同时，法案应予修订，以减少或消除对美国出口商的不利影响。例如，法案在纺织产品领域应引入“纱线先生产”规则，以确保从以色列输入的原材料可以享受美国CBI贸易优惠。

美国政府已建议在修订CBI法案时，加入一项条款，以确保美国公司能继续使用以色列输入的原材料生产美国产品，且这些产品仍能享受CBI贸易优惠。目前法案在立法过程中未包含前述条款。如法案正式通过，美国输入以色列的原材料将面临被取消CBI贸易优惠的风险。这将严重影响美国与以色列间的贸易。
Natural Resources Trust.—S. 623 would authorize the appropriation of $25 million for the Secretary of the Interior to make annual contributions to the Natural Resources Trust, a nonfederal corporation (currently known as the Wetlands Trust). The amount to be contributed in any fiscal year would equal 5 percent of the amount appropriated in that year for the Red River Valley Water Supply Project for non-Indian municipal, rural, and industrial water supply systems. CBO estimates this provision would cost $6 million between 2000 and 2004.

Recreational Projects.—The bill would authorize the appropriation of $6.5 million for the Bureau to construct, operate, and maintain new recreational facilities, provided that the Secretary of the Interior has entered into agreements with nonfederal entities to provide half of the cost of operating and maintaining any such facilities. CBO estimates that implementing this provision would cost about $1 million between 2000 and 2004.

Oakes Test Area Title Transfer.—S. 623 would authorize the Secretary to convey the Oakes Test Area, an experimental irrigation facility in North Dakota, to the local irrigators. The Bureau currently spends less than $200,000 annually to operate and maintain the facility. These amounts are subject to appropriation and are reimbursed by users of the facility. Reimbursements are deposited in the Treasury as offsetting receipts and are unavailable for spending without appropriation action. Based on information from the Bureau, CBO expects that the title transfer would occur during fiscal year 2002. Starting in that year, this provision would yield annual discretionary savings of less than $200,000.

### DIRECT SPENDING

Offsetting Receipts from Repayment Contracts.—Under current law, the GDU water supply features are not expected to be put into service, and thus will not generate offsetting receipts from repayment contracts. According to the Bureau, under S. 623 the unit would be placed into service during 2007 and the agency would start to collect repayments from project beneficiaries in that year. Repayments would be deposited in the Treasury as offsetting receipts and would be unavailable for spending without appropriation. CBO estimates that these receipts would total about $7 million a year starting in 2007.

Oakes Test Area Title Transfer.—CBO estimates that under the bill, the Secretary would transfer ownership of the Oakes Test Area to local users in 2002. This transfer would reduce offsetting receipts that are collected from irrigators under current law to reimburse the Bureau’s costs. Thus, CBO estimates that this provision would reduce offsetting receipts by less than $200,000 a year starting in 2002.

### Pay-as-you-go considerations

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

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<th>By Fiscal Year, in Millions of Dollars</th>
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### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for morning business has expired. The normal business before the Senate would be the bankruptcy bill.

Mr. BYRD. I thank the Chair.

Madam President, I ask unanimous consent to speak out of order.

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

### HAPPY BIRTHDAY WISHES FOR THE HON. TED STEVENS

Mr. BYRD. Madam President, I want to call attention to the fact that today, November 18, 1999, is the birthday of the very distinguished chairman of the Senate Appropriations Committee, my friend. I would like to say lifelong friend; I just haven’t had the pleasure of knowing him all of my life. The day after tomorrow, I will be 82 years old, if the Lord lets me live. So I can’t say he is my lifelong friend, but he has been my friend over all the years he has served in the Senate.

I wish him a happy, happy birthday. He is a Senator who doesn’t look up to the rich. He doesn’t look down on the poor. He is a good man on the inside and on the outside. And he is a man who sticks by his principles.

He is a Republican. I am a Democrat. But neither he nor I puts political party above everything else. We know that political party is important, but there are other things in this life that are even more important. He recognizes that. His handclasp is like the handclasp of our ancestors. His word is his bond, as was the word of our ancestors.

I could say much more. I will simply say he is a Christian gentleman, a gentleman first, last, and always. My wife Erma and I extend to him our very best wishes on his birthday and our prayers and hopes that he will enjoy many, many more happy birthdays.

He is rendering a tremendous service to his country and to his State. I hope the people of Alaska realize what a treasure this man is. He works for Alaska every day in the Senate. We know that. He is effective. He is forceful. He is genuine. Erma and I join in wishing him a happy birthday and expressing our good wishes also to his lovely wife, Catherine, and to his children.

I yield to the distinguished majority leader.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Madam President, I thank Senator BYRD for yielding me the time. I join in wishing a very happy birthday to our friend from Alaska. He makes the Senate a better place. He keeps us lively. He works hard. He makes sure we get our job done, and he does it with a lot of alacrity sometimes. He will get right up in your face and make sure...