SENATE—*Tuesday, September 22, 1992*

(Legislative day of Tuesday, September 8, 1992)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

For what the law could not do, in that it was weak through the flesh * * *.—(Romans 8:3), God has done.

Almighty God, perfect in truth and justice, the apostle Paul states precisely the fundamental limitation of law at its best. Speaking of God's perfect law, he knows it cannot produce righteousness because of the weakness of the flesh.

However hard they work, legislators cannot pass laws that cure human sinfulness. Many ignore the law, as in commonplace traffic violations. Many stubbornly refuse to obey it. Others find ways to get around the law. In addition to which, in our culture, morality and legality are not always identical. Our Founding Fathers understood this when they introduced the system of checks and balances into our political system. And the whole court system assumes human propensity to trespass.

Patient Father in heaven, encourage those responsible for legislation, often frustrated by the failure of citizens to keep the law, as they recall the experience of Moses, the great law giver, and his frustration. And help us all to realize that it takes more than law to produce an ordered society. It takes spiritual and moral renewal.

In His name who is the Giver of life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, September 22, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. LIEBERMAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senate majority leader.

Mr. MITCHELL. Mr. President, am I correct in my understanding that the time for the two leaders has been reserved for their use later in the day and the Journal of proceedings has been approved to date?

The ACTING PRESIDENT pro tempore. The Senator is correct.

SCHEDULE

Mr. MITCHELL. Mr. President, Members of the Senate, there will be a period for morning business extending until 9:30 a.m.

At 9:30 there will be a rollcall vote on a motion to instruct the Sergeant at Arms to request the presence of absent Senators. And then we will proceed to consideration of the Defense appropriations bill which was begun yesterday. It is my hope that we will be able to finish this bill today.

Senators are on notice that votes may occur at any time during the day and well into the evening, as long as it takes to complete action on the bill.

Tomorrow, we will begin action on the tax bill and urban aid package. And we will remain in session this week until that bill is completed, however long it takes.

Therefore, votes can occur, may occur at any time during the day on any day of this week, late evening sessions may occur, and Senators are on notice that we will remain in session this week until we complete action on the two measures which I have described, the Defense appropriations bill, and the tax bill urban aid legislation.

At 2:15 today, the Senate by a prior order will interrupt consideration of the Defense appropriations bill for two votes. One will be on the cable TV bill, and the other will be on the override of the President's veto of the voter registration bill.

Immediately upon the completion of those two votes, the Senate will return to consideration of the Defense appropriations bill, and it is my intention that we will stay in session today for as long as it takes to complete action on that bill.

I thank my colleagues for their cooperation. I yield the floor.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a period for the transaction of morning business not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not to exceed 10 minutes.

The Chair recognizes the Senator from Colorado [Mr. WIRTH].

PRESIDENTIAL DEBATES

Mr. WIRTH. Thank you very much, Mr. President.

Today is debate day. Today is the first day of the Presidential debates. As you know, a national commission was established several years ago to make recommendations for this year's election. That commission which included the former chairman of the Republican Party, Frank Fahrenkopf, recommended three debates as you know, Mr. President, with a single moderator.

This format was recommended as a means of encouraging a wide-ranging discussion among the candidates. And Bill Clinton, Governor Clinton, of course agreed to the Commission's recommendations the day they were issued.

The commission recommended that the first debate occur today, Tuesday, September 22, in East Lansing, MI. The country of course has been looking forward to these debates. They should occur. Unhappily, Mr. President, George Bush is up to his same old tricks and has refused to debate.

Is there something new in the Bush bag of tricks, Mr. President? Not at all. In 1988, President Bush refused to debate Senator DOLE in Illinois. Bush avoided a challenge from Senator DOLE to debate. "The old debate ploy," Bush said when told that DOLE planned to rent an auditorium and appear on stage with a cardboard cutout of Bush, and tapes of the Vice President's statement if Bush refused to attend. Not a bad idea; maybe in East Lansing what we ought to do is get a cutout of the President, a cardboard cutout and have tapes of statements by the President since he is not going to be in East Lansing tonight for the debate that was agreed to by both parties.

Senator DOLE in 1988 said Bush "cannot claim Executive privilege until November." Senator DOLE challenged then Vice President Bush to debate

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

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again saying "that is what we want to point up. He cannot hide from the Democrats. The American people are going to demand that sooner or later George Bush stand up and say 'I want America to go this way, and this is my plan for America.' He cannot claim Executive privilege all the way to November."

Mr. President, George Bush cannot claim Executive privilege now. The country wants him to debate. What happened this year?

Patrick Buchanan was concerned about it. Patrick Buchanan wanted the debate. He was the Republican challenger, and he said that "the Republicans might as well change their symbol from the elephant to the chicken," if Bush refused to debate him or make joint appearances. "Now under George Bush we have become the party that is afraid to debate." This is indicative of the establishment mentality led by George Herbert Walker Bush. That is from Pat Buchanan who, of course, had a position of significance prior to the Republican convention.

In 1988, James Baker who was advising the President then as he is now said "Debates have a way of freezing the campaign." In August of 1988, Vice President Bush refused to commit to more than two debates stalled negotiations between his campaign and the Dukakis campaign. Mr. Baker said of the negotiations: "There are other ways to campaign. Debates have a way of freezing the campaign. It is our view that a campaign is a continuing debate and the American people get bored by debates." The issue and the record goes on and on, Mr. President.

President Bush has declined the commission's recommendation. As a result, tonight's debate in East Lansing, as we all sadly know, will not take place, at least not with President Bush; maybe with the cardboard cutout. Bill Clinton will be in East Lansing to discuss the issues that are of concern to the American people, most importantly a strategy for getting the American economy moving again. Our country, as we all know, is confronting very difficult times. Our economy is in the third leg of a recession. The national debt continues to skyrocket; health care costs are accelerating; enormous environmental threats must be confronted.

We are at a critical moment in our history. What this country needs more than anything is a full debate on the challenges we face and the strategy for surmounting them. Debates among the Presidential candidates, history demonstrates, are one of the best opportunities in American politics for addressing these issues with the American people. Who can forget the debate of 1960? Vice President Nixon and soon to be President Kennedy were facing off. The American public had a clear choice, and could see the choice they were going to be facing at the polls the first Tuesday in November.

Unfortunately, President Bush has neglected that history. I suspect that Bush sees the polls and does not want an early debate to end this election outright. Coming from a candidate who said he will do anything to get reelected, I understand his concern.

I do not agree with his decision. I also suspect that there are a number of questions about the economy and his record that George Bush does not want to discuss. The American people want to hear a debate on strategies to create jobs, but George Bush does not want to air that debate, because he remembers that in 1988 he, Vice President Bush, candidate for President of the United States, pledged to create 30 million jobs in 8 years. Today, the number of private sector jobs has decreased by 40,000. George Bush still has 30 million to go.

The American people want to hear a debate of strategies to get our economy moving. However, apparently, President Bush does not want to talk about his economic record—the slowest period of economic growth of any post-World War II administration, during which 1.3 million manufacturing jobs have been lost, and more than 100,000 farms have been wiped out under George Bush alone.

President Bush has been trying to start a debate about the candidate's views on taxes, but he is reluctant to face Bill Clinton one-on-one because of his own record during the past 12 years, which shows that the wealthiest Americans received a $12,600 tax cut, while taxes went up for middle-class families. I might say that again, Mr. President. For the wealthiest Americans, they got a $12,672 tax cut; middle-class Americans got a $286 tax hike.

What about current proposals? Under the current proposals by President Bush, the wealthiest Americans will get another $14,000 tax cut, while middle class Americans, a paltry $50; at the same time, their Medicare benefits will be cut.

Now, only a month ago, the Bush-Quayle campaign was hammering away on the issue of so-called family values. Remember Houston? Now the President does not want to debate valuing families, which would force him to explain the tripling of health care costs and his veto of the Family Leave Act. I think the President is going to veto—and maybe he already has—the Family Leave Act. This is the party that stood up in Houston, and romped across the stage in the Astrodome and told everybody about family values. What is happening on the veto of a bill which gives parents 12 weeks of unpaid leave to care for a new baby or sick child?

Finally, let us have a full debate on the issue of trust. Perhaps, in that setting, we could debate President Bush's 1988 "read my lips" pledge and the new "never, ever" pledge of 1992. The American people read his lips, and now we can read his record. This is another reason the President may not want to debate. What did he mean, by the way, when he said, "never ever?" He said one thing one day, and the White House said something else the next day. Thank goodness we have a bit of interpretation because I thought for a minute people might believe what the President said.

The American people deserve a full debate, Mr. President. There ought to be more, not less face-to-face confrontations. Unfortunately, there will not be a debate tonight. Bill Clinton will be in East Lansing, and we are going to have to send that cardboard cutout by Federal Express. Where is the President?

In closing, I want to share with my colleagues the following quote:

> I believe he wants to avoid debates because he wants to avoid talking about his economic record. How do you debate the merits of an economic policy that has put 1.9 million American men and women out of work? What you do instead is sit in splendid isolation in the White House.

These are the words of George Bush on September 12, 1980.

It appears that he is following his own advice "sitting in splendid isolation in the White House" refusing to face the American people with the questions that ought to be faced, refusing to come out of the bunker and debate.

Mr. ROTH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Delaware is recognized.

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that James Grover, who is on my staff as a fellow be permitted to be on the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Delaware is recognized.

Mr. ROTH. I thank the Chair.

(The remarks of Mr. ROTH pertaining to the introduction of S. 3258 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mr. WIRTH). The Senator from Connecticut.

IN SUPPORT OF THE CONFERENCE REPORT ON S. 12

Mr. LIEBERMAN. Mr. President, later today the Senate will vote on the conference report on S. 12, the Cable Television Consumer Protection and Competition Act of 1992.

I would like to take these few moments during morning business to speak on this bill, because it is an issue that I have actually worked on before I came here.

I was attorney general of the State of Connecticut in 1984, when the Federal Government deregulated cable. I and many of my colleagues cried out against that action, because we felt that it left cable consumers facing cable companies that had a monopoly—facing no competition—in their areas according to a publicly granted franchise, and the States and franchises authorities were just deprived of regulation. The result we feared was inevitable increases in price and perhaps a lowering of quality. Certainly the increases in price have occurred. This bill, S. 12, in a balanced and thoughtful way, remedies that problem.

I regret, Mr. President, that President Bush indicated last week during House debate on this conference report that he would veto the cable consumer protection bill. It is sad to see the President turn a deaf ear to the legitimate concerns and interests of American consumers and to cave in to the unregulated cable monopolists. This is an example of knee-jerk deregulation at its worst.

Mr. President, there are cases where deregulation works and cases where it does not. But one case where it clearly cannot work is where there is no competition. And that is exactly the case when it comes to cable television.

This bill, first and foremost, addresses the principal concerns of American consumers, and that is the level of rates and customer service. It does this in two ways. First, it promotes the development of competition by lowering the barriers to entry of competitors into the marketplace. Competition, not Government intervention, is the best long-term regulator of this marketplace. Competition gives the best service and the best price. The conference report supports competition by making clear that local franchising authorities cannot create de facto exclusive local cable franchises by refusing to grant franchises to competitors. This is a provision originally proposed and supported by the administration.

The conference report also makes clear that, for the next 10 years, cable channels that are affiliated with cable operators cannot use their control of programming to restrict or impede retail competition by refusing to sell programming to cable's competitors. This provision is supported by every alternative provider of cable service—including the telephone companies that the administration often hails as the saviors of competition in this marketplace—precisely because it will be absolutely necessary to getting real competition off the ground. The provision is narrowly tailored to its purpose of promoting competition; it disappears in 10 years unless the FCC explicitly finds that it continues to be necessary to preserve and protect competition and diversity in programming.

Mr. President, while competition is the best regulator, the fact is that in most areas of our country there will not be genuine competition to cable for many years to come. Competition is not the magic elixir today. Even if we were to do what the administration wants and let telephone companies into the cable marketplace today, it would probably be a decade before those companies could serve even half the market, even in a small and highly urban State such as my own State of Connecticut. Consumers deserve some protection against monopolistic rates in the years before full competition arrives.

The conference report therefore provides that in those areas where no effective competition exists—and only those areas where no effective competition exists—the Federal Communications Commission is required to protect America's consumers against unreasonable rate increases. The FCC is directed to try to hold rates to the levels they would be at if real competition were in place now. It would not be confiscatory, it would allow the cable industry to continue to earn a profit, but it would ensure that Americans are not abused.

Every American who has to write out a check to the cable company every month knows why this protection is needed. Since deregulation, cable companies have raised rates nearly three times the rate of inflation, year after year. At first, cable claimed that these rate increases were due to catch up from rates that were artificially low due to regulation. But it has now been over 5 years since deregulation went into effect, and cable rates are still going up at nearly three times the rate of inflation. When will cable slow its rate increases? When will it feel it has caught up? We can't say, so we must make them stop.

Perhaps the President has not fully considered the effect of monopoly rates on the American public. When a monopolist sets prices at a level higher than the levels that would prevail under free, full, and fair competition, it means that every consumer who buys cable must pay more for cable service than they would otherwise have to pay. The Consumer Federation of America estimates that consumers are now paying $6 billion a year more for cable than they would if there was competition. If the President vetoes this legislation—and I hope he does not—the impact of American families will be the same as if he had agreed to a $6 billion tax increase and then gave that tax money to the cable industry.

When a monopolist charges more than a fully competitive market would allow, some consumers are also priced out of the market. Nothing illustrates this better than the case of Francis Behan, a resident of Springfield, VA, who contacted my office earlier this year. Mr. Behan and his wife are 72 years old. Like many other older Americans, they have some difficulty getting around. Consequently, they rely on television for much of their entertainment. But they are on a limited, fixed income, so they buy only the lowest priced basic tier, which is $13.95 per month.

Recently, Mr. and Mrs. Behan decided that they would like to add Home Team Sports, which was offered in their system as a premium, per-channel service, so that they would watch all the local sports team. The cost of Home Team Sports itself was another $13.95, which they were willing and able to pay. But then came the monopolist's catch. In order to add Home Team Sports they had to buy a deluxe basic tier at $28.95 per month, instead of their limited basic tier. Plus, the local cable company wanted an additional $25 in a one-time charge to provide this upgrade. The bottom line—for Mr. and Mrs. Behan to add Home Team Sports, it would cost them a one-time charge of $25, plus $42.90 per month. The real price of adding Home Team Sports comes to $28.95 a month. As Mr. Behan says, "It is like putting a gun to one's head and saying, If you want HTS, take tier I and II or else."

S. 12 would come to the rescue of Mr. and Mrs. Behan. If their cable company has no effective competition, the FCC would be required to ensure that the charges for both the limited basic tier and, if a complaint is made, the deluxe basic tier are reasonable. Just as significantly, if technologically possible in the Behan's cable system, the cable company would not be allowed to require the Behan's to buy the deluxe basic tier as a condition of buying Home Team Sports. They could buy the basic tier at $13.95, plus Home Team Sports at $13.95, saving $15 per month. This improves consumer choice by eliminating cable's ability to coerce them into buying a product—the deluxe basic tier—they do not want by tying it to the product they want, Home Team Sports. For the Behan's it allows them to reduce their monthly bill.

The President's letter asserts that S. 12, "will drive up cable industry costs, resulting in higher consumer rates, not rate reductions as promised by the supporters of the bill." While this parrots the theme of the National Cable Television Association's recent advertising campaign, it is also an astounding example of administration doublespeak. Let us take just the retransmission consent provision, which the administration and the cable industry now claim will raise cable rates.

Last January, when S. 12 was on the Senate floor, we considered a substitute offered by Senators WIRTH, KERRY, and PACKWOOD. The administration issued a statement of administration policy that explicitly supported the substitute. That substitute, which they endorsed, contained the same re-

transmission consent provisions that are in the conference report. If they were so interested in protecting consumers from the alleged evils of this provision, why did they support it a year ago?

The bald truth is that neither the NCTA nor the administration is protecting consumers. To hear the cable industry claim to be a savior of consumers is like the shark claiming to come to the rescue of the drowning man. The very thesis of their ad campaign—that somehow rates will not go up if you leave cable rate setting to the cable companies—contradicts almost 6 years of experience. Every chance they get, cable raises rates again. The cable industry has even tried manipulating consumers into opposing this legislation, in some instances coaching them and putting words in their mouths when they connect consumers to our offices.

As for the administration, it seems clear that they will support whatever they think will derail real cable reform. The administration seems more interested in protecting its friends in the cable industry—and its deregulatory campaign rhetoric—than in heeding the cries of desperate consumers who need protection from an unregulated monopoly.

Mr. President, I would rather see us take another tack. Let's leave cable's estimate $6 billion in monopoly profits in the hands of hard-pressed consumers, where it belongs, rather than giving it to the cable industry. Let us take the steps we can take—as this bill does—to introduce competition into the marketplace. Let us spur innovation and investment in alternative methods of delivering cable service that will compete with today's cable monopolists. And, in those systems where no competition exists, let us let the Federal Communications Commission protect consumers against unreasonable rate increases and drive rates back down toward competitive, rather than monopolistic levels.

Mr. President, I agree with President Bush's idea of a communications industry based on the principles of greater competition, entrepreneurship, and less regulation. That is what this bill will do: It lowers the barriers to a whole host of new competitors such as direct broadcast satellites, wireless cable, and even second or third traditional cable companies within a given franchise area; it helps these entrepreneurs, for a limited period, to get the tools—such as programming—they need to bring about a competitive marketplace; and in the end it will result in much less regulation since the competition we will nurture will become the regulator of the marketplace, automatically ending Government's role as the watchdog of rates.

Mr. President, it is time to bring an end to the era of unregulated monopolies in the communications industry. It is time to say "yes" to competition, "yes" to consumer rate protection until competition arrives, and "yes" to nationwide, adequate levels of customer service. It is time to say "yes" to S. 12. I strongly urge my colleagues to support the conference report, and to vote for its adoption.

Mr. President, to clear the air I would also like to take note of what cable is saying outside the beltway. A spokesman for Cox Cable of Omaha, NE, told the Omaha World-Herald last Thursday:

> We're not going to lose sleep over the passage of this bill. Good cable operators are not going to be in bad shape as a result of this bill passing.
>
> Rate regulation is not something we fear. We are very confident about our operation being held up to scrutiny at any level.

I will ask that a copy of that article be included in the RECORD.

Mr. President, I will also ask that a page entitled "What Wall Street Says About S. 12" be included in the RECORD. Let me read just one of these, from a Wall Street Journal article dated July 27, 1992:

> Despite the furor, the bill isn't expected to impair the industry's fortunes or its future, several analysts said. "On the whole, I would say the impact is nowhere near devastating," said Kenneth Goldman of Bear, Sterns & Co.

Mr. President, I ask unanimous consent to have this material printed in the RECORD.

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

[From the Omaha World-Herald, Sept. 17, 1992]

HOUSE PASSES BILL AIMED AT CABLE TV

(By Paul Goodsell)

WASHINGTON.—Cable television rates would be regulated by the federal government under a bill that passed the House of Representatives Thursday, 280 to 128.

"It's not going to cut costs," said Rep. Doug Bereuter, R-Neb. "It's just going to lessen the escalation."

Bereuter voted for the House-Senate compromise on the bill, as did Reps. Peter Hoagland, D-Neb., Bill Barrett, R-Neb., Jim Ross Lightfoot, R-Iowa, and Fred Grandy, R-Iowa, Rep. Neal Smith, D-Iowa, voted against it.

The cable industry and Hollywood generally oppose the measure while broadcasters and consumer groups support it. The bill would grant new power to the Federal Communications Commission to regulate basic cable rates and review other charges.

Among other changes, the bill also would allow local broadcast stations to seek compensation from cable operators that pick up their over-the-air signals.

Cable industry forces, which are waging a television, newspaper and direct mail advertising campaign to turn the public against the bill, hope to stop the measure in the Senate. They contend that the legislation would result in higher costs to cable subscribers.

President Bush has said he would veto the bill because of its regulatory provisions.

Thursday's vote was a narrower victory for the bill's proponents, who garnered 340 votes for the House's earlier version in July. The Senate passed its version in January, 73 to 18.

Mike Kohler, communications director for Cox Cable Omaha Inc., said the compromise measure that passed Thursday was far better than the earlier versions of the bill.

"We're not going to lose sleep over the passage of this bill," Kohler said. "Good cable operators are not going to be in bad shape as a result of this bill passing."

Kohler said Cox Cable officials believed that they could justify their fees for basic cable service, which the bill defines narrowly as local broadcast and government access channels, not super-stations such as WGN in Chicago and TBS in Atlanta.

"Rate regulation is not something we fear," he said. "We are very confident about our operation being held up to scrutiny at any level."

In addition, he said, the new bill is more flexible on provisions that would require cable companies to use addressable converter boxes—a change that could mean higher rates and inconvenience; customers who have cable-ready televisions and VCRs.

Kohler said Cox opposed the retransmission provisions of the bill that give local broadcast stations a greater say in signals.

Stations would be able to seek compensation from cable operators, or they could demand that cable companies carry their signal for free.

Kohler said it was unfair to make cable companies and their subscribers pay for local broadcasts that non-cable customers receive over the air for free. Although local stations would be responsible for dealing with the cable companies, he said, television networks also will profit because they will not have to pay their local affiliates as much.

It is unknown how much clout local affiliates will have in demanding compensation, however, since they need to ensure that cable subscribers can receive their programming. Kohler said he could not say that the retransmission negotiations would mean higher local cable bills.

"The rhetoric on both sides at the national level was probably overstated." he said, "One side claimed that costs will soar, (while proponents of the bill) suggested that cable costs will come down. They're misleading people."

Barrett said the final compromise by a House-Senate conference committee represented an improvement from the earlier House version, which he opposed.

"I think the conference report was far more palatable to me." he said, "I thought it was a better bill by quite a bit. It's less onerous. it's less regulatory."

WHAT WALL STREET SAYS ABOUT S. 12

Fable: The cable industry has been proclaiming loudly on Capitol Hill that S. 12, the Cable Consumer Protection and Competition Act, would drastically handicap their business and devalue the industry's multibillion dollar investments.

Fact: Here's what Wall Street has to say about the cable bill:

"What is most likely to come out of conference would have a minor impact at most on cash flows."—Attributed to a Wall Street analyst, Multichannel News, 8/3/92.

"In our opinion the decline in interest rates will have a better positive impact on, than regulation will have a negative impact on, the [cable] industry."—Mark Riely, MacDonald Grippo Riely, Broadcasting, 2/10/92.

"Despite the furor, the bill isn't expected to impair the industry's fortunes or its fu-

ture, several analysts said. On the whole, I would say the impact is nowhere near devastating, said Kenneth Goldman of Bear, Stearns & Co."—Wall Street Journal, 7/27/92.

"The impact [of retransmission consent] would be negligible."—Ned Zachar, Duff & Phelps analyst, Communications Daily, 7/28/92.

"Some analysts, such as Paine Webber's Chris Dixon, put the more likely cost of retransmission consent at about 10 cents per subscriber per month for each network affiliate, for a total of 30 cents per month. That's 1% of the average cable bill, and translates into a 1.5% loss in margin. 'That's not detrimental to the industry,' he says."—Broadcasting, 2/10/92.

"And while cable executives are upset about the Tauzin amendment in the House bill on program access, [John] Kornreich doesn't find it all that damaging in the long run."—Multichannel News, 8/3/92, referring to John Kornreich of Sandler Capital Management, a firm with 40 percent of its portfolio invested in cable stocks.

OLYMPIC GOLD MEDALIST AND DREAM TEAM MEMBER KARL MALONE

Mr. JOHNSTON. Mr. President, I salute today, an outstanding individual from Louisiana, an individual who possesses rare and unusual talents, strong moral character, and an undying loyalty to his home State, Louisiana.

I'm talking, of course, about Karl Malone, Olympic gold medal winner and star member of the dream team. Karl was a tremendous source of pride for all Americans this summer when he stood on the podium in Barcelona and received the Olympic's highest honor.

But there is so much more to Karl than his athletic prowess. This young man possesses an extraordinary depth of character that is unusual in today's professional athletes. He is an example for our youth, especially those children growing up in Louisiana. And this is not a responsibility he takes lightly.

When asked about the inspiration he provides for rural youth he replied:

I want them to know they can fulfill their goals and dreams. Young people are so wrapped up in material things and that's not important. I want young people to know there is more to life than just bouncing a basketball.

Karl translates those thoughts into action. He spends a great deal of his free time at home, visiting his mother, and plans to return to Claiborne Parish after retiring to operate his own trucking company and ranch. His goal is to bring jobs to north Louisiana.

I applaud Karl Malone—not only for his extraordinary talent on the basketball court, but for his incredible strength of character off the court. Karl provides an example for all of us who build our lives far away from our hometown. It is important, not only to remember those you leave behind, but to give something back.

TRIBUTE TO NEW YORK CONGRESSMAN STEPHEN SOLARZ

Mr. DURENBERGER. Mr. President, I rise today to recognize a great public servant. I stand here to pay tribute to New York's 13th District Representative, Congressman STEPHEN SOLARZ, and to thank him for his many years of distinguished public service and contributions to the international affairs of the United States of America.

Congressman SOLARZ was already a two-term veteran of the Hill when I came to the Senate in 1978. Since then, I have been illuminated by his opinions in the form of regular and thorough analyses of foreign affairs issues. I have appreciated his input as I studied and traveled to such places as Laos, the Middle East, South and Central America, India, Pakistan, Bangladesh, and Nepal.

Congressman SOLARZ shared his expertise with the Nation and the world as a member of the House Select Committee on Intelligence and the Committee on Foreign Affairs. In August 1989, after the Paris Peace Conference on Cambodia broke down, he worked closely with Minnesotan Steve Young to flesh out a proposed peace plan that was signed in October 1991. Former Philippine President Cory Aquino calls him the Lafayette of the Philippine Revolution because of his efforts to expose the corruption of the Marcos regime. His hearings opened the door to democracy in that nation.

STEVE SOLARZ has been a leader in the movement to impose sanctions against the South African policies of apartheid, and he worked hard to maintain United States sanctions against Rhodesia. When Hong Kong reverts to Chinese control in 1997, the United States will maintain an interest, thanks to legislation he helped draft. Jewish communities around the world, especially those who are moving out of Syria, know his name for his tireless efforts on their behalf.

STEVE and I were among a handful of Members to support President Bush in the decision which came to be known as Desert Shield. It was a more difficult decision for, and had a bigger impact on him than myself.

These and many other accomplishments are testament to STEPHEN SOLARZ' dedication to positioning the United States as a leader among nations; a tireless protector of human rights and an advocate of democracy. Mr. President, I thank our friend, the Congressman from New York, for his years of dedicated public service, and wish him the very best in the months and years to come.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt run up by the U.S. Congress stood at $4,036,813,721,516.07, as of the close of business on Friday, September 18, 1992.

Anybody familiar with the U.S. Constitution knows that no President can spend a dime that has not first been authorized and appropriated by the Congress of the United States.

During the past fiscal year, it cost the American taxpayers $286,022,000,000 just to pay the interest on Federal spending approved by Congress—spending over and above what the Federal Government collected in taxes and other income. Averaged out, this amounts to $5.5 billion every week, or $785 million every day, just to pay the interest on the existing Federal debt.

On a per capita basis, every man, woman, and child owes $15,716.07—thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

What would America be like today if there had been a Congress that had the courage and the integrity to operate on a balanced budget?

TRIBUTE TO JOSEPH M. FARLEY

Mr. SHELBY. Mr. President, I am pleased to rise today to recognize the contributions and achievements of a leader in the American electric utility industry, particularly the nuclear energy industry. Joseph M. Farley this year retires as chairman of the board of Southern Nuclear Operating Co. corporate counsel of the Southern Co. in Birmingham, AL, and chairman of the American Nuclear Energy Council. It is because of his stewardship that nuclear energy, which provides more than 20 percent of this Nation's electricity and does so without polluting the environment, will be a viable option for our children's America.

With an engineering degree from Princeton, a law degree from Harvard, and service in the Navy as a lieutenant, Joe Farley has been a reliable and invaluable witness before countless congressional hearings as Members this year worked hard to draft national energy policy legislation. His integrity and ability to present the industry and its ratepayers' views before panels investigating everything from high-level waste disposal to restructuring the uranium enrichment enterprise helped to shape the national energy strategy bill as it stands today with the greatest achievements for nuclear energy in 40 years.

The energy bill—to truly serve as a comprehensive, forward-looking policy—contains nuclear energy plant licensing reforms to guarantee meaningful public participation in key decisions and investor predictability. Lan-

guage to restructure the Federal Government's uranium enrichment enterprise to compete in the world market is being worked out in conference. What was once a deadlock between the Department of Energy and the State of Nevada on a high-level waste initiative is turning into progress. DOE just this past August received its final water permit, allowing scientists to fully proceed with site characterization of Yucca Mountain—as mandated by Congress in 1987—to determine if the site is suitable for a national high-level waste repository.

All of these milestones occurred with the assistance of the able leadership of Joe Farley. It is through his hard work and dedication, along with that of other industry leaders, that the 102d Congress stands on the brink of passing the first national energy policy for the good of the U.S. economy, environment, and national security.

Joe Farley's career in the nuclear industry is unparalleled. The Birmingham, AL native was elected president of Alabama Power in 1970. After serving 5 years as executive vice president of the utility, Farley rightfully became the namesake of twin 829-megawatt nuclear units which became operational in 1977 and 1981.

In 1989, Mr. Farley became executive vice president of the Southern Co., which serves more than three million people as the parent company of Alabama Power, Georgia Power, Gulf Power, Mississippi Power and Savannah Electric. The Southern Co. is one of the Nation's largest investor-owned electric utilities. Also in 1989, Mr. Farley, a past chairman of the board of directors for the Institute of Nuclear Power Operations, began his term as chairman of the American Nuclear Energy Council, which represents more than 100 utilities and organizations with interests in nuclear energy. In 1991, Mr. Farley became president and CEO of Southern Nuclear Operating Co., a subsidiary of the Southern Co.

Joe Farley has served the nuclear energy industry well and has led the American electric utility industry to the forefront as a major player in securing this Nation's productivity and stability. It is with great pleasure that I ask the U.S. Senate to honor Joe Farley for his dedication and effectiveness in this endeavor.

TRIBUTE TO SID NOWICK

Mr. WIRTH. Mr. President, the El Jebel Shriners will once again be honoring a singular Colorado citizen, Sid Nowick. An astonishingly effective physiotherapist, Sid has had a remarkably successful Denver practice for more than 50 years.

But ministering to the famous, the rich, or the politically powerful provides scarce satisfaction to Dr. Sid, compared to his deep commitment and happiness in working with those who need him most, the old and the young. His concern for the old and frail is reflected in his free treatment of so many and his constant badgering of political and medical authorities to do better for this needy group.

It is with kids, however, that Dr. Sid shines brightest. Children who have never walked do so today; hope has come to thousands of young people and their families. Pictures hanging in Sid's office testify to his remarkable talent. For many years he has worked through Shrine hospitals, and has been honored as Shriner of the Year for his work in helping thousands of young Americans. And his generosity does not stop there, for Sid travels to Israel nearly every year, where he works with young people and leaves behind his wonderfully human legacy. The following articles provide further descriptions of Sid's great work.

Now Sid has another goal—to provide free school lunches for all students. He is appalled that so many of our young people go to school hungry and return home even more so; and sharply criticizes programs that distinguish between rich and poor in school. He correctly urges us in the Senate to pass such a program and is working to mobilize Shriners nationwide to take up this challenge.

I agree with Sid and hope that a new administration will bring us closer to the goal of providing broad preventive and nutritional care to all our children. In the meantime, anyone who has worked with Dr. Sid, as he accompanies his skill with a constant, perceptive, and persuasive banter, will no doubt know that he will achieve this goal as well.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TRI-SULOM TZEDAKAH WALL OF HONOR PAYS TRIBUTE TO SID NOWICK

When they wrote the lyrics "Hands Across the Ocean," they could very well have been describing the work of Sid Nowick.

Sid is a physical therapist who grew up in a Jewish orphanage in Denver. He never forgot that there are kids who needed help and might not be able to afford it. Sid has taken it upon himself to devote a substantial part of his professional practice to treating children with neuromuscular and other disabilities free of charge. He regularly treats dozens of children on an outpatient basis at a local El Jebel medical facility.

His healing hands have been credited with helping children afflicted with diseases like multiple sclerosis get back on their feet and walk again.

It is commonplace for Sid to spend his vacations working 18 hours a day at the Alyn Hospital for Handicapped Children in Jerusalem. In addition he applies his own novel methods of treatment to the children and shares his wealth of knowledge with the staff. He has donated several of his self-devised exercise machines to the hospital. He has reportedly refused to patent the machines which he spent 20 years creating because he wants them to be available to anyone who wishes to copy them.

Speaking of the beauty of one of the youngsters whose crippled arms he had just finished straightening, he said "I think the Almighty gives these children something special just to compensate."

In Denver, Sid plays a leading role in the Denver Friends of Alyn. He has said that the reason he returns to the States after working in the Israeli hospital is to raise funds for the continuation of the facility's work.

Sid has no compunction about telling a well-heeled patient on the table, "Now look here, I need your money for kids in Jerusalem who may walk if they get the right help . . . some of them give and some of them get mad, but I don't mind that."

With friends like Sid Nowick, who needs Angels!

[From the Jerusalem Post]

HEALING HANDS

(By D'Vora Ben Shaul)

With his crew-cut white hair and his burly chest and arms, Sid Nowick looks like a retired wrestler. But for patients at the Alyn Hospital for Handicapped Children in Jerusalem, and for the staff which cares for them, the only thing Nowick lacks is a halo.

Nowick, who is a physiotherapist from Denver, Colorado, is not a newcomer to the scene at Alyn: he has been a regular "visitor" for the past four years. And although he recently went back to the U.S. after a six-week stint at Alyn, where he and Phyllis Williams, his personal assistant for 20 years, often worked a non-stop 18-hour day with the patients there, he plans to return around Pessah.

Sid Nowick is an optimist, and 51 years of working with broken, battered and misformed human bodies has not dimmed that enthusiasm. For him, no case is hopeless.

And that is what brings Nowick back to Alyn time and time again: "They aren't putting the children away where no one will see them at Alyn," he says. "So many hospitals in the world do just that. At Alyn, they're trying to teach them to walk and so am I," he says.

But Nowick, who has donated two of his self-devised exercise machines to Alyn (machines that he spent 20 years creating and then refused to patent since he wants them available to anyone who wishes to copy them), also knows what good care for the handicapped costs, and that Israel just doesn't have the money.

"They need another $2m. a year here," he say, "and I've decided to find it for them. That's one reason I'm going back to the States now. That's where the money is."

Nowick has had a lot of famous patients and he showed me letters from them.

But for him it doesn't matter. Every person is special and with tears in his eyes he speaks of the beauty of a young handicapped girl he has just finished helping to do exercises to straighten her arm. "I think God gives these children something special just to compensate," he says.

Nowick, whose own practice is large and who has succeeded in training only one successor—his daughter—is known for the hard work he invests in his patients: "I haven't trained enough people," he says, "because they want to work just a few hours a day.

"When you're fighting for a patient's whole future, you have to remember that there are 24 hours in a day and that if you're only there for one or two hours, all the rest of the time things are slipping downhill."

For this reason he also has made gentle exercise machines where the patient often

sleeps while the machine keeps on doing the manipulations.

Nowick is working in Denver with the Friends of Alyn Society and with the Friends of Alyn Society and with Rabbi Manuel Lederman, of the Hebrew Alliance there, who first told him about Alyn.

Nowick says he has no compunction about telling a rich patient on the table, "Now look here, I want some of your money for some kids in Jerusalem who may walk if they get the right help."

"Some of them give and some of them get mad," grins Nowick. "But I don't mind that."

SUCCESS IN THE REHABILITATION OF HANDICAPPED CHILDREN

Over 2,000 children in the past two years have been treated free of charge by the El Jebel Shrine medical staff and Empire Health Services for physical therapy. Crippled children and children with severe burns have been treated in the El Jebel Temple clinics in Denver, Grand Junction, and Loveland. Many children have been sent to St. Anthony's and Children's Hospital in Denver, Salt Lake City Hospital, Mayo Clinic, and the Galveston Burn Institute for further surgical intervention.

Dr. Louis M. Radetsky and Sid Norwick, in addition to their charitable work in Denver, travel several times a year to Jerusalem at their own expense, to perform therapeutic medical feats on the children at the ALYN Hospital. They have also donated more than $10,000 to ALYN.

The 250 bed hospital takes care of all refugee children, including Palestinians. "There is no discrimination whatsoever. It is all done free of charge. These kids wouldn't be able to afford this care."

Dr. Louis M. Radetsky, a native Denverite, is Medical Director Emeritus of El Jebel Shrine, and served as Medical Director for five years.

Dr. Radetsky serves as Hospital Inspector for Internal Medicine for ten western states for the American Hospital Association. He was Chief of Medicine at Rocky Mountain Hospital and staff physician at Beth Israel Hospital. He served initially on the cardiac rehabilitation unit board of directors for Rose Medical Center. Dr. Radetsky was the recipient of the ALYN Humanitarian Award in 1989.

Sid Nowick, Denver native, is a well known physical therapist and heads Empire Health Services. He began his physical therapy practice in 1956. In 1986 he was honored by ALYN for his frequent trips to ALYN in Israel over the past decade, and his continuing support of the orthopedic hospital and rehabilitation center in Jerusalem. Both Sid Nowick and Dr. Radetsky have been "Shriners of the Year" for two consecutive years.

Both men are planning to be at ALYN Hospital again in November 1992.

TRIBUTE TO SENATOR QUENTIN BURDICK

Mr. WIRTH. Mr. President, today I somberly rise to pay tribute to the passing of great Senator in our land, a trusted and revered colleague, and a dear friend—Senator Quentin Burdick.

In the time I have known Senator Burdick I have regarded him as an able legislator, a fierce protector of his State's interests, and a strong but fair Senator. From his humble beginnings on the dusty roads and plains of Williston, ND, Senator Burdick rose from breaking wild ponies on his father's ranch, to high school president, college football star, law school and law practice with his father, to Congress, and finally U.S. Senator. The ascension and chronology of Senator Burdick's life epitomizes the ideals of the American dream and pays tribute to a man dedicated to public service, North Dakota, and the United States of America.

Senator Burdick has a distinguished record as a savvy politician but his true devotion was to the people and affairs of his State. He was a personal politician bringing unparalleled representation for North Dakota to the House and Senate. He was truly a man of the people serving his State with vigor and hard nosed public policy sense but also with the soft touch of a representative who truly was concerned about the issues and welfare of his constituency. He was credited with shaking more hands in North Dakota than any other politician.

Burdick was a vigilant legislator, as a Congressman and member of the House Interior Committee, he concentrated on issues important to his district; agriculture and water issues. In the Senate as a member of the Senate Judiciary Committee, Senate Burdick was instrumental in rewriting bankruptcy legislation. As chairman of the Environment and Public Works Committee, he presided over passing major highway and clean water legislation, over Presidential vetoes, and enacting the Clean Air Act of 1990 and the Intermodal Surface Transportation Act of 1991. Senator Burdick continued the tradition throughout his career of working hard to bring numerous public works projects to his State and further progressive legislation in Congress for the good of all Americans.

There have been few men who have served with such distinction and integrity in government as Quentin Burdick. I am deeply honored and proud to have known and worked with Senator Burdick in the Senate. I knew him as a principled Senator, true to his cause and thorough in his beliefs. His energy and character will be missed. I hope that the subsequent holders of Senator Burdick's seat, the citizens of North Dakota, and the United States, understand that the loss of ideas and humility of a decent man, a determined Senator, and a great American will be hard to replace. My sympathies go out to his wife JOCELYN; his six children; seven grandchildren, his brother and sister and staff.

RESIDENTS SPEAK OUT ABOUT HANFORD ISSUES

Mr. GORTON. Mr. President, I have contacted residents in my home State of Washington to solicit advice on several issues relating to the Hanford site and their relationship to the economic future of the tricities.

In the past several years, cleanup of defense wastes at Department of Energy sites has become a national priority. It is clear that residents of the tricities strongly support the cleanup program, but fear that funding will diminish as Members of Congress from nonhost States begin to view cleanup as siphoning funds away from other programs of more direct interest to them. Any such movement must be resisted, but this will be difficult unless cleanup itself can be done more efficiently.

It is also clear that an overwhelming majority of tricities residents agree that completion of WNP-1 is the appropriate option should Congress and the administration decide that construction of a new production reactor is necessary to meet U.S. security needs. Given the radical downsizing of the U.S. nuclear arsenal, however, it is uncertain if and when such a decision will be made.

In their comments on both of these issues, residents of the tricities emphasized that the experience and knowledge of the local work force make Hanford a superb location for model cleanup activities, Federal and private technology development, and safe materials production. I agree 100 percent with this assessment.

I would like to thank those that responded to my request for advice about the importance of these Hanford programs and their relationship to the tricities' economic future. Such constant communication with residents of the local community is very useful when these issues are considered in Congress.

I urge my colleagues to support continued funding for cleanup of the Hanford site. In addition, I encourage members of the tricities community to keep in contact with me on these and other important issues which are so vital in establishing and maintaining jobs and economic opportunities for all Washingtonians.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, FISCAL YEAR 1993

The PRESIDING OFFICER. The Senate will now resume consideration of the pending business, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 5504) making appropriations for the Department of Defense for the fiscal year ending September 30, 1933, and for other purposes.

The Senate resumed consideration of the bill.

QUORUM CALL

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 5]

Bryan	Leahy	Shelby
Coats	Lieberman	Stevens
Cohen	Mitchell	Thurmond
Cranston	Moynihan	Wirth
Kennedy	Reid	

The ACTING PRESIDENT pro tempore. A quorum is not present.

The clerk will call the names of the absent Senators.

Mr. MITCHELL. Mr. President, I move that the Sergeant at Arms be instructed to request the presence of absent Senators, and I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maine [Mr. MITCHELL].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Maryland [Ms. MIKULSKI], and the Senator from West Virginia [Mr. ROCKEFELLER] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Wisconsin [Mr. KASTEN] is necessarily absent.

The result was announced—yeas 83, nays 13, as follows:

[Rollcall Vote No. 224 Leg.]

YEAS—83

Adams	Dole	Lugar
Akaka	Domenici	Metzenbaum
Baucus	Durenberger	Mitchell
Bentsen	Exon	Moynihan
Biden	Ford	Nunn
Bingaman	Fowler	Packwood
Boren	Garn	Pell
Bradley	Glenn	Pressler
Breaux	Gorton	Pryor
Brown	Graham	Reid
Bryan	Grassley	Riegle
Bumpers	Harkin	Robb
Burdick, Jocelyn	Hatch	Roth
Burns	Hatfield	Rudman
Byrd	Heflin	Sanford
Chafee	Hollings	Sarbanes
Coats	Inouye	Sasser
Cochran	Jeffords	Seymour
Cohen	Johnston	Shelby
Conrad	Kassebaum	Simon
Craig	Kennedy	Simpson
Cranston	Kerrey	Stevens
D'Amato	Kerry	Thurmond
Danforth	Kohl	Warner
Daschle	Lautenberg	Wellstone
DeConcini	Leahy	Wirth
Dixon	Levin	Wofford
Dodd	Lieberman	

NAYS—13

Bond	McCain	Specter
Gramm	McConnell	Symms
Helms	Murkowski	Wallop
Lott	Nickles	
Mack	Smith	

NOT VOTING—4

Gore	Mikulski
Kasten	Rockefeller

So the motion was agreed to.

The ACTING PRESIDENT pro tempore. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BREAUX). Without objection, it is so ordered.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. I ask unanimous consent that the committee amendment be set aside and Senator LEAHY be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Vermont.

AMENDMENT NO. 3117

(Purpose: To limit the use of funds of inactivation of units in the Selected Reserve of the Ready Reserve of the Armed Forces)

Mr. LEAHY. Mr. President, I thank the distinguished chairman and my good friend from Hawaii for setting aside the amendment which gives me an opportunity to send, as I do, an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Vermont.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 3117.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill, insert the following:

(1) None of the funds appropriated by this Act may be used for the inactivation of any unit in the Selected Reserve of the Army, Navy, Air Force, or Marine Corps, except for—

(A) an inactivation of a unit which is the direct result of the closure or realignment of a military installation required pursuant to law;

(B) an inactivation of a reinforcing unit in the Naval Reserve that is associated directly with a decommissioned unit in the active component of the Navy; and

(C) an inactivation of an aviation unit as a direct result of the phasing out of a weapon system from the active components and the reserve components by the end of the fiscal year 1993.

(2) A unit of the Selected Reserve of the Army, Navy, Air Force, or Marine Corps may not be inactivated pursuant to an exception in paragraph (1) until the Secretary of Defense has submitted to the Committees on Appropriations and Armed Services of the Senate and House of Representatives the rationale for the proposed inactivation of that unit and the specific exception that applies.

Mr. LEAHY. Mr. President, this amendment mirrors a provision in the Defense Authorization Act that would place a 1-year moratorium on eliminating National Guard and Reserve units. In March, the Secretary of Defense, Mr. Cheney, presented Congress with a list of Guard and Reserve units the Pentagon would like to eliminate in fiscal year 1993. The Senate Armed Services Committee and the Defense Appropriations Subcommittee, on which I serve, subsequently held several hearings on this proposal. I should like to thank Senator INOUYE and Senator STEVENS for scheduling and holding a special hearing in April on alternatives to the administration plan.

I thank them because the hearings we held revealed that the administration cuts in the National Guard are too drastic. I think we have to rely more and not less on our Reserve Forces. Certainly those hearings demonstrated we should be relying more on our Reserve Forces, but I am afraid the Department of Defense has refused to recognize it, because these forces are cost effective and they provide an important way to maintain our force structure but to do it at a fraction of the cost needed to sustain active units.

For example, one Guard division costs only one-fourth or one-third as much to maintain as a comparable active division.

So I believe that a moratorium on cuts in the Guard and Reserves is required until the Pentagon comes up with a logical plan that properly realigns the Guard's role and mission.

It is not being parochial if I referred to what we found out in Vermont because I think it is indicative of what we see in many other States. If you look at Vermont, you see the Pentagon lacks a master plan on Guard Forces. Incredibly, the Army has proposed eliminating the first of the 86th Artillery Battalion headquartered in Williston, which has units in Burlington, Vergennes, and Waterbury, VT. Even though Vermonters strived to become the highest rated artillery battalion in the Northeast, the Army intends to replace the Vermont battalion with parts of other units from two other States that demonstrate as less qualified. That does not make any sense. You ought to keep the most qualified first and eliminate the least qualified first, not the other way around.

So long as Vermont remains as the most qualified, it ought to stay there.

In fact, in June, the Army graded the Vermont battalion once again. It was no surprise to me that Vermonters received the highest score possible. Incredibly, the units that are scheduled to replace the Vermonters failed to even complete the test. It makes no sense to me to penalize troops for being their best. Why disband one of your finest units and pay to activate, recruit, equip, and teach an entirely new unit? Keep the best, get rid of those that are not the best if you are going to be making cuts. Do not, in the sense of the economy, get rid of the best and keep those that are not the best, because it is going to cost you an awful lot more in the long run.

Also, let us remember the important role the Guard plays here at home. Deep cuts in the Guard may threaten the States' ability to respond to local disasters. Look at Florida, Hawaii, and Louisiana, and the tragedy in Los Angeles and see how important the Guard can be during these emergencies. The distinguished Presiding Officer of the U.S. Senate has seen, in the devastation of his own State, the difficulties faced. I mentioned the distinguished Presiding Officer because I know how extremely hard he worked for the State of Louisiana. In fact, nobody worked more tirelessly for that State to help in the disaster than he did.

So, I want to commend the distinguished chairman of the Appropriations Subcommittee, Mr. INOUYE, for the work he has done in behalf of our Reserve Forces. He also has seen and has spoken so strongly on the disasters in his own State of Hawaii. He knows how hard the Guard and Reserve Forces have worked there.

Because of the work of the subcommittee, we have restored more than 42,000 of the 50,000 cuts in the Army and National Guard alone. The 1-year moratorium on unit cuts, however, ensures that all our Reserve Forces will be protected. Congress has an opportunity to review how our military forces need to be structured to match shrinking defense budgets and current threats to our national security.

All this says, Mr. President, is that the Department of Defense should go back to the drawing boards. Will there be cuts? Of course, there are going to be cuts. There will be cuts in the Guard. There will be cuts in the Reserve. But when we make those cuts, let us have as a priority that we keep the best and cut first those that do not make the grade. But, also, let us answer the basic question. If we are going to be saving money throughout the Department of Defense, can we get more readiness for our dollar in the Guard and Reserves? In many areas we can. We ought to use that as a cost-saving factor; not get rid of the readiness we have at the least cost.

So, Mr. President, I hope the committee will accept this amendment.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I wish to commend the Senator from Vermont for this amendment. As he has stated most eloquently, the Guard has shown its mettle and demonstrated its worth in Desert Storm and Desert Shield. I am sure the people of Louisiana and the people of Florida, and I am certain the people of Hawaii, will most certainly stand up and cheer this amendment of Mr. LEAHY.

So, I am prepared to accept this amendment because it is in consonance with the policy statement made by the authorizing committee. I believe my colleague from Alaska will do the same.

Mr. STEVENS. Mr. President, I did discuss this matter with the Department of Defense people last night. As the Senator from Hawaii and Vermont know, they post a portion of the original provision in the authorization bill. This does track the authorization bill language. Under the circumstances, there is no reason to have a second vote on that. I am prepared to accept this amendment as being a portion of the authorization bill that should be reflected in this bill.

The PRESIDING OFFICER. Is there further debate?

Mr. LEAHY. Mr. President, I add Senator LAUTENBERG as a cosponsor of this amendment.

Mr. JEFFORDS. Mr. President, I rise in support of an amendment offered by my colleague from Vermont and commend him for this initiative. I join him in urging this body to think carefully about how we restructure our defense forces in the wake of the cold war. The primary threat to our national security—the Soviet Union—has evaporated. But that doesn't mean all threats are gone, as we saw so recently in the Middle East. We must remain capable of protecting American interests and of intervening when necessary in conflicts anywhere around the globe.

But national security is more than just defense strength. It is a strong economy, a vibrant educational system and a healthy society. And in all these areas, we are woefully in need of Federal assistance. Above all, we must reduce the size of the deficit, which threatens to strangle our entire economy. In every category of the Federal budget, we must learn how to do more for less. We must get better at accomplishing more with fewer resources.

We have before us today the defense budget, from which we will continue to have to cut funding by ever increasing amounts. And yet we tend to overlook one of the most obvious places where we can do more for less: the National Guard and Reserves. During Desert Storm, the Guard and Reserves proved once again that they can get the job done for fewer dollars. Yet, the Pentagon feels compelled to cut them as deeply as the active duty forces. I fail to see the logic in this and I have said so. We need to stretch our resources in every area of the Federal Government. And we know one area where they've proved they can do it. The Guard and Reserves are trained and ready to meet any national emergency. We have a national emergency today: not enough money to do all that needs to be done. And, as always, the Guard and Reserves are up to the challenge. Let's let them do it.

I would also like to take the time of my colleagues for one moment to speak about the 1st Battalion of the 86th Field Artillery, which the Pentagon wants to deactivate. This is a time of remarkable change, and for the most part, we rejoice in that change. In my mind, there is no better way to provide a credible defense in this new environment than to support units like the 1st of the 86th. As I review the history of Vermont's Artillery, and as I hear from Vermonters who are eager to serve in their units, I see no reason why a unit such as the 86th Field Artillery should be deactivated. It is units such as this that are able to provide the service that America needs as in this new era.

Vermonters have played a role in the U.S. Army Field Artillery since 1776. Forced by the Green Mountain Boys, the 1st Artillery Regiment served under the Continental Army as the colonies fought to secure and preserve the freedom that we all enjoy today. Since that time, artillerymen in Vermont have served both in peacetime as citizen soldiers, and have fought in their own National Guard units when mustered into Federal service.

The history of the 86th Field Artillery, as recorded by Lt. Michael Shoen, an officer in Service Battery, 1st of the 86th, begins in 1825, when the Huntington Light Artillery Company was formed. In 1861, the 86th Field Artillery was known as the 1st, 2d, and 3d Light Artillery Batteries of the Vermont Militia. Both the 1st and 2d Batteries were mustered into Federal service in 1861 to serve along with the 8th Vermont Volunteer Regiment under the command of Gen. Benjamin F. Butler, as the country was divided by the Civil War. From the Siege of Vicksburg to the Battle of the Wilderness the Vermont Artillery served the Union with distinction.

In 1870, a light artillery battery was formed in Springfield by Capt. William Rowell, a second battery was formed in Northfield by Capt. Charles Curtis and a third in Brattleboro by Capt. Levi Fuller. Fuller's battery answered the call to service during the Spanish-American War and remained in service until 1899.

Also in 1870, the cadets of Norwich University, the Nation's oldest private military school, were permitted to become part of the National Guard and

by 1880 had formed a section of light artillery. The cadets eventually took over the duties of Fuller's battery and supported the 3d Battalion of the 1st Infantry Regiment. This artillery section grew to over 120 men and 80 officers in 1904 and received excellent reviews from the Regular Army inspectors. The Norwich cadet battery was converted to a squadron of cavalry and was mustered into service on the Mexican border in June 1916. The remaining batteries were temporarily disbanded, but members of these units continued to serve with distinction in the 101st and 103d Artillery Regiments during World War I.

During World War II, the 1st Light Battery was reorganized as the 206th Field Artillery Battalion and was assigned to the 43d Infantry Division. During World War II, the service battery and headquarters batteries were given credit for campaign participation in New Guinea, the Northern Solomons, and Luzon. In 1959, the 206th Field Artillery Battalion was reorganized as the 124th Field Artillery of the 43d Division. It was reassigned to the 86th Brigade in 1963. The Vermont Artillery received its designation as the 1st Battalion of the 86th Field Artillery, 50th Armored Division in 1964. The last change the 86th has seen was in 1988 when it was reassigned to the 26th Infantry Division, the Yankee Division. The 1st Battalion is currently composed of three firing batteries of 155mm self-propelled howitzers, a service battery, a headquarters battery, and a headquarters section.

Mr. President, once again, we are faced with the difficult task of providing the United States with a strong Armed Forces while doing so with a tighter budget. And in the Green Mountain tradition, Vermonters are doing their best to ensure that this happens. They must be supported in this effort, not cavalierly told their services are no longer necessary. I support the senior Senator from Vermont for offering this amendment, and I urge its adoption.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 3117) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I thank my distinguished colleagues and good friends from Hawaii and Alaska for their help in this amendment.

Mr. President, I am advised by the distinguished chairman of the Appropriations Subcommittee that they are waiting for other matters to come before the Senate. I will not taking from the time of the committee. I advise him that I will speak on somewhat of a different matter. I will be willing to yield the floor to the committee for their consideration any time they wish.

So, Mr. President, I ask unanimous consent to speak as if in morning business.

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

THE CABLE BILL

Mr. LEAHY. Mr. President, I am gratified to see that, after a 3-year struggle, Congress is finally sending a solid, proconsumer cable bill to the President for his signature. Unfortunately, President Bush has teamed up with the cable and Hollywood lobbies in an effort to torpedo the bill and frustrate the desire of American consumers for lower rates and better service.

THE CABLE MONOPOLY

This is a good bill that would do what is needed to tame the unregulated cable monopoly—put a lid on rising rates and encourage the development of real competition.

The cable industry is a $20 billion giant committed to one thing and one thing only—retaining its power to charge you what it wants and treat you as it pleases.

Even Ma Bell at her worst had to answer to local regulators. But cable companies answer to no one. If you want access to the programming that most Americans have come to rely upon, you go to your cable company or you go home.

If the cable company says your basic cable rates are going up to $16 or $19 or $24 dollars a month, your only choice is which pocket to reach into. If they say "we can't sell you HBO or Showtime unless you buy these other 50 channels first," you are stuck. And if they say you need a converter box and their $4-a-month remote control, you better forget about your VCR—it won't work the way you had planned.

They get us every which way there is. You buy a cable-ready TV set, forget about using it. They are going to make sure you have to buy their controls even if you did pay $100 extra for that cable-ready TV set. If you buy a programmable VCR, forget about using it.

They got you. When you say what about the fact that you do not make this work, their only answer is, buy more controls from us, buy extra VCR's. Buy more outlets. Buy, buy, buy. Maybe we ought to be saying bye, bye, bye to them and bring some competition back into this unregulated industry.

We are cable's captive audience.

And they are desperate to keep us right where we are—which is right where they want us.

Because, guess what—in the rare, lucky place where real competition does exist, cable rates are 20 to 50 percent lower. This makes sense. All of us know in our gut that if there were another cable company in town, or a wireless service, or a satellite system with window-size dishes—our cable rates would come down in a hurry and service calls would be made on the double.

CABLE'S ARGUMENT AGAINST THE BILL

Meanwhile, cable's handwringing routine about the dire consequences of this bill is getting pretty hard to take.

Cable acts as though this bill would commit the original sin of raising rates—as if the industry itself had not enthusiastically jacked rates up at every turn for the last 6 years. The truth is that this bill will keep rates—and cable's monopoly profits—down, which is exactly why cable is breaking the bank to defeat it.

I was in my office in Burlington, VT, the other evening, about 8:30, 9 o'clock, and all of the phones started lighting up. I started answering the phones. People were saying: "I got a call from my cable company that said call your Senator. We have to do something to keep cable rates down." I said, "Goodness, gracious me, when is the last time you ever heard your cable company say they want to keep rates down?" One Vermonter said to me, "I thought it was kind of strange. Usually, the only time I hear from my cable company is when they are jacking my rates up. I thought it was kind of strange they were calling me at home saying we have to do something to keep your rates down."

In fact, first off, she said, "I thought it was my neighbor calling and joking around." I said, "Do you think that possibly they are not telling you the truth when they say that is why they are calling you?" This Vermonter was very typical of a lot of people who have called me. They knew the cable company was not suddenly interested in keeping their rates down.

I have been getting these preprinted postcards and letters that cable companies have been sending out to Vermonters where they say, "Dear Senator LEAHY: Vote no on the cable bill." They are taking those preprinted, prestamped, preaddressed cards and letters, and they are striking out where it says "vote no," and they write in their own handwriting, "vote yes."

Cable also cries about the injustice of having to make its programs available to new competitors on fair terms.

This is like Goliath complaining that David should have to fight with his hands tied.

Satellite and wireless are not asking for any special favors—just for half as good a chance to compete as Congress gave cable in 1976 when we ordered broadcasters to make their programming available to cable for next to nothing.

In fact, when you think about it for a moment, the inconsistency of cable's

position on the two provisions it hates the most is dazzling. Out of one side of its mouth cable claims a God-given right to get broadcast programming at no charge; out of the other side it claims a God-given right to withhold its own programming from satellite and wireless—regardless of price.

That kind of logic could give double-talk a bad name.

SCARE TACTICS

But it is in the realm of scare tactics that the cable industry, joined by its Hollywood friends, has truly outdone itself. The Hollywood studios—unhappy with just one section of a 100-page bill—are using all their muscle and clout to derail the bill. And cable has pulled out all the brass-knuckled stops to frighten and mislead consumers.

Two weeks ago, I denounced the industry's disinformation campaign, built around citing so-called estimates by the Commerce Department that purport to prove that the bill would cause rates to rise. In fact, as revealed in the Washington Post, those estimates were prepared by the cable industry itself.

Now, as if manipulating and deceiving their customers were not enough, at least one cable company has stooped to monitoring its customers phone calls. As part of an effort to swamp Congress with constituent calls against the cable bill, one company called a multiple sclerosis victim and patched her into a Senate office. When an aide started defending the bill, the company which had secretly stayed on the line, terminated the call. This story is reported in the Richmond Times-Dispatch, and I ask that a copy of the article be placed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. LEAHY. So, in addition to questionable lobbying tactics, the cable industry may very well be in violation of the Federal wiretap statute. That law prohibits the interception of communications unless at least one party to the communication gives his or her consent. In the Times-Dispatch story, it looks as though no one consented.

A GOOD BILL

Mr. President, this is a good bill. Anyone who thinks that the way to hold down cable rates is to give the cable industry a continued license to charge you whatever they please is kidding himself.

Look at what 6 years of uncontrolled rate hikes have given us and ask yourself whether you really believe rates will be lower in the coming years if this bill is defeated.

The truth is that the only way to control rates is to regulate them now and pave the way for competition in the near future. That is what this bill would do.

The bill contains other valuable features, including provisions to ensure that home dish owners have access to programming on fair terms, provisions to establish customer service standards, and my own Cable Equipment Act, which will allow consumers to buy their own remote controls and help solve the problem of converter boxes that foul up the use of cable-ready TV's and VCR's.

On the matter of my Cable Equipment Act, I would like to clarify one point. My intent in introducing section 17 of this bill, and my colleagues' intent upon adding it to the bill, was to ensure that cable scrambling technologies not be allowed to interfere with normal functions of televisions and videocassette recorders.

I want to be clear that the language has no effect on nonscrambling technologies that are designed to prevent copying of copyrighted audiovisual works. I do not see how the language could be interpreted in that way, but concerns have been raised and I wanted to address them. Copy protection is an entirely different technology from scrambling. Copy protection prevents VCR's from being able to adequately copy a video signal that is received clearly by television. The signal is not scrambled, rather, it is altered to prevent a VCR from being able to copy it successfully. Copy protection and scrambling serve different purposes. While scrambling prevents unauthorized viewing, copy protection allows viewing but prevents unauthorized copying. These differences are significant and therefore section 17 of this bill should be read to apply only to scrambling.

Copy protection technologies are relatively new to the communications marketplace. We have yet to see their ultimate impact, but it is argued that they could lower costs of programming by reducing piracy. My subcommittee has carefully monitored the development and deployment of these new technologies and continues to evaluate their usefulness and effect. I want to be clear that my legislative language should not be interpreted in any way that would go beyond scrambling.

THE FIGHT CONTINUES

I am sorry to say that the fight for cable reform is not over, thanks to the President's veto pledge. Once again, special interests are threatening to steamroll the public interest.

Mr. President, anyone who has paid attention to what the American people have been telling us during the past year ought to know that they are fed up with this special interest game, tired of being manipulated and frustrated by a gridlocked White House.

It is time to turn a good bill into a good law. America's consumers deserve a break and we can give it to them.

It is passing strange, Mr. President, that anyone of us could call at random 100 of our constituents who have cable and ask if they think that there should be some competition in the cable industry or some control over their prices. I guarantee you at least 95 of those 100 would say "yes."

Also, I would remind all of my colleagues what I heard when the calls started coming in and I would recommend to Senators that maybe they ought to some evening, when the calls are coming into their office, pick up the phone and take a few of them at random as I do on most days. I like hearing what Vermonters have to say on any subject. Sometimes they tell me just how off base I might have been on something. But on this cable bill it is interesting the number who called in and said: "My cable company told me to call you, because they are concerned my rates went up. Since when have they been concerned about my rates? What is really going on?"

Notwithstanding millions and millions of dollars being spent by the cable industry to assure they can keep raising rates, the American public will not be fooled by it.

We ought to vote this bill through and the President ought to change his position and not veto it.

Each one of us as Senators have cable in our offices so we can watch the Senate floor and news programs, and so on. I suspect the White House gets it, too. In each one of those instances, neither we nor the occupants of the White House have to worry about the cost. But I tell you right now: My friends and neighbors in Vermont have to worry about the cost. Most people I talk to have to worry about the cost and most people I talk to feel they are not getting what they are paying for. They are right. We ought to acknowledge that they are right and pass this bill.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Richmond Times-Dispatch, Sept. 17, 1992]

CABLE TV LOBBYING SPARKS CALLER ANGER

(By Peter Hardin)

For Sherri Wertz, disabled by multiple sclerosis and living on a fixed income, television isn't only a companion—it's "my best friend."

When a caller warned the Virginian that her cable bill might jump from $50 to $80 per month if Congress passes legislation for the government to regulate cable television, she was alarmed.

So she accepted the man's offer—on behalf of the National Cable Television Association—to have her call transferred to her senator's office free.

It was 10 or 15 minutes later, as Mrs. Wertz was listening to an aide to Sen. Charles S. Robb say cable operators might lose money under the bill, that the telephone line went dead.

Mrs. Wertz, who lives on the Peninsula, is furious.

First she was given misleading claims, she believes, then someone sympathetic to the cable operators who was eavesdropping cut her off at a strategic time.

"How dare you listen to a private conversation! It makes me angry," she fumed.

A spokesman for the industry group vehemently denied that any of the calls it helps transfer to Capitol Hill are listened to or cut off.

"We do not monitor those calls," said Carol Vernon of the National Cable Television Association.

Tempers are flaring as lobbying over a possible return to cable television regulation reaches a feverish pitch.

Backers say the regulation bill, scheduled for a vote in the House of Representatives today, is the most important piece of consumer legislation before the Congress.

The cable television industry has contended just as fiercely in a major advertising campaign that the legislation would create costs that would be passed on to the consumer and raise their bills.

With full-page advertisements in newspapers, direct mail pleas, inserts in cable bills and spots on cable television channels, opponents have managed to catch a lot of attention.

They've worked so feverishly that key sponsors of the legislation found it necessary to hold a last-minute news conference yesterday to denounce "the big fat lie" and appeal for support among their colleagues.

"Cable has been attempting to hoodwink consumers," declared Rep. Edward Markey, D-Mass., a leader of the bill's backers. He contends the bill is necessary to rein in rapidly rising cable rates.

Both the House and Senate are expected to pass the measure, a compromise of bills passed earlier by each chamber. It would regulate cable television rates for basic service.

But because the White House has threatened a veto, backers of the legislation are working to produce veto-proof margins of victory, especially in the Senate—where 34 votes will sustain a presidential veto.

In January, the Senate adopted its cable bill 73-18. Under pressure from the White House and other forces, however, it's uncertain how many senators will support the new version.

The bill approved by House and Senate conferees would require the Federal Communications Commission to set "reasonable" rates for basic cable service. That service would include local broadcast stations and government-access channels, such as C-SPAN, and public-access and community-affairs channels.

Customers of basic cable service would be able to choose to pay extra for such offerings as CNN, ESPN, HBO, Showtime, the Disney Channel, Nickelodeon and Discovery.

In addition, the bill would require that cable programming be made available to competitors, such as satellite-delivery systems.

And it would require cable companies to negotiate with local broadcast affiliates of the major networks—CBS, NBC, ABC, and Fox before carrying their signals.

The National Cable Television Association believes this provision could lead cable companies to pay large amounts to broadcasters, and expenses from the bill would have to be paid by cable subscribers.

Supporters of the bill, however, maintain that consumers are protected by the rate-regulation section and provisions for consumer action through the FCC if charges for expanded services go too high.

Two Virginians who have had an active role in the cable debate reflect some of the differences in viewpoints.

Rep. Thomas J. Bliley Jr., a Richmond area Republican, voted against the House bill in July. He said it could add as much as $5 billion onto cable bills and "stifle an industry which has brought to the American television consumers exactly what they want: more quality television."

Rate deregulation after congressional action in 1984 led to greater investment by cable programmers and such networks as Discovery Channel, Nickelodeon, ESPN, CNN and Black Entertainment Television, Bliley said.

The Virginian considers the new compromise "anti-consumer," his spokesman said, and will vote against it. Cable companies in his district haven't gouged constituents and he doesn't see a problem, the spokesman added.

Hollywood also has joined the battle against the bill, saying it doesn't treat fairly the studios that create many of the programs aired by broadcasters.

In the standoff between Mrs. Wertz of Virginia and the cable association, meanwhile, Mrs. Wertz may take heart in the experiences of others.

A spokesman for Sen. Richard, H. Bryan, D-Nev., said several callers who were transferred to Bryan's offices to talk about the cable bill were cut off after giving basic information—such as their names and viewpoint.

The spokesman said the cable company that transferred the callers may have wanted to get as many calls through to Bryan's staff as possible in a short time.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, FISCAL YEAR 1993

The Senate continued with the consideration of the bill.

Mr. SASSER. Mr. President, I wonder if I might engage the distinguished chairman of the Defense subcommittee on a colloquy.

Mr. INOUYE. I would be very happy to do that.

Mr. SASSER. I thank the chairman for his customary courtesy and consideration.

As the chairman is aware, I had contemplated offering an amendment on the strategic defense initiative on this Defense appropriations bill. The amendment that I had prepared would have provided $3.55 billion for the strategic defense initiative, splitting the difference between the original Sasser-Bumpers amendment and the mark that is presently in the committee bill.

My goal in offering this amendment was to ensure that the committee of conference on the Defense appropriations bill would come back with a conference report with the level of $3.8 billion for the strategic defense initiative and no more. As Senators know that level is the compromise level supported by the majority of this body just last week after very prolonged debate.

I have had discussions with my friend, the distinguished chairman of the subcommittee, this morning. And he has assured me that the conference committee will return with the $3.8 billion level.

As I have every confidence in the distinguished chairman and I know that I can rely on him, and I also know that he does not give his assurances lightly, I am persuaded that we need not proceed with my planned amendment. I wonder if the chairman would wish to confirm my representation of our discussion or to add any additional comments at this time.

Mr. INOUYE. The Senator's representation of our discussion this morning is correct. I will publicly pledge to him and to my colleagues that I will do everything possible to return with a conference report on $3.8 billion, because I am well aware as a realist that to do otherwise would subject this measure to prolonged educational discussion which may make passage impossible. I will make certain that I can convince my colleagues in the House that $3.8 billion is the only number that we can agree upon. I will return with $3.8 billion.

Mr. SASSER. I thank the distinguished chairman for his comments and for his usual gracious consideration.

I might say to the chairman that I also had two other amendments that I was prepared to offer today, one dealing with the F-22, and another dealing with the new aircraft carrier construction. I will not offer those amendments for a rollcall vote. I would like to make at some period during the course of the day a statement regarding those two projects.

I thank the chairman for his consideration.

Mr. INOUYE. If the Senator wishes to begin the discussion on that and agree upon a time certain this afternoon for the vote, I think we can arrange that.

Mr. SASSER. As I said, I do not think we are going to need a rollcall vote on either one of these. I do not intend to pursue these amendments through to a conclusion. But I did want to put the chairman on notice at some juncture this afternoon—I would do it this morning but, unfortunately, I have to preside over a military construction appropriations conference—as soon as that conference is concluded and as soon as there is time this afternoon, I want to make a brief statement about both the F-22 Program and the new aircraft carrier.

Mr. INOUYE. We would be happy to accommodate the Senator.

Mr. SASSER. I thank the Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 3118

(Purpose: To prevent the use of tax dollars to support efforts by charitable organizations to compel the Boy Scouts of America to accept, as members or leaders, homosexuals, or other individuals who reject the Boy Scout's oath of allegiance to God and country)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 3118.

At the appropriate place in the Committee amendment on p. 142 lines 1–6, insert the following:

"Notwithstanding any other provision of law, the Office of Personnel Management is prohibited from including in the Combined Federal Campaign (the Federal Government's annual employee fundraiser for charities), and from contracting with, any organization which uses charitable contributions to compel, or attempt to compel, the Boy Scouts of America, Inc., or any other youth group, to accept as members or permit as leaders:

(1) homosexuals; or

(2) individuals who reject the group's oath of allegiance to God and country.".

The PRESIDING OFFICER. Is there objection to laying aside the pending amendment? Hearing none, it is so ordered.

Mr. HELMS. Mr. President, if this amendment sounds familiar, it is because the Senate already passed it by voice vote last week.

Several Senators have come to me and said, "Look, I want to vote on this amendment," and I think they ought to be accorded the opportunity to do that.

I tried to get the yeas and nays last week, but there was some confusion about the terms of an agreement to which I was not a party—an agreement by the way which precluded a recorded vote. But that is in the past. I do not fret about that at all. But I do think Senators ought to be given an opportunity to vote on this amendment.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair and I thank my friend, the distinguished manager of the bill, Senator INOUYE.

The question that this amendment raises—and it is a rhetorical question, of course—is this: Should the American taxpayers be required to provide tax funds to support efforts to require the Boy Scouts of America to accept, as leaders and as members, homosexuals—and other individuals who reject the Boy Scout oaths of allegiance to God and country?

Specifically, the pending amendment would prohibit the use of the taxpayers' money to support any organization that uses its charitable contributions to force the Boy Scouts of America, or any other voluntary youth association, to accept homosexuals or atheists as members or leaders. The amendment would also prohibit the Office of Personnel Management [OPM] from contracting with or including any such organization in the Combined Federal Campaign.

Last week in the Cloakroom, a couple of Senators said: "What is this Combined Federal Campaign?" I told them that the CFC, the Combined Federal Campaign, is the one and only authorized fundraising drive conducted among Federal employees. It is an enormous thing, Mr. President. It raises, as they say back home, a ton of money. And I do not want a penny of it to go to anyone who tries to strongarm the Boy Scouts of America on this issue or, for that matter, any other issue.

As I said, the Combined Federal Campaign [CFC] is the sole authorized fundraising drive conducted among Federal employees. Beginning in 1957, the Combined Federal Campaign has grown into the largest combined charity drive in the world. It is managed and overseen by the Office of Personnel Management [OPM]—which must approve every nonprofit organization on the CFC's national list of approved charities. If an organization is not on the CFC's approved list, it cannot receive federally sponsored donations.

Mr. President, the United Way of America estimates that the taxpayers' subsidy to defray the cost of administering the CFC Program for Federal employees is approximately $55 to $60 million a year.

Let me say again today, as I said last week, American taxpayers have no interest, and the Federal Government has no business, supporting or assisting in the slightest degree any organization that uses its tax deductible donations in efforts to blackmail the Boy Scouts into accepting homosexuals and atheists within their ranks or to force them to drop their members' pledge to God and country.

It is a sad day for this Nation when Congress even has to consider this issue. Who would have thought even 5 years ago that charities aided by the taxpayers would embark upon a campaign against the Boy Scouts of America because the Scouts have refused to lower their moral and religious standards to accommodate those bent on tearing down every last semblance of order and tradition in this country.

Yesterday, I had a long conversation with one of the top leaders of the Boy Scouts of America and he said, "Normally we do not endorse legislation. We do not get into the legislative process. But, Senator HELMS, I just want you to know that all of us deeply appreciate the stand you are taking."

I told the gentleman, "I have an equally deep appreciation for the Boy Scouts of America for what you did for my son who became an Eagle Scout and who, today, is one of the most responsible young men I know." I say that with great pride because that is the way I feel about Charles Helms.

But the Boy Scouts of America did a great deal to make a man of Charles Helms. And I am grateful. And I shall do everything I can for as long as I live to prevent the Boy Scouts of America from being assaulted in the manner that has been proposed and initiated by certain people and certain corporations in this country.

Mr. President, on February 20 of this year, the Washington Post reported that several radical homosexual groups, such as Queer Nation, had launched a national boycott of the United Way demanding that it withdraw funds from the Boy Scouts of America because the Scouts prohibit homosexuals from becoming Scouts or troop leaders.

The next day, the Washington Times reported that the local United Way of the Bay Area in San Francisco delivered an ultimatum to the Boy Scouts of America that the national office of the Boy Scouts would have to either: First, drop their prohibition on homosexuals and atheists; or second, grant troops in the San Francisco area an exemption from the requirement. Otherwise, that United Way chapter would withdraw the almost $1 million in funding it gives each year to San Francisco area Scout councils.

So the United Way of San Francisco did the homosexual movement's dirty work and threatened the Boy Scouts. And what was the reaction of a great American? I never met him but I will testify right now that he is a great American; his name is Buford Hill. Buford Hill is the Boy Scouts' regional director out there in San Francisco. He told the homosexuals and the local United Way, "Our values are not for sale, no matter what the price is."

Hurrah for him. And he made yet another statement that the vast majority of Americans would cheer—and a lot of them have. Mr. Hill said, "It is unthinkable to me that in a time when worries about drugs, crime, education, youth, and gangs are at an all time high, some would instead direct their efforts at attacking an organization that has been a bulwark for values and the family."

Hurrah for him. In the parlance of the Nation's youth, he told it like it is.

He is exactly right, Mr. President. Unfortunately, his organization, like the Catholic Church, has become just the latest bastion of ethical behavior in this country to come under attack from the rabidly militant and irrational homosexual lobby and those atheists who wish to take God out of each and every public function in this land.

And this Senator, at least, is not going to sit idly by and watch these radical militants—and that is what they are—attempt to destroy what the Boy Scouts have stood for, for 80 years without trying to do something about it.

As Blake Lewis, the Scouts' national spokesman put it:

> The Boy Scouts' policy has always been the same. We support traditional family values. We don't believe homosexuals provide a role model consistent with these family values. The Scout Oath and the Scout Law are not up for sale.

God bless Mr. Lewis for telling the truth and standing tall against the leftwing liberals' incessant assault on family values. He is a credit not only to the Boy Scouts and Scouting families, but to the entire Nation.

Mr. President, I have an article which was published sometime back by the magazine, U.S. News & World Report, about the Boy Scouts. It has some very interesting statistics.

The article says that almost half of American boys between ages 7 and 10 join the Cub Scouts and 20 percent of those go on to join the Boy Scouts proper. The Boy Scouts range in age from 11 to 18. That is what I meant when I said Boy Scouts proper. The Scouts, founded back in 1910, have about 4.3 million members and 1.2 million adult volunteers nationwide. I might add parenthetically, if I may talk about my own son who made it to Eagle Scout years ago, he is now an assistant Scoutmaster down in Winston-Salem.

Let us take a look at this absurd charge of discrimination made by the liberals against the Boy Scouts. The Scouts' answer has always been that they "will admit any boy who agrees to abide by the Scout oath and the Scout law." That is a pretty tough law, but an awful lot of young boys down through the past 80 years have managed to live up to it.

The Scout law says that a Scout is trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean, and reverent.

The Scout oath, and every Scout has to say it every week, is this:

> On my honor as a Scout, I will do my best to do my duty to God and my country and to obey the Scout law; to help other people at all times; to keep myself physically strong, mentally awake and morally straight.

The leadership of the Boy Scouts of America have taken the legitimate and understandable position that the homosexual lifestyle is inconsistent with the standards of the Boy Scouts of America and with the purposes of the Boy Scouts of America. And good for them because they are absolutely correct.

The leadership of Boy Scouts of America wants the Boy Scouts to continue to pledge their allegiance to God and to country. And they are absolutely on the mark when they contend that tax dollars should not be used to help force them to do otherwise.

Mr. President, the so-called homosexual lifestyle is so focused on instant sexual gratification that the average homosexual male has between 20 and 106 different sex partners in a given year. I ask Senators, does that kind of reckless sexual behavior comport with the Scout's oath to stay morally straight or the Scout law's requirement that a Scout stay physically clean? Should the taxpayers' dollars be used to help force the Scouts to change the Scout oath and the Scout law that have stood for almost a century?

Mr. President, the efforts to force the Boy Scouts to accept homosexuals and other individuals who reject the Scout oath of allegiance to God and country have come from many quarters and directions.

In addition to San Francisco's United Way cutoff, the Chicago chapter of the United Way has put the Boy Scouts on probation but has not yet cut off funding. The Berkeley and San Francisco school districts have kicked all Scout troop meetings off school property. Wells Fargo Bank, Bank of America, and Levi Strauss & Co. together cut off almost $100,000 in funding to Scouts in the San Francisco area.

However, because of a customer backlash that caused withdrawals that some estimate as high as $150 million, Bank of America has retreated and resumed funding the Scouts. But despite the fact that many people have mailed their old jeans to Levi Strauss' headquarters in San Francisco and taken their money out of Wells Fargo Bank, both of those companies continue their boycott of the Scouts.

However, there have been victories for the Scouts. The Los Angeles and Orange County United Way chapters in California both voted down proposals to stop funding the Scouts. The courts in California also upheld the right of the Scouts' to usher out atheist twins and a homosexual troop leader. The courts accepted the Scouts' argument that as a private organization they have a constitutional right to set their own standards, guidelines, and admission criteria.

Mr. President, columnist William Murchison pointed out that, "what is strange and frightening, is that critics of the Scouts should try to ram their ideals down somebody else's throat. The Scouts aren't seeking to transform their critics, but nevertheless their critics want to remake the Scouts through lawsuits and funding cutoffs." Bill Murchison is absolutely right to point out who the real bigots are in this situation.

The pending amendment is obviously not going to put an end to all of the attacks on the Boy Scouts because of their strict adherence to traditional values and belief in God. But it will eliminate at least one avenue for using taxpayers' funds aid and abet the attack on the Boy Scouts—specifically by excluding from the Combined Federal Campaign organizations which use their charitable contributions to attempt to force the Scouts to accept homosexuals or atheists who reject the Scouts' pledge of allegiance to God and country.

I remind Senators that there are over 2,100 chapters of the United Way and the only chapters that would presently be affected by this amendment are the ones in San Francisco and Chicago that have cut off their funding, or threatened to, because the Boy Scouts of America will not change its policy on prohibiting homosexuals and atheists.

Mr. President, what makes the involvement of local United Way chapters in efforts to intimidate the Boy Scouts particularly insidious is that in the vast majority of cases, the Combined Federal Campaign's 530 local chapters in turn contract with the local United Way chapters not only to staff and run the CFC's charity drive in the area, but—get this—to do the actual distribution of donations from local Federal employees among the approved charities. Of course, before distributing those donations, the local United Way is also allowed to deduct a sizable amount from the Federal employees' donations as a fee for administering the CFC program.

And that is precisely what is happening in the San Francisco area because the local Combined Federal Campaign chapter does indeed contract with the local United Way of the Bay Area to staff and run the Federal Government's charity drive among its employees in the city.

Mr. President, if the pending amendment is adopted, the San Francisco United Way chapter could not continue to benefit from the Combined Federal Campaign in any way, from donations or from contractual fees, while it continues trying to intimidate the Boy Scouts by withholding charitable donations.

Mr. President, this amendment asks Senators to choose between the Boy Scouts of America on the one hand, or those who want to force the Boy Scouts to change their 80-year-old refusal to accept homosexuals and atheists.

This Senator says hooray for the Boy Scouts and their strong stand for what is right in the face of costly and venomous attacks by militant liberals. The Scouts have not caved in like the

United Way in San Francisco has. I urge Senators to support the Boy Scouts in this battle by voting for the pending amendment.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WOFFORD). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 3119

Mr. STEVENS. Mr. President, I send an amendment to the desk in behalf of Senator HELMS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. HELMS, proposes an amendment numbered 3119.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill insert the following:

"SEC. . NUISANCE AQUATIC VEGETATION IN LAKE GASTON, VIRGINIA AND NORTH CAROLINA.

(a) IN GENERAL.—The Secretary of the Army is authorized to undertake a program to control nuisance aquatic vegetation for the purpose of preserving the recreational uses of the waters of Lake Gaston, Virginia and North Carolina.

(b) In addition to amounts appropriated elsewhere in this Act, $200,000 is appropriated for the purposes described in subsection (a).".

Mr. STEVENS. Mr. President, this amendment pertains to Lake Gaston and is a small amendment authorizing specific work by the Corps of Engineers to match moneys provided by the State of North Carolina and several counties.

AQUATIC VEGETATION AMENDMENT

Mr. HELMS. Mr. President, my amendment authorizes the Secretary of the Army to spend up to $200,000 for fiscal year 1993 on a program to control hydrilla vegetation on Lake Gaston which is located on the Virginia-North Carolina line.

Hydrilla is an aquatic weed that infests lakes and ponds and is very harmful to marine life. It chokes the marine ecosystem of a lake, causing death to fish and other marine life. Its land based cousin is kudzu. Hydrilla is choking Lake Gaston and if it is not stopped it could spread down the Roanoke River basin, killing such species of fish as the striped bass.

Mr. President, if this problem is not brought under control now it will certainly bring further economic harm to the five North Carolina and Virginia counties surrounding the lake.

I have been contacted by many residents of both States about this hydrilla problem—many are businessmen whose livelihoods are dependent on Lake Gaston. It is true, I should point out, that Mrs. Helms and I own a small piece of property at the lake, but I do not want anyone in this Chamber to think I am proposing this out of self-interest. This affects thousands of people in North Carolina and Virginia.

Mr. President, I am not asking the Federal Government to foot the total bill for this operation. This project must be cost-shared by property owners, businesses, State, and local governments. Each of the five North Carolina and Virginia counties that surround the lake have contributed $3,000 annually for the past 6 years. Warren, Halifax, and Northampton Counties have proposed to contribute $25,000 in fiscal year 1993.

Additionally, the State of North Carolina has proposed an appropriation of $200,000 for fiscal year 1992–93 toward the control program. Last, a group of property owners has formed the Lake Gaston Weed Control Council and raised $99,000.

Mr. President, as required by Army Corps of Engineers regulations, Federal funds would match those raised at the State and local level. The Army Corps of Engineers has conducted similar projects at other lakes making them experts—it is nothing new.

Finally Mr. President, the language contained in my amendment is identical to an amendment attached to H.R. 5754, the Water Resources Development Act of 1992. I urge the Senate to adopt my amendment.

Mr. President, I ask unanimous consent that a letter from the North Carolina Secretary of Natural Resources and Community Development be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NORTH CAROLINA, DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT.

Raleigh, NC, September 15, 1992.

Hon. JESSE HELMS,
U.S. Senate, Dirksen Building, Washington, DC.

DEAR SENATOR HELMS: Thank you for the opportunity to review your proposed amendment to S. 2734, The Water Resources Development Act of 1992, concerning nuisance aquatic vegetation at Lake Gaston.

The Department of Environment, Health, and Natural Resources strongly supports your proposed amendment. The nuisance weed hydrilla has infested Lake Gaston and is spreading rapidly. Because Lake Gaston has a stable water level and relatively clear water, the potential for spread of this weed to occupy almost all of the shoreline areas of the lake is great. This infestation can damage all recreational uses of the lake and if not controlled will greatly harm employment, income, and property values in the counties surrounding Lake Gaston in both North Carolina and Virginia.

It is urgent to attack the hydrilla infestation early before it has spread further. Our experience in aquatic weed control in North Carolina has shown that early action can control weed growth with the least possible expense and environmental impact. If you do not act immediately, the problem will be much more expensive and difficult to deal with.

The local governments surrounding Lake Gaston in both North Carolina and Virginia have formed a weed control council and are contributing funds toward the non-federal share of control. North Carolina State Government is also making funds available to match federal funds.

The North Carolina Aquatic Weed Council is working with the Lake Gaston Council to develop a scientifically sound and cost effective weed control strategy. We are working hard to make sure that the federal, state, and local expenditures for weed control are done as effectively as possible.

Thank you for your support for this serious economic and environmental problem affecting the two states.

Sincerely,

WILLIAM W. COBEY, Jr.

Mr. STEVENS. Mr. President, I have discussed this matter with the distinguished manager of the bill. I am authorized to accept this amendment in behalf of the committee. I urge its immediate adoption.

The PRESIDING OFFICER. If there is no further debate, without objection, the amendment is agreed to.

The amendment (No. 3119) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, with the exception of the pending amendment that Senator HELMS has, an amendment that he has offered and is the pending business as I understand it, I ask unanimous consent that the remaining committee amendments be agreed to en bloc; that the bill, as thus amended, be regarded as original text for the purpose of further amendment: *Provided further*, That no points of order shall have been considered to have been waived by agreeing to my request.

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

Mr. STEVENS. It is my understanding, Mr. President—and I do make a parliamentary inquiry—there is no committee amendment, other than the amendment which Senator HELMS seeks to amend that is pending before the body.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 3120

(Purpose: To appropriate funds for the purpose of the constructing an Assistive Technology & Research Center at the National Rehabilitation Hospital in Washington, DC)

Mr. INOUYE. Mr. President, I send to the desk an amendment proposed by Mr. DASCHLE for himself and Mr. DOLE and Mr. HARKIN and ask for its immediate consideration.

The PRESIDING OFFICER. The pending amendment will be laid aside.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. DASCHLE, for himself, Mr. DOLE, and Mr. HARKIN, proposes an amendment numbered 3120.

Mr. INOUYE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 39, on line 3, before the period insert the following: "*Provided further*, That of the funds appropriated in this act for medical technology, $4,000,000 shall be used for Assistive Technology Center at the National Rehabilitation Hospital".

Mr. DASCHLE. Mr. President, today I am offering an amendment to secure funding for the National Rehabilitation Hospital in Washington, DC.

Many of my Senate colleagues are already familiar with the outstanding medical services provided by the National Rehabilitation Hospital, or NRH, located in northwest Washington. For those who are not, NRH is a private, nonprofit, specialty hospital providing comprehensive inpatient and outpatient medical rehabilitation services for persons with physical disabilities.

Since NRH opened in February 1986, outpatients have received more than 75,000 treatments through clinical services provided by the hospital. Moreover, some 3,500 inpatients have come to NRH from across the country and around the world to receive medical treatment that often simply is not available in their home State or country.

As a member of the Senate Veterans' Affairs Committee, I am particularly grateful to NRH for the rehabilitation services the hospital continues to provide for many of our Nation's veterans. The rehabilitation services received by our constituents and veterans at NRH assist them in adapting to disabilities resulting from traumatic brain injury, spinal cord injury, stroke, amputation, arthritis, postpolio syndrome, and other orthopedic and neurological conditions.

A primary goal at NRH is to return patients to gainful employment. A testament to the success of NRH in achieving that goal is the fact that 86 percent of former NRH patients have returned to living independently, and many have resumed employment, serving as productive members of society. Needless to say, this is an extraordinary achievement that our constituents and veterans with physical disabilities desperately need and rightfully deserve.

In addition to returning patients to gainful employment, NRH is a recognized center of excellence in evaluating products designed for persons with disabilities. For instance, NRH provides technical assistance to manufacturers throughout the country on the development of improved products for persons with disabilities.

In order for NRH to continue its strong research tradition, however, it is necessary to construct an assistive technology and research center. The proposed center would be located in a 35,000 square-foot addition to the existing NRH facility and would allow NRH the opportunity to continue researching and developing new technology for people with physical disabilities.

It is my understanding that the assistive technology and research center at NRH will expand research in a number of areas, including space technology, new Department of Defense voice and eye-gaze technology for persons with severe disabilities, and a wide range of assistive technology for the VA.

Mr. President, I feel strongly that this project will make a significant contribution to NRH's goal of returning patients to gainful employment. As a result, I am offering this amendment to provide $4 million for the construction of an assistive technology and research center at NRH. I strongly urge my colleagues to support this amendment for the men and women throughout the country with physical disabilities.

Mr. DOLE. Mr. President, I am pleased to support the amendment being offered by Senator DASCHLE to provide the necessary funding to establish an assistive technology and research center at the National Rehabilitation Hospital [NRH].

Under the direction of Edward Eckenhoff, the National Rehabilitation Hospital has led the way in comprehensive inpatient and outpatient medical rehabilitation for persons with physical disabilities. Eighty-six percent of former NRH patients have returned to living independently and many have resumed employment, serving once again as productive members of society. The leadership of those at NRH in the enhancement of rehabilitation technology and in returning patients to gainful employment is known throughout the country—let us provide the needed support to enable them to build on the strides they've made.

With the establishment of an assistive technology and research center, NRH will not only perpetuate their research and development in new technology to assist rehabilitation patients to return to the work force—but expand a number of research initiatives which include space technology, new Department of Defense voice and eye-gaze technology for veterans with disabilities, and a wide range of assistive technology for the Veterans' Administration.

Assistive technology application and research are absolutely critical to improving opportunities for people with disabilities in every aspect of life and certainly in the workplace. With the establishment of an assistive technology and research center, NRH will enable the individual with a disability to make personal choices and decisions through applied technology. Congress recognized the importance of making rehabilitation technology a priority in this year's reauthorization of the Rehabilitation Act. Now more than ever, we need to build on the gains we've made in assistive technology and weave this crucial element into all of our Nation's disability policies in bringing about greater opportunities for the individual with a disability.

I believe strongly this center will have an instrumental impact on the delivery of assistive technology to both the individual with a disability and the potential employer. Through greater technology application comes greater access to demonstrate one's abilities. The goal is no longer the correction of an individual so that he/she conforms to the environment, but to change the environment to conform or accommodate to the individual this will be done through the vision NRH has in enhancing assistive technology research.

I am pleased to be a cosponsor of this amendment and look forward to what is yet to come in developing assistive technology to both improve employment opportunities for people with disabilities and in building a stronger work force. I urge my colleagues to join me in supporting this important amendment.

Mr. INOUYE. Mr. President, this amendment has been referred to the managers of the bill. We have studied it and find it to be in order. We are ready to accept it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3120) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3121

(Purpose: Department of Defense Household Goods Program)

Mr. STEVENS. Mr. President, I send an amendment to the desk for myself, Senator THURMOND, Senator HELMS,

and Senator HOLLINGS, and ask for its immediate consideration.

The PRESIDING OFFICER. The pending amendment will be laid aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself, Mr. THURMOND, Mr. HELMS, and Mr. HOLLINGS proposes an amendment numbered 3121.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 157, line 10, add a new section:

"SEC. . None of the funds provided in this Act may be obligated to implement any test of changes in the Department's domestic interstate household goods program as proposed in the Federal Register on June 29, 1992."

Mr. STEVENS. Mr. President, this amendment addresses an issue that has been brought to the attention of this Senator and the Senator from South Carolina by individuals in our States concerned about possible changes in the process by which the Department procures personal property shipping and storage services.

As presented to this Senator, these changes could dramatically change the way DOD obtains these services, consistent recommendations proposed in two General Accounting Office reports.

As presented by representatives of local shipping and moving operators in Alaska, they are concerned these changes will be implemented with consideration to the special circumstances faced in small communities, where the military moving business represents a large share of their business.

It is my understanding that numerous other Members of both the House and Senate have raised this issue with officials of the Department and the Military Traffic Management Command, which coordinates these services.

The comment period under the Federal Register notice has been extended until October 1, 1992, from the planned date of August 28, 1992.

Because of this change, neither this committee nor the Armed Services Committee has been afforded an opportunity to review the Department's response to any comments on the proposed acquisition changes.

I have further been informed that the General Accounting Office intends to undertake an additional study of this issue, to address concerns raised over the success of this initiative as implemented in overseas moving and storage.

With the number of unresolved concerns surrounding this initiative, I am joining the senior Senator from South Carolina in proposing the amendment as the desk.

This amendment simply defers the implementation of these initiatives until fiscal year 1994—permitting the Department, industry and the Congress to evaluate the new GAO review.

Both the Armed Services Committee and the Appropriations Committee will monitor this plan and the new study, and work with DOD to ensure that moving costs are held down to the lowest possible level, while providing an acceptable level of service to military personnel and their dependents.

Mr. President, I move the adoption of the amendment.

Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3121) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3122

Mr. INOUYE. Mr. President, I send to the desk an amendment in behalf of Senator FOWLER and Senator NUNN and ask for its immediate consideration.

The PRESIDING OFFICER. The pending amendment will be laid aside.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. FOWLER, for himself and Mr. NUNN proposes an amendment numbered 3122.

Mr. INOUYE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

SEC. 91 . In addition to the $630,100,000 appropriated in this Act for the National Guard and Reserve components, $25,000,000 is appropriated for one C-20 aircraft for the Marine Corps Reserve.

Mr. NUNN. Mr. President, this amendment would include in the defense appropriation bill an additional appropriation from the Warner amendment authorizing additional funds for Guard and Reserve equipment.

The Marine Corps has expressed to us their need to have additional operational support airlift. There are pressing needs that are not currently met, and the Marine Corps needs an additional C-20 aircraft to meet those needs.

We are convinced this is a mission well suited to the Marine Corps Reserves. During a period of shrinking budgets, we need to rely more on our Reserve component forces where they are well suited to the mission, and this certainly is the case here.

I would envision that this additional aircraft would be based at the Naval Air Station at Andrews to provide the appropriate support airlift.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3122) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SANFORD). Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside in order to allow me to offer an amendment with the understanding that that amendment will immediately again become the pending business upon the disposition of my amendment.

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

AMENDMENT NO. 3123

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 3123.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At page 29, strike lines 5 and 6 and insert in lieu thereof the following: "$2,695,564,000, to remain available for obligation until September 30, 1995, except that no more than $90,000,000 may be obligated or expended for the Trident II missile."

Mr. BUMPERS. Mr. President, this is an amendment that I am offering for the purpose of discussion and, in a few minutes, I will withdraw that amendment and offer an amendment which I think is agreeable to the floor managers on the same subject, namely the D-5 missile. The D-5, of course, is popularly known as the Trident II missile. It is a very accurate missile; test results have been superb and it is being deployed on our Trident submarines.

Mr. President, there are two or three things to keep in mind as we discuss this. The first one being that we are not going to build 24 Trident submarines. We are going to build 18. No. 2, the Trident II missile, and I will refer to it in the future as the Trident II, would be deployed and is being deployed with eight warheads. Each Trident submarine carries 24 missiles. So, Mr. President, if you deployed 24 missiles, either the Trident I or the Trident II, on all of our Trident sub-

marines, and each missile had eight warheads, you would be approximately 100 percent above the 1,750 warhead level ceiling provided for in the START Treaty agreement.

Everybody here can figure, and so you do not have to be a rocket scientist to know that if we go forward with what the Navy wants to do right now, namely build an additional 505 Trident II missiles, on top of the 218 we have right now, we will have thousands of warheads and hundreds of missiles that we cannot use.

Mr. President, eight of our existing Trident submarines are now equipped with the Trident I missile, and it is the Navy's intention to put the Trident II on the remaining 10.

These missiles are very expensive and my amendment, if we were going to take a vote on it, would obviously be defeated. I do not want to say I am tired of offering amendments and being defeated. I feel very comfortable and proud that I have tried over the last 60 days to make really monumental cuts in spending with virtually no success, and my guess is, having been around here as long as I have been, that if I were offering this amendment, I would not be much more successful—35 or 40 votes—so there is not much point in offering it. But we are talking about a savings over the next 25 years, if my amendment were to be voted on and approved and became law, of somewhere between $12 billion and $14 billion.

So, Mr. President, as I say, I am not going to belabor this for long, but there are some points that I want to make because they tie into the amendment that I will offer in a few minutes.

Here is our present inventory. Right now we have 419 Trident I missiles, and 192 of those are deployed on eight Trident submarines. We also have some deployed on Poseidon submarines, but those subs are being decommissioned, and the missiles will be available shortly. We test those Trident I missiles at the rate of six per year. I want to emphasize what the test rate is because that is very important. So we have 419 in our inventory. If you test 6 per year over a 20-year period, you would only use up 120 of them. So you still have a lot of Trident I missiles in the inventory today that you cannot use and will never use.

We have 218 Trident II missiles and that is the most modern. But, Mr. President, it has exactly the same warhead as the Trident I, the same warhead. The only thing that makes the Trident II desirable over the Trident I is accuracy. It is more accurate than a Trident I, though the Trident I is pretty good.

Under our amendment, we would allow roughly 40 more Trident II's to be built, the ones the Congress has already approved, which would be more than enough to outfit the remaining Trident submarines yet to be built and still allow an ample number for testing purposes.

Mr. President, the Navy says they need all 505 of those Trident II missiles because they want to test 12 to 16 per year. The one thing, Mr. President, that I do not understand, and I have never received a satisfactory answer about, is why we test the Trident I missile six per year, the MX at three per year, but they insist on testing the Trident II missile at up to 16 per year.

So one of the things my amendment would do and one of the arguments I make is that, if they tested the Trident II at the same level they test every other missile—and there is no reason I can find that they should not—even under their scenario, we do not need 505 more missiles.

Now, Mr. President, I want to stop here and also make another point. Under the START agreement, we are allowed 1,750 submarine-launched warheads. If our missiles have eight warheads each, you can see that the limit of all our missiles is 218.

Now, that is assuming that you leave eight warheads on each missile, which is what we are doing right now. The Trident I has eight warheads, the Trident II has eight warheads. So as we work toward coming into compliance with the START agreement with the Russians, if we deploy 218 missiles with 8 warheads each, we are at the limit; that is the most we can deploy, and everything else is for testing purposes.

Now, I am inclined to agree, if the Navy wants to test 16 a year just to keep some contractor—I do not know who builds the Trident II. Staff tells me it is Lockheed: I do not have anything against Lockheed; they are a perfectly good company; they are a good defense contractor, a good civilian contractor. But when you look at the fact that we now have 419 Trident I's, 218 Trident II's, we have in our inventory at this moment almost three times more missiles and warheads than we are going to be permitted in 6 or 7 years when we have to be in compliance with the START agreement.

Then if you add an additional 350 missiles, or more, which is what the Navy wants to do, to that number, look at it—799 missiles we could save. And I will come back to that chart in just a moment. Mr. President, that is no bean bag. We are talking about billions and billions of dollars we could save and ought to save.

Now, Mr. President, I do not want to get sanctimonious, but, as I say, I am absolutely convinced of the correctness of my position. Why do we want to have—we have now 637 missiles; they want 500 more. That would put us up to 1,100-plus missiles, both Trident I and Trident II missiles.

Now, Mr. President, when you consider the fact that the most we can deploy under a treaty which we have just signed is 218, it is the most incredible thing I have ever seen, and yet I have enough sense to know that nobody is paying much attention to this debate. I just came from the Interior Appropriations conference where there are about 12 Senators sitting around the table. if you went over to the Energy Committee, on which I am supposed to be sitting, you will find another 10, 15 Senators sitting around the table. And when everybody dispenses and comes in to vote and looks at that chart, they will say, "That sure is a funny looking chart, isn't it?" And they will vote "no."

There is no accountability in politics if you vote no. I know a Senator who stayed here a very long time, and I like him a lot personally, but his coin with his people was "you vote no." And I tell my constituents, when they are mad at some bureaucrat downtown because they are intruding into their business affairs, on a regular basis I fight with the same people they do, the bureaucrats. Bureaucrats love to say "no." and do you know why? They are never called to account if they say "no."

But I can tell you something else. You do not get in the history books and you do not amount to anything if you cannot say "yes." But here is a golden opportunity for people to say no to something that just looks crazy and, in my opinion, is crazy on its face. You ought to vote "no" to the Navy's proposal.

But Senators will not. I have enough sense to know. I have been beating my head against the wall here for 2 months and I have enough sense to know how this vote will turn out, even though, Mr. President, here is another opportunity for another $12 to $14 billion in savings.

Mr. President, you heard me mention a moment ago that we will have almost 1,100 missiles in our inventory, knowing full well that 218 is all we can use. So here is what we would save, almost 800, just one shy of 800 missiles. What are we thinking about? The Soviet Union does not exist anymore.

Somebody on the other side of the aisle will get up and say, yes, but there is that great big threat out there.

One way we could remove that threat, of course, would be to take the Russians up. They are trying to get us over there to dismantle their missiles and warheads for them. Do you know why we do not do it? We do not have the money. It is the best offer we have ever had. I used to say there are people in this body who, if the Russians offered to dismantle all of their missiles in front of the New York Times editorial board, would say it is a trick. There is just something about these things; they gather a momentum of their own.

But let me show you. If we were to test the Trident II missile, instead of at 16 a year, at 3 a year, you save 245

missiles over 25 years right there. And 3 a year is more than adequate to test the reliability of that missile. And instead of backfitting the Trident I missiles with the Trident II, if we just leave the Trident I on for their life expectancy, you save 192 there. And if you use the Trident I's that we now have and you test them at a rate of 3 a year, you save 148 more.

And then, Mr. President—and this is just a little bit tricky, but I want to make the point—we have this option. We have 18 Trident submarines each carrying 24 missiles, each missile armed with 8 warheads. Now, we have a choice, Mr. President. Instead of putting 24 missiles on board submarines with 8 warheads each, we can cut to 12. If you cut it in half to 12 missiles on each of our 18 Tridents and each missile with 8 warheads, you are within the START agreement.

The other thing you could do—and my guess is the Pentagon will opt for this, which I think is a bad mistake, and one of the reasons I am going to ask this to be studied thoroughly—the other option is to go ahead and put 24 missiles on board each submarine and, instead of having 8 warheads per missile, have 4 warheads per missile. That will get you down under the 1,750 warheads permitted by the START agreement.

I am going to strongly suggest, Mr. President, that we use 12 missiles per submarine rather than 24 because you save billions by doing that.

If we put 24 missiles on each submarine, with 4 warheads each, you are putting 12 missiles on there that you do not really need. You do not accomplish one thing that you do not accomplish with 12 missiles, 8 warheads each. Every warhead is individually targeted anyway. You do not miss any targets. I will tell you the whole thing is so bizzare.

Mr. President, here are your savings. Here is what the Navy says. They say, well, costs as much to retrofit the Trident I's almost as it will to go ahead and replace them with the Trident II's. The computations they use are complicated, and the computations we use are complicated, but I can tell you one thing for sure. The Navy is dead wrong to suggest that we are only going to save $2.6 billion if my amendment is agreed to. I promise you we are going to save $14 billion. As I have said time and time again on the floor of the Senate, Mr. President, it is not just the $14 billion. It is the three to four times that amount it is going to cost you over the lifetime of the program, because we are borrowing every dime of it. We are borrowing every dime of it, and are paying interest on it for the next 25 years.

So it is not just the $14 billion we could have saved by adopting my amendment. It is the $50 to $60 billion the taxpayers of this country are going to ultimately pay because when you compute compounded interest on it that is what it comes to.

I will tell you what the Navy and the Department of Defense did in making their computations saying the Bumpers amendment will only save $2.6 billion. First of all, they did not take into account the results of inflation. Bear in mind the Trident I, we started deploying that in 1979. So you have a lot of inflation that you are saving on it.

Number 2, the Trident I refurbishment cost is going to happen anyway. The Trident I refurbishment cost is going to cost $3 billion; save $3 billion if you factor in the inflation rate that would have occurred on Trident I. You save $3 billion if you do the Trident I refurbishment instead of using the Trident II. If you do not backfit the first 8 Trident submarines to accommodate the Trident II missile, you save $3 to $4 billion. The interest costs just during the building process, Mr. President, of doing what the Navy wants, you save $2.9 billion, and the savings arising from the new START agreement, namely cutting 214 missiles, you save $6 to $8 billion.

Finally, Mr. President, the Navy did not comply with its own orders. We have an OMB circular called A-94 where you have to compute the cost of money. They did not use the Defense Department's own Instruction 7041.3, and the Navy did not use their own instruction 7000.14B.

All of those things deal with money forgone, with the cost of money and a host of other things and not one single one of those instructions of the OMB letter were complied with. We did that. I have worked for months on this thing. My staff has worked for months on it. We have crunched these numbers over and over and over again.

So, Mr. President, that is my sermon. I personally think it is a good sermon. We are living in a whole new world. As I say, we just keep acting like Joe Stalin still is in charge of the Soviet Union. I just cannot believe we are embarked on building this many missiles and this many warheads that we do not need and cannot use.

So, Mr. President, I ask unanimous consent that I be permitted to withdraw the amendment that I just offered.

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

The amendment (No. 3123) was withdrawn.

Mr. BUMPERS. I further ask unanimous consent, Mr. President, that a cable—this is from General Chain, commander in charge of SAC, the Strategic Air Command, to the Joint Chiefs in Washington, dated April 11, 1990, be printed in the RECORD at this point.

That last cable, incidentally, Mr. President, deals with why three tests a year on the Peacekeeper, the MX, for example, is more than adequate. We know that it is very reliable by testing it three times a year.

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

PENTAGON OPERATIONS DIRECTORATE,
April 11, 1990.

Fm: CINCSAC Offutt AFB NE.

To: RUEKJCS/JCS Washington, DC; RUEAHQA/HQ USAF Washington, DC; RUVAFLC/HQ AFLC Wright Patterson AFB OH; RHDJSAA/HQ AFSC Andrews AFB MD; RUWQAAA/WSMC Vandenberg AFB CA; RUWQAAA/WTR Vandenberg AFB CA; RHFIAAA/15AF March AFB CA; RUCVNAF/BAF Barksdale AFB LA; RUWMBIA/1STRAD Vandenberg AFB CA; RUWMPFA/HQ BMO Norton AFB CA; RUWTDBA/90SMW F E Warren AFB WY; RUVHILL/Ogden ALC Hill AFB UT.

Subj: Peacekeeper follow-on operational test and evaluation.

1. I have set the test rate for SAC conducted Peacekeeper in Minuteman Silos (PIMS) follow-on operational test and evaluation (FOT&E) at three per year. While this rate will extend the initial characterization, I am confident that we already have a good understanding of the Peacekeeper weapon system. Further, I believe we have struck a prudent tradeoff between cost and operational testing. Three launches per year will enable us to reasonably monitor the health of this outstanding weapon system. We will continually review this rate to determine if a change is necessary due to performance of the system.

2. Three things have prompted me to take this approach:

A. First, engineering estimates of our ICBMs' capabilities have historically been proven to be very accurate as demonstrated by the results of our flight test programs.

B. Second, the results of initial testing of Peacekeeper from both an accuracy and reliability perspective have been phenomenal. Peacekeeper has proven itself much better than specification in both accuracy and reliability.

C. Third, the fiscal realities of the 1990s prohibit a classical statistical flight test program. Outside the prudent launch rate of 3/yr an estimated $85M per launch is too high a price to prove what we know—Peacekeeper is extremely reliable and is the most accurate ballistic missile system that America has produced.

3. The HQ SAC point of contact for PIMS testing is Maj. Steve Prebeck. He can be reached at the ICBM Test Division, XRTM, AV271-4288. BT

AMENDMENT NO. 3124

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. If there is no objection, the pending committee amendment will be set aside.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 3124.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill insert the following:

"The Secretary of Defense shall provide for the conduct of an independent study, with participation by one or more federally funded research and development centers, of the Trident missile system. A report containing the results of such study, together with the Secretary's comments and recommendations concerning the report shall be submitted to the Congressional defense committees, in classified and unclassified versions, on or before May 1, 1993. This report shall address, inter alia, the following issues:

"1. The relative merits and costs of continuing the Trident II missile production versus the refurbishment of existing Trident I missiles, taking into account such factors as inflation, appropriate regulations such as OMB Circular A-94 and DOD Instruction 7041.3, refurbishment costs for the Trident I that would be incurred anyway, the impact of the new START agreements, refurbishment requirements of the Trident II, and other related factors.

"2. The relative merits and costs of continuing with current plans to backfit the first eight Trident submarines with Trident II missiles versus their continuation with Trident I missiles, taking into account such factors as inflation, appropriate regulations such as OMB Circular A-94 and DOD Instruction 7041.3, refurbishment costs for the Trident I that would be incurred anyway, the impact of the new START agreements, refurbishment requirements of the Trident II, and other related factors.

"3. The relative merits and costs of taking anticipated SLBM warhead reductions under START in the following ways:

"a. by offloading individual warheads from missilies;

"b. by offloading missiles from submarines;

"c. by dismantling submarines;

"d. some combination of the above.

"4. Options for the United Kingdom to meet its strategic requirements in a situation where the United States procurement of Trident II missiles is terminated earlier than originally planned.

"5. The reasons why the costs stated for Trident I refurbishment are substantially greater than Minuteman III refurbishment.

"6. The reasons why strategic missile flight testing rates are substantially different for the Navy and Air Force, along with recommendations for uniform testing rates."

Mr. BUMPERS. Mr. President, this is legislative language to be inserted in the bill. I am not going to read it. But it says among other things: The Secretary of Defense shall provide for an independent study with participation by one or more federally funded research and development centers of the Trident missile system; a report containing the results of such study together with the Secretary's comments and recommendation shall be submitted to the congressional defense committees in both classified and unclassified versions on or before May 1, 1993, and they shall address the following items.

No. 1, the relative merits and costs of continuing the Trident II missile production versus the refurbishment of existing Trident I missiles, and taking into account the OMB circular and the instructions to DOD and Navy, as well as other factors.

No. 2, address the relative merits and costs of continuing with current plans to backfit the first eight Trident submarines with Trident II missiles versus their continuation with Trident I missiles, also taking into account their own instructions.

No. 3, address the relative merits and costs of taking anticipated SLBM warhead reductions under the START agreement in the following ways:

By offloading individual warheads form missiles or by offloading missiles from submarines, by dismantling submarines, or some combination of the above.

No. 4, options for the United Kingdom to meet its strategical requirements in a situation where the United States procurement of Trident II missiles is terminated earlier than originally planned.

Great Britain buys this missile also. We are asking them to study what the impact would be if the study recommended that the United States discontinue the production of this missile.

And there are a couple of other things in this. One, the reasons why strategic missile flight testing rates are substantially different for the Navy and Air Force along with recommendations for uniform testing rates.

Mr. President, this study is to be conducted at the behest of the Secretary to report back to the Armed Services Committees of the two Houses, as I say in classified and unclassified reports.

That study is essentially the very things I have talked about here this morning. I think it is an extremely important issue for the Congress to address, Mr. President. And it goes right to the heart not only of the START Agreement and our compliance with it, but it also goes right to the heart of the deficit and what we are going to do about it.

I yield the floor.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. If the Senator will yield for a question, I note that in the Senator's amendment, he has the date of May 1, and I believe that a study of this magnitude may require a bit more time than May 1, 1993.

Mr. BUMPERS. Let me say that the time is only important to me if we get it before the authorization or appropriations process starts next year, so that we can address it then. And I have no objection to that. I wanted to get it as soon as we could, so committees could hold hearings on it.

But if the Senator would like, let me suggest this. Let me suggest that we leave the language in, consult with the Pentagon, see what they think would be a suitable date, sometime before the appropriations process, which would give us time at least to look over their report, and we will change it in conference, and I will give you my word then on the floor that I will agree to some change.

Mr. INOUYE. With that assurance, Mr. President, I am prepared to accept the amendment.

Mr. STEVENS. Mr. President, I will accept the amendment.

The PRESIDING OFFICER. The question occurs on the amendment.

The amendment (No. 3124) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, there is something I have never done before on the floor of the Senate as far as personal staff is concerned, but I want to publicly thank Bruce MacDonald of my staff, who has worked tirelessly on this amendment for about 8 months and has talked to everybody in the United States from the production of the Trident II missile to the appropriate people in the START Agreement, the Navy, everybody. It has been a real monumental task for him. He has come up with unbelievable numbers and other data that has been very helpful to me, and I think to the Senate.

I yield the floor.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

ADDITIONAL COSPONSOR

Mr. JEFFORDS. Mr. President, I ask unanimous consent that I be added as a cosponsor to Senator LEAHY's amendment No. 3117.

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

The pending business is the Helms amendment to the committee amendment.

Mr. WIRTH. Mr. President, I ask unanimous consent to address the Senate for 5 minutes as in morning business for the purpose of introducing legislation.

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object, I would like to make certain that the previous order will be placed into effect following Senator WIRTH's statement.

The PRESIDING OFFICER. That would be the regular order.

The Senator from Colorado is recognized.

Mr. WIRTH. I thank the Chair.

(The remarks of Mr. WIRTH pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

There being no objection, the Senate, at 12:38 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. ADAMS].

CABLE TELEVISION CONSUMER PROTECTION AND COMPETITION ACT OF 1992—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the clerk will report the conference report to S. 12.

The bill clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 12) to amend title VI of the Communications Act of 1934 to ensure carriage on cable television of local news and other programming and to restore the right of local regulatory authorities to regulate cable television rates, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 14, 1992.)

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FOWLER. Mr. President, this effort to address the concerns of cable consumers and to protect them from mistreatment and unfair pricing at the hands of cable monopolies has been in the works for several years. I had just begun serving as a senator when concerns about pricing began to surface, and I know I have read many a letter from constituents on this subject since then.

I also know that the Senate has responded to these concerns. The Commerce Committee has held hearings, and various pieces of legislation have been drafted to provide greater consumer protection, and a more level playing field among various technologies that transmit programming.

I also believe that this attention by Congress has had a very real impact on the cable industry. It has, for example, established its own industrywide guidelines for improving consumer service—where some real and very aggravating problems existed. Local franchises were forced to respond to consumer discontent translated into congressional action.

Perhaps even more importantly, we recently saw a significant change in the regulatory climate for cable operators. On October 25 of last year, the FCC adopted a new definition of effective competition—which could effectively reregulate up to a third of the cable industry. Since less than a year has passed since the change, we don't know the full impact—but we do know that there has been plenty of pressure on cable to act more like a service industry and less like a monopoly.

The conference report on S. 12, the Cable Television Consumer Protection and Competition Act of 1992, is the latest byproduct of these efforts to prevent abuses in the industry. In January, most of us voted in favor of S. 12, hoping that in the end, we would be able to produce regulation that would effectively address the problems of cable subscriber rates and customer service.

While I certainly respect and commend the hard work and the undeniably good intentions of our Senate conferees, I have decided to vote against the conference report on S. 12 out of concern for the detrimental impact of this bill in its present form.

I am concerned that the cable bill reported from conference will raise, not lower, cable rates. One major concern is that the bill gives broadcast stations the right to charge cable systems for the right to carry them through the retransmission consent provisions. The bill, however, establishes no guidelines as to what a reasonable charge for carriage would be, and it is unclear just how much retransmission consent may cost.

The retransmission consent and must carry provisions are intended to ensure that television stations can continue to compete with cable. The cable industry has certainly benefited from being able to transmit broadcast television signals. After all, broadcast television signals were the sole programming of the early cable television systems. Television stations in turn benefited from increased clarity of their signal going into homes and an expanded viewing audience. The cable industry and television stations are at completely different points today than they were at the inception of the cable industry. However, I question whether the problems and concerns of the broadcast television stations are best addressed through retransmission consent and must carry. I believe that further examination of the cable copyright system, the current system governing the relationship between cable and television stations, should be undertaken before any new regulations are imposed.

In addition, the bill imposes an extremely complex and all-encompassing regulatory structure on cable television. The FCC is required to adopt nearly 30 new regulations, governing not only consumer cable rates and service standards but, for example, the wholesale rates charged by program service to cable systems and to other technologies, the terms of programming contracts between cable systems and program networks, the technology of cable-ready television sets, and many other subjects.

Again, I realize that the sponsors of this legislation do not intend for any costs associated with this legislation, including any expenses associated with regulation, to be passed on to the consumer. As a practical matter, however, these costs will be borne somewhere—if not in higher prices, then in fewer services to cable consumers.

I think there is every reason to believe that the burden of this regulation will dry up investment in new cable plant, programming, and technology. While the cable industry has certainly benefited from the deregulation of the mid-1980's, we should not impose overkill reregulation that cripples an industry very much in demand—in or efforts to correct the industry's excesses. And we do not want to force a shift in investment from basic cable services to more expensive premium services which would remain unregulated. This would only increase the cost of cable services people want in the long run. If this happens, fewer consumers will benefit from new sports and entertainment programming.

Finally, I am concerned about the ability of S. 12 to produce its intended result for cable consumers—reasonable rates and quality customer service. There are nearly 11,000 cable systems operating across the United States that, if found to be facing a lack of competition, would fall under the regulatory jurisdiction of the FCC according to the provisions of S. 12. How capable is the FCC of imposing and enforcing these regulations, in addition to all its present responsibilities? Will we in Congress be faced with a new round of complaints as to the ineffectiveness of another government agency? Or will we eventually be required to appropriate additional funds to ensure that the FCC is able to implement the mandates in this legislation? If we are serious about giving the FCC these added responsibilities, it will need another $20-$40 million a year to fulfill these obligations. Unless we are prepared to provide those funds, we will merely be passing a law with no substance.

In this larger context, we should ask ourselves what type of communications policy S. 12 is helping to usher in. The information age is upon us, and communication and ready access to information are becoming increasingly important. We should consider whether S. 12 will enhance or hinder our ability to transmit information and communicate with one another. We should consider whether we should not focus more on promoting more competition through wireless cable and other new technologies—instead of through more bureaucratic regulation.

I continue to support cable legislation narrowly focused on preventing abusive rate increases, improving customer service and promoting competition, such as the so-called Wirth-Gore compromise of the last Congress, or the Packwood-Kerry amendment proposed earlier this year. But I cannot support the regulatory overkill contained in S. 12 as it returns to us from conference.

I don't believe it addresses the concerns that have been brewing since I began serving in the Senate. It has, somehow in the legislative process, been diverted toward other issues. I believe the bill before us would harm a very promising and vibrant industry in a time when we desperately need some economic bright spots. At the same time, I don't believe it would provide the kind of help consumers are looking for. For those reasons, I urge my colleagues to join me in voting against the conference report on S. 12.

SHOPPING SERVICE STATIONS IN S. 12

Mr. GRAHAM. I would like to ask the distinguished chairman of the Commerce Committee for clarification about the conference agreement on the treatment of shopping service stations under the must-carry provisions of the cable bill, S. 12.

Mr. HOLLINGS. I would be pleased to do so.

Mr. GRAHAM. Thank you. The amendment I offered to section 614 of S. 12, which was approved by a 64-33 vote of the full Senate, required the Federal Communications Commission to determine whether television stations predominantly utilized for sales presentations are serving the public interest. I see that the conferees have modified this provision in paragraphs f(1) and f(2) to exclude shopping service stations from the must-carry protections pending the outcome of the proceeding required under my amendment. In addition, the modified language allows the FCC up to 270 days to complete its proceeding on this issue.

I have three specific questions I would like to ask regarding this amended provision.

First, is it correct that the revised section gives the FCC the authority to determine the nature of the proceeding it conducts, as long as the Commission meets the section's requirements for appropriate notice and opportunity for public comment?

Mr. HOLLINGS. Yes, the Senator's interpretation is correct.

Mr. GRAHAM. I would also like to ask about the effect of the 270-day deadline established in the conference report. Is it the conferees' intention that 270 days after enactment be the maximum amount of time for the FCC to complete its rulemaking, but that the Commission may complete its consideration of this matter at an earlier date?

Mr. HOLLINGS. Certainly. So long as the notice and public comment requirements are met, there is no minimum time for consideration of this issue established by the conference agreement.

Mr. GRAHAM. Thank you. Finally, let me seek assurance on another critical point. Is it correct to say that, under the terms of this provision, whenever the FCC makes its determination—whether in 270 days or less—those stations which it decides serve the public interest will be promptly certified as local commercial television stations and will be treated the same as other local commercial television stations under the mandatory carriage provisions of this legislation?

Mr. HOLLINGS. That, too, is a correct interpretation.

Mr. GRAHAM. I appreciate the willingness of the chairman to clarify these issues. Further, I thank him for his leadership on this bill, and particularly on this critical matter of the treatment of shopping service stations under the mandatory carriage provisions of the bill.

The commitment by him and by Senators INOUYE, DANFORTH, and PACKWOOD on this issue has been the key to this beneficial outcome.

Mr. HEFLIN. Mr. President, for the past several years, I have heard many complaints from consumers about the rate increases imposed by their cable companies. There have also been a number of complaints about customer service. In most areas, cable companies operate as a monopoly, with no competing multichannel distributor in the area and effectively, with no competition. In my State of Alabama, for example, there are only a very few areas where there are competing cable companies. This bill, S. 12, is designed to bring regulation to a monopoly situation in order to control rates, improve customer service and promote effective competition. There are some cable companies who have not abused this monopolistic authority, but there are some that have.

As a general philosophy, I believe that all monopolies need regulation. That is why power companies that sell electricity and telephone companies must file an application for any increase in rates with a State regulatory agency which then determines the rates. Any monopoly is a potential danger to consumers unless it is regulated. I apply this same philosophy to the cable situation.

Since most cable operators have no other cable company competing with them in their area, they should bear the burden of proving that any increase in charges is merited. In that situation, there should also be a regulatory body, the Federal Communications Commission, investigating whether or not there is justification for such increases.

During the course of congressional consideration of this bill, there has been a lot of misinformation distributed. However, when the actual terms of this legislation are carefully considered, one sees that this bill regulates rates only where competition does not already exist; where competition exists, there is no rate regulation. The bill also directs the establishment of minimum customer service standards as well as standards to increase compatibility between television sets, VCR's, and cable systems. In implementing these and other regulatory provisions of the bill, the Federal Communications Commission is instructed to ensure that rate increases do not result.

The bill further gives the FCC and cable operators new authority to restrict indecency and obscenity on cable. This is much-needed authority.

Mr. President, the cable industry currently operates as a monopoly in virtually every area of our country. In the end, I believe that this bill will protect consumers from potential abuses by some monopolistic powers and spur competition to eliminate the existence of a monopoly in this vitally important information and entertainment service industry.

Mr. SPECTER. Mr. President, after extensive consideration and discussions with both sides on this complex issue, I am voting in favor of the conference report on the cable bill with substantial reluctance. I vote for the report because of the fundamental principle that at least some regulation is warranted in any industry which has a monopoly or virtual monopoly on any given product or service although cable was not so regulated in its early days.

I supported the Packwood amendment in the Senate which provided for less regulation in order to provide leverage in conference for lesser regulation in the final bill, but unfortunately, that did not happen.

In supporting this conference report, I am also mindful of the fact that the cable industry defeated legislation in the final days of the 101st Congress in 1990, which, in retrospect, would have been much better from the cable industry's point of view.

I have even rethought this reluctant vote in the light of a television commercial which I saw in Pennsylvania on Sunday on behalf of the proponents of the bill. Without any reason, explanation or substantive argument, the commercial simply called upon Pennsylvanians to urge me to stay with my earlier vote in favor of the bill and then asked the viewers to call my office with the telephone number given.

No one has more respect for the first amendment provisions of freedom of speech and the right to petition elected representatives than I. A citizen has every right to argue in favor of his/her cause and urge others to support his/her position with elected officials. However, I question advertising without a reason which borders on, if it

does not actually cross the line of, harassment. I resist the temptation to alter my fragile conclusion on this basis, noting the advertising barrage on the other side.

Because of the problems in the pending legislation, it is my view that Congress should again address this entire subject early in the next Congress. Without discussing the many provisions of the bill which concern me, I will note one provision of importance relating to the dual benefits given to the broadcasters on must-carry and the right to negotiate for compensation.

Several years ago, broadcasters urged me to support a must-carry provision. Later, broadcasters urged me to support a statutory provision which accorded them the right to compensation. It seems to me that the broadcasters can legitimately take the position that they want one or the other provision, but not both.

In a free market, it is reasonable that neither party should give up a property right without a bargained consent from the other side. The broadcasters have a property right in a signal and the cable transmitter has a property right in the use of its system for transmission. Accordingly, it would be reasonable that any arrangement should be subject to mutual consent with whatever compensation, if any, is agreed upon.

As a matter of public policy, it would be reasonable to establish must-carry requirements so that cable viewers, especially in remote areas, would get the signals of network broadcasters.

However, I question legislation which gives broadcasters the right to insist on must-carry and at the same time have the right not to allow such transmission if they do not get adequate compensation. This is only one of many provisions which, I think, should be revisited early in the 103d Congress.

During the past month, I have received numerous requests for meetings, mostly from the cable industry, all of which I have honored. Had the cable industry been as diligent early on or pressed issues for floor votes, which could have been easily done in the Senate, the result might have been different on key provisions such as the must-carry compensation issue or even the entire bill.

At bottom, I conclude that this bill is better than no bill at all, but many issues should be revisited by Congress early next year.

Mr. BRADLEY. Mr. President, I rise today in support of the conference report on the cable bill. I believe it promotes competition and protects consumers from anticompetitive activity.

Mr. President, the vast majority of Americans have no power of choice as to their cable provider. Of the 11,000 cable systems in America, less than 0.5 percent compete with another cable system in the geographic area covered by their franchise. Where competing systems have emerged in communities, they have often been merged with existing systems. The benefits of cable television are so great that they should be available to as many people as possible But the absence of competition within the cable industry makes this virtually impossible.

In 1984, Congress encouraged the development of cable by restricting local government's ability to regulate basic rates. The 1984 Cable Communications Policy Act deregulated rates for about 97 percent of all cable systems and actions by the FCC to implement the act further freed the industry.

While deregulation encouraged the growth responsible for many of the positive developments I have discussed, it also allowed the cable companies to raise their rates. According to a 1991 GAO study, monthly rates for the most popular basic cable service increased by 61 percent from January 1987, when deregulation took effect, to April 1991, from an average per subscriber of $11.71 to $18.84. This rate of growth is three times that of inflation.

In my home State of New Jersey, Mr. President, cable rates have increased 70 percent since deregulation. In the city of Newark, rates have increased 130 percent. We all agree that cable has made more information and entertainment available to Americans. But these rate increases are excessive, and must be controlled if Americans are to continue benefiting from this very important service. If cable companies were subject to competition, they would be unable to impose these rate increases.

The conference report contains several provisions which protect consumers and promote competition within the cable and multichannel video industries. It allows the FCC and local governments to regulate the price of basic cable in communities that are not subject to effective competition, limits the ability of cable operators to wield unreasonable influence over programmers, and limits the ability of cable programmers to discriminate against noncable, multichannel video providers. It also establishes national consumer service standards for cable operators and contains must-carry provisions which ensure that educational and public-interest television stations are carried by cable operators.

Mr. President, I am very proud of the fact that this year's cable bill includes a franchise renewal provision which makes clear that local franchising authorities are not required to finish their investigation of a franchise owner's performance within a 6-month period, as has been suggested by the cable industry, ensuring that local authorities have a sufficient amount of time to conduct a thorough investigation of the cable franchise prior to considering its renewal application.

I have considered arguments against this bill, especially arguments that it would result in an increase in subscribers' rates in contrast to the expressed intent of the bill's sponsors. Several of my colleagues have suggested that the retransmission consent and buy-through provisions of this bill would force cable operators to pass on higher costs to consumers. Because I believe rate increases resulting from these provisions would turn the purpose of this bill on its head, I feel the need to address these concerns.

Mr. President, I believe these assertions do not give adequate consideration to the effect of the prohibition against unreasonable rate increases which is the cornerstone of this bill. In areas that lack effective competition, the FCC or local authorities must determine if rates are reasonable, unnecessary rate increases in these areas would not occur. This mandate is stressed in the language of the conference report which directs the FCC to consider the effect of retransmission consent on subscribers' rates.

The bill's retransmission consent provision allows a broadcaster whose signal is used by a cable operator to negotiate terms for the use of that signal or take advantage of must-carry rules which would require that it be carried on the cable operator system. I believe that most broadcasters will opt for must-carry while a significant number of other broadcasters will negotiate nonmonetary terms, such as channel position, for the use of their signal. Whatever terms are negotiated will only last for 3 years. Thus, the vast majority of cable operators will, in my opinion, not incur significant increases in cost due to the retransmission consent provision.

Similarly, the buy-through provision which was added to the cable bill by the House should not result in an increase in cable rates. While the enforcement of this provision would have required some cable operators to sell additional equipment to cable subscribers, the bill provides for a 10-year grace period before the provision takes effect and directs the FCC to waive the provision altogether when it is shown not to be cost effective.

Government regulation is never an adequate substitute for the discipline of the market. But where consumers cannot vote with their pocketbooks for lack of competition, Government has a duty to protect their interests. Hopefully, sufficient competition will soon develop in this industry to eliminate the need for Government regulation. Because that day has not yet arrived, I support this legislation.

Mr. President, the apparent positive aspects of this bill outweigh what some speculate to be the negative aspects. Overall, I believe the bill provides important protections for consumers and should be supported.

Mr. SANFORD. Mr. President, I rise to support the conference report accompanying S. 12, the Cable Television Consumer Protection and Competition Act. This bill, which the Consumer Federation of America has called the most important consumer protection legislation in this decade, has generated considerable interest and controversy. I want to speak directly to a few of the issues within this bill of importance to North Carolinians.

First of all, it is important to note the intended purpose of this bill. The purpose of S. 12 is to promote competition in the video marketplace and protect cable customers from unreasonable and burdensome cable rate increases. It is important to clearly indicate the purpose of this bill because the cable association has conducted a multimillion-dollar lobbying effort against this legislation and has convinced many cable consumers that S. 12 will in fact increase cable rates. The bill stuffers and television advertisements I have seen have failed to mention a couple of key facts.

Fact No. 1. Under this legislation, the Federal Communications Commission and local city councils will be authorized to ensure that cable rates are reasonable. For the first time since the cable industry was deregulated, cable customers will be protected from outrageous cable rate increases. For the first time in many years, cable customers in cities such as Morganton, Asheville, and Charlotte will enjoy some relief from cable rates that have increased well beyond the rate of inflation. This regulatory scheme will cease as soon as there is effective competition in the community. I am particularly supportive of this approach, because it reinforces my strong belief that competition is preferable to regulation. Unfortunately, the public has heard little rational discussion of the consumer protections against excessive rates.

Fact No. 2. This legislation includes many provisions which will encourage competition. Cable rates are 30 percent lower in those few areas where there is effective competition compared to those areas where no such competition exists. It bears repeating: Competition is preferable to regulation and this bill encourages competition in a number of important ways. Under this legislation, local franchising authorities may not unreasonably refuse to allow new cable systems to compete directly with existing cable operators. Furthermore, municipalities are permitted to operate their own cable systems. Another important provision of the cable bill mandates that for 10 years cable programmers who are affiliated with cable operators will not be permitted to grant exclusive contracts to cable operators unless the FCC determines that such contracts would be in the public interest.

Greater competition will be particularly helpful to many rural consumers in North Carolina and elsewhere. Competitors to cable, such as satellite dish vendors, which are so important in rural communities, will be able to obtain cable-owned programming at market prices. This increased access to programming will naturally mean more reasonable rates for satellite dish owners in rural communities, but increased competition will also serve to decrease cable rates in many areas.

Along with issues of regulation and competition, the television commercials and bill stuffers employed by the cable association have failed to mention this bill's treatment of horizontal concentration and vertical integration in the cable industry. Under this legislation, the FCC is directed to set limits on the number of subscribers a cable operator can reach nationwide and on the number of channels a vertically integrated programmer can occupy on a cable system. This is an important provision because cable operators and cable programmers often have common ownership. I understand that 10 of the 15 most popular basic cable networks are owned or controlled by multisystem cable operators. This has led some operators to discriminate in favor of programming in which they have an ownership interest. This has directly harmed the ability of any potential competitors to enter the market, provide an alternative to cable, and create pressure to lower prices. The FCC study required by this legislation will go a long way to providing competition and protecting cable consumers.

While there are procompetition and proconsumer issues that have been ignored by the cable association in their efforts to derail this legislation, a couple of issues have been exploited by them, particularly the issue of retransmission consent.

Briefly, retransmission consent is a provision which allows local broadcast stations to negotiate with cable operators for the right to retransmit the broadcasters' signals. Cable operators currently retransmit broadcast signals for free. Broadcasters who elect the retransmission consent option have the opportunity to negotiate for some form of compensation for the cable operator's use of their signals. Cable competitors do not presently enjoy the benefit of exemption from retransmission consent provisions. The inclusion of retransmission consent in this legislation is merely an attempt to even out the playing field.

I have heard from hundreds of constituents, perhaps more than a thousand, who have expressed outrage at the retransmission consent provision of this legislation. The reason I have heard from so many North Carolinians is that the bill stuffers employed by the cable association suggests that: First, this provision will result in a billion dollar bonanza for the networks; and second, this provision will make cable bills go up from $28 to $51.

I just want to quote from a letter the chairman of the Senate Commerce Committee sent to the New York Times, which by the way supports this legislation:

> It is flatly wrong to characterize the retransmission consent provision in the cable bill as "threatening subscribers with large rate hikes or diminished offerings. The bill expressly states that the Federal Communications Commission must consider the impact of retransmission consent on the rates for basic service and shall ensure that the regulations prescribed under this bill do not conflict with the Commission's obligations to ensure that such rates are reasonable. . . . Thus, it would be a direct violation of the statute for the FCC to permit retransmission consent to result in large rate hikes.

Senator HOLLINGS goes on to write that this bill will ensure that "cable rates are reasonable and stop the endless rate hikes that many communities have faced and will continue to face." The Senator concludes his letter by agreeing with the basic premise of the New York Times editorial in support of the cable bill. He states:

> As you note in your editorial, the cable industry's assertions that this bill, and specifically the retransmission consent provision, will result in rate increases are nothing more than scare tactics designed to mislead consumers.

I am not here today to suggest that this legislation is perfect. Instead, I want to make clear to a number of interested and concerned consumers in North Carolina the intent of this legislation and why it is so important to cable consumers. I also think it important to clear up any confusion surrounding the misleading cable association lobbying campaign. Too often, the facts surrounding this legislation have been ignored or twisted. In taking a close look at this legislation, in meeting with broadcasters and cable operators from my home State, and in listening to the frustrations and concerns of a large number of cable consumers in my State about rate increases and inadequate service, I decided to support both S. 12 when the Senate considered it earlier this year and the conference report before us today. It is clear to me that if we fail to pass this legislation, we will continue to see exorbitant rate increases.

I urge my colleagues to pass this conference report and provide some much needed relief to cable consumers.

I thank the Chair and yield the floor.

Mr. HELMS. Mr. President, I oppose this conference report on the cable legislation because it will impose costly new regulation on the cable industry. In so doing, it will reach into each subscriber's pocket twice: First, the monthly cable rates are likely to increase; and second, the Government will be spending more tax dollars to pay the bureaucrats to do the regulat-

ing—and of course, all taxpayers will be paying for that, too.

Mr. President, what is needed is more competition, not more stifling regulation.

Here's how this legislation will work: First, the cable bill contains a provision called retransmission consent that will require cable companies to pay ABC, CBS, NBC, and the other television networks for carrying their channels. For example, if you watch NBC on regular television it is free, but if you watch NBC on cable this legislation will force cable companies to pay for it, and this new charge will obviously be passed along to cable subscribers.

Mr. President, I was in a management capacity with a television station in Raleigh before my election to the Senate in 1972. Back then, television stations were eager for cable companies to carry their broadcasts. It gave us additional viewers, which helped us with our advertising revenue. It never occurred to any TV station to try to charge the cable companies.

Mr. President, this cable legislation requires cable rates to be regulated by the Federal Government—which the Government itself estimates will cost the taxpayers an additional $100 million a year. The local city councils can also get into the act of regulating rates, which adds another layer of bureaucracy.

Furthermore, the legislation requires cable companies to install so-called addressable systems in all homes, so that subscribers can get pay-per-view type programs. It is estimated that this technology could cost $5.8 billion.

Mr. President, instead of more regulation and more Federal spending, Congress should promote competition. As any student of the free enterprise system knows, competition is the most effective way to assure the best service for the lowest price.

Mr. President, this legislation is not in the best interest of America—nor of cable subcribers.

Mr. WELLSTONE. Mr. President, on January 31, 1992, the Senate passed S. 12, the Cable Television Consumer Protection Act. This measure would allow State and local governments once again to regulate cable television rates in certain circumstances.

Since deregulation of the cable industry in 1984, cable television rates have skyrocketed. While some areas have seen an expansion of cable services, others have seen customer service deteriorate. I believe that the main reason for these problems is that cable television is an unregulated monopoly. The industry quite simply does not face the usual competitive pressure to upgrade services and keep rates down.

Until there are multichannel alternatives to cable in the television marketplace, there is a strong need for greater regulation of the cable industry. But because of the diverse localized nature of the industry, State and local governments—not the Federal Government—are best suited to regulate cable operators.

For these reasons, I generally favor S. 12 as it was originally introduced. During consideration of this legislation by the Senate Commerce Committee, amendments were added which addressed other issues, including a provision which would authorize cable companies to negotiate with television stations regarding the terms for carrying their signals—so-called retransmission consent authority. Because I was concerned that this amendment had the potential to increase consumer costs and reduce service, I raised these issues during the Senate floor debate on this bill in January.

In response to my concerns, the chairman of the Senate Commerce Committee's Subcommittee on Communications supported an amendment which will require the Federal Communications Commission [FCC] to adopt regulations to minimize any rate increase caused by the retransmission consent provisions of the legislation. Further, the distinguished chairman of the subcommittee included a statement in the RECORD of the Senate's consideration of the bill which expresses the intent of the Senate to maintain local service at its current level. Moreover, the committee's legal counsel has stated that existing law provides the FCC with both the direction and the authority to ensure that the retransmission consent provision will not result in a loss of local TV service.

I had been prepared to offer an amendment mandating a much stronger provision on these two points. However, the actions of the chairman of the subcommittee made it unnecessary to press further. Representatives of the Consumer Federation of America agreed that the amendment supported by the subcommittee chairman and the stated assurances about local service improved the consumer protections of the bill.

On July 23, 1992, the House of Representatives passed H.R. 4850, a bill similar to S. 12. The differences between the two bills have been resolved by a conference committee comprised of designated members of the House and Senate. Now the Senate is asked to vote on the compromise bill that has been reported out of that committee.

The bill before the Senate today is a great victory for consumers. It represents a significant shift in policy, and an important restructuring of Government authority. In taking this action, the Congress is recognizing that there are limits to the free market arguments which we have heard so much of the last 12 years. The simple fact of the matter is that sometimes there is no competition, or there is inadequate competition to allow the market to set prices by itself. Also, sometimes the market makes decisions which are not entirely in the public interest. In these cases, there is a clear role for Government action.

Unlike some past Federal regulation, this bill does not seek to establish a massive Federal regulatory bureaucracy—instead it tries to work through local governments. This is an approach which I support and believe has application in other areas such as energy policy.

However, while I enthusiastically support giving local governments the authority to regulate the rates charged for basic service when there is no effective competition, I continue to have concerns about the potential impact upon rates and service of the retransmission consent provisions of this legislation. I note with some reassurance that the conference committee has retained the amendment adopted by the Senate requiring the FCC to adopt regulations to minimize any rate increase caused by these provisions. In addition, economic and consumer experts have asserted that any resulting pressure for increased compensation should be absorbed by the industry's excess profits and not borne by the consumer.

For these reasons, I do not hesitate in supporting passage of S. 12, the Cable Television Consumer Protection Act. After all of the lobbying and all of the advertisements, we all know that this bill comes down to protecting the rights of American consumers and that's why I am for it.

If any of my colleagues still have doubts about this point, I can only suggest that they ask themselves a simple question, "Who do you think really represents the interest of American consumers? On one side we have Hollywood's lobbyists, the cable industry's lobbyists, and President Bush. They say to vote "no." On the other side we have the Consumer Federation of America, the National Council of Senior Citizens, the National Consumers League, the U.S. Conference of Mayors, and the National Association of Counties. They urge us to vote "yes."

There really is no doubt which is the proconsumer vote—the Senate should overwhelmingly approve this bill. I only hope that the President reconsiders his position because a veto could cost consumers in Minnesota and across the country billions of dollars in monopoly payments to the cable industry.

Mr. DECONCINI. Mr. President, I rise today, in opposition to the conference report on the cable bill. I voted against S. 12, the Senate cable bill, because I have always firmly believed that the solution to the problems with cable rates and services lies in increased competition not Government regulation.

Moreover, my objection to the cable bill also surrounds the issue of retrans-

mission consent. Retransmis- sion consent/must carry was a provision that was inserted in the Senate bill by my friend from Hawaii, Senator INOUYE. Retransmission consent/must carry was added to the cable bill to enable those broadcast stations that are in significant demand to negotiate the terms and conditions under which cable operators may retransmit the broadcast signal. It also enables broadcast stations that cater to a more limited audience to demand that cable must-carry them so that all cable subscribers will continue to have access to these stations.

I support the goal of the Senator from Hawaii that strives to promote the continued vitality of free, over-the-air broadcasts. However, when retransmission consent was added in the Senate Commerce Committee, I expressed concern, as chairman of the Patents, Copyrights and Trademarks Subcommittee, over the impact that it might have upon the copyright compulsory license. The compulsory license gives cable operators the legal right to retransmit copyrighted programming in return for a statutory fee. In essence, the broadcaster provides the signal and program producers provide the programming content. I was concerned that an amendment that changes the rights of broadcasters regarding the retransmission of their signal might effect the rights of program providers regarding the retransmission of their programs.

At first, we requested report language to clarify that the authority of the broadcaster to negotiate over the terms of the retransmission of their signal did not extend to authorize broadcasters to negotiate for the right to retransmit the program content. And then I, along with my ranking member, Senator HATCH, commissioned a study by the Copyright Office of the cable compulsory license. I had hoped that the study, that was examining among other things the impact of S. 12's retransmission consent upon the compulsory license, would be completed before the floor debate on S. 12. Unfortunately, S. 12 was considered by the Senate before this extensive study was completed.

Therefore, during the debate on S. 12, I stated on the floor that I would seek to further examine the effect of retransmission consent upon the compulsory license, and I would not seek to hold up S. 12. However, I made it clear that if the provision of copyright law and S. 12 conflicted in any way I expected to participate in the conference between the Senate and the House in order to reconcile the provisions.

Subsequent to the passage of S. 12 the Copyright Office issued its report and concluded that retransmission consent is incompatible with the copyright compulsory license. I then conducted 2 days of hearings on the findings of the Copyright Office report. After careful thought and analysis, I too have concluded that retransmission consent, as embodied in S. 12, is incompatible with the cable compulsory license.

In short, retransmission consent removes the "compulsory" from the compulsory license. The compulsory license establishes the right of cable operators to retransmit copyrighted programming without the consent of the copyright holder. Retransmission consent grants the broadcaster the right to consent or to block the retransmission, by cable, of the broadcast signal that carries the programming. In effect, it enables broadcasters to lock the door to the copyrighted programming that cable operators are entitled to retransmit by virtue of the Copyright Act. Therefore, if retransmission consent is enacted into law, the cable compulsory license in the Copyright Act would need to be reconciled.

Moreover, aside from the legal conflict raised by retransmission consent, a policy problem is created as well. I do not believe that broadcasters should be able to negotiate freely in the marketplace for the retransmission of their signal while the program providers are denied the opportunity to negotiate for the terms and conditions of the retransmission of their copyrighted programs.

Unfortunately, I was denied an opportunity to participate in the conference on the cable bill. Ostensibly, the reason for rejecting me as a conferee was that there would be no copyright issue addressed in the conference. This position was predicated upon the fact that no House Judiciary Committee members would be at the conference table. However, neither the presence nor absence of House Judiciary Committee members was material to the existence of a copyright issue because the House bill did not contain retransmission consent. Therefore, due to the inclusion of retransmission consent in the Senate cable bill, a significant copyright issue was created that warranted resolution regardless of the absence of my House counterparts. While I deeply regret being unable to participate in the cable conference. I am committed to reforming the copyright compulsory license to ensure, at the very least, that the creators of the creative programming are given an opportunity to operate on a playing field that is level with cable operators and broadcasters.

Mr. DURENBERGER. Mr. President, I rise to express my support for S. 12 and to urge my colleagues to support this legislation.

Like many of my colleagues, I found this far from an easy decision to make. I have never been a proponent of widespread regulation. In fact, I voted for the repeal of cable regulation in 1984. However, upon examining the state of the cable industry since deregulation, I have found that cable rates have skyrocketed, increasing at three times the rate of inflation, while there has been a concurrent plunge in the quality of service.

Mr. President, this bill will not stifle competition as the cable companies have suggested because currently, there is no competition in 97 percent of the market. In the areas of the country where there is true competition in the cable industry, the rates are 30 percent of those in the monopolistic markets. Cable operators argue that they have substantially increased the scope of options available to their subscribers; in fact, they have had a substantial increase only in price.

Most of the innovation in the cable industry has come in the form of more pay channels or pay-per-view choices, while at the same time the basic rates have exhibited exponential increases. The shift toward pay-per-view maintains a cable monopoly over selected programming even in the face of competition.

In analyzing the nature of the cable television market, I have tried to determine if there exists a viable solution to the problems in the industry that could be addressed through market forces. My determination is that there are sufficient impediments to an effective market place to warrant the adoption of S. 12.

The truth is that cable operators benefitted from the boost which came with deregulation back in 1986, just as Congress intended. Cable access improved, programming increased 50 percent, and market share increased.

But Mr. President, the providers of cable service consolidated their operations through leveraged buyouts, accessibility to programming for competitors was greatly reduced, and rates increased well beyond the rates of inflation. While deregulation has achieved the goal of market expansion, it has unfortunately created a monopolistic rather than dynamic market.

Mr. President, I believe that business as usual will not achieve the goals of fair rates for consumers and a strong and competitive market for cable operators and programmers. In a vibrant market, businesses do not ignore consumer preferences with impunity. Without S. 12, rates will continue to go up while service declines; the power of the largest cable operators will continue to increase, and the barriers to entry of competitors will only grow higher and stronger.

The cable industry currently enjoys the status of an unregulated monopoly and takes advantage of consumers who have no choice but to accept the rising rates and deteriorating quality of service. Many of our constituents have complained that the cable operators are wholly unresponsive to consumer input. Currently, cable operators are in a position to ignore requests for serv-

ices and complaints about customer service due to the complete lack of alternatives available to the customer.

This bill is vital in the effort to address the problems inherent in an unregulated monopolistic situation. Customers have absolutely no choice and no voice in their frustrating dealings with cable.

The only alternative available to the majority of cable customers is to simply not subscribe to cable at all. This is not a viable alternative, particularly in those rural areas where the only access one has to local broadcast stations is through subscription to cable.

When cable was in its infancy, it was granted the authority to retransmit local broadcasts without permission or compensation from the broadcasters. That was as it should have been when cable essentially provided an antenna service for those who were not able to receive broadcast signals by conventional means. The situation, however, has changed.

After regulation ceased, cable operators became active players in all aspects of broadcasting, and are now direct competitors with broadcasters. They compete for advertising revenues, present alternative programming, and are a potent force in negotiating for lucrative programming such as major sports broadcasts.

Currently, cable's congressional mandate to carry programming purchased and produced at the expense of over-the-air broadcasters gives cable operators a significant advantage over broadcasters. While the availability of network programming, local programming, and public television on cable systems is a significant selling point for cable operators, broadcasters receive no reciprocal benefit from cable operators. In effect, broadcasters subsidize a portion of cable programming; for cable operators, retransmission is a bonus, not a burden.

The retransmission consent portion of S. 12 will, in my judgment, ensure that FCC licensed broadcasters will not be hampered by the obligation to provide programming for their competitors in the advertising market. Under the 1934 Communications Act, broadcasters are not allowed to pick up other signals without consent. Retransmission consent would guarantee that cable operators should abide by the same rules.

Similarly, the must-carry regulation will benefit both local broadcasters and the communities which they serve by assuring that local signals are available through the local cable system. The combination of these two provisions will guarantee that broadcasters can effectively fulfill the purpose for which they were granted a license.

Neither one of these provisions would necessarily require cable subscribers to pay for local broadcast television.

Although my inclination is to look at regulation with a skeptical eye, the provisions of S. 12 represent a restrained approach. First, it prevents a patchwork of wild regulation by directing the FCC to establish a uniform standard under which local authorities can request to have regulatory authority. Second, regulation is only applicable to the basic tier of service and does not cover premium channels or relationships with programmers.

Third, cable operators are afforded rights of appeal to the FCC. Finally, despite the arguments of its detractors, this bill is not an example of onerous regulation and governmental interference. The regulation embodied in S. 12 is only applicable to those areas where effective competition does not exist and will be phased out upon the realization of such competition.

After long deliberation, Mr. President, I have determined that S. 12 is the best way to ensure that cable rates reflect market forces rather than indicating monopolistic prerogative. Implementation of the provisions of S. 12 are necessary to assure that cable rates and services are tied to positive market forces resulting in a discernible improvement in service, programming, and technology.

Mr. DODD. Mr. President I rise in support of this legislation just as I did in January of this year. The time for cable television reform has come, and I for one welcome its arrival.

The facts surrounding this matter have not changed since this body first debated this issue. The cable television industry maintains a virtual monopoly on the rates and services it provides to the American consumer. And as I have noted before, those monopolies hold a 99 percent noncompetitive advantage in most markets.

What that 99 percent market advantage means to the consumers in my home State of Connecticut is really quite simple—increased rates in the city of Hartford alone, cable television rates have risen 81 percent in the past 5 years. In Danbury the rates have risen 65 percent, and in Litchfield, the rates have soared an amazing 179 percent.

Nationwide, cable television rates have risen three items faster than the rate of inflation, and complaints of service and support are mounting daily. Clearly, industry reform is necessary.

Mr. President, this legislation has been one of the most actively lobbied issues to come before the Congress. Every cable viewer in America has been bombarded with advertisements, mailers, and even special messages enclosed inside monthly bills. This is an unfortunate attempt by cable operators to scare customers into action.

The Cable Television Consumer Protection and Competition Act is a watershed measure with clearly defined goals. It will stimulate competition, protect consumers, and guarantee that basic cable television service in this country will remain affordable and consistent across the Nation.

In closing, I would like to submit for the RECORD two very important articles which I feel summarize this critical debate.

The first is a powerful letter, published this morning by the Washington Post, written by Senator GORTON and my good friend and colleague Senator LIEBERMAN. Their comments outline what I believe are important arguments in support of this bill.

The second article, written by Mr. Tom Shales of the Washington Post, is perhaps one of the best descriptive outlines of the issues surrounding this bill. Both of these articles are strong, thoughtful essays accurately portraying the absolute necessity for this legislation.

Consumers deserve better, Mr. President. For this reason, I urge my colleagues to support this conference report.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHY YOU NEED THE CABLE BILL

(By Slade Gorton and Joseph I. Lieberman)

The Post, in its editorial on the cable TV bill now before the Senate ["Uncle Sam in Charge of Cable," Sept. 19], is like the doctor who diagnoses the disease but fails to prescribe the cure. The Post is right: Cable is a monopoly. The Post is also right that there needs to be more competition.

But The Post is wrong when it suggests that the cable bill—the Cable Television Consumer Protection and Competition Act—won't take real steps to speed the growth of competition. And it is also wrong when it concludes that, until competition comes, strong consumer rate protections are not in order. The evidence of the monopoly marketplace has already proven otherwise. Left to themselves, the cable companies have raised prices at nearly three times the rate of inflation since 1987.

It is hard to see what more this bill could do to increase competition, short of lifting the ban on telephone companies providing cable in their local service areas—a step the cable industry has fought tooth and nail. This bill includes a provision deemed essential for competition by FCC Chairman Al Sikes. It *requires* franchising authorities to grant second or even third franchises when reasonable requests for such franchises are made.

The bill takes an even more important step toward competition in its provisions governing programming. Let's face it: You can't have competition if the competitors have nothing to sell. It's unrealistic to expect a new direct broadcast satellite company, wireless cable company or even a start-up cable company that wants to compete with an existing cable company to have to produce its own version of CNN, Discovery or TNT at the same time it is building its local system. Today's cable giants didn't start that way either. That's why they still get the local broadcast channels free.

To fix this problem and accelerate the growth of competition, the bill prohibits cable companies that own both cable systems and programming from using their control of the programming to frustrate com-

petition. Without this protection, cable companies can simply refuse to sell programming to start-up competitors or choose to charge exorbitant prices. To cite one example, satellite dish distributors today often pay as much as five times more than cable companies for the same programming.

But the bill doesn't create a permanent entitlement. These "access to programming" provisions disappear in 10 years unless the Federal Communications Commission finds they are still necessary to competition and extends them.

We cannot forget, though, that no matter what we do to spur competition, most consumers won't have choice in the marketplace for years. That's why the bill has interim rate protections for consumers that fill the gap until competition arrives.

The Post seems to suggest that the cable bill's rate protections cover too many services. But that's ignoring the market. If we only protected consumers from unjustified rates for basic cable, the cable monopolies could simply charge higher prices for an endless variety of services: equipment installation, tier changes and anything else a creative cable operative could dream up. If you don't cover the whole package of monopoly services, you haven't covered anything at all.

Consider the case of Francis Behan. A senior citizen living on a fixed income in Springfield, VA., he pays $13.95 a month for basic cable. When he decided that he wished to subscribe to the Home Team Sports cable channel, his cable company informed him that to do so he would have to subscribe to the next tier of service at a monthly cost of $28.95. Adding the one channel he wanted, then, would triple Mr. Behan's monthly cable bill—which is too high a price for him to pay. This bill would put an end to that racket.

The important thing to remember about this cable bill is that it spurs competition, and all its rate-protection provisions—including provisions cited by The Post—end when competition begins. We agree with The Post on this point. Competition is the best regulator. But until competition arrives, consumers deserve meaningful protection. That's what this bill is all about.

UNSOUND BITES TO KILL THE CABLE BILL

(By Tom Shales)

Commercials currently flooding cable TV channels tell you that if Congress passes a certain piece of pending legislation, an onerous financial burden will be placed on the cable industry and, as a result, your monthly cable bill will have to go up. Again.

Well that, ladies and gentleman, is a Big, Fat Lie.

The bill, S. 12, which has gone through months and months of wrangling and amending, could be debated on the Senate floor as early as tomorrow. Its provision include relief for cable subscribers who've seen cable rates increase at up to three times the rate of inflation in recent years and a tentative step toward encouraging competition for cable systems.

If there's one thing the cable people don't like, it's regulation. They consider it impertinent. And if there's another thing they don't like, it's the thought of competition.

Competition is their kryptonite. They turn green and start to ooze.

How is cable getting away with telling viewers that a bill designed to bring skyrocketing cable rates under control is actually going to drive them up further? "It's an incontestable fact that this is true," insists Elise Adde, spokeswoman for the National Cable Television Association (NCTA). "We know the cable business."

The NCTA says the part of the bill dealing with "retransmission consent" would force cable systems to pay local broadcasters for the TV signals they now get to pick up for nothing, and that this could result in costs of up to $1 billion a year to the industry. These costs would be passed on to Mr. and Mrs. America and all the saps at sea.

That $1 billion figure was supplied by, of all people, CBS Chairman Laurence Tisch, who was asked for an estimate at a congressional hearing once and apparently said the first thing that popped into his old bald head.

But Marty Franks, the CBS lobbyist in Washington who is helping to lead the charge for the bill, says that the $1 billion figure is nothing but hypothesis and that besides, the bill never stipulates that any fees be paid. It merely establishes that cable systems will have to negotiate for the rights to local signals that help keep them in business.

Instead of negotiating retransmission fees, the bill says, a broadcaster could invoke the "must carry" clause of the bill, which requires cable systems to make all local channels available to their subscribers. Must-carry was the law of the land until a court struck it down; Franks thinks the new version would pass muster, while the NCTA says it "almost certainly is unconstitutional."

These provisions may sound complicated and unwieldy, and they are, but they absolutely do not mean that cable systems would automatically be forced to raise rates.

What shocks Franks and others who support the bill (the Consumer Federation of America among them) is the virulence of the cable campaign. The two commercials run repeatedly; it's an all-out onslaught. One spot shows a man under an umbrella that rains on him; the message is that the consumer will get soaked by the bill. Another is set in a senator's office, where he chastises his staff for letting "special interests" ruin what was once a perfectly nice little cable bill.

The idea of the carnivorous cable lobby warning us about the power of "special interests" would be funny if it weren't so hilarious.

Both ads tell viewers to phone their representatives in Washington and urge them not to pass that evil cable bill, that spawn of Satan. Millions of cable subscribers have also received entreaties with their cable bills warning of the dread apocalypse brewing in Washington.

"They're scorching the earth with this ad campaign," Franks says. "Members of the House and Senate know they're distorting the truth. These guys are a little like the old railroad robber barons."

"The ad campaign is at best misleading," says consumer advocate Andrew Jay Schwartzman, whose Media Access Project supports the bill. "This is not the world's greatest cable bill, but on balance, we'll be a lot better off if it passes."

Cable thought it was going to get a "watered-down" bill, Franks says, but the voice of the people really was heard on Capitol Hill, a chorus of complaint against exorbitant cable rate increases and notoriously atrocious service.

That seems to have scared the bejeebers out of the cable industry. It may also be panicking at the thought of a Bill Clinton victory in November because Clinton, based on his record in Arkansas and his public statements, is no cable coddler the way George Bush is. Bush has threatened to veto virtually whatever cable legislation Congress sends him.

One NCTA spokeswoman claims the bill was toughened up "to embarrass President Bush in an election year," since a veto could be expected to lower his popularity even further. Will Bush follow through on the veto threat? "I'm not sure whether he's going to be that stupid," says Schwartzman. "But the leadership is certainly relishing the prospect of plopping this thing on his desk within the next couple of weeks."

You might think that if this year's cable bill were defeated, next year's version would be even tougher, especially if the Democrats win big, and that cable lobbyists would swallow hard and accept S. 12. And yet they are not only fighting it, but fighting it dirty.

One missive from the folks at NCTA warns that if those "burdensome must-carry obligations" are reimposed, then "as a result, some cable networks (such as C-SPAN and CNN) might have to be dropped."

Notice they don't threaten us with the loss of, say, the Nashville Network or the Comedy Channel or Ted Turner's imminent all-cartoon network. They don't threaten to drop plans for the forthcoming Sci-Fi Channel, which will recycle old network reruns like "Battlestar Galactica" and "Dark Shadows."

Oh no—somehow space would be found for these precious treasures. But C-SPAN and CNN, the two cable networks of most benefit to the public interest, they might just have to be dropped. This isn't just a threat; it's almost blackmail.

And in reality, systems that tried dropping CNN and C-SPAN would be courting public relations disaster as well as widespread subscriber revolt.

The cable lobby has been accused of playing fast and loose with other facts and figures. In August, House members received a letter from a Commerce Department official claiming the reregulation of cable could end up costing as much as $2.81 billion a year, according to seemingly independent studies. In fact, as was later revealed, virtually all the data in the studies were supplied by the NCTA.

"It simply establishes further what we already know," sighs Schwartzman. "Cable is a national monopoly with both the ability and a demonstrated history of abusing it. Any tactic to benefit their cause is okay with them, and the public be damned."

Despite the feverish advertising campaign and all the frenzied lobbying, the cable bill is expected to pass. Whether it does or not, the whole episode can be looked upon as one more chapter in a continuing, perhaps never-ending, saga: Cable vs. the American people. It would be nice if the good guys won one for a change.

Ms. MIKULSKI. Mr. President, I rise today in strong support of S. 12, the Cable Television Consumer Protection Act. People in Maryland and across America are paying too much for cable, and it is about time the Congress did something about it.

Passing this bill will take some important steps toward lower cable TV rates and better service. That is why I cosponsored this bill over a year ago, and why I continue to battle to get it through Congress.

I want to make it clear that I like cable television. I depend on it. My

schedule does not allow me to plan when I'll be home, and with cable I can keep up with what's going on in the world. If I get home at 9, 10 or 11 at night, then I look to cable for breaking news, or even for reruns of Senate hearings that I could not attend myself.

And I know that many Marylanders truly need cable television. The elderly and those shut in their homes rely on cable as their link to the world. They rely on CNN on the Weather channel, and many use their televisions as a type of companionship. And they need to be guaranteed that they got good cable service at a fair price.

We've got great programming like the Discovery channel being put together right in Maryland. Discovery makes quality, informative programming that is seen across the country and overseas. But my experience, and that of many Marylanders, is that there are serious problems with the cable television industry.

Eight years ago Congress deregulated the cable television industry, hoping that competition would do a better job of keeping service good and prices down. Back then we looked at cable as David fighting the Goliath of the networks. Cable companies needed a boost to grow, and deregulation looked like the right way to go. Cable grew fast and got very expensive.

Cable rates are skyrocketing across my State of Maryland, and across the country. Cable rates are going up at three times the rate of inflation, and some studies say that consumers are being overcharged by $6 billion every year.

Those who depend on cable and those who use it for entertainment tell me their rates are too high—and they feel the pinch every month when they write out their checks to their local cable monopoly.

And high rates have often brought poor service along with them. Installations and repairs can be a nightmare. Many cable companies have telephone numbers that are always busy or never pick up. Even if you get through, you still have no guarantees on getting satisfaction. And you can't take your business elsewhere.

That's why Marylanders are telling me cable television should be regulated like a utility. Marylanders have a public service commission for telephones, electricity, and gas. They want something similar for cable. They want someplace to go when their rates go up too fast. They want someplace to turn when they get poor service.

That's why America needs S. 12. This bill gives the Federal Communications Commission and local governments the ability to protect cable viewers. It puts responsibility back on the cable monopolies we have across America.

If cable companies don't face competition—and not many do—then they will have to provide reasonable service at reasonable rates. If they are ignoring their customers, they have to answer to the FCC.

If they are overcharging and profiting at consumers' expense, their rates can be rolled back. S. 12 says that consumers will have the power to do something if their rates double in just a few years and they get keep getting bad service.

And this bill is fair. It doesn't punish the cable industry, it just encourages competition and, failing that, asks that cable companies price their services fairly and treat their customers with respect. S. 12 does allow cable companies a reasonable profit, but forbids profiteering and monopoly business practices that have cost consumers billions of dollars over the past few years.

That's why I'm cosponsoring the Cable Television Consumer Protection Act and why I'll keep battling to make sure cable viewers in Maryland are protected. I urge my colleague to join me in passing S. 12 and making sure that we straighten out the cable industry.

Mr. GRASSLEY. I would like to ask the distinguished Senator from Hawaii, Senator INOUYE, for a point of clarification concerning the so-called anti-buy-through provision of the conference report on S. 12. This provision would allow basic cable subscribers to subscribe to premium or pay-per-view services without being required to subscribe to enhanced basic or upper tiers of programming. While I applaud the intention of this provision to provide consumers with additional choice, I am concerned that this provision may require some cable operators to install addressable technology that could increase their costs of providing service.

Mr. INOUYE. The Senator from Iowa is correct. The purpose of this provision is to increase the options for consumers who do not wish to purchase upper cable tiers but who do wish to subscribe to premium or pay-per-view programs. In response to the concerns about costs expressed by some cable operators, however, the conferees on S. 12 gave cable operators 10 years to comply with this provision. Remember also that about 40 percent of our cable systems already have in place the technology necessary to meet this provision's requirements, and it is expected that soon a majority of cable systems will have that capability. But for those cable systems that cannot offer this service because the cost of installing addressable technology would force cable rates up, the conference report allows the FCC to grant waivers of this requirement if the Commission determines that compliance would require the cable operator to increase its rates.

Mr. GRASSLEY. This clarification is helpful. Of Iowa's 533 cable systems, 458 have fewer than 3,500 subscribers. In fact, 402 serve fewer than 1,000 subscribers. So, I am particularly concerned about the impact of this provision on small cable operators. Many of the cable operators in my State are small and have been providing cable service for a number of years. The potential costs of installing addressable technology could be significant. I am concerned that the wording of the waiver provision could make it difficult for small cable operators to obtain a waiver from the FCC. I also note that the conference report contains a provision to encourage the FCC to reduce the administrative burdens and the costs of compliance for cable systems that serve less than 1,000 subscribers. It is the Senator's intention that the FCC, in considering waivers of this requirement, should give special consideration to the costs that would be incurred by small cable operators in complying with the anti-buy-through provision?

Mr. INOUYE. The Senator from Iowa is correct again. It is my intention that the FCC should take particular account of the problems that small cable systems may have in complying with the anti-buy-through provision. I believe that cable systems that serve fewer than 1,000 subscribers should have reduced administrative burdens and that the FCC should give special consideration to the needs of small cable operators to receive waivers of the anti-buy-through provision.

Mr. GRASSLEY. And with regard to the actual process required of a cable operator to apply to the FCC for a waiver, seeking legal relief could be costly for the cable operator no matter what the size. Lawyers do not come cheaply. Is it the Senator's intention that the FCC establish a process for obtaining waivers that is not so complicated that it requires the services of lawyers, and that instead, cable operators themselves would be comfortable submitting waiver applications on their own?

Mr. INOUYE. That certainly is my intention. The FCC should do everything possible to minimize the complexity of this process, as it has done in some of its other proceedings. Cable operators, many of whom have limited resources, should not be burdened with unnecessary legal expenses in order to comply with these waiver applications.

Mr. GRASSLEY. I thank the Senator for this clarification.

Mr. KASTEN. Mr. President, I support the House Senate conference report to S. 12, the Cable Television Consumer Protection Act. This cable television reform legislation was developed in response to consumer complaints about rate increases that were three times inflation and deteriorating customer service. I also supported S. 12 when it passed the Senate in January 1992 by a vote of 73–18.

While the cable industry has provided a whole new option to the viewing pub-

lic, the fact remains that the technologies that we foresaw as coming into being to provide competition for cable at the time of deregulation has not occurred. This bill would encourage competition to cable and regulate rates for basic cable service where there is no competition.

Competition is the engine that spurs innovation in this society, and protects the interests of the consumers by providing alternatives. The experience of those communities which have competing cable systems is that their rates are 30 percent below the rates of monopoly cable systems.

The rate regulation provisions of the bill do not apply to those systems which have competition, or where competitive service develops. Competition is encouraged by provisions prohibiting cities from granting monopoly franchises, and by adopting provisions for access to programming to help create the competitive systems envisioned when cable was deregulated.

Despite the claims of the cable companies, financial observers of the communications industry see little impact from this bill on the financial health of the industry.

Finally, the bill provides that the broadcast programming that is rebroadcast by cable would be subject to negotiations between local stations and local cable operators. Stations may elect to just be carried for no charge, or negotiate for payment, but risk no carriage at all. In either of these cases rates would not increase at all.

This legislation has been hotly debated in the television industry. Those on both sides of the argument mounted public relations campaigns to sway public opinion and congressional votes in their favor. There is no question that the public relations campaigns had a real impact—I received thousands of calls and letters on this issue.

My responsibility is to the people of Wisconsin. And their chief concern, which they voiced loudly and clearly in their letters and calls to me, was keeping their cable rates under control.

I do not believe that this bill will increase cable rates and that, in fact, it will control future rate increases. It is ironic that this bill was developed precisely because cable operators were instituting sharp rate increases. Milwaukee saw two, double-digit increases in the span of less than a year.

The Consumer Federation of America has called this the most important consumer legislation of the 102d Congress. It refutes the charges of rate increases, and estimates that S. 12 could save consumers up to 30 percent of their annual $20 billion cable bill. This would amount to a $6 billion savings, not increased charges to cable customers.

In closing, I have heard from many parties on both sides of this issue. Massive campaigns have been generated using the media we are talking about here—television—and consumers have responded. However, I think it is instructive to list those who favor this bill: Consumer Federation of America, National Council of Senior Citizens, National Consumers League, U.S. Conference of Mayors, National Rural Electric Cooperative Association, National League of Cities, National Association of Broadcasters, AFL-CIO, and the National Association of Counties. Also, I have received a letter from the Wisconsin AARP State Legislative Committee and Capital City Task Force representing 700,000 Wisconsin members. They have voted unanimously in May, and again in August, to support cable legislation. They urge that we respond to the negative, incorrect and misleading newspaper ads * * * by voting yes on the cable reregulation bill.

Opposed to this bill are the National Cable Television Association and the Community Antenna Television Association.

On balance, I believe that this bill will help to rectify the rate and customer service problems that our constituents have complained about. It will encourage competition, and not apply where there is competition. Therefore, I support the conference report to S. 12 because I believe that the evidence demonstrates that it will, in fact, help keep cable costs under control.

Mr. SEYMOUR. Mr. President, for nearly 4 years, Congress has been trying to write legislation that will put a stop to the rapid growth in fees that some consumers pay for cable television.

I do not think the American people will find many in Congress who disagree that cable rates and other practices should be controlled. The question is how best do we control rates and service.

I strongly believe that competition is the best method to keep prices low on any consumer good, and I support measures that achieve this goal. In fact, last January, I supported a cable bill that emphasized competition rather than regulation. When that failed, I reluctantly supported a regulatory measure because I believe that some regulation is needed in areas where competition will be slow in coming, and to ensure cable service quality. However, I made it clear last January that the final cable bill that we send to the President had to contain fewer burdensome regulations, and more measures to promote competition.

That did not happen. The final cable bill that was crafted by a joint House-Senate conference committee is loaded with burdensome regulations that are unnecessarily excessive and unworkable. This final measure would introduce 30 new regulations into an already overregulated economy. One provision, retransmission consent, is particularly troublesome because it is bound to cost consumers money. Indeed, retransmission consent and the other regulatory provisions threaten to harm two important California industries, film and T.V. producers, and advanced telecommunications manufacturers. Therefore, I could not in good conscience vote for an otherwise well-intended bill, because it would have an unnecessary adverse impact on a California economy struggling to recover.

Mr. President, you will recall that, last January, I was one of the first Members of this body that raised some concerns about retransmission consent. I had hoped that these concerns would be addressed when the House of Representatives considered the bill.

What happened?

The House removed retransmission consent from its cable bill to avoid a full and thorough investigation of the issue by the House Judiciary Committee. And the House-Senate conference committee adopted the Senate's provision, even though I and a large number of my colleagues in both Houses of Congress had serious practical and legal questions about this issue.

In short, Mr. President, my questions on retransmission consent went unanswered.

Specifically, retransmission consent requires local cable operators to negotiate with and pay TV broadcasters for the right to carry the broadcasters' signals. However, this provision runs contrary to current law, which gives cable operators the right to carry these local TV programs free of charge. The result is that TV and film producers—the owners of the programs we see on television—would have less control over the use of their programming than the broadcasters who package and transmit the programs. And it would also result in cable consumers paying for a product that non-cable consumers get for free.

The U.S. programming industry is an essential part of our economy, especially in California. In fact, California's entertainment industry is one of our Nation's leading exporters, employing tens of thousands of Americans and returning $3.5 billion in surplus balance of trade to the United States each year. This industry produces the programs we watch, not the signal itself. The cable bill rewards the signal, and not the programming, and the cable consumers will pay for that reward.

This sends a wrong message about one of America's most important industries. It is a message foreign governments are sure to get and like. American TV programming is very popular abroad, and U.S. programmers already face hostile and unfair trade practices from foreign governments. This bill will encourage foreign governments to enact provisions similar to

retransmission consent, costing our economy tens of millions of dollars in lost revenue.

Furthermore, the excessive rate regulations in this bill will place on hold the expected expansion of cable into fiber optics and other advanced telecommunications fields. A number of California fiber optics and information service industries fear that this bill unnecessarily threatens much-needed job growth in California.

Cable consumers expect and deserve quality cable service at a low price. Competition must be our best long-term answer, with responsible regulation a short-term solution where competition does not exist. There is little in this bill that will promote competition, and much in this bill that will impose unnecessary costs on California's economy. I have a duty to protect the consumer, but I also have a duty to prevent undue hardship to my State, especially at a time when it is struggling valiantly to recover. That is why a majority of the California congressional delegation opposed the cable bill in the House of Representatives. That is why I must oppose the cable bill today.

I strongly hope that, should a presidential veto be sustained, the Congress will pursue responsible legislation that benefits consumers without hurting workers, one that promotes competition and innovation, not regulation and economic stagnation. The people of my State deserve nothing less than a balanced, responsible approach.

Mr. KERRY. Mr. President, in January of this year, when the Senate debated and ultimately passed the cable television legislation that reappears before us today in the form of a conference report, I joined with several colleagues to craft and offer a substitute amendment for the bill approved by the Commerce Committee and which subsequently was approved in substantially the same form by the Senate.

I said at the time that the bill language that was approved made me extremely uncomfortable in several key respects. My conclusion was then, and remains today, that S. 12 did not achieve anywhere near the correct balance between the effort to regulatorily assure that cable consumers are not victimized with unreasonable high prices and the necessity for market force incentives to assure that the quality and selection of cable programming will continue to increase.

The evidence over the past decade, in my judgment, is that increases in rates, some of them very large, have been experienced in a number of locales—by no means in all, but in a disturbing number. This has occurred on a sufficiently widespread basis that the consumers of the Nation have a right to expect Congress to act decisively to prevent further victimization.

But on the other side of the equation is my strong belief that this bill yields to a constant temptation: to kill with too much of a good thing. In an effort to be responsive to the legitimate complaints of those who have seen their cable rates climb beyond all reason, this legislation extends its reach in a way that I fear will stifle creativity, and undermine the quality and diversity of programming which are largely responsible for the favor in which cable is held by the public today. Ironically, the cable industry's political problems are exacerbated by its success: If no one wanted to watch cable, no one would subscribe, and cable rates would not be a compelling topic for congressional consideration. But it is important to keep in mind that cable's success has not been accidental. It has come with a lot of hard work by industry leaders. It has come with a lot of investment in innovative programming, coupled with a commitment to high quality and responsiveness to the viewing desires of the public. And to a significant extent, these were made possible by a healthy industry revenue stream.

The challenge to the Congress was to devise a mechanism for preventing abuses by applying just enough force. Intervention in the free marketplace should be only as extensive as necessary to accomplish the intended purpose. The unfortunate truth is that this bill failed to achieve this delicate and precise approach.

I am troubled, too, by the way in which the bill treats copyrights of programming. It is important to assure that inequities in market clout do not act to prevent some groups of Americans from gaining access to high-quality programs. But those who originate programming are entitled to a fair return on their effort and their investment, and I believe this bill will result in situations that produce neither. This among other peripheral but nonetheless very important issues must be addressed anew by the Congress in 1993. I am committed to reexamining the functioning of the copyright in the cable environment, and producing a policy which is carefully crafted and equitable.

But having touched lightly on some of the less-than-desirable features of the conference report, I nonetheless have concluded that the conference report is not so egregious that it warrants or would excuse a total failure of Congress to act on the cable issue this year—which will be the outcome if the Senate fails today to approve that conference report. And it is true that in some respects the conference report is a preferable bill to the bill passed in January by the Senate.

Based on all these factors I have decided that the need for governmental intervention outweighs the potential consequences of applying the hand of regulation too heavily, and so I will vote in favor of the report. While I no longer have the hope I had when I reluctantly voted for Senate passage of S. 12 that the House might craft a superior bill, I retain the conviction that Government should retain a careful focus on the objective of its policymaking. In the case of this bill, that should and must be the consumer of cable services, both current and future.

I am hopeful that my fears about the effects of overbearing regulation will prove to be unfounded. But if difficulties do emerge, I expect to be involved in remedial efforts.

If this legislation becomes law, with the signature of the President or over his objection, whichever he wishes, I urge the distinguished chairmen of the Senate Commerce Committee, Senator HOLLINGS, and of the Subcommittee on Communications, Senator INOUYE, and the two ranking members, JOHN DANFORTH and BOB PACKWOOD—who did such a masterful job of managing this legislation through an excruciating series of hurdles—to monitor its implementation carefully and to move expeditiously to highlight and remedy any significant problems that begin to emerge.

While some of the stories of rate gouging by cable companies are true in whole or in part, cable also is a remarkable free market success story, benefiting those who have bankrolled it to be sure, but just as surely benefiting the viewers who have greater choice and program quality than virtually anyone could have imagined as recently as 15 or 20 years ago. If this legislation becomes law, it must not be seen as a final conclusion or a comprehensive and flawless solution to all problems. It will make some things better, it will make some things worse, and it will require careful observation and response by the appropriate committees and subcommittees.

Mr. SASSER. Mr. President, in adopting the conference report on the Cable Television Consumer Protection and Competition Act, the Senate today is enacting important new rights for our Nation's cable viewers.

The bill will allow local governments to regulate the rates for basic cable service. It will give the Federal Communications Commission authority to review rates that are excessive, and in fact order reductions in these rates. The bill also requires cable programmers to make their programming available to other viewers—such as satellite dish owners—on a fair and nondiscriminatory basis.

This combination of fostering competition and regulating the rates of monopoly cable providers is the key to bringing about a fair and equitable market place where consumers have the widest possible choice of programs and they are assured that the rates they are paying are reasonable.

Many television viewers in my State of Tennessee have no choice but to subscribe to cable services. Because of the geography of Tennessee large areas of the State cannot receive clear television reception. Cable is often the only alternative—a cable service which under current law is unregulated and a monopoly.

Over and over, subscribers have been told that increased rates would mean better service and increased viewing choices. In far too many cases they have experienced worse service and are paying for programs they do not want but which generate increased profits for the cable companies.

Mr. President, since cable television was deregulated back in 1984, many of my constituents have experienced huge increases in their cable rates. Since 1984, cable rates have increased by more than 60 percent, more than three times the rate of inflation. Consumer groups estimate that cable users are being overcharged by some $6 billion per year.

This bill will reverse those trends and give cable subscribers some relief from rate increases.

I am also pleased that the bill includes strong must carry provisions. This is crucial to small, independent stations—and importantly to Christian broadcasters—who often find cable stations unwilling to carry them on the cable system.

There is another part of this bill that is very important to my State of Tennessee and in particular to Jamestown, TN. In 1977, Jamestown granted a 25-year exclusive franchise to a cable operator. This was long before anyone envisioned competition in the cable industry and when cable systems were viewed more as a public utility. In addition, it was felt that the city's ability to regulate rates would prevent unfair rate increases and protect consumers. In 1984, the city lost this safeguard with the deregulation of the cable industry.

The results were predictable: cable rates rose and service deteriorated. Finally, in frustration, the city built its own cable system. The original cable operator sued successfully in court to enforce its exclusive franchise and Jamestown residents are again dependent on a single programming provider.

Thus, I am very pleased that section 7(c)(2) states that:

> No provision of this Act shall be construed to prohibit a local or municipal authority that is also, or is affiliated with, a franchising authority from operating as a multichannel video programming distributor in the franchise area, notwithstanding the granting of one or more franchises by such franchising authority:

I am equally pleased at the language adopted by the conferees which states:

> The conferees believe that exclusive franchises are directly contrary to federal policy and to the purposes of S. 12, which is intended to promote the development of competition. Exclusive franchises artificially protect the cable operator from competition. Exclusive franchises artificially protect the cable operator from competition. Moreover, at the time most of the exclusive franchises were awarded, local authorities had the power to regulate the rates for basic cable service. However, the 1984 Cable Act repealed local authorities' ability to regulate rates.

Mr. President, I would argue that if the bill's requirement that local authorities allow new cable systems to compete with existing cable operators is to be fully effected, then it should apply to all existing exclusive franchises. Indeed, if the provision were applied only to franchises issued after enactment of S. 12, the section would serve little practical purpose. Few, if any, communities issue exclusive franchises today, nor are such franchises likely to be granted in the future.

Rather, the frustration of Federal policy arising from exclusive franchises today is, for the most part, the result of older exclusive franchises that remain in effect. They rest on assumptions about cable television law and operation that are no longer valid. Virtually all exclusive franchises in existence today—and the only ones likely to exist in the future—are franchises granted by smaller communities before the 1984 Cable Act was passed.

Indeed, for all practical purposes, the only exclusive franchises that exist today are franchises that were granted in the 1960's or 1970's or earlier. At that time, cable system technology and services were far less sophisticated than today. Cable service was itself a novel service, and local communities were far less knowledgeable about cable than they are today.

Accordingly, for the bill to serve its purpose of eliminating exclusive franchises as contrary to public policy, I believe the prohibition on exclusive franchises must apply to all existing exclusive franchises.

Mr. President, this bill has been subjected to an unprecedented negative campaign—a virtual disinformation campaign. The facts are that this bill will promote competition and it will control the exorbitant rate increases that our constituents have faced since cable deregulation in 1984.

I commend the Senate's action and I call on the President to take the side of the consumer and not veto this important legislation.

Mr. ADAMS. Mr. President, I rise today in strong support of the conference agreement on the Cable Television Consumer Protection Act (S. 12).

Thanks to a jump-start from Congress in the 1984 Cable Communications Policy Act, cable TV has become a fixture in many American homes. Unfortunately, along with this expanded access cable has also established a stranglehold over consumer pocketbooks. In more than 99 percent of the markets, only one cable company exercises control. Thanks to this system of monopoly, rates have increased by more than 60 percent nationwide.

Contrary to the recent wave of misinformation by the cable industry, S. 12 is a responsible approach toward reducing price gouging and encouraging increased competition in this monopolized industry. Where there is no effective competition, this legislation seeks to provide fair and responsible regulation of rates in order to protect consumers.

I would like to share with the Senate an example of the kind of public frustration rate hikes engender in the citizens of my State of Washington over the past few years. Late last year, a man from Tacoma sent me a cartoon in which someone reads a Christmas card to another: "At this joyous time of year we offer you this verse * * * expect another rate increase on January first." The second person replies: "I hate getting Christmas cards from the cable company!" The man from Tacoma also included a copy of his Christmas card: it was a notice from his local cable company raising rates on January 1, 1992. He circled the new monthly basic rate and inscribed "Again?"

With unemployment at more than 9 million people and the economy in a chronic recession, any rate increase has a harmful effect on American households. Rate increases have an especially harmful impact on people with fixed incomes. Cable TV has become a lifeline to the world for many senior citizens; and as the National Council of Senior Citizens points out, seniors on fixed incomes find it harder and harder to pay their skyrocketing cable rates.

Shocking rate increases for individual households since the 1984 Cable Communications Policy Act was enacted make the rate regulations of basic tier cable in S. 12 the most important provision in his bill. I have appended to my statement figures from the Consumer Federation of America showing cable rate increases in Washington State. The average rate increase since 1986 for our five markets was 85 percent.

Another significant section of this legislation provides for what is known as must carry. I am an ardent supporter of public television. The must carry provision is essential to protect public television and the rights of small independent commercial stations. Without this, these stations could be swept off cable or be saddled with obscure channel positions on the cable dial.

The must carry provision also guarantees the actual distribution of public television and small independent commercial TV stations. One station in Washington, KCJ Channel 17 in Yakima, has been trying for 2 years to get picked up by cable. This is the only locally owned, commercial television station not on cable. It also happens to

be the only Hispanic station, which serves the large and growing Hispanic population in the Yakima Valley. This bill would help KCJ and Hispanic viewers in the valley. Without it, Hispanic viewers in the Yakima Valley and stations like KCJ are at the mercy of a cable system unburdened by the consumer-oriented benefits of free competition.

The retransmission consent provision of S. 12 requires more equity in the business relationship between local TV broadcasters and the cable companies. This provision takes a balanced approach. I believe some local affiliates of major TV networks when they predict their financial future is uncertain at best under cable deregulation. I do not want to see local TV stations fall into bankruptcy like many of our deregulated airlines.

Finally, the access to programming provisions is designed to stimulate new forms of transmitting, such as high definition satellite-transmitted TV and audio. This section will help U.S. industry pioneer new forms of communication. Clearly, this would also enhance our international competitiveness.

A Washington State senator recently wrote me that he receives hundreds of letters annually, from cable television customers complaining about poor service, increasing rates, and a lack of choice. This bill gives consumers a choice and is simply the right thing to do.

A mayor of a major city in the State of Washington recently wrote me the following note:

For the past 2-1/2 years city staff has been engaged in refranchising negotiations with our local cable operator. We have discovered that few of the public benefits envisioned by the supporters of the 1984 Cable Act have come to fruition, and the process of crafting a franchise which meets the community's future cable-related needs and interests is frustrated for all sides involved.

The mayor goes on to point out that not only do he and his city council endorse S. 12, but so do the National League of Cities, the U.S. Conference of Mayors, and the National Association of Counties. Many local elected officials would like to see an even tougher bill. Wherever possible, we should fashion as strong a consumer bill as possible.

S. 12 also looks to future competition, especially from new wireless cable systems. Section 19 of S. 12 provides competitors of the existing cable system with fair access to programming. The Skyline Entertainment Network, a wireless system in Spokane, WA, claims that big cable system operators will try to maintain their monopolies by trying to weaken or eliminate the fair access provision in the bill. Skyline and a similar wireless system in Yakima, WA, are good examples of the type of new systems that section 19 will encourage.

Mr. President, before I conclude I would like to comment on the recent war of words that has come streaming across my television set over the past few weeks directing viewers to call their Senators and stop the cable bill. In the September 14 edition of the Washington Post, Tom Shales wrote a surprisingly cogent legislative analysis, for a television writer, on this issue. He wrote, "If there's one thing the cable people don't like, it's regulation. They consider it impertinent. And if there's another thing they don't like, it's the thought of competition. Competition is their kryptonite. They turn green and start to ooze."

Let's set the record straight. Responsible regulation to protect consumers and encourage competition is not misguided micromanagement of the cable industry, it is simply common sense. Consumers cannot continue to be burdened by the unrestrained hand of an expansionist monopoly over the cable marketplace. We, in this body, have a responsibility to the public to get the cable industry headed down the right road, and eventually toward a competitive market with the consumers' best interest at heart.

In conclusion, Mr. President, let me repeat: S. 12 is a good bill, it's a fair bill, and it gives consumers a choice. We need to restore reasonable regulation, balance, and sanity to today's cable marketplace. The conference agreement on S. 12 will help us accomplish this.

According to the Consumer Federation of America the following figures illustrate the extent of cable rate increases in the State of Washington:

CABLE RATE INCREASES

BREMERTON—TCI CABLEVISION OF WASHINGTON

1986—$11.95 for basic service (25 channels) (Nation Wide Cablevision Inc.).

Dec. 1991—$19.20 for limited basic (26 channels); $20.55 for expanded basic (31 channels).

Feb. 1992—$20.20 for limited basic (26 channels); $22.55 for expanded basic (31 channels).

Increase: December 1991—61% for similar offering; February 1992—69% for similar offering.

Note: There will be a 5% rate increase for limited basic service and a 10% increase for expanded basic service in February 1992.

PULLMAN—CABLEVISION

1986—$9.45 for basic (22 channels).

Dec. 1991—$6.23 for limited basic (12 channels); $20.55 for expanded basic (33 channels).

Increase: 117% for similar but expanded offering.

SEATTLE—TCI CABLEVISION OF SEATTLE INC.

1986—$10.55 for basic (14 channels) (Group W Cable of Seattle).

Nov. 1991—$20.00 for basic (35 channels).

Increase: 90% for basic service.

SPOKANE—COX CABLE SPOKANE

1986—$11.00 for basic (35 channels).

Dec. 1991—$19.91 for basic (33 channels).

Increase: 81% for basic service.

TOCOMA—TCI CABLEVISION OF TACOMA INC.

1986—$12.95 for basic (32 channels) (Group W of Tacoma).

Dec. 1991—$20.03 for limited basic (26 channels); $21.03 for expanded basic (31 channels).

Feb. 1992—$22.03 for expanded basic (33 channels).

Increase: December 1991—62% for similar offering; February 1992—70% for similar offering.

Note: There will be a 5% rate increase for expanded basic service in February 1992.

Mr. BIDEN. Mr. President, I support the conference report on the Cable Television Consumer Protection Act.

The Cable Television Consumer Protection Act will help put an end to the steady and excessive increases in monthly cable bills that consumers have suffered from during the past few years.

The people of Delaware, like consumers across the country, have seen monthly cable television bills grow steadily larger and larger. They believe they are paying too much—and they are. In less than 3 years' time, subscribers to cable television in Delaware saw their monthly charge for one service—not coincidentally a popular one—jump $7.

What accounts for these excessive increases in cable television rates?

When Congress deregulated the cable industry in 1984, it expected market forces to replace Government control. But competition remains absent from the cable television market.

In Delaware, as in most other States, cable franchises do not face any competition. They are unregulated monopolies. Nowhere in Delaware are there two sets of cable television lines serving the same residence. If there were competition, Delaware's cable customers could choose between two competing cable companies, then they could select the one with the best programming, service, and price. But not a single Delaware cable subscriber has this choice.

In the absence of normal market conditions, granting local governments the authority to control unreasonable rate increases makes sense. I support the cable reform bill because it restores the ability of local regulatory authorities, in combination with the Federal Communications Commission, to control increases in monthly cable bills.

An efficient, competitive cable television market is preferable to government regulation. Where competition truly exists, those markets will be exempted from the regulatory review established by this legislation. But in far too many cases, and for millions of consumers, those conditions are absent.

We should not allow baseless threats raised by cable companies to distract us from the bill's central purpose—restoring regulatory control to an industry that faces no competition. I hope that the President will not veto this bill, as he has threatened. The cable bill truly is proconsumer legislation, and cable customers will be the beneficiaries when it becomes law.

Mr. CHAFEE. Mr. President, nearly 8 months ago the Senate approved the

Cable Television Consumer Protection Act of 1992, S. 12. During that debate I expressed hope that Congress would enact legislation to address two problems that have plagued much of the cable television industry since deregulation, namely poor customer service and serious rate abuses.

This bill does address service and rate problems—but unfortunately it also proposes several additional provisions that could produce unintended, and potentially harmful, consequences for consumers.

The conference report devotes nearly 50 pages to legislative text. Yet just 8 of those pages are devoted to consumer service and rate regulation issues. In my view, the best thing that the Senate can do for consumers is strip the extraneous elements of the report and adopt a bone fide consumer bill.

The conference report does more harm than good, and could ultimately cost consumers in the form of higher monthly cable rates. As a result, I will be forced to oppose this conference report despite supporting the proconsumer elements of the bill.

Let me review this year's cable debate. In January, I supported the Packwood-Kerry-Stevens substitute amendment to the cable bill. I believed then and now, that it was a better approach to reform than S. 12. When the Packwood amendment was defeated, I voted to approve S. 12.

In my statement last January I indicated that neither the Packwood substitute nor S. 12 has achieved the proper balance that I was seeking to protect cable subscribers. I supported that legislation even though I opposed elements of the bill. In my view, it was important to keep cable reform advancing, and the Senate bill was the only hope for reform this year. I held out the hope that the House of Representatives, and later the Senate-House conference committee, would fine-tune the measure and produce a reasonable bill to correct abuses in the cable industry.

Unfortunatley, today's debate has turned into a slugfest between giant cable companies and the three networks about dividing the spoils of retransmission fees. It has become a battle between cable and the Hollywood studios about profits and royalty rights for television movies.

Somewhere in the middle of this fight is the consumer. Most Rhode Island cable subscribers could care less about such arcane terms such as program exclusivity, retransmission consent, copyright and antitrust provisions. Consumers want what I want—better service and fair rates.

For 3 years I have been prepared to support a consumer protection cable reregulation bill. But the bill before us today has gone well beyond a proconsumer piece of legislation. The extraneous regulatory and turf battle issues that are bogging down this legislation could very well wipe away the gains provided to consumers in the service and rate parts of the bill.

The bill's retransmission consent provisions are prime examples of a debate that has gone beyond its initial mission to help consumers.

Both S. 12 and the conference report contain provisions dealing with the so-called retransmission consent issue. Simply put, under this provision cable companies could be forced to negotiate with local broadcast stations—such as channel 6, 10, or 12 in Providence—in order to carry their signals on cable television. It would also permit broadcasters to charge a fee for cable's use of over-the-air signals.

There is a legitimate debate about who benefits more when a cable system carries broadcast signals—cable charges a fee for its services and gains an attractive marketing tool by retransmitting local and network broadcasts; and broadcasters benefit from expanded market penetration and improved signal reception.

My concern here is that the fee mechanism established in the bill would almost certainly harm consumers. If cable must pay a fee to broadcasters, then it must raise the revenue to cover these new costs. And where will cable get this revenue? Consumers would probably be forced to swallow these new costs—most likely in the form of rate increases.

In my view, this provision runs contrary to the spirit and original intent of this year's cable debate because the likely result would produce higher, not lower, rates for cable subscribers.

Another problem that I have with the bill centers around its program exclusivity provisions. Under this bill cable companies would be prohibited from developing a television program and then entering into a contract to sell that program under an exclusive arrangement.

For example, if C-Span developed a new program that was permitted to carry live broadcasts of Supreme Court arguments, the FCC could require C-Span to sell that programming not only to cable companies but to all competing companies that wanted to carry the Supreme Court broadcasts.

At first blush, this may seem like an innocuous provision. But upon closer examination the potential flaws of this section become apparent. Cable companies might be hesitant about investing heavily in new programming for fear that the benefit of that investment would be diluted when forced to share that programming with rival systems. Why would a company such as C-Span spend millions to arrange, develop, edit, analyze, and market a new program format if it knew that the FCC could require it to give up that unique programming to its television rivals? As a result, this provision would likely discourage cable from developing new and innovative television programming—and the consumer would be the loser.

Most Rhode Islanders subscribe to cable precisely because of the programming choices available. Some opt for cable for reception purposes, but most do so because of the range and selection of cable programming. They enjoy CNN, ESPN, MTV, and dozens of other channels. And they want new programming, too—foreign language shows, educational programming, additional entertainment channels. After all, superior programming is the main reason why families are willing to pay $30, $40, or $50 per month for cable.

Unfortunately, the exclusivity provision in this bill could jeopardize the steady stream of new programming that has come to define cable television. Cable consumers want Congress to be expanding the broadcast possibilities of cable—promoting interactive television and other innovations—not limiting them. If consumers were aware of the potential negative consequences of this provision, I am sure that many of them would call for its elimination from the bill.

Mr. President, when Congress examines an industry as sophisticated, as complicated, and as technologically innovative as cable television, legislators have an obligation to do no harm. I fear that this bill would do more harm than good.

For some, it may be tempting to support a bad bill rather than no bill at all. But my support for the legitimate consumer issues is outweighed by my opposition to extraneous matters such as retransmission consent and program exclusivity—and the consequences of these provisions upon consumers. This legislation goes too far and risks harming the very consumers for whom it is designed to help.

I regret that Congress has taken a good idea and—by adding new provision after new provision—turned it into bad legislation. Poor customer service and steep rate increases are major problems that need to be addressed. Consumers deserve a strong bill. Unfortunately, the conference report goes overboard; the ultimate loser in this year's battle is the cable subscriber who may have to wait until next year for genuine cable reform legislation.

Mr. DOMENICI. Mr. President, for quite some time, I have been concerned about the position of the cable television industry in our society. In many geographic regions, Americans clearly have benefited from cable's improved reception quality, while, across the board, the vast explosion of available programming has given options to our citizens that few even imagined a decade ago. We have not, however, been the beneficiaries of an unmitigated blessing. A mature cable industry has, in many areas, raised costs to cus-

tomers at a rate several times that of inflation, and, in what frequently amounts to monopoly environments, provided services of such quality that they simply would not be tolerated in a competitive market.

The current regime for the cable television operators was created when the industry truly was in its infancy. While it held much promise for the future, it was clear that, without some assistance, this alternative form of television would not be able to compete with the already-existing networks. As a result, cable systems were given an environment which would encourage their development, including a provision which provided network signals to the cable stations without charge.

Today, cable television is a mature industry fully capable of maintaining itself in the open market. Indeed, in many areas it has become an unregulated monopoly with a natural motivation to maintain that status to the full extent possible.

While not a perfect solution, the Cable Television Consumer Protection and Competition Act of 1992, S. 12, provides a solid basis for reconciling current problems within the cable industry while establishing a framework for development of technologies to improve video programming in America's homes into the next century. Although generally skeptical of regulation as an economic mechanism, I believe that in this case the pervasiveness of local monopolies in the industry justifies the limited rate regulation contained in S. 12. Indeed, the conference report improves upon the original Senate version by further restricting the definition of the basic tier to which regulations would apply and by requiring the granting of licenses to competing cable companies in broadcast areas which can support multiple systems.

Recognizing cable's maturity, S. 12 takes several steps to build both equity and competitive alternatives into the home video market. The ability of cable systems to use network programming without consideration is terminated, thereby giving broadcasters the opportunity to receive payment for their products. Legislated regulatory requirements will prevent cable operators from passing these costs on to consumers. Moreover, cable-owned producers will be required to sell programs at comparable rates to all competing video suppliers. This will provide the basis by which new infant technologies can open the market to even greater competition, particularly for rural consumers who today still do not have access to cable.

The home video market will continue the dramatic evolution we have witnessed over the past several years. While S. 12 lays a framework for development of the industry into the next century, it will be imperative that the regulators and Congress monitor this sector closely to assure that provisions of the bill accomplish the goals established for them. There is potential, as in every regulated situation, for the costs of regulation to escalate and for the burdens imposed by the regulation to strangle the sector to the ultimate detriment of the consumer. It is particularly important that a newly regulated cable industry still retains the incentive to develop new and vibrant programming and technical products for the market and that true competition replaces government agencies as the arbiter in this market as quickly as possible.

Mr. McCONNELL. Mr. President, the Senate will shortly consider the conference report to the Cable Television Consumer Protection Act. I intend to vote for this legislation—as I did when S. 12 was debated in the Senate—because it will ensure competition within the cable industry.

We have all heard from our constituents complaining of high cable rates and cable company service. Some of us may have even experienced these problems firsthand. According to the Consumer Federation of America, since 1987 the price of cable has increased more than 60 percent—much faster than the rate of inflation—and in regions where competition already exists, cable rates are 30 percent lower than in areas where cable companies enjoy monopoly status.

As one who usually opposes Government regulation of private business, this is not an easy vote for me to cast. However, the cable bill does contain a provision that would terminate rate regulation when effective cable competition is established. My constituents know that I view this provision to be among the most important in the bill.

I have no doubt this conference report may be vetoed by the President. I find it somewhat unfortunate—even suspicious—that we are acting on this legislation near the end of this session of Congress, and, more interestingly, so close to the Presidential election. I do not know if the timing of the vote was influenced by any special interest group, as some have suggested, or if it is a result of election year politics. This bill has been around for 3 years, and I regret that Congress did not consider it sooner.

In closing, let me just say that a veto will change the playing field. As I fear this issue could become a political football, I intend to follow the cable bill to the President's desk. Should it return to Congress, I will closely survey the field to ensure the bill—and the President—do not fall victim to special interest maneuvering, and election year plotting.

Mr. RIEGLE. Mr. President, I strongly support efforts to regulate cable rates and ensure adequate customer service. We all know that over the past 5 years cable rates for the most popular tier of programming have increased by over 60 percent, much faster than the rate of inflation. Rates have risen far beyond the amount family incomes have increased. That means that cable rates are taking a larger and larger share of a family's income. For seniors on fixed incomes and for low and moderate wage earners in particular, increasing cable rates are putting a greater and greater strain on family budgets.

If these increased costs reflected only value of greater programming, the Senate would not be debating this legislation. However, this is not the case. The fact that most cable companies hold a monopoly over cable users provides them with the opportunity to raise rates in excess of that which would be allowed in a competitive market. A study conducted by an economist in the Department of Justice confirms this. That study found that at least 45 to 50 percent of the price increases since the mid-1980's were due to the cable industry's market power. According to the Consumer Federation of America, cable rates are 30 percent lower in areas in which there is effective competition.

Further, as prices have increased—far beyond the rate of inflation or any other usual basis for rate increases—cable customers have been increasingly dissatisfied with the service provided by cable companies. Delays in service calls frequently occur. Billing errors are difficult to correct. Complaints from customers go unanswered.

For these reasons, I strongly support cable rate regulation to mitigate the monopoly power of cable companies. I also support improved regulation of cable service to customers. These goals—lower customer cable rates and improved customer service—are the touchstones for my support for any legislation in this area.

Nonetheless, I have some concerns about the bill before us today. Some commentators, and not only cable companies, have argued that this bill contains such heavy regulation that it will not lower consumer costs, as intended, but in fact will raise cable rates.

Having examined the bill, and the arguments for and against it, I conclude that the regulation of rates and improvements in customer service make this bill more likely to help consumers than not. I am still troubled by some of the other provisions of this bill. To no one's surprise, it is not perfect. Yet I will vote for it in the hopes that it will attain its consumer protection goals.

I want to take this opportunity to discuss some of the provisions of this bill that have caused the greatest concern. First, the bill includes retransmission consent, which provides that cable companies are either required to carry a local broadcast signal or, at the broadcasters' option, negotiate for the right to carry the broadcast signal.

Concerns have been raised whether this provision is in the best interest of customers. Cable companies currently retransmit broadcast signals without compensation to the broadcast companies. If a cable company has to pay for retransmission, new costs may be transferred to cable customers. It is unclear how charging for something that is now free benefits cable customers. Finally, we do not know what this will cost.

I am somewhat comforted by the fact that the committee report clearly states that the FCC must ensure that retransmission consent does not conflict with the Commission's obligation to ensure that rates are reasonable. I hope the FCC uses this authority to ensure that retransmission consent will not result in increased rates for consumers.

Concerns have also been raised about provisions that require certain cable programming to be made available without requiring customers to buy larger programming packages. The benefits to consumers are clear—they get to buy what they want without paying for more than what they want. The risks of this provision are less clear—no one is certain how much this a la carte programming may cost the cable companies, or ultimately cable customers. Further, it may be necessary to put a cable box—an item despised by many cable users—in many homes.

Here again, I am pleased that the conference report contains some important protections that may mitigate against consumer rate increases. First, the bill allows cable companies to appeal to the FCC to waive these provisions if it can be demonstrated that the provisions would cause rates to increase. I urge cable companies to use this process when appropriate to keep rates low. The FCC should not hesitate to make use of this rule. Second, the conference report lengthens the time in which cable companies must comply with these requirements from 5 to 10 years.

Mr. President, I have other concerns with this bill. Nonetheless, I hope that this legislation will provide customers with low cost access to cable services. The Consumer Federation of America estimates that this legislation could save cable customers as much as $6 billion a year. To get my constituents their share of this savings, I support this bill.

Mr. LAUTENBERG. Mr. President, I rise in support of the conference agreement on S. 12, the cable bill. Viewed as a whole, this legislation is a positive step that, if properly implemented, should protect cable consumers from unreasonable price increases and help ensure better cable service. Although I recognize that it is not perfect legislation, few bills are.

Mr. President, cable rates have increased roughly three times the rate of inflation since cable was deregulated in 1984. In some areas, the rate of increase has been much higher.

Rates probably will continue to go up, with or without this legislation. However, if properly implemented by the FCC, the bill should at least hold basic rates to levels lower than they would otherwise be.

Mr. President, the cable industry plays an important role not only in our Nation's economy, but in the day-to-day lives of millions of Americans. Cable has increased the range and quality of programming for people throughout the country, and it has provided a great number of jobs and opportunities. Clearly, the industry deserves to be proud of its success.

Unfortunately, the tremendous growth of cable over the years has been accompanied by real problems. While rates in many areas have increased astronomically, the quality of service, based on input I've received from people in New Jersey, has often left much to be desired.

A primary reason for these problems is that, in most areas, cable has many of the attributes of a monopoly. I know cable operators argue that cable must compete with other forms of entertainment and news. And they have a point, to a degree. But, as I see it, the cable industry's product is largely unique and, if you asked most Americans, they'd probably agree. It's not enough to say that if cable consumers are forced to pay unreasonable rates to watch CNN they can always buy a newspaper. The comparison is really apples and oranges—they're distinctly different products.

Monopolies, by definition, are largely immune from the normal pressures of the free market. Without competition from other systems, consumers lack any leverage over cable operators with regard to price hikes or poor service. They can't go to a competitor. That's why limited government intervention is warranted on behalf of cable subscribers.

This bill is designed to address the problems caused by a lack of competition. It does this by enhancing competition, both between different cable operators, and between cable and other multichannel providers. Under the legislation, local franchising authorities may not unreasonably refuse to allow new cable systems to compete with existing cable operators. And other provisions are designed to protect prospective cable competitors, like wireless cable, from anticompetitive practices.

Together, these provisions eventually should enhance competition, contain price increases, and lead to better service. Until competition is established, however, some regulation of cable prices is necessary. Because while clearly cable may not be as essential as water or electricity, in today's information age, and given the centrality of television in the lives of so many Americans, it's very important. So in those areas where cable faces no real competition, consumers do need some protection.

Appropriately, the rate regulation proposed in this bill is relatively limited. It does not apply to any operator who faces real competition. And it leaves the industry with broad latitude to set prices for services other than those offered on the most basic tier. To the extent that basic rates are regulated, if properly implemented, the bill allows the industry to make needed investments, and to earn a fair return on those investments.

Mr. President, many have expressed reservations about other provisions in the bill that they contend could result in increases in cable rates. Perhaps most importantly, the industry objects to the so-called retransmission consent provision, which gives local broadcasters the right to negotiate payments from cable companies before giving the cable owner the authority to retransmit their signals.

I have had concerns about this provision's impact on consumers, and on cable rates. After review, it's apparent that there are conflicting views on the impact of this provision.

However, the bill explicitly provides the FCC authority to prevent broadcaster retransmission fees from causing cable rates to rise unreasonably. This is a critical safeguard, both for cable operators and consumers.

I know that many in the cable industry have argued that this provision will be ineffective. They suggest that, if retransmission consent imposes huge costs on the cable industry, there is nothing the FCC can do to prevent these costs from being passed on to consumers.

I have discussed this matter with the Commerce Committee. What they have told me is important and I want to get it on the record, to make this clear as a matter of legislative history.

As the committee explained, if a broadcaster is seeking to force a cable operator to pay an exorbitant fee for retransmission rights, the cable operators will not be forced to simply pay the fee or lose retransmission rights. Instead, cable operators will have an opportunity to seek relief at the FCC. The Commission can set a reasonable limit on what a broadcaster may charge, in light of the costs of comparable programming, and other factors. This should provide protection to consumers from increases due to broadcaster fees, if not other factors.

Finally, if a cable operator feels that a broadcaster's demands are excessive, nothing in the legislation prevents them from simply refusing to pay. And, the fact is, most broadcasters will have strong interest in ensuring that their signal is retransmitted over cable, so the pressures they'll be facing will be very real.

In conclusion, Mr. President, this bill is meant to contain prices; to provide protection for consumers against monopoly practices; and to secure better service for cable subscribers.

Mr. President, no bill is perfect. However, viewed as a whole, this legislation would improve the status quo, by promoting competition and providing important protections for cable consumers.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. MACK (when his name was called). Present.

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

The result was announced—yeas 74, nays 25, as follows:

[Rollcall Vote No. 225 Leg.]

YEAS—74

Adams	Ford	McConnell
Akaka	Glenn	Metzenbaum
Baucus	Gore	Mikulski
Bentsen	Gorton	Mitchell
Biden	Graham	Moynihan
Bingaman	Grassley	Murkowski
Bond	Harkin	Nunn
Bradley	Hatch	Pell
Breaux	Hatfield	Pressler
Bryan	Heflin	Pryor
Bumpers	Hollings	Riegle
Burdick, Jocelyn	Inouye	Robb
Byrd	Jeffords	Rockefeller
Coats	Johnston	Roth
Cochran	Kassebaum	Sanford
Cohen	Kasten	Sarbanes
Conrad	Kennedy	Sasser
D'Amato	Kerrey	Simon
Danforth	Kerry	Simpson
Daschle	Kohl	Specter
Dixon	Lautenberg	Thurmond
Dodd	Leahy	Warner
Domenici	Levin	Wellstone
Durenberger	Lieberman	Wofford
Exon	McCain	

NAYS—25

Boren	Garn	Seymour
Brown	Gramm	Shelby
Burns	Helms	Smith
Chafee	Lott	Stevens
Craig	Lugar	Symms
Cranston	Nickles	Wallop
DeConcini	Packwood	Wirth
Dole	Reid	
Fowler	Rudman	

ANSWERED "PRESENT"—1

Mack

So the conference report was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

NATIONAL VOTER REGISTRATION ACT—VETO

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the President's veto message on S. 250, the National Voter Registration Act.

(The text of the President's veto message is printed on page 26145 of the CONGRESSIONAL RECORD of September 21, 1992.)

The Senate proceeded to consider the bill.

Mr BRADLEY. Mr. President, to urge my colleagues to vote to override the President's veto of the motor-voter bill.

We are a representative democracy. Every Member of this body holds his or her position because the citizens of his or her State put him or her in office. In turn, we represent the constituents of our States. But if only 36 percent of voting-aged Americans voted in the congressional elections of 1990, who are we representing? If we truly are a Government of the people and by the people, should not we aim for 100-percent participation? As lawmakers, it is our duty to do what we can to strengthen our democracy.

Barely half of all eligible voters participated in the 1988 Presidential election—the lowest rate in 64 years. This phenomenon can be addressed by changing our outmoded registration process. The process makes voting a painful task rather than a natural right. Voters no longer see it as an opportunity to opine within the system. Instead, they view the complexity of the system as a reason to stay out.

Simply stated, those who register vote. In the 1988 elections, 86 percent of those who registered voted. However, if 40 percent of the voting-age population woke up on election day and wanted to vote, they could not vote because they are not registered. In a 1990 study, the GAO recognized that difficulties involved in registration have affected voter turnout, suggesting that Congress consider making registration more convenient and accessible.

Difficulties in voter registration abound, Mr. President. The boards of election in some municipalities select registration deputies and decide when and where registration sites will be located. This can limit access to a wide variety of people. Registrar deputization can be a broad-scale voting impediment. While some boards of election accept most volunteer deputies, others make the process a taxing one by requiring extensive training, swear-ins, and complicated applications. The League of Women's Voters, supporters of this bill, has commented that, "restricted hours, inconvenient and hard-to-locate registration sites, restrictive deputization requirements, short time intervals before purging voters names from registration rolls, and inadequate ways of notifying those who are purged, are some of the barriers that discourage voter participation."

In addition, if poverty was not enough, there exist registration procedures and practices which prevent the poor from voting. Impediments such as opening registration sites only during regular work hours or making registration sites inaccessible by public transportation leave a large segment of our society without representation. Have we forgotten those who earn an hourly wage? Have we forgotten those who do not have access to a car?

The motor voter bill addresses all of the problems I just listed and establishes a clear, uniform registration process. Every citizen who renews or changes his address on a drivers license will also have the option of registering to vote. This registers and enfranchises 90 percent of our voting-age population.

The bill also provides for voter registration at other Government agencies, such as welfare, unemployment and vocational rehabilitation offices. For disabled citizens or low-income citizens who are less likely to have driver's licenses, agency registration is an important vehicle for political empowerment. The bill also provides for mail-in registration which will allow students and other citizens unable to reach a registration site to vote.

The President vetoed this bill, arguing that it would promote voter fraud. Nothing could be further from the truth. The fact is that 34 States and the District of Columbia have some form of motor-voter and none have experienced any significant fraud. In my opinion, the President's emphasis on voter fraud as a reason for opposing this bill simply masks his reluctance to attempt ways to involve more people in the electoral process. What is he afraid of? Motor voter is a good idea and I urge my colleagues to vote to override the President's veto.

Mr. DURENBERGER. Mr. President, I rise today to briefly explain my reasons for voting to override the President's vote of S. 250, the motor-voter bill.

As part of a Government that is based on the consent of the governed, this body should be alarmed by the few numbers of the governed who actually show up on election day to give consent.

In the 1988 Presidential election, 70 million eligible Americans were not registered to vote. Only about half of the voting age population bothered to cast their ballots. Among those 18 to 20 years old, only a third bothered to vote. And in the 1990 congressional elections, national voter turnout was a pitiful 36 percent.

The bright spot among these gloomy statistics is the voter turnout of Americans who are registered to vote at election time. Of those who were registered to vote in Presidential elections, around 85 to 90 percent actually did vote. This evidence suggests that if we increase the number of registered voters, we will increase the likelihood that people will vote.

The motor-voter bill has three main provisions that will encourage voter

registration. The first section requires States to treat a driver's license application or renewal as an application for voter registration. Most States require licenses to be renewed every few years. By providing voter registration forms as part of the driver's license application, we will tap into that reservoir of potential voters.

The second section of this bill requires States to use a mail-in voter registration form. To avoid potential fraud, a State may require people who registered by mail to show up in person the first time they vote.

The third provision in this bill designates certain public and private sector locations to distribute and process voter registration applications. All offices providing public assistance, unemployment compensation, vocational rehabilitation, and State-funded programs that afford services primarily to persons with disabilities, will be equipped to register voters.

Currently, State election laws vary greatly in the number of obstacles to registration that potential voters must overcome. By making it cumbersome and inconvenient to vote, these States are effectively disenfranchising millions of Americans from the electoral process.

In Minnesota, we recognized the importance of making it convenient to register to vote. We implemented same-day voter registration a few years ago. Subsequently, we have had the highest voter turnout of any State in the Nation. It's hard to argue with success.

Mr. President, we need a uniform law that will tear down the obstacles to voter registration. We need to send a clear message to the American people that they have a stake and a say in the political process.

The motor-voter bill will facilitate voter registration across the United States, and will do this without encouraging abuse in the system. S. 250 contains tough antifraud and anticoercion provisions, including criminal penalties for wrongdoing.

Mr. President, we all benefit from increased participation in the electoral process. I encourage my colleagues to support increased voter participation by voting to override the veto of the motor-voter bill.

Mr. HARKIN. Mr. President, I rise today to speak strongly in favor of S. 250, the National Voter Registration Act. America needs this bill because our Government is quickly becoming a nonparticipatory democracy. Only 61 percent of the eligible voting age public is registered to vote and only half actually show up at the voting booth.

One of my proudest days in the U.S. Senate was when President Bush signed the Americans with Disabilities Act into law. I know it was the proudest day of a great many friends and colleagues on both sides of the aisle of the Senate as well. It was a historic day. A day when all Americans—young and old; rich and poor; female and male; black and white; those with disabilities and those of us without disabilities—came together on the White House lawn to rededicate ourselves once more to life, liberty and the pursuit of happiness—the American dream.

Since the Americans With Disabilities Act went into effect, a new feeling of belonging to the mainstream and becoming a part of our great American democracy is sweeping throughout the disability community. Part of this feeling of belonging is the promise of finally entering and being included in all areas of life, including the political process.

Unfortunately, our citizens with disabilities have voted at a rate of 12 percent lower than nondisabled Americans and only about 25 percent of the people with disabilities are registered to vote.

Furthermore, they register at a rate that is 6 points lower than the general population. Physical disability is often the reason cited for not registering to vote. One-half of all nondisabled voters age of 65 have cited that reason.

Furthermore, 50 percent of the nonvoting and nonregistered people with disabilities say that they would like to participate more, if the process were made easier. S. 250 provides them a way to perform this civic duty.

S. 250 does this by easing the registration process. It allows offices which receive State funds and who are mostly engaged in providing services to persons with disabilities to offer voter registration services during intake procedures, during recertification processes and during change-of-address procedures. This one-stop for civic business would go a long way to accommodating the special needs of individuals with disabilities whose time and resources are often even more stretched than the average citizen's.

Even more importantly for persons with disabilities, who often face transportation and affordability barriers, if the registration service is provided in an individual's home, the agency representative who actually goes to the home, as part of the agency's service proposition, can assist also with voter registration. This is a form of natural support that our Government agencies can easily execute to accommodate our citizens with disabilities. As in other sections of the bill, the client is guaranteed the right to vote and is protected from coercion or harassment by the agency's personnel.

Some argue that motor-voter might lead to voter fraud. But officials in States which already have enacted motor-voter legislation soundly reject these claims and note improvements in registration and voter turnout instead.

S. 250 is designed to streamline the voter registration process by permitting individuals to sign up at any public service agency in their State. In doing so, it will open up American democracy's greatest marketplace—that of the polling place—to those with disabilities as well.

S. 250 assails the problem of lack of participation in the democratic process at its root—the difficulty of registering. It would enable people with disabilities and their families—as well as millions of others—to sign up and register to vote at State motor vehicle offices, vocational rehabilitation offices, and protection and advocacy programs.

S. 250 would also permit nonprofit organizations of and for people with disabilities, such as independent living and parent training centers and some service providers to sign up new voters as well and thus allow such organizations to contribute to the democratic process in an innovative way.

Enormous gains have been made in swinging open doors of equal opportunity to Americans with disabilities of all ages, races, and income levels in our country through passage of the Americans With Disabilities Act. But now work must be done to ensure that individuals are truly able to exercise these hard-fought-for and newly acquired rights, including executing their civic responsibilities, such as voting.

History has taught us that it does little good to be entitled to civil rights on paper if people lack access to the basic means to exercise and realize these rights. Just as the Voting Rights Act of 1965 was needed to help African-Americans and others secure their full rights under the 1964 Civil Rights Act, so the National Voter Registration Act will enable Americans with disabilities, and others, to make real the promises of the Americans With Disabilities Act.

For these reasons, and for the good of America, I urge my colleagues on both sides of the aisle to vote for user-friendly voter registration, for passage of S. 250.

Mr. DODD. Mr. President, I rise today to support the override of President Bush's veto of the National Voter Registration Act.

This legislation addresses a problem that is too important to ignore—declining voter participation. If the President will not join in the effort to upgrade the voter registration system—which has received widespread support across this country—then we must act without him.

The statistics demonstrate the extent of the problem. In the 1988 Presidential election, only about 50 percent of the eligible population voted. In the 1990 elections, only 36 percent of eligible citizens voted.

Of course, this legislation will not guarantee that all citizens will exercise their right to veto—no legislation could. But this act will help to reverse this alarming trend. According to a study by the Congressional Research

Service, only about 61 percent of the eligible voting age population is registered to vote, but over 75 percent of registered voters in the country vote. Consequently, higher registration levels should result in a higher voter turnout.

This act would allow citizens to register when applying for a driver's license, by uniform mail registration, and at certain public agencies. With these improved registration measures in place, the number of people voting should increase and our democracy will be that much stronger.

Unfortunately, the President has vetoed this critical measure. He has rejected this carefully crafted attempt to increase voter participation and fallen back on the same old partisan politics. What is particularly discouraging is that the President offers no valid reasons for his veto.

For example, the President suggests that this measure may be unconstitutional. He argues that the act infringes upon the authority of the States.

However, article 1, section 4, of the Constitution gives Congress the power to make or alter laws regulating elections. Furthermore, the Supreme Court has ruled in numerous cases that States do not have exclusive authority over election procedures. Finally, the act contains provisions which ensure that State election officers will have some say in the development of specific registration procedures.

The President also claims that this legislation would create an unacceptable risk of fraud and corruption. He states that as a result of this act States may adopt election day registration systems and that may lead to more fraud. But there is no evidence to support the President's speculation.

In fact, States which have instituted mail registration procedures similar to those in this act have not experienced increased fraud. Furthermore, this act contains several provisions to protect against voter fraud including criminal penalties for anyone who commits or attempts to commit fraud. If anything, this legislation will help to deter election fraud.

Finally, the President argues that the act will be too costly for the States to implement. But the District of Columbia recently adopted motor-voter and it cost them 6 cents per registered voter to implement. Is that too much money to spend—6 cents per registered voter?

In fact, this legislation may actually save money. The Congressional Budget Office estimates that, as a result of streamlined procedures, local election officials could save from $7-$10 million each election year.

In the final analysis, this act is a comprehensive and cost-effective approach to the problem of low voter participation. It is widely supported across the country and should be enacted into law.

Unfortunately, the President's position is simply another chorus in the same old song—protect the status quo. But the problem is that the status quo just isn't good enough. We need to improve the registration process so that citizens will have better access to the democratic process. I urge my colleagues to vote to override the veto and enact this important step toward a stronger democracy.

Mr. BREAUX. Mr. President, I rise today in support of Senate Bill 250, the motor-voter bill; a bill which seeks to remove voter registration barriers which discourage many eligible American citizens from voting; a bill which President Bush ironically vetoed on the eve of our Independence Day holiday this summer.

Today in the United States of America, only 60 percent of eligible voters are in fact registered to vote. By removing significant unjust barriers to the voter registration process, S. 250 is predicted to increase that figure to more than 90 percent. While the President argues that more registration will do little to increase voter turnout, his mistaken conclusion misses an extremely important point. Just having a real ability to vote gives disenfranchised citizens an alternative to the violence of the streets. Not only does this legislation indicate the Government's intent to fight voter apathy and to encourage citizen participation in Government, in many ways it also provides hope to those who need it most.

S. 250 establishes national voter registration procedures for elections for Federal office. It provides a three prong approach to registration by allowing registration by: drivers' license application/motor-voter; mail-in; and agency-based options. The bill also prohibits purging of voter names from voting rolls simply due to nonvoting, and instead provides that States maintain the integrity of their voter registration rolls by uniform nondiscriminatory measures consistent with the Voting Rights Act of 1965. S. 250 also gives teeth to enforcement against registration fraud by providing for Federal criminal penalties for such conduct.

I am aware of the President's objections against this bill. He argues that S. 250 will impose new costs upon States which cannot afford them. He contends that mail registration invites fraud because it is difficult to verify the validity of a mailed-in form. I am convinced, however, that S. 250 addresses these objections. For example, registering voters as they get their driver's licenses should at least partially offset some of the costs incurred under current registration procedures. Likewise, voters who register at State departments of motor vehicles or at public agencies should be subject to a scrutiny of identification higher than that which they might receive under current procedures. The new Federal criminal penalties should further discourage fraudulent behavior. In sum, the nominal risk of these objectional events occurring is worth the benefit of more Americans being able to actively participate in American democracy. Hope is worth this nominal risk.

This legislation will not cure all that ails our democracy. S. 250 will however, attack one significant ailment; a voter registration process which discourages certain citizens in the United States from exercising their constitutional right to vote.

Ms. MIKULSKI. Mr. President, I rise today to show my support for this very important motor-voter legislation.

Mr. President, we know that voting is fundamental to our democratic system. Yet about 70 million eligible Americans—nearly 40 percent of those eligible—cannot vote because they are not registered.

Every election we see all kinds of reports about voter apathy and the low turnout of voters. But the facts are that in Presidential elections since 1968, voter turnout among registered voters has been 80 to 90 percent.

That is very good turnout and that shows me that the American people do care enough to participate in the democratic process when they can. We need to empower more people to participate.

Mr. President, we could go into all kinds of studies about why people are not registered, or we could get into a big debate about whether the real problem is voter registration or voter turnout, but I do not think that is the issue here.

The issue is—is this motor-voter law something that we, as Senators, can do to support the operation of democracy here in the United States?

Mr. President, we have fought many wars and done our best to support democracy in other lands—this is something we can do to spread democracy in our own country.

We must do what we can to spread democracy here.

Mr. President, I am proud that my own State of Maryland is one of the leading States to take active steps to encourage voter registration.

In Maryland, we have mail-in registration and hotline numbers so that Marylanders can request a voter registration form 24 hours a day, and that includes a special TDD hotline for Maryland's hearing impaired.

We have registration forms available in public buildings all over the State—in libraries, post offices, schools, and college campuses.

And now Maryland residents can even register at some offices of the department of motor vehicles. Last year, Prince Georges County opened a satellite office at the department of motor vehicles and as a result, registered over 5,000 voters. This new system works.

But, Mr. President, while my State is a frontrunner, people in other States

are not as fortunate. They may not have the commitment and dedication that Maryland has to register voters. And we have to give all people every chance to vote.

It would be nice if American citizens all had unlimited amounts of time to track down registration offices that are sometimes located in hard-to-locate sites. Or to take time off work to register at offices open only during restrictive hours.

But the facts are that they do not. And having the time and transportation to track down registration offices should not be a test of a citizen's right to vote.

Let me say that again—it is important—voter registration procedures should not be a test of a citizen's right to vote.

Bureaucratic process should not put obstacles in the way of a citizen's right to vote.

We need to do whatever we can to make voter registration convenient and accessible for all citizens.

Mr. President, I urge my colleagues to join me in doing what we can to support and spread democracy at home—we must override the President's veto of the motor-voter bill.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? The yeas and nays are required.

The clerk will call the roll.

The assistant legislative clerk called the roll.

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

The yeas and nays resulted—yeas 62, nays 38, as follows:

[Rollcall Vote No. 226 Leg.]

YEAS—62

Adams	Ford	Mikulski
Akaka	Fowler	Mitchell
Baucus	Glenn	Moynihan
Bentsen	Gore	Nunn
Biden	Graham	Packwood
Bingaman	Harkin	Pell
Boren	Hatfield	Pryor
Bradley	Heflin	Reid
Breaux	Inouye	Riegle
Bryan	Jeffords	Robb
Bumpers	Johnston	Rockefeller
Burdick, Jocelyn	Kasten	Sanford
Byrd	Kennedy	Sarbanes
Conrad	Kerrey	Sasser
Cranston	Kerry	Shelby
Daschle	Kohl	Simon
DeConcini	Lautenberg	Specter
Dixon	Leahy	Wellstone
Dodd	Levin	Wirth
Durenberger	Lieberman	Wofford
Exon	Metzenbaum	

NAYS—38

Bond	Domenici	Mack
Brown	Garn	McCain
Burns	Gorton	McConnell
Chafee	Gramm	Murkowski
Coats	Grassley	Nickles
Cochran	Hatch	Pressler
Cohen	Helms	Roth
Craig	Hollings	Rudman
D'Amato	Kassebaum	Seymour
Danforth	Lott	Simpson
Dole	Lugar	
Smith	Symms	Wallop
Stevens	Thurmond	Warner

The PRESIDING OFFICER. On this vote, the yeas are 62 and the nays are 38. Two-thirds of the Senators present and voting, not having voted in the affirmative, the bill, on reconsideration, fails of passage.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, FISCAL YEAR 1993

The PRESIDING OFFICER (Mr. KOHL). The Senate will now resume consideration of H.R. 5504, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5504) making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes.

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3118

The PRESIDING OFFICER. The pending question is amendment No. 3118, which was offered to the committee amendment on page 142.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I see the floor manager. I would like to speak on the pending amendment if that is agreeable.

Mr. President, as I understand, the pending measure before the Senate now is the Helms amendment. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. There is no time limitation on that amendment?

The PRESIDING OFFICER. There is no time limitation.

Mr. KENNEDY. Mr. President, this amendment is blatantly unconstitutional, and it would set an ominous precedent for intrusion of Government regulations into private charities, and I urge the Senate to reject it.

The amendment would require the Office of Personnel Management to drop from the Combined Federal Campaign any charity that has withdrawn support for the Boy Scouts because that organization bars homosexuals and atheists.

Regardless of how Members feel about the admission rules of the Boy Scouts, we should not tell private charities like the United Way that they must continue to fund organizations which they have determined to be in violation of their own agency's antidiscrimination policy.

Let us understand clearly that the Combined Federal Campaign is designed to allow Federal employees to decide for themselves which charities their contributions will support. If Federal employees disagree with the views or actions of a particular charity, they simply need not designate that charity. There is no Federal mandate of any kind that funds go to any particular charity.

For purposes of administering the Combined Federal Campaign, the Federal Government has no business dictating the specific policies and views of these charities, only in making sure that they are bona fide foundations. That is the spirit and the purpose of the CFC. That principle is at the very heart of the freedom of expression and association protected by the first amendment.

In the 1985 case of Cornelius versus NAACP Legal Defense Fund, the Supreme Court ruled on a challenge to an Executive order barring legal defense and political advocacy organizations from the CFC. The Justices held that the campaign could adopt reasonable restrictions on the kinds of charities that could be included, but at the same time they made it clear that the first amendment prohibits the Campaign from discriminating against charitable organizations on the basis of the viewpoints of those organizations. In her opinion for the Court, Justice Sandra Day O'Connor stated that "The Government violates the first amendment when it denies access to a speaker solely to suppress the point of view he espouses."

The pending amendment clearly violates that fundamental first amendment principle. Indeed, it directs the Office of Personnel Management and the CFC to flaunt the Constitution by excluding from the Campaign charities that express their disagreement with the Boy Scouts' admission policy by withholding contributions.

This amendment sets an unsatisfactory precedent. Private charities support important social causes, often long before they enjoy universal acceptance. They should not be placed in fear that they will be excluded from a major fundraising drive like the Combined Federal Campaign for doing so.

If we force the United Way out of the CFC, what charity will be safe? Whose beliefs will be next? Federal employees contribute $250 million annually to the CFC, more than 50 percent of which goes to the United Way. These funds are making a critical difference in communities across the country—feeding the homeless, caring for the elderly, playing a major role in supporting hurricane victims in Florida, Louisiana, and Hawaii.

Is the Senate now prepared to deny this organization access to CFC's funds simply because they have a policy of nondiscrimination?

Charities should be free to decide for themselves to whom they will contribute, free from Government interference. Indeed, OPM regulations forbid the CFC to discriminate against charities on the basis of political affiliation of the organization. OPM must

include in the campaign any organization that meets the eligibility criteria. The Helms amendment is flatly inconsistent with this rule and with the principle underlying the entire CFC campaign.

Finally, let me say to my colleagues that the time for the Senate to complete its business this year is short. There is still much important business to be done. The pending amendment is a transparent effort to bog down this legislation with a controversial political issue. It seeks to stir population prejudice, to divide us, and to distract us from the work that remains.

I urge the Senate to reject this amendment.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I rise to join with Senator KENNEDY and others to oppose this amendment. When this amendment was first proposed by the Senator from North Carolina last week on the Labor/HHS appropriations bill, I expressed my strong opposition to this blatant attempt to interfere with the right of private organizations to adopt policies of not contributing their funds to groups which discriminate against particular segments of society.

The Senator from North Carolina has attempted to characterize this amendment as protecting the right of groups like the Boy Scouts to determine their own membership policies. That is absolutely untrue. The Boy Scouts and their membership policies are not at issue here. This amendment is about whether the Federal Government is going to kick groups out of the Federal Combined Campaign Fund if they adopt policies against contributing to groups that discriminate on the basis of religion or sexual orientation.

These nondiscrimination policies are spreading throughout the country, in both the public and the private sectors, because more and more Americans are convinced that discrimination against individuals because of their religion or their sexual orientation is invidious discrimination and ought to be abolished just like other forms of discrimination.

The San Francisco United Way, like a number of local government entities, has adopted such a policy in my State. It will not contribute funds to groups that engage in this type of discrimination. A number of private charitable groups in California have similar policies. The Senator from North Carolina's amendment is aimed at forcing these groups to overturn their policies and donate funds to groups which have policies of discrimination. It is an attempt to force groups which believe that this form of discrimination is immoral and unjust to use their funds to support such policies.

Mr. President, the Boy Scouts is a private organization and has the ability to establish its own criteria for membership. But it does not have the right to force other organizations, against their moral beliefs, to support discriminatory policies.

This amendment is bad policy and opens the doors to the Federal Government intermeddling in a wide variety of ways. The Bush administration opposes abortion. Will we next see an amendment to bar groups that provide abortion services from the Federal Combined Campaign? That is not too far-fetched since in previous Congresses amendments were proposed to take tax exemptions away from health facilities that provided abortion services. This amendment opens the door to the Federal Government picking and choosing what groups can participate in the Federal Combined Campaign Fund on the basis of the organization's views on controversial issues. That is not what the Federal Combined Campaign Fund was designed and intended to do. Federal employees are free to designate their contributions in whatever way they wish and the Federal Government has no business attempting to limit the right of Federal employees to contribute to groups they support. If an employee does not wish to contribute to the United Way because of disagreement with its policies, the employee is free to direct his or her contributions elsewhere. Conversely, those Federal employees who support the United Way in its nondiscrimination policy should be free to contribute through the Combined Campaign Fund.

The Federal Government has no right to blackmail a local United Way into changing its nondiscrimination policy. It has no business trying to blackmail private organizations into donating money to groups with whom they disagree.

Mr. President, the amendment also has serious constitutional flaws, as Senator KENNEDY has noted. The Supreme Court has held that the Federal Government cannot restrict access to the Federal Combined Campaign Fund because of disagreement with the views of an organization. That is precisely what this amendment seeks to do—bar organizations from the Federal Combined Campaign Fund because they oppose discrimination on the basis of religion or sexual orientation.

Mr. President, this amendment is both unconstitutional discrimination against groups because of their positions on a matter of moral principle and repugnant public policy. It should be rejected.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. LEVIN. Mr. President, I agree that organizations should not use their charitable contributions to compel groups receiving those contributions to choose certain individuals as leaders or to choose individuals who hold particular views on politics, patriotism, philosophy, or religion. As far as I'm concerned, linkage between charitable contributions and compelling the recipient organizations to take steps such as these is inappropriate.

My objection to the Helms amendment is that it focuses on just one group and on a particular set of beliefs and, in that way, is discriminatory. I could support an amendment that prohibited an organization from using its charitable contributions to compel any other organization to accept as members or permit as leaders any individual or group. I could also support an amendment that prohibited an organization from using its charitable contributions to compel any other organization to accept as members or permit as leaders any individual holding particular views on politics, patriotism, philosophy, or religion.

Mr. INOUYE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Helms amendment.

Mr. INOUYE. And the yeas and nays have been ordered on that?

The PRESIDING OFFICER. That is correct.

Mr. INOUYE. May we proceed with the vote?

The PRESIDING OFFICER. Is there further debate on the Helms amendment?

Mr. METZENBAUM addressed the Chair.

The Chair recognizes the Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, I rise to oppose this amendment, and as has already been stated, I think that the amendment is unconstitutional. I think the Supreme Court has already spoken to the question of our attempting to tell the CFC what they can or cannot do.

When the Supreme Court said in Cornelius versus NAACP Legal Defense Fund that the Government violates the first amendment when it denies access to a speaker in order to suppress the point of view he espouses on an otherwise includable subject, you have in this case an obvious example of a viewpoint based on discrimination against protected speech.

I think it is absurd for us to be adopting it or considering it in this amendment. This is an armed services appropriations bill. This amendment belongs as much in this bill as almost anything under the Sun. It is totally off the wall. There is a kind of absurdity to bring it here. It is only an indication

that a single Member is determined to cause Members of this body to have to vote in some way on some issue in which the word "homosexuality" is involved.

This Senator does not believe that it belongs here. This Senator does not believe it is in accord with free speech. He does not believe it is in accord with the freedom of expression that people ought to have, and should have, and does not believe that the Congress of the United States ought to be dictating to the Combined Federal Campaign what they should or should not do.

There is some question as to what this amendment even means. The author of the amendment says that the American taxpayers have no interest in, and the Federal Government has no business supporting or assisting in, the slightest degree any organization that uses tax deductible donations in efforts to blackmail the Boy Scouts into accepting homosexuals and atheists within their ranks or force them to drop their members pledge to God and country. That is not what the amendment says. The amendment does not say that at all. I urge upon my colleagues that they read it.

At another point the Senator from North Carolina says something totally different. He says specifically the pending amendment would prohibit the use of the taxpayers' money to support any organization that uses its charitable contributions to force the Boy Scouts of America or any other voluntary youth association to accept homosexuals or atheists as members of leaders.

The amendment would also prohibit the Office of Personnel Management from contracting with or including any such organization in the Combined Federal Campaign. That is two totally different things. One is the question of forcing the Boy Scouts of America or any other voluntary organization to accept homosexuals or atheists as members and then at an earlier point the Senator from North Carolina talks about using the tax donations in efforts to blackmail the Boy Scouts into accepting homosexuals and atheists within their ranks or to force them to drop the members pledge to God and country.

If you look at the amendment the amendment reads as follows:

> Notwithstanding any other provision of law, the Office of Personnel Management is prohibited from including in the Combined Federal Campaign (the Federal government's annual employee fundraiser for charities), and from contracting with, any organization which uses charitable contributions to compel, or attempt to compel, the Boy Scouts of America, Inc., or any other youth group, to accept as members or permit as leaders:
>
> (1) homosexuals; or
>
> (2) individuals who reject the group's oath of allegiance to God and country.

That amendment is referring to compelling the Boy Scouts to take certain acts. But then, when the Senator from North Carolina describes it, he is not talking about compelling those particular acts to compelling the Boy Scouts or any other youth group to accept as members, or permit as leaders, homosexuals or individuals rejecting the group's oath of allegiance to God and country. It is a totally different kind of reference.

That is what we get, Mr. President, when we come out here on the floor on an appropriations bill for the armed services, throw in an amendment that is totally irrelevant, to the issue before this body, and then say we are just going to put it on knowing that it is legislation on an appropriations bill, knowing that the rules of the Senate prohibit that, knowing that this is the kind of an issue that makes a number of Members uncomfortable, and then we expect people of this country to say what a great body the U.S. Senate is.

We ought to have the courage of our convictions and vote down this kind of an amendment. I understand the political implications, but the fact is there is only one right vote, and that vote is to turn down this amendment and I think that it is right when the rules of the Senate provided at an early point that you could not put legislation, in this instance totally unrelated legislation, on an appropriations bill.

Under those circumstances, Mr. President, unless somebody else wishes to be recognized, I am prepared to raise a point of order.

Mr. President, I hold the point of order. I understand another Member of the Senate is either coming or is here and ready to speak or would like to speak on this subject.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HELMS. Mr. President, am I recognized?

The PRESIDING OFFICER. Yes, the Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, two Latin expressions come to mind, having heard the able Senators discuss the pending amendment. One of them is res ipsa loquitur. I expected them to say exactly what they have said. Of course, in the main they were reading material written for them by their respective staffs.

The other Latin expression is reductio ad absurdum, because what they said is absurd on the face of it.

I expect that they will make the motion that the amendment is legislation on an appropriations bill. Let me raise a question on the Chair; a parliamentary inquiry, and the Parliamentarian will want to hear my question.

Is not it a fact that the underlying committee amendment is in itself legislation on an appropriations bill? That is the first inquiry I have.

The PRESIDING OFFICER. On its face, it is not clear whether or not the amendment is legislation.

Mr. HELMS. Well, I am tempted to ask the Chair, who would then inquire of the Parliamentarian, another question—the answer to which I already know. Is it not true that this appropriations bill is replete with amendments that constitute legislation on an appropriations bill?

The real issue before us is not whether particular amendments constitute legislation on an appropriations bill, but whether or not the other side is willing to vote on the pending amendment. They did not want to vote on it last week when I first offered it, and they do not want to vote on it now.

I agreed not to ask for the yeas and nays—to have a rollcall vote—last week because of an agreement I was not party to. However, several Senators have come to me since that time and said, "Look, Jesse, I want to vote on your amendment. It is a dandy amendment. It ought to pass."

So what we have here is obfuscation, Mr. President. I am almost tempted to call it false pretense. Because what the other side does not want is to vote on the amendment. It is a pious platitude for them to say the Senate ought not to be subjected to this sort of an amendment.

Senators should ask John Q. Public across America how he feels about this amendment. One Senator, and I will not identify him—he knows who he is—he had one of his staff members contact the Boy Scouts of America. He had heard what proved to be a false rumor that the Boy Scouts did not favor my amendment. And this staff member said, write me a letter so we can clobber old Helms.

To the consternation of that Senator's staff member, the leader of the National Boy Scouts of America, said, "I very much favor the amendment of Senator HELMS and I am grateful to him for raising it."

You see, Mr. President, the leadership of the Boy Scouts of America is in the forefront of trying to preserve what is left of moral standards in this country.

And that is what is at issue in this amendment. Not constitutionality, because that is absurd. I will be delighted to let them trot right over this afternoon to the Supreme Court and say, Justices of the Supreme Court, what do you think of the Helms amendment? And the Supreme Court would laugh them out of the building.

All this nonsense about constitutionality and legislation on appropria-

tions bills is pretense—pious pretense—that we hear all the time when a question of moral judgment comes before the U.S. Senate. The Senate must either lead in matters of moral and cultural values or we are going to be a guilty party in the Nation's continuing moral disintegration.

Mr. President, I do not want to take a lot of time. I am going to appeal the ruling of the Chair. If I wanted to be difficult, I would then start at every point in the pending bill that constitutes legislation on appropriations bill and we would be here the rest of the day and into tomorrow night. That is the way every appropriations bill goes.

So, Mr. President, I am not surprised at anything said by the Senators today. I expected every syllable of it. I sat back in the cloakroom and watched the antics on television and chuckled. I must admit that I will be surprised if we do not see, in the news media tomorrow, the absurd assertion that the pending amendment constitutes homosexual bashing. It is not.

And I expect we are going to hear, over and over again, that the amendment is unconstitutional. We have so many Supreme Court Justices working in the news media these days, they know everything about everything.

The Senators who have spoken know what I am trying to do. And they do not want me to do it. So they have spoken out, which is their right. I do not criticize them for that. But as I watched them speak I could almost predict every sentence before they uttered it because I have heard it over and over and over again from all three of them.

My response is that this amendment is about the Boy Scouts, and specifically it is about: First, whether the Boy Scouts have a right to reject, as leaders and members, homosexuals and those who reject the Scouts oath of allegiance to God and country—I believe the great majority of Americans believe the Scouts do have this right; and second, whether our constituents' tax dollars should be used to support the United Way of San Francisco and others who are trying to force the Boy Scouts to admit, as leaders and members, homosexuals and atheists.

That, Mr. President is what this amendment is all about—the right of the Boy Scouts to avoid subjecting young boys to homosexual leaders and whether tax dollars will be used to subsidize the campaign being waged to coerce the Boy Scouts to accept homosexuals as scoutmasters.

I ask Senators, what parents are going to feel comfortable sending their young sons camping in the woods for a weekend with a scoutmaster who is an admitted homosexual?

Mr. President, just last year several of the major networks and other news media were attacking the Boy Scouts for not doing enough to catch and expel Scout leaders who were homosexual pedophiles?

Now, this year, the United Way of San Francisco is trying to force the Scouts to accept homosexuals as Scout leaders. That is despite the fact that as far back as 1972, the homosexual movement proclaimed as part of the infamous "gay rights platform" its intent to work for the removal of age-of-consent laws from State statutes in order to permit so-called voluntary sex with minors.

A study by two homosexuals titled "The Gay Report," found that 73 percent of homosexuals had at some time in their lives had sex with boys 16 to 19 years old or younger. That study also showed that 23 percent of homosexuals admitted to having sex with boys younger than 16 years old since the homosexual men had turned 20 years of age.

Mr. President, it is apparent that even the homosexual community recognizes the sexual interest many members of their movement have in young boys. For example, in a March 26 editorial this year, the San Francisco Sentinel—that city's premier homosexual publication—criticized efforts to exclude the North American Man-Boy Love Association [NAMBLA] from San Francisco's annual Gay Pride parade, calling the exclusion an example of homo-homophobia.

The editorial stated that:

> Loving a boy is a crime, but sodomy in Georgia is also a crime. So, should gay men stop having sex in Georgia because the government prohibits this? NAMBLA's position on sex is not unreasonable, just unpopular.

The editorial went on to say:

> The love between men and boys is the foundation of homosexuality. For the gay community to imply that boy-love is not homosexual love is ridiculous. We in the gay community need to understand that there is a difference between coercion, the kidnapping and raping of a child, and a loving consensual relationship between two people of different ages. We must not be seduced into believing misinformation from the press and the government. Child molesting does occur, but there are also positive sexual relations. And we need to support the men and the boys in those relationships.

Even the New York Post reported as long ago as 1979, Mr. President, that organized homosexual teachers in New York City reserved the right to have sexual relationships with children outside the classroom.

Mr. President, with so many in the homosexual community advocating sex with children, do we really want the taxpayers' money being used to force the Boy Scouts to allow homosexuals to serve as role models for our children, or to give them the opportunity to develop trusting relationships with young, impressionable little boys?

Mr. President, I doubt there are many parents who are going to take a chance by leaving his or her child in a Scout troop headed by a homosexual? As a result, forcing the Boy Scouts to accept homosexuals would ultimately destroy the Scouting movement, parents will remove their children from one troop after another and a great American institution will die.

Most Americans, certainly most parents, would say no to the present attack on the Scouts, and they also would say no to the use of their tax dollars to support such an attack under the aegis of the Federal Government.

I urge Senators to protect the wishes of the vast majority of taxpayers in this regard by supporting the pending amendment.

Now, Mr. President, I am fully prepared for the Parliamentarian to tell the Chair that the pending amendment is legislation on an appropriations bill, and I am going to follow by saying I appeal the ruling of the Chair. If that point of order is not made then I will urge Senators to adopt the pending amendment.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota [Mr. WELLSTONE].

Mr. WELLSTONE. Mr. President, I have a letter dated September 17, 1992. The letter is from the United Way of America, and it is addressed to Senator EDWARD KENNEDY. I would like to read for Senators who are trying to decide how to vote on this amendment portions of this letter.

I ask unanimous consent that the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED WAY OF AMERICA,
Alexandria, VA, September 17, 1992.

Senator Edward Kennedy,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: We would like to express our concern about an amendment proposed to the Labor Health and Human Services and Education Appropriations Bill that, as we understand it, would prohibit OPM from including in the Combined Federal Campaign (CFC) an organization that tried to compel another organization to accept as members or leaders, homosexuals or individuals who reject the groups' oath for God and Country. We believe that the effect of that proposal would be problematic for several reasons:

We believe that individuals have the right to make a personal choice about where their donations are targeted. The proposed amendment would prevent individuals from having available, through the CFC, the opportunity to contribute to organizations of their choice.

Basic decisions about charitable giving are local in nature. This amendment would appear to abridge the basic right of each community to set its own practices and standards with regard to charitable giving.

We are fearful that the exclusion or prohibition would open the door to wholesale exclusion and discrimination of other groups, based on factors that are not relevant to their ability to provide human services.

Local United Ways administer 450 of the 461 CFC campaigns. Imposition of this restriction would seriously hamper—perhaps even make it impossible—for them to continue to manage the campaigns which benefit a wide variety of health and human service agencies.

United Way of America and the 1,400 local United Ways nationwide are committed to non-discrimination.

United Ways value the exceptional work of the Boy Scouts of America. Last year United Ways allocated over $85 million to this organization. We will continue to support the Boy Scouts.

Each local community sets its own allocations guidelines based on local needs. Allocations should not be mandated from Washington. We are concerned about the precedent singling out one group; which groups might be next?

Very truly yours,

ROBERT M. BEGGAN.

Mr. WELLSTONE. Mr. President, I will just read what I think are relevant sections of the letter:

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United Way of America and the 1,400 local United Ways nationwide are committed to nondiscrimination.

"United Way of America and the 1,400 local United Ways nationwide are committed to nondiscrimination"—committed to nondiscrimination. What this amendment says is that a United Way with a nondiscrimination policy would be cut off from the Combined Federal Campaign. That is what it says. Pure and simple; that if a United Way should have a policy of nondiscrimination, which is, as I understand it, the very best of what this country stands for, nondiscrimination according to gender, nondiscrimination according to race, nondiscrimination according to sexual orientation, then that United Way would be cut off from Combined Federal Campaign funding.

Mr. President, it is an outrageous amendment, and Senators should vote against it. They should vote against it on constitutional grounds. But they should also vote against it on the grounds of fundamental fairness, fundamental decency, and fundamental commitment to nondiscrimination.

I think it is important to meet this head on and talk about what is at issue. I was not here when Senator METZENBAUM from Ohio spoke on this matter, but I have to say that I think in part what this amendment is all about, unfortunately, is to take a group of citizens, specifically gay and lesbian people, and make them the target. This is an amendment which I do not believe represents the best tradition of this country. This is an amendment which tries to essentially punish United Way for having the commitment to nondiscrimination.

We are not going to make it as a country and we are not going to make it as a society unless we are a country and a society based upon toleration of other people, and respect for other people, and a commitment to other people. We are going to have to learn how to live with one another. We are not going to make it by victimizing other people. We are not going to make it by discriminating against other people. I think this amendment is an amendment which every Senator should vote against.

Mr. President, I yield the floor.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. INOUYE. Mr. President, the pending business is the Helms amendment?

The PRESIDING OFFICER. That is correct.

Mr. INOUYE. May we proceed to the vote, Mr. President?

Mr. METZENBAUM. Mr. President, is it a rollcall vote?

Mr. INOUYE. Yes, the yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Tennessee [Mr. GORE] and the Senator from Colorado [Mr. WIRTH] are necessarily absent.

The PRESIDING OFFICER (Mr. BRYAN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 49, as follows:

[Rollcall Vote No. 227 Leg.]

YEAS—49

Bentsen	Burns	Danforth
Bond	Byrd	Daschle
Breaux	Coats	Dixon
Brown	Cochran	Dole
Bryan	Conrad	Domenici
Bumpers	Craig	Ford
Fowler	Lott	Roth
Garn	Lugar	Sanford
Gorton	Mack	Shelby
Gramm	McCain	Simpson
Grassley	McConnell	Smith
Hatch	Murkowski	Stevens
Heflin	Nickles	Symms
Helms	Nunn	Thurmond
Hollings	Pressler	Wallop
Johnston	Pryor	
Kasten	Reid	

NAYS—49

Adams	Graham	Moynihan
Akaka	Harkin	Packwood
Baucus	Hatfield	Pell
Biden	Inouye	Riegle
Bingaman	Jeffords	Robb
Boren	Kassebaum	Rockefeller
Bradley	Kennedy	Rudman
Burdick, Jocelyn	Kerrey	Sarbanes
Chafee	Kerry	Sasser
Cohen	Kohl	Seymour
Cranston	Lautenberg	Simon
D'Amato	Leahy	Specter
DeConcini	Levin	Warner
Dodd	Lieberman	Wellstone
Durenberger	Metzenbaum	Wofford
Exon	Mikulski	
Glenn	Mitchell	

NOT VOTING—2

Gore	Wirth

So the amendment (No. 3118) was rejected.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Hawaii [Mr. INOUYE] is recognized.

Mr. INOUYE. Mr. President, I urge adoption of the underlying amendment.

The PRESIDING OFFICER. The question is on agreeing to the underlying amendment.

Is there further debate on the underlying amendment?

Without objection, the underlying amendment is agreed to.

So the committee amendment at page 142, lines 1 through 6, was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio [Mr. GLENN].

AMENDMENT NO. 3125

(Purpose: To express the sense of Congress that certain commercial disputes in Saudi Arabia should be satisfactorily resolved)

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN], for himself and Mr. PELL, proposes an amendment numbered 3125.

Mr. GLENN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . SENSE OF CONGRESS REGARDING UNRESOLVED COMMERCIAL DISPUTES IN SAUDI ARABIA.

(a) FINDINGS.—The Congress finds that—

(1) the Department of Commerce has identified "18 major unsettled cases, involving 14 American firms with claims of approximately $500 million", in Saudi Arabia in a letter dated May 27, 1991, to the House Subcommittee on Europe and the Middle East;

(2) the Department has testified that many of these disputes "go back 8 to 10 years";

(3) the Department of Commerce has testified that "Saudi Arabia's commercial law has not kept pace with its great economic strides. The Kingdom's system of commercial regulation lacks an effective internationally accepted mechanism to resolve disputes with foreign firms.";

(4) the Department of Commerce has testified that "The United States has trading relationships with virtually all the nations in the Near East region. The only country in which we encounter a continual problem with unresolved commercial disputes is Saudi Arabia."; and

(5) failure to resolve these contractual disputes results in great hardship for the American businesses involved and their employees.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Government of the United States and the Government of Saudi Arabia should work diligently and without delay to resolve satisfactorily the outstanding commercial disputes identified in the Department of Commerce letter.

(c) REPORT.—Not later than February 1, 1993, the Secretary of Defense, after consultation with the Secretary of State and the Secretary of Commerce, shall submit a report to the Congress on the status of the process for the resolution of commercial disputes in Saudi Arabia and the prognosis for any of the 18 such disputes which remain unresolved.

Mr. GLENN. Mr. President, the purpose of this amendment is very simple. I want to send a wake up call to the Government of Saudi Arabia. I do not normally rise on the floor and be very critical of another Nation. I do not consider myself an enemy of the Saudis at all. I have been there on a number of occasions. I have always been received hospitably and I have enjoyed myself while there.

In May of this year the House Subcommittee on Europe and the Middle East held a hearing on the subject of commercial disputes in Saudi Arabia. Let me quote a few relevant sections of the statement of Mr. Karl Reiner, Acting Deputy Assistant Secretary of Commerce.

Mr. Reiner said:

Unfortunately, in our view, the adaption of Saudi Arabia's commercial law has not kept pace with its great economic strides. The Kingdom's system of commercial regulation lacks an effective internationally accepted mechanism to resolve disputes with foreign firms. While the number of disputes relative to the volume of trade is not large, many of them are not resolved because of the strictures of the Saudi system. These dispute eventually turn into problems in U.S.-Saudi relations.

Mr. Reiner went on to say:

Commercial disputes linger for years despite the best efforts of the American Embassy in Riyadh, Members of Congress and the Commerce Department to bring about settlement. We do not, quite frankly, consider the environment in Saudi Arabia to be particularly conducive to the equitable settlement of commercial problems.

He continues:

We know of 18 major unsettled cases, involving 14 American firms with claims of approximately $500 million. Many go back 8 to 10 years. Both large and small American firms have been affected. Disputes with Saudi Arabian Government agencies account for 13 of the cases, and one is with a private Saudi citizen.

My colleagues may ask if such commercial disputes are not a normal consequence of international business. In response let me again quote Mr. Reiner. He said:

The United States has trading relationships with virtually all the nations in the Near East region. The only country in which we encounter a continual problem with unresolved commercial disputes is Saudi Arabia.

Mr. President, I have a particular interest in this. Although it affects a number of States which I will detail later, I do have a particular interest, because 1 of those 14 American firms is from Ohio, Bucheit International, an engineering and construction firm in Youngstown. When I explain what this company has been through, I hope my colleagues will understand why I feel compelled to focus a bright light on this issue by requiring an administration report. And let me say, that I intend to be here next year and I do not rule out additional steps if these matter remain unaddressed, and that is not an idle threat.

I first was introduced to this problem 8 years ago, in 1984. Three years earlier, Bucheit International had contracted with His Royal Highness Prince Mishal bin Abulaziz Al-Saud, a senior member of the Saudi royal family, to build a shopping center in Riyadh. By the spring of 1984 the project was substantially complete but a dispute had developed between Bucheit and Prince Mishal chiefly over responsibility for cost overruns and project delays. A principal cause of the delay was Prince Mishal's failure to obtain timely permission to tear down a mosque located on the property. Rather than work the matter out with Bucheit or submit the dispute to arbitration as called for in the contract—the contract had foreseen there might be problems in a number of areas, so they worked out in the contract an arrangement for arbitration—Prince Mishal, however, in spite of that held 15 of Bucheit's employees hostage, refusing to allow them to leave Saudi Arabia. They refused to give them their passports back and to give them their exit visas. This was in attempt to force Bucheit to accede to his demands. I did not hear about this until a little while after it had been in effect. I believe as I recall it was several weeks that these people were literally held hostage in Saudi Arabia.

Clearly that sort of behavior was completely out of bounds. In addition to contacting the Department of State, I picked up the phone and called His Royal Highness Prince Bandar, the Saudi Ambassador in Washington, and told him in the strongest terms that Prince Mishal's action violated every norm of international behavior and something had to be done immediately. Shortly thereafter, the Bucheit employees were allowed to leave Saudi Arabia. Subsequently Bucheit and representatives of Prince Mishal met in Geneva, Switzerland, to resolve the underlying contractual dispute. A settlement agreement was signed and Bucheit posted a $1.3 million letter of credit against any default under the settlement agreement.

Most unfortunately, Prince Mishal refused to honor the terms of the settlement agreement. Despite the fact that there was no violation of the terms of that agreement by Bucheit, Mishal fraudulently took the $1.3 million provided in Bucheit's letter of credit. Bucheit has been seeking justice ever since. Failure to resolve this matter has had a devastating impact on this small Youngstown business. Once on Engineering News Record's list of top 400 U.S. general contractors, Bucheit is now virtually out of business I am told. Another of the companies on the Commerce Department's list, Sanderson and Porter, went bankrupt after failing to collect from the Saudis.

I have continued to try to help Bucheit and to his everlasting credit my colleague from Youngstown, Congressman JIM TRAFICANT, has worked tirelessly on this matter, has appeared before the committee, given testimony on this, talked to the State Department and done everything that had to be done, but to no avail.

The Department of Commerce has been very cooperative in pushing for a resolution. Unfortunately, when the commercial counselor at the Embassy in Riyadh tried, on two separate occasions, to talk to Prince Mishal about using the arbitration clause in the contract to settle the dispute, the Prince refused to see him or authorize his agents to discuss the matter. The State Department in Washington and the U.S. Embassy in Riyadh, up to and including the Ambassador, have also been involved. There have been numerous meetings, innumerable telephone calls, and reams of correspondence. All to no avail.

The bottom line is that Prince Mishal has absolutely refused Bucheit's offers to negotiate a settlement or arbitrate the dispute as called for in the original contract. And there is simply no effective and accessible judicial or administrative mechanism which Bucheit can use to resolve his contractual claims. No Saudi attorney will touch a case involving such a high ranking member of the royal family. There is no Saudi court, tribunal, or other decisionmaking body where Bucheit can go to get his case heard.

The situation for Bucheit and the others on the Commerce Department's list is simply intolerable. U.S. citizens engaged in commercial dealings in a foreign country—particularly one with whom we enjoy quite friendly and cooperative relations—have a right to expect timely and equitable resolution of contractual disputes.

In the spring of last year the Saudi Embassy contacted Bucheit to discuss a potential settlement. Agreement was reached on a figure but the Embassy then said they needed approval from Riyadh. We are still waiting for Riyadh's response. As a result of the House hearing in May, the United States and Saudi Arabia named high level officials tasked with trying to resolve the outstanding commercial disputes and recommend a way to avoid such problems in the future. To date, these officials have not met.

I would point out this is not just a parochial, Ohio concern that I am on the floor about today. There are a number of these companies that are from other States. We did not have time today to organize all of these States here and take a lot of time on this Defense appropriations bill, when time is so short before the end of this session. But I do wish to read these in.

I hope these staffs listening in the offices, and those Senators on the floor here today, will note some of their States are involved.

These are American commercial disputes in Saudi Arabia.

CONSTRUCTION

From Alabama: Blount International versus King Saudi University; date initiated: 1984; amount claimed: $45–$110 million.

Contract changes increased costs from $1.7 billion to $2 billion. Negotiations resulted in settlement of final amount of $1.9 billion. The new Rector of King Saudi University refused to accept settlement. Matter is before Grievance Board.

From Ohio: Bucheit International versus Prince Mishal; date initiated: 1984; amount claimed: $11.5 million.

Officials of the Saudi Embassy in Washington and Mr. Bucheit negotiated settlement that quashed Saudi tax claim and would pay Bucheit International $1.6 million. The recommendation was forwarded to Riyadh in June 1991.

From Corpus Christi, TX: Casey & Glass, Inc. versus Saudi Arabian National Guard; date initiated: 1978; amount claimed: $267,968.

Completion of contract delayed. Firm has filed claim for costs incurred. Saudi Arabian National Guard has rejected claim.

From Alabama: Halbert-Howard Companies versus Ministry of Agriculture & Water; date initiated: 1983; amount claimed: $15–$20 million.

Claim is for work done on the Jeddah Water System. Firm claims that materials provided by the ministry were delivered late. Firm won a $6.8 million preliminary judgment from the Grievance Board. Both the firm and the Ministry have appealed the decision.

From Pennsylvania: Westinghouse Saudi Arabia versus Saudi Electricity Corporation; date initiated: 1985; amount claimed: $150 million.

Dispute over payment for work on two powerplants completed in 1986. Involves issues of performance testing, and modifications to the original specifications. Negotiations continue between the parties.

DESIGN AND ENGINEERING

From Omaha, Nebraska: Leo A. Daly versus Ministry of Health, Pension Fund Directorate of the Ministry of Finance and National Economy, the Ministry of Industry and Electricity, the Royal Commission for Jubail and Yanbu, and the Ifta's Organization; date initiated: 1990, amount claimed: $6.2 million.

Claim is for architectural and engineering work done in association with the Saudi Consulting House.

From Florida: RSH International versus Ministry of Municipal & Rural Affairs, Deputy Minister of Town Planning; date initiated: 1985; amount claimed: $38,000.

The claim involves development plan work for the Tabuk Region. The firm claimed $3.5 million and has accepted $1 million in a negotiated settlement. Claims of $38,000 remain outstanding.

From New Jersey: Sanderson & Porter versus Saline Water Conversion Corporation (SWCC); Date Initiated: 1978; Amount Claimed: $30–$112 million.

Claim is for work done on three water desalination plants for the Saline Water Conversion Corporation.

BANKING

From Illinois: Continental Illinois Bank versus King Saudi University; Date Initiated: 1985; Amount Claimed: $13.5 million.

The bank provided an advance payment bond for a contractor. The contractor was terminated, and the bond called. Claim is for an overdraw on the bond. Also:

First Chicago National Bank versus Ministry of Industry and Electricity; Date Initiated: 1988; Amount Claimed: $6.9 million.

Bank won a $6.9 million judgment against the Electricity Corporation from the Saudi Grievance Board in 1990. Despite the judgment, the bank has been unable to collect reward. Also:

Also First National Bank of Chicago versus Ministry of Public Works and Housing; Date Initiated: 1990; Amount Claimed: $35–$40 million.

Bank claims the ministry owes it and other banks for financing they provided to build the Ministry's headquarters building. The Ministry claims it is not satisfied with the completed work.

SUPPLY

From Pennsylvania: Aydin Systems Division versus Royal Saudi Air Force; Date Initiated: 1986; Amount Claimed: $13.6 million.

Firm claimed loss on project due to devaluation of currency and work change orders. Case went to the Grievance Board. In September 1991, the Board ruled against the firm and denied additional payments.

From Santa Monica, CA: National Medical Enterprises versus Ministry of Interior, Ministry of Defense and Aviation and Ministry of Health; Date Initiated: 1988; Amount Claimed: $13.5 million.

There are six claims against three ministries for Hospital Management Services. All the claims are pending decision by the Grievance Board.

From Palatine, IL: Square D Ltd. versus Ministry of Defense & Aviation; Date Initiated: 1987; Amount Claimed: $817,636.

Sold material to construction firm controlled by the Ministry of Defense and Aviation. Firm has been unable to collect from the Ministry.

From Texas: Texscan Corporation versus Royal Commission for Jubail and Yanbu; Date Initiated: 1987; Amount Claimed: $273,111.

Firm provided equipment to its Saudi agent for installation. Royal Commission claims performance was unexceptable.

MISCELLANEOUS

From Ashland, OH: Ashland Technology versus Saudi Public Transportation Company; Date Initiated: 1987; Amount Claimed: $581,000.

General Audit Bureau held up payment because of $4.4 million in United States Social Security payments. General Audit Bureau wants reimbursement made to Saudi Government. Documentation provided by firm is under review by the General Audit Bureau.

And the last I have on my list, a Florida and New York Company: L. Michael Milbrath & Plaza Hotel, New York, NY versus HRN Prince Abdullah bin Jalawi; Date Initiated: 1990; Amount Claimed: $225,000.

Claim is for legal services and a business meeting in the Plaza Hotel in August 1988. The Prince declined to pay because the meeting was unsuccessful. Hotel charges have been paid by Saudi Arabian Embassy.

I read those into the RECORD so we will all understand this is not just an Ohio matter. It is a matter dealing with some dozen States here, or nearly that number. So it does apply. It shows the breadth, the extent of the Saudi's ignoring what are normal contracting and appeals procedures.

We have here what is basically a difference in our societies and how we approach these matters. In our United States, of course, every single individual is important and every business has laws they know they live up to, and

they have legal recourse if something goes wrong.

Saudi Arabia is a monarch, of course. Authority flows down. And if one of the princes around the King, His Royal Highness—if one of the princes has a problem and he is not willing to live up to what is normal in international commerce, then things really fall apart. That is the situation in which we have found ourselves.

In that situation, the law is what the King or the Prince decides. And that is not good enough.

I point out to my Saudi friends, the Koran itself teaches fair dealing, not being as unfair as they have been in these cases.

We are totally fed up and frustrated with this endless run around. That is why I have offered this amendment. I want well-deserved and long overdue attention focused on this problem. We rise on this floor in the Senate and we make big speeches about restricting foreign aid to countries that expropriate American property, and that deal unfairly in other areas. What has happened to Bucheit and the others is essentially the same thing, except we have not risen, we have not forced our Government and the Saudi Government to do something about this.

So this amendment is just a first step. It merely requires that the DOD, reflecting also the views of the Secretary of State and Secretary of Commerce, report by the first of February on the status of these 18 cases, and most important, a plan to resolve them. So I say let us get these matters negotiated, arbitrated, otherwise settled. I was under the impression the amendment would be accepted.

I ask for any comments the floor managers might have, or I will be glad to answer any questions.

The PRESIDING OFFICER. The Chair recognizes the Senator from Hawaii [Mr. INOUYE].

Mr. INOUYE. Mr. President, the managers of this measure have had the opportunity to study this proposal and we find no objection to its consideration and adoption.

We have further discussed this amendment with interested parties and we have not heard any objections. So I support the adoption of this amendment.

Mr. PELL. Mr. President, I am pleased to join with Senator GLENN in proposing this amendment concerning commercial disputes between American companies and Saudi Arabia.

This is a very serious matter. The United States Commerce Department has identified 17 United States companies involved in commercial disputes in Saudi Arabia. These companies are owed as much as $500 million in unpaid fees. I would stress the fact that these are American companies who have conducted business transactions in Saudi Arabia in good faith, only to be left hanging when the bills came due.

By way of example, I have been involved personally in one such dispute, in which a United States firm entered into a joint venture with a Saudi Government-owned company. The United States firm signed a contract that delineated the responsibilities of the Saudis in terms that were crystal clear. Nonetheless, the Saudis reneged on the contract, refused to live up to their obligations, and left the American firm with no option but to incur significant debt to cover the shortfall. That debt has accrued massive interest during the time the American firm has attempted to secure its rightful payments, to the point where it is now owed $6.2 million.

In such a clear-cut case of nonpayment, it should be reasonable to expect a quick resolution. This case, however, has been festering for more than 12 years. When one considers that there are at least 16 similar cases involving American firms, it shows symptoms of a larger, systemic problem.

Saudi Arabia is an important, strategic ally. The relationship is mutually beneficial, and both sides stand much to gain by developing the relationship further. It is difficult to imagine, however, that we could engage in a cooperative, economic partnership when American companies are experiencing such difficulties because of inherent defects in the Saudi system.

I know that in addition to Senator GLENN and myself, a number of Senators and Members of Congress have pressed the Saudis to address this longstanding source of tension. The administration, as well, recently tried to raise the level of discussion with the Saudis on this matter, but to no avail.

This legislation would encourage the Saudis to take a long, close look at the problem. In taking this step, the Congress could demonstrate to the Saudis the depth of American frustration, and in my view we would help to promote a solution. We would also open the door to a closer examination of other cases involving Americans and Saudi Arabia, which are not strictly of a commercial nature, but encompass troubling charges of human rights violations.

I am pleased to join Senator GLENN in this effort, and I commend him for his leadership on this issue. I urge my colleagues to support us in sending a strong signal to Saudi Arabia by agreeing to this amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 3125) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. GLENN. Mr. President, I ask unanimous consent that Senator CLAIBORNE PELL be added as a cosponsor to this amendment.

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

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SASSER. Mr. President, I want to take the opportunity this afternoon to discuss what I perceive to be two highly expensive and highly questionable weapons systems that are included in the bill before the Senate today. I would characterize these two weapons systems as cold war relics. They are the F-22 advanced tactical fighter and a brandnew, nuclear-powered aircraft carrier.

As I indicated earlier this morning in a colloquy with the distinguished chairman of the subcommittee, Senator INOUYE, in the spirit of cooperation, I will not put these two programs to a test vote in the Senate this afternoon. I am not doing that, quite frankly, because of the tenor of the Senate at this time and the way my colleagues have voted on a number of other amendments to reduce defense expenditures, for such programs as the strategic defense initiative, the intelligence agencies of the U.S. Government, and the procurement of another cold war relic, the D-5 missile. I frankly do not think I would meet with any success. But I do think that fiscal responsibility and military reality demand that at least these two programs receive some comments on the floor of the Senate this afternoon.

Let me say at the outset that I understand and appreciate the work that has gone into this legislation, and I understand the various competing concerns that the distinguished chairman and the ranking member have had to merge into this bill. The chairman, Senator INOUYE, has done a skillful job, as he always does.

I think it is especially noteworthy that the chairman, Senator INOUYE, brings to the Senate a bill that is below its 602(b) allocation by some $5.3 billion in budget authority and $3.7 billion in outlays. In layman's terms, it means that Senator INOUYE is spending $3.7 billion less than he had the authority to spend in outlays and is reserving some $5.3 billion in contracting authority that would bind outlays in future years. So that will benefit the Treasury and the taxpayers and, because of Senator INOUYE's managing of this bill, the deficit will be $3.7 billion lower this year than it could have been.

So I would say that the committee's action brings us considerably closer to

the day when we will meet our true security needs in a fiscally responsible manner. I think that slowly we are beginning to make progress and slowly, just as when you turn the helm on an enormous oceangoing vessel, we are beginning to feel the first almost imperceptible motions that indicate a response to the helm.

As many in this body have heard me say on more than one occasion, the fiscal circumstances of the U.S. Government have grown steadily more dismal over the past few years and certainly the past few months. The Congressional Budget Office, a nonpartisan, highly respected arm of the Congress, now projects that the structural deficit for fiscal year 1997—that is 5 years away—will be $291 billion.

When we say a structural deficit, what we are saying is that if and when we get to a full employment economy, which we certainly do not have now, when the economy is prospering, outlays from the Federal Treasury in 1997 will still outpace revenues by almost $300 billion. So even in a healthy economy, with all of our people working, we will still be spending almost $300 billion more than we take in.

Just to live within the spending constraints that the Congress and the President have already agreed to, we are going to have to reduce discretionary outlays by some $25 billion in the next 2 years. By discretionary outlays, I mean those expenditures of Federal dollars that are directly controlled by the Congress and by the President. Those are discretionary outlays, and we are going to have to reduce discretionary outlays by some $25 billion over the next 2 years.

That figure incorporates the defense spending reduction of $80 billion to $85 billion that has been proposed by the distinguished chairman of the Armed Services Committee, Senator NUNN, not the $44 billion advanced by the President. So even though Senator NUNN calls on spending reductions in military spending almost twice as high as those of the Bush administration, we are still going to be $25 billion above our budgetary limits over the next 2 years.

As we are continuing to outlay moneys for military expenditures at a very high level, the military threats facing the country have diminished greatly. Earlier this year, for example, the Pentagon was reduced to exercises of remarkable ingenuity to come up with several scenarios to justify their request for $1.4 trillion over the next 5 years. That figure bears repeating. The Pentagon is asking over the next 5 years for the expenditure of $1.4 trillion for the military.

This comes at a time when we are now providing our former adversary, the Soviet Union, with loan guarantees and direct economic aid. It comes at a time when we are helping to promote democracy in the former satellites in Eastern Europe, and by any standards our national security is not in imminent danger from military attacks. Yet, we here in this body continue to devote incredible sums, $285 billion this year alone, to defend ourselves in a world in which our significant adversaries have all but disappeared.

Perhaps no two conventional weapons programs better highlight the mindset that we are still locked into than the prospect of another nuclear aircraft carrier, and yet another new advanced tactical fighter known as the F-22. Just these two programs alone, a new nuclear aircraft carrier and the new F-22 advanced fighter, are going to cost the U.S. Treasury over $100 billion in the years ahead.

Well, let us discuss the case for a new multibillion-dollar nuclear-powered aircraft carrier. The U.S. Navy already has approximately 14 aircraft carriers, plus one carrier that is used for training purposes.

The administration itself says that it plans to reduce this level of 14 operating carriers to 12 carriers plus a trainer by 1995.

The U.S. Navy is already scheduled to take delivery of one new carrier this year, the CVN-73, named the U.S.S. *George Washington*, and two other nuclear aircraft carriers, brand new, are already in the pipeline, the CVN-74 christened the U.S.S. *John C. Stennis*, and the CVN-75 christened the U.S.S. *United States*.

The administration has requested and this committee bill approves funding to procure long-lead items for still another aircraft carrier.

Now, all of this—three new aircraft carriers coming on-line, being built, one to be delivered this year and the construction of another one, even though the administration itself says that the present level of 14 aircraft carriers must be reduced to 12 aircraft carriers by 1995—comes in a world where only a handful of aircraft carriers are operated by two or three other countries. I think the British have two. Both are of World War II vintage. They clang and clatter around the world. One was supposed to be retired not too long ago, but the British I think after the Falkland Islands incident decided to patch it up for 1 or 2 more years. And the French have two aircraft carriers. The former Soviets have one operational aircraft carrier. They are building another one, but nobody knows who owns it because the Russians and Ukrainians are fighting over these two aircraft carriers.

By any objective measure, no power in the world is a match for U.S. aircraft carriers. Bear in mind that only two countries which are our allies, Britain and France, have any aircraft carriers at all. They possess between them a maximum of four. They are all old, of World War II or shortly thereafter vintage. The Russians or Ukrainians, whoever owns it, have one operational carrier. They may get another one constructed. And here we are with 14 aircraft carriers in the inventory, plus a trainer carrier that is better than any of the carriers operated by the British or the French, and I daresay really better than the Russian-built carrier. Here we are, with 14 in the inventory, with 3 in the pipeline, for a total of 17, appropriating money to build another one.

Now, we have the finest aircraft carriers in the world, both in quality and obviously in quantity. The former Chairman of the Joint Chiefs of Staff indicated to me that he took General Akhromeyev, the former chief of the Soviet general staff, aboard one of our aircraft carriers and let me watch the operation of the aircraft as the carrier launched and recovered aircraft and as the carrier battle group went through its battle exercises. General Akhromeyev and his colleagues from the old Soviet Union were so impressed that they went home and told their associates, I was advised, that the U.S. Navy and particularly the aircraft carrier fleet represented a dire threat to the Soviet Union.

So everyone knows we have the best aircraft carriers, both by quality and certainly by quantity, yet here we are producing even more in the world in which we live.

The administration's plan for a reduction from 14 aircraft carriers which are now operational, plus the trainer, to a 12-carrier battle group would leave his country with the same number of carriers we had early in the 1980's, in the heart of the cold war. When the evil empire was still threatening us, we operated 12 aircraft carriers plus a trainer.

So we are building new aircraft carriers. We will mothball some of the older ones; and we will maintain a carrier fleet of 12.

Now, these are the realities, and the chairmen of both the House and Senate Armed Services Committees have publicly questioned the need for as many as 12 carrier battle groups in the post-cold-war world. In February of this year, the chairman of the House Armed Services Committee, Mr. ASPIN, advanced a defense plan that has been widely praised and accepted by a majority in the House that calls for a fundamental restructuring of the administration's so-called base force plan. Included in Congressman ASPIN'S plan was a proposal that 11 aircraft carrier battle groups were sufficient in light of a changed threat.

As long ago as April 1990, after the demise of the Warsaw Pact but several months before the disintegration of the Soviet Union, the distinguished chairman of the Senate Armed Services Committee, Senator NUNN, delivered on this floor a serious and I thought care-

fully thought out series of speeches detailing a new military strategy. In one of those speeches, Senator NUNN said that the Navy could possibly meet future requirements with as few as 10 aircraft carrier battle groups. Again, 10 carrier battle groups, bear in mind, when the old Soviet Union was still intact.

Despite the analysis offered by Chairman ASPIN, chairman of the House Armed Services Committee, despite the analysis offered by our own Senator NUNN, chairman of the Senate Armed Services Committee, both acknowledged experts in U.S. defense policy, we have before us in this bill a $350 million down payment on still another $5 billion aircraft carrier.

I ask my colleagues, at a time when we are running $350 billion deficits here in the United States of America, when we are running $300 billion deficits as far as the eye can see, when the major cities in this country are crumbling, when our people do not have adequate health care, when as a percentage of the budget the Federal Government is spending considerably less this year than it was in 1979 on the education of our people, where is the logic? Where is the recognition that the threat has greatly diminished if not evaporated? I ask my colleagues, where is the awareness of our dire fiscal situation?

But I daresay that if I brought this amendment to a vote on the floor of the U.S. Senate today, a majority of our colleagues would come to the floor and vote in favor of building yet another new aircraft carrier to the tune of $5 billion, even though we have three new aircraft carriers, one to be delivered this year, two more that will be delivered shortly, and we are going to reduce the force anyway from 14 aircraft carriers down to 12.

Let us focus on a second program—the F-22 advanced tactically fighter—that highlights the inconsistency between how we allocate our defense resources and the military realities that we face in the 1990's.

The administration plan calls for no less than five tactical aircraft programs: The F-22, the F-18EF, the AX, the multirole fighter, and the RAH-66 Comanche for a total program cost of $400 billion. One of these programs, the F-22 alone could cost $100 billion—$100 billion for a new advanced tactical fighter.

The committee knows, the Defense Appropriations Subcommittee knows, that these plans are unaffordable under even the most optimistic assessment of the resources likely to be available to the Defense Department in the years ahead. To the subcommittee's credit and to the chairman's credit, he acknowledges that. He understands it even if the administration does not.

So under the direction of Senator INOUYE, the committee scaled back the administration's plan this year and asked that a portion of the funding for these programs be held back until the Defense Department submits a coherent plan. The committee has reduced the administration's 1993 budget for these programs from over $4 billion to about $3.4 billion, and I commend the chairman and the committee for so doing.

But even with the committee's proposed cut from the administration's 1993 requested level, these programs would still receive an increase of about $700 million over the level of funding that the programs received in 1992; an increase of $700 million over the level that these advanced fighter aircraft programs received in 1992.

Acceleration over our level of effort last year is dubious for all of these programs. But I submit it is particularly questionable with regard to the F-22 advanced tactical fighter. First and foremost, the United States of America presently possesses the finest and most advanced fighter aircraft in the world, and they are called F-15's, and F-16's, and they are better than any other aircraft fighter aircraft being manufactured anywhere in the world. The superiority of these aircraft is unquestioned. They are unchallenged in the skies all across the world. But do not take my word for it.

Two countries, Taiwan and Saudi Arabia, who can buy any aircraft from any country that they wish to because they are wealthy countries, rich in resources, both looked across the spectrum at all the tactical fighter aircraft and air superiority fighters that are available in the world. Guess what? They decided to buy F-15's and F-16's, American fighters.

Second, given the present economic and social turmoil in the territory of the former Soviet Union, they are not going to be building a better fighter anytime soon. As proof of this assertion, let us just look at the fate of that star in the crown of communism, the facility that the old Communist rulers were most proud of in the Soviet Union, the Central Aero-Hydrodynamics Institute. That was the world's largest aerospace research center. It was the crown jewel of the former Soviet military complex—3 miles of runways. And on those runways at the institute were tested every major Soviet fighter, every Soviet airliner, and their spacecraft.

What is this institute doing now? What is the Aero-Hydrodynamics Institute doing in this world? Well, it is breaking off into a number of private firms, opening new lines of work, get this, and seeking foreign partners. They have opened a shoe factory using converted equipment once used to test Mig fighters. They are assembling ovens for the lumber and ceramics industries in the same gigantic room where the Soviet space shuttle was tested. They are setting up auto service centers, and fabricating and selling construction materials.

So clearly, there is no competition for a new advanced fighter coming from the former Soviet Union or from Russia.

Some say, yes, but there are other threats in the world. You have to be aware of that.

Mr. STEVENS. Mr. President, will the Senator yield right there?

Mr. SASSER. Yes; I am happy to yield.

Mr. STEVENS. Is the Senator saying to the Senate that the Soviets are not making a new fighter, that the Russians are not working on a new fighter?

Mr. SASSER. What I am saying is the Soviets no longer exist. I always lapse back into that. What I am saying is that the Russians are not in the process of producing a fighter aircraft that would be competitive, would be so competitive that we would need something like the F-22.

Mr. STEVENS. The Senator does not mean to indicate to the Senate that the production lines in Russia of fighter aircraft or tanks or trucks really, even the ships, have been shut down?

Mr. SASSER. No. I do not mean to indicate that because the Russians are still building, are seeking to build fighter aircraft, and seeking to market them around the world. But what I am saying is that these aircraft are so inferior to the presently produced American aircraft such as the F-15, the F-16, and the F-18 that nobody is buying them. Any country that has the money buys U.S. aircraft. If they do not buy those, they will buy French or British aircraft. But anyone who has the money who is not already hooked into the old Soviet military technology is not interested in buying Soviet military aircraft.

Yes. They are still pushing some down the production line. But those production lines I do not think are going to last much longer because there are no customers out there.

Now, what about our European allies; what are they doing with regard to producing a new generation jet fighter? Some say if we do not continue to modernize our aircraft at the same frenetic pace that we used during the cold war, that we will lose superiority to some of our NATO partners; or so say the advocates of these programs. According to recent news reports, U.S. dominance for designing and building combat aircraft is unlikely to be challenged by our allies either.

In June of this year, Germany announced it was pulling out of the joint partnership to pursue the development of a new European fighter. According to the German defense minister, Volker Ruehe, "the Eurofighter is dead."

Again, where is the logic that would have us spend $100 billion to win a race that no one else is running? I will tell

you where the race is in aircraft. The race is with the Europeans and it will shortly be with the Japanese, and it is in commercial aircraft. That is where we ought to be devoting the expertise of those who design these super-sophisticated combat aircraft, the engineers who are involved in that, and the assembly line operations involved in that.

If we really want to be constructive, let us just take this same money that we are going to appropriate to build combat aircraft and give it to the commercial aircraft manufacturers and tell them to make us first and foremost. Let us not let our markets be lost to Airbuses and other emerging aircraft that we are going to be seeing coming on line soon from European countries, and perhaps Japan.

Well, Mr. President, I have opposed pouring money into what I perceive to be highly dubious projects for a long time. And I am going to continue to draw attention to these questionable expenditures, and I will oppose them every chance I get. But I have to accept reality, and the reality is that the votes are not yet here in the U.S. Senate to curtail these programs. But given our continued fiscal woes, and given the ever-tightening noose of the budget deficit, I do believe that next year is going to be a very different story indeed.

So, therefore, I want to put my colleagues on notice that I intend to revisit these issues next year in an effort to try to reduce what I perceive to be excessive military spending that is occurring at a time when the U.S. Treasury is on the verge of bankruptcy.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ROBB). Who seeks recognition?

NORTH BONNEVILLE LANGUAGE IN DEFENSE APPROPRIATIONS

Mr. ADAMS. Mr. President, to enable expansion of the Bonneville Dam on the Columbia River, the town of North Bonneville, WA, was condemned. In 1973, Congress required the Army Corps of Engineers to relocate the town, in section 83 of Public Law 93-251, but 20 years later, the town still does not have title to its new land and facilities, and the relocation effort has been mired in litigation.

My colleagues from Washington State in the other body, led by Congresswoman JOLENE UNSOELD, have included a legislative solution to the North Bonneville problem in their version of the water resources bill. They have secured clearance to include it in a funding bill.

To assure that the North Bonneville solution is enacted this year, would the chairman of the subcommittee, Chairman INOUYE, be agreeable to its inclusion in the Defense appropriations conference report, assuming the authorizing committee has no objection?

Mr. INOUYE. I would certainly be willing to consider the inclusion of North Bonneville language under such circumstances.

Mr. ADAMS. I thank the Senator.

AMENDMENT NO. 3126

Mr. INOUYE. Mr. President, I send an amendment to the desk on behalf of Mr. BREAUX and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. BREAUX, proposes an amendment numbered 3126.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 28, line 14, strike "$5,734,209,000" and insert in lieu thereof "$5,749,209,000".

At the appropriate place add the following general provision:

SEC. . Of the funds appropriated for "Aircraft Procurement, Navy", $15,000,000 shall be available only for acquisition of A-6E Mission Recorder/Reproducer Systems (MR/RS).

Mr. INOUYE. Mr. President, this amendment has been studied by the managers of this bill, and we find no objection to it.

Mr. STEVENS. We accept the amendment.

The PRESIDING OFFICER. Is there further debate.

The question is on agreeing to the amendment.

The amendment (No. 3126) was agreed to.

AMENDMENT NO. 3127

Mr. INOUYE. Mr. President, I send an amendment to the desk on behalf of Mr. CRANSTON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. CRANSTON, for himself and Mr. SEYMOUR proposes an amendment numbered 3127.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill insert the following:

"SEC. . In the event that the purchaser of the Sale Parcel at Hamilton Air Force Base in Novato, in the State of California, exercises its option to withdraw from the sale as provided in the Agreement and Modification, dated September 25, 1990, between the Department of Defense, the General Services Administration, and the purchaser, the purchaser's deposit of $4,500,000 shall be returned by the General Services Administration and funds eligible for reimbursement under the Agreement and Modification shall come from the funds made available to the Department of Defense by this Act."

Mr. INOUYE. Mr. President, this amendment has been studied and cleared by the managers. I find no objection to it.

Mr. STEVENS. The amendment is acceptable, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3127) was agreed to.

AMENDMENT NO. 3128

(Purpose: To provide funds for the T-45 training system engine competition development activity)

Mr. INOUYE. Mr. President, I send an amendment to the desk on behalf of Mr. DECONCINI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. DECONCINI proposes an amendment numbered 3128.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 41, line 16, insert before the period: ": *Provided*, That in addition to the amount appropriated elsewhere in this paragraph, $25,000,000 is appropriated for the T-45 training system engine competition development activity".

Mr. INOUYE. Mr. President, this amendment has been studied by the managers of the bill. I find no objection to it.

Mr. STEVENS. We have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3128) was agreed to.

AMENDMENT NO. 3129

Mr. INOUYE. Mr. President, I send an amendment to the desk on behalf of Senator DOLE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. DOLE, proposes an amendment numbered 3129.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 36, at the end of the paragraph entitled "National Guard and Reserve Equipment" insert the following:

"In addition to amounts appropriated elsewhere in this paragraph, $56 million is appropriated for 8 UH-60 helicopters for the Army National Guard."

Mr. INOUYE. Mr. President, this matter has been studied by the managers. I find no objection to it.

Mr. STEVENS. Mr. President, we accept the amendment.

Mr. DOLE. Mr. President, this amendment provides $56 million to pur-

chase eight UH-60 *Blackhawk* helicopters for the National Guard. Four of these helicopters are for the Kansas National Guard.

My amendment begins a badly needed modernization program for the Kansas National Guard which has been flying a fleet of 1967 vintage UH-1 helicopters for over 25 years. That these aircraft are still flying today is a testimony to the expert care and maintenance given to them by the Kansas Guard. However, these helicopters have reached the end of their service life and safety and readiness demands that they be replaced as soon as practicable.

Throughout the years, the Kansas Guard has made effective use of their aviation assets—providing disaster assistance for storm and tornado victims, helping communities rebuild, and providing air ambulance service in emergencies. The Kansas Guard stands ready to help Kansans in peacetime and protect the Nation in war.

These helicopters will begin a modernization program that will bring the Kansas National Guard the most modern equipment. This will be safer, more cost effective, and provide increased readiness to this superb organization.

Mr. President, I strongly support this amendment and urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3129) was agreed to.

AMENDMENT NO. 3130

(Purpose: Uniformed Services Treatment facilities)

Mr. INOUYE. Mr. President, I send an amendment to the desk on behalf of Mr. GORTON and Mr. ADAMS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. GORTON, for himself and Mr. ADAMS, proposes an amendment numbered 3130.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of section 9032, before the period, insert:

": *Provided further*, That the Department of Defense shall enter into participation agreements with the Uniformed Services Treatment facilities implementing the managed care program mandated under section 718(c) of the National Defense Authorization Act for fiscal year 1991 (Public Law 101-510; 104 Stat. 1587) which provides for such service delivery under such program beginning no later than October 1, 1993".

Mr. INOUYE. Mr. President, the managers of the bill have studied this amendment, and I find no objection.

Mr. STEVENS. We are prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3130) was agreed to.

AMENDMENT NO. 3131

(Purpose: To require that information relating to salaries and administrative expenses of the Department of Defense military departments and Defense Agencies be included in the budget submitted to the Congress)

Mr. INOUYE. Mr. President, I send an amendment to the desk on behalf of Mr. Graham and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. GRAHAM, proposes an amendment numbered 3131.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 157, between lines 9 and 10, insert the following:

SEC. 9132. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the Defense Agencies.

Mr. INOUYE. Mr. President, this amendment is acceptable to the managers.

Mr. STEVENS. We accept this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3131) was agreed to.

AMENDMENT NO. 3132

(Purpose: To transfer $1,000,000 from operation and maintenance, Air Force, to operation and maintenance, Army, in order to provide for military police training of Marine Corps personnel at Fort McClellan, Alabama)

Mr. INOUYE. Mr. President, I send an amendment to the desk on behalf of Mr. HEFLIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. HEFLIN, proposes an amendment numbered 3132.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 7, line 25, strike out "$13,422,198,000" and insert in lieu thereof "$13,423,198,000".

On page 9, line 2, insert before the period at the end the following: ": *Provided, further*, That $1,000,000 of the funds appropriated under this heading shall be available for providing military police training for Marine Corps personnel at Fort McClellan, Alabama".

On page 12, line 22, strike out "$16,205,216,000", and insert in lieu thereof "$16,204,216,000".

Mr. INOUYE. Mr. President, the managers on the part of the Senate have no objection to it.

Mr. STEVENS. Mr. President, we accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3132) was agreed to.

AMENDMENT NO. 3133

(Purpose: To provide for disaster assistance to commercial fishermen for losses arising from Hurricane Hugo, Hurricane Andrew, Hurricane Iniki, and other natural disasters.

Mr. INOUYE. Mr. President, I send an amendment to the desk on behalf of Mr. JOHNSTON and Mr. BREAUX and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. JOHNSTON, for himself and Mr. BREAUX, proposes an amendment numbered 3133.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill, add the following:

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities" to cover the cost of grants to persons engaged in commercial fisheries, as provided in section 308 of the Interjurisdictional Fisheries Act of 1986, as amended by this Act, $100,000,000 to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That such sums shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement, as defined in section 251 of such Act is transmitted by the President to Congress: *Provided further*, That section 308 of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4107) is amended by adding at the end the following new subsection:

"(d) GRANTS TO COMMERCIAL FISHERMEN.—(1) In addition to the amounts authorized under subsections (a), (b), and (c), there are authorized to be appropriated to the Department of Commerce $100,000,000 for fiscal year 1992 to enable the Secretary to award grants to persons engaged in commercial fisheries, for uninsured losses determined by the Secretary to have been suffered as a direct result of a fishery resource disaster arising from Hurricane Hugo, Hurricane Andrew, Hurricane Iniki, or any other natural disaster. Amounts appropriated under this subsection shall remain available until expended.

"(2) The Secretary shall determine the extent, and the beginning and ending dates, of any fishery resource disaster under this subsection.

"(3) Eligibility for a grant under this subsection shall be limited to any person that has less than $2,000,000 in gross revenues annually, as determined by the Secretary.

"(4) A person may receive a grant under this subsection for up to 75 percent of any uninsured commercial fishery loss resulting from such a fishery resource disaster (to the extent that such losses have not been compensated by other Federal and State programs), but shall receive no more than $100,000 in the aggregate for all such losses suffered as a result of any particular fishery resource disaster.

"(5) the Secretary shall establish, after notice and opportunity for public comment, appropriate limitations, terms, and conditions for awarding grants under this subsection, including provisions specifying the means by which applicants must demonstrate claimed losses and limiting the aggregate amounts that may be paid to persons that are affiliated with each other or under common ownership.

"(6) As used in this subsection, the term 'person' means any individual or any corporation, partnership, trust, association, or other nongovernmental entity.".

Mr. JOHNSTON. Mr. President, I rise today to support the amendment to provide disaster assistance to commercial fishermen who suffered significant losses due to the wave of natural disasters that have plagued this industry in the past several years.

Gulf coast fishermen impacted by Hurricane Andrew, Hawaiian fishermen impacted by Hurricane Iniki, and South Carolina fishermen impacted by Hurricane Hugo realized combined losses of $100 million. The impact to Louisiana commercial fishermen alone is in excess of $50 million. Louisiana's Wildlife and Fisheries Department has determined that over 300 million freshwater and marine fish were washed ashore or killed through oxygen depletion.

Mr. President, independent commercial fishermen, who provide the Nation's seafood, have no established mechanism for seeking disaster relief. Unlike the farmer, Federal disaster relief in the form of grants is unavailable. Without this assistance these independent seafood harvesters will lose their livelihoods.

Mr. President, I urge my colleagues to grant equality to commercial fishermen by adopting this amendment.

Mr. BREAUX. Mr. President, commercial fishermen play a vital and critical role in the economy of Louisiana, the gulf coast, and the entire Nation. Fishermen have been severely damaged by Hurricanes Andrew, Iniki, and Hugo, and face huge losses not adequately covered by other disaster programs. I am calling on my colleagues to recognize the extent of the disaster that struck a major segment of this Nation's coastal industry, the commercial fisherman.

In the United States, the direct value of our commercial fishery is over $3.3 billion. The value of the Louisiana fish harvest was $243.6 million in 1991, Mr. President. Commercial fish landings for Florida in 1991 were $162.1 million, for Hawaii, $57.7 million, and for South Carolina, $28.5 million.

If the value of the processed fish products is considered, the total value of the fishery is $7 billion. Think of it, commercial fisheries is a $7 billion industry. Extend this value to consumer expenditures at restaurants, caterers, carry-out food services, the figure is $26.8 billion. The commercial marine fishing industry contributed, in value added terms, $16.5 billion to the gross national product in 1991. Commercial fishing is not a small industry.

However, as large as the U.S. commercial industry is, small commercial fishermen are the backbone of the fishing fleet. They are the harvesters of the fish and shellfish we consume. Many are mom-and-pop businesses with few financial resources to tide them over when the fish aren't there to harvest. They need help.

Louisiana's commercial fishermen face catastrophic losses to both marine and freshwater commercial fishery resources as a direct result of Hurricane Andrew. Headlines in Louisiana papers tell of massive fish kills as a result of the hurricane.

Mr. President, the Louisiana Department of Wildlife and Fisheries estimates that over 300 million freshwater and 10 million saltwater fish were killed as a result of this unprecedented disaster. The dollar value of the fish lost to the commercial fishermen for this fishery disaster is estimated to exceed $52 million.

The value of the Louisiana commercial catch, as I stated earlier, is $243.6 million. Mr. President, this means fish lost to the Louisiana commercial fishermen amounts to approximately 21 percent of the total fish harvest. Imagine losing 21 percent of the total fishery resources in other coastal States, like South Carolina, Hawaii, or Florida.

The economic hardship and social impacts of such a fishery resource natural disaster are staggering. With losses of this magnitude to commercial fishermen, many of these fishermen will be driven out of the industry. Whole cities and towns depending on commercial fishing will face severe economic effects of these hurricanes long after the other segments of the States have recovered.

When natural disasters hit farmers and the farming industry, farmers are provided Federal grants to maintain their families and farms until the next harvest season. These farmers provide the food for this Nation and we rely on their tradition of farming to maintain the food supply. Fishermen also provide food to this Nation. Seafood, which is increasingly more important to the American diet, is the product of commercial fishermen's labor.

Hurricane Andrew has devastated the Louisiana fishing industry and caused fish kills of great proportions. Without assistance, many commercial fishermen will be forced out of the fishing industry. It is only fair that commercial fishermen be compensated for losses, just as is the farmer.

This amendment will bring parity to the commercial fishermen who, like farmers, have suffered losses as a result of natural disasters. All commercial fishermen, not just those suffering losses as a result of hurricanes Andrew and Iniki, will be compensated for their fishery resource disaster losses. South Carolina commercial fishermen who suffered with Hurricane Hugo will be compensated. Commercial fishermen in other States will likewise be covered for losses suffered as a result of fishery resource disasters.

For these fisheries resource disaster grants, as designated by this amendment, the President must submit an emergency budget request for the entire amount as an emergency requirement. We would find it unconscionable if the President were not to make a request for this emergency, considering the unfathomable losses to the commercial fisheries resources as a result of the hurricanes.

Under this amendment, the Secretary of Commerce shall determine the extent and the beginning and ending dates of the commerical fishery natural disaster, and will identify the disaster as a fishery resource disaster. All fishery resource disasters, as determined by the Secretary, are eligible for this grant program.

This amendment will provide Federal grants, under the Interjurisdictional Fishery Act, to commercial fishermen for up to 75 percent of their direct, uninsured losses resulting from. Total grants to any fisherman are limited to $100,000. In addition, the Secretary will establish necessary guidelines to establish this grant program.

It is our intention, Mr. President, that the Secretary shall expedite the guideline process, minimizing the implementation period and ensuring the commercial fishing grants be available to qualifying fishermen as soon as possible. There should not be a massive Federal bureaucracy established, but streamlined and efficient process.

Mr. President, I urge my colleagues to join with me to help commercial fishermen who have suffered losses as a result of Hurricane Andrew and ask for their support of this important amendment.

Mr. INOUYE. Mr. President, I have no objection to the adoption of the amendment.

Mr. STEVENS. Mr. President, we have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3133) was agreed to.

AMENDMENT NO. 3134

(Purpose: Monitor Department of Defense interdiction and counternarcotics programs missions)

Mr. INOUYE. Mr. President, I send to the desk an amendment offered by Senators LOTT and COCHRAN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. LOTT, for himself and Mr. COCHRAN, proposes an amendment numbered 3134.

Mr. INOUYE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 52, line 7, before the period add: ": *Provided further*, From within the funds appropriated in this paragraph, the Secretary shall either lease or procure, and evaluate, an existing airship as an integrated sensor platform for detection and monitoring missions in the Department's Drug Interdiction and Counternarcotics program".

AIRSHIP TEST AND EVALUATION AMENDMENT

Mr. LOTT. Mr. President, the greatest national security threat facing our country right now is the continued flow of illegal drugs across our borders. While we have made some progress in combating this problem in recent years, there remains a need for more improvement.

Mr. COCHRAN. Mr. President, for the last several years we have dedicated an increasing amount of our military attention to the counterdrug mission. Our primary focus has been on the detection and monitoring of the ships and aircraft used to illegally transport drugs into this country.

Mr. LOTT. Mr. President, we can do more to improve our detection and monitoring capabilities. For example, today our entire gulf coast region remains largely unmonitored for the illegal transport of drugs into the United States. In addition, our military commanders have testified that they need more airborne early warning aircraft to assist in the detection and tracking of illegal aircraft.

Currently, high-cost AWAC's platforms are the primary source for critical tracking assignments—but they are not without problems. Not only are they very expensive to operate, but they are restricted from carrying host-nation forces in Latin America. We need to identify a capable, mobile, low-cost alternative which is not so heavily restricted that it prevents the participation of host-nation forces.

Mr. COCHRAN. Mr. President, we believe airships may be that low-cost alternative. But, in order to determine if they are effective alternatives, we need to conduct a test and evaluation of the airship as an effective alternative to existing airborne early warning platforms.

Mr. President, it should be noted that the Senate Armed Services Committee included an airship testing provision in the fiscal year 1993 Defense Authorization Act. I am also pleased to point out that the Assistant Secretary of Defense for Drug Enforcement Policy is fully aware of this testing provision and is very supportive.

Mr. LOTT. Mr. President, I wish to thank the senior Senator from Mississippi, as well as Senator SPECTER, for their assistance on this issue. I also appreciate the help and support of the rest of the Appropriations Committee for supporting our amendment.

Mr. INOUYE. Mr. President, I find no objection to its adoption.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3134) was agreed to.

AMENDMENT NO. 3135

(Purpose: To authorize the Secretary of Defense to transfer funds for the purpose of carrying out the Former Soviet Union Demilitarization Act of 1992)

Mr. INOUYE. Mr. President, I send to the desk an amendment offered for Senators NUNN, WARNER, LUGAR and STEVENS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. NUNN (for himself and Mr. WARNER, Mr. LUGAR, and Mr. STEVENS) proposes an amendment numbered 3135.

Mr. INOUYE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 182, strike out lines 6 through 9 and insert in lieu thereof the following:

SEC. 9110. (a) The Secretary of Defense may transfer to appropriate appropriation accounts for the Department of Defense, out of funds appropriated to the Department of Defense for fiscal year 1993, up to $400,000,000 to be available for the purposes authorized in the Former Soviet Union Demilitarization Act of 1992. Amounts so transferred shall be in addition to amounts transferred pursuant to the authority provided in section 108 of Public Law 102-229 (105 Stat. 1708).

(b) Of the funds transferred pursuant to this section—

(1) not less than $10,000,000 shall be available only for the study, assessment, and identification of nuclear waste disposal by the former Soviet Union in the Arctic region; and

(2) not less than $25,000,000 shall be available only for Project PEACE.

(c) The authority provided in section 108 of Public Law 102-229 (105 Stat. 1708) to transfer amounts appropriated for fiscal year 1992 shall continue to be in effect during fiscal year 1993.

(d) The transfer authority provided in this section shall be in addition to any other transfer authority contained in this Act.

Mr. NUNN. Mr. President, in S. 3114, the fiscal year 1993 defense authorization bill which the Senate passed just after midnight last Friday, we authorized an additional $400 million in transfer authority for the Nunn-Lugar nuclear and chemical weapons threat reduction program in fiscal year 1993. I would emphasize that this is transfer authority—that is, authority to the Defense Department funds and use them for this purpose. It is not a $400 million add-on to the defense budget. In combination with the $400 million Congress authorized and appropriated for the various Nunn-Lugar programs last year, the Senate version of the fiscal year 1993 defense authorization provides a total of $800 million for Nunn-Lugar purposes over the 2-year period, fiscal year 1992-93.

The House-passed version of the fiscal year 1993 defense authorization bill authorizes an additional $250 million for the Nunn-Lugar program in fiscal year 1993, which is $150 million less than the level the Senate now recommends. So that difference—$400 million in additional Nunn-Lugar funds in the Senate bill versus $250 million in the House bill—is now being addressed in our conference with the House.

On the appropriations side, I would note that the House passed version of the fiscal year 1993 defense appropriations bill followed the lead of the House-passed authorization bill and approved an additional $250 million in fiscal year 1993 for Nunn-Lugar programs.

Unfortunately, Mr. President, the Senate Appropriations Committee chose to provide no additional funds—zero—for the Nunn-Lugar program in fiscal year 1993.

The amendment that I am offering with Senators LUGAR and WARNER would correct that oversight and bring the Senate version of the fiscal year 1993 defense appropriations bill in line with the fiscal year 1993 Defense authorization bill we passed just 4 days ago. The amendment would designate an additional $400 million for Nunn-Lugar transfers in fiscal year 1993, to go along with the $400 million we approved last year.

Some Members might wonder why additional Nunn-Lugar funds are needed, since to date the Congress has been notified that only $185 million of the $400 million appropriated in fiscal year 1992 has been obligated or is proposed for obligation.

The answer, Mr. President, is that the Nunn-Lugar program is moving into important new nuclear and chemical threat-reduction areas that will require these additional funds. For example:

In the June 17, 1992 summit agreement signed by President Bush and Yeltsin at the Washington Summit—referred to as START II—the United States and Russia agreed that all START II reductions—including the complete elimination of all land-based MIRV'd missiles—would have to be accomplished by the year 2003. However, the summit agreement provides that if

the United States assists Russia with financing the cost of these START II weapons eliminations, that deadline can be accelerated by 3 years, to the year 2000. At the Armed Services Committee hearings on START, Secretary Cheney testified that achieving this accelerated deadline for deMIRVing was in our national security interests and that the Nunn-Lugar program would be the mechanism for providing this assistance. So we will need additional Nunn-Lugar transfer next year to get started toward this new goal.

In conjunction with the Lisbon Protocol agreement in May 1992 that opened the door for ratification of the START I Treaty, Ukraine, Belarus, and Kazakhstan promised to eliminate or remove all nuclear weapons all strategic offensive arms from their territories by 1999. This denuclearization promise is a landmark achievement in our postwar nonproliferation endeavors. However, Ukraine is strapped for funds to carry out this commitment, and the United States has pledged to work with this new state in determining how we can help. The Nunn-Lugar program will be the mechanism for this financial assistance program as well.

Negotiations are making good progress in additional areas authorized in last year's Nunn-Lugar legislation, including assisting Russia with an accounting system for keeping firm control over all its nuclear warheads and missile material. Funds will be needed once talks on this program are finalized.

Finally, I would note that the Senate-passed fiscal year 1993 defense authorization bill includes an important broadening of the purposes for which Nunn-Lugar money can be expended. As specified in S. 3114, the basic authority for Nunn-Lugar activities is now being extended to include support for defense conversion in the States of the former Soviet Union and expanded military-to-military exchanges with these countries as well.

I would emphasize that the Nunn-Lugar moneys to be used for defense conversion activities in the former Soviet Republics is not foreign aid—it is not a give-away of United States tax dollars to Russian defense plants. Rather, the money is intended to go to United States contractors who would set up data banks and clearing houses in these States to assist United States businesses looking to invest their own funds in joint ventures or joint partnerships with former Soviet defense industries interested in converting to nonmilitary production.

In sum, Mr. President, there no question in my mind that we will need an additional $400 million for the Nunn-Lugar program next year on top of the $400 million already authorized for transfer in fiscal year 1992. I urge my colleagues to approve this amendment and thereby conform the bill to the mark we have already established in the authorization bill.

Mr. WARNER. Mr. President, I rise today as a cosponsor of the amendment offered by the Senator from Georgia to provide additional funding to assist in the demilitarization of the former Soviet Union. The amendment would make an additional $400 million in fiscal year 1993 DOD funds available for such activities under the Nunn-Lugar legislation enacted last year and would provide appropriations transfer authority at a funding level consistent with the Senate's action of last week on the fiscal year 1993 Defense authorization bill.

Last year, during the lengthy congressional debate on the original Nunn-Lugar legislation, Congress determined that providing assistance to dismantle and securely store the nuclear weapons of the Soviet Union was decidedly in the national security interest of the United States. I firmly believe that continued support for this program, among other things, is necessary to maintain the momentum for demilitarization and democratization in the former Soviet Union.

The Soviet Nuclear Threat Reduction Act of 1991, which was enacted last year, authorized up to $400 million of DOD funds to be used during fiscal year 1992 to assist in dismantling and safely transporting and storing the nuclear weapons of the former Soviet Union. On Friday of last week, the Senate passed the fiscal year 1993 Defense authorization bill, which provides an additional $400 million transfer authority for demilitarization of the former Soviet Union. In addition, the authorization provision adds defense conversion and military-to-military exchanges to the authorized program, and extends the availability of previously authorized and appropriated funds through fiscal year 1993.

The Nunn-Lugar legislation provided an incentive for the United States and Russia to establish a useful and effective channel of communication between the United States and the newly independent states of the former Soviet Union. Discussions in this forum have, among other things, contributed significantly to the achievement of the June 17 joint understanding between the United States and Russia on further strategic arms reductions.

Mr. President, some have raised questions about the need for additional funding at this time. I would point out that the dissolution of the former Soviet Union in December 1991 obviously hampered early efforts to formulate a coherent program under the Nunn-Lugar legislation. However, in the spring of 1992, ongoing discussions paid off and agreements were reached on a number of initiatives. In separate notifications in May, June, and August, Congress was notified that agreements have been reached, totaling $185 million, for the following purposes:

Establish an International Science and Technology Center in Russia and a similar organization in Ukraine;

Provide United States-produced storage containers and armored blankets, as well as upgrades to Russian railcars, to help ensure safe transportation and storage of nuclear weapons and fissile materials;

Help design a secure and ecologically sound storage facility for fissile material, as well as a fissile material control and accountability system, in Russia;

Provide nuclear weapons accident response equipment and training; and

Provide material, training, and services to facilitate safe and ecologically sound chemical weapons destruction in Russia.

Contracts to carry out these programs are currently proceeding through the normal acquisition process in the Department of Defense. It is my understanding that the contracts to carry out these activities will be awarded, to the greatest extent possible, to U.S. businesses. This is consistent with the provision in the Nunn-Lugar legislation that specified that any activities undertaken pursuant to this authority should draw upon U.S. technology and U.S. technicians.

Discussions are ongoing with Russia, as well as with Ukraine and Belarus in particular, on additional demilitarization programs, such as nonproliferation activities and defense conversion. This amendment would ensure that sufficient funds would be available in a timely fashion when further agreements are reached with the former Soviet republics.

And of course, any obligation of these funds would be subject to a number of conditions which are somewhat more stringent than the original Nunn-Lugar legislation including:

Annual Presidential certification of the eligibility of any State to receive any assistance based on that State's demonstrated commitment of its own resources to demilitarization, as well as arms control compliance and respect for human rights; and

Notification to Congress of funding sources and proposed activities prior to obligating any funds, and quarterly reports on ongoing activities as well as planned future activities.

Mr. President, I would also point out that the use of DOD funds for programs under the Nunn-Lugar legislation is completely discretionary to the administration if no activities are identified which the administration believes should be funded under this program, then the administration would simply not start the process to obtain the necessary funding.

This amendment would also ensure that some funds would be available to assist the former Soviet Union, particularly Ukraine, in carrying out their obligations to destroy silos under the

START I Treaty and a prospective START II Treaty. These funds could also be used, as required, to assist in accelerating the implementation of a START II Treaty.

Mr. President, the Nunn-Lugar legislation of last year helped to establish a channel of communications with the former Soviet Union that has facilitated improved relations between our two nations. Most important, the activities funded under the Nunn-Lugar legislation serve the national security interest of the United States by reducing the threat to our own country. I believe the Senate must demonstrate a continued and significant commitment to assist in the demilitarization of the former Soviet Union, and I therefore urge the adoption of this amendment.

Mr. INOUYE. Mr. President, I have no objection to its acceptance.

The PRESIDING OFFICER. Is there debate?

The Senator from Alaska [Mr. STEVENS].

Mr. STEVENS. I thank the two Senators, Mr. NUNN and Mr. WARNER, particularly for adding to this amendment some language that I sought concerning research into the disposal of nuclear materials by the Soviets during the time of the extensive testing of nuclear weapons. Particularly, I am disturbed with reports of disposal of nuclear waste on tundra in the Arctic at places where it might be leached by runoff into the North Pacific, which is very vital to our country as well as Russia.

The PRESIDING OFFICER. Is there further debate?

Without objection, the amendment is agreed to.

The amendment (No. 3135) was agreed to.

AMENDMENT NO. 3136

(Purpose: To direct funds to certain bioremediation technology development efforts)

Mr. INOUYE. Mr. President, I send to the desk an amendment, proposed by Senators LEVIN and RIEGLE, and ask its immediate consideration.

The PRESIDING OFFICER. The Clerk will report the amendment.

The legislation clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. LEVIN, for himself and Mr. RIEGLE, proposes an amendment numbered 3136.

Mr. INOUYE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 20, line 23, add: "*Provided further*, That, of the funds provided under this heading, not less than $3,500,000 of this amount shall be granted in fiscal year 1993 to a nonprofit institution with expertise in applied environmental bioremediation technology, which includes experience in biological fluidized bed systems containing granular activated carbon as the microbial support medium, microbial cultures with proven ability to degrade nitrates, chlorinated aromatic compounds, benzene, toluene, and xylene, as well as an advanced monitoring system to ensure optimal control of electron donor feeds, for the purpose of establishing an advanced process integration, scale-up and applied technology demonstration program in environmental bioremediation restoration technology.

Mr. INOUYE. Mr. President, I urge adoption of this amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. STEVENS. There is no further debate.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3136) was agreed to.

AMENDMENT NO. 3137

(Purpose: Marine Corps Child Abuse Prevention Program)

Mr. INOUYE. Mr. President, I send to the desk an amendment proposed by Senator SEYMOUR and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. SEYMOUR, proposes an amendment numbered 3137.

Mr. INOUYE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 12, line 2 before the period, add: ": *Provided further*, That from within funds provided in this paragraph, $3,000,000 shall be available only for Marine Corps child abuse prevention program".

PARENT SUPPORT PROGRAM FUNDING

Mr. SEYMOUR. Mr. President, I rise to offer an amendment that would continue the U.S. Marine Corps Child Abuse Prevention Program funded in last year's bill. As a result of the committee's leadership and commitment to family advocacy in the military, the Senate included $3 million for advancing this program to all Marine Corps facilities, in fiscal year 1992, and it is my hope that the Senate will therefore consider providing fiscal year 1993 funding for continuing this effort.

The issues of child abuse and neglect are not only of great concern throughout this country but also within the military community, making this program a vital service. By continuing Federal support for the Parent Support Program, we will be able to foster the development of a strong program that can be applied to all branches of the military forces.

This program has been tested on a very successful demonstration program at Camp Pendleton by the Marine Corps and Children's Hospital of San Diego, though on a much smaller scale. The Parent Support Program at Camp Pendleton was modeled on Hawaii's Healthy Start Program and the Parent Aide Program began at San Diego Children's in 1976. These programs have the goal of preventing and decreasing the incidence of child abuse and neglect through a range of clinical, home visit and support services.

As a somewhat alarming measure of the need for such services throughout the military community, this program has provided in-home primary child abuse prevention services to 200 Marine Corps families and over 350 children at Camp Pendleton alone.

Initially, the Parent Support Program seeks to identify and target Marine dependents and their children, especially under the age of 2, who are experiencing social and psychological problems which are identified as leading risk factors for potential child abuse. The initial phases of interaction involve a series of interviews and assessments as well as the development of specific treatment goals. During the implementation stage, the program offers in-home support services, parent education, and further clinical assessment as necessary. Clinical supervisors oversee all of the cases undertaken by the program and determine all of the program objectives.

The program for all 18 USMC bases and training facilities, which received initial funding from Congress last year, is moving forward in a very similar manner, although when fully implemented, it will include an evaluation component for measuring the effectiveness of the services and treatments offered for assessing the future needs of military wives and families. As the program becomes firmly established in the Marine Corps, I believe it will serve as the model for the other branches of service. With this as a goal, the program must continue to receive Federal support in its formative years.

I understand, Mr. President, that this amendment has been cleared by the distinguished managers of the bill. I particularly want to recognize the outstanding leadership that Senators INOUYE and STEVENS have provided in fostering military family advocacy programs.

Mr. INOUYE. Mr. President, this amendment has been studied, and it is acceptable. I urge its immediate acceptance.

The PRESIDING OFFICER. Is there further debate?

Mr. STEVENS. I join in urging its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3137) was agreed to

AMENDMENT NO. 3138

(Purpose: Synthetic aperture radar digital terrain mapping)

Mr. INOUYE. Mr. President, I send to the desk a proposed amendment by Senator WALLOP and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. WALLOP, proposes an amendment numbered 3138.

Mr. INOUYE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 45, line 15, before the period, add: ": *Provided further*, That in addition to the amount appropriated elsewhere in this paragraph, $16,000,000 is appropriated for synthetic aperture radar digital terrain mapping".

Mr. INOUYE. Mr. President, this amendment is acceptable.

The PRESIDING OFFICER. Is there further debate?

Mr. STEVENS. The amendment is acceptable also to me.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3138) was agreed to.

AMENDMENT NO. 3139

(Purpose: Night Vision Equipment for Reserve Components)

Mr. INOUYE. Mr. President, I send to the desk an amendment offered by Mr. WARNER and ask for its immediate consideration.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. WARNER, proposes an amendment numbered 3139.

Mr. INOUYE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 36, before the period, line 10, add: ": *Provided*, That in addition to the amount appropriated elsewhere in this paragraph, $40,000,000 is appropriated for Night Vision Equipment".

Mr. WARNER. Mr. President, the amendment I propose is straightforward and simple but, in my opinion, essential. It provides additional funding to procure night vision equipment for the Army Reserves and the Army National Guard.

The advantages provided to our forces in the Persian Gulf through the use of night vision equipment was evident in Operation Desert Storm. Our forces operated routinely at night because of the enhanced capabilities afforded by the high technology, latest generation night vision goggles and other devices.

The active components of our Army have made a significant investment in night vision equipment over the years which paid off significantly in the war in the Persian Gulf. In the future, we intend to place increased reliance on our Reserve components—the National Guard as well as the Reserves.

The Congress has recognized the importance of the Reserve components and has consistently supported their modernization. The Army National Guard and Army Reserves have acknowledged their shortfall in night vision equipment. It is important that we assist them in acquiring this important capability.

This amendment would provide $20 million for the Army National Guard and $20 million for the Army Reserves for night vision devices.

I appreciate the courtesy and attention of the floor managers to this amendment and I urge my colleagues to indicate once again the consistent and strong support of the Congress for the Reserve components by supporting this amendment.

Mr. INOUYE. I urge its immediate acceptance.

The PRESIDING OFFICER. Is there further debate?

Mr. STEVENS. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3139) was agreed to.

AMENDMENT NO. 3140

Mr. INOUYE. Mr. President, I send to the desk an amendment offered by Senator WARNER and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. WARNER, proposes an amendment numbered 3140.

Mr. INOUYE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 45, line 15, before the period, add: ": *Provided further*, That in addition to the amount appropriated elsewhere in this paragraph, $7,000,000 is appropriated for Laser Imaging Detection and Ranging (LIDAR)".

Mr. WARNER. Mr. President, as you are aware, one of the key intelligence issues facing our country today is the proliferation of chemical, biological, and nuclear weapons. We are also concerned about their means of delivery. Another major intelligence problem is narcotic processing. This amendment seeks to add $7 million to begin development of a light imaging detection and ranging system [LIDAR]. A state-of-the-art, national-level LIDAR capability can help identify production efforts in these areas.

Mr. INOUYE. Mr. President, I urge its adoption.

The PRESIDING OFFICER. Is there further debate?

Mr. STEVENS. Mr. President, I urge its adoption, also.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3140) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider en bloc the votes by which the amendments were agreed to and move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Hawaii [Mr. INOUYE].

Mr. INOUYE. Mr. President, that concludes the list of those amendments cleared by the managers of the bill. We have a few more remaining, but we feel that we should be able to foresee and resolve everything by 8:30 this evening.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. STEVENS. Mr. President, my good friend, the manager of the bill, just indicated that he would hope that we would be finished by 8:30. I think that is still possible; it is not 5:30 yet.

We still have, according to my count, 13 amendments that Senators have indicated they want to come over and offer. I would like to suggest that maybe we make a motion to proceed to third reading at 8:30 if these amendments have not been offered. I think there is no reason for us to wait here now for people who want to offer amendments. I have not seen some of them myself. I would be pleased to try and clear them very quickly.

But I do think that we ought to indicate that if it is possible to get through at 8:30, we should do that.

So I would like to have the two Cloakrooms send out word that this Senator intends to move to go to third reading unless there is an amendment pending at 8:30. I make that request to both Cloakrooms.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 3141

(Purpose: To authorize the Secretary of the Interior to issue special-use permits to the City of Phoenix, the State of Arizona and the Department of Veterans Affairs for use of parcels of the Indian School property as described in PL 100-696)

Mr. INOUYE. Mr. President, I send to the desk an amendment on behalf of Senator MCCAIN, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. MCCAIN, proposes an amendment numbered 3141.

Mr. INOUYE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place insert the following section:

"(1) Notwithstanding the provisions of any other law, subject to the execution of a binding Trust Fund Payment Agreement as required by section 403 of Public Law 100-696 ("the Act"), the Secretary of the Interior is authorized to issue special-use permits or other licenses to the Department of Veterans Affairs for use of the parcels of property described in Section 402(f) and (g) of the Act and to the city of Phoenix, Arizona, for use of the parcel of property described in Section 402(e) of the Act and any other lands within the School Property that are to be conveyed to the city of Phoenix pursuant to a further exchange agreement between the city of Phoenix and the Baron Collier Company. The Secretary of Veterans Affairs is authorized to accept such permit or license and to transfer such permit or license to the State of Arizona for the 4.5 acres described in section 402(g) of Public Law 100-696 for the purposes described therein. Any permit or license issued pursuant to this section shall expire upon the closing of the Land Exchange, and shall be consistent with the provisions of the Exchange Agreement described in Section 402(b) of the Act and any amendment thereto. The Secretary is authorized to amend the Exchange Agreement, upon the written consent of the parties thereto, to effectuate this result.".

Mr. INOUYE. Mr. President, this amendment has been received and studied by the managers and also by the chairman and ranking member of the Interior Committee. We find no objection. I urge its adoption.

Mr. STEVENS. Mr. President, this amendment has been reviewed now very carefully. It is slightly modified from the first version that we had. This amendment, offered by Senator MCCAIN, is not totally acceptable, as stated by the Senator from Hawaii.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 3141) was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. INOUYE. Mr. President, I ask unanimous consent that the following be the only amendments remaining in order to the defense appropriations bill; that the listed amendments be offered in the first degree and subject to relevant second-degree amendments, and that no motions to recommit be in order:

The 1st amendment, by Mr. BINGAMAN, on defense conversion; 2d amendment, Mr. BINGAMAN, on defense technology; 3d amendment, Mr. BINGAMAN, defense manufacturing; 4th amendment, Mr. BINGAMAN, United States-Japan management training; 5th amendment, by Mr. BINGAMAN, directors fund for math and science engineering; 6th amendment, by Mr. BINGAMAN, on Sematech; 7th amendment, by Mr. DOLE, on blood testing; 8th amendment, by Mr. DOLE, on drug interdiction aircraft; 9th amendment, by Mr. GRAHAM of Florida, on overhead expenses; 10th amendment, by Mr. GRAHAM, on reporting requirements of security forces; 11th amendment, by Mr. GRAHAM of Florida, on reporting requirements of DOD national emergency response; 12th amendment, by Mr. HARKIN, on the SDI; 13th amendment, Mr. INOUYE, on disaster assistance; 14th amendment, by Mr. NUNN, on modification of university earmarks; 15th amendment, by Mr. LAUTENBERG, on Arab boycott; 15th amendment, Mr. LEVIN, on TARDEC; 16th amendment, by Mr. LEVIN, on starbase-National Guard education.

Mr. STEVENS. Mr. President, will the Senator yield? There is another amendment of Senator CRANSTON that we are still trying to clear up. Will the Chairman list it too, please?

Mr. INOUYE. That is the 17th amendment, Senator CRANSTON.

Mr. STEVENS. It pertains to a patent extension.

Mr. INOUYE. The last amendment by Mr. PRYOR is on defense conversion.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the Senator from Hawaii? Without objection, it is so ordered.

Mr. INOUYE addressed the Chair.

Mr. STEVENS. Mr. President, may I ask the distinguished Senator from Hawaii if it is possible to set some order on this now so we might get an understanding when these amendments will be offered? Is that possible? There is only one that I know of right now that would require a vote. There may be others. I only know of one right now.

Mr. INOUYE. Mr. President, If I could be given 10 minutes, I will talk to some of them.

Mr. STEVENS. I thank my friend. There are no amendments other than the two from the Senator from Kansas on our side. I would be pleased to assist in any way I can.

The PRESIDING OFFICER. (Mr. WELLSTONE). Does any Senator seek recognition?

Mr. INOUYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. INOUYE. Mr. President, I ask unanimous consent that an additional amendment be included in the list that we just submitted a few minutes ago. That is an amendment by Senator JOHNSTON. It relates to page 38, line 22, on AIDS.

The PRESIDING OFFICER. Without objection, the amendment will be included in the list.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. PRESSLER. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business.

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

HARVARD/OXFORD SEMINAR

Mr. PRESSLER. Mr. President, I recently had the privilege to host many of my fellow Harvard law graduates and fellow Rhodes scholars for a public policy forum. On September 10, we gathered in the historic Russell Caucus room. C-SPAN was there to record the event and duly played it on television.

Several of our Senate colleagues graciously agreed to take part in the seminar and presented their thoughts on a variety of issues facing our country and the world. We were fortunate to have representatives from other branches of Government and the private sector as well.

Our colleague, Senator NANCY KASSEBAUM, brought a special guest to the seminar, Helen Suzman, a distinguished former Member of the South African Parliament for 36 years and vocal opponent of apartheid for all those years. Her remarks were very enlightening.

Senator RICHARD LUGAR, a fellow Rhodes scholar, gave an outstanding keynote luncheon address on foreign policy issues. Other Senators also provided special insights. Senator TIM WIRTH articulated his views on why so many Members are leaving Congress; Senator ALAN SIMPSON spoke very candidly about judicial nominations in the aftermath of the Clarence Thomas nomination battle; Senator JOHN WARNER detailed his recent trip to Bosnia-Hercegovina; Senator TRENT LOTT

talked about serving in Congress and his efforts to find good people to run for Congress; Senators CLAIBORNE PELL and NANCY KASSEBAUM spoke on various aspects of U.S. foreign policy; and Senator BOB DOLE focused his remarks on the activities and responsibilities of Senate leaders.

Ken Bode, CNN correspondent and director of the Center for Contemporary Media at DePauw University, shared his views on media coverage of politics and the presidential race; Jay Stephens, U.S. attorney for the District of Columbia, talked about fighting crime in the Nation's Capital; Dick Wiley, former FCC chairman, discussed the role of the lawyer/lobbyist and Congress; Peter Monroe, President of the Resolution Trust Corporation Oversight Board, spoke about details of the S&L cleanup; and Stephen Trachtenberg, president of George Washington University, addressed the issue of running a university in the Nation's Capital.

It was my privilege to personally discuss some of the results of my recent trip to 10 Republics of the former Soviet Union and also to make some introductions and comments on each of the speakers.

This is the second public policy forum I have hosted here in the Senate, the first being held in 1987.

I also have held forums for my constituents from South Dakota.

I bring this to the attention of the Senate because many American voters are disgusted with the Congress and fed up with the system. A throw-the-bums-out sentiment is the prevailing mood of the voters. They feel cut off from the people who are supposed to represent them. These seminars provide an intimate view of several of the Senate's distinguished Members, allow for an exchange of ideas and an in-depth examination of our Nation's policies. I received an overwhelmingly positive response to this forum.

Let me say, Mr. President, that I think it is very important that we continue the dialog. We have many problems in this country. We have many problems in the way this body is functioning. But, on the other hand, what is the alternative? We have to make our institutions work.

There is much talk about limited terms and other mechanical means of solving our problems. But our problems will only be solved if the voters of America go to the polls and vote their conviction—study the issues and vote for candidates they believe in. The American public could completely change the House of Representatives every 2 years, they could change a third of the Senate every 2 years, and they have an opportunity to change the Presidency coming up.

Yet it seems that most of the anger is vented at the institution, and indeed we deserve much criticism and we should work hard to improve ourselves, but this institution will be no better than the people who elect it. I always tell people they need to study the issues and vote. Less than half of our people vote. Many of those do not study the voting records. I think that is a very important thing to remember.

So these seminars, I think, provide an important opportunity to sit down for a time and think a little. I will be doing this with the Sioux tribal presidents in South Dakota in the near future. We have nine different, separate Indian tribes and I meet occasionally with the leaders of those Indian tribes. We have a day we set aside to sit down and talk about the problems and how we can help the American Indians. This is another example of the usefulness of seminars or meetings.

As I mentioned, I received an overwhelmingly positive response to my recent Harvard/Oxford Seminar. I received some excellent letters from people who spent a day listening and asking questions of U.S. Senators. It amazes me how people outside of Washington seem to think this is a special privilege, but it is available really to many Americans if you watch the schedule of listening meetings held by your Senator or your Congressmen.

I know the Senator in the Chair holds listening meetings in his State. I hold listening meetings in my State where people can come and question us or criticize us or become more aware of our voting pattern. It bothers me that so many people are disgusted with Government but that many of them are the very ones most likely not to vote or more likely not to work to inform themselves. You cannot only depend on TV ads to inform yourself. You have to roll up your sleeves, get voting records, get statements, get information from groups with which you are affiliated, go to some meetings, listen, and learn.

Mr. President, the participants in my recent seminar appreciated the candor and insight shared by the speakers. Seminars, like the one I hosted, can be of valuable assistance in helping voters understand the workings of Congress and its Members. Because of the favorable response of speakers and participants I will continue to host and take part in future public policy forums.

I am pleased that people from 20 States, the District of Columbia and three foreign countries took part in my most recent seminar. They came from Pennsylvania, New York, New Jersey, Connecticut, California, Virginia, South Carolina, South Dakota, North Carolina, Vermont, Utah, Ohio, Georgia, Nebraska, Illinois, Maryland, Indiana, Florida, Massachusetts, Alabama, Belgium, Hong Kong, and Pakistan.

Mr. President, I ask unanimous consent that the program schedule for the seminar be printed in the RECORD.

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

HARVARD LAW SCHOOL/RHODES SCHOLARS "WASHINGTON SEMINAR II," SEPTEMBER 10, 1992, SPONSORED BY U.S. SENATOR LARRY PRESSLER

MORNING SESSION, 325 RUSSELL SENATE OFFICE BUILDING, 9:00–11:45

Registration; 9:00–9:30.

Welcome by Senator Larry Pressler: 9:30–9:40.

Personal experiences and analysis of the 1992 Presidential race, Ken Bode—Correspondent, CNN: 9:45–10:15.

Why are so many Members leaving Congress? Senator Tim Wirth, Colorado: 10:15–10:45.

Fighting crime in the Nation's Capital: Can the war be won? Jay Stephens, U.S. Attorney for District of Columbia: 10:45–11:10.

Judicial nominations in the aftermath of the Clarence Thomas nomination battle, Senator Alan Simpson, Wyoming: 11:10–11:30.

Weapon Systems: Planning for the next five years, Senator John Warner, Virginia: 11:30–11:45.

LUNCHEON, 902 HART SENATE OFFICE BUILDING, NOON–1:30 P.M.

Foreign policy for the next five years, Senator Richard Lugar, Indiana.

AFTERNOON SESSION, 325 RUSSELL SENATE OFFICE BUILDING, 2:00–4:15 P.M.

The role of a Lawyer/Lobbyist and Congress, Dick Wiley, Former FCC Chairman: 2:00–2:20.

Highlights of S&L cleanup, Peter Monroe, President, Resolution Trust Corporation Oversight Board: 2:20–2:40.

How do we get good people to run for Congress? Senator Trent Lott, Mississippi: 2:40–3:00.

Overview of Foreign Policy, Senator Claiborne Pell, Rhode Island, Senator Nancy Kassebaum, Kansas, Helen Suzman, Former Member of South African Parliament: 3:00–3:30.

The role of a Republican leader, Senator Robert Dole, Kansas: 3:30–3:50.

Running a great university in the Nation's Capital, Stephen Trachtenberg, President, George Washington University: 3:50–4:10.

Reception, Mike Mansfield Room, U.S. Capitol Room 207: 5:00–7:00 p.m.

THE SIGNIFICANT ROLE OF TAX TREATIES IN U.S. TRADE POLICY

Mr. PRESSLER. Mr. President, as a member of both the Commerce and Foreign Relations Committees representing the State of South Dakota, in which agriculture is by far the leading industry, I often find myself arguing with officials from other countries about their unfair trading practices. For instance, since 1987, European Community agricultural subsidies have increased nearly 60 percent and are expected to total $43.54 billion this year. During that same period of time, U.S. agricultural subsidies have decreased 44 percent and are expected to total $13 billion this year.

I consider such practices on the part of other governments to be extremely counterproductive to a free and fair trading relationship. Indeed, my concern over this issue is one of the main reasons I have chosen to serve on the Foreign Relations and Commerce Committees. I consider my Foreign Rela-

tions Committee assignment to be particularly important in fighting for fair trade. It provides a forum for debating trade issues with officials from other countries.

However, Mr. President, when I raise issues such as unfair agricultural subsidies in meetings with foreign leaders, I have been confronted with counter arguments that America does not enter the free-trade debate with clean hands. One of their biggest concerns, especially on the part of European countries, is America's tax treatment of foreign corporations. It is their contention that various provisions of our laws make it more difficult for foreign corporations than domestically controlled corporations to do business in the United States. This, they argue, undercuts any claims this country may make that foreign governments unfairly restrict the ability of American products or companies to compete in the global marketplace.

In some ways, the world is becoming a much smaller place. Through direct and indirect investments across borders, the economies of many countries are becoming much more closely linked. In this arena, governments seek to promote exports and encourage foreign investments. Multinational corporations now conduct business in many different countries. Companies in one country attempt to sell their products and services in other countries. Of course, any time you have business transactions, you generate a taxable event.

The problem with cross-border investments and trade is that they generate income flows that are generally subject to tax in two jurisdictions—the country of the source of the income and the country of residence of the income recipient. Income tax laws are, by their nature, unilateral—that is, they do not look outside the borders of the country in which they are enacted to take into account their interplay with tax laws in other countries. This can result in a situation in which the tax laws of two countries govern the same transaction, resulting in double taxation.

Tax treaties, in theory, are designed to avoid double taxation by assigning a priority right to one country with respect to each type of transaction. Generally, tax treaties assign this priority right to the source country—most often defined as the country in which the income generating activity takes place. Where the primary taxing right is allocated to the source country, treaties then obligate the country of residence of the income recipient to relieve double taxation, either by exercising a residual taxing right and granting a foreign tax credit or by exempting the income which already has been taxed by the income source country. The United States generally has elected to use the foreign tax credit means of avoiding double taxation.

Some may ask, if we can provide for a foreign tax credit in our domestic income tax law, thereby avoiding double taxation, why do we need tax treaties? We need tax treaties because domestic law cannot take into account all possible complications that may arise between U.S. tax law and the tax laws of every other country with which cross-border business is conducted. For instance, the elimination of double taxation by a foreign tax credit requires different degrees of coordination between the United States and Great Britain than between the United States and Germany. In other words, tax treaties provide a specific bilateral coordination between the tax system of the United States and that of another country which would be impossible to achieve solely through our domestic income tax law.

Another important function of tax treaties is to allow for the exchange of information about taxpayers between the parties to the treaty that otherwise would not occur. This is vital if certain forms of tax avoidance are to be prevented. Finally, tax treaties are designed to provide a framework that minimizes the effect of tax considerations on business decisions affecting investment, trade, technology transfer and the provision of personal services.

Mr. President, this is how tax treaties are designed to work. Unfortunately, in practice they do not always work that way. Some have argued this is because the United States developed its present position on tax treaties in the 1960's, when international commerce was not as great and America was the primary exporter of capital in the world. Whatever the reason, both foreign concerns and some individuals in this country complain about the effectiveness of tax treaties in accomplishing their intended goals.

Foreign-controlled corporations [FCCs]—companies chartered in the United States and doing business in the United States that are owned or controlled by non-U.S. entities—often cry foul. These companies argue that, in some cases, provisions of our tax code violate tax treaties in force. They also maintain that various statutory provisions make it more difficult for FCC's than domestically controlled corporations to do business in the United States. All of this, they argue, undercuts any arguments this country may make that foreign governments unfairly restrict the ability of American companies to compete in the global marketplace.

On the other hand, some in this country believe FCC's and their foreign parents arrange their affairs improperly in order to reduce their U.S. tax burden. The Internal Revenue Service [IRS] believes it may be possible to raise more than $20 billion in additional taxes from the FCC's. I believe one of the candidates for President has raised this issue, if not both candidates for President.

Two measures—rate of return on assets and rate of return on sales—are used by the IRS and the Treasury Department to compare profit levels of FCC's versus U.S.-controlled corporations. And those two measures—rate of return on assets and rate of return on sales—are frequently used as the basis of an audit by the IRS of a foreign-controlled corporation.

I talk about all these things because double taxation treaties are approved in the Foreign Relations Committee and I have taken a special interest in this. The two indicators I just mentioned also have shown that FCC's are less profitable than domestically controlled companies. This is significant because FCC's consequently pay less in U.S. taxes. For instance, in 1988, the last year for which statistics are available, FCC's had an average rate of return on assets of 0.9 percent compared to 2.2 percent for U.S.-controlled companies; the rates of return on sales were 1.4 and 3.7 percent respectively.

A number of possible explanations have been advanced for the low profitability of FCC's. One is that foreign investments in the United States often take the form of mergers and acquisitions that result in revaluation of assets of the acquired company at current market value. A low rate of return of assets is to be expected following a merger or acquisition because revaluation means assets are valued at their present, generally higher, value.

A second reason for lower FCC profitability is related to the merger and acquisition scenario. It is generally true that any new or newly acquired business will encounter low profitability during the early years of the new investment.

Another possible reason for lower FCC profits is fluctuations in exchange rates. If a domestic corporation is a distributor for products it purchases from its foreign parent, its costs will rise and profits decline if the real value of the dollar declines against the currency of the foreign parent. Correspondingly, profits will rise if the real value of the dollar rises against the foreign currency.

What I am leading to here is, are we taxing foreign-controlled corporations fairly? This is a trade issue, Mr. President. We talk about the GATT, we talk about fair trade, we have numerous trade agreements, but tax policy has a great deal to do with fair trade. I am a free trader, but I am for fair trade. I want our corporations treated the same in foreign countries as we treat their companies here.

A 1991 Treasury Department study found that about one-half of the low profitability of FCC's can be explained by the factors I have just described. The Treasury study concluded that the only possible explanation remaining

for the unidentified half of the FCC differential is transfer pricing manipulation.

Mr. President, I think we need to look at potential transfer pricing manipulation. Again, I think one of the candidates for President has talked about this. I think both parties have talked about it some.

Mr. President, I intend to discuss such issues as transfer pricing, recordkeeping requirements designed to enhance informational exchanges under tax treaties, and the interplay between tax treaties and U.S. income tax law in future speeches.

I also intend to talk about the possibility of creating one double taxation treaty with the European community as opposed to individual taxation treaties—to consider what the advantages and disadvantages might be to the American taxpayers.

My purpose today is to emphasize the fact that the tax treaty process is important. As with any other treaty, it is the constitutional duty of Members of the Senate to determine whether to consent to tax treaty ratification.

Unfortunately, regarding tax treaties, this process too often is given little attention. This may be one reason many individuals and corporations in this country and abroad complain that tax treaties fail to achieve tax fairness. Whatever the reasons, the implications for foreign trade are serious. If governments of other countries believe the United States treats their corporations unfairly, they may enact retaliatory legislation. At the very least, they will be much less willing to deal with us in terms of reducing their unfairly high export and production subsidies for agricultural and other products.

At the same time, if tax treaties allow foreign corporations to shift income in such a manner as to avoid a significant amount of their U.S. tax liability, the American taxpayer is being cheated out of revenue at a time when our most significant domestic problem is excessive Federal deficit spending. We need to take tax treaties more seriously. I believe that in the 1990's, tax treaties will play an increasingly important role in the development of U.S. foreign trade policy.

So, Mr. President, in conclusion, let me summarize. We have this very complicated issue of double taxation treaties. We are living in an era when we need to trade internationally.

My home State of South Dakota exports 70 percent of its grain and we have a great deal of manufacturing in my State. We have banking companies that work internationally. We have tourists from many countries who come to see Mount Rushmore and other wonderful places throughout the State. We had over 2 million tourists last year.

The point is, we are one world. The things that get a great deal of attention are the GATT and trade treaties, but tax treaties between countries do much to encourage trade if they are fair.

We do not want foreign-controlled corporations to be able to cheat on American-controlled corporations. We want fairness for that average American taxpayer who is a janitor or who is a farmer or who is a small businessman or who is a teacher. We want to have tax fairness.

So, Mr. President, I shall continue my search for fairness in this area. I am looking into the possibilities of advocating that we should have one tax treaty with the common market countries, as opposed to one with each country. Maybe that will not be my conclusion, but it is something I am looking into.

Mr. President, I hope my colleagues in this body will scrutinize very closely the double taxation treaties that will be coming through this body. We may have a number of double taxation treaties with the new states that are emerging from the old Soviet Union. We will have a number of renewals or revisions of existing tax treaties. These are very important to the American taxpayers. They are much ignored, and I intend to shed some light on them in this body.

Mr. President, I yield the floor.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, FISCAL YEAR 1993

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3142

(Purpose: To transfer $200,000,000 from the strategic defense initiative to the Army for a peer reviewed breast cancer research program of the Army)

Mr. HARKIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 3142.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 38, line 10, strike out lines 10 and 11 and insert in lieu thereof the following: "$5,297,737,000, to remain available until September 30, 1994: *Provided*, That $210,000,000 of the funds appropriated in this paragraph shall be available for a peer reviewed breast cancer research program of the Army: *Provided, further*, That the total amount available for the Defense Agencies for Research, Development, Test, and Evaluation shall be reduced to $8,301,222,000, to remain available for obligation until September 30, 1994: *Provided further*, That not more than $3,600,000,000 of the funds appropriated for the Defense Agencies for that purpose shall be available for the Strategic Defense Initiative: *Provided, further*, That".

Mr. HARKIN. Mr. President, I have been in consultation with the distinguished chairman of the Defense Appropriations Subcommittee. We want to bring this to a rapid close. I would be most appreciative if the chairman could reach some kind of time agreement.

Mr. INOUYE. If the Senator will yield, Mr. President, as I indicated to my friend from Iowa I am in the process now of conferring with the Republican Members to determine whether a time limitation can be placed. The Senator from Iowa wants 40 minutes, equally divided, with an up-or-down vote. I find no objection to that personally. But if he would give me just a few minutes, I will find out.

Mr. HARKIN. In the meantime I will go ahead.

Mr. INOUYE. Fine.

Mr. HARKIN. Mr. President, this amendment cuts the SDI by $200 million in budget authority to $3.6 from $3.8 billion. However it would leave $300 billion more than the number supported by the full Senate in August 1992, and would add $185 million to the Army's Breast Cancer Research Program funded at $25 million in the Defense Appropriations Committee bill.

Last week the Senator from New York [Mr. D'AMATO] offered a transfer amendment specifically to fund breast cancer research. Senator D'AMATO's amendment would have transferred $214 million from unobligated DOD research funds to breast cancer research.

Senator D'AMATO's amendment failed. But 43 Senators voted to transfer this money from Defense to cancer research, even though it violated the budget agreement. Many Senators wanted to support these transfer amendments, but could not justify violating the budget agreement.

Today, I am offering an amendment that does not violate the budget agreement. It does not break the firewalls, it just opens a door that is already there. Today, I am offering an opportunity to those Senators who supported the amendment offered by the Senator from New York to substantially increase breast cancer research, to make their vote really count.

My amendment costs $200 million in budget authority from the Star Wars Program and adds $185 million to the Breast Cancer Research Program currently included in the defense appropriations bill and funded within the

Army research, development, test and evaluation [RDT&E] account. This amendment is outlay neutral. The first year outlays from the SDI are slightly higher than the first year outlays from the Army Breast Cancer Program, resulting in no increase in outlays.

As a result of this amendment, the SDI Program would be cut from $3.8 to $3.6 billion, and the Army Breast Cancer Research Program would be increased from the $25 million recommended by the Defense Subcommittee of Appropriations and approved by the full Senate Appropriations Committee, to $210 million.

So again, we are taking $200 million away from SDI, from $3.8 to $3.6 billion, and we are increasing breast cancer research already funded by the Department of the Army from $25 to $210 million.

The amendment also stipulates that breast cancer projects within the Army program should be peer reviewed.

I know that some of our colleagues will argue that this amendment will gut SDI. Others will argue that we have already addressed the SDI funding level.

But my amendment cuts just $200 million from SDI, from $3.8 to $3.6 billion. This is still $300 million more than the level supported by the Senate 49–43 on August 7, 1992.

What has happened since August 7, 1992, to cause the Senate to approve a $500 million increase for SDI? As far as I can tell, the only major SDI action was the release of a GAO report that basically said the SDI Office exaggerated or lied to Congress regarding the success of four out of seven tests analyzed. Of the three SDI tests that were reported accurately, according to GAO, two were rated by SDI as failures.

This has all been debated before. I am just repeating for emphasis what Senator BUMPERS and others have brought up earlier on other SDI amendments.

To repeat, my amendment would leave $3.6 billion for SDI, or $300 million more than the level the Senate favored on August 7. This would be $200 million less than the level approved by the full Senate on September 17, when the Sasser/Bumpers amendment to set star wars funding at $3.3 billion failed by a vote of 48–50.

My amendment would add $185 million in budget authority to the Army's Breast Cancer Research Program.

Mr. INOUYE. Mr. President, will the Senator yield?

Mr. HARKIN. Yes, I yield.

Mr. INOUYE. If I may, I would like to propound a unanimous-consent request on the proposition we discussed.

Mr. HARKIN. I yield with the understanding after we finish with the unanimous-consent request I get my time back.

Mr. INOUYE. Mr. President, I ask unanimous consent that on this amendment the time be limited to 40 minutes equally divided, the time to be managed by the Senator from Iowa and the Senator from Hawaii with no second-degree amendments to be in order. At the conclusion of debate there will be an up-or-down, yea-or-nay vote.

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

Mr. HARKIN. Mr. President, breast cancer has reached epidemic proportions in our Nation and its rate continues to escalate. Fully one of every nine American women will develop breast cancer in their lifetime; 180,000 of our wives, mothers, grandmothers, daughters, and friends will learn this year that they have breast cancer. Even more tragically, 46,000 American women will die this year alone from breast cancer, making it the leading cause of cancer deaths among women.

In my own State of Iowa, breast cancer is a large and growing problem. This year alone, as estimated by the University of Iowa, some 2,275 Iowa women will develop breast cancer, making up nearly a third of all new cancer cases among women in the State. And over 550 Iowa women will lose their lives.

Breast cancer has hit each of us, in one way or another. Whether it be a spouse, sibling, mother, or family friend. My only two sisters died of breast cancer. So I know the devastation it can bring.

Mr. President, this horrible disease preys on women of all ages, but it takes its heaviest toll on middle-aged and older women. About 80 percent of women with breast cancer are over the age of 50; the median age for being diagnosed with the disease is 63.

And while it is often overlooked, breast cancer will take the lives of some 300 American men this year.

Mr. President, the need for increased breast cancer research is made more pressing by the growing incidence of the disease. While we have made great strides in reducing the incidence of many forms of cancer, breast cancer has been on the rise.

The incidence of breast cancer has been going up about 2 percent a year since the 1970's, increasing from 82 cases per 100,000 women in 1973 to 110 cases per 100,000 people in 1988. Since 1973 the estimated number of new cases of breast cancer diagnosed per year has more than doubled, from 73,000 to 180,000.

Why is this? Some of the increase in reported cases may be attributable to an increase in the number of women who are getting mammograms. But we do not know the main cause or causes of the rise in cases. In fact, while what is known in general about breast cancer has increased somewhat over the past few years, we still know very little about the disease—what causes it, how to prevent or how to cure it.

According to the experts, risk factors, in addition to getting older, appear to include a family history of breast cancer, long-term estrogen therapy, and may include obesity, alcohol use, silicone implants, and dietary fat. However, fully 70 percent of all women newly diagnosed with breast cancer have none of these risk factors.

We need an all-out war on breast cancer. Twenty years ago, Richard Nixon declared an all-out war on cancer. Yet, we have spent more on military research and development, including SDI, in the last 30 months alone than we have on all biomedical research combined since the turn of the century.

Every time I state that fact the people are alarmed. They cannot believe it. In the last 30 months we have spent more money on military research and development, including SDI, than we have on all biomedical research.

That means cancer, heart, arthritis, polio—all biomedical research since the turn of the century. Think about that, in the last 30 months, we spent more on military research and development. Do you think we would have won the cold war if we made that kind of commitment to our military? Of course not.

We will not win the war against cancer until we commit to it the way we committed to winning the cold war. I am pleased to say, despite intense budget pressures, we were able to in the Senate-passed Labor, Health and Human Services fiscal year 1993 appropriations bill to include $220 million for breast cancer research at NIH. This represents a significant increase over last year's level of $133 million. But, Mr. President, much more needs to be done.

A recent gathering of some of the Nation's top breast cancer researchers concluded that an increase of $300 million is needed if we are to truly launch a full-scale war on breast cancer. This amendment, combined with the $25 million already appropriated by the defense bill before us today, would fully fund the Breast Cancer Research Program.

What do we need more research on? The experts say we need to increase our knowledge about the basic science of breast cancer; what is unique about it; how tumors develop; what promotes or suppresses the growth of breast cancer tumors.

Second, the experts argue that we need long-term, well-planned clinical trials to determine what the real impact of different presumed risk factors are. The NCI, National Cancer Institute, has begun work in this area, but much more is needed.

Third, we need to increase research designed to improve our ability to prevent breast cancer and detect breast cancer early. Behavioral research is needed to better understand the fears and other barriers to women getting mammograms and develop behavior-changing strategies targeted at high risk groups.

Fourth, existing treatments need to be more carefully evaluated and new treatments must be developed and tested.

So, Mr. President, the record is clear that for too long, women's health problems have not received the research they deserve. The amendment I offer now is a modest attempt to right that wrong. It is an opportunity to ease the fears nearly every woman has about breast cancer; the dread trip to their doctor's office can lead to them being told they are one of the 180,000 newly diagnosed cases each year. The increased funds this amendment would provide could mean the difference between finding a cure for breast cancer or not.

Mr. President, this amendment really comes down to priorities. What is more important, a potential cure or preventive measure for cancer or $200 million more for SDI?

That is really the issue to me and I believe to the vast majority of the American people. If we could bring them onto the floor of this Senate and let them vote on this amendment, I do not think anyone would have any doubt how it would turn out. Do they want to spend $200 million more for star wars, or do they want to spend $200 million more for breast cancer research? That is the issue, pure and simple.

If you could march the American people in here to vote on this, the vote would be overwhelming to put the money in breast cancer research. I daresay, if you marched American women in here and only American women to vote, it would be more than overwhelming. It would be 100 to nothing to transfer this money for breast cancer research.

To summarize, Mr. President, this amendment simply transfers money within title IV, the research and development, test and evaluation section of the Defense appropriations bill. Specifically, it cuts SDI by $200 million from $3.8 to $3.6 billion. It increases the Army's Breast Cancer Research Program from $25 to $210 million. This increase in breast cancer research, as I said, comes very close to the full funding recommended by our Nation's leading cancer research experts.

This is a clean amendment. It does not violate any budget agreement. It is not subject to a point of order.

The issue is priorities. Very simply, again, do we want to spend $200 million on star wars to protect us against a nonexistent enemy, or do we want to spend that money on breast cancer research to fight a very real enemy that is going to kill 46,000 American women this year? That is really the issue and, again, there may be talk about jobs that may be lost, but when we take $200 million and put it into breast cancer research, that creates jobs, good jobs, good paying jobs, with a good end result: Finding out more about the causes and cure of breast cancer.

So, Mr. President, the question comes down to this: star wars or breast cancer research? What are our priorities in the Senate?

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUYE. Mr. President, it is rather difficult to argue against this proposal, but I will try my best.

The Congress of the United States, in fiscal year 1992, appropriated $25 million for cancer research to be carried on by the U.S. Army. Keep in mind that this is not the only agency doing research on breast cancer. We are talking about the U.S. Army, and when most people think of the Army, it is as a fighting force.

Of that amount that we appropriated, only $5 million has been obligated. The Army has not been able to obligate all $25 million. No one can argue against any effort designed to cure the scourge of breast cancer, and I am not standing here, Mr. President, to argue against that. I am for it. However, we have found that science and scientific research, if it is to be done properly, has to be done methodically, deliberately and not rapidly. What I am trying to suggest is that it would be impossible for the Department of the Army to spend $230 million in a 2-year period for breast cancer. Why? Because they just do not have the infrastructure at this time. They do not have the research personnel to allow the proper use of these funds. Indeed, as I pointed out, in 1 year's time, they have been able to obligate only $5 million. We would be tossing $230 million at the U.S. Army and asking these soldiers to conduct research on breast cancer.

Mr. President, I applaud the Senator's interest in this matter, but I find that I cannot agree with him that $230 million can be spent by the Department of Defense and, more specific, by the Department of the Army within the 2-year availability period of these funds.

So, Mr. President, I will be voting against this amendment, and I will urge my colleagues to do likewise. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, it is my understanding, in response to the distinguished chairman's comments, that the Department of the Army could contract or could work with the National Cancer Institute and the national cancer centers, of which there are, I believe, 57 around the United States, who are begging for money to do cancer research.

If the Army only spent $5 of the $25 million that was appropriated last year, then I suggest perhaps the Army is dragging its feet on this. It is not as though we do not have the places for the research.

Let me make it clear, the Army is not doing this research. The Army is taking this money and they are contracting out to do the research. They can do it with the National Cancer Institute at NIH. They can do it through peer review, and they can have NIH set this up for them. We have 57 cancer centers in the United States and they all need money. They are all begging for research dollars, especially to do breast cancer research.

Mr. President, let me make this clear, and I hope Senators listen to this. Right now at NIH we have requests coming in every year for research projects. We have peer review committees set up to go through the applications for research. They reject the ones that are not good research. We fund the good research. But, Mr. President, only one out of every four are funded. Think about that.

The fact is it is almost 70 percent—7 out of every 10 research projects deemed worthy of research by the NIH are not being funded. Seven out of ten are not being funded.

We need to put money into breast cancer research and the Department of the Army could do it. It is not that they cannot spend the money. NIH can do it and the national cancer centers can. So if they only spent 5 of 25, I suggest they are dragging their feet. I would like to know why. If we gave the Department of the Army $25 million last year for breast cancer research and they did not put it in the National Cancer Institute or the national cancer centers, some heads ought to roll on that one. They ought to be held accountable for that.

We can put up $210 million, which my amendment does, and let the Army contract with NIH, the National Cancer Institute and the national cancer centers of the United States, and they will tell them the research projects that ought to be funded. There is nothing wrong with that. So I hope that Senators will not think that simply because the Department of the Army would not spend the money we cannot make them spend the money. Of course we can.

If we speak loudly and forcefully and if we get a good vote on this amendment, believe me, Mr. President, the Department of the Army will put the money out there for breast cancern research, and I think we will have a new administration that will probably make them do it, too.

I yield the floor and reserve the remainder of my time.

Mr. INOUYE. Mr. President, I yield myself 2 minutes.

Mr. President, this bill says funds appropriated shall be available for peer review breast cancer research programs of the Army.

What the Senator from Iowa is proposing to do is what the Senate has already voted upon, and that is to uphold the so-called budget firewall. We have gone through many hours of debate on this issue of maintaining the integrity of defense appropriations and domestic appropriations. What the Senator from Iowa is now proposing is to appropriate money to a defense agency and having that agency transfer the funds to domestic agencies, NIH, the Cancer Research Institute, and cancer research centers. That would be in violation of the spirit and intent of the budget agreement that was reached after many, many months of, well, heartbreaking discussions on this so-called budget firewall.

I would like to suggest that this amendment is not quite honest. Are we appropriating the money for the Army to be used by the Army or are we appropriating moneys to the Army to be transferred to a domestic agency. That is what my friend from Iowa is suggesting. If that is the case, it is in violation of the intent and spirit of the law.

The PRESIDING OFFICER. (Mr. DODD). Who yields time?

Mr. STEVENS. Mr. President, will the Senator yield me a couple minutes?

Mr. INOUYE. I am pleased to yield 5 minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 5 minutes.

Mr. STEVENS. Mr. President, I think we should congratulate the Senator from Iowa for being innovative and persistent in an attempt to obtain this money, and I sincerely say that. This amendment is similar to the one that was argued on the authorization bill. Those of us who have worked with the Senator from Iowa on the committee know his tremendous commitment to cancer research. The distinguished minority leader and I have talked to him at length about cancer research in the areas we know a great deal about now, prostate cancer.

I wish that there were some way to wave a wand and have additional money to fund all of the requests that are made for research. I am not sure actually, if we reviewed all of those requests for research, we would fund them. But I do know that a lot more money is needed for breast cancer research.

But this amendment is, as the Senator from Hawaii said, a nicely disguised attempt to have another vote on the amendment to take money out of the defense structure and put it directly into cancer research.

I am one who believes we ought to find some way to have greater controls over the moneys we are spending for research and development throughout our economy, but in this instance the only reason I wanted to speak was primarily to respond to the comments made by the Senator from Iowa about the amount of money we spent in the last 30 months; 3 years on research and development. It is true; we have spent a great deal of money. We have changed the Patriot from a ground-to-air missile, designed solely to deal with protection against attacking aircraft, to an antimissile defense system that proved itself in the Persian Gulf war, in my opinion.

We, through research, developed those smart bombs which the world saw in terms of the ability to guide our weapons and literally drop them within blocks of populated areas to knock out Saddam Hussein's military systems in the inner city. We have developed very esoteric systems to monitor the world literally through our satellites.

All of that money is what the Senator is talking about. And while I support the concepts he is talking about, about increasing funding for breast cancer, I also am mindful of the Constitution of the United States. It tells the Congress to provide for the common defense and promote the general welfare.

Our first duty in this Senate is to make sure that our defense structure is sufficient to meet the needs of America, and that is why we have brought this bill to the floor—that this amount of money is needed, in our opinion. We will confer later with the House and make adjustments in conference, but this is the amount of money that ought to be given to defense. It is $20 billion lower than the bill we offered last year in this Chamber. It is $100 billion less than the amount we would be presenting had it not been for the collapse of the Soviet Union.

I believe that in time we will make the transition the Senator from Iowa wishes to make, but I am compelled to oppose this amendment now for the reasons stated by the Senator from Hawaii. It does breach the budget agreement; furthermore, it is just not possible for the Department of the Army to legitimately spend this money. They would have to turn it over to NIH or some agency involved in civilian research. It would not literally be for the military, and that is why the amendment ought to be defeated.

At the appropriate time I will make a motion to table because I do not believe an amendment like this, which is really not a straight amendment, ought to be voted up or down.

I withdraw that. I understand the Senator from Hawaii now has promised the Senator from Iowa an up-or-down vote. I must say that if he had consulted me, I would have objected, but I will honor the commitment of the Senator from Hawaii to have an up-or-down vote. I do believe it should be a tabling motion because this is a repeat of the amendment which was offered by the Senator from Iowa on the authorization bill and defeated.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, how much time remains?

The PRESIDING OFFICER. Six minutes, 21 seconds remains to the Senator from Iowa.

Mr. HARKIN. Mr. President, may I make a point of inquiry? Did the clock start running on the time right after the chairman asked for the time agreement, or did the time start running before then?

The PRESIDING OFFICER. The time began to run when the agreement was reached.

Mr. HARKIN. Mr. President, let me try to set the record straight.

First, let me ask unanimous consent to add Senator D'AMATO and Senator WELLSTONE as cosponsors.

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

Mr. HARKIN. Mr. President, I have the greatest respect for both the chairman and ranking member of the subcommittee. They know it. This does not break the firewalls at all.

To respond to a statement that this is not quite an honest amendment, quite frankly, it is more than honest; it is straightforward. To those who say that somehow the Army cannot do this, this would be violating the spirit, I ask unanimous consent to insert in the RECORD at this point page 158 of the House Appropriations Committee Report.

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

BREAST CANCER/AIDS RESEARCH

The Committee directs the Department of the Army to award, on a competitive basis, a grant of $7,000,000 only for a public institution in the northeast which is a recipient of a National Cancer Institute planning grant and conducts both breast cancer and AIDS research. Funding would support the investigation of the role of environmental chemicals, diet, and vitamins on breast cancer; the development of a repository of tumor tissue and blood samples to be biomarkers of breast cancer, and investigate the efficacy of various preventative treatments for HIV/tuberculosis-infected individuals, who live in urban areas with tuberculosis case rates of greater than 70 cases per 100,000.

The recipient institution will have prior demonstrated experience working with the Department of Defense and should be affiliated with a National Institutes of Health center of excellence.

Mr. HARKIN. It says on breast cancer research: The committee directs the Department of Army to award on a competitive basis a grant of $7 million only for a public institution in the Northeast which is a recipient of a National Cancer Institute planning grant and conducts both breast cancer and AIDS research.

The House Appropriations Committee has already directed breast cancer research to certain institutions.

My amendment does not say they have to turn it over to NIH. NIH could do the peer review and say to the Department of Army, "We have done the

peer review. Here are all of the research projects we deem worthy of research." And all the Department of Army has to do is sign the check. Do not tell me the Department of Army cannot do it. Of course, they can do it. It is already in the House bill.

And, Mr. President, let me set one other thing straight in the RECORD. As far as medical research is concerned—I direct this to the ranking member of the committee—the Senate appropriations bill already includes $409.8 million for medical research. Do not tell me this is out of the purview of the Defense Appropriations Subcommittee. $409.8 million is in this bill before us for medical research and $428.7 million in the House bill.

So, obviously, DOD can spend money on medical research.

So I am saying, let us put another $185 million in for breast cancer research.

I yield—how much time do I have left?

The PRESIDING OFFICER. The Senator from Iowa has 3 minutes left.

Mr. HARKIN. I yield 2 of those minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. D'AMATO. Mr. President, we really have an epidemic in this country. It is almost a silent one, but it is raging nonetheless. The epidemic is breast cancer. It is going to strike 180,000 women this year.

Let me give you a sense of why I say an epidemic. More than 30 years ago, in 1960, 1 out of every 14 women would develop breast cancer in her lifetime. Last year the figure was 1 out of 10. That is almost a 40-percent increase. This year, it will be 1 out of 9, another 10-percent increase. There are some areas in New York—Long Island, in particular—where in certain communities the rate runs as high as 25 to 30 percent higher than in other areas of the State. This, indeed, is an epidemic. Much more has to be done, and more funds must be allocated.

We did increase the allocation by 65 percent in the Labor-HHS appropriations bill. Yet, we still do not have a tissue bank. We do not have a cancer registry system. We are behind in the kind of molecular biological research that must be done.

We talk about the mammograms being a great breakthrough. They are important, but they are not enough. The cancer cells are, in some cases, 7 years in developing before they can be detected by way of mammogram. We should have the kind of blood tests that would reveal this; and the kind of molecular biological research necessary to develop such a test can be done if we appropriate these funds.

That is why I join with my colleague from Iowa in supporting this amendment. It has to be done. We have not done nearly enough. We are way behind the curve.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. How much time do we have?

The PRESIDING OFFICER. The Senator from Iowa has 1 minute; the Senator from Hawaii has 9 minutes, 17 seconds.

Mr. SPECTER. Mr. President, I am pleased to cosponsor the amendment offered by my good friend from Iowa, Senator HARKIN, which adds $185 million to the Army research account for breast cancer research. Senator HARKIN has demonstrated outstanding leadership on this issue, which is one which he and I attempted to address in the fiscal year 1993 Labor, HHS, and Education Appropriations bill. Although we had sought to provide an additional $300 million for breast cancer research at the National Institutes of Health in that bill, budget constraints only allowed us to provide $220 million for this vital issue.

During the considering of the Labor, HHS bill on September 16, 1992, I joined Senator HARKIN in sponsoring an amendment to add $4.1 billion to the Labor, HHS accounts to increase the appropriations for a variety of underfunded domestic programs including breast cancer research. Unfortunately, this amendment which would have added $170 million for breast cancer research at the National Institutes of Health was not agreed to by the Senate.

Subsequently, on September 17, 1992, my distinguished colleague from New York, Senator D'AMATO, offered an amendment to the Labor, HHS Appropriations bill to provide a total of $434 million for breast cancer research, which would have been a $300 million increase over the fiscal year 1992 level. This amendment also failed to win Senate approval.

Mr. President, currently, 1 in 9 women in the United States will develop breast cancer in her lifetime. Breast cancer is now the most frequent cancer in women, and is the leading cause of death among women under age 65. In 1991, an estimated 175,000 American women developed breast cancer, and 44,500 women died from this disease. In my home State of Pennsylvania, the American Cancer Society estimates that in 1991 10,300 women developed breast cancer, and 2,600 women died from this tragic disease.

Mr. President, we must find a cure for breast cancer as soon as possible, and I am pleased to support the Harkin amendment which will enable us to more vigorously pursue this goal.

Mr. HARKIN. Mr. President, for those Senators watching on television, this amendment reduces star wars by $200 million, transfers that money over to breast cancer research. The bill already has $409.8 million in it for medical research. So do not let anyone tell you we cannot do this in this bill. Of course, we are. We are already doing it. It does not violate the budget agreement.

Mr. President, here is the kicker in the whole amendment. This amendment slightly reduces the fiscal year 1993 budget deficit by $250,000. So Senators have a chance not to violate the budget agreement, to shift some money over for breast cancer research, and it can be put out there. The House bill already does it. In the House of Representatives bill, they are already doing it. We can do it here.

Third, it will slightly reduce the deficit. We cannot get a much better deal than that, Mr. President.

I urge adoption of the amendment. I yield the remaining time.

Mr. INOUYE. Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to amendment 3142 of the Senator from Iowa.

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Tennessee [Mr. GORE], and the Senator from Colorado [Mr. WIRTH], are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS], the Senator from New Hampshire [Mr. RUDMAN], and the Senator from Idaho [Mr. SYMMS], are necessarily absent.

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

The result was announced—yeas 89, nays 4, as follows:

[Rollcall Vote No. 228 Leg.]

YEAS—89

Adams	Danforth	Johnston
Akaka	Daschle	Kassebaum
Baucus	DeConcini	Kasten
Bentsen	Dixon	Kennedy
Bingaman	Dodd	Kerrey
Bond	Dole	Kerry
Boren	Domenici	Kohl
Breaux	Durenberger	Lautenberg
Brown	Exon	Leahy
Bryan	Ford	Levin
Bumpers	Fowler	Lieberman
Burdick, Jocelyn	Glenn	Lott
Burns	Gorton	Lugar
Byrd	Graham	Mack
Chafee	Gramm	McCain
Coats	Grassley	McConnell
Cochran	Harkin	Metzenbaum
Cohen	Hatfield	Mikulski
Conrad	Heflin	Mitchell
Craig	Hollings	Moynihan
Cranston	Inouye	Murkowski
D'Amato	Jeffords	Nickles

Nunn	Rockefeller	Simpson
Packwood	Roth	Specter
Pell	Sanford	Stevens
Pressler	Sarbanes	Thurmond
Pryor	Sasser	Warner
Reid	Seymour	Wellstone
Riegle	Shelby	Wofford
Robb	Simon	

NAYS—4

Garn	Smith
Hatch	Wallop

NOT VOTING—7

Biden	Helms	Wirth
Bradley	Rudman	
Gore	Symms	

So the amendment (No. 3142) was agreed to.

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

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

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—S. 5, VETO MESSAGE

Mr. MITCHELL. Mr. President, I will now propound a unanimous-consent agreement which has been cleared with the Republican leader.

I ask unanimous consent that the veto message on S. 5, the family leave bill, be considered received, the reading by waived, that it be spread upon the Journal, and that the majority leader may return to its consideration at any time after consultation with the Republican leader.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

UNITED STATES-MEXICO FREE-TRADE AGREEMENT

Mr. RIEGLE. Mr. President, I rise to speak on a matter relating to a hearing we had this morning in the Senate Finance Committee. That hearing was with regard to the proposed United States-Mexico Free-Trade Agreement.

We heard very important testimony from a representative of labor in this country, of working people, about the major deficiencies and problems that are built into that agreement. I would recommend to my colleagues that they avail themselves of the testimony of the secretary-treasurer of the AFL-CIO who spoke today and presented that very important information.

In the course of that discussion today, we were talking about the issue of the full court propaganda effort being mounted by the Mexican Government to try to steamroll into place this free-trade agreement that has been proposed by the Bush administration.

Just 2 days ago, the National Journal, which is a highly respected journal that publishes each week an account of issues before the Congress, presented an article on the question of who is lobbying on the United States-Mexico Free-Trade Agreement on behalf of the Mexican Government.

Lo and behold, it turns out, according to their article, that one of the chief lobbyists, I say to the Presiding Officer, is the former Trade Representative from our own Government, Mr. William Brock. He, of course, is a former Senator, and a colleague known to many of us, who served, very importantly, as our chief Trade Representative representing this Government. He has now been hired by the Mexican Government—that is right, hired by the Mexican Government—to represent their interests in this trade agreement and is being paid, according to this National Journal, $30,000 a month—$30,000 a month—for his services.

That is a $360,000 a year salary being paid by the Mexican Government through a firm here in Washington to Mr. Brock, our former U.S. Trade Representative. That is more money on an annual salary basis than we pay the President of the United States.

Now, why would the Mexican Government hire the former top trade official of our Government to come in here as a hired gun—one of many—to try to steamroll this free trade agreement through the Congress?

It is obvious that they want to trade on his background, his influence. I asked the question today, rhetorically: did they hire him because of his charming personality? Did they hire him because of his great smile? I do not think so. There are a lot of people with good personalities and great smiles that have not been hired for that kind of lobbying job.

My point is this: We ought to have a law in this country which makes it illegal for top trade officials in our Government to be able to turn right around and go to work for a foreign government to try to ram through trade propositions for the good of those governments. We ought to prohibit that because it is not right. It is not right that he should serve in that capacity. And he is not the only one. Many of the top trade officials from the Reagan years and the Bush and Quayle years have gone right through the revolving door. They left Government service with all of that information, all of that inside know-how, and turned right around and gone to work for foreign governments. Their job is to come in here and press their case, which I think in many instances is adverse to this country.

This proposed United States-Mexico Free-Trade Agreement is a jobs program for Mexico, plain and simple. In fact, already the three automobile companies—Ford, Chrysler, and GM—have located 70 plants in Mexico even without a free-trade agreement. And there will be many hundreds more from companies across the United States.

The Maytag Appliance Co. indicated the other day they are not going to be able to continue to manufacture on a competitive basis and make capital investments in new plant and job creation in America if they have to contend with low-cost labor and the absence of environmental standards in Mexico. They just cannot do it.

Last month in this country, we lost 167,000 manufacturing jobs. That is what the Bureau of Labor Statistics testified before the Joint Economic Committee. That is just in 1 month.

We have a jobs crisis in America; we are losing jobs every single day—blue-collar jobs and white-collar jobs. Jobs are hemorrhaging out of this country. They are going to Communist China; they are going to the old Soviet Union; they are going to Mexico; they are going to Japan in very substantial numbers. People in this country, whether they have a Ph.D. or line experience or important craft skills, just cannot find work. Tonight, we have over 15 million people in the United States who are unemployed or have given up looking for work because they are discouraged or are only able to work part time because they cannot find full-time work.

Here we have a former Trade Representative of this Government, one of the top officials of our Government, going to work at $30,000 a month for the Government of Mexico to ram this trade agreement down the throat of this country.

It is not right. It is not right to pay somebody $360,000 a year to trade off that influence and trade off that know-how when it is adverse to the interests of this country. That is a salary higher than we pay the President of the United States. It is not right, and we ought to prohibit it. The same should hold true with all the rest of these people who have left the Reagan administration and the Bush administration, have gone through the revolving door, and are out there making tens of thousands, hundreds of thousands, millions of dollars representing foreign governments as they take advantage of this country and as they take jobs out of this country.

This is just the latest case. But people ought to know about it. There was a story the other day in the National Journal—and I will put it in the RECORD—where the Government of Mexico is committing over $100 million in a PR and propaganda campaign to sell this country on this so-called free-trade agreement with Mexico.

We do not need a jobs program for Mexico. We need one for America. The Bush administration has had an economic program for every country in the world except our own. They have this jobs program for Mexico. They have had a program for Kuwait, a program for Communist China, the old Soviet Union. You name the country, they have a program—an economic program except for this country. That is

why the jobs are disappearing and why the people of this country are so concerned about the economic future.

I think that the former Trade Ambassador owes this country a little more than that. I do not think he ought to be a hired gun for the Government of Mexico on this issue. I do not think it is right.

I thank the Chair. I yield the floor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON UPDATE: POLICY AND POLITICS IN BRIEF

(By Peter H. Stone)

Mexico is a recent convert to the Washington lobbying and consulting game, but to judge from its blitz for the proposed North American free-trade agreement, it's a fast learner.

Since early last year, Mexico has assembled a top-drawer collection of Washington public relations specialists, lobbyists, lawyers and consultants, including some veteran officials from the upper echelons of the Office of the U.S. Trade Representative (USTR). All this firepower does not come cheap; the Mexican government has reported spending more than $5 million annually on the effort and that tally doesn't include spending by private-sector interests.

"It's clear that the Mexicans are taking a page from the book of not only U.S. multinationals but also from the Japanese and the Europeans," said Jeff Faux, the president of the Economic Policy Institute, a liberal Washington think tank that has criticized the proposed pact.

For Mexico, the stakes are high. The agreement that the United States, Mexico and Canada concluded last month will, if approved by Congress and the other two countries, phase out all tariffs among the three nations over 15 years. Mexico is eager to lure U.S. industries across the border to tap its abundant supply of cheap labor. Some economists predict that Mexico—now the third-largest U.S. trading partner—could soon move ahead of Japan into the No. 2 position.

And, so, the Mexican government is trying to touch all the political bases.

In Washington, it has hired leading Democratic and Republican lobbying firms to woo Congress, veterans of USTR to provide insight into the Bush Administration's inner workings, high-powered lawyers to deal with the complex details of negotiations and a public relations firm to handle the news media.

The Mexicans have also hired three Hispanic-owned PR firms in California, Texas and Florida to do grass-roots campaigns focusing on the Hispanic communities in those states.

Among the USTR alumni who have been working for the Mexicans are Bill Brock, a former Labor Secretary and U.S. Trade Representative and now senior partner of the Brock Group, and Michael B. Smith, a former deputy trade representative who now heads SJS Advanced Strategies Inc., a unit of the Washington law firm of Steptoe & Johnson. Brock provides the Mexicans with political and policy counsel on trade and labor. Smith, until earlier this summer, worked for a coalition of 500 Mexican companies, advising them on what proposals might fly in Washington.

Mexico's congressional lobbying team is composed of two staunchly Republican firms, Gold and Liebengood and Charles E. Walker Associates, and two Democratic ones, Public Strategies Washington Inc. and TKC International Inc. Public Strategies is headed by Joseph P. O'Neill, a former top aide to Senate Finance Committee chairman Lloyd Bentsen, D-Texas, a major player on the proposed agreement.

Another type of specialized lobbying clout is being provided by TKC, a unit of the Washington consulting firm Keefe Co. TKC is headed by Gabriel Guerra-Mondragon, a 15-year veteran of the foreign service who was a special assistant to the U.S. ambassador to Mexico from 1980–1983. In an interview, Guerra-Mondragon said that he is doing "some work with Hispanic [groups] and labor unions" to promote the proposed agreement.

Working closely with the consultants and lobbyists is the PR giant Burson-Marsteller, which since early 1991 has had a $323,000-per-month contract to handle communications for Mexico. Burson-Marsteller, in turn, pays Brock $30,000 a month and Gold and Liebengood $27,000 a month, said Richard A. Moore, a senior vice president at Burson who is in charge of the account.

Part of Burson's mission is to counter critics who say that lax environmental regulation in Mexico would encourage polluting industries to move there from the United States. The PR firm has produced fact sheets and brochures touting Mexico's environmental cleanup efforts, and has set up meetings between Mexican officials and environmental groups in the United States.

With so many players involved, Mexico has tried to coordinate their activities by holding weekly meetings at the Mexican Embassy.

The intensity of the free-trade campaign is a departure from Mexico's past practice. Hermann von Bertrab, the director of the Mexican Embassy office overseeing the free-trade agreement, said that historically, Mexico felt threatened by the United States and didn't lobby at all. "We were self-centered. The Congress was nonexistent," he said.

Besides paying new attention to Congress, the Mexicans are trying to muster support in the Hispanic community. The three Hispanic PR firms hired by Mexico have been working with Hispanic media outlets and with local and regional Hispanic groups to build grass-root support for the pact.

The Mexicans have also retained the services of three well-connected Hispanic politicos: former New Mexico Gov. Toney Anaya; former Navy Secretary Edward Hidalgo; and Abelardo Valdez, a private attorney in Washington who has done stints at the U.S. Agency for International Development and in the Carter White House as chief of protocol.

To handle the nitty-gritty details of treaty negotiations, the Mexicans have turned to Washington lawyers with trade expertise such as Robert Herzstein of the Washington office of the New York city-based law firm of Shearman & Sterling. Herzstein, who was then at the Washington law firm of Arnold & Porter, worked for Canada on the Canadian free-trade pact in 1988 and is now Mexico's lead counsel. A few other law firms, including Los Angeles-based O'Melveny & Myers, have been tapped by the legal team.

While Mexico has adapted quickly to Washington's ways, some critics voice misgivings about the revolving door between the U.S. government and Mexico's consulting and lobbying team in the capital.

"What's bothersome to a lot of people is when you hire all the alumni of the White House trade office," observed Charles Lewis, the director of the Center for Public Integrity, a nonpartisan group that has studied foreign influence in Washington. "Even if they say they're not lobbying, it's suborning silence. They've bought the best talent that money can buy."

Faux notes that critics of the pact have been roundly attacked as tools of special interests such as unions or environmental groups. "But meanwhile," Faux said, "the real special interests are the K Street lobbyists who have infested this negotiating process."

Mexico is clearly enthusiastic about its new use of Washington lobbyists, though. "We're really just discovering the U.S. as a social and political situation," von Bertrab said.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, FISCAL YEAR 1993

The Senate continued with the consideration of the bill.

MODIFICATION TO AMENDMENT NO. 3142

Mr. STEVENS. Mr. President, I ask unanimous consent that amendment No. 3142 be amended as follows: In line 9 on page 1, the figure read $8,301,221,000. That figure should be replaced by the figure $8,501,222,000; that in line 1, page 2, the figure $3.6 billion be replaced by the figure $3.8 billion. I send this to the desk.

Mr. HARKIN. Mr. President, reserving the right to object, we have talked about this. I want to make it clear for the record that unanimous-consent request that the Senator has sent to the desk—the Senator might explain it a little bit further—I want to make sure that this keeps the same amount of money for breast cancer research, to the Department of the Army, as was just adopted by the Senate.

Mr. STEVENS. Mr. President, the Senator's amendment would remain intact except that the figures would be changed to leave the SDI figure still intact, but to add to the amount available for the Department of the Army the amount of the Senator's amendment for $200 million for breast cancer. The remainder of the Senator's amendment, the language is not altered in any way by my unanimous-consent request.

Mr. HARKIN. I appreciate the Senator's clarification. I have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The modification to amendment (No. 3142) is as follows:

"On line 9 on page 1, the figure "$8,301,222,000" be replaced by the figure "$8,501,222,000", and that in line 1 on page 2, the figure "$3,600,000,000" be replaced by the figure "$3,800,000,000".

Mr. STEVENS. Mr. President, I move to reconsider the action on amendment, as so amended.

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

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, may I congratulate the Senator from Iowa?

Many of us had our heartstrings sort of stretched by that amendment that he has offered. He has convinced us to find a way to achieve what he sought and what I think all of us wish to do. I myself am pleased with the result.

AMENDMENT NO. 3144

(Purpose: An amendment to lease, modify, and transfer aircraft for the purposes of counter narcotics)

Mr. INOUYE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. DOLE, proposes an amendment numbered 3144.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill, insert the following:

"SEC. . Of the funds appropriated for drug interdiction and counter narcotics, $35,000,000 shall be appropriated for the purposes of modifying with improved radars and FLIRs and leasing up to 15 T-47 aircraft."

Mr. INOUYE. We have looked over the amendment. We have no objection.

Mr. STEVENS. Mr. President, we support the minority leader's amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment (No. 3144) was agreed to.

AMENDMENT NO. 3145

(Purpose: To appropriate funds for the STARBASE youth education program)

Mr. INOUYE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. LEVIN, proposes an amendment numbered 3145.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

After line 7, page 17, add the following: "and to establish the STARBASE youth education program.".

Strike line 10 and place in lieu thereof: "$2,191,677,000".

Mr. INOUYE. Mr. President, I ask unanimous consent that a letter dated July 15 from the Chief of the National Guard Bureau be made part of the RECORD.

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

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

DEPARTMENTS OF THE ARMY AND THE AIR FORCE, NATIONAL GUARD BUREAU,

Washington, DC, July 15, 1992.

Hon. CARL LEVIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LEVIN: Thank you for your June 24, 1992, letter concerning the STARBASE 1 program.

The National Guard Bureau enthusiastically supports the invaluable learning environment STARBASE 1 provides. Selfridge Air National Guard Base is prepared to serve as the administrative center for the program. I support this selection as Selfridge has done an outstanding job with the STARBASE 1 pilot program.

For your information at least 10 states have expressed an interest in participating in an expanded STARBASE 1 program. As you have seen, STARBASE 1 provides the kind of real-world, hands-on science and math experiences today's young people need to keep America competitive in the future.

I hope this information is helpful. I thank you for your interest and support.

Sincerely,

JOHN B. CONAWAY,
Lieutenant General, U.S. Air Force Chief, National Guard Bureau.

Mr. INOUYE. Mr. President, we have studied the amendment. We find no objection. We ask for its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Michigan.

The amendment (No. 3145) was agreed to.

AMENDMENT NO. 3146

(Purpose: To appropriate funds for Army advanced automotive development)

Mr. INOUYE. Mr. President, I send an amendment by Mr. LEVIN and ask for its immediate consideration.

The bill clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. LEVIN, proposes an amendment numbered 3146.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

After line 3, page 39, add the following: "and for advanced automotive development for future Armored Systems Modernizations applications."

Strike line 10, page 38, and place in lieu thereof: "$5,122,737,000, to remain available for".

Mr. INOUYE. Mr. President, this amendment is acceptable.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. STEVENS. I have no further debate on the amendment. I support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment (No. 3146) was agreed to.

AMENDMENT NO. 3147

(Purpose: To express the sense of the Senate regarding evaluation by the Army Corps of Engineers of new concrete construction technologies for use in the construction of Department of Defense facilities in regions susceptible to hurricanes)

Mr. INOUYE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. AKAKA (for himself, Mr. MACK, and Mr. INOUYE), proposes an amendment numbered 3147.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 157, between lines 9 and 10, insert the following:

SEC. 9132. It is the sense of the Senate that—

(1) the Corps of Engineers of the Army should evaluate new concrete construction technologies in order to identify technologies that, if used in the construction of Department of Defense facilities in regions susceptible to hurricanes, would prevent future hurricanes striking those regions from causing the extensive level of damage to those facilities that Hurricane Andrew and Hurricane Iniki caused at installations and facilities of the Department of Defense in Florida and Hawaii, respectively; and

(2) the Secretary of Defense should ensure that, to the extent that it is cost effective to do so, concrete construction technologies identified in accordance with paragraph (1) be used in the construction of facilities of the Department of Defense in those regions in the future.

Mr. INOUYE. Mr. President, this amendment should be adopted.

Mr. STEVENS. Mr. President, I support the adoption of this amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 3147) was agreed to.

AMENDMENT NO. 3148

Mr. INOUYE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. JOHNSTON, proposes an amendment numbered 3148.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 38, line 22, after the words "of the", delete the remainder of the proviso and insert the following:

"GP-160 vaccine: *Provided further*, That funds in the preceding proviso shall be obligated, unless the Secretary of Defense, the

Director of the National Institutes of Health, or the Commissioner of Food and Drugs certifies, in writing, within six months of enactment of this Act, that such large-scale Phase III investigation should not proceed, including an assessment of the vaccine and reasons for the certification."

Mr. INOUYE. Mr. President, we recommend the adoption of the amendment.

Mr. STEVENS. I support the amendment, Mr. President.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 3148) was agreed to.

AMENDMENT NO. 3149

Mr. INOUYE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. NUNN, proposes an amendment numbered 3149.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 115, line 12, insert before the period at the end the following: ": *Provided further*, That the funds made available by this section may be obligated only in accordance with a merit based selection process, utilizing recommendations of a peer review process, consistent with the provisions of section 2361(a) of title 10, United States Code: *Provided further*, That the Secretary of Defense shall select persons to participate in such peer review process only from the faculty or staff of institutions that are members of the National Association of State Universities and Land Grant Colleges or the American Association of State Colleges and Universities.".

Mr. NUNN. Mr. President, according to the Office of Technology Assessment, in its recent report entitled "Building Future Security"—June 1992:

The Nation's universities have traditionally been strong in long-term basic research. Although basic research in universities is small in dollar terms when compared to the DOD budget, it is the primary source of fundamental scientific advances and, just as importantly, to the training of future scientists and engineers.

Taking note of the pressure to reduce spending during the defense buildown, OTA warned:

Without offsetting actions, DOD support for research in colleges and universities could decline as the overall defense budget shrinks. Thus, the DOD will miss some of the benefits of basic university research it has enjoyed for many years. The DOD would also have less chance to train the next generation of scientists and engineers and familiarize them with the Nation's defense needs.

As the pace of procurement decreases, it is essential to ensure that a robust research and development capability is available to maintain technological superiority over potential adversaries, to support reconstitution in the event that expanded military forces are required. University research is a vital component in this effort. Moreover, as our national defense technology and industrial base objectives focus increasingly on dual-use capabilities, university research activities can have a powerful impact on the overall economy.

In recent years, congressional consideration of university research funding has been marked by a debate about "earmarking"—the statutory designation of funds for specific research at specific institutions of higher education. Although Congress has enacted a general requirement for competition in the awards of defense research contracts and grants—10 United States Code 2361—this statute has been superseded on occasion to provide funding for designated colleges and universities, without regard to merit based selection principles.

Section 9089 of the pending bill earmarks $96.45 million for grants to 12 colleges. This section also provides that the Secretary of Defense:

Shall review the grants made available and specified by this section and shall award such amounts as he deems appropriate based on the potential contribution each proposed project may make to the national scientific and technical posture.

Although the discretion provided to the Secretary is an improvement over straight earmarking, it does not ensure that there would be a fair opportunity for other universities to compete for these funds.

My amendment would ensure that the funds earmarked in the bill could be awarded only on the basis of merit based procedures. In light of concerns previously raised about the willingness of the current peer review process to consider schools other than the well established research institutions, my amendment would also establish an alternative peer review procedure to evaluate the award of funds made available by section 9089.

I urge the adoption of the amendment.

Mr. INOUYE. Mr. President, the committee believes that these grants deserve funding.

However, the committee recognizes the objections of some members to such grants. That is the reason why the bill language gives flexibility to the Defense Secretary as to how much funding actually will be awarded.

This is the same formulation already approved by Congress.

There is no need for an amendment to require further competition. If the Secretary does not think the grants meet established criteria, he does not have to award any funds. However, I will reluctantly accept this amendment.

The committee understands objections to noncompetitive grants. However, such grants are often used to level the playing field in the award of defense research dollars.

These grants are a way for the nonestablishment schools to compete with the Harvard's, Stanford's, and MIT's which have made it a big business to obtain Federal grants.

These large institutions have an unfair advantage over smaller, more regionally dispersed colleges and universities.

Some of the establishment institutions have abused their preeminent position and have overbilled the Federal Government for hundreds of millions of dollars.

This waste and abuse by the big schools which overwhelm the competition for research grants shows that the competition system is flawed and must be improved.

The overwhelming amount of defense research money going to universities is subject to such abuses. That total is about $1.4 billion.

Congress should focus on this problem instead of the very small amount of funds embodied in these discretionary grants.

Mr. INOUYE. Mr. President, we find the amendment acceptable.

Mr. STEVENS. Mr. President, I support the amendment.

The PRESIDING OFFICER. If there is no further, the question is on agreeing to the amendment.

The amendment (No. 3149) was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that actions on all previous amendments be reconsidered en bloc, and that the motion to lay that on the table be in order.

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

AMENDMENT NO. 3150

(Purpose: To reduce the amount available for obligation for salaries and administrative expenses of the Department of Defense, the military departments, and the Defense Agencies to the amount obligated for such purposes during fiscal year 1992)

Mr. INOUYE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. GRAHAM, proposes an amendment numbered 3150.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 157, between lines 9 and 10, insert the following:

SEC. 9132. (a) Subject to subsection(b), the amount expended from the appropriation

under title II of this Act in fiscal year 1993 for salaries and expenses relating to the administrative activities, of the Department of Defense, the military departments, and the Defense Agencies may not exceed the amount expended during fiscal year 1992 for such salaries and expenses under title II of the Defense Appropriation Act, 1992 (Public law 102-172; 105 Stat. 1152), exclusive of any OPM authorized pay increase or benefits.

(b) The President may waive the limitation described in subsection (a) if he deems it to be in the national interest, or to accomplish other management reform initiatives under the Defense Management Review or the establishment of the Defense Business Operating Fund.

Mr. INOUYE. Mr. President, this amendment has been studied. We approve of the adoption.

Mr. STEVENS. We support the adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 3150) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3151

(Purpose: To require the Secretary of Defense to transmit to Congress a report on whether to participate in an international rapid deployment force for use in international crises in the Western Hemisphere)

Mr. INOUYE. Mr. President, I send an amendment to the desk on behalf of Mr. GRAHAM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. GRAHAM, proposes an amendment numbered 3151.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 157, between lines 9 and 10, insert the following:

SEC. 9132. (a) The Secretary of Defense shall transmit to Congress a report on whether the United States should participate with other countries of the Western Hemisphere in an international rapid deployment force for use in international crises in the Western Hemisphere.

(b) The report shall include a discussion of, and the Secretary's recommendations regarding, the following matters:

(1) Whether a rapid deployment force should be established.

(2) The circumstances under which the rapid deployment force should be used for intervention in international crises in the Western Hemisphere.

(3) Whether the establishment of a rapid deployment force with the mission to engage in military operations in the Western Hemisphere in such an intervention is prohibited by, or inconsistent with, the Charter of the Organization of American States.

(4) How to ensure that the elements of the Armed Forces of the United States in the rapid deployment force are not introduced into situations involving life-threatening dangers without the specific approval of the United States under the laws of the United States, including the War Powers Resolution (50 U.S.C. 1541 et seq.).

(c) The Secretary shall submit the report required by subsection (a) at the same time as the President submits to Congress the budget for fiscal year 1994 pursuant to section 1105 of title 31, United States Code.

Mr. INOUYE. Mr. President, this has been cleared by both managers.

Mr. STEVENS. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3151) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. PRYOR. Mr. President, we are ready now to go forward with the defense conversion amendment. In just a moment I will be sending that amendment to the desk. It is our anticipation and our hope that this amendment, which has been crafted over the last several hours—we have had a lot of negotiation about it—can be accepted on both sides of the aisle which will preclude the necessity for an actual rollcall vote.

Mr. President, at this time, so that our colleagues may have an opportunity to look at this amendment, I will send this amendment to the desk.

AMENDMENT NO. 3152

(Purpose: To provide appropriations for defense transition and reinvestment programs and on-going technology programs within the Department of Defense)

Mr. PRYOR. Mr. President, I send an amendment to the desk on behalf of myself, Mr. BINGAMAN, Mr. NUNN, Mr. LIEBERMAN, Mr. COATS, Mr. ROCKEFELLER, and Mr. BRYAN and ask for its immediate consideration.

The PRESIDING OFFICER. The Clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arkansas [Mr. PRYOR], for himself, Mr. BINGAMAN, Mr. NUNN, Mr. LIEBERMAN, Mr. COATS, Mr. ROCKEFELLER, and Mr. BRYAN, proposes an amendment numbered 3152.

Mr. PRYOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 54, in line 4, strike out the period at the end of line 4, and insert the following in lieu thereof:

": *Provided further*, That of the funds appropriated in this paragraph, funds shall be available for the following programs in the following amounts:

"For Federal military and civilian personnel transition programs and community assistance programs as authorized by Congress, $470,000,000.

"For dual-use critical technology partnerships, $100,000,000.

"For commercial-military integration partnerships, $50,000,000.

"For regional technology alliances, $100,000,000.

"For defense advanced manufacturing technology partnerships, $25,000,000.

"For manufacturing engineering education programs, $30,000,000.

"For defense manufacturing extension programs, $100,000,000.

"For dual-use technology and industrial base extension programs, $200,000,000.

"For agile manufacturing and enterprise integration, $30,000,000.

"For advanced materials synthesis and processing partnerships, $30,000,000.

"For United States-Japan Management Training, $10,000,000.".

Mr. PRYOR. Mr. President, a very, very brief introduction to this amendment starts back in March 1992 when the majority leader, Senator MITCHELL, of Maine, appointed a 21-member defense transition task force from this side of the aisle to look at ways and means that we might take defense dollars and convert them into domestic use. We worked for some 3 to 4 months on the task force report, and I can say that this was one of the more pleasurable experiences that I have had in some 13 or so years in the U.S. Senate.

Ultimately, the recommendations that this task force made were agreed to by all 21 members of the task force.

Simultaneous to our side working on our recommendations, the Republican leader named the very distinguished Senator from New Hampshire [Mr. RUDMAN], to head up the task force with a similar mission on the other side of the aisle.

Some of the Democratic task force proposals already approved by the Senate or included in bills approved by Senate committees include SBA loan supplementals, and R&D tax credits. Senator MIKULSKI'S appropriations subcommittee included funding for NSF retraining of high-skill former defense workers. Senator JOHNSTON'S appropriations subcommittee included $140 million in its bill to fund cooperative R&D projects between DOE labs and private industry.

Senator HOLLINGS and his committee were deeply involved in making recommendations that represent a first step, and a true milestone in this transition that will take place from a defense-oriented economy and society into a private, domestic economy that

will not rely so heavy on defense dollars.

One point that we must emphasize, Mr. President, is that today, the Federal budget contains about $70 billion, for research and development, but 60 percent of these research dollars are spent on defense-oriented projects. What we need to do is change that around, and we are beginning to do so with the defense conversion items that the task force has recommended.

We were very, very grateful to the Armed Services Committee for including language in its authorization bill, recently passed by the Senate, which reflected most of the recommendations of the 21-member task force and many of the recommendations of the task force on the other side of the aisle.

These particular recommendations of the Senate Armed Services Committee we had hoped to replicate here in the appropriations bill for the Defense Department, but we did not quite get the language that we wanted because there are other items in the defense appropriations language competing for the same dollars. So we thought that language needed to be strengthened and, therefore, we submit an amendment at this time sponsored by many members of the task force and many who have been involved in this.

We want to strengthen this language. We want to make certain that these items get a high priority. And with the efforts of Senator BINGAMAN and others, we feel that this amendment is going to carry out or reflect what the task forces on each side of the aisle have recommended to the Senate and to the Congress as a whole.

First, this amendment would fund recommendations of the defense and economic transition task force of the 21 Senators. These suggestions were most recently adopted as an amendment to the authorization bill. In this bill, $2 billion is going to be available for defense conversion, with discretion over which programs to fund given to the Secretary of Defense. Our amendment very simply seeks to provide direction regarding the expenditure of the funds, establishing a higher priority for those funds based on the task force's recommendation and the DOD authorization bill.

We think that this is a very constructive step forward, Mr. President. We are very proud to have had the opportunity to work with the staff and the distinguished chairman of the Subcommittee on Defense Appropriations, Senator INOUYE, and also the ranking member, our very good friend, who is very knowledgeable in these matters, the distinguished Senator from Alaska, Senator STEVENS.

Mr. President, at this point, I am going to yield the floor. I understand there are other Members who desire to speak. I reserve the right to close for the amendment.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I wish to compliment the Senator from Arkansas on the leadership he has provided throughout this process as chairman of this task force that the majority leader established for defense conversion. I think he has made a tremendous contribution in bringing this issue to the forefront in our deliberations on defense expenditures and other expenditures throughout the Federal budget. I think he is to be commended.

I also wish to commend Senator RUDMAN, who has taken a leadership role on the Republican side of the aisle with the task force that came to very, very similar conclusions to those which were reached in the task force that Senator PRYOR chaired. I had the good fortune to serve on that task force with Senator PRYOR and Senator LIEBERMAN and various others of us, and I was very proud of the work the task force did.

I think what it did was to pull together a consensus on an initiative that we need to be pursuing in the country in order to help defense industry transition into a post-cold-war world and to help workers into a transition into the post-cold-war world and also help the communities that are affected in the cutbacks in defense spending. All three of those priorities are reflected in the amendment that is being offered by Senator PRYOR and cosponsored by the rest of us.

Mr. President, I ask unanimous consent that Senator MIKULSKI be added as a cosponsor of the amendment.

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

Mr. BINGAMAN. Mr. President, I also point out that the Senator from Maryland has made a substantial contribution to the deliberations of the task force and to the proposals as they are being made here.

What this amendment does, in the area of defense conversion and defense conversion initiatives, is it takes the appropriations bill and brings it very closely into line with what we have tried to do in the authorizing bill.

Let me compliment the Senator from Hawaii and the Senator from Alaska for their willingness to work with Senator PRYOR and the rest of us in crafting this amendment. I think it is a major step in the right direction. It shows a bipartisan and a united effort to try to deal with this very important set of problems.

Let me just, if I could, address a couple of questions to the manager of the legislation, the Senator from Hawaii, the chairman of the Subcommittee on Defense Appropriations.

This amendment does not have any language in it to deal with ongoing defense technology programs, some of which are referred to in the report language accompanying the defense appropriations bill.

There are five particular programs that I want to just highlight, because they are ones which we specified funding for in the authorization bill. I know they are priorities of the Senator from Hawaii. I also want to be sure that these are items that will get the serious attention of the Senator when he goes to conference.

I know they are also items that the House of Reprentatives has included in their defense appropriations bill, in title 4, which is the R&D section, not in a defense conversion title.

The five items are first, Sematech, which is a very successful program that we have supported at the level of $100 million over the last 5 years and this year again at $100 million in the authorization bill; second, the high performance computing initiative, where the Senator from Tennessee, Senator GORE, took a real leadership role over the past 5 years in supporting that. This year we have $275 million in our authorizing bill, which was requested by the administration for this initiative, $68.6 million of which the Appropriations Committee has include in the conservation title, and I think this $68.6 million is a very high priority.

Third, high resolution display research which we authorized at $100 million. Fourth, advanced lithography research which was authorized at $75 million; and, finally, multi-chip modules research, where we authorized $51 million.

Those are all ongoing technology programs that I believe deserve to be funded at these levels, and I hope very much that the appropriations committee will be able to do that when they get into conference with the House and agree with the House that those are priorities.

If the Senator from Hawaii wishes to comment on that, I would appreciate it.

Mr. INOUYE. Mr. President, I can assure the Senator from New Mexico that every effort will be made to uphold the policy as set forth in the authorization bill, which will now be incorporated in the appropriations bill. Although I cannot speak for my counterparts in the House, I will do my best to convince them.

Mr. BINGAMAN. I appreciate that comment very much. I note the strong support that the Senator from Hawaii and the Senator from Alaska have given to these ongoing research and development initiates in the past, and I appreciate their continued support this year.

Mr. President, let me just summarize.

Mr. INOUYE. Mr. President, before proceeding, will the Senator yield for a question?

Mr. BINGAMAN. I certainly will.

Mr. INOUYE. By the adoption of this amendment, will this be in lieu of the six amendments that the Senator had originally proposed?

Mr. BINGAMAN. That is correct.

Mr. INOUYE. I thank the Senator.

Mr. BINGAMAN. Let me conclude by just summarizing what this amendment does, Mr. President.

The amendment essentially brings the appropriations bill into line with the authorizing bill in the defense conversion area. Specifically, it does so by adding $470 million to the $130 million that is already earmarked in the appropriations bill for military and civilian personnel transition programs and community assistance programs. This brings the total in these important areas to $600 million.

In addition, we add $675 million for defense transition and reinvestment programs aimed at helping the defense industry convert to a dual-use capability. Those are all in my view very worthwhile initiatives. They are ones which we worked hard on in the task force and they are ones which are authorized in the authorization bill, as the result of the work of the Defense Industry and Technology Subcommittee, which I have the honor to chair and on which Senator COATS serves very ably as ranking minority member. All of these programs require cost-sharing from non-Federal sources and all are to be administered on a competitive basis.

I compliment, again, the Senator from Arkansas for the leadership he has provided on the overall defense conversion initiative and I urge my colleagues to support the amendment.

I yield the floor.

CIVILIAN COMMUNITY CORPS

Mr. BOREN. Mr. President, one of the purposes of this defense bill is to appropriate money for programs to ease the economic and social dislocation associated with the conversion of the defense sector of our economy to civilian purposes. A provision in the Defense authorization bill is designed to allow retired or discharged military servicepersons the opportunity to instill in our Nation's youth a commitment to national service.

We have two pools of immense, and largely untapped, human resources in this country: the talented service men and women whose skills are no longer needed in the military, and the enthusiasm and promise of our Nation's youths who are seeking for a way to contribute to their society. A few generations ago, the country faced a similar situation. During the Great Depression, we had scores of unemployed adults with knowledge and skills that they wanted to share, and we had a new generation eager to learn. We therefore addressed an economic and social crisis with a straight-forward, action-oriented approach that used both these groups: the Civilian Conservation Corps.

Our current proposal builds on this idea and establishes a new CCC. We establish a Civilian Community Corps, designed to revitalize our communities, many of which are suffering economically and socially from the closing of military bases or other aspects of the downsizing of our Armed Forces, and designed to serve as an alternative route for young people to serve their country. This provision enjoys broad bipartisan support; Senators KENNEDY, NUNN, DOLE, WARNER, WOFFORD, MIKULSKI, SIMON, DOMENICI, REID, DIXON, MCCAIN, and SEYMOUR cosponsored the amendment that was accepted last week on the authorization bill. It is based on S. 2373, the Community Works Progress Act, which has several additional cosponsors, including Senators INOUYE, DASCHLE, LEVIN, BENTSEN, PRYOR, ROBB, HOLLINGS, BINGAMAN, DECONCINI, SPECTER, and CRANSTON.

I particularly appreciate Senator INOUYE's support of this provision. It is my understanding from the chairman of the Appropriations Subcommittee on Defense that some of the money appropriated for programs designed to facilitate the defense conversion will be used to establish a demonstration project of the Civilian Conservation Corps—a federally run, residential youth service program—and to fund nonresidential youth service corps that will be administered by the Commission on National and Community Service. I look forward to working with Senator INOUYE and the other cosponsors of this provision to ensure that the CCC and the other youth service programs play a role in decreasing the difficulties associated with the changes in the military sector of our economy.

The federally run, residential component of this program is based on the Civilian Conservation Corps established during the Great Depression. The CCC of the 1930's took 3 million young people, supervised or joined by 250,000 veterans of World War I, and put them to work on the land. They became the innovators of the largest conservation and natural resource revitalization program in the history of the United States, working in the Nation's parks, forests, national monuments, wilderness and private lands. In the space of 9 years, the CCC developed more than 800 State and National parks, 4,000 historical structures, 60,000 buildings, 38,500 bridges, and 97,000 miles of roads. They planted 4 billion trees, stocked 2 billion fish, stopped erosion on 200 million acres of land, and spent 4 million man-days fighting fire and floods.

Similarly, the new CCC is designed to offer our Nation's youth a chance to develop their sense of national pride and to allow military personnel a vital role in this process as mentors and teachers. We expect that enough funding will be appropriated to establish several CCC camps throughout the country, each one housing and teaching 200 to 300 young people. These camps will be located at military bases that either are closed or have excess capacity as a result of the defense conversion.

The CCC offers those talented military people who are being forced into early retirement because of changes in the world to take up leadership roles again. The CCC will be led by a retired military officer and other professionals who can provide leadership to the cadre of teachers, many drawn from a pool of retired, discharged or inactive servicepersons, and to the young corpsmembers. The Director will receive advice and resources from a variety of Federal entities, including the Department of Defense and the Department of Labor. In addition, the Director will draw on the advice and experience of many who have been involved in the youth service movement on the local level.

Moreover, the National Guard will be involved in the CCC, in part because the CCC will provide an opportunity for participants in the National Guard Military Youth Corps to continue their national service. As Senator NUNN observed last week, this program reincorporates and builds on the National Guard Youth Opportunities Pilot Program that is going to be tested in two States and that is targeted at youth at risk—unemployed, high school dropouts between the ages of 16 and 18.

Although I am convinced that a federally run, residential program provides our young people a significant opportunity to contribute their talents and enthusiasm to the country, I also believe that there are other ways to encourage national service. The Commission on National and Community Service currently grants money to fund youth service programs through schools, through full-time youth service corps, and through demonstration projects. The service opportunities funded by the Commission develop discipline, responsibility, teamwork, problem-solving skills, and self-esteem.

The Commission is therefore the ideal entity to oversee the development and implementation of another demonstration project. This program would establish several nonresidential youth corps that would allow young people, who had received training either in the National Guard Civilian Youth Opportunities Program or in the CCC, to return to their communities and participate in service projects. Importantly, these projects must serve additional, defense-related purposes. The Commission is instructed to fund projects that will also assist in the economic transition of localities affected by the defense conversion. The Commission will particularly consider programs that rely on retired, inactive, or discharged military personnel to provide training, teaching, and mentoring for the young corpsmembers.

Thus, this bill will test two models of national service: The CCC, a residential program that draws together young people from all areas of the country in a year-long experience of training and service; and nonresidential programs administered by the Commission that will allow young people to contribute to their communities, particularly to those locales profoundly affected by the defense conversion. Both models receive equal funding so that neither overshadows the other. Both allow meaningful involvement by both young people and military servicepersons.

CIVILIAN COMMUNITY CORPS

Mr. BOREN. Mr. President, the appropriations bill contains a general appropriation for assistance to communities and industries affected by the military drawdown. Last week, the Senate passed an amendment to the Defense authorization bill that established two national youth service programs designed to ease the economic and social dislocation associated with the defense conversion. Both these programs use closed military bases or excess capacity in military bases, draw on the talents of retired or discharged military service persons, and provide alternate routes for young people who desire to serve their country. In addition, the programs are targeted at communities that are suffering from defense conversion.

This amendment was cosponsored by Senators KENNEDY, DOLE, MIKULSKI, WARNER, NUNN, SIMON, DOMENICI, WOFFORD, DIXON, MCCAIN, SEYMOUR, and REID. It is based on provisions in S. 2373, the Community Works Progress Act, which has several additional cosponsors including Senators INOUYE, DASCHLE, LEVIN, BENTSEN, PRYOR, ROBB, HOLLINGS, BINGAMAN, DECONCINI, SPECTER, and CRANSTON.

The first program authorized by the defense bill is a residential, federally run Civilian Community Corps [CCC]. The CCC has both a year-long and a summer component and is designed to instill the ideal of community service in young men and women. The director of the CCC will be a retired military officer, and the Corps members will be trained and led by retired or discharged military service persons. The CCC camps will be located on closed military bases or on bases with excess capacity. The Department of Defense will provide necessary information to the CCC and help coordinate the programs.

The second program authorizes funding for nonresidential youth service programs that will be administered by the Commission on National and Community Service. The Commission is the entity that currently fosters youth service by funding local projects. This provision allows for additional funding for projects targeted at ameliorating the dislocation of the defense conversion.

Both programs are coordinated with the National Guard Youth Opportunities Program. Last week, the Senate authorized $50 million for the CCC and $50 million for the nonresidential programs.

It is my understanding that the chairman intends to ensure that some of the money appropriated to assist communities affected by the defense conversion is appropriated to these two worthwhile programs.

Mr. INOUYE. The Senator from Oklahoma is correct. It is my intention to use money appropriated for the defense conversion to fund these worthwhile programs. I am pleased that this provision, part of a bill that I have cosponsored, is included as part of the defense conversion package. I look forward to working with him to appropriate money for a robust demonstration program that can test the viability of a federally run, residential service program based on the CCC of the Great Depression. I also support funding for nonresidential programs under the Commission on National and Community Service aimed at easing the economic and social dislocation of the military drawdown.

Mr. BOREN. I appreciate the chairman's assistance in this matter and look forward to working with him during the conference on this bill.

DEFENSE CONVERSION

Mr. DECONCINI. Mr. President, it is my understanding that the legislation before us today includes a section providing $2 billion for defense conversion projects to enhance the capabilities of the U.S. Defense industry to compete in the commercial marketplace, and to assist the industry in improving its ability to satisfy the Nation's defense and commercial sector needs. My own State of Arizona provides a good example of a project which I believe fully satisfies the goals of the committee's defense conversion initiative. It is an innovative research project which is on the cutting edge of energy research and development.

This project centers on the development of a small-scale natural gas liquefier. This technology holds promise for military application, particularly for utilization in refueling nontactical vehicles at remote locations. The developmental phase of this revolutionary system has been completed with support from the U.S. Department of Energy's Small Business Innovation Research Program. However, before the natural gas liquefier is ready for commercialization, it must be refined, and a real-world demonstration must be conducted.

As the chairman is aware, the committee has recommended that, among other items, technological projects be supported by these defense conversion funds. Examples of some of these programs are mentioned in the report accompanying the bill. As the chairman will recall, I initially requested that $2 million be included in the bill for the development of a prototype liquefier and for the conversion of vehicles at Luke Air Force Base so that this technology can be evaluated. Military installations have been, and will continue to be, appropriate testing sites for alternative fuel demonstration projects.

With positive progress on the liquefier's development, and its promise for both military and commercial use, I am hopeful that this project can be supported within the scope of programs which the committee intended for the defense conversion account. I would appreciate the opinion of the distinguished floor manager on whether he shares my understanding that the natural gas liquefier project is an appropriate type of activity for funding through the defense conversion account.

Mr. INOUYE. I recall my colleague's discussion on this project in his requests to the committee. The natural gas liquefier to which you refer would meet the conditions laid out in the report concerning the defense conversion account. The defense conversion account to which the Senator is referring was created, in part, to support initiatives such as this.

Mr. DECONCINI. I appreciate the comments and clarifications of the Senator from Hawaii. I am also grateful for the support of my colleague from New Jersey, Mr. LAUTENBERG, who also contacted the chairman on this issue and who strongly supports this innovative project. I thank my friend and I yield the floor.

DEFENSE CONVERSION

Mr. D'AMATO. Mr. President, central to the success of defense conversion is product. Products should: First, be as similar to current output as possible to minimize retraining, retooling, and layoffs; second, emphasize societal payoff, with special concentration on potential balance of trade benefits; and third, avoid competition with established domestic production lines.

Thus far, conversion initiatives have been largely driven by questions of process. What will replace the tanks, aircraft, and ships defense contractors currently manufacture has received far less attention than that they stop.

The Senate Defense Appropriations Subcommittee has undertaken a little-noticed initiative to put considerations of product at the forefront of defense conversion. Anyone even vaguely familiar with the defense budget is aware that the DOD has played safe haven for a host of industrial policy refugees over the last several years. The subcommittee has sifted out these commercially oriented dual-use technology programs, lumped them together in a single defense conversion account, and provided the Secretary of Defense the authority to fund these critical technologies as he sees fit.

The beauty of this is that it keeps hot lines hot. All that changes is the label. No plant closings, no worker population shifts, no traumas. What was RDT&E, Defense agencies a moment ago is now Defense conversion.

The subcommittee's conversion initiative also has the virtue of bringing together the technologies that many believe will carry this country into the 21st century. By giving these projects of enormous civilian-military potential identity and collecting them in a package, rather than leaving them buried in the thousands of line items that make up the defense budget, it will make them easier to rescue when the budget firewalls come down next year and the Pentagon is torn apart.

Mr. President, the key issue, product, has been moved to the center of the defense conversion debate. I hope my colleagues will recognize the value of the subcommittee's work and give this initiative the fullest possible support both on the floor and in conference with the House.

DEFENSE CONVERSION ACTIVITIES

Mr. CHAFEE. Mr. President, I would like to express my support for the Defense appropriations bill for fiscal year 1993 and engage in a brief colloquy with the Senators from Alaska and Hawaii on the subject of defense conversion.

Title VII of this bill, defense reinvestment for economic growth, provides $2 billion for transition benefits for military and civilian employees of the Department of Defense, for assistance to communities and industries affected by the military drawdown, and for research and development activities. The committee report notes that—

> The major impact of a reduction in defense spending will be felt in those States and industries that rely heavily on defense. For many of these States and industries, the economic outlook—and thus, the potential to adjust to changes in defense spending—appears bleak.

In light of this information I would like the Senator's assurance that those States with high percentages of defense-related employees will be adequately addressed by this legislation.

Mr. INOUYE. I appreciate my colleague's concern and can assure him that the subcommittee has been and will continue to be sensitive to the needs of States severely impacted by the military drawdown.

Mr. CHAFEE. I thank the Senator for his assurance. It has been brought to my attention that there are several established programs throughout the country already assisting businesses to explore dual-use technologies and expanded domestic and international markets, as well as management and worker retraining opportunities. I believe these programs could play an integral part in assisting severely impacted communities cope with the military drawdown and the negative affect on their economies. Many of these programs have already initiated State and Federal level partnerships, including the operation of small business development centers and State world trade centers, and could play a key role in the conversion effort almost immediately.

Mr. STEVENS. The subcommittee is also aware of the existence of these programs and expects that they will play an important role in assisting defense-related businesses seeking new markets and new applications for their products and technologies as well as offering retraining opportunities at all levels.

Mr. CHAFEE. I thank the Senators for their remarks and look forward to working with the subcommittee on this important issue.

DEFENSE CONVERSION PROGRAMS

Mr. DODD. Mr. President, I rise in strong support of this amendment, and I want to commend Senator PRYOR for his attention to this very important subject.

Mr. President, one of the most important issues we face as we prepare for the eventual decline of our defense budgets is the dislocation those cuts will cause in local communities across the Nation. In Connecticut alone, defense cuts will eliminate roughly 35,000 jobs by the year 1997, taking their toll on hundreds of small businesses and thousands of working families across the State.

And across the Nation, these defense cuts are slowing the pace of what is already a meager economic recovery.

If we are going to make these cuts in our defense budget now—and it appears we will—we need to take care of the welders and the pipefitters and the architects who made those cuts possible. These people are truly the veterans of the cold war, Mr. President.

Let me start by commending in no uncertain terms the work done by the distinguished chairman of the Defense Appropriations Subcommittee, Senator INOUYE, for putting aside some $2 billion in funding for defense conversion activities. These funds will be absolutely critical in helping our defense workers, our local communities, and our high-technology industries make the transition to commercial activities.

I would also note that within that $2 billion, the bill also includes $80 million set aside for community assistance through the economic development administration and $50 million set aside for job training programs. These are terribly important programs, and I want to thank the chairman of the Defense Appropriations Subcommittee for including them.

What this amendment does, Mr. President, is to fill in the actual funding amounts for some of the rest of the conversion proposals put forth in this bill. The reason for this is very clear: Left on its own, the Bush Administration has not shown the ability or the inclination to choose how to distribute these funds.

To see why this is true, Mr. President, we only need to look at the record. Two years ago on this very bill, we set aside $150 million for job training programs for laid-off defense workers. The last time I checked, just 2 weeks ago, the administration had spent only $30 million on these job training programs. You would have trouble convincing this Senator, Mr. President, that the administration can't find enough former defense workers in this country who are out of work.

The programs we are funding with this amendment are absolutely critical, Mr. President, to the security and stability of our industrial base. In fact, in addition to the $130 million already set aside for communities and workers, this amendment sets aside nearly $1.2 billion in funding for various industry and work force transition initiatives—initiatives that are critical to the industrial base and the working men and women of our country.

Government-industry partnerships in critical technologies and dual use technologies. Regional alliances between industries, local governments and universities. Manufacturing extension programs. Manufacturing engineering education programs. Advanced materials synthesis and processing partnerships. All of these programs will have a clear impact on the capabilities of our industrial base.

Mr. President, this amendment is entirely in line with the underlying legislation now pending before this body. I think it strengthens the intent of this very important measure. Most importantly, it helps provide for a smooth transition for our Nation's defense industries and defense workers. I urge my colleagues to support this very important amendment.

FUNDING DEFENSE CONVERSION

Mr. PELL. Mr. President, as the sponsor of several legislative proposals dealing with defense adjustment and conversion, I support the amendment of the Senator from Arkansas [Mr. PRYOR].

I agree with his premise that the specific programs for defense conversion which we approved as part of the fiscal year 1993 Defense authorization bill ought to be funded by this bill. These programs—providing for partnerships to promote dual use technology, regional technology alliances and promotion of manufacturing engineering education programs—were carefully crafted responses to defined needs.

Moreover, they represented the results of task force efforts on both sides of the aisle to study the special problems resulting from the defense spendown. I served on the Democratic task force headed so ably by Senator PRYOR,

and I can testify to hard work and systematic study that went into our recommendations. Many of them were incorporated into the authorization bill and they certainly should be funded by this appropriation bill.

I am also pleased to note that the Pryor amendment would substantially augment the funding of the community adjustment programs of the Economic Development Administration and the job training programs of the Labor Department, adding $470 million to the $130 million provided by the bill.

These funds will build on the base established 2 years ago by the Riegle-Pell amendment to the fiscal year 1991 Defense authorization bill, which provided for the first allocation of $200 million to these programs for defense adjustment purposes.

With regard to the bill before us, as reported, I want to commend the Senator from Hawaii [Mr. INOUYE], and the members of the subcommittee for focusing on the problem of continuity of health care for defense industrial workers facing abrupt termination from their jobs as a result of curtailment or cancellation of defense contracts.

The provision in the bill requiring a study of this problem and recommendations for its solution parallels an amendment which I offered to the fiscal year 1993 Defense authorization bill which was accepted on the floor last week.

I know from the experience of many of my constituents that this is a problem of serious proportions. Several thousand employees of the Electric Boat Co. are being laid off as a result of the curtailment of the *Seawolf* submarine program face the reality of paying a $400-a-month premium to continue their company medical coverage after termination, which they can do under the so-called COBRA Program. For those surviving on unemployment benefits, there can be only one choice, and that is to drop their health insurance.

It was with this in mind that I proposed two legislative remedies in this Congress. S. 2690 which I introduced last May, would provide a Federal subsidy of 75 percent of an employee's premium for health insurance continued after separation under the so-called COBRA provisions, for a period of up to 36 months.

A slightly different approach was suggested in S. 2906, the Defense Industrial Diversification and Adjustment Act, which I introduced on June 29. It provided for a subsidy of 50 percent of the COBRA premium for 1 year, to be paid from a trust fund supported by contractor contributions.

I note that the authorization bill passed last week provides for temporary continuity of the Government's contribution to health insurance plans for two other important categories of defense personnel, namely civilian employees of the Department of Defense and for members of the uniformed services who have been separated because of cutbacks in defense spending.

It seems to me that the justification for providing assistance in extending insurance to these two categories applies equally to the men and women who have been providing the industrial sinew which helped us to win the cold war.

While industrial workers are employees of the private sector, they do comprise a unique category of people whose employment is determined by public policy and by world events. So I congratulate the committee for its attention to this matter and I hope that it will result in prompt relief for those who need it.

Mr. BOREN. Mr. President, last week the Senate in the discussion of the defense authorization bill authorized as a part of that bill a demonstration program for the Civilian Community Corps National Residential Youth Service Program that eases the economic and social dislocation of defense conversion.

It would involve those who are being forced out of the military early, in terms of their efforts to instruct and to help train young people and to lead projects, construction projects and other projects by young people who are disadvantaged. It would utilize excess military capability, equipment, and facilities in this effort. So it would really help us solve two problems at once in this country. One is the terrible waste of our talented young people with the kinds of problems we have had in our inner cities. We need to harness that talent with work that would bring self-respect and, at the same time, use the talents and capabilities of people with military experience who are now being forced out of the military and into transition into the civilian economy.

It was my understanding earlier from Senator INOUYE that money appropriated under this bill, whether specifically from the defense conversion section or some other section of the bill, as was the case in the authorization bill, could be utilized for this program and that he would work for this program in conference.

The program, I might say, has wide bipartisan support. There are 24 Members of the Senate, Democratic and Republican, who have been sponsors or cosponsors of this provision, either on the amendment that was offered or the original bill, including Senators NUNN and WARNER, including the distinguished manager of this bill, Senator INOUYE, including the two sponsors—two of the three sponsors of this particular amendment, Senator PRYOR and Senator BINGAMAN. Also, Senator KENNEDY, the distinguished Republican leader, Senators DOLE, WOFFORD, MIKULSKI, SIMON, DOMENICI, DIXON, MCCAIN, SEYMOUR, REID, DASCHLE, LEVIN, BENTSEN, ROBB, HOLLINGS, DECONCINI, SPECTER, and CRANSTON.

I certainly applaud the work that has been done by the task force on defense conversion. I appreciate very much the conversion and discussion we have already had with the distinguished manager of the bill on this subject.

I would like to address just a brief question, perhaps first to the Senator from Arkansas and then to the distinguished manager of the bill.

First, I ask the Senator from Arkansas if it is his intent with this amendment, that it would in any way jeopardize or bias the chances of the Civilian Community Corps Program from being ultimately funded out of any funds that might be available in this appropriations bill in conference?

Mr. PRYOR. Mr. President, if I may respond to my friend from Oklahoma, it is my understanding, after recently conversing with the distinguished chairman of the subcommittee on defense appropriations, Senator INOUYE and his staff—my understanding is that this will in no way jeopardize the CCC potential funding. In addition, they will make this a high priority item—I do not want to speak for the distinguished chairman and the ranking minority member—but they will take this to conference, and there will be a discussion in conference.

I would like to say, of course I am not on the committee and I certainly would not be a conferee. But I would like to say to my friend from Oklahoma, I am a cosponsor with the Senator from Oklahoma to fund the CCC. I think it is one of the finest ideas that we have. I think it has come full cycle. I think this is the moment for this country to seize again on this opportunity. And the leadership given by the Senator from Oklahoma and by the distinguished Senator from Pennsylvania [Mr. WOFFORD], I think, has been remarkable. It has brought this issue to the forefront once again. It is time now that this country do this.

I hope the conferees would look very favorably on refunding the CCC.

Mr. BOREN. Mr. President, I appreciate very much the comments of my colleague from Arkansas. And I appreciate the support he has voiced for this program, not only tonight but certainly previously in cosponsoring the original proposal. I do not want to belabor the point because my colleague, the distinguished Senator from Hawaii, has already been most generous in engaging in a discussion with me earlier about this. But now that this has come up in a slightly different context I would like to ask the Senator from Hawaii, the distinguished manager of the bill, if it would be still his intent to work for this program in conference

and his feeling that the adoption of this amendment would not diminish its chances of being funded?

Mr. INOUYE. Mr. President, if I may respond?

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. I join the Senator from Arkansas in assuring our friend from Oklahoma that the adoption of the Bingaman amendment will in no way jeopardize the Boren proposal, the CCC proposal.

Further, may I assure him that in the conference with the House, this matter will be appropriately addressed. It will be given the highest priority. And I have every intention to see to it that it is funded with all the dollars that are necessary.

Mr. BOREN. Mr. President, I thank my colleague from Hawaii for his usual graciousness and his patience in this matter. I am very encouraged by the comments he just made.

In regard to this conversation we have had, it would be my intention, then, to support the amendment offered by the Senator from Arkansas and the Senator from New Mexico, and to not attempt to offer any separate proposal tonight on this subject, knowing as I do that the Senator from Hawaii will do exactly what he has said he will do.

I appreciate very much the support which he has voiced.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. LIEBERMAN] is recognized.

Mr. LIEBERMAN. Mr. President, I rise to support the amendment offered by my colleagues from Arkansas, New Mexico, and others, and to say I am personally proud to be a cosponsor of it.

I rise fully in support of this amendment as a Senator from the State of Connecticut, which has been, as some use the term "defense-dependent." Let us just say that we have a lot of people in our State who have worked proudly over the years to build many of the weapons systems that helped us win the cold war.

It is really since revolutionary times that we have been proud to call ourselves in Connecticut an arsenal of democracy.

But now, as the cold war has ended and we begin to turn down our defense spending, we in Connecticut, the people who work in the defense industry, have been hit, have been hurt; people have lost their jobs.

We understand, in Connecticut, when there is talk of a peace dividend it may be a misnomer. It is not a dividend in the sense that a corporation, after it takes care of all its expenses, passes out the rest of the money painlessly to the shareholders in a dividend. The peace dividend—which we all appreciate—in this case has some real victims. It costs the people who have worked in the defense industry. We have an obligation to them, I think, for the work that they did in helping us win the cold war. But we have also an opportunity to view them and the businesses for which they work as a tremendous asset, an economic asset, an industrial asset upon which to build to the next great stage of America's economic history.

This amendment accepts that responsibility, meets that challenge, and creates that opportunity. This amendment will provide money to ease the transition of defense workers to nondefense jobs, to help communities such as those in Connecticut adjust to the defense cuts and base closures and to promote industrial diversification for the global commercial marketplace.

The amendment also sets the stage for a new, more relevant defense policy which recognizes the importance and necessity of dual-use products and technology, civilian and military.

Mr. President, this amendment, just as important, recognizes that absent a commitment to civilian technologies, economic growth and job creation, diversification is meaningless. The point is that we can retrain defense workers all we want, but unless we are creating jobs for them to fill, we have not really completed our task. We are going to leave them out there retrained and unemployed without an opportunity to fill a new job.

This amendment focuses on making investments today in technology and manufacturing and human capital which will pay dividends in the future. It does so without adding one additional dollar of spending to this appropriations bill. It simply earmarks some of the money already in the bill and, therefore, brings the bill into line with programs authorized just last week in the Department of Defense authorization bill.

Mr. President, in order to guarantee a smooth transition to this new era of our economic history, we have to provide a blueprint and fund specific programs for transition and reinvestment. So we cannot leave it up in the air. For some who may not share our commitment to this approach of transition, of diversification, of new economic opportunity left undefined, we may miss this opportunity and pass up the chance not only to fund defense transition initiatives, but to take advantage of the economic opportunity we have to use the assets that defense spending has created, assets both human and physical.

As the Senator from New Mexico suggested in colloquy with the distinguished chairman of the subcommittee, we may also lose funding for critical technology limited, such as Sematech, technology partnerships, manufacturing technology, advance material, dual use and manufacturing extension programs to name a few.

So I thank the chairman of the subcommittee for the reassurance he gave the Senator from New Mexico that he will do all he can in the conference committee to protect those vital programs like Sematech.

Mr. President, we are going to cut the defense budget. We are doing it right now. The question is, how will we do it? We have two choices before us: Either we can cut programs and troops and contracts without regard to the consequences of our action or, for a small fraction of the cost, we can protect our investment in our work force, in our industrial base, in our technological infrastructure and provide for an orderly, less painful, more constructive transition for the economic opportunities that we all want to lie ahead.

This amendment leads us down that latter, wiser course. For that, I thank the Senator from New Mexico for the leadership he has shown over the years. I thank the Senator from Arkansas, and the Senator from New Hampshire [Mr. RUDMAN], for the work they have done in the respective task forces to being forward these programs that are so constructive and responsive. Finally, I thank the distinguished chairman of the subcommittee, the Senator from Hawaii, the ranking Republican member, the Senator from Alaska, for taking all of these good ideas which would remain only good ideas and ultimately only theories without the dollars, the resources that this subcommittee has put behind them.

Mr. President, I support the amendment enthusiastically. I yield the floor.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. AKAKA). The Senator from Indiana [Mr. COATS], is recognized.

Mr. COATS. Mr. President, I want to add my voice to those who are in support of this effort offered by the Senator from New Mexico and the Senator from Arkansas to provide a closer connection between the economic conversion packages in both the authorization and appropriations bills. I think it is important that the Senate speaks with one clear voice on this issue and that the defense appropriations bill reflect in greater detail the work of the Pryor-Rudman task forces on economic adjustment and defense conversion. We worked very closely together on the conversion package in the Senate Armed Services Committee. And while there are points on both sides where there may be some disagreement, I think the provisions in the Senate bill essentially reflect a consensus on most of the major issues.

We are in a very difficult transition period for defense workers. Those who contributed so significantly to our success in the past decade-and-a-half now find themselves in a personally difficult situation as they attempt to take some very finely tuned skills and convert them from military use to civilian use.

These are major challenges ahead. I think it is important that we assist in

that process. I think that the consensus reached this evening moves us in that direction in a very significant way. My understanding is that the amendment would provide $470 million for military and civilian transition for the benefit program and community assistance programs as authorized by the Congress. This is in addition to the $130 million earmarked in the bill for the Economic Development Administration and the Department of Labor, for a total of $600 million as authorized by the Senate in the Defense authorization bill last Friday.

It is also my understanding that we will provide $675 million for the conversion programs contained in the authorization bill to help the defense industry reorient to a dual-use capability. These programs will encourage partnerships between Government and industry to develop dual-use technologies and manufacturing capabilities, encourage the Department of Defense to work with the Commerce Department and the States to fund manufacturing extension programs and regional technology alliances and other extension programs, as well as encourage the Department of Defense to work with the National Science Foundation to fund manufacturing engineering education programs in our universities.

Mr. President, a lot of work has gone into this effort. There is some still to do. It is important that as we make this difficult transition that we be sensitive to the impact on our industries and, most important, to the impact on the workers in those industries, those families and the communities in which those industries are located. I am proud to be a part of this effort and trust that we will be able to successfully make this conversion not only in this year but the years to follow.

Mr. President, I yield the floor.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska [Mr. STEVENS] is recognized.

Mr. STEVENS. Mr. President, I have been reviewing this matter for some time. I was one of those who was a complete supporter of the provisions in our bill before the Senate now, the Defense Department appropriations bill. I have spent some time going over these amendments. I am prepared to agree with my friend from Hawaii that we should accept the amendment because I believe that everything in this amendment is consistent—as a matter of fact, is identical to the provisions of the armed services bill that we agreed we would comply with this year. I do believe that there are a great many people who have worked on this issue.

I ask unanimous consent that Senators SEYMOUR, DOMENICI, and COATS be listed as cosponsors of this amendment.

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

Mr. STEVENS. Mr. President, it is very clear that in our conference, Senators GARN and DOMENICI will have a substantial amount of participation in the negotiations with the House on this amendment. I hesitate because, as I told the Members in the conferences prior to the presentation of this amendment at this time that I would favor not earmarking this money.

I have heard my good friend from Hawaii say he will be battling to uphold the Senate's position. I always do that. But I think the Senate should be aware of my feeling that we should have a commission to review all of these initiatives, an impartial group that would tell us just how much money we should continue to spend on these items listed in this amendment.

To a great extent, I have the feeling, and it has been expressed time and time again on the floor, that there is inertia behind some of the spending that we just cannot seem to have any impact on. And this is a good example in these areas. Some of this spending has been going on for 5 years at the rate that is specified in this amendment.

Now, as I indicated, those who are more familiar with it, with the area of this type of expenditure, have indicated these initiatives should be continued. Clearly, the Pryor-Rudman group has had a great deal of exposure to these issues this year, and on the basis of the advice of the Senators who worked with Senators PRYOR and RUDMAN and the advice that I received on my side of the aisle from Senators GRAMM, SEYMOUR, DOMENICI, MCCAIN, COATS, and others, I believe we have no alternative but to accept the earmarkings in this bill as well as we did in the armed services bill. And again, it is my understanding—and I hope that I am corrected here if I am wrong—that all of these earmarkings are identical to those which are contained in the armed services bill. In other words, we are not creating another conflict for ourselves by adopting this amendment because we have already said we will comply with the provisions of the earmarkings of the armed services bill to the best of our ability in the negotiations with the House.

So on the basis of that, I say to my friend from Hawaii, I am prepared to accept the amendment.

Also on a related matter, if I may, since I am on my feet, Mr. President, I ask unanimous consent that Mr. SPECTER be listed as an original cosponsor of amendment No. 3142.

I also renew my request that the Senators I mentioned previously be listed as cosponsors of the pending amendment.

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

Mr. INOUYE. Mr. President, as manager of this bill, I am pleased to add my congratulations to the Senator from New Mexico, the Senators from Arkansas and Connecticut, and to the Senator from Georgia and to the members of the task forces, Republican and Democrat, for coming forth with this defense conversion program.

As I indicated earlier, I will do my best to convince my colleagues in the House to adopt the amendment as we have presented it today. I will do my best.

Mr. STEVENS. Will the Senator yield for one last request.

I failed to add to my request that Senator COHEN be listed as a cosponsor of the pending amendment. I ask unanimous consent.

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

Mr. INOUYE. Mr. President, I urge its adoption.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico [Mr. BINGAMAN] is recognized.

Mr. BINGAMAN. Mr. President, before we go to a vote, I just wanted to indicate the contribution, the significant contribution that the junior Senator from Indiana, who is the ranking member on the Subcommittee on Defense Industry Technology, which I have the honor of chairing on the Armed Services Committee, made in the crafting of many of these initiatives. He and his staff have worked very closely with myself and the staff on the majority side, Senator NUNN and various others of us on the Armed Services Committee in working on the legislation in the authorizing bill. I did want to commend the Senator from Indiana, for his very substantial contribution and I want to acknowledge that at this point.

I thank the Chair. I yield the floor.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. PRYOR] is recognized.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

Mr. President, I ask unanimous consent that 3 additional cosponsors be added to the pending amendment. Those three cosponsors are Senator WOFFORD, Senator DECONCINI, and Senator DODD.

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

Mr. PRYOR. Mr. President, once again I sincerely thank the distinguished chairman, Senator INOUYE, the ranking member of the subcommittee, Senator STEVENS, and their respective staffs for working with us in this particular matter.

We do think this amendment will strengthen the position of the Senate in going to conference with the House ultimately on the issue of defense conversion and transition. We also are most appreciative of the statements uttered on the floor and in our private

discussions by Senator INOUYE about his supporting and advocating the position of the Senate. I certainly cannot speak for Senator RUDMAN's group and Senator COATS' group that have made such a valuable contribution, but I truly believe I can speak for the 21 members over on this side of the aisle who have worked since March on this issue in strongly urging our colleagues going to the conference to advocate the Senate position and try to nail down these dollars for this purpose.

Mr. President, once again I thank all of those who have participated and I yield the floor.

Mr. RIEGLE. Mr. President, I wonder if the Senator will yield briefly to me for just a question.

Mr. INOUYE. Please.

Mr. RIEGLE. I thank the Chairman.

In light of the changes that have been made in the negotiations on this amendment, while the package does not specifically include mention of high definition displays, am I correct in assuming that it will be the committee's intention to attempt to follow the earmarks in the Defense authorization bill when we get to conference?

Mr. INOUYE. There is a commercial that says, "It's in there." The Senator's amendment is in there.

Mr. RIEGLE. I thank the Chair. I ask unanimous consent to be listed as a cosponsor.

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

Mr. STEVENS. Mr. President, will the Senator yield just one moment.

Mr. INOUYE. Yes.

Mr. STEVENS. I ask unanimous consent that my colleague, Senator MURKOWSKI, be added as a cosponsor.

Mr. PRYOR. Mr. President, if I might add one additional cosponsor, Senator ROBB of Virginia. I ask unanimous consent that he may be added as a cosponsor.

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

Mr. INOUYE. Mr. President, I urge adoption of the amendment.

Mr. STEVENS. I support the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to amendment 3152.

The amendment (No. 3152) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3153

(Purpose: To require prompt approval action on proposed interim leases for the use of installations and facilities of the Armed Forces being closed under a base closure law)

Mr. INOUYE. Mr. President, I send to the desk an amendment proposed by Senator PRYOR and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. PRYOR, for himself and Mr. BUMPERS, proposes an amendment numbered 3153.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 157, between lines 9 and 10, insert the following:

SEC. 9132. (a) Hereafter, whenever a State or local development authority or other State or local installation reuse entity submits to the Secretary of a military department for approval a proposed interim lease of a facility at a closing installation under the jurisdiction of that Secretary, the Secretary shall approve or disapprove the proposed interim lease within 60 days after the proposed interim lease is submitted to the Secretary.

(b) For purposes of this section, the term "closing", with respect to an installation, means an installation that is being closed pursuant to—

(1) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 102-510; 104 Stat. 1808; 10 U.S.C. 2687 note);

(2) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note); or

(3) section 2687 of title 10, United States Code.

Mr. INOUYE. Mr. President, this amendment is appropriate, and I support it.

Mr. STEVENS. There is no objection.

Mr. PRYOR. Mr. President, if I may, I ask unanimous consent that Senator BUMPERS, my distinguished colleague, be added as a cosponsor to the pending amendment.

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

The PRESIDING OFFICER. Without objection, the amendment is in order.

The question is on agreeing to the amendment.

The amendment (No. 3153) was agreed to.

Mr. INOUYE. Mr. President, I ask unanimous consent that two technical corrections be made to the amendments adopted earlier today, and I believe the amendments are at the desk and I ask that they be incorporated into the amendments as passed.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I have been authorized to announce that Senator CRANSTON will withdraw his patent extension amendment, and that Senator LAUTENBERG will withdraw his Arab boycott amendment.

UNIFORMED SERVICES TREATMENT FACILITIES

Mr. GORTON. Mr. President, the amendment introduced for myself and Senator ADAMS will enable Uniformed Service Treatment Facilities [USTF] across the Nation to offer its beneficiaries a managed health care program on October 1, 1993. Mandated by Congress in Public Law 101-510, fiscal year 1991, the Department of Defense Authorization Act, the managed care program promises to provide an attractive benefit to beneficiaries at substantial cost savings to the Government. Consistent with congressional direction, the USTF's and the Department of Defense [DOD] USTF program staff have been working cooperatively for more than 2 years to develop this initiative. However, implementation already has been delayed well beyond congressional deadlines and I am concerned that any further delay will jeopardize the program.

In order to ensure that military beneficiaries be given the opportunity to participate in the USTF Managed Care Program, it is absolutely essential that the program be implemented without further delay. The amendment Senator ADAMS and I are offering today will do just that.

I thank both Senator INOUYE and Senator STEVENS for accepting this amendment.

On an unrelated issue, I take this opportunity to give my separate but equal support to a program which is also very important to improving military health care, the CHAMPUS Reform Initiative [CRI]. I am assured that the conferees on the DOD appropriations bill will recede to the House position and include Washington State as a player in the CHAMPUS Reform Initiative Program. I support this position and am pleased that Washington State military retirees, personnel, and their dependents will have the opportunity to participate in a health program which has proved both cost effective and user friendly in other areas of the country.

REORGANIZATION BY U.S. ARMY CORPS OF ENGINEERS

Mr. DOLE. Mr. President, section 9122 of this bill contains a restriction on the use of any of the funds contained in this bill or any other appropriation bill signed into law prior to the enactment of this bill for any reorganization undertaken by the U.S. Army Corps of Engineers.

Further, Mr. President, the bill which has jurisdiction over the civil programs of the corps is the energy and water bill. Amendment 21 in the conference report on that legislation contains a similar, although more detailed restriction on corps reorganization. The energy and water bill prohibits the use of any of the funds appropriated to the corps for closing any district office of the Army Corps of Engineers. I know in the past this is the concern that I and many of my colleagues have had.

Since that provision is contained in the energy and water bill, I ask the managers of this bill whether they would be willing to drop section 9122 in

conference if the provision in the energy and water bill will be enacted.

Mr. INOUYE. Mr. President, the Senator from Kansas is correct. Matters dealing with the civil programs of the Army Corps of Engineers are usually contained in the energy and water appropriations bills. It is my understanding that a similar provision was contained in the appropriations for energy and water last year. I think it would be entirely appropriate to drop the provision in this bill if the provision in the energy and water bill will be enacted.

Mr. STEVENS. Mr. President, I concur with my colleague from Hawaii. The provision in the energy and water bill is more tailored to address the concern of our colleagues—to protect district offices of the Army Corps of Engineers while at the same time allowing the Army to achieve necessary management and cost savings. I understand the corps has no plans to close any district offices, has no objection to the language contained in the energy and water bill, and I would support deleting the provision from this bill if the provision in the energy and water bill will be enacted.

TACTICAL AVIATION MODERNIZATION PLAN

Mr. DECONCINI. Mr. President, would the distinguished manager of the bill yield for a brief colloquy to clarify the committee's reported bill as it pertains to the Army's aviation modernization program and, in particular, the AH-64 modernization program.

Mr. INOUYE. I would be pleased to yield to the senior Senator from Arizona for a colloquy.

Mr. DECONCINI. I thank my good friend from Hawaii for allowing me to clarify a point in the committee's tactical aviation modernization program. The chairman noted at the full committee markup that the $3.489 billion recommended by the committee did not specify funding for particular programs.

Mr. INOUYE. The distinguished Senator from Arizona states the situation correctly. It was the committee's intention to provide the same total amount as recommended by the Senate Armed Services Committee for the Army Comanche light armed scout helicopter, AH-64 Apache Longbow, AH-64 modifications, Navy F-18 E/F upgrade and AX advanced attack aircraft and Air Force F-22 advanced tactical fighter in the new tactical aviation modernization account.

Mr. DECONCINI. Am I also correct that the committee has provided sufficient funds, so that if the Secretary of Defense meets the committee's requirements and if he decides to fully fund the Apache and Comanche program, there is more than enough money in the new aviation account to fund all these efforts?

Mr. INOUYE. The Senator is correct. I noted that full funding for the Apache and Comanche modernization programs would require $749.809 million in fiscal year 1993. The tactical aviation modernization account has more than enough funding to provide this full amount.

Mr. DECONCINI. I thank the distinguished chairman of the Defense Subcommittee for his clarification and I appreciate his leadership in bringing this issue to the attention of the Senate by taking the action that he has in this bill.

THE NATIONAL GUARD

Mr. LAUTENBERG. Mr. President, I am pleased to be an original cosponsor of this amendment which would freeze the existing Reserve force structure and prevent any Army National Guard units, including the 10 division headquarters units, from being inactivated in fiscal year 1993.

This amendment which Senator LEAHY and I are introducing is consistent with provisions in the recently approved national defense authorization bill for fiscal year 1993. It was included in a list of recommendations on the National Guard and Reserves which 18 members of the Appropriations Committee, including myself and Senator LEAHY, sent to the chairman and ranking member of the Defense Appropriations Subcommittee. I ask unanimous consent that a copy of that letter be inserted in the RECORD following my remarks.

Mr. President, there are compelling reasons to support this amendment to prevent the inactivation of National Guard and Reserve units in fiscal year 1993. The role that the Guard and Reserves played in the Persian Gulf War demonstrated their value and effectiveness during a national crisis. As the defense budget declines, I am convinced that the Department of Defense should continue to invest in the Army National Guard. Its cost effective forces provide an important way to maintain force structure at a fraction of the cost needed to sustain active units.

A 1-year moratorium on cuts in the Guard and Reserve force structure is needed until the Defense Department presents a logical plan that properly realigns the Guard's roles and missions. The Pentagon's current proposal would reduce, over a 5-year span, some States' Army National Guard end strength by more than 50 percent, but cut others by less than 10 percent. The Defense Department has acknowledged this problem, and it has stated that it is developing measures to address these inequities.

After reviewing the Department of Defense's original plans, I can only hope that the Pentagon will learn from their mistakes. In my State of New Jersey, some of the force structure cuts that were in the Pentagon's original plans simply did not make any sense. Despite the Guard's record of service to New Jersey and our Nation, these plans would cut half of New Jersey's authorized Guard positions over a 5-year period. They also would eliminate the 50th Armored Division, which is headquartered in New Jersey.

It doesn't make sense for the Defense Department to eliminate the 50th Armored Division. The 50th Armored Division headquarters is a top notch facility. It's one of only two existing armored divisions in the National Guard. It's strategically located on an army base. And it shares space with the best and newest high-technology training facility in the country. It also has new headquarters facilities, and has ready access to an Air Force base and a military port.

Mr. President, a moratorium on the inactivation of Army National Guard and Reserve units in fiscal year 1993 will provide Congress with time to review the Pentagon's new plans. Additionally, Congress will be able to compare them to the Guard and Reserve force structure study that will be completed by RAND later this year.

I urge my colleagues to support this amendment which prevents the inactivation of National Guard and Reserve units in fiscal year 1993. We need to ensure that the Guard and Reserve total force policy continues as an integral part of our national security at home and abroad.

MULTICHIP MODULE

Mr. BUMPERS. Mr. President, I have some observations and questions concerning the committee's support for two multichip module [MCM] technology programs at DARPA. The first is the continuation of the advanced materials for MCM applications program and the second is a new initiative to address broader MCM issues. I would therefore like to engage in a colloquy on these important efforts with my esteemed chairman of the Defense Appropriations Subcommittee.

Mr. INOUYE. It would be my pleasure to discuss these issues with my good friend from Arkansas.

Mr. BUMPERS. I know my friend from Hawaii shares my support for maintaining a robust and growing electronics industry in this country. We have watched the electronics content of many military and commercial items soar in recent years. Aircraft avionics, sensors and guidance systems for precision weapons, advanced medical electronics, and engine control systems are but a few examples of the economic impact of modern electronics. The worldwide electronics market is currently estimated to be $650 billion and is projected to double by the turn of the century.

The electronics industry has impact all across the spectrum of the American economy. This industry currently employs 1.8 million people. If America maintains its current market share of 30 percent, we could add 1.8 million more jobs by the end of the decade. And if we could increase our market

share to 45 percent, we could add another 1.8 million jobs.

Furthermore, it is my understanding that one of the next major steps for the electronics industry is the development and application of multichip module [MCM] technology. This approach involves the placement of many computer chips in close proximity on the same wafer. This density of packing of chips offers significant advantages in higher processing speeds and dramatic size reductions.

While America has lost world market share in the computer chip market, we now have the opportunity to act quickly to jumpstart this next phase of chip development and regain some of the share of the world electronics market we used to have. This area of technology has been the subject of a number of recent government, industry, and academic discussions and analyses. I note from the committee report that the committee recognizes the significance of this technology in its call for the Defense Department to provide accelerated funding for multichip module development from the $2 billion in funds provided in this bill in the defense conversion initiative.

Mr. INOUYE. The Senator is correct. The committee has encouraged the Defense Conversion Commission and the Secretary of Defense to consider funding multichip module development within the conversion account.

Mr. BUMPERS. MCM technology has the potential for a wide variety of military applications, from advanced avionics and signal processors to mobile military communications and portable military computers, and has relevance to many commercial applications.

At the same time, I hope the Committee will take note to Japan's increasing interest in multichip module technology. Control of this growing market by offshore producers could make the Defense Department dependent not just on foreign chips, but entire subsystems and systems from offshore sources. This would be harmful to U.S. security interests and would be a blow to the U.S. economy.

Mr. INOUYE. As my friend from Arkansas will recall, last year Congress provided funding for the Defense Advanced Research Projects Agency [DARPA] Advanced Materials for Advanced MCM Applications Program.

Mr. BUMPERS. Indeed, this program seeks to accelerate recent advances in materials sciences that will flow logically into conventional MCM developments. This program is seeking to integrate new advanced artificial diamond and high temperature superconducting materials into advanced multichip modules. Already an important demonstration of such an application of these materials has been demonstrated.

The combination of these two technologies will play a key role in allowing the United States to maintain a world lead in supercomputer technology. I believe that this program merits continued explicit funding at the level envisioned last year for fiscal year 1993. It is my belief that this program is important enough that it merits such funding. Does my colleague and friend concur?

Mr. INOUYE. The committee has noted the importance of this program in the report and I will do my best in conference on this matter.

Mr. BUMPERS. I thank the chairman of the Defense Appropriations Subcommittee. I want to turn now to a related issue, DARPA's conventional multichip module program. This program is designed to address the application of MCM technology to military systems in the near term. Advanced electronic packaging reflected in MCM technology has become the pacing technology that will control electronic system density and system performance.

Mr. INOUYE. Again, the committee's report language notes that MCM technology is relevant to the objectives established for defense conversion, and we have encouraged the Defense Conversion Commission to consider funding this program from the funds provided.

Mr. BUMPERS. I appreciate my friend's words on this. I take note that DARPA officials consider this multichip module initiative one of the highest priorities they have in the electronics field and plan to increase their funding request for this substantially in the coming year. But given the very fast pace by which developments in the electronics field proceed, it is important that this crucial technology program be accelerated as soon as possible.

For this reason I was disappointed that there was not explicit funding for this program in the bill but trust that the Defense Department will take heed of this colloquy and fund the conventional program at a significant level. Should the defense conversion account succumb to earmarking in the conference, I will work to ensure that this multichip module program is so funded explicitly.

Mr. INOUYE. I thank my friend from Arkansas. I, too, hope that the Department of Defense funds this program from the Defense conversion account.

Mr. BUMPERS. I thank my colleague.

Mr. INOUYE. Mr. President, that means all the amendments have been addressed and resolved.

I suggest their agreement.

I ask for a third reading.

Mr STEVENS. Mr. President, I ask unanimous consent that the statements to be offered by the Senators in support of either the amendments that we have just adopted or the amendment of the Senator from Iowa on breast cancer be placed in the RECORD when delivered—some of them will be delivered tonight, some will be delivered tomorrow—that they appear in the RECORD prior to passage tomorrow. One is on defense conversion, the other is on cancer.

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

Mr. PRYOR. Mr. President, I have a unanimous-consent request.

Mr. President, I ask unanimous consent that a colloquy be reported in the appropriate place in the RECORD, a colloquy between myself and the Senator from Hawaii [Mr. INOUYE] relative to the amendment that we have just adopted relative to the Eglin Air Force Base, and other bases where businesses are trying to acquire leases on certain properties and strengthen the time when there must be a response by the Air Force back to the companies.

I thank my colleague.

Mr. STEVENS. Mr. President, I have no objection. That will still be prospective.

Mr. PRYOR. That is correct.

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

The clerk will read the bill for the third time.

The bill was read for the third time.

Mr. INOUYE. Mr. President, on final passage, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. STEVENS. Mr. President, It is my understanding that vote will take place at 9:30 a.m. in the morning following the Prayer when we convene in the morning.

I ask unanimous consent that be the order, that vote on final passage take place immediately following the prayer when the Senate convenes on Wednesday morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, it is my understanding, and I do ask for parliamentary inquiry, the Senator from Hawaii and I have disposed of all amendments by the action we have taken; is that correct?

The PRESIDING OFFICER. The Senator is correct.

MORNING BUSINESS

Mr. PRYOR. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

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

NATIONAL OPTICIANS MONTH

Mr. STEVENS. Mr. President, as in morning business, I would note that January 1993 will be celebrated throughout the United States as National Opticians Month. I am pleased

that an Alaskan, Larry E. Harper of Anchorage, is this year the president of the Opticians' Association of America, which is planning a number of events during January to highlight the contributions of opticians throughout the country.

Almost all Americans over the age of 65 need some help to see their best, and 60 percent of all Americans wear eyeglasses or contact lenses. Skilled opticians, trained in fitting and dispensing eyeglasses and contact lenses, provide expert assistance to many of us to make the most of our vision.

Through formal education programs, voluntary national certification and mandatory licensing in many States, and programs of continuing education, dispensing opticians acquire the skills and competence to guide eyewear consumers and to correctly, efficiently and effectively fill eyewear prescriptions. At the same time, retail opticians are an important part of the Nation's small business community and provide the competitive balance that keeps eyewear within the means of most Americans.

It is a pleasure to acknowledge the essential role of dispensing opticians as they help all of us to make the most of our precious eyesight. I commend them for their efforts and congratulate Larry Harper and his members or their accomplishments.

TRIBUTE TO DR. ALFRED HABEEB

Mr. COCHRAN. Mr. President, I salute Dr. Alfred Habeeb on the occasion of the dedication of the Alfred Habeeb Endowed Chair in Anesthesiology at the University of Alabama at Birmingham. It is one of only five endowed chairs in anesthesiology in the United States.

A native of Lebanon, Dr. Habeeb was the first Lebanese-American to study medicine in Mississippi, completing his education at the University of Mississippi and the University of Tennessee. Having practiced medicine for more than 54 years, he was a pioneer anesthesiologist in the South, laying the groundwork in Birmingham for one of the first academic departments of anesthesiology in the southeastern United States and supporting establishment of the first professional organization for anesthesiologists in the State of Alabama.

I am happy to pay tribute to Dr. Habeeb, and I ask unanimous consent that the publication, "A Legacy of Excellence," describing his significant contribution to medicine, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LEGACY OF EXCELLENCE—ALFRED HABEEB, M.D. ENDOWED CHAIR IN ANESTHESIOLOGY

Friends and colleagues of Alfred Habeeb, M.D. are honoring his contributions to medicine and anesthesiology through the creation of the Alfred Habeeb Endowed Chair in Anesthesiology at The University of Alabama at Birmingham. While recognizing this distinguished physician and member of the Birmingham community, the establishment of this endowment will also provide an important source of income to enhance the academic endeavors of the field of medicine so well served by Dr. Habeeb during the past 50 years. The acknowledgement is particularly special since there are only five endowed chairs in anesthesiology in the United States today.

ALFRED HABEEB, M.D.

Dr. Habeeb studied medicine at the University of Mississippi and the University of Tennessee. During vacations he returned to his hometown of Vicksburg, Mississippi, to work in the clinic at Vicksburg Charity Hospital. He decided between his junior and senior years to move to TCI Hospital, now Lloyd Noland Hospital, for an internship following graduation. In 1940 Dr. Habeeb was asked to stay at TCI an extra year to provide much-needed assistance in the area of anesthesiology, and soon became chief of this service.

The field of physician-practiced anesthesiology was still very young, the American Board of Anesthesiology having come into existence just four years earlier. Dr. Habeeb traveled with Dr. Lloyd Noland, TCI's chief of surgery and medical director, studying the techniques of such notable pioneers in anesthesiology as Dr. John Lundy of the Mayo Clinic, Dr. Ralph Waters of the University of Wisconsin, Dr. John Adriani of Tulane, and others. Dr. Habeeb received his board certification in 1947.

Thus, Alfred Habeeb became a pioneer anesthesiologist in the South. His early efforts to establish physician-practiced anesthesiology in Alabama helped lay the groundwork for one of the first academic departments of anesthesiology in the southeastern United States. In the mid 1940's, such a department was begun at the The University of Alabama's School of Medicine in Birmingham. Along with the faculty of this department, Dr. Habeeb and his colleagues founded the state's first professional organizations for anesthesiologists, the Jefferson County Society of Anesthesiologists and the State of Alabama Society of Anesthesiologists. He served as president of both organizations, as well as a delegate to the Medical Association of the State of Alabama and the American Medical Association. Dr. Habeeb is a past president of the Birmingham Surgical Society and a founder of the Southern Section of the American Society of Anesthesiologists. He has been instrumental in the growth and development of anesthesiology in Alabama and the southeastern U.S. and has maintained a close professional relationship with the UAB faculty for 40 years.

Dr. Habeeb founded, with partners E. Bryce Robinson and Hiram Elliott, the first private anesthesiology practice in Alabama. Known today as Anesthesia Services of Birmingham, P.A., the firm is composed 22 physicians, many of whom were educated at The University of Alabama's School of Medicine. Since its founding the firm has provided anesthesiology services to nearly every hospital in Birmingham.

Dr. Habeeb has served his community in many other ways, and with the same total dedication he has shown his patients and his colleagues. He has been a member of the Rotary Club of Birmingham since 1962, first serving as an officer in 1973, eventually becoming president in 1985.

THE ALFRED HABEEB, M.D., ENDOWED CHAIR IN ANESTHESIOLOGY AT UAB

In 1987, a group of Alfred Habeeb's colleagues, affiliated with UAB, St. Vincent's Hospital and other institutions in Birmingham, moved to recognize Dr. Habeeb's influence on their respective careers. They chose to honor him by creating an endowed chair in anesthesiology, which will serve as an appropriate testimonial to his distinguished career in this field, while providing funds for the continued advancement of patient care, research, and education.

The Department of Anesthesiology at UAB has earned an international reputation for academic excellence and now ranks among the best of such departments in the nation. An increasing diversity of scientific training and scholarship makes the department a stimulating learning environment and an important contributor to the advancement of scientific knowledge in anesthesiology.

In order to continue this progress while pursuing new areas of inquiry, it is essential to provide endowments for recruiting and retaining exemplary faculty. Such funds provide support for gifted academicians and create an atmosphere of scholarly distinction which serves to attract additional funding. The principal of the endowment remains untouched while the interest is used to fund a faculty position and specific projects or research programs. Creation at UAB of a endowed chair in anesthesiology will recognize Dr. Habeeb for his contributions to the community, the state, and to medicine.

DEEDIE WRIGLEY HANCOCK

Mr. McCAIN. Mr. President, I ask unanimous consent that a eulogy on behalf of Deedie Wrigley Hancock, a great Arizonan, be printed in the RECORD at this point.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

DEEDIE WRIGLEY HANCOCK EULOGY

(By Senator John McCain)

This world would be a better place if it had more people in it like Dorothy Wrigley Hancock, known to all as Deedie. Last June, this outstanding Arizonan and wife of Dr. Richard Hancock lost a courageous battle against cancer.

Deedie was a true lady in the best sense of the word. Though born to the wealth of the well-known Wrigley family of Chicago and Arizona, she showed the same interest and kindness to the lowliest stable hand as to the rich and powerful.

At the time of her death, Deedie was the owner and manager of Kaaba Arabian Enterprises of Scottsdale and was acknowledged throughout the world as one of its most outstanding breeders of Arabian horses, producing national and international champions. She even sold an Arabian to a Saudi Arabian prince. Her illness was the only thing that prevented her from going to Saudi Arabia to see how the horse was making out. It was her practice to always follow up on her Arabians after selling them.

Deedie rode horses before she learned to walk and taught her children, George, Misdee and Helen, to do the same. The tiny lady was a study in contrasts. She "retired" from the "Best Dressed in Chicago" list after topping it 10 years in a row. After turning to breeding full-time in 1969, she drove a tractor trailer so that she personally could transport her Arabians thousands of miles to horse

shows all over the country. And she never hesitated to rise in the middle of the night in Scottsdale to assist in the birth of an Arabian.

Deedie had the distinction of being the first woman to serve as a governing member of the Arabian Horse Registry. She also was a founding member and director of the National Show Horse Registry.

Deedie's contributions to charity were personal as well as monetary. For instance, she counseled and found housing for Spanish-speaking immigrants for the Immigrant's Protective League, was a staff assistant of the American Red Cross and a board member of St. Luke's Hospital, the Phoenix Art Museum League, the Municipal Clerk's Educational Foundation and the Tersk Foundation.

Deedie's contributions to making the world a better place will live on as a standard to which all can aspire.

All Arizonans, indeed, all Americans are richer because of Deedie's life and contributions. We are all poorer at her loss. I extend my deepest sympathy to her friends, family and loved ones.

MEASURE TO BE PLACED ON THE CALENDAR—H.R. 5952

Mr. PRYOR. Mr. President, I ask unanimous consent that when the Senate receives from the House H.R. 5952, the prescription drug user fee bill, it be placed on the calendar.

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

VETERANS' COMPENSATION RATE AMENDMENTS

Mr. PRYOR. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2322.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2322) entitled "An Act to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Compensation Rate Amendments of 1992".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. DISABILITY COMPENSATION.

(a) 3.2 PERCENT INCREASE.—Section 1114 is amended—

(1) by striking out "$83" in subsection (a) and inserting in lieu thereof "$86";

(2) by striking out "$157" in subsection (b) and inserting in lieu thereof "$162";

(3) by striking out "$240" in subsection (c) and inserting in lieu thereof "$248";

(4) by striking out "$342" in subsection (d) and inserting in lieu thereof "$353";

(5) by striking out "$487" in subsection (e) and inserting in lieu thereof "$503";

(6) by striking out "$614" in subsection (f) and inserting in lieu thereof "$634";

(7) by striking out "$776" in subsection (g) and inserting in lieu thereof "$801";

(8) by striking out "$897" in subsection (h) and inserting in lieu thereof "$926";

(9) by striking out "$1,010" in subsection (i) and inserting in lieu thereof "$1,042";

(10) by striking out "$1,680" in subsection (j) and inserting in lieu thereof "$1,734";

(11) by striking out "$2,089" and "$2,927" in subsection (k) and inserting in lieu thereof "$2,156" and "$3,021", respectively;

(12) by striking out "$2,089" in subsection (l) and inserting in lieu thereof "$2,156";

(13) by striking out "$2,302" in subsection (m) and inserting in lieu thereof "$2,376";

(14) by striking out "$2,619" in subsection (n) and inserting in lieu thereof "$2,703";

(15) by striking out "$2,927" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$3,021";

(16) by striking out "$1,257" and "$1,872" in subsection (r) and inserting in lieu thereof "$1,297" and "$1,932", respectively; and

(17) by striking out "$1,879" in subsection (s) and inserting in lieu thereof "$1,939".

(b) SPECIAL RULE—The Secretary of Veterans Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 3. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 1115(1) is amended—

(1) by striking out "$100" in clause (A) and inserting in lieu thereof "$103";

(2) by striking out "$169" and '$52" in clause (B) and inserting in lieu thereof "$174" and "$54", respectively;

(3) by striking out "$69" and "$52" in clause (C) and inserting in lieu thereof "$71" and "$54", respectively;

(4) by striking out "$80" in clause (D) and inserting in lieu thereof "$83";

(5) by striking out "$185" in clause (E) and inserting in lieu thereof "$191"; and

(6) by striking out "$155" in clause (F) and inserting in lieu thereof "$160";

SEC. 4. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 1162 is amended by striking out "$452" and inserting in lieu thereof "$466".

SEC. 5. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

Section 1311 is amended—

(1) by striking out the table in subsection (a) and inserting in lieu thereof the following:

"Pay grade	Monthly rate
	Monthly rate
E-1	$636
E-2	655
E-3	673
E-4	715
E-5	734
E-6	750
E-7	786
E-8	831
E-9	[1] 868
W-1	805
W-2	837
W-3	862
W-4	912
O-1	805
O-2	831
O-3	890
O-4	941
O-5	1,037
O-6	1,170
O-7	1,264
O-8	1,386
O-9	1,486
O-10	[2] 1,631

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $936.

"[2] If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,747.";

(2) by striking out "$71" in subsection (b) and inserting in lieu thereof "$73";

(3) by striking out "$185" in subsection (c) and inserting in lieu thereof "$191"; and

(4) by striking out "$90" in subsection (d) and inserting in lieu thereof "$93".

SEC. 6. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

(a) DIC FOR ORPHAN CHILDREN.—Section 1313(a) is amended—

(1) by striking out "$310" in clause (1) and inserting in lieu thereof "$320";

(2) by striking out "$447" in clause (2) and inserting in lieu thereof "$461";

(3) by striking out "$578" in clause (3) and inserting in lieu thereof "$596"; and

(4) by striking out "$578" and "$114" in clause (4) and inserting in lieu thereof "$596" and "$118", respectively.

(b) SUPPLEMENTAL DIC FOR DISABLED ADULT CHILDREN.—Section 1314 is amended—

(1) by striking out "$185" in subsection (a) and inserting in lieu thereof "$191";

(2) by striking out "$310" in subsection (b) and inserting in lieu thereof "$320"; and

(3) by striking out "$157" in subsection (c) and inserting in lieu thereof "$162".

SEC. 7. EFFECTIVE DATE FOR RATE INCREASES.

The amendments made by this Act shall take effect on December 1, 1992.

Amend the title so as to read: "An Act to amend title 38, United States Code, to increase, effective as of December 1, 1992, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans.".

S. 2322, THE PROPOSED VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1992

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I am very pleased that the Senate is considering S. 2322, the FY 1993 veterans' compensation-COLA bill. This measure would provide a cost-of-living adjustment in the rates of compensation paid to veterans with service-connected disabilities and the rates of dependency and indemnity compensation [DIC] paid to the survivors of veterans who died from service-connected conditions.

Mr. President, the Senate passed this measure by unanimous voice vote on July 28, 1992, the House passed its own COLA bill as a substitute to S. 2322 by a unanimous-consent voice vote on August 4, 1992. I am pleased that our colleagues in the House now have indicated they will agree to the Senate version.

Mr. President, we must attach the highest priority to meeting the Nation's responsibilities to these 2.2 million disabled veterans and 350,000 survivors of veterans who died as a result of their service. This is, and always has been, my No. 1 priority in veterans' affairs.

Through an annual COLA, we ensure that the value of these essential benefits is not eroded by inflation. Consistent with congressional practice over the past several years, the rates would increase by the same percentage as the increase in Social Security and VA pension benefits. The COLA would become effective on December 1, 1992, the same date that the increase for the other benefits takes effect.

The Congressional Budget Office estimated in February that the December 1, 1992, Social Security and VA-pension COLA will be 3.2 percent. The President's fiscal year 1993 budget estimated in January that the increase would be 3 percent. CBO estimates that a 3.2-percent COLA would cost $339 million in budget authority and $305 million in outlays over current law, but these costs already are included in the CBO and administration baselines for fiscal year 1993. Of course, the actual increase could be slightly different once the actual figure is calculated.

Mr. President, previous COLA legislation enacted by the Congress generally has specified the dollar amount by which each rate of disability compensation and DIC was increased. But this year, Congress is expected to adjourn before we know the inflation data that Congress uses to determine the COLA. Thus, we are proposing to enact the COLA—as we in the Senate originally proposed—be reference to the Social Security and VA-pension COLA. I expect that Congress will enact a technical bill early next year to codify the actual dollar amounts of the increased rates.

Mr. President, I express my appreciation to the distinguished ranking Republican member of the Senate committee, Mr. SPECTER, and all other members of the committee, as well as the chairman and ranking minority member of the House Committee on Veterans' Affairs, Mr. MONTGOMERY and Mr. STUMP, for their cooperation on this measure.

Mr. President, I also note the fine work of the committee staff members who worked on this legislation—on the minority staff, Quentin Kinderman, and Tom Roberts, and on the majority staff, Neil Koren, Michael Cogan, Bill Brew, and Ed Scott—and the House Committee on Veterans' Affairs staff—John Brizzi, Pat Ryan, and Mack Fleming for the majority and for the minority Sue Forrest and Carl Commenator.

Mr. President, I urge my colleagues the Senate to approve to this measure unanimously.

Mr. PRYOR. Mr. President, I ask unanimous consent that the Senate concur in the amendments of the House with a substitute amendment which contains the text of S. 2322 as passed by the Senate which I now send to the desk on behalf of Senator CRANSTON of California.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

AMENDMENT NO. 3154

(Purpose: To increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans)

The Senator from Arkansas [Mr. PRYOR], for Mr. CRANSTON, proposes an amendment numbered 3154.

Mr. PRYOR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Compensation Cost-of-Living Adjustment Act of 1992".

SEC. 2. DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION RATE INCREASES.

(a) IN GENERAL.—(1) The Secretary of Veterans Affairs shall, as provided in paragraph (2), increase, effective December 1, 1992, the rates of and limitations on Department of Veterans Affairs disability compensation and dependency and indemnity compensation.

(2)(A) The Secretary shall increase each of the rates and limitations in sections 1114, 1115(1), 1162, 1311, 1313, and 1314 of title 38, United States Code, that were increased by the amendments made by the Veterans' Compensation Rate Amendments of 1991 (Public Law 102-152; 105 Stat. 985). The increase shall be made in such rates and limitations as in effect on November 30, 1992, and shall be by the same percentage that benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1992, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(B) In the computation of increased rates and limitations pursuant to subparagraph (A), amounts of $0.50 or more shall be rounded to the next higher dollar amount and amounts of less than $0.50 shall be rounded to the next lower dollar amount.

(b) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 (2 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(c) PUBLICATION REQUIREMENT.—At the same time as the matters specified in section 214(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 1992, the Secretary shall publish in the Federal Register the rates and limitations referred to in subsection (a)(2)(A) as increased under this section.

The PRESIDING OFFICER. Without objection, the unanimous consent request is agreed to.

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

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

The motion to lay on the table was agreed to.

MEASURE REFERRED TO COMMITTEE ON FINANCE—S. 2323

Mr. PRYOR. Mr. President, I ask unanimous consent that calendar No. 639, S. 2323, relating to compensation payable to surviving spouses of service-disabled veterans be referred to the Committee on Finance.

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

VETERANS' SURVIVORS' BENEFITS IMPROVEMENT ACT OF 1992

Mr. PRYOR. Mr. President, I ask unanimous consent that the Finance Committee be discharged from further consideration of S. 2323, and that the Senate proceed to its immediate consideration.

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

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2323) to amend title 38, United States Code, to revise the rates of dependency and indemnity compensation payable to surviving spouses of certain service-disabled veterans, to provide supplemental service-disabled veterans' insurance for totally disabled veterans, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Veterans' Affairs, with an amendment to strike all after the enacting clause, and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Survivors' Benefits Improvement Act of 1992".

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. REVISION OF RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES OF VETERANS.

(a) DEATHS OF VETERANS BEFORE DECEMBER 1, 1992.—Subsection (a) of section 1311 is amended—

(1) by inserting "(1)" before "Dependency"; and

(2) by inserting at the end the following new paragraphs:

"(2) Subject to subsections (b) through (d) and except as provided in paragraph (3), dependency and indemnity compensation shall be paid to surviving spouses of veterans whose deaths

occur before December 1, 1992, at the rates provided in paragraph (1).

"(3) Each surviving spouse referred to in paragraph (2) for whom the rate of dependency and indemnity compensation payable under subsection (e)(2) exceeds the rate of such compensation payable under paragraph (1) shall be paid dependency and indemnity compensation at the rate specified in subsection (e)(2).".

(b) DEATHS ON OR AFTER DECEMBER 1, 1992.—Section 1311 is amended by adding at the end the following new subsections:

"(e)(1) Subject to subsections (b) through (d), the monthly rates of dependency and indemnity compensation payable for deaths occurring on or after December 1, 1992, shall be determined under this subsection.

"(2) Subject to paragraph (3), the monthly amount of dependency and indemnity compensation payable to the surviving spouse of a deceased veteran under this paragraph shall be the sum of $725 and the greater of—

"(A) an amount, if any, equal to—

"(i) in the case of a veteran having a disability rated as total (including a veteran so rated on the basis of the veteran's individual unemployability) for a total of ten or more years before the date of the veterans death, $200;

"(ii) in the case of a veteran having a disability so rated for a total of five years or more but less than ten years, $150;

"(iii) in the case of a veteran having a disability so rated for a total of one year or more but less than five years, $50; or

"(iv) in the case of a veteran having a disability so rated for less than one year, $0; or

"(B) an amount, if any, equal to—

"(i) in the case of a veteran who completed a period of active military, naval, or air service of thirty years or more, $100;

"(ii) in the case of a veteran who completed a period of such service of twenty years or more but less than thirty years, $70;

"(iii) in the case of a veteran who completed a period of such service of ten years or more but less than twenty years, $40; or

"(iv) in the case of a veteran who completed a period of such service of five years or more but less than ten years, $20.

"(3) In determining the period of a veteran's disability under subparagraph (A) of paragraph (2), only periods in which the veteran was married to the surviving spouse referred to in that paragraph shall be taken into account.

"(f) Dependency and indemnity compensation shall be paid to a surviving spouse for the first full calendar month following the death of a veteran in an amount that is the greater of—

"(1) 50 percent of the amount of compensation under chapter 11 of this title which the veteran received or was entitled to receive for the last full month prior to the date of the veteran's death; and

"(2) the amount payable in the case of such veteran pursuant to subsection (e)(2).".

(c) ADDITIONAL DIC FOR CHILDREN.—(1) Section 1311(b) is amended by striking out "$71 for each such child" and inserting in lieu thereof "$100 for each such child during fiscal year 1993, $150 for each such child during fiscal year 1994, and $200 for each such child during each fiscal year thereafter".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1992.

(d) PAYMENT FOR IMPLEMENTATION OF REVISIONS.—The costs of implementing, during fiscal year 1993, any revisions in the payment of dependency and indemnity compensation to surviving spouses under section 1311 of title 38, United States Code that result from the amendments made by subsections (a) and (b) shall be paid from amounts available to the Department of Veterans Affairs for the payment of compensation and pension.

SEC. 3. STUDY AND REPORT RELATING TO THE PROVISION OF BENEFITS TO SURVIVORS OF VETERANS AND MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—In accordance with the provisions of this section, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives the report on the study and recommendations of the Commission on the Study of Survivor Benefits with respect to the most appropriate combination of financial, health-care, educational, and other survivor benefits to meet the needs of survivors.

(b) COMMISSION.—

(1) ESTABLISHMENT.—There is established a commission to be known as the "Commission on the Study of Survivor Benefits" (in this section referred to as the "Commission").

(2) MEMBERSHIP.—The Commission shall be composed of 7 members of whom—

(A) one shall be an appropriate representative of the Department of Veterans Affairs, determined and appointed by the Secretary of Veterans Affairs;

(B) one shall be appropriate representative of the Department of Defense, determined and appointed by the Secretary of Defense;

(C) one shall be a representative of a veterans service organization recognized by the Secretary of Veterans Affairs under section 5902 of title 38, United States Code;

(D) one shall be a representative of an organization that represents surviving spouses; and

(E) three shall be experts (as determined by the Secretary of Veterans Affairs) on matters relating to survivor benefits who are not affiliated with the departments or organizations referred to in subparagraphs (A) through (D).

(3) CHAIRPERSON.—The chairperson of the Commission shall be chosen by the members of the Commission from among the three experts referred to in paragraph (2)(E).

(4) INITIAL MEETING.—The Commission shall hold its first meeting not later than 60 days after the date of the enactment of this Act.

(c) DUTIES OF COMMISSION.—(1) The Commission shall—

(A) evaluate the data and studies assembled by the National Academy of Sciences (or other entity) under subparagraphs (A) and (B) of subsection (d)(1) in light of the methods of analysis proposed by the National Academy of Sciences (or other entity) under subparagraph (C) of that subsection;

(B) based upon that evaluation, determine the adequacy of current and anticipated survivor benefits to meet the financial, health-care, educational, and other needs of the survivors who are provided such benefits; and

(C) submit to the Secretary of Veterans Affairs a report containing the recommendations of the Commission on the most appropriate combination of financial, health-care, educational, and other benefits to meet the current and anticipated needs of survivors.

(2) The Commission shall submit the report required under paragraph (1)(C) not later than December 1, 1993.

(d) STUDY AND REPORT OF PROVISION OF BENEFITS.—(1) Not later than 60 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall enter into an agreement with the National Academy of Sciences (or other entity determined by the Secretary to have an expertise and objectivity that is similar to that of the National Academy of Sciences) pursuant to which agreement the National Academy of Sciences (or other entity) shall carry out and submit to the Chairperson of the Commission the study described by paragraph (2).

(2) The study required under paragraph (1) shall include the following:

(A) A review and compilation of data on current and proposed survivor benefits programs that will permit an assessment of the adequacy of such benefits programs, including information on—

(i) in the case of each current and proposed alternative survivor benefits program—

(I) each benefit provided;

(II) the survivors entitled to the benefit;

(III) the extent to which survivors are entitled to similar benefits under the program; and

(IV) the costs of providing such benefits under the program;

(ii) the extent to which current and anticipated benefits under current survivor benefits programs meet the current and anticipated financial, health-care, educational, and other needs of survivors; and

(iii) the differences, if any, in the survivor benefits provided under current and proposed survivor benefits programs to survivors of various categories of veterans and members of the Armed Forces (including survivors of veterans having service-connected disabilities, veterans without such disabilities, members of the Armed Forces who die during service in the Armed Forces, retired career members of the Armed Forces, and retired non-career members of the Armed Forces).

(B) A review and compilation of existing studies on the adequacy of survivor benefits provided under current and proposed survivor benefits programs to meet the financial, health-care, educational, and other needs of survivors.

(C) Recommendations relating to the data required for, and the methods of analysis appropriate to carry out, a comprehensive assessment and evaluation of the adequacy of current and proposed survivor benefits programs, including data and methods for an assessment and evaluation of—

(i) the feasibility and desirability of limiting the period of entitlement of survivors to survivor benefits;

(ii) the feasibility and desirability of modifying the provision of monetary benefits to survivors by—

(I) revising the term of payment of any such benefits;

(II) replacing the periodic payment of such benefits with a lump sum payment;

(III) providing such benefits through insurance or other premium-based payment mechanisms; or

(IV) carrying out any other revision or modification proposed before the date of the enactment of this Act by the Secretary of Veterans Affairs, the Secretary of Defense, the Secretary of Health and Human Services, or organizations recognized by the Secretary of Veterans Affairs under section 5902(a)(1) of title 38, United States Code;

(iii) the feasibility and desirability of modifying the provision of health-care benefits to survivors;

(iv) the feasibility and desirability of modifying the provision of benefits to children survivors; and

(v) the feasibility and desirability of consolidating, expanding, or otherwise modifying any program relating to the provision of survivor benefits.

(3) Not later than October 1, 1993, the National Academy of Sciences (or other entity) shall submit to the Chairperson of the Commission a report on the study required under paragraph (2). The report shall contain the matters described in that paragraph and any other matters with respect to survivor benefits that the National Academy of Sciences determines appropriate.

(e) REPORT OF THE SECRETARY OF VETERANS AFFAIRS.—(1) Not later than March 1, 1994, the Secretary of Veterans Affairs shall submit to the committees referred to in subsection (a) a report on the report submitted to the Secretary by the

Commission under subsection (c). The report of the Secretary shall include the following:

(A) The report submitted to the Secretary by the Commission, together with the comments of the Secretary thereon.

(B) The recommendations of the Secretary (including a proposal for legislation) on the most appropriate combination of survivor benefits to meet the current and anticipated financial, health-care, educational, and other needs of survivors.

(C) The comments and recommendations of the Secretary on such other matters relating to survivor benefits as the Secretary determines appropriate.

(2) In preparing the report required under this subsection, the Secretary shall permit at least one opportunity for meaningful public comment on the matters covered by the report.

(f) PRESERVATION OF CONFIDENTIALITY.—To the maximum extent practicable, the Secretary of Veterans Affairs shall ensure that the study carried out by the National Academy of Sciences (or other entity) under subsection (c), the report submitted by the Commission under subsection (d), and the report submitted by the Secretary under subsection (e) are carried out and submitted in a manner that is consistent with the privacy rights and interests of the survivors covered by such study and reports.

(g) FUNDING.—The cost of carrying out the study required under subsection (c) and the report required under subsection (d) shall be paid from amounts available to the Department of Veterans Affairs for the payment of compensation and pension.

(h) DEFINITIONS.—In this section:

(1) The term "survivor", in the case of a veteran or member of the Armed Forces who dies, means the surviving spouse or surviving dependent child of the veteran or member.

(2) The term "survivor benefit" means any monetary, health-care, educational, or other benefit paid, payable, or otherwise provided to survivors of veterans and survivors of members of the Armed Forces under the following:

(A) Laws administered by the Secretary of Veterans Affairs.

(B) Laws administered by the Secretary of Defense.

(C) The Social Security Act (42 U.S.C. 301 et seq.).

(3) The term "veteran" has the meaning given such term in section 101(2) of title 38, United States Code.

SEC. 4. SUPPLEMENTAL SERVICE DISABLED VETERANS' INSURANCE FOR TOTALLY DISABLED VETERANS.

(a) IN GENERAL.—Subchapter I of chapter 19 is amended by inserting after section 1922 the following new section:

"§1922A. Supplemental service disabled veterans' insurance for totally disabled veterans

"(a) Any person insured under section 1922(a) of this title who qualifies for a waiver of premiums under section 1912 of this title is eligible, as provided in this section, for supplemental insurance in an amount not to exceed $20,000.

"(b) To qualify for supplemental insurance under this section a person must file with the Secretary an application for such insurance not later than the end of (1) the one-year period beginning on the first day of the first month following the month in which this section is enacted, or (2) the one-year period beginning on the date that the Department notifies the person that the person is entitled to a waiver of premiums under section 1912 of this title.

"(c) Supplemental insurance granted under this section shall be granted upon the same terms and conditions as insurance granted under section 1922(a) of this title, except that such insurance may not be granted to a person under this section unless the application is made for such insurance before the person attains 65 years of age.

"(d) No wavier of premiums shall be made in the case of any person for supplemental insurance granted under this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 is amended by inserting after the item relating to section 1922 the following new item:

"1922A. Supplemental service disabled veterans' insurance for totally disabled veterans.".

SEC. 5. INCREASE IN AMOUNT OF VETERANS' MORTGAGE LIFE INSURANCE.

(a) INCREASE.—Section 2106(b) is amended in the first sentence—

(1) by striking out "initial"; and

(2) by striking out "$40,000" and inserting in lieu thereof "$90,000".

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of chapter 21 is amended by striking out the item relating to section 2106 and inserting in lieu thereof the following:

"2106. Veterans' Mortgage Life Insurance.".

SEC. 6. REDUCTION IN PENSION FOR VETERANS AND VETERANS' SURVIVORS WHO ARE RECEIVING MEDICAID-COVERED NURSING HOME CARE.

(a) REDUCTION IN PENSION.—Paragraph (2) of section 5503(f) is amended to read as follows:

"(2)(A) Not more than $90 per month may be paid under chapter 15 of this title to or for any person described in subparagraph (B) for any period that a nursing facility furnishes such person with services covered by a Medicaid plan. The restriction in the preceding sentence applies to periods after the month of the person's admission to the nursing facility.

"(B) A person referred to in subparagraph (A) is a person—

"(i) who is covered by a Medicaid plan for services furnished such person by a nursing facility; and

"(ii) who is (I) a veteran who has neither spouse nor child, or (II) a surviving spouse who has no child.".

(b) CONFORMING AMENDMENTS.—Section 5503(f) is amended—

(1) in paragraph (3)—

(A) by striking out "a veteran" and inserting in lieu thereof "a person referred to in paragraph (2)(A)"; and

(B) by striking out "such veteran under paragraph (2) of this subsection" and inserting in lieu thereof "such person under such paragraph"; and

(2) in paragraph (4)—

(A) by striking out "A veteran" and inserting in lieu thereof "A person referred to in paragraph (2)(A)";

(B) by striking out "the veteran" both places it appears and inserting in lieu thereof "the person"; and

(C) by striking out "the veteran's" and inserting in lieu thereof "the person's".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on July 1, 1992, and apply with respect to months after June 1992.

(d) DELETION OF EXPIRATION DATE.—Section 5503(f) is amended by striking out paragraph (6).

SEC. 7. PERMANENT AUTHORITY TO CARRY OUT INCOME VERIFICATION.

(a) TITLE 38.—Section 5317 is amended by striking out subsection (g).

(b) INTERNAL REVENUE CODE OF 1986.—Section 6103(l)(7)(D)(viii) of the Internal Revenue Code of 1986 is amended by striking out the second sentence of the flush material.

(c) TECHNICAL AMENDMENTS.—Section 6103(l)(7)(D)(viii) of the Internal Revenue Code of 1986 is amended—

(1) in subclause (II), by striking out "415" and inserting in lieu thereof "1315"; and

(2) in subclause (III), by striking out "610(a)(1)(I), 610(a)(2), 610(b), and 612(a)(2)(B)" and inserting in lieu thereof "1710(a)(1)(I), 1710(a)(2), 1710(b), and 1712(a)(2)(B)".

AMENDMENT NO. 3155

(Purpose: To limit the amount of costs of the implementation of compensation reform that are payable in fiscal year 1993 from amounts available for the payment of compensation and pension)

Mr. PRYOR. Mr. President, I send an amendment to the desk on behalf of Mr. CRANSTON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR], for Mr. CRANSTON, proposes an amendment numbered 3155.

Mr. PRYOR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 13, line 12, strike out "The cost" and insert in lieu thereof "(1) Subject to paragraph (2), the cost".

On page 13, between lines 18 and 19, insert the following new paragraph:

(2) The amount paid under paragraph (1) in fiscal year 1993 from amounts available to the Department of Veterans Affairs for the payment of compensation and pension may not exceed $5,000,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3155) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time.

DEPENDENCY AND INDEMNITY COMPENSATION REFORM ACT OF 1992

Mr. PRYOR. Mr. President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of H.R. 5008 relating to compensation to veterans' spouses and the Senate proceed to its immediate consideration.

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

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5008) to amend title 38, United States Code, to reform the formula for pay-

ment of dependency and indemnity compensation to survivors of veterans dying from service-connected causes, to increase the rate of payments for benefits under the Montgomery GI bill, and for other purposes.

AMENDMENT NO. 3156

(Purpose: To revise the rates of dependency and indemnity compensation payable to surviving spouses of certain service-disabled veterans, to provide for a study of the provision of benefits to survivors of veterans, and to provide supplemental service disabled veterans' insurance for totally disabled veterans)

Mr. INOUYE. Mr. President, on behalf of Senator CRANSTON, I send the text of S. 2323, as amended, in the form of an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR], for Mr. CRANSTON, proposes an amendment numbered 3156.

Mr. PRYOR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 1, strike out line 3 and all that follows through page 12, line 18, and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Survivors' Benefits Improvement Act of 1992".

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. REVISION OF RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES OF VETERANS.

(a) DEATHS OF VETERANS BEFORE DECEMBER 1, 1992.—Subsection (a) of section 1311 is amended—

(1) by inserting "(1)" before "Dependency"; and

(2) by inserting at the end the following new paragraphs:

"(2) Subject to subsections (b) through (d) and except as provided in paragraph (3), dependency and indemnity compensation shall be paid to surviving spouses of veterans whose deaths occur before December 1, 1992, at the rates provided in paragraph (1).

"(3) Each surviving spouse referred to in paragraph (2) for whom the rate of dependency and indemnity compensation payable under subsection (e)(2) exceeds the rate of such compensation payable under paragraph (1) shall be paid dependency and indemnity compensation at the rate specified in subsection (e)(2).".

(b) DEATHS ON OR AFTER DECEMBER 1, 1992.—Section 1311 is amended by adding at the end the following new subsections:

"(e)(1) Subject to subsections (b) through (d), the monthly rates of dependency and indemnity compensation payable for deaths occurring on or after December 1, 1992, shall be determined under this subsection.

"(2) Subject to paragraph (3), the monthly amount of dependency and indemnity compensation payable to the surviving spouse of a deceased veteran under this paragraph shall be the sum of $725 and the greater of—

"(A) an amount, if any, equal to—

"(i) in the case of a veteran having a disability rated as total (including a veteran so rated on the basis of the veteran's individual unemployability) for a total of ten or more years before the date of the veterans death, $200;

"(ii) in the case of a veteran having a disability so rated for a total of five years or more but less than ten years, $150;

"(iii) in the case of a veteran having a disability so rated for a total of one year or more but less than five years, $50; or

"(iv) in the case of a veteran having a disability so rated for less than one year, $0; or

"(B) an amount, if any, equal to—

"(i) in the case of a veteran who completed a period of active military, naval, or air service of thirty years or more, $100;

"(ii) in the case of a veteran who completed a period of such service of twenty years or more but less than thirty years, $70;

"(iii) in the case of a veteran who completed a period of such service of ten years or more but less than twenty years, $40; or

"(iv) in the case of a veteran who completed a period of such service of five years or more but less than ten years, $20.

"(3) In determining the period of a veteran's disability under subparagraph (A) of paragraph (2), only periods in which the veteran was married to the surviving spouse referred to in that paragraph shall be taken into account.

"(f) Dependency and indemnity compensation shall be paid to a surviving spouse for the first full calendar month following the death of a veteran in an amount that is the greater of—

"(1) 50 percent of the amount of compensation under chapter 11 of this title which the veteran received or was entitled to receive for the last full month prior to the date of the veteran's death; and

"(2) the amount payable in the case of such veteran pursuant to subsection (e)(2).".

(c) ADDITIONAL DIC FOR CHILDREN.—(1) Section 1311(b) is amended by striking out "$71 for each such child" and inserting in lieu thereof "$100 for each such child during fiscal year 1993, $150 for each such child during fiscal year 1994, and $200 for each such child during each fiscal year thereafter".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1992.

(d) PAYMENT FOR IMPLEMENTATION OF REVISIONS.—(1) Subject to paragraph (2), the costs of implementing, during fiscal year 1993, any revisions in the payment of dependency and indemnity compensation to surviving spouses under section 1311 of title 38, United States Code that result from the amendments made by subsections (a) and (b) shall be paid from amounts available to the Department of Veterans Affairs for the payment of compensation and pension.

(2) The amount paid under paragraph (1) in fiscal year 1993 from amounts available to the Department of Veterans Affairs for the payment of compensation and pension may not exceed $5,000,000.

SEC. 3. STUDY AND REPORT RELATING TO THE PROVISION OF BENEFITS TO SURVIVORS OF VETERANS AND MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—In accordance with the provisions of this section, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives the report on the study and recommendations of the Commission on the Study of Survivor Benefits with respect to the most appropriate combination of financial, health-care, educational, and other survivor benefits to meet the needs of survivors.

(b) COMMISSION.—(1) There is established a commission to be known as the "Commission on the Study of Survivor Benefits" (in this section referred to as the "Commission").

(2) The Commission shall be composed of 7 members of whom—

(A) one shall be an appropriate representative of the Department of Veterans Affairs, determined and appointed by the Secretary of Veterans Affairs;

(B) one shall be appropriate representative of the Department of Defense, determined and appointed by the Secretary of Defense;

(C) one shall be a representative of a veterans service organization recognized by the Secretary of Veterans Affairs under section 5902 of title 38, United States Code;

(D) one shall be a representative of an organization that represents surviving spouses; and

(E) three shall be experts (as determined by the Secretary of Veterans Affairs) on matters relating to survivor benefits who are not affiliated with the departments or organizations referred to in subparagraphs (A) through (D).

(3) The chairperson of the Commission shall be chosen by the members of the Commission from among the three experts referred to in paragraph (2)(E).

(4) The Commission shall hold its first meeting not later than 60 days after the date of the enactment of this Act.

(c) DUTIES OF COMMISSION.—(1) The Commission shall—

(A) evaluate the data and studies assembled by the National Academy of Sciences (or other entity) under subparagraphs (A) and (B) of subsection (d)(1) in light of the methods of analysis proposed by the National Academy of Sciences (or other entity) under subparagraph (C) of that subsection;

(B) based upon that evaluation, determine the adequacy of current and anticipated survivor benefits to meet the financial, health-care, educational, and other needs of the survivors who are provided such benefits; and

(C) submit to the Secretary of Veterans Affairs a report containing the recommendations of the Commission on the most appropriate combination of financial, health-care, educational, and other benefits to meet the current and anticipated needs of survivors.

(2) The Commission shall submit the report required under paragraph (1)(C) not later than December 1, 1993.

(d) STUDY AND REPORT OF PROVISION OF BENEFITS.—(1) Not later than 60 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall enter into an agreement with the National Academy of Sciences (or other entity determined by the Secretary to have an expertise and objectivity that is similar to that of the National Academy of Sciences) pursuant to which agreement the National Academy of Sciences (or other entity) shall carry out and submit to the Chairperson of the Commission the study described by paragraph (2).

(2) The study required under paragraph (1) shall include the following:

(A) A review and compilation of data on current and proposed survivor benefits programs that will permit an assessment of the adequacy of such benefits programs, including information on—

(i) in the case of each current and proposed alternative survivor benefits program—

(I) each benefit provided;

(II) the survivors entitled to the benefit;

(III) the extent to which survivors are entitled to similar benefits under the program; and

(IV) the costs of providing such benefits under the program;

(ii) the extent to which current and anticipated benefits under current survivor benefits programs meet the current and anticipated financial, health-care, educational, and other needs of survivors; and

(iii) the differences, if any, in the survivor benefits provided under current and proposed survivor benefits programs to survivors of various categories of veterans and members of the Armed Forces (including survivors of veterans having service-connected disabilities, veterans without such disabilities, members of the Armed Forces who die during service in the Armed Forces, retired career members of the Armed Forces, and retired non-career members of the Armed Forces).

(B) A review and compilation of existing studies on the adequacy of survivor benefits provided under current and proposed survivor benefits programs to meet the financial, health-care, educational, and other needs of survivors.

(C) Recommendations relating to the data required for, and the methods of analysis appropriate to carry out, a comprehensive assessment and evaluation of the adequacy of current and proposed survivor benefits programs, including data and methods for an assessment and evaluation of—

(i) the feasibility and desirability of limiting the period of entitlement of survivors to survivor benefits;

(ii) the feasibility and desirability of modifying the provision of monetary benefits to survivors by—

(I) revising the term of payment of any such benefits;

(II) replacing the periodic payment of such benefits with a lump sum payment;

(III) providing such benefits through insurance or other premium-based payment mechanisms; or

(IV) carrying out any other revision or modification proposed before the date of the enactment of this Act by the Secretary of Veterans Affairs, the Secretary of Defense, the Secretary of Health and Human Services, or organizations recognized by the Secretary of Veterans Affairs under section 5902(a)(1) of title 38, United States Code;

(iii) the feasibility and desirability of modifying the provision of health-care benefits to survivors;

(iv) the feasibility and desirability of modifying the provision of benefits to children survivors; and

(v) the feasibility and desirability of consolidating, expanding, or otherwise modifying any program relating to the provision of survivor benefits.

(3) Not later than October 1, 1993, the National Academy of Sciences (or other entity) shall submit to the Chairperson of the Commission a report on the study required under paragraph (2). The report shall contain the matters described in that paragraph and any other matters with respect to survivor benefits that the National Academy of Sciences determines appropriate.

(e) REPORT OF THE SECRETARY OF VETERANS AFFAIRS.—(1) Not later than March 1, 1994, the Secretary of Veterans Affairs shall submit to the committees referred to in subsection (a) a report on the report submitted to the Secretary by the Commission under subsection (c). The report of the Secretary shall include the following:

(A) The report submitted to the Secretary by the Commission, together with the comments of the Secretary thereon.

(B) The recommendations of the Secretary (including a proposal for legislation) on the most appropriate combination of survivor benefits to meet the current and anticipated financial, health-care, educational, and other needs of survivors.

(C) The comments and recommendations of the Secretary on such other matters relating to survivor benefits as the Secretary determines appropriate.

(2) In preparing the report required under this subsection, the Secretary shall permit at least one opportunity for meaningful public comment on the matters covered by the report.

(f) PRESERVATION OF CONFIDENTIALITY.—To the maximum extent practicable, the Secretary of Veterans Affairs shall ensure that the study carried out by the National Academy of Sciences (or other entity) under subsection (c), the report submitted by the Commission under subsection (d), and the report submitted by the Secretary under subsection (e) are carried out and submitted in a manner that is consistent with the privacy rights and interests of the survivors covered by such study and reports.

(g) FUNDING.—The cost of carrying out the study required under subsection (c) and the report required under subsection (d) shall be paid from amounts available to the Department of Veterans Affairs for the payment of compensation and pension.

(h) DEFINITIONS.—In this section:

(1) The term "survivor", in the case of a veteran or member of the Armed Forces who dies, means the surviving spouse or surviving dependent child of the veteran or member.

(2) The term "survivor benefit" means any monetary, health-care, educational, or other benefit paid, payable, or otherwise provided to survivors of veterans and survivors of members of the Armed Forces under the following:

(A) Laws administered by the Secretary of Veterans Affairs.

(B) Laws administered by the Secretary of Defense.

(C) The Social Security Act (42 U.S.C. 301 et seq.).

(3) The term "veteran" has the meaning given such term in section 101(2) of title 38, United States Code.

SEC. 4. SUPPLEMENTAL SERVICE DISABLED VETERANS' INSURANCE FOR TOTALLY DISABLED VETERANS.

(a) IN GENERAL.—Subchapter I of chapter 19 is amended by inserting after section 1922 the following new section:

"§ 1922A. Supplemental service disabled veterans' insurance for totally disabled veterans

"(a) Any person insured under section 1922(a) of this title who qualifies for a waiver of premiums under section 1912 of this title is eligible, as provided in this section, for supplemental insurance in an amount not to exceed $20,000.

"(b) To qualify for supplemental insurance under this section a person must file with the Secretary an application for such insurance not later than the end of (1) the one-year period beginning on the first day of the first month following the month in which this section is enacted, or (2) the one-year period beginning on the date that the Department notifies the person that the person is entitled to a waiver of premiums under section 1912 of this title.

"(c) Supplemental insurance granted under this section shall be granted upon the same terms and conditions as insurance granted under section 1922(a) of this title, except that such insurance may not be granted to a person under this section unless the application is made for such insurance before the person attains 65 years of age.

"(d) No wavier of premiums shall be made in the case of any person for supplemental insurance granted under this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 is amended by inserting after the item relating to section 1922 the following new item:

"1922A. Supplemental service disabled veterans' insurance for totally disabled veterans.".

SEC. 5. INCREASE IN AMOUNT OF VETERANS' MORTGAGE LIFE INSURANCE.

(a) INCREASE.—Section 2106(b) is amended in the first sentence—

(1) by striking out "initial"; and

(2) by striking out "$40,000" and inserting in lieu thereof "$90,000".

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of chapter 21 is amended by striking out the item relating to section 2106 and inserting in lieu thereof the following:

"2106. Veterans' Mortgage Life Insurance.".

SEC. 6. REDUCTION IN PENSION FOR VETERANS AND VETERANS' SURVIVORS WHO ARE RECEIVING MEDICAID-COVERED NURSING HOME CARE.

(a) REDUCTION IN PENSION.—Paragraph (2) of section 5503(f) is amended to read as follows:

"(2)(A) Not more than $90 per month may be paid under chapter 15 of this title to or for any person described in subparagraph (B) for any period that a nursing facility furnishes such person with services covered by a Medicaid plan. The restriction in the preceding sentence applies to periods after the month of the person's admission to the nursing facility.

"(B) A person referred to in subparagraph (A) is a person—

"(i) who is covered by a Medicaid plan for services furnished such person by a nursing facility; and

"(ii) who is (I) a veteran who has neither spouse nor child, or (II) a surviving spouse who has no child.".

(b) CONFORMING AMENDMENTS.—Section 5503(f) is amended—

(1) in paragraph (3)—

(A) by striking out "a veteran" and inserting in lieu thereof "a person referred to in paragraph (2)(A)"; and

(B) by striking out "such veteran under paragraph (2) of this subsection" and inserting in lieu thereof "such person under such paragraph"; and

(2) in paragraph (4)—

(A) by striking out "A veteran" and inserting in lieu thereof "A person referred to in paragraph (2)(A)";

(B) by striking out "the veteran" both places it appears and inserting in lieu thereof "the person"; and

(C) by striking out "the veteran's" and inserting in lieu thereof "the person's".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on July 1, 1992, and apply with respect to months after June 1992.

(d) DELETION OF EXPIRATION DATE.—Section 5503(f) is amended by striking out paragraph (6).

SEC. 7. PERMANENT AUTHORITY TO CARRY OUT INCOME VERIFICATION.

(a) TITLE 38.—Section 5317 is amended by striking out subsection (g).

(b) INTERNAL REVENUE CODE OF 1986.—Section 6103(l)(7)(D)(viii) of the Internal Reve-

nue Code of 1986 is amended by striking out the second sentence of the flush material.

(c) TECHNICAL AMENDMENTS.—Section 6103(l)(7)(D)(viii) of the Internal Revenue Code of 1986 is amended—

(1) in subclause (II), by striking out "415" and inserting in lieu thereof "1315"; and

(2) in subclause (III), by striking out "610(a)(1)(I), 610(a)(2), 610(b), and 612(a)(2)(B)" and inserting in lieu thereof "1710(a)(1)(I), 1710(a)(2), 1710(b), and 1712(a)(2)(B)".

On page 12, line 19, strike out "**304.**" and insert in lieu thereof "**8.**".

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I urge my colleagues to support S. 2323, the proposed Veterans' Survivors' Benefits Improvement Act of 1992, as reported by our committee on August 12, 1992, with a minor revision contained in a noncontroversial committee modification that I am submitting today. The reported measure, which I will refer to as the committee bill, would revise VA's system of dependency and indemnity compensation [DIC], require VA to conduct a study to determine the adequacy of veterans' survivor benefits, increase certain VA insurance benefits, and extend two cost-saving provisions from the Omnibus Budget Reconciliation Act of 1990, Public Law 101-508, and expand one of those provisions.

Mr. President, under current law, VA pays DIC to the survivors of service members or veterans who died from a disease or injury incurred or aggravated during military service. Survivors eligible for DIC include surviving spouses, unmarried children under the age of 18, certain helpless children age 18 or older, and children between the ages of 18 and 23 who are enrolled in school. As of May 1992, VA was paying DIC benefits to, or on behalf of, 275,857 surviving spouses, and 37,628 children. The basic purpose of the committee bill is to reform the DIC Program for these most deserving surviving spouses and children.

Mr. President, the committee bill is derived from S. 2323 as introduced and an amendment offered by the committee's ranking minority member, Senator ARLEN SPECTER, at the committee's June 24, 1992, meeting. Since the provisions of the committee bill are described in detail in the committee's report accompanying this measure, Senate Report No. 102-376, I will summarize the bill and briefly discuss certain provisions.

SUMMARY OF PROVISIONS

Mr. President, the committee bill would:

First, provide eligible surviving spouses with a basic DIC rate of $725 a month, plus additional amounts I will describe, in recognition of either the length of time the veteran was totally disabled while married to the surviving spouse, or the length of the veteran's service, whichever factor would provide greater benefits.

Second, provide additional monthly DIC based on the length of time during which the veteran was rated 100-percent disabled while married to the surviving spouse, as follows: Survivors of veterans rated at 100 percent for at least 1 year but less than 5 years while married to the veteran would qualify for an additional $50 a month, and the add on would increase to $150 for periods of at least 5 years but less than 10 years and to $200 for periods of at least 10 years.

Third, provide additional monthly DIC based on the length of the deceased veteran's military service, as follows: For 30 or more years of service, the surviving spouse would receive an add on of $100 a month; for at least 20 but less than 30 years of service, an additional $70 a month; for at least 10 but less than 20 years, $40 a month; and for at least 5 but less than 10 years, $20 a month.

Fourth, provide a special transitional rate of DIC for the month after the veteran's death, equal to either 50 percent of the disability compensation paid to the deceased veteran for the last full month before the veteran's death or the amount of DIC calculated under the new DIC provisions, whichever is greater.

Fifth, apply the new provisions to DIC paid to all eligible surviving spouses of veterans who died on or after December 1, 1992, and provide that surviving spouses of veterans who died before that date would receive the greater of their DIC payments under current law or the amount calculated under the new provisions.

Sixth, increase the additional amount payable to a surviving spouse with dependent children of the deceased veteran from the current level of $71 a month for each child to $100 per month beginning on December 1, 1993, to $150 a month during fiscal year 1994, and to $200 a month after fiscal year 1994.

Seventh, provide eligibility for up to $20,000 in additional service disabled veterans' insurance [SDVI] at regular premium rates, for totally disabled veterans who qualify for a waiver of premiums for the first $10,000 of SDVI.

Eighth, increase from $40,000 to $90,000 the maximum veterans' mortgage life insurance, which is paid to the survivors of certain veterans who had service-connected disabilities rated totally disabling.

Ninth, establish a Commission on the Study of Survivor Benefits to determined the adequacy of current and anticipated benefits to meet the financial, health care, educational, and other needs of survivors of those who die on active duty or as a result of a service-connected disability.

Tenth, require that the Commission be comprised of representatives of both the veteran and nonveteran communities, and rely in part on a separate study conducted by the National Academy of Sciences [NAS], or similar organization, under contract with the Secretary of Veterans Affairs.

Eleventh, require that: The NAS study compile and analyze relevant data for the use of the Commission and be submitted to the Commission by October 1, 1993; the Commission report to the Secretary of Veterans Affairs not later than December 1, 1993; the Secretary report to the Senate and House Committees on Veterans' Affairs not later than March 1, 1994.

Twelfth, make permanent the provision limiting pension payments to $90 a month for Medicaid-eligible veterans receiving VA needs-based pension who have no dependents and who are in nursing homes participating in Medicaid.

Thirteenth, expand the nursing home pension-reduction provision to cover similarly situated veterans' survivors who receive VA pension.

Fourteenth, make permanent the authority for VA to verify eligibility for needs-based benefits using income data from the Social Security Administration and the Internal Revenue Service.

Fifteenth, provide for the costs of implementing DIC reform in fiscal year 1993—which are estimated to be $5 million—to be paid from VA's compensation and pension account, thereby avoiding the imposition of a burden on general operating expenses account funding for the Veterans Benefits Administration.

The committee modification would expressly limit to $5 million the funds to be paid from VA's compensation and pension account for implementation of DIC reform in fiscal year 1993.

BACKGROUND

Mr. President, the surviving spouses of those who die from service-connected causes receive DIC at rates determined by the pay grade—service rank—of the deceased veteran. A surviving spouse also may receive additional allowances on behalf of the veteran's surviving children.

Mr. President, during the current Congress, the revision of the DIC programs has received extensive consideration. Veterans organizations agree that the current system is inequitable and needs reform. All of the veterans organizations that testified at the committee's March 20, 1992, hearing on S. 2323 as introduced agreed that the current DIC program does not provide compensation in an equitable manner.

In light of the widespread dissatisfaction with the current system, the President's fiscal year 1992 budget included a proposal to reform DIC. Last year, the House Committee on Veterans' Affairs added to H.R. 1175, the Persian Gulf war supplemental authorization bill, a DIC reform provision that is not included in the legislation enacted in Public Law 102-25. And, on August 10, 1992, the House passed a different version of DIC reform in H.R. 5008.

Mr. President, the present DIC system is based on the assumption that

the service rank of the deceased veteran accurately reflects the financial resources that the veteran would have contributed to the surviving family if the veteran had not died from a service-connected condition or during service. But, most new DIC recipients are survivors of either veterans who died after serving in the military or noncareer enlisted personnel or junior officers whose military rank does not reflect their income potential in civilian life. Rank-based DIC payments for those survivors have little relation to the family's then current or expected standard of living at the time of the service member's or veteran's death.

Mr. President, the current system also fails to consider the length and severity of a veteran's disability. Spouses of totally disabled veterans often devote much of their lives to helping to care for the veteran, foregoing career and educational opportunities. These survivors depend much more on DIC to maintain their standard of living.

Moreover, the current system also imposes severe financial hardship on a family facing the transition from long-term, relatively large disability compensation payments for totally disabled veterans to much smaller DIC payments for the veteran's surviving family.

For example, in one DIC case with which I am familiar, a 100-percent service-disabled, blinded veteran had received monthly compensation of $3,599. His wife passed up educational and career opportunities to help provide needed care for the veteran. When the veteran died, the compensation stopped and his surviving spouse became eligible for monthly DIC of just $635. After 41 years of marriage, the surviving spouse was forced to make dramatic and painful changes in lifestyle due to the reduced income and lack of alternatives for self-sufficiency that might have been available if she had not had to devote so much time to caring for her disabled husband.

Mr. President, under the current system, survivors of lowranking veterans receive inequitably low compensation. Moreover, the annual cost-of-living adjustments provided by Congress apply the same percentage increase for all DIC rates, thus producing greater dollar increases for surviving spouses of higher ranking officers and widening the disparity between spouses of higher ranking and lower ranking veterans.

COMMITTEE BILL

Mr. President, the committee bill was derived from a historic proposal presented to our committee and its counterpart in the House last year by a consortium of veterans and military organizations. The organizations included AMVETS, the Blinded Veterans of America, the Disabled American Veterans, the Non-Commissioned Officers Association, the Paralyzed American Veterans, The American Legion, and the Veterans of Foreign Wars.

The coalition incorporated the diverse views of its members into a comprehensive proposal based on three fundamental principles:

First, providing a uniform, minimum rate to all beneficiaries;

Second, providing an additional payment based on the veteran's disability; and

Third, providing an additional payment based on the veteran's length of service.

Mr. President, the committee bill satisfies these fundamental principles. It would provide each surviving spouse with a basic monthly rate of compensation of $725. An amendment to S. 2323 that I offered at the committee's July 24 meeting increased the basic rate from $650 in the bill as introduced to $725, in response to several witnesses' testimony that the $650 rate was inadequate and should be at least $700. The increased base rate is the highest rate possible within the committee's budget limitations, balancing the costs of the other DIC reform provisions.

This basic rate will help ensure that all surviving spouses receive appropriate, adequate compensation for the loss of the veteran's financial support. The basic rate in the committee bill is equivalent, on an inflation-adjusted basis, to the DIC that will be provided to survivors of veterans whose pay grade was E-5 in fiscal year 1993. Even without any additional DIC, the committee bill would increase compensation for over half of the survivors of veterans whose highest pay grade in service was in the enlisted ranks.

The additional DIC that the committee bill would provide—up to $200 a month based on the veteran's total disability—would reduce the large difference between the disability compensation provided to the veteran and DIC provided to the surviving spouse. I believe that the compensation provided to surviving spouses must recognize the continuing financial impact of the deceased veteran's disability.

The committee bill would provide an additional amount of DIC based on the length of the deceased veteran's military service, as the veterans groups recommended. Based on testimony at the committee's hearing by organizations representing surviving spouses of service members who died on active duty, the committee bill improves and expands on provisions in the bill as introduced by providing additional compensation based on length of the veteran's service.

Mr. President, groups representing survivors of service members who died on active duty testified at the committee's March 20 hearing that these survivors and survivors of veterans with a severe, long-term disability should be compensated equally. I believe that survivors of service members who die on active duty represent a very deserving, important segment of DIC beneficiaries. However, I do not believe, as these groups contended, that the survivors of those who die from service-connected disabilities after being discharged should be paid less DIC than the surviving spouse of those who die of service-connected disorders while serving on active duty.

DIC is provided as partial financial compensation for the loss of family income resulting from the untimely death of a service member or veteran as a result of his or her service to our country. I recognize that no Government benefit ever can compensate for the emotional loss of the veteran—a loss that every DIC recipient, by definition, has suffered. In developing this bill, I have not attempted to place relative values on the emotional losses of various categories of DIC recipients, but instead have focused on the financial consequences of the service member's or veteran's death, taking into account the probable financial impact of a long-term total disability and length of military service.

Mr. President, the bill we are considering today represents the product of over a year of very careful consideration of the issues involved. I have listened and responded to the concerns of all those involved with the DIC Program, including the veterans organizations, VA, members of the committee, organizations representing survivors of those who died on active duty, and military organizations. I am convinced that this bill represents a reasonable, fair, and long overdue reform of the DIC system.

Mr. President, it has been a pleasure to work with the distinguished ranking minority member of the committee, Senator SPECTER, on this measure and I am very grateful to him and the other members of the committee for their help and cooperation in developing this legislation. I express my appreciation to the staff who worked so hard on this legislation—on the minority side, Charlie Battaglia, Quentin Kinderman, and Tom Roberts; the committee's editorial director, Roy Smith; and on the majority staff, Neil Koren, Michael Cogan, Bill Brew, and Ed Scott.

Mr. President, I also am very grateful to the distinguished chairman of the Finance Committee, Mr. BENTSEN, for his excellent cooperation in arranging for prompt consideration of this measure. Consistent with Senator BENTSEN'S record of strong support for veterans and their families, he graciously agreed to an order referring the bill to the Finance Committee—because of that committee's shared jurisdiction over the provision involving the use of the IRS and Social Security Administration data to verify VA pension-income information—and to immediately discharge the Finance Committee from further consideration of the bill so that it could be acted upon by the full Senate today.

Mr. President, I am delighted that we have been able to develop a measure that will improve benefits for veterans' survivors and has the strong support of all the major veterans groups.

Mr. President, I urge all of my colleagues to support this important measure.

Mr. AKAKA. Mr. President, I rise in strong support of S. 2323, the Veterans Survivors Benefits Improvement Act of 1992, as reported from committee. This legislation would significantly reform the dependency and indemnity compensation [DIC] program of benefits for survivors of service members or veterans who died from a service-connected condition.

The DIC program is long overdue for change. Most veterans organizations agree that the current system is inequitable for two major reasons: First, current DIC payments are based on the deceased veteran's rank; second, they fail to recognize the financial hardships experienced by his or her survivors in making the transition from the higher payments made under disability compensation, particularly for a veteran who was in the enlisted ranks, to the smaller payments made to survivors under the DIC Program.

The legislation we are considering today would reduce the disparity in DIC payments that exists across the ranks, by creating a basic DIC rate of $725 for all surviving spouses, with add ons that recognize the length of time a veteran was 100 percent disabled while married or the length of the veteran's service. In addition, S. 2323 would help ease a spouse's or family's transition from disability compensation to DIC by providing a transitional rate of DIC for a month after the veteran's death.

Perhaps the best thing about this measure is that, aside from addressing inequities in the current DIC system, no survivors currently receiving DIC payments would suffer any reduction in benefits, and many would experience an increase. S. 2323 would give all DIC beneficiaries whose veteran spouses died before December 1 of this year the option to receive payments under either the current system or the new system proposed in this legislation, whichever are greater.

In closing, I would like to recognize the leadership of Senator CRANSTON, the chairman of the Veterans' Affairs Committee, in bringing this measure before us today. He and his staff—principally Ed Scott, Bill Brew, Michael Cogan, and Neil Koren—worked very hard in crafting the central features of this bill and in educating the Members of this body about the importance of reforming the DIC system.

Mr. President, I urge my colleagues to support this important legislation, which will result in fairer levels of compensation for the most deserving spouses and children of deceased veterans.

Mr. SPECTER. Mr. President, as ranking Republican member of the Committee on Veterans' Affairs, I am pleased to support passage of S. 2323.

This bill would provide relief to most of the survivors of service members and veterans who gave their lives for their country and to preserve our freedom. These survivors receive benefit payments under the Dependency and Indemnity Compensation [DIC] Program administered by the Department of Veterans Affairs.

Generally, this bill would replace the current system of benefit payments based on the military pay grade held by the servicemember or veteran. S. 2323 would establish a new system of payments whose central feature is a single base rate of $725 per month, resulting in immediate increases to the surviving spouses of those who served in the lower military pay grades. Those spouses, Mr. President, comprise more than half of those currently receiving DIC.

In addition, S. 2323 would provide additional compensation based on length of military service, or length of total disability as well as additional compensation for surviving children. The bill would also provide additional insurance coverage for present and future service members and veterans to ease the transition of their surviving spouses from disability compensation to the lower amount of income under DIC.

Mr. President, the Committee on Veterans' Affairs, the Department of Veterans Affairs and most notably, surviving spouses have long believed that there are shortcomings in the present DIC program. Nevertheless, while this legislation will increase the amount of payments to surviving spouses, there is still no study upon which to determine whether the increases we are providing are really adequate. Accordingly, the bill includes a provision, which I introduced at markup, which would provide authority for an independent panel to determine the adequacy of support to surviving spouses of servicemembers and veterans and would authorize a comprehensive analysis of data for this panel by the National Academy of Science. Thus, I regard this reform as an interim measure. In the next Congress, we may need to address again the issue of DIC reform.

Until now we have lacked any consensus on how to proceed to reform the program. Despite years of public debate, there has been no agreement on how best to address the issue equitably.

In the past 2 years, a remarkable process has taken place. Beginning with the leadership of the veterans service organizations and the Department of Veterans Affairs, considerable debate and compromise has resulted in general consensus in the veterans community on the best way to meet the needs of these survivors within the ever-present budgetary constraints.

This bill, the first DIC reform effort in many years, is the result. The Congress must continue to move forward and make progress on this important goal of better support to the surviving spouses of veterans.

Enactment of S. 2323 would provide much needed relief to a population that is predominately elderly, female, and economically deprived. This is also a population for whom support is an important obligation of this Government. No survivor of a service member or veteran who gave his or her life for our country should live in poverty. Passage of S. 2323 is an important step in resolving this problem.

In closing, I would like to thank the staff who worked so hard to prepare this bill: Neil Koren, Michael Cogan, Bill Brew, and Ed Scott from the majority staff, and Quent Kinderman, Charlie Battaglia, and Tom Roberts from my staff.

Mr. President, many survivors of service members and veterans have suffered inadequate income for years because their spouses served at low pay grades in the military. Their deaths, perhaps many years later, were at a time when their way of life bore little resemblance to their military experience. The current system of DIC is generally viewed as inequitable treatment for people to whom we have a strong obligation to do right. S. 2323 represents a good compromise to correct some of the problems in the current program with the resources available.

S. 2323 is a laudable and carefully crafted effort to correct some inequities in this essential program. I urge my colleagues to support S. 2323.

Mr. PRYOR. The question is on agreeing to the amendment.

The amendment (No. 3156) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall the bill pass?

So the bill (H.R. 5008), as amended, was passed.

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

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

The motion to lay on the table was agreed to.

Mr. PRYOR. Mr. President, I send a title amendment to the desk and ask that it be agreed to.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Amend the title to read as follows:

To amend title 38, United States Code, to revise the rates of dependency and indemnity compensation payable to surviving spouses of certain service-disabled veterans, to provide supplemental service disabled veterans' insurance for totally disabled veterans, and for other purposes.

Mr. PRYOR. Mr. President, I ask unanimous consent that Calendar No. 639 be indefinitely postponed.

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

THE 300TH ANNIVERSARY OF THE COLLEGE OF WILLIAM AND MARY

Mr. STEVENS. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 345) to express the sense of the Senate to commend and congratulate the College of William and Mary in Virginia on the occasion of the 300th anniversary of its founding.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the resolution.

Mr. WARNER. Mr. President, in 1689, 87 years before the American Revolution and 100 years before the ratification of the Constitution of the United States, a revolution of a very different kind was occurring on British shores. Not a drop of blood was spilled during the sequence of events which has come to be known as the Glorious Revolution, but the implications for Great Britain were as significant as any military coup.

The remarkable state of affairs which drove James II from the throne and brought the new monarchs, William III and Mary II, from The Netherlands to London would have important consequences in the American Colonies besides bringing drastic change to the nature of British Government.

Perhaps the single greatest legacy William and Mary left the New World was the establishment of a college in Virginia which bears their names. In 1693, the Reverend James Blair finally succeeded in obtaining from the crown both funds and a charter for a college in the colonial capital of Williamsburg. Next year, that venerable school will celebrate the 300th anniversary of the granting of its royal charter, an event which has great significance not only for Virginia, but for the Nation.

William and Mary has dubbed itself the "alma mater of a nation," referring to the number of its graduates and faculty who were instrumental in the founding of the new Nation and the long list of statesmen and jurists who are numbered on its alumni rolls. Although Harvard had been in operation for more than 50 years before the college in Virginia was established, it is William and Mary that is most closely connected with the formation of the new country.

It is not surprising that this college, housed originally in only a few graceful brick buildings, which sprang from the movement that brought parliamentary government and religious tolerance to Great Britain, should become, essentially, the fons et origio of the American intellect; rooted in democracy and the inalienable rights of mankind.

In fact, the College of William and Mary has set a standard for liberal arts education in this country throughout the 300 years of its existence. Nowhere is that fact more clearly displayed than on a plaque affixed to the wall of the Sir Christopher Wren Building on the campus, which lists the priorities of the college:

PRIORITIES OF THE COLLEGE OF WILLIAM AND MARY

First college in the United States in its antecedents, which go back to the College proposed at Henrico (1619). Second to Harvard University in actual operation.

First American college to receive its charter from the Crown under the Seal of the Privy Council, 1693. Hence it was known as "their Majesties' Royal College of William and Mary."

First and only American college to receive a coat-of-arms from the College of Heralds, 1694.

First college in the United States to have a full faculty, consisting of a President, six Professors, usher, and writing master, 1729.

First college to confer medallic prizes: the gold medals donated by Lord Botetourt in 1771.

First college to establish an inter-collegiate fraternity, the Phi Beta Kappa, December 5, 1776.

First college to have the elective system of study, 1779.

First college to have the Honor System, 1779.

First college to become a university, 1779.

First college to have a school of Modern Languages, 1779.

First college to have a school of Municipal and Constitutional Law, 1779.

First college to teach Political Economy, 1784.

First college to have a school of Modern History, 1803.

While William and Mary is rich in heritage, it is not lost in the past. Today, it is a modern university of the highest stature. It continues to serve as an intellectual doorway for young men and women; opening their minds to the possibilities of new ideas and new worlds just as it did for Thomas Jefferson and John Marshall in centuries past.

Mr. President, it has been my distinct pleasure to enjoy, during the course of my public service, a strong, respectful relationship with the College of William and Mary—its presidents, faculty, students, and alumni. I have been pleased to serve on the Tercentenary Observances Commission with my colleague, Senator ROBB, and my colleague from the House of Representatives, Mr. BATEMAN. It is with particular satisfaction that I now submit, on behalf of myself and Senator ROBB a resolution—identical to one submitted by Congressman BATEMAN and the Virginia delegation to the House—commending the College of William and Mary on its 300th anniversary.

Mr. ROBB. Mr. President, I rise today to join my colleague, Senator WARNER, in submitting this resolution to commemorate the 300th anniversary of our Nation's second oldest institution of higher learning, the College of William and Mary in Virginia. Chartered on February 8, 1693, by King William and Queen Mary, the college has endured three centuries and educated over 68,000 students. The college is proud to claim as alumni many early leaders of our Nation, including three Presidents, Thomas Jefferson, James Monroe, and John Tyler; a Chief Justice of the Supreme Court, John Marshall; and four signers of the Declaration of Independence, George Wythe, Benjamin Harrison, Carter Braxton, and Thomas Nelson, Jr.

From 1982 to 1986 I was privileged to serve as the 64th Governor of Virginia, a fact notable because nearly one-third of my predecessors were alumni of the College of William and Mary. Their accomplishments, and those of the alumni who have distinguished themselves across the Nation, are a testament to the college's commitment to education as the cornerstone of self-government. Described by George Washington as, "an object of veneration * * * and conducive to the true principles of national liberty," the college has not wavered in its dedication to these principles in its 300 years of service to State and Nation.

While firmly rooted in a distinguished past, the College of William and Mary's tradition of excellence extends well beyond the Colonial and Revolutionary periods, and today the college is one of the Nation's most highly regarded and selective public universities. As the college prepares to embark upon its fourth century under the leadership of Chancellor Warren Burger and President Timothy Sullivan, I join in celebrating and applauding its proud history.

The PRESIDING OFFICER. Without objection, the resolution and its preamble are agreed to.

The resolution (S. Res. 345), with its preamble, is as follows:

S. RES. 345

Whereas throughout their history, the people of the United States have recognized that an educated citizenry is important to a democracy, and to that end have supported universal education as well as the develop-

ment of centers of advanced learning for the benefit of the general welfare;

Whereas on February 8, 1693, a royal charter was granted by King William III and Queen Mary II of England to found and establish "a certain place of universal learning" in the "good arts and sciences" to be known forever as the College of William and Mary in Virginia;

Whereas on December 4, 1779, after the United States gained its independence, Thomas Jefferson, the Governor of the Commonwealth of Virginia and a former student of the College of William and Mary, led an effort to reorganize the curriculum of the College of William and Mary which resulted in the creation of the first elective system of study in the United States, the establishment of an honor system that remains an integral part of the College of William and Mary today, and the creation of the first Chair of Law in the United States;

Whereas the students of the College of William and Mary, the second oldest institution of higher learning in the United States, have contributed to the general welfare for three centuries, so that it has accurately been said that the history of the College of William and Mary forms a significant part of the history of the United States;

Whereas among the distinguished alumni of the College of William and Mary are three Presidents of the United States, Thomas Jefferson, James Monroe, and John Tyler; Chief Justice John Marshall and three Associate Justices of the United States; more than 30 United States Senators; more than 60 members of the House of Representatives; eight members of Presidential cabinets; 27 Governors of ten States; and countless other public officials and leaders in business, industry, military service, science, and the arts;

Whereas the College of William and Mary and the town of Williamsburg have flourished together, fulfilling a prediction made in 1699 that "the College will help make the Town", and together constituting an historical treasure to be enjoyed and appreciated by the people of the United States and the world;

Whereas in the past 25 years, the College of William and Mary has established itself as a modern university with distinctive graduate programs and as a leader in higher education, while never wavering from its commitment to undergraduate liberal arts education as a foundation of a free society; and

Whereas the College of William and Mary prepares to embark upon its fourth century, it continues to educate men and women to be productive citizens in both public and private pursuits and to adapt its course of studies to the growing needs of the community and the Nation; Now, therefore, be it

Resolved, That it is the sense of the Senate to commend and congratulate the College of William and Mary in Virginia on the occasion of its 300th anniversary, to recognize the many contributions it has made to the well-being of the people of Virginia and the United States, and to express the hope of the people of the United States that the College of William and Mary will continue to grow and prosper in the centuries yet to come.

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

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

The motion to lay on the table was agreed to.

VETO MESSAGE ON S. 5, THE FAMILY AND MEDICAL LEAVE ACT—MESSAGE FROM THE PRESIDENT—PM 276

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was ordered to lie on the table and be printed as a Senate document:

To the Senate of the United States:

I am returning herewith without my approval S. 5, the "Family and Medical Leave Act of 1992." This bill would mandate that public and private employers with 50 or more employees provide their employees with leave under certain circumstances.

I want to strongly reiterate that I have always supported employer policies to give time off for a child's birth or adoption or for family illness and believe it is important that employers offer these benefits. I object, however, to the Federal Government mandating leave policies for America's employers and work force. S. 5 would do just that.

America faces its stiffest economic competition in history. If our Nation is to succeed in an increasingly complex and competitive global marketplace, we must have the flexibility in our workplaces to meet this challenge. We must ensure that Federal policies do not stifle the creation of new jobs or result in the elimination of existing jobs. The Administration is committed to policies that create and preserve jobs throughout the economy—serving the most fundamental need of working families.

My Administration is also strongly committed to policies that foster a complementary relationship between work and family and encourage the development of a strong employer-employee partnership. If these policies are to meet the diverse needs of our Nation, they must be carefully, flexibly, and sensitively crafted at the workplace by employers and employees, and not in Washington, DC, through Government mandates imposed by legislation such as S. 5.

Therefore, I have transmitted to the Congress legislation to establish an alternative flexible family leave plan that will encourage small and medium-sized businesses to provide family leave for their employees.

My flexible family leave plan is based on a refundable tax credit for businesses that establish nondiscriminatory family leave policies for all their employees. A refundable tax credit of 20 percent of compensation—for a credit of up to $100 a week—to a maximum total credit of $1,200—would be available for all businesses with fewer than 500 employees, for a period of family leave up to 12 weeks in length. Family leave would include the birth or adoption of a child or the care of a seriously ill child, parent, or spouse. It also would cover a serious health condition that prevents the employee from performing his or her job. This approach will cover almost all workplaces—smaller companies that S. 5 does not cover that are less likely to provide leave to their employees. My plan covers about 15 million more workers than would be eligible under S. 5 and 20 times the number of workplaces. Those not affected by my plan work for large businesses, which generally have established family leave policies.

I want to emphasize again that my bill will help where the concern is most acute—with small and medium-sized businesses and the workers in those businesses. S. 5 misses these key workplaces by excluding businesses with fewer than 50 employees. We know that these hard-pressed small companies usually offer fewer benefits than large firms, that they generate most of our new jobs—in fact, they provide the majority of people with their first job—and that they are more likely to employ women and reentrants to the labor force. Under my proposal, many more of the millions of men and women employed by smaller businesses would be able to take advantage of family leave.

The tax credit approach to the family leave issue will provide the flexibility workers and employers need to enable them to establish the optimal package of benefits that meets their particular needs. This way the parties can decide which package of benefits is best suited to them. In addition, because a tax credit is not a mandate, it does not put struggling firms at an economic disadvantage in the global marketplace. It maintains the competitiveness of American business while providing the benefits American workers need. It provides positive incentives, not mandates with veiled costs that impede growth.

Both the House and Senate passed family leave legislation almost 1 year ago, but they have kept it in the filing cabinet until now. That is nearly an entire year with no action or any willingness to depart from a federally mandated approach, only an interest in politicizing the issue.

I have proposed a truly flexible family leave program. I am willing to work with the Congress to get it passed and signed into law immediately.

There appears to be a pattern here. Three years ago, my Administration had a fundamental disagreement with these same congressional committees on child care policy. It took the Democratic-controlled Congress more than a year to get the point—I would not buy a Government-controlled and mandated child care program. When they got serious, we rapidly hammered out flexible child care legislation patterned after my proposal, that allowed *individuals* to choose their benefits.

The same holds true for family leave. If the Congress is serious about encouraging family leave, I ask those Members of Congress who have joined me in the past in opposing Government mandates to work with me again. The Congress should pass a family leave bill quickly that provides positive incentives for family leave and is responsive to the needs of workers and employers.

GEORGE BUSH.

THE WHITE HOUSE, *September 22, 1992.*

MESSAGES FROM THE HOUSE

At 2:55 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks announced that the House agrees to the amendment of the Senate to the bill (H.R. 5318) regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, and for other purposes.

The message also announced that the House has passed the bill (S. 2201) to authorize the admission to the United States of certain scientists of the Commonwealth of Independent States and the Baltic States as employment-based immigrants under the Immigration and Nationality Act, and for other purposes; with amendments, in which it requests the concurrence of the Senate.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5851. An act to establish the Commission on Information Technology and Paperwork Reduction.

ENROLLED BILLS SIGNED

A message from the House of Representatives announced that the Speaker has signed the following enrolled bills:

S. 12. An act to amend the Communications Act of 1934 to provide increased consumer protection and to promote increased competition in the cable television and related markets, and for other purposes; and

H.R. 5318. An act regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore [Mr. BYRD].

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment:

S. 526. A bill to extend for 10 years the patent for the drug Ethiofos (WR2721) and its oral analogue (Rept. No. 102-414).

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amendment to the title:

S. 1165. A bill to extend the patent term of certain products (Rept. No. 102-414).

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1506. A bill to extend the terms of the olestra patents, and for other purposes (Rept. No. 102-414).

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. 2763. A bill to establish the Mike Mansfield Fellowship Program for intensive training in the Japanese language, government, politics, and economy (Rept. No. 102-415).

By Mr. GLENN, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 2853. A bill to authorize appropriations for the United States Office of Special Counsel, and for other purposes (Rept. No. 102-416).

By Mr. GLENN, from the Committee on Governmental Affairs:

Report to accompany the bill (S. 3131) to reauthorize the independent counsel law for an additional 5 years, and for other purposes (Rept. No. 102-417).

By Mr. BIDEN, from the Committee on the Judiciary, without amendment:

S. 2484. A bill to establish research, development, and dissemination programs to assist State and local agencies in preventing crime against the elderly, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

Treaty Doc. 102-22. Protocol on Environmental Protection to the Antarctic Treaty (Exec. Rept. No. 102-54).

TEXT OF RESOLUTION OF ADVICE AND CONSENT TO RATIFICATION

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol on Environmental Protection to the Antarctic Treaty, with Annexes, done at Madrid October 4, 1991, and an Additional Annex done at Bonn October 17, 1991.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROTH (for himself and Mr. STEVENS):

S. 3258. A bill to establish the American Industry Foundation to enhance the Nation's competitiveness in a global economy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. ROCKEFELLER:

S. 3259. A bill to amend the Wild and Scenic Rivers Act for the purposes of determining the eligibility and suitability of designating a segment of the New River as a national wild and scenic river; to the Committee on Energy and Natural Resources.

S. 3260. A bill to modify the boundaries of the New River Gorge National River, the Gualey River National Recreation Area, and the Bluestone National Scenic River in West Virginia; to the Committee on Energy and Natural Resources.

By Mr. BIDEN (for himself, Mr. WIRTH, Mr. GORE, Mr. ROCKEFELLER, Mr. LIEBERMAN, Mr. BINGAMAN, and Mr. LEAHY):

S. 3261. A bill to promote, as a priority in United States trade promotion programs, the export of United States goods and services to control or reduce pollution and to clean up existing pollution problems; to the Committee on Foreign Relations.

By Mr. BREAUX:

S. 3262. A bill to amend title 46, United States Code, to prohibit abandonment of barges, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MACK:

S. 3263. A bill to amend title 37, United States Code, to provide evacuation and transition assistance to dependents of members of the Armed Forces and civilian employees of the Federal Government who are affected by Hurricane Andrew, to provide homeowners assistance to such members and employees, and for other purposes; to the Committee on Armed Services.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. STEVENS (for Mr. WARNER (for himself and Mr. ROBB)):

S. Res. 345. A resolution to express the sense of the Senate to commend and congratulate the College of William and Mary in Virginia on the occasion of the 300th anniversary of its founding; considered and agreed to.

By Mr. WELLSTONE:

S. Con. Res. 137. A concurrent resolution to express the sense of Congress that the Comptroller General of the United States should conduct a study of the economic impacts of Order No. 636 of the Federal Energy Regulatory Commission on residential, commercial, and other end-users of natural gas, and that the Federal Energy Regulatory Commission should refrain from processing restructuring proceedings pursuant to the order during the 60-day period after the submittal to Congress of the results of the study; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH (for himself and Mr. STEVENS):

S. 3258. A bill to establish the American Industry Foundation to enhance the Nation's competitiveness in a global economy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INDUSTRY-GOVERNMENT COMPETITIVENESS DEMONSTRATION ACT OF 1992

Mr. ROTH. Mr. President, among the problems facing our country is our inability to make effective use of our research dollars. The United States spends more money on research than any other country in the world, yet we all too often lose product leadership and market share to other countries.

Too often innovations that originate in America are commercialized by other countries. VCR's, for example, were developed in the United States for use in television studios, but it was

Japan that commercialized them for use in the home. Fuzzy logic mathematics was developed in the United States, but it was the Japanese who took our innovation and commercialized it. They have used fuzzy logic in products such as automobile speed controls, automobile heater and air conditioning controls, and washing machine controls.

The consequence of our inability to commercialize our technologies is a declining market share for American industries and fewer good jobs for Americans. Between 1978 and 1991, the United States lost 200,000 jobs in automobile manufacturing alone and another 75,000 decrease was recently announced.

Mr. President, our problem can be stated in a nutshell. We as a country are failing to commercialize the fruits of our research. Other countries are taking our research and turning it into low-cost, high-quality products that appeal to consumers. As a consequence, America is losing good jobs to foreign competitors.

Why is this happening? People who try to answer this question quickly conclude that neither the problem nor the short-term solution lies in more research. In 1992, the United States will invest $159 billion in research and development, while Japan, who most see as our major competitor, will invest the equivalent of $90 billion. The problem is that American institutions, especially the Federal Government, have failed to focus on incremental product improvements and manufacturing processes; and the Government is too detached from the marketplace.

Today I am introducing legislation that would show a way to remedy this problem. My bill, designed as a demonstration program, would take a portion of our research and development budget and spend it in a wholly new way. My bill would establish a cooperative framework for Government to be responsive to industry needs in commercializing research discoveries and improving products and manufacturing processes. Industry would be required to set priorities, work together, and invest their own money in promising technologies. Government would in turn direct its efforts in support of these industry-set objectives.

My bill titled, "Industry-Government Competitiveness Demonstration Act of 1992," has five major components:

A research emphasis on design methods and manufacturing processes; the use of consortia and other programs to bridge the gap between government and industry; a new resource allocation process that leverages industry research dollars and links Federal funding to results; goals and performance measures; and accountability within the Federal Government.

Let me review the proposal in more detail. First, to aid commercialization my bill emphasizes research and development of design methods, manufacturing processes, and their linkage as well as government and consortia serving as a customer to help industry bridge the gap between research and product introduction.

Second, my bill employs techniques already demonstrated to be effective. In the most critical of those key technology areas where America's industry is losing market share to foreign competition, such as flat panel displays, I am proposing that consortia be established for a predetermined period.

In key technology areas where American industry is currently competitive but foreign competitors are investing aggressively in long-term research and development, such as contamination-free manufacturing, I am recommending the establishment of a pilot core research and development program that emphasizes commercialization.

My bill would also experiment with technology extension centers—modeled after agricultural extension centers—to help small businesses benefit from Government and industry research.

To help key technologies get a commercialization boost I am introducing what I am calling a National Need Program that will support a program in an area where there are pressing national needs that are rich in opportunities for key technology applications. For example, this program could help U.S. companies who are developing composite materials gain global market share in the structural materials business by using composite materials for bridge and highway maintenance.

Third, I am proposing a resource allocation process that will link spending to results. Industry panels will develop road maps and strategies for addressing commercialization issues on key technologies. These panels will evaluate and recommend the use of Federal R&D resources on the basis of a set of measures. Responsible Government agencies will provide a check and balance. In addition, funding for any key technology consortium will never exceed 25 percent of industry's investment for that key technology which ensures that Federal R&D spending doesn't replace industry spending.

Fourth, my bill requires the careful application of measurable performance goals, cost estimates, and program schedules to ensure that Federal research and development resources are effectively applied to address commercialization and competitiveness. We must measure the economic results of programs and the creation of jobs by a competitive industry, rather than being satisfied by theoretical or technical accomplishments. The American taxpayer is looking for results in the form of jobs. Nothing short of that is satisfactory, because we're using their money to help pay for the research and development.

Fifth, my bill calls for a new, temporary, streamlined Federal organization, the American Industry Foundation to establish programs that are accountable to the American people. A Technology Commercialization Office in the Foundation will be responsible for assuring and tracking the success of Federal research and development efforts related to commercialization. The Critical Technologies Institute, established by Congress last year, will help the American Industry Foundation by forming authoritative panels of industry experts who will provide industry input on the use of Federal R&D resources. These panels will also identify specific tax and regulatory barriers that hamper commercialization of specific technologies. The Critical Technologies Institute will also involve industry in coordinating, managing, and directing research and development programs. The role of industry in my bill assures that my bill is not an industrial policy where Government tells industry what to do. Rather it is a Government policy where Government responds to industry needs to ensure a technological edge for America and a continuing supply of good jobs for American workers.

Mr. President, additional money is not necessary to fund this experiment. I propose that the President be authorized $5 billion of reprogramming authority and that the funds be available over a 5-year period, so that Federal research and development funds can be redirected to support work at the American Industry Foundation. This is a one-time reprogramming event that affects only 1.3 percent of the Federal Government's research and development investment. Yet, this $5 billion Federal investment leverages another $15 billion in industry investment and is, therefore, significant enough to have a measurable economic impact. If my ideas are implemented, in 3 or 4 years from now, we will have hard data on the results of this approach. At that point, if it really works to the benefit of our economy, Congress may want to redirect much more of the Federal research and development budget to competitiveness.

Mr. President, these are the essential features of my bill. I hope that my colleagues will respond to the challenge to try bold, new, 21st century institutions that are mission-driven and produce measurable economic results, are managed on the basis of data and facts rather than parochial interests and promises, and are totally committed to serving their customer, the American taxpayer. I recognize that numerous other options have been proposed to increase the efficiency of the Federal investment in R&D and to give it greater economic impact. I encourage my colleagues to look at my ideas, provide comments, and offer suggestions. Americans recognize that something needs to be done. Congress will fail them if we do not take action. We must

undertake an approach, such as the one I am proposing today, one that will lead to a much more competitive industry and one that will make federally funded research and development relevant to America's economy. Mr. President, the cold war is over. It is time for us to deal with our new No. 1 priority—our economy. Only in this way will we be able to realize the promise of a bright, prosperous, and peaceful future. Now is the time for action.

Mr. President, I ask unanimous consent that the full text of the bill, a section-by-section analysis, and letters endorsing this legislation appear in the RECORD.

There being no objection, the bill and additional items are ordered to be printed in the RECORD, as follow:

S. 3258

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 "Industry-Government Competitiveness Demonstration Act of 1992."

SEC. 101. FINDINGS.

(1) Although American manufacturers have continued to improve their products, foreign competitors are excelling at the fast introduction of innovative product improvements that are appealing to consumers. This has resulted in a loss of market share for American business and a loss of manufacturing jobs in the United States.

(2) This job loss is not due to under investing in research and development; America's research and development investment has been much larger than any other nation's.

(3) This job is partially due to a failure of American research and development institutions; they have excelled in technological breakthroughs but they have not excelled at research that leads to product and process improvements that are critical to our economic future.

(4) This job loss is partially due to a failure of American corporations to commercialize new technologies, especially those that facilitate making improvements to products and processes.

(5) The Federal government has not invested in the commercialization of technologies that lead to improvements in commercial products and processes. The vast majority of the $76 billion the Federal government spends on research and development is focused on breakthroughs; only about $1 billion is spent on improvements in products and processes.

(6) This suggests that the Federal government and American corporations need to work together to make more effective use of America's research dollars. Yet, the complexity of commercialization demands that government and industry experiment with a variety of programs and processes to determine which will lead to job growth in America.

SEC. 102. GOAL AND OBJECTIVES.

The goal of this Act is to improve the global competitiveness of American corporations by determining the most efficient and effective way for making Federal research and development undertaken at universities and Federal laboratories responsive to industry needs. The objectives of the Foundation in performing its functions shall be:

(1) improve commercialization with emphasis on manufacturing enhancements, product design methods, and their linkage;

(2) increased global competitiveness of American corporations; and

(3) program success measured by the criteria described under Section 106.

SEC. 103. ESTABLISHMENT.

(a) ESTABLISHMENT.—There is established the American Industry Foundation which shall be an independent establishment as defined under section 104 of title 5, United States Code. The Foundation shall be administered by a Director who shall be appointed by the President, by and with the advice and consent of the Senate.

(1) TECHNOLOGY COMMERCIALIZATION OFFICE.—There is established the Technology Commercialization Office within the Foundation. The Technology Commercialization Office shall be headed by a Deputy Director of the Foundation.

(2) INSPECTOR GENERAL.—There is established in the Foundation the Office of Inspector General. The Office shall be administered by the Inspector General and shall conduct audits and investigations of the activities performed under the provisions of this Act.

(b) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this Act, the Director may delegate any of the functions granted to the Director by this Act and any function transferred or granted to the Director after the effective date of this Act of such officers and employees of the Foundation as the Director may designate.

SEC. 104. MISSION.

The mission of the Foundation is to assure Federal support for rapid commercialization of technology by United States corporations, and the allocation of Federal research and development resources to support competitiveness improvement by United States corporations.

SEC. 105. FUNDING AND AUTHORIZATION OF EXPENDITURES.

(a) The President may transfer to the Foundation an amount not to exceed $5,000,000,000 of all funds appropriated for Federal research and development for fiscal years 1993 through 1997.

(b) The Director is authorized to enter into commitments and expend these funds in accordance with the provisions outlined in Section 107. Funding of activities during Fiscal Years 1993 through 1997 shall not exceed—

(1) $4,500,000,000 for consortia;

(2) $150,000,000 for core research and development programs;

(3) $100,000,000 for a technology extension center; and

(4) $250,000,000 for national need programs.

(c) These funds shall be allocated to accomplish the goal and objectives of Sec. 102 according to demonstrated performance as measured according to Sec. 106.

SEC. 106. PERFORMANCE MEASURES

The director shall establish objective measures of success for Foundation programs, including quantitative measures of global market share, productivity growth, number of American employees, industry investment, and sales growth of American corporations in key technologies and related products. Those gains attributable to Foundation activities shall be quantified and objectively compared to alternative programs for promoting competitiveness of U.S. industry, including but not limited to the Advanced Technology Program and technology activities at the Department of Commerce, the Manufacturing Technology Program (Mantech) at the Department of Defense, Cooperative Research and Development Agreements (CRADAs) in all Federal agencies, DARPA and DOE dual use programs, etc.

SEC. 107. PROGRAMS OF THE AMERICAN INDUSTRY FOUNDATION.

(a) CONSORTIA.

(1) FUNDING QUALIFICATIONS.—Efforts in key technology areas may be funded where the Director determines that American corporations

(A) lag behind foreign competition;

(B) are essential to the United States economy; and

(C) are working in areas where the United States possesses or has the capability to possess comparative advantage.

(2) CONSORTIA REQUIREMENTS.—The consortia funded under this section shall be established for a lifetime that is determined when they are established and shall

(A) emphasize projects that lead to the commercialization of cost-effective products by strengthening design methods, manufacturing processes, and their linkage;

(B) attract industry membership in each consortium including—

(1) those American corporations that make a significant portion of manufactured goods in the area of concentration of the consortium,

(2) small businesses, especially those serving as suppliers to a wide industry base, and

(3) those companies that use manufactured goods in the area of concentration of the consortium; and

(C) require minimum construction of facilities or operation of a large, privately owned, joint research and development facility.

(3) FUNDING LIMITATION.—Annual funding of a consortium that is provided by the director shall not exceed 25 percent of the annual American corporations' investment in research, development, and manufacturing in that key technology area addressed by the consortium.

(4) AUTHORIZATION OF FUNDING FOR FEDERAL LABORATORIES AND UNIVERSITIES.—The Director shall select and provide funding to federally-owned laboratories and/or universities for research and development activities in support of consortia. No federal funds shall be made available for consortia work performed at privately owned facilities.

(5) INTELLECTUAL PROPERTY RIGHTS.—All intellectual property developed in the execution of the work of a Foundation-funded consortium is the property of the consortium for 5 years. During this term the intellectual property may be licensed at no fee to members of the consortium. After five years this intellectual property becomes the property of the United States Government.

(b) CORE RESEARCH AND DEVELOPMENT PROGRAMS.

(1) FUNDING QUALIFICATIONS.—

The Director shall fund core research and development programs on the basis of a competition to conduct efforts in key technology areas essential to the United States economy where the Director determines that American corporations are—

(A) investing less in long-range research and development than foreign competitors; and

(B) operating or have the capability to operate successfully without government subsidy.

(2) CORE RESEARCH AND DEVELOPMENT REQUIREMENTS.—Core research and development programs shall—

(A) emphasize design methods, manufacturing processes and their linkage for key technologies where United States industry is

willing and able to commit to the manufacturing investment required to commercialize such products; and

(B) be conducted at universities and federally-owned laboratories.

(3) FUNDING LIMITATIONS.—The Director shall not provide funding in excess of 10 percent of the annual United States industry investment in that technology area.

(4) AUTHORIZATION OF FUNDING FOR FEDERAL LABORATORIES AND UNIVERSITIES.—The Director is authorized to select and provide funding to federally-owned laboratories or U.S. based universities for core research and development activities needed to accomplish the objectives of this Act.

(5) INTELLECTUAL PROPERTY RIGHTS.—All intellectual property developed in the execution of Foundation-funded core research and development work is the property of the American Industry Foundation but may be licensed to U.S. industry without charge.

(c) TECHNOLOGY EXTENSION CENTER.

(1) FUNDING QUALIFICATIONS.—The Director shall fund in a competitive manner technology extension centers for the purpose of strengthening the competitiveness of business entities with less than 500 employees. These technology extension centers shall—

(A) provide commercialization assistance, including workshops on lean manufacturing methods to those companies located in the region surrounding the technology extension center, and

(B) conduct precompetitive research and development that emphasizes manufacturing technologies that are useful to manufacturing industry located in the region surrounding the technology extension center.

(2) FUNDING REQUIREMENTS AND LIMITATIONS.—The level of funding provided by the Foundation shall not exceed that provided (including funding for facilities and personnel) from other Federal sources.

(3) INTELLECTUAL PROPERTY.—All intellectual property developed in the execution of Foundation-funded work at a technology extension center is the property of that technology extension center.

(d) NATIONAL NEED PROGRAM.

(1) FUNDING QUALIFICATIONS.

(A) After conducting a competition, the Director shall fund programs in areas where there are pressing national needs and in areas that are rich in opportunities for key technology applications, especially those whose costs would be reduced and commercial applications increased by their use in a government program.

(B) Candidate programs include, but are not limited to—

(1) bridge and highway maintenance using advanced materials, remotely-interrogated embedded diagnostic sensors, and state-of-the-art digital compression and transmission;

(2) electronic incarceration and drug-detection systems that use non-intrusive on-person sensors, digital signal encryption and processing, advanced packaging, voice recognition, leading-edge data storage, pattern recognition, high definition flat panel displays, and advanced satellite communications systems technology;

(3) education and training systems that emphasize the development of disciplined-group problem solving and reasoning skills and make use of fiber optic local area networks, interactive workstations and computers, high definition flat panel displays visible in large classrooms, voice recognition technology, two-way video transmission, advanced data storage technology, and electronic textbooks, that include dynamic graphics; and

(4) health care diagnostics and maintenance screening systems that require no operation and use advanced on person intrusive and nonintrusive sensor technology, advanced computer aided diagnostics, advanced digital signal encryption, interactive video, voice recognition, and advanced pattern recognition technology.

(C) Program selection shall be made on the basis of—

(1) economic potential;

(2) national need; and

(3) probability of success as defined by the likelihood that a technology will be commercialized and self-sustaining, without further federal support beyond the end of this program.

(2) PARTICIPANT REQUIREMENTS.—The program that is funded shall consist of a partnership between one or more federally-owned laboratories, one or more universities, companies specializing in the development of the key technologies used in the project, and companies that are commercializing similar systems.

(3) FUNDING OF FEDERAL LABORATORIES, UNIVERSITIES, AND INDUSTRY.—The Director shall provide a federally owned laboratory or university selected for this program with all of the funds required to do this work. Work conducted at a privately-owned corporation shall be funded by sources other than the Federal Government.

(4) INTELLECTUAL PROPERTY RIGHTS.—All intellectual property developed in the execution of this work by Federally owned laboratories and universities is the property of the Federal Government.

SEC. 108. ASSESSMENT BY CRITICAL TECHNOLOGIES INSTITUTE.

(a) IN GENERAL.—The Critical Technologies Institute (in coordination with the Foundation) shall—

(1) establish a process for involving industry representatives, including existing consortia, in the selection of Federal research and development efforts in key technologies, evaluate their economic potential through strategic analysis and authoritative systems studies, and make recommendations to the Director;

(2) in areas of such key technologies select and recommend core research and development programs, consortia, and National need programs; and

(3) establish, coordinate, and serve as the facilitator of consortia, core research and development programs, and National need programs such that American industry representatives in each program adequately represent the U.S. manufacturing capacity and are responsible for all management and achievement of performance measures.

(b) SPECIFIC ACTIVITIES.—The Institute in coordination with the Foundation shall prepare and submit to the Director an Annual Report. In preparing the Annual Report, the Institute shall—

(1) assess the long-term outlook and United States industry competitiveness implications of all government funded key technology efforts including those funded by the Foundation;

(2) identify, and provide authoritative documentation on Federal rules, regulations, and tax policies that inhibit development and commercialization of key technologies;

SEC. 109. FEDERALLY OWNED LABORATORIES.

(a) All federally-owned laboratories may compete for work for the Foundation without regard to the importance of that work in fulfilling the laboratory's primary mission for the Federal agency owning or having administrative authority for the laboratory.

(b) The Federal agency that has administrative authority for a federally-owned laboratory shall not—

(1) prohibit the use of a laboratory for Foundation sponsored work;

(2) impede or delay Foundation sponsored work; or

(3) add Federal agency administrative charges to Foundation sponsored work.

(c) Support of the Foundation by a federally owned laboratory as requested by the Foundation shall not be subordinate to any other mission of that laboratory;

(d) If Foundation work conducted at a federally owned facility or university fails to fulfill measurable project objectives—

(1) The project, at the discretion of the Director, may be relocated to another institution, and

(2) Such federally owned institution no longer performing those projects shall have federal funding equivalent to those projects removed from its budget.

(e) The Director of the Foundation shall identify and report to Congress those federally owned laboratories performing work for the Foundation. The Congress shall annually review those laboratories not selected for Foundation work and those inadequately performing Foundation work for budget reductions or closure.

SEC. 110. DEFINITIONS.

For purposes of this title the term—

(1) "Director" means the Director of the American Industry Foundation established under section 102;

(2) "Foundation" means the American Industry Foundation established under section 102;

(3) "Intellectual property" means ideas and inventions produced by the Foundation activities;

(4) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(5) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program;

(6) the term "office" includes any office, administration, agency, institute, unit, organization entity, or component thereof;

(7) the term "American corporation" means a company incorporated in the United States of America that receives over 50 percent of its revenues from products manufactured in the United States;

(8) the term "Institute" means the Critical Technologies Institute; and

(9) the term "Annual Report" means the Annual Report that the Critical Technologies Institute prepares and submits to the Director.

SEC. 111. RULES.

The Director is authorized to prescribe, in accordance with the provision of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Director determines necessary or appropriate to administer and manage the functions of the Foundation.

SEC. 112. SEPARABILITY.

If a provision of this Act or its application to any person or circumstance is held invalid, neither the remainder of this Act nor the application of the provision to other persons or circumstances shall be affected.

SEC. 113. ADDITIONAL CONFORMING AMENDMENTS.

(A) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of the Congress, the Director shall prepare and submit to the Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this Act.

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(b) SUBMISSION TO THE CONGRESS.—No later than 6 months after the effective date of this Act, the Director shall submit the recommended legislation referred to under subsection (a).

SEC. 114. EFFECTIVE DATE.

The provisions of this Act and the amendments made by this Act shall be effective on and after 90 days after the date of the enactment of this Act.

SECTION-BY-SECTION ANALYSIS OF THE INDUSTRY-GOVERNMENT COMPETITIVENESS DEMONSTRATION ACT OF 1992

Sec. 101. Findings.

Sec. 102. Goal and objectives.

The goal of this act is to improve the global competitiveness of American industry by making Federal research and development undertaken at universities and Federal laboratories responsive to industry needs.

The objectives of the Foundation established by this act are:

(1) improved commercialization with emphasis on manufacturing process enhancements and product design methods;

(2) increased global competitiveness of American industry; and

(3) program successes measured by the criteria described under Section 106.

Sec. 103. Establishment.

Establishes the American Industry Foundation and designates its Director as a Presidential appointment. Establishes the Technology Commercialization Office in the American Industry Foundation and makes its head a Deputy Director of the Foundation. Establishes the Office of Inspector General in the American Industry Foundation.

Sec. 104. Mission.

Assure Federal responsiveness to U.S. industry in commercialization of technology to support improved competitiveness by United States corporations.

Sec. 105. Funding and authorization of expenditures.

Authorizes the President to transfer to the Foundation an amount not to exceed $5,000,000,000 of all funds appropriated for Federal research and development for fiscal years 1993 through 1997. The Director may expend these funds during Fiscal Years 1993 through 1997 without exceeding $4,500,000,000 for consortia; $150,000,000 for core research and development programs; $100,000,000 for a technology extension center; and $250,000,000 for national need programs. These funds shall be used to accomplish the goal and objectives of Sec. 102 and they shall be measured according to the performance measures in Sec. 106.

Sec. 106. Performance measures.—Requires the Director of the Foundation to establish objective measures of Foundation programs, including quantitative measures of global market share, productivity growth, number of American employees, industry investment, and sales growth of American corporations in key technologies and related products. Requires the Foundation to measure the results of programs and objectively compare them to alternative Federal programs for promoting technology advanced by American corporations.

Sec. 107. Programs of the American Industry Foundation.

(a) CONSORTIA.—Enables the Director to fund Federal laboratories and universities in areas: where the Director determines that American corporations lag behind foreign competition; that are essential to the United States economy; and where the United States possesses or has the capability to possess comparative advantage. The Director is authorized to spend in a particular area up to 25% of American industry's total investment (research, development, and manufacturing) in that area. The lifetime of each consortium will be determined when it is established. Each consortium will emphasize projects that lead to the commercialization of cost-effective products by strengthening design methods, manufacturing processes, and their linkage. Membership in each consortium will include those American corporations that make a significant portion of manufactured goods in the area of concentration of the consortium. Small businesses, especially those serving as suppliers to a wide industry base and those companies that use manufactured goods in the area of concentration of the consortium will also be included for membership.

Intellectual property rights are held for 5 years by the consortium managing the work. During this time it may be licensed at no fee to members of the consortium. After 5 years intellectual property becomes the property of the United States government.

(b) Core Research and Development.—Enables the Director to conduct a competition and fund Federal laboratories and universities to conduct core research and development programs for a key technology where there is evidence the United States is underinvested in long-range research and development and American corporations have the capability to operate successfully without government subsidy. These programs will emphasize design methods, manufacturing processes, and their linkage and be done in an area where United States industry is willing to invest in those manufacturing facilities required to commercialize the work. Authorizes the Director to provide funds up to 10 percent of the annual American industry investment in the technology area addressed by the program.

Intellectual property shall be the property of the American Industry Foundation but may be licensed to American industry without charge.

(c) Technology Extension Center.—Authorizes the Director to conduct a competition to select and fund technology extension centers that strengthen the commercialization skills and manufacturing capabilities of businesses with less than 500 employees that are located in the area surrounding the center. This center may also conduct research and development on lean and other advanced manufacturing technologies that are needed by these businesses. Federal funding shall not exceed that provided by other non-Federal sources.

Intellectual property belongs to the technology extension center.

(d) National-Need Program.—The Director is authorized to conduct a competition and fund federally-owned laboratories and universities to conduct programs where there are opportunities to apply key technologies to pressing national needs. Candidate programs include, but are not limited to bridge and highway maintenance, electronic incarceration, drug detection, education and training technology, and health care diagnostics. Program selection will be made on the basis of economic potential, national need, and probability of success as defined by the likelihood that a technology will be commercialized and self-sustaining, without Federal support beyond this program. Programs will be executed by a partnership between federally-owned laboratories, universities, companies specializing in the development of the key technologies used in the project, and companies that are commercializing similar systems.

All intellectual property developed in the execution of this work by Federally owned laboratories and universities is the property of the Federal government; however, it may be preferentially licensed to members of the partnerships without their payment of fees.

Sec. 108. Assessment by Critical Technologies Institute.—The Critical Technologies Institute will develop a process for involving American corporations in the selection of Federal research and development efforts in key technologies, evaluate their economic potential through strategic analysis and systems studies, and make recommendations to the Director. Recommendations shall include core research and development programs, consortia, and National need programs.

The Institute shall establish, coordinate, and serve as the facilitator of these programs and make sure that American corporate representatives in each program represent the U.S. manufacturing capacity and are responsible for all management and achievement of performance measures.

The Institute in coordination with the Foundation shall prepare and submit to the Director an Annual Report that assesses the long-term outlook and U.S. industry competitiveness implications of all government funded key technology efforts and identify those Federal rules, regulations, and tax policies that inhibit development and commercialization of key technologies.

Sec. 109. Federally owned laboratories.—All federally owned laboratories may compete for work for the Foundation without regard to the importance of that work in fulfilling the laboratory's primary mission.

The Federal agency that has administrative authority for a federally-owned laboratory shall not prohibit the use of a laboratory for Foundation sponsored work, impede or delay Foundation sponsored work, or add their administrative charges to Foundation sponsored work.

Support of the Foundation by a federally owned laboratory shall not be subordinate to any other mission of that laboratory.

If Foundation work conducted at a federally owned facility or university fails to fulfill measurable project objectives, the project may be relocated to another institution and that Federally owned institution no longer performing those projects shall have Federal funding equivalent to those projects removed from its budget.

The Director of the Foundation shall identify and report to Congress those federally-owned laboratories not performing or inadequately performing work for the Foundation. The Congress shall annually review such laboratories for budget reductions or closure.

Sec. 110. Definitions.

Sec. 111. Rules.

Sec. 112. Separability.

Sec. 113. Additional conforming amendments.

Sec. 114. Effective date.—Ninety days after the date of its enactment, this Act will be effective.

AEROSPACE INDUSTRIES ASSOCIATION,
Washington, DC, June 7, 1992.

Hon. WILLIAM V. ROTH,
U.S. Senate,
Washington, DC.

DEAR BILL: The Aerospace Industries Association (AIA) would like to take this opportunity to commend you on your foresight and diligence in seeking opportunities to promote U.S. competitiveness. Your legislative initiative, which seeks to streamline

and make more effective this nation's research and development programs, is a good starting point for dialogue on the issue of the federal government's role in American competitiveness.

As we face a future of declining federal budgets it is imperative that industry and government work together to strengthen this nation's competitive position in an increasingly thriving global marketplace. Your innovative approach to R&D spending could enhance the taxpayers return on federal R&D expenditures. Instead of a government directed industrial policy, it is imperative that strategic technology plans be developed for and by industry which will allow a stronger voice in the decision making process in terms of resource management.

We sincerely appreciate the effort you have expended on behalf of the future of U.S. industry. If we can be of any further assistance to you or your staff please call upon us.

Sincerely,

DON FUQUA.

THE INSTITUTE OF ELECTRICAL AND ELECTRONIC ENGINEERS, INC.,
Washington, DC, July 14, 1992.

Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate,
Washington, DC.

DEAR SENATOR ROTH: Thank you for the opportunity to comment on your proposed legislation, "Restructuring Federal Activities to Support Competitiveness Act of 1992". The Institute of Electrical and Electronic Engineers—United States Activities (IEEE-USA) Board represents 250,000 electrical engineers, physicists, and managers who work across the U.S. in all fields of technology. We feel that if passed, your bill would help to improve U.S. competitiveness and are happy to give it our general endorsement.

IEEE-USA recognizes America's economic competitiveness to be one of the most important issues facing our members and the nation at large. We believe that America's technical community has consistently made outstanding product innovations. But we are disturbed and perplexed that other nations often commercialize these innovations and reap the economic benefits and the high value-added jobs. Your bill, which would reorient large amounts of government sponsored R&D toward areas needed to develop and support commercial products, is a most needed change in government orientation.

Your bill highlights the existing Federal investment in research and development of $76 billion as a valuable resource that can help U.S. industry become more competitive. Redirecting a portion of this investment to commercially relevant work is immediately necessary to keep the U.S. R&D investment in commercially-relevant work from lagging behind that of foreign competitors. To do this your bill calls for the reprogramming of $5 billion of this investment over 5 years. We strongly endorse this experiment and would, in fact, have endorsed a larger restructuring of Federal R&D spending.

IEEE-USA has long emphasized the need for a stronger federal emphasis on technological competitiveness including a cabinet level voice for technology and manufacturing. Your proposal to reorganize the Department of Commerce and its Technology Administration as an independent American Industry Foundation charged with promoting the competitiveness of U.S. industry is an interesting and imaginative solution. Linking the American Industry Foundation to U.S. industry through the proposed Competitiveness and Commercialization Enterprise further ensures that the Foundation's programs would be relevant to industry needs.

While supportive of these goals, we do have some reservations, however, concerning the feasibility of achieving such a fundamental reorganization in the current political environment. For that reason, we recommend that you consider alternative approaches that can achieve the fundamental goals with a minimum of institutional resistance.

The United States, however, will not really become competitive until we are able to move the products we develop into mass manufacture, competitive in the global market. This demands modern manufacturing methods and equipment. Here we are inhibited by the inability to obtain long-term low cost patient capital from the American investment system. The Council on Competitiveness recently issued a report by the Harvard Business School on this problem, which we commend to you (copy attached). In order to solve this problem, IEEE-USA and the National Center for Manufacturing Sciences (NCMS) are working on a bill to provide a government corporation similar to Fannie Mae, which would encourage the flow of private capital for this purpose. We would appreciate any help you can give us in this area.

We thoroughly agree with your decision to emphasize consortia in your legislation. We believe that the success of such organizations as Sematech and NCMS provide evidence of the value of the consortia approach. In fact, we favor extending the consortia antitrust exceptions to include manufacturing of products since many products require manufacturing facilities beyond the cost that individual companies are able to cover.

Finally, as you know, a number of bills have recently been introduced in Congress on this subject, including H.R. 5229 by Congressman Walker and H.R. 5230/5231 by Congressmen Brown and Valentine. It is our hope that the two parties can get together and produce a compromise bill which will at least get us started on the road back to a competitive economy. We would appreciate any help you can give in this effort.

We deeply appreciate your willingness to step forward and be identified as a leader in this most important effort. IEEE-USA would be pleased to help you in any way we can in this effort which is so badly needed if our country is to prosper in the coming decades.

Sincerely,

ARVID G. LARSON, Ph.D.,
Vice President, Professional Activities and Chairman, United States Activities Board.

COUNCIL ON COMPETITIVENESS,
Washington, DC, June 25, 1992.

Senator WILLIAM V. ROTH, Jr.,
Senate Hart Building,
Washington, DC.

DEAR SENATOR ROTH: Thank you for sending the Council on Competitiveness your new bill on "Restructuring Federal Activities to Support Competitiveness" and soliciting our response. I have read it carefully and am happy to share my thoughts with you. As evidenced in Section 104 of the bill, we share many goals in common. The Council also shares your belief that additional money is not necessary, and that we should reprogram existing funds to focus on commercial technology issues. In addition, we agree with you that we need to strengthen R&D in core technologies that are vital to industrial competitiveness, to establish a strong nationwide technology extension system and to leverage the investment in the federal labs to support competitiveness.

Your bill contains a number of interesting proposals for reorganizing the Federal government, but the Council has not focused enough on this issue to comment on them. There is no question that we will need to realign the Federal apparatus to correspond more closely to the new priorities driving U.S. technology policy. The Council, however, is not yet in a position to give clear advice on specific proposals. For example, the Technology Administration in the Department of Commerce is currently funded at only $5 million and it is not clear that we should replace it with a new organization funded at $1 billion a year, or simply use additional funds to significantly strengthen and expand the existing Technology Administration. Similarly, the proposed Critical Technology Institute will attempt to solicit much of the industry input that we both believe that is so vital to sound public policy.

By Mr. ROCKEFELLER:

S. 3259. A bill to amend the Wild and Scenic Rivers Act for the purpose of determining the eligibility and suitability of designating a segment of the New River as a national wild and scenic river; to the Committee on Energy and Natural Resources.

S. 3260. A bill to modify the boundaries of the New River Gorge National River, the Gauley River National Recreation Area, and the Bluestone National Scenic River in West Virginia.

NEW RIVER IN WEST VIRGINIA

• Mr. ROCKEFELLER. Mr. President, today I am pleased to introduce two bills that share the goal of preserving and protecting natural resources in West Virginia for future generations and enhance West Virginia's growing tourism industry.

I am offering a bill to modify the boundaries of the New River Gorge National River, the Gauley National Recreation Area, and the Bluestone Scenic River. This boundary adjustment will increase resource protection of river headwaters and critical habitat for peregrine falcons, improve recreational opportunities, and assist in the protection of a Civil War battlefield.

This bill will add approximately 12,000 acres to the boundaries of three units of the National Park Service. According to CBO, only 80 acres of land would be purchased by the Federal Government as a result of this legislation. All of the acreage added to the Bluestone and Gauley units is currently owned by West Virginia and would not be acquired or operated by the Federal Government. The largest tract of land, the 7,000 acre Harry E. Ward tract, would be donated to the National Park Service.

The second bill that I am introducing would require a study of the New River within West Virginia and Virginia for the possible designation as a component of the National Wild and Scenic Rivers System and management under the Wild and Scenic Rivers Act. The segment of the New River covered by

this bill extends 19.5 miles from the point in Virginia where U.S. Route 460 crosses the river downstream to the point of maximum summer pool elevation of Bluestone Lake in West Virginia.

Since the establishment of the New River National Gorge River, as a result of legislation introduced by the senior Senator from West Virginia, ROBERT C. BYRD, we have seen increased economic benefits result from an expanding travel and tourism industry. Over 700,000 visitors come to the New River unit each year. To build upon that, along with my colleague in the House, Congressman NICK RAHALL, I introduced the West Virginia National Interest River Conservation Act which designated parts of the Gauley, Meadow, and Bluestone as components of the Wild and Scenic Rivers Act. This bill was signed into law in 1988.

When Governor of West Virginia, and now as chairman of the Subcommittee on Foreign Commerce and Tourism, I have aggressively pursued policies and legislation that will increase tourism in my home State and the Nation. We must be doing something right. Tourism is the only industry that is showing a positive balance of trade. In 1991, there was a $16 billion surplus.

Representatives from the West Virginia Department of Tourism and Marketing just took part in a joint effort with Kentucky and North Carolina to market these States to German tourists. It was a resounding success. When asked what attracted German tourists to the region, the overwhelming response has been the natural resources and soft adventure, such as white water rafting and hiking.

In addition to attracting international tourists, West Virginia has a lot to offer those seeking an outdoor adventure close to home. As a result of improvements in West Virginia's highway system, southern West Virginia is less than 6 hours from the Washington, DC, metro area. In fact, about one-half of the Nation's population is an 8-hour drive from this area.

These bills seek to place portions of the New River under study, and expand the boundaries of the New River Gorge National River, the Gauley Recreation Area and the Bluestone National Scenic Rivers to include land being donated to the Federal Government, Carnifex Ferry Battlefield State Park, and the Pipestem State Park.

The areas covered in this legislation offer canoeing, hiking, fishing, and some of the best white water rafting in the eastern United States. In addition to this soft adventure, the area surrounding these three rivers abounds with examples of West Virginia's coal heritage and Civil War history.

I feel that both the New River study bill and the legislation modifying the boundaries of the New, Gauley, and Bluestone will enable southern West Virginia to continue to grow as a tourist destination. Also, this action will ensure that the natural, recreational, and cultural resources are managed in a manner that will allow for their enjoyment now and by future generations.

Both of these bills have been passed by the House of Representatives. Given the importance of tourism to West Virginia and the Nation, I ask that my colleagues give the legislation that I have introduced today favorable consideration.

Mr. President, I ask unanimous consent that both bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 3259

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 "New River Wild and Scenic Study Act of 1992".

SEC. 2. DESIGNATION OF NEW RIVER AS A STUDY RIVER.

Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(a)) is amended by adding the following new paragraph at the end thereof:

"( ) NEW RIVER, WEST VIRGINIA AND VIRGINIA.—The segment defined by public lands commencing at the U.S. Route 460 bridge over the New River in Virginia to the maximum summer pool elevation (one thousand four hundred and ten feet above mean sea level) of Bluestone Lake in West Virginia; by the Secretary of the Interior. Nothing in this Act shall affect or impair the management of the Bluestone project or the authority of any department, agency or instrumentality of the United States to carry out the project purposes of that project as of the date of enactment of this paragraph. The study of the river segment identified in this paragraph shall be completed and reported on within one year after the date of enactment of this paragraph.".

S. 3260

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

SECTION 1. BOUNDARY MODIFICATIONS.

(a) NEW RIVER GORGE NATIONAL RIVER.—Section 1101 of the National Parks and Recreation Act of 1978 (16 U.S.C. 460m-15) is amended by striking out "NERI-80,023, dated January 1987" and inserting "NERI-80,028, dated January 1992".

(b) GAULEY RIVER NATIONAL RECREATION AREA.—Section 201(b) of West Virginia National Interest River Conservation Act of 1987 (16 U.S.C. 460ww) is amended by striking out "NRA-GR/20,000A and dated July 1987" and inserting "GARI-80,001 and dated January 1992".

(c) BLUESTONE NATIONAL SCENIC RIVER.—Section 3(a)(65) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)(65)) is amended by striking out "WSR-BLU/20,000, and dated January 1987"; and inserting "BLUE-80,003, and dated January 1992".•

By Mr. BIDEN (for himself, Mr. WIRTH, Mr. GORE, Mr. ROCKEFELLER, Mr. LIEBERMAN, and Mr. BINGAMAN):

S. 3261. A bill to promote, as a priority in U.S. trade promotion programs, the export of U.S. goods and services to control or reduce pollution and to clean up existing pollution problems.

ENVIRONMENTAL AID AND TRADE ACT OF 1992

Mr. BIDEN. Mr. President, from the earliest days of Federal environmental legislation some two decades ago, the American political scene has been deluged by dire warning that the effort to curb pollution would carry unbearable costs. Like clockwork, each new proposal for tighter environmental controls has been followed inexorably by a claim that the new proposal, if implemented, would sound a death knell for a particular industry, if not for the American way of life.

Nor have years of experience to the contrary broken this cycle. Time after time, we hear claims:

That cleaning up our Nation's waters will threaten industries and precipitate economic ruin;

That fighting acid rain and urban air pollution will bankrupt our citizens and cause social disruption of unimaginable proportions;

That protecting natural resources means throwing hard-working people out of work;

In sum, that reducing pollution eliminates profits and eliminates jobs.

Mr. President, these claims—no matter how often they are repeated, no matter how persistently they reappear in our public debate—are wrong. They are wrong no matter how frequently they are used for purposes of political expediency, no matter how many times they are used to distort the real challenges and real issues that lie before us.

Most recently and most tragically, these misrepresentations were invoked by President Bush during his landmark trip to the South Summit in Rio—which I refer to as a landmark only because it represents one of the historic lows in the annals of American diplomacy.

Before and during the Rio summit, the President told the American people and the world that he would not be party to any agreement that would cost Americans their jobs. The implication was that a coordinated global effort to protect our planet from water pollution, ozone depletion, tropical forest loss, air pollution, and other threats would be ruinous to the American economy.

The President's message may have been pleasing to the ears of Americans on the political far-right, who instinctively hate—as they have since the days of Woodrow Wilson—all efforts at multilateral cooperation. The President's message may also have pleased certain leaders in American big business, who instinctively hate the imposition of any Government standard, whether it relates to automobile seatbelts, product labeling, or the dumping of toxic waste.

But the President's message was nonetheless little more than the propagation, once again, of a myth—a very dangerous myth.

The truth is that decades of experience with legally mandated environmental protection in our Nation has made it clear that economic progress does not require environmental degradation, that American prosperity does not require rivers that are biologically dead, or waste sites that spontaneously catch fire, or air that burns the eyes, or soils that cannot support life.

What we have found in this country, through a considerable body of experience over the past two decades, is that economic progress and prosperity are not, in the long term, at odds with environmental preservation. Economic progress and prosperity require environmental preservation.

This lesson is true not only for the United States but for the world. Brazil and Costa Rica have found that their forests are worth protecting for practical reasons of long-term development. Poland and Hungary have found that cleaner air makes for good economics. Russia and Thailand have found that clean water will help their countries' future.

Nations around the globe have recognized a fact: that the environment and the economy are linked—not in the way that President Bush asserted, but positively. A thriving economy requires a sound environment.

In defending his lack of leadership in Rio, the President used a profoundly ironic argument. He asserted that the United States should not be criticized for its failure to participate because we are the world leader in environmental protection and already have programs in place or planned that would meet the goals of the Rio meeting.

The multiple ironies of this assertion are best conveyed in three questions:

First, if the United States is already intending to achieve the goals set forth in the Rio treaties, why didn't we sign each of the Rio agreements rather than abdicating leadership? What did our refusal achieve other than a failure to create environmental protection obligations on the part of other nations?

Second, if the United States is the world leader in environmental protection—and if the President is proud of that, as he stated—does that not undermine the President's own contention that environmental protection is a threat to the American economy?

Third, and here lies the great irony, if the United States has attained leadership in the many technologies associated with environmental protection, do we not have a positive economic interest in seeing other nations commit to the use of such technologies? In other words, wouldn't an environmental revolution around the world actually have a sharply accelerating effect on the export of American products and technologies?

Mr. President, the assertion that the United States has a long record of leadership on environmental issues is absolutely correct. Our clean air, clean water, and Superfund laws, to name but a few, are landmarks in enlightened legislation. What the President failed to recognize is that those laws—and the response of the American market economy to those laws—have made many of our Nation's businesses world leaders in environmental pollution control technologies.

As the rest of the world catches up with our environmental standards, American businesses can put to valuable use their leadership and experience in this field.

But this opportunity could easily be lost. Our development of pollution control technologies and practices could become another example of a missed market—unless we realize that global environmental protection can mean more American jobs, not fewer; higher profits, not lower.

By failing to recognize the contradiction in his politically expedient assertion that environmental protection is bad for the economy, the President acted to scuttle an emerging international consensus to respond constructively to global climate change. The result was that rather than protecting the American economy, the President missed an important opportunity to help the American economy, both businesses and workers.

That is why I am introducing today, with Senators WIRTH, GORE, ROCKEFELLER, LIEBERMAN, and BINGAMAN, the Environmental Aid and Trade Act of 1992. This legislation is a first step toward a coherent set of policies and programs that will help American business in a rapidly growing global market in environmental goods and services.

This legislation is one of five legislative initiatives I have recently introduced to underpin an American foreign policy that is truly—not simply rhetorically—directed toward the construction of a new world order. these five pieces of legislation, and the philosophy and impetus behind them, are described in a series of speeches I gave in this Chamber earlier this summer.

The premise of the Environmental Aid and Trade Act of 1992 is that the basic export-promotion tools we need to help American businesses in the global environmental market are already in place, waiting to be focused on this important new objective. What our policy requires now is an understanding that environmental protection represents a tremendous opportunity for American businesses, not a burden: a recognition that jobs and the environment are not in conflict, but rather that global environmental protection can mean more jobs for Americans.

This bill, Mr. President, calls for five changes in the Federal Government: changes that would constitute our first concrete steps in responding to the profound advance in global environmental attitudes—an advance that has created what I would call a new environmental market.

First, within several key Federal agencies, the Environmental Aid and Trade Act mandates the designation of senior officers as coordinators for guiding the export-related programs of those agencies in support of our environmental goods and services industry. These key agencies are the State Department, the Commerce Department, the Export-Import Bank, the Overseas Private Investment Corporation, and the Trade and Development Program. Each of these agencies is equipped in some way to assist American businesses and workers make the most of the export opportunity before us.

Second, our bill would establish American Environmental Business Centers in countries that are major markets for our environmental products. The executive branch has already taken some tentative steps in this direction, but we need far more aggressive action. In this regard, our bill would establish a key competitor program, to improve our awareness of—and reaction to—efforts by other countries to enter and exploit the new environmental market. This preemptive approach will become increasingly important as other nations seek to build on their own experience with environmental protection.

Third, our bill calls for an expansion of the Trade Credit Insurance Program within AID, a program that multiplies the financial resources available for the export of the environmental technologies needed in many developing nations.

Fourth, the Environmental Aid and Trade Act would establish an environmental trade working group within the already-existing interagency body called the Trade Promotion Coordinating Committee. The TPCC was created within the executive branch to harness, into a united effort, the Federal agencies that have roles in promoting American exports. A specific environmental working group within that structure will ensure that these agencies focus particular attention on the potentially lucrative environmental market, at this critical moment when American businesses still hold a competitive edge.

Finally, our bill calls for an early study by OPIC directed toward the creation of a program to ensure companies that invest abroad against the risk of an unexpected reduction by the host government in environmental standards. A company that has invested abroad to produce products designed to meet a host government's environmental standards could conceivably find itself in a catastrophic position if the host government suddenly reduced

or abandoned those environmental standards. This study would analyze whether a foreign government's reduction in environmental standards is an insurable risk like the risk of appropriation of company assets or the risk of deep devaluation of foreign currency—both risks against which OPIC now offers insurance coverage at an appropriate premium.

Mr. President, why should the U.S. Government focus special effort on a particular industry—that is, the cluster of goods and services that relate to the environment? The answer is twofold:

First, global environmental protection is a fundamental U.S. foreign policy interest. Citizens around the world are increasingly concerned about the deteriorating state of their surroundings; they want to reverse that slide for their own good and their children's; and we should recognize that their aspiration is consistent with and supportive of the American national interest. The American people can find neither security nor prosperity in a steadily deteriorating global environment.

That the Bush administration failed, infamously, to pursue this interest at the Earth summit represents a lost opportunity and a delay. But the American national interest remains, and must eventually be pursued through a new and focused policy.

Second, this special effort, though targeted on the environmental market, would serve the interests of American industries beyond those directly assisted by our bill. By now, it is well understood that no nation can expect to build a solid base of economic growth for future generations at the expense of its environment. By strengthening the American environmental industry, this legislative initiative will help our own efforts at environmental protection while building a strong export industry whose success will have a spillover effect on our entire economy.

A recent report on the environmental goods and services industry by the Organization for Economic Cooperation and Development [OECD] underscores the brilliant opportunity now available to American industry. "It is increasingly apparent," the report states, "that goods and services for pollution abatement and environmental protection is also a business opportunity."

That opportunity has in fact become, already, a $200 billion annual market and the projections are for steady growth. The OECD report projects this market to grow at an annual rate of 5.5 percent through the year 2000—to a $300 billion annual market worldwide.

Already, Mr. President, some 800,000 American workers are employed in the production of environmental goods and services. That is 800,000 jobs directly tied to pollution control, environmental protection, and environmental cleanup. Last year, the export of environmental products and services accounted for $4 billion of our Nation's exports. But this could be only the beginning—if we are smart and quick.

Mr. President, the emerging environmental market within the domestic American economy has proven to be highly conducive to success for smaller companies and innovative firms. But as in most industries, the larger American firms, at least thus far, have dominated in export sales because big companies have the resources to overcome the increased risks and greater complexity of the international market. Our bill will help lower those hurdles for all companies, but will be of greatest help to the thousands of smaller American firms that are developing environmental products, technologies, and services.

It is imperative, Mr. President, that we look forward—bringing to bear just a little of what President Bush derides as "the vision thing." As the 1990's unfold, the factors driving the demand for environmental goods and services will be spreading throughout the world. The unprecedented extent of participation in the Rio conference demonstrated that environmental protection is on the agenda of citizens around the globe.

The Rio conference embodied what is described in detail in the OECD report: "a consistent trend toward the application of more stringent standards in all product segments and most geographic regions." The OECD report describes how the global environmental market is being determined by increased "legislative controls related to pollution discharges to air, water, and more recently, land."

Nor do these laws and regulations represent the perverse growth of socialist bureaucracy. As described in a recent editorial in the Economist—hardly a friend of socialism—these new laws and regulations are "essential to make sure that polluters pay the true cost of their dirty deeds."

Even nations not heretofore considered strong on environmental protection are now taking steps to strengthen their pollution standards and enforcement:

In the former Communist world, Poland is rewriting its water and waste management laws. Bulgaria has adopted new environmental protection laws. In Russia, Ukraine, and other former Soviet Republics, the environment has become a top issue those countries must face.

In Latin America, slash-and-burn agriculture is now, for the first time, coming under constraint.

Along the Pacific rim, many of the countries that industrialized so rapidly in the 1960's and 1970's are now starting to deal with environmental problems they had largely ignored heretofore. Indonesia and Thailand have established new environmental agencies. Other countries are taking steps to equip existing environmental agencies with the authority and resources to bring about real improvements.

In all countries, environmental standards are moving forward, not being rolled back.

These developments will create buyers for American environmental products and services. To illustrate, only 5 percent of Malaysia's urban population has access to sewers and central treatment plants. In Manila, the largest city in the Philippines, only 15 percent of its residents are served by a sewer system. As those governments establish the laws and regulations to clean up their waterways and improve living conditions for their citizens, they will be looking to build dozens of water treatment plants and systems. These systems embody technologies with which American businesses have decades of design, construction, and operational experience.

Air pollution problems from Krakow to Seoul, and industrial waste problems from Basel to Taipei, are bringing similar demand forces to bear in those market sectors.

Mr. President, in the simplest and starkest terms—in terms of naked American self-interest—these developments represent potential sales of American businesses and jobs for American workers, if we give them to tools to crack those markets. That is precisely what the Environmental Aid and Trade Act aims to do.

As stated in the OECD report,

> Governments which view the environment industry in strategic terms and provide appropriate supports may be better placed to realize the ecological and economic benefits of a competitive environment sector.

Mr. President, let us make no mistake: there is urgency in this task for economic as well as environmental reasons. Our competitors in the global market are developing just such strategic plans to make the most of market openings:

Canada has begun an Environmental Industries Sector Initiative directed precisely at supporting that country's environmental industry in the world market.

Germany is providing research and development grants to help make its environmental industry a major player in the world market.

Japan has established a new research and development center to support its environmental businesses, and developed a technology development program to help bring innovative technologies to the world market.

These countries, Mr. President, have recognized the environmental changes sweeping the world. America must act on that recognition as well.

For over two decades, opponents of environmental protection have tried to fend off responsible action by rolling out the threat of job losses. But our do-

mestic experience shows there need be no conflict between environmental protection and the overall prosperity of the American economy. Unfortunately, in Rio we saw the President reintroduce, on the international scene, the false notion that environmental protection is the enemy of economic prosperity. This was particularly perverse—in that the global environmental market now represents a potential path to increased American prosperity.

We simply cannot afford the delay of a mismanaged, underled effort at global environmental protection. The United States and other nations cannot afford further delay for environmental reasons. And American business and workers cannot afford further delay for economic reasons.

America must take the lead—in global environmental protection and in the global environmental market.

I ask unanimous consent that a copy of the Environmental Aid and Trade Act of 1992, and that two articles that address the issue of environmental exports, be printed in the RECORD.

I urge my colleagues to join us in supporting both American jobs and protection of the global environment by cosponsoring this legislation.

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

S. 3261

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 "Environmental Aid and Trade Act of 1992".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the United States has long been a leader in environmental protection;

(2) companies in the United States are world leaders in the development and production of technologies, manufacturing processes, products, and services to control or reduce pollution and to clean up existing pollution problems;

(3) nations around the world are recognizing the importance of protecting their environment and natural resources, both for the long-term sustainability of their own economic development and for the protection of the earth's environment generally;

(4) as improved environmental standards are developed and implemented in more nations, additional markets will open for Americans firms with technologies, manufacturing processes, products, and services that they developed to meet environmental standards in the United States;

(5) the current global market for environmental products is estimated to be greater than $300,000,000,000 annually and is projected to $400,000,000,000 by the year 2000;

(6) American firms can be in the forefront of that market, but will have to be prepared for aggressive competition from firms in other countries;

(7) the role of the Federal Government is to assist American firms in the export of technologies, manufacturing processes, products, and services that will help protect the environment and natural resources around the globe; and

(8) the Federal Government's assistance can be built on a range of existing export promotion and financing programs and international environmental programs, and such assistance will be made more effective through better coordination of such programs and through the establishment of innovative efforts that reflect the unique conditions of the environmental goods and services market.

SEC. 3. ENVIRONMENTAL TRADE MANDATES FOR FEDERAL PROGRAMS.

(a) DEPARTMENT OF STATE.—The Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102-138, 105 Stat. 647), is amended by inserting after section 198 the following new section:

"SEC. 199. ENVIRONMENTAL TRADE PROMOTION.

"(a) POLICY.—It is the policy of the United States to foster the export of United States goods and services to control or reduce pollution and to clean up existing pollution problems. In exercising the powers and functions of the Department of State, the Secretary of State, shall give special emphasis to the development of strong environmental standards and regulations in countries around the world and to the support of sales of environmental goods and services.

"(b) DESIGNATION OF LIAISON.—To facilitate the emphasis referred to in subsection (a), the Secretary of State shall designate a senior official of the Department of State who shall—

"(1) advise the Secretary and other employees of the Department on—

"(A) efforts to strengthen environmental standards and regulations; and

"(B) ways of promoting the export of United States goods and services to be used in the control or reduction of pollution and in the clean up of existing pollution problems; and

"(2) serve as a liaison between the Department and other agencies which are members of the Environmental Trade Working Group of the Trade Promotion Coordination Committee.".

(b) AGENCY FOR INTERNATIONAL DEVELOPMENT.—The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by inserting after section 225 the following new section:

"SEC. 226. TRADE CREDIT INSURANCE PROGRAM FOR ENVIRONMENTAL GOODS AND SERVICES.

"(a)(1) It is the policy of the United States—

"(A) to develop and strengthen the capacity of developing countries to protect and manage their environment and natural resources; and

"(B) to foster the export of United States goods and services to control or reduce pollution and to clean up existing pollution problems.

"(2) To help promote the policies referred to in paragraph (1) and to coordinate between them, the Administrator of the agency primarily responsible for carrying out this part of this Act shall designate a senior official of the Agency who shall—

"(A) advise the Administrator and other employees of the Agency on ways of incorporating the export of United States goods and services into development projects for the control or reduction of pollution and the clean up of existing pollution problems;

"(B) manage the Trade Credit Insurance Program for Environmental Goods and Services; and

"(C) serve as a liaison between the Agency and the Export-Import Bank of the United States and other agencies which are members of the Environmental Trade Working Group of the Trade Promotion Coordination Committee.

"(b) To develop and strengthen the capacity of developing countries to protect and manage their environment and natural resources while fostering the export of United States goods and services to control or reduce pollution and to clean up existing pollution problems in developing countries, the President is authorized to provide guarantees to the Export-Import Bank of the United States (hereafter referred to as the 'Bank'), in order to satisfy the requirement of section 2(b)(1)(B) of the Export-Import Bank Act of 1945 that the Bank have reasonable assurance of repayment, for liabilities incurred by the Bank in connection with guarantees or insurance provided for the financing of the export of environmental goods and services to public or private purchasers in developing countries which the Bank determines would not otherwise provide reasonable assurance of repayment.

"(c)(1) Guarantees or insurance extended by the Bank and guaranteed pursuant to subsection (b) shall be provided by the Bank in accordance with criteria and procedures agreed to by the Administrator and the Bank.

"(2) The agreement referred to in paragraph (1) shall also provide for the establishment of a reserve fund by the Agency, with such funds made available to the reserve as the Administrator deems necessary to discharge liabilities under guarantees provided pursuant to subsection (b).

"(3) Such amounts of the funds made available to carry out this Act as the President determines are necessary may be made available to discharge liabilities under guarantees entered into pursuant to subsection (b). To the extent that any of such funds are paid out for a claim arising out of liabilities guaranteed pursuant to subsection (b), amounts received after the date of such payment, with respect to such claim, shall be credited to the reserve fund established pursuant to paragraph (2), shall be merged with the funds in such reserve, and shall be available for the purpose of payments by the Agency to the Bank for guarantees pursuant to subsection (b).

"(d) The authority to issue guarantees pursuant to subsection (b) may be exercised only to such extent or in such amounts as are provided in advance for environment and energy activities in appropriations Acts.

"(e) The aggregate amount of outstanding commitments pursuant to subsection (b) may not exceed $5,000,000,000 of contingent liability for loan principal during any fiscal year.

"(f) The Bank shall provide, without reimbursement, such administrative and technical assistance to the Agency as the Bank and the Administrator determine appropriate to assist the Agency in carrying out this section.

"(g) The Bank is authorized to charge fees and premiums in connection with guarantees or insurance guaranteed by the Agency pursuant to subsection (b) that the Bank determines would cover the Bank's administrative cost and the risk covered by the Agency's guarantees. Any amounts received by the Bank in excess of the estimated costs incurred by the Bank in administering such guarantees or insurance shall be credited to the reserve fund established pursuant to subsection (b), shall be merged with the funds in such reserve, and shall be available for the purpose of payments by the Agency to the Bank for guarantees pursuant to subsection (b).

"(h) Not later than February 1 of each year, the Administrator and the Bank shall prepare and transmit to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives a report on the guarantees and insurance provided by the Bank and guaranteed pursuant to subsection (b) which were extended or were outstanding during the preceding fiscal year.".

(c) OVERSEAS PRIVATE INVESTMENT CORPORATION.—The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended—

(1) in paragraph (2) of section 231 (22 U.S.C. 2191(2)), by inserting "to investment projects that foster the export of United States goods and services to control or reduce pollution and to clean up existing pollution problems and" after "give preferential consideration"; and

(2) by adding at the end of section 233 the following new subsection:

"(e) The Corporation shall designate an officer of the Corporation to facilitate the Corporation's preferential consideration to investment projects that foster the export of United States goods and services to control or reduce pollution and to clean up existing pollution problems. Such officer shall—

"(1) advise the President and other officers of the Corporation on ways of promoting the export of United States goods and services to be used in the control or reduction of pollution and the clean up of existing pollution problems;

"(2) gather information concerning export opportunities for environmental goods and services;

"(3) disseminate to United States producers such information and information on the availability of Corporation support for such activities; and

"(4) serve as a liaison between the Corporation and other agencies which are members of the Environmental Trade Working Group of the Trade Promotion Coordination Committee.".

(d) REPORT.—

(1) SUBMISSION DATE.—Not later than 1 year after the date of enactment of this Act, the Overseas Private Investment Corporation (hereafter referred to as the "Corporation") shall submit a report to the President and to the Congress on the feasibility of an insurance program to protect eligible United States investors from the political risk associated with reductions by a foreign government in its environmental standards, regulations, and laws.

(2) CONTENTS.—The report shall include an assessment of—

(A) the impact that reductions in environmental laws and regulations could have on United States investments eligible for insurance by the Corporation;

(B) the need for United States companies to be insured against the financial cost of such reductions in environmental laws or standards, if any;

(C) the possible structure of such an insurance program, if needed;

(D) the estimated costs to businesses of such a program, and an assessment of its effect on the operations of the Corporation; and

(E) other insurance or financial activities that the Corporation could undertake to promote the export of United States environmental goods and services.

(e) TRADE AND DEVELOPMENT PROGRAM.—Section 661(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2351(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2)(A) It is the policy of the United States to foster the export of United States goods and services to control or reduce pollution and to clean up existing pollution problems. In exercising its powers and functions, the Trade and Development Program shall give special emphasis to the support of sales of environmental technologies, goods and services.

"(B) To facilitate the emphasis referred to in subparagraph (A), the Director of the Trade and Development Program shall designate an employee of the Program, who shall—

"(i) advise the Director and other employees of the Program on ways of promoting the export of United States goods and services to be used in the control or reduction of pollution and the clean up of existing pollution problems;

"(ii) gather information concerning export opportunities in multilateral and bilateral development projects for environmental goods and services;

"(iii) disseminate such information to United States producers and information on the availability of Trade and Development Program support for such activities; and

"(iv) serve as a liaison between the Program and other agencies that are members of the Environmental Trade Working Group of the Trade Promotion Coordination Committee.".

(f) THE DEPARTMENT OF COMMERCE.—The Export Enhancement Act of 1988 (15 U.S.C. 4721 et seq.) is amended by adding at the end the following new section:

"SEC. 2312. ENVIRONMENTAL TRADE PROMOTION.

"(a) POLICY.—It is the policy of the United States to foster the export of United States goods and services to control or reduce pollution and to clean up existing pollution problems.

"(b) SUPPORT OF SALES OF ENVIRONMENTAL GOODS AND SERVICES.—In exercising the powers and functions of the office of the Secretary of Commerce (hereafter referred to as the 'Secretary'), the Secretary shall place special emphasis on the support of sales of environmental goods and services.

"(c) DESIGNATION OF CHAIRPERSON.—To facilitate this emphasis, the Secretary shall designate a senior employee of the Department of Commerce as the chairperson of the Environmental Trade Working Group of the Trade Promotion Coordination Committee, as established under section 201(f) of the Export Enhancement Act of 1992. The duties of the chairperson shall include—

"(1) advising the Secretary and other employees of the Department of Commerce on ways of promoting the export of United States goods and services to be used in the control or reduction of pollution and the clean up of existing pollution problems; and

"(2) serving as a liaison between the Department of Commerce and other agencies that are members of the Environmental Trade Working Group of the Trade Promotion Coordination Committee.

"(d) SURVEYS AND OTHER INFORMATION.—To support the work of the Environmental Trade Working Group of the Trade Promotion Coordination Committee, the Secretary shall prepare, update on a regular basis, and make available to United States providers of environmental goods and services—

"(1) surveys of the existing markets and emerging market trends in developed countries for environmental goods and services;

"(2) surveys of the existing markets and emerging market trends in developing countries for environmental goods and services; and

"(3) a description of the export promotion programs for environmental goods and services of the members of the Environmental Trade Working Group of the Trade Promotion Coordination Committee.

"(e) KEY COMPETITOR PROGRAM.—

"(1) AUTHORIZATION.—The Secretary is authorized to establish the position of Environmental Competitor Program Officer in United States embassies in countries whose companies are determined to be important competitors for United States exports of environmental goods and services.

"(2) DUTIES.—The Environmental Competitor Program Officer shall—

"(A) assess the government assistance provided to producers of environmental goods and services in such countries for the purpose of determining the effect of such assistance on the competitiveness of United States products;

"(B) determine whether comparable United States assistance exists; and

"(C) make recommendations for additional United States assistance if such competitor assistance is determined to have a material effect on the competitiveness of United States companies in the international market.

"(f) ENVIRONMENTAL BUSINESS CENTERS.—

"(1) AUTHORIZATION.—The Secretary is authorized to establish environmental business centers in countries or regions that offer promising market possibilities for the exports of United States environmental goods and services. Such centers may be established in existing United States business centers in Eastern Europe and the independent states of the former Soviet Union or in existing United States regional trade centers.

"(2) PURPOSE.—The environmental business centers shall provide export promotion assistance to United States companies, including—

"(A) business services, including translators, secretarial services, communication services, and office space, to assist United States companies seeking export markets;

"(B) information on environmental standards and regulations in the country or region for which the office is responsible;

"(C) information on public and private sector entities that are in the country or region for which the office is responsible and that are potential customers for United States environmental goods and services;

"(D) information on technical and financial assistance available from various United States Government departments and agencies for the promotion of exports of United States environmental goods and services; and

"(E) support for trade delegations and trade shows assembled to establish and develop contracts between United States producers of environmental goods and services and their potential overseas customers.

"(3) FEES.—The environmental business centers established under this subsection are authorized to charge such fees as may be necessary to recover the cost of the business services authorized in paragraph (2)(A).".

(g) EXPORT-IMPORT BANK OF THE UNITED STATES.—Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended—

(1) by redesignating subparagraphs (C) through (G) as subparagraphs (D) through (H), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C)(i) It is the policy of the United States to foster the export of United States goods and services to control or reduce pollution and to clean up existing pollution problems. In exercising the powers and functions of the Bank, the Bank shall encourage the export of goods and services that have beneficial effects on the environment or mitigate potential adverse environmental effects. The Board of Directors shall name an officer of the Bank to advise the Board on ways that the Bank's programs can be used to support the export of such goods and services. The officer shall also act as a liaison between the Bank and the Agency for International Development and other departments and agencies which are members of the Environmental Trade Working Group of the Trade Promotion Coordination Committee.

"(ii) To support the policy set forth in clause (i), the Bank shall seek to maximize the aggregate loan, guarantee, and insurance authority available to it in any fiscal year to finance exports of environmental goods and services.".

SEC. 4. ENVIRONMENTAL TRADE WORKING GROUP OF THE TRADE PROMOTION COORDINATION COMMITTEE.

(a) ESTABLISHMENT AND PURPOSE.—The President shall establish the Environmental Trade Promotion Working Group (hereafter referred to as the "Working Group") as a subcommittee of the Trade Promotion Coordination Committee. The purpose of the Working Group shall be to address all issues with respect to the export promotion and export financing of United States goods and services to control or reduce pollution and to clean up existing pollution problems.

(b) MEMBERSHIP.—The members of the Working Group shall include 1 representative of each of the departments and agencies represented on the Trade Promotion Coordination Committee and 1 representative of the Environmental Protection Agency.

(c) CHAIRPERSON.—The Secretary of Commerce shall designate a chairperson of the Working Group from among senior employees of the Department of Commerce. In addition to the duties assigned to the chairperson under section 2312 of the Export Enhancement Act of 1988 (as added by section 3(f)), the chairperson shall—

(1) assess the effectiveness of United States Government programs for the promotion of exports of environmental goods and services;

(2) recommend improvements to such programs, including regulatory changes or additional authorities that may be necessary to improve the promotion of exports of environmental goods and services;

(3) ensure that the members of the Working Group coordinate their environmental trade promotion programs, including feasibility studies, technical assistance, business information services, and export financing; and

(4) assess, jointly with the Working Group representative of the Environmental Protection Agency, the extent to which the environmental trade promotion programs of the Working Group advance the environmental goals established in Agenda 21 by the United Nations Conference on Environment and Development at Rio de Janeiro and in other international environmental agreements.

(d) REPORT TO CONGRESS.—The chairperson of the Trade Promotion Coordination Committee shall include a report on the activities of the Environmental Trade Working Group as a part of the chairperson's annual report to the Congress on the activities of the Trade Promotion Coordination Committee.

SEC. 5. DEFINITIONS.

For purposes of this Act—

(1) the term "environmental technologies, goods, and services" means—

(A) products to control or reduce pollution and to remediate or manage existing pollution problems; and

(B) technologies, products, and processes (often referred to as "clean technologies") which minimize waste, conserve raw materials and energy, and reduce emissions and pollutants;

(2) the term "Agency" means the Agency for International Development;

(3) the term "Administrator" means the Administrator of the Agency for International Development; and

(4) the term "Bank" means the Export-Import Bank of the United States.

EC RUSHING TO CLEAN UP ENVIRONMENT

(By Patrick Oster)

BRUSSELS.—Earlier this year, a large chemical company in northern Europe contacted Pall Corp. of East Hills, N.Y., a leading maker of emissions filters.

The chemical company, which asked not to be identified, was discharging heavy metals into the atmosphere through its plastics manufacturing process. With the 12-nation European Community about to pass a new hazardous waste law regulating such metals, it wanted Pall to come up with a filter that would enable the chemical company's emissions to comply with the regulations.

"Our filters cost more, but. . . We've been doing this for some time now and have an edge in design know-how," said Adrian Fox, senior vice president for marketing for Pall's European operations, explaining why the European firm turned to a U.S. company to comply with a European law.

A handful of European countries have had strict environmental controls for years, but now similar calls are being made to experienced U.S. environmental firms by European companies that face a spate of recently enacted environmental laws and a growing list of pending ones.

After 20 years of dithering, the EC is suddenly passing environmental legislation with a frenzy, and American companies, which have been responding to similar U.S. laws for two decades, are well positioned to take advantage of the opportunity.

At stake is a market for environmental services that is expected to triple to $171 billion in Western Europe alone by the year 2000. The enormous environmental calamity left behind by communist regimes to the east will only add to this market.

Missing from this competition, so far, are Japanese companies, which have had three decades of experience in cleaning up their own country and lead the United States in a number of environmental technologies. How long they will remain out of the European market remains unclear.

Arvin Industries Inc. of Columbus, Ind., a leading maker of catalytic converters, is already grabbing a chunk of the market for environmental products and services. The new, EC-wide rules will force automakers early next year to install catalytic converters on all new cars to comply with U.S.-style emissions limits. The converters were required in the United States in 1975.

That means about 10 million converters will be needed. Analysts estimate Arvin will sell $400 million worth and either it or Tenneco Inc., another U.S. catalytic-converter maker, should emerge as market leader in a close European race.

Arvin, with $1.7 billion in worldwide sales, sold $450 million worth of mufflers, manifolds and some catalytic converters in Europe last year. To boost converter sales further, it recently acquired European automotive parts companies with factories in Britain and the Netherlands. Its 1993 customer list already includes France's Renault, Ford-Europe and Suzuki Motor Co.'s and Toyota Motor Corp.'s European operations.

Arvin spokesman John Brown offered an explanation: "If you were starting a new model with a catalytic converter, you might look to someone who has supplied large quantities to other major car manufacturers rather than experience all the potential start-up problems with someone who has never made the device before."

Just how long Arvin and other U.S. companies will have limited competition remains unclear.

In some European countries, such as Germany, Denmark, Switzerland and the Netherlands, environmental laws already match U.S. regulations, and local environmental companies, such as Switzerland's ABB Asea Brown Boveri AG, will be competitors for the new Europe-wide market. Most of these companies are based in northern Europe and the biggest markets will be in southern Europe, where some areas don't even have drinkable water and few local environmental champions exist. In these areas, seasoned U.S. firms, such as Waste Management Inc. And Browning-Ferris Industries, are expected to do extremely well.

The new Europe-wide environmental laws are partly a response to the growing importance of "green issues" in European politics, themselves a response to environmental conditions that have gotten so bad that the EC can't afford to wait any longer. Such laws also are sailing through because a recent EC court decision now allows a simpler approval process.

"U.S. environmental legislation is about 5 to 10 years ahead of EC legislation, especially in the enforcement area," said David Owen, head of research for Ecofin, a London-based environmental financial services firm. "There's quite a lot of pious talk here, but many laws are just lying around."

As a prime example of EC shortcomings, Owen noted that the Community has no enforcement agency to match the U.S. Environmental Protection Agency. The EC did approve an environmental agency in 1990 to collect data, but squabbling member countries so far have been unable to pick a headquarters city for the agency, which isn't functioning.

"American firms have benefited from being exposed to a more robust enforcement regime," said Owen. "They understand about liability. Europe is still naive about it."

Helping European firms cope with existing and proposed waste legislation is expected to provide the largest revenue for U.S. firms, especially those laws likely to create liabilities regarding cross-border transportation, incineration and disposal of hazardous wastes.

But European managers and city officials also will need help with EC laws that:

Will require, beginning June 30, 1993, that all municipal waste water be subjected to at least secondary treatment. Currently, the EC sets only quality standards for bathing and drinking water, which several Community countries ignore.

Commit the EC to reduce carbon dioxide emissions by 2000, partly through energy efficiency rules and tax incentives expected to encourage purchases of insulation, heating controls and other efficiency products.

Also in the works are EC proposals to:

Create a blueprint for overall control of air, water, waste, soil, noise and dust pollution caused by "dirty" industries including chemical, energy, metals, cement, asbestos, waste-disposal and paper and pulp companies. The system would operate along the permit system now used by the EPA.

Introduce voluntary environmental audits for other companies. Audits would be made public, creating pressure on nonparticipating companies to volunteer, and would be subject to periodic review by EC auditors.

Require that 60 percent of the 50 million tons of packaging produced annually in the EC be recovered for recycling or for incineration for energy. The eventual goal is 90 percent recovery. A stricter German law went into force last year.

Impose strict liability on landfill operators for adverse environmental effects from their operations, as well as require tougher technical standards for incinerators.

To position themselves to benefit from these changes, U.S. companies such as Waste Management and Browning-Ferris also have acquired local firms. Waste Management hopes such local contacts will help it win contracts for municipal waste-water treatment plants in cities such as Brussels, whose current treatment system is to dump its raw sewage into its waterways.

These city plants projects "will be mostly political decisions," said Ecofin's Owen. "You'll need local contacts."

In facing European competition, big U.S. firms will benefit from lower manufacturing and capital costs, said Brett Maxwell of First Analysis Corp., a Chicago firm that is raising venture capital to invest in smaller, privately held U.S. environmental firms.

Alameda Industries of Pleasanton, Calif., for example, has been negotiating with semiconductor manufacturers such as Philips Electronics NV of the Netherlands and Germany's Siemens AG to sell a reprocessing system to deal with used sulfuric acid, a hazardous byproduct of silicon-chip manufacturing. Alameda says its process lets chipmakers use the sulfuric acid again and eliminates a waste that used to be trucked away.

Aqua-Aerobics Systems, Inc. of Rockford, Ill., with some European sales already, hopes current and pending EC water-pollution legislation will boost its $21 million in sales last year of a cutting-edge tertiary filtration system.

Aspen Technology of Cambridge, Mass., is having success selling its new computer simulation technology to firms such as Germany's BASF AG and France's Rhone-Poulenc Rorer Inc. The technology lets companies see how environmental solutions would work without having to build a costly pilot project.

And wherever manufacturers go, consultants usually are not too far behind.

Environmental Resources Management Group of Exton, Pa., is trying to sell its services to help European firms through the intricacies of EC laws just the way they do with U.S. firms baffled by EPA regulations.

ENVIRONMENTAL EQUIPMENT SECTOR SET TO SURGE

(By John Zarocostas)

GENEVA.—The global market for pollution-reducing equipment and services will grow 5% to 6% a year and reach $300 billion annually by the year 2000, the Paris-based Organization for Economic Cooperation and Development estimated.

This growth will come mainly from consulting services, water and effluents treatment, waste management and air quality control, the OECD said in a report.

Spending on pollution-control technologies accounts for about 1.2% to 1.5% of the output of goods and services in most industrialized economies, which account for more than 80% of the world market.

It said more than 30,000 firms in North America, 20,000 companies in Europe and 9,000 in Japan are involved in the environment business, with a total work force of more than 1.7 million.

The report estimated that more than 40% of German pollution know-how and production is destined for markets abroad, while in the United States 10% of environmental products are exported. The United States is also a major importer of pollution technologies from Europe and Japan.

The study said most advanced markets and technologies have developed in countries where government regulations are strict.

The cost burden on environmental devices is evenly spread between the business and government sectors in most industrialized nations.

Green technologies now account for about 2% to 4% of total manufacturing investment in most rich nations.

The level of expenditure for environmental research and technology by OECD countries averages about 2% of total government outlays for research and development.

The biggest share of government R&D for environmental purposes is in the Netherlands. The Dutch spend 3.8% of total R&D on environmental projects, followed by Germany with 3.4% and Denmark with 3%. The United States is at the bottom of the list among major Western nations with only 0.5% of total R&D.

"These levels of R&D are very low and completely inadequate to meet requirements," said Gordon Mudge of the International Academy of the Environment.

He said little is still being spent on training to help build up technical expertise in many areas.

The OECD said firms in different countries are carving out niches in the market. The Germans are strong on water treatment, the Japanese adept at producing air pollution control measures, and the United States leading in the treatment and cleanup of hazardous wastes.

Mr. WIRTH. Mr. President, I am pleased to join Senators BIDEN, GORE, ROCKEFELLER, LIEBERMAN, BINGAMAN, and LEAHY today in introducing the Environmental Aid and Trade Act of 1992.

Over the last several months, Americans have been fed a constant diet of political rhetoric from the Bush White House about the false choice that supposedly must be made between jobs and the environment. This myth has been reinforced by inaction at the Rio summit, foot-dragging on the Clean Air Act—and a host of other efforts aimed at sending the message that environmentalism costs jobs. Just last week, George Bush again propagated this cynical and short-sighted message by attacking the Endangered Species Act as an assault on American jobs.

FROM RED MENACE TO GREEN MARATHON

The false choice of jobs versus the environment is not only wrong, it is harmful to American interests. The world is changing and changing rapidly, and the Bush administration is unwilling or incapable of leading this change. They just don't get it.

The Rio Earth summit was a historic watershed, marking the end of the cold war and the beginning of a new international order. Regrettably, the Bush administration was purposely "absent at the creation" of this new world, a lone dissenting voice among the industrialized democracies.

This abdication of leadership at Rio was doubly harmful: the world looked to America to lead and we failed in this first challenge of the new world order, and in so doing we undercut an enormous economic opportunity for the United States in the growing global market for green goods.

The Bush-Quayle administration has failed to see that environment and economics are positively linked—and will become increasingly so. The road from Rio is the beginning of a new competition for survival and well-being that America is superbly positioned to lead and to win. Rather than embracing this opportunity, the Bush White House runs away, rehearsing tired arguments about jobs versus the environment.

This "old think" appeals to special interests, but corrodes national purpose. It reinforces the status quo—correctly defined by Jack Kemp as "Latin for the mess we are in"—and ignores the opportunities for change.

Mr. President, Americans have built a great record of leadership and achievement on environmental issues—a record we are now squandering. We celebrated Earth Day over 20 years ago, and in the ensuing two decades put in place the most comprehensive set of environmental practices of any nation on Earth. We have been world innovators in environmental technology.

Today, environmental awareness is spreading across the globe as economies mature, populations proliferate, and threats to the ecosystem become more apparent. This translates into growing environmental markets for American technologies, goods, and services in the 1990's and beyond.

Bill Clinton understands this connection. Speaking at Drexel University on April 22, Governor Clinton stated:

> You can't have a healthy economy without a healthy environment, and you don't have to sacrifice environmental protection to get economic growth. Our competitors know that you can't have one without the other.

Our global competitors know it, Mr. President, and so should we.

To earn the payback on our environmental investment, we must develop a coordinated, aggressive program to export American-made technology that will promote clean development. Environmental policies can work to make America more competitive and generate more jobs—if we have the vision and the leadership to promote American environmental exports and en-

courage greater efficiency in U.S. industry.

ENVIRONMENTAL PROTECTION HELPS CREATE JOBS AT HOME

Today, nearly 70,000 businesses are engaged in environmental protection, recycling, and energy conservation in the United States, employing over 2 million Americans. This $130 billion environmental sector represents over 2 percent of GNP. By the end of this decade, environment and defense spending will represent equivalent shares of the GNP—approximately 3 percent. This is big business, and—unlike defense—it is growing. Jobs versus the environment?

The $130 billion spent in 1991 on pollution abatement and control generated $270 billion in total industry sales, $22 billion in corporate profits, and $76 billion in Federal, State, and local revenues. Total jobs dependent upon the environment sector, using standard multiplier effect analysis used by the Defense Department, is over 3.5 million. Jobs versus the environment?

Environmental business has been growing six times as fast as the overall U.S. economy. During the recession year of 1991, America's 40 largest environmental firms reported an average payroll increase of nearly 9 percent. Jobs versus the environment?

ENVIRONMENTAL PROTECTION IMPROVES COMPETITIVENESS

Pollution is another word for waste. The more efficient industry is, the less waste it generates, the less it pollutes, the more profitable it is. Greater energy efficiency and more efficient production technologies can keep costs down, save jobs and help our environment.

Many large U.S. corporations—Cummins Engines, 3M, Polaroid, Monsanto—are profiting from their environmental leadership. Smart CEO's know that they must become more efficient to stay competitive, simple truth that has escaped the attention of QUAYLE'S Competitiveness Council. A recent survey of the chemical industry found that each dollar invested to reduce toxic waste resulted in new savings of $3.50. Jobs versus the environment?

The best evidence that tough environmental standards do not hamper competitiveness is the fact that the most successful economies have the toughest environmental standards, an argument detailed by Michael Porter in his book "Competitive Advantage of Nations." Germany and Japan currently require far more recycling than the United States achieves. Germany was among the first to commit to CO_2 reductions of 25 percent by the year 2005.

If the United States were as energy-efficient as Japan, we would save over $200 billion annually—money that could be used to save jobs and reinvest in America. Japan uses roughly half the energy that we do for the same domestic output, making them less polluting and more competitive. Jobs versus the environment?

German workers are paid on average $6.70 more per hour in wages and benefits than their American counterparts and yet continue to produce competitively priced products on the world market. Why? Because they use resources more efficiently that we do—and pollute less. Jobs versus the environment?

Our economic competitors recognize that the $3 trillion market in the 1990's for environmentally sound products are technologies is a real opportunity and are preparing for that race. We should be too.

The current global market for environmental goods and services totals nearly $300 billion. OECD estimates that this market will grow at 5.5 percent throughout the 1990's—an enormous economic opportunity.

Japan has already created a government-industry plan to produce environmentally sound technology for the future. Funded at $1 billion, this MITI-backed project, New Earth 21, is aimed to assure that environmental technologies will be to Japan's future what consumer electronics and efficient autos have been to its past. And Tokyo's generous offer of $8 billion in international environmental aid—twice the United States level—is aimed at one thing: business. Jobs versus the environment?

A top Japanese executive recently told Business Week magazine "In the future, access to international markets will depend on who has the most environmentally sound technologies. If U.S. companies don't move aggressively, we will see the same conflict in environmental technology that we see today between GM and Honda." Jobs versus the environment?

We are already beginning to lose our leadership position in environmental products. Today we export some $8 billion annually in environmental goods and services. Germany exports $11 billion, making it the world leader in green exports.

America pioneered solar energy development, but Japan and Germany now have 70 percent of the global market. Today over 70 percent of America's clean air technology is imported from overseas, mainly from Germany. Jobs versus the environment?

NEED FOR NEW LEADERSHIP

Where is the Bush administration in the face of this enormous challenge? Nowhere. This administration has turned its back on our own national self-interest in order to score stale ideological points with the right-wing of the Republican Party and to curry favor with business executives focussed on their next quarterly report.

Mr. Bush in his speech to the Detroit Economic Club on September 10 correctly stated that:

America will only grow in the next century if we can compete globally in every part of the world. So we must seize every opportunity to open new markets, particularly those with the greatest potential for expansion.

The President is beginning to get the rhetoric right, but when it comes to action, he is still all nouns and no verbs. Mr. Bush claims that we must play to our strengths, then turns his back on one of the fastest growing markets in the 1990's.

The record is clear: Reagan-Bush-Quayle have failed to capitalize on the huge U.S. environmental market as a spur to innovation and export potential for American industry. The conclusion is equally clear: We cannot afford to stand idly by while our economic competitors again use American innovation to beat our brains out in global markets. We cannot afford further drift and lack of leadership.

We must translate the environmental activism of the 1960's and 1970's into export opportunities of the 1990's. As the early leader in the environmental movement, we have already made enormous investments in clean air, clean water, and clean soil. We need to cash in on those investments now.

The legislation we are introducing today would put the full force of the U.S. Government behind a concerted effort to promote, nurture, and sustain U.S. exports of environmental goods and services. This bill would:

Require the State Department, the Agency for International Development, the Overseas Private Investment Corporation, the Trade and Development Program, the Commerce Department, and the Export-Import Bank to give special emphasis to promoting the exports of environmental goods and services.

Require each agency to appoint a senior official to serve as that agency's lead on environmental exports and its liaison with other agencies on export promotion programs.

Direct the Export-Import Bank to maximize its loan, guaranty and insurance authority in support of the export of American environmental goods and services.

Establish a trade credit insurance program in AID for the guarantee of Export-Import Bank financing of environmental exports to developing countries.

Require the Department of Commerce to prepare market surveys of exports markets for environmental exports and to make the surveys as well as information on Federal export promotion programs available to U.S. producers of environmental goods and services.

Authorize the creation of environmental business centers in existing American business centers and at United States and foreign commercial service sites.

Establish an environmental trade working group as a statutory sub-

committee of the Trade Promotion Coordination Committee, and requires the chairperson of the board to assess the effectiveness of Federal export promotion programs, to recommend improvements, to ensure that the programs of the several Federal agencies are coordinated, and to assess the extent to which these programs advance the goals established by international environmental agreements.

This legislation is a start. It is commonsense policy that the Bush-Quayle administration has lacked the vision to propose, much less implement. By better use of existing resources and programs, we can dramatically expand our share of this growing market—doing good for the environment and creating American jobs.

Let me assure my colleagues that this legislation is not intended to open up export markets for green goods at the expense of other U.S. exports. It is our hope that a focussed effort on U.S. environmental exports will be successful, and that we will be able to expand existing authorities to accommodate this burgeoning export potential. U.S. exports are not a zero sum game, and the record should be clear that the authors of this legislation do not intend to limit one or another export sector in favor of the environmental sector. Far from it.

I am pleased to be joined by Senators BIDEN, GORE, LIEBERMAN, BINGAMAN, ROCKEFELLER, and LEAHY, in introducing this bill today. Working with the distinguished chairman of the Senate Banking Committee, Mr. RIEGLE, and the ranking member of that committee, Mr. GARN, many of the key elements of this bill were adopted in floor action on the Export-Import Bank reauthorization bill on August 12.

Specifically, the Senate-passed bill included a provision to establish an environmental trade working group as a statutory subcommittee of the Trade Promotion Coordination Committee. That provision requires the chairperson of the Board to assess the effectiveness of Federal environmental export promotion programs, to recommend improvements to ensure that the environmental export promotion programs of Federal agencies are coordinated, and to assess the extent to which these programs advance the goals established by international environmental agreements.

Another provision in the Exim reauthorization bill requires the Department of Commerce to prepare surveys of markets for environmental exports and to make the surveys, as well as information on Federal export promotion programs, available to U.S. producers of environmental goods and services. Moreover, it would authorize the designation of a foreign commercial service officer to serve as the environmental export assistance officer in countries that offer a promising market or are serious competitors for environmental exports. The officer would work to identify market opportunities and analyze government assistance programs to our competitors in order to determine how we can improve our own programs.

These important provisions build upon section 105 of the Eximbank reauthorization, which was included in the bill in committee. This section provides for Eximbank procedures to consider the environmental effects of certain projects, and directs the Bank to encourage exports of environmental goods and services.

I look forward to working with Senator BIDEN and others to see that the remaining elements of the Environmental Aid and Trade Act of 1992 are incorporated in Senate Foreign Relations Committee legislation before we adjourn.

Mr. President, I ask unanimous consent that several articles relating to the international environmental marketplace be printed in the RECORD.

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

[From Scientific American, April 1991]

ESSAY: AMERICA'S GREEN STRATEGY

(By Michael E. Porter)

Do strict environmental standards make American industry less competitive in international markets? Many observers answer yes. Richard Darman, director of the Office of Management and Budget, has quipped that "Americans did not fight and win the wars of the 20th century to make the world safe for green vegetables."

The conflict between environmental protection and economic competitiveness is a false dichotomy. It stems from a narrow view of the sources of prosperity and a static view of competition.

Strict environmental regulations do not inevitably hinder competitive advantage against foreign rivals; indeed, they often enhance it. Tough standards trigger innovation and upgrading. In my book The Competitive Advantage of Nations, I found that the nations with the most rigorous requirements often lead in exports of affected products.

Although the U.S. once clearly led in setting standards, that position has been slipping away. Until the passage of the Clean Air Act in 1990, itself the result of 12 years of foot-dragging, Congress had passed little environmental legislation since the mid-1970s. Today the U.S. remains the only industrialized country without a policy on carbon dioxide, and our leadership in setting environmental standards has been lost in many areas. Even Japan, a nation many think of as relatively unconcerned about the environment, has moved ahead of the U.S. in important fields. Japan's NO_x emission standards for vehicles are significantly more stringent than those in the U.S. and Europe: its stationary SO_x and NO_x standards are set in terms of rigorous daily (versus yearly) average hourly emissions.

As other nations have pushed ahead, U.S. trade has suffered. Germany has had perhaps the world's tightest regulations in stationary air-pollution control, and German companies appear to hold a wide lead in patenting—and exporting—air-pollution and other environmental technologies. As much as 70 percent of the air pollution-control equipment sold in the U.S. today is produced by foreign companies. Britain is another case in point. As its environmental standards have lagged, Britain's ratio of exports to imports in environmental technology has fallen from 8:1 to 1:1 over the past decade.

In contrast, the U.S. leads in those areas in which its regulations have been the strictest, such as pesticides and the remediation of environmental damage. Such leads should be treasured and extended. Environmental protection is a universal need, an area of growing expenditure in all the major national economies ($50 billion a year in Europe alone) and a major export industry. Without competitive technology, America will not only forsake a growth industry, but more and more of our own environmental spending will go to imports.

Even in the broad economy, strict environmental codes may actually foster competitiveness. Exacting standards seem at first blush to raise costs and make firms less competitive, particularly if competitors are from nations with fewer regulations. This may be true if everything stays the same except that expensive pollution-control equipment is added.

But everything will not stay the same. Properly constructed regulatory standards, which aim at outcomes and not methods, will encourage companies to re-engineer their technology. The result in many cases is a process that not only pollutes less but lowers costs or improves quality. Processes will be modified to decrease use of scarce or toxic resources and to recycle wasted by-products. The 3M Company, for example, estimates that its "Pollution Prevention Pays" program has saved $482 million since 1975, while eliminating more than 500,000 tons of waste and pollutants, and has saved another $650 million by conserving energy.

Strict product regulations can also prod companies into innovating to produce less polluting or more resource-efficient products that will be highly valued internationally. As a result of the U.S. proposed phaseout of chlorofluorocarbons (CFCs), for example, Du Pont and other American firms are pioneers in finding substitutes.

This is not to say that all companies will be happy about tough regulations: increased short-term costs and the need to redesign products and processes are unsettling at the least. The aversion to tough standards will be particularly strong in industries that feel threatened by international competition, as is too often the case in America today. The auto industry, for example, has been fighting mandates to improve fuel efficiency, even though meeting them could stimulate innovations that made products more competitive.

The strongest proof that environmental protection does not hamper competitiveness is the economic performance of nations with the strictest laws. Both Germany and Japan have tough regulations, and both countries continue to surpass the U.S. in GNP growth rates and rates of productivity growth. Japan has become a world leader in developing pollution-control equipment and cleaner, more efficient processes. It is noteworthy that in America many of the sectors subject to the greatest environmental costs have improved their international trade performance, among them chemicals, plastics, synthetics, fabrics and paints.

Turning environmental concern into competitive advantage demands that we establish the right kind of regulations. They must stress pollution prevention rather than

merely abatement or cleanup. They must not constrain the technology used to achieve them, or else innovation will be stifled. And standards must be sensitive to the costs involved and use market incentives to contain them.

Because U.S. environmental regulations have traditionally violated these principles, the substantial amount we spend on protecting the environment has not yielded the benefits it could have. In the 1970s, for example, ambient air-quality standards encouraged tall smokestacks, some as high as 800 feet, which exported pollution somewhere else instead of reducing it. Even today most standards are met with end-of-pipe technology, where equipment is simply added to the end of a process.

The resurgence of concern for the environment, then, should be viewed not with alarm but as an important step in regaining America's preeminence in environmental technology. The Environmental Protection Agency must see its mandate as stimulating investment and innovation, not just setting limits.

In companies, the "Chicken Little" mindset that regulation inevitably leads to costs and an adversarial posture toward regulators must be discarded. Environmental protection can benefit America's competitiveness if we simply approach it properly.

[From Business Week, Feb. 24, 1992]

THE GREEN GIANT? IT MAY BE JAPAN

(By Neil Gross)

Two decades ago, Japan was choking on its own filth. Acrid clouds of photochemical smog from car and factory emissions assaulted residents of major cities. Then, two oil crises led to energy shortages and sent prices spiraling. That walloped Japan, a huge oil importer, harder than other industrial countries. Something had to be done.

So the government enacted draconian measures to clean things up. Other laws fostered energy efficiency—a byproduct of which is less pollution. Now, after years of investments that produced dramatic gains at home, Japan is looking abroad. Mitsubishi Heavy Industries Ltd. and Hitachi Ltd., among other, are criss-crossing Europe, Asia, and the U.S., striking deals on equipment or licensing their approach in everything from plant design to waste-water and air-pollution control. The Japanese have a lead over the U.S. and Germany in pollution technology for basic industry, and Tokyo is spending $4 billion a year to broaden the country's environmental skills. Jerry D. Newton, Far East marketing manager for environmental and geographic information systems at Digital Equipment Corp., has just returned from surveying such efforts. Japan, he confirms, "is starting to target the environmental market."

SEAWEED POWER? The green technologies being developed in Japan span a broad range of industries. Steelmakers, who spew out 25% of the country's carbon dioxide, a greenhouse gas, have slashed energy consumption per ton of steel by 20% since the mid-1970s. Already, the world's most energy-efficient producers, these companies hope to cut energy use a further 10 points with a new process, called direct iron-ore smelting, which is due out in 1994. Meanwhile, Toyota, Nissan, Honda, and Mazda are pushing hard to raise fuel efficiency and slash emissions. And Tokyo Electric Power recently unveiled an electric car that broke two world records. It hit a peak of 109 mph and drove 340 miles on a single battery charge at 25 mph—much farther than U.S. models go.

Innovation isn't limited to smokestack industries. Construction giants Taisei Corp. and Kajima Corp. have integrated systems for sorting and transporting waste within office buildings and complexes. Sanyo, Sharp, and Matsushita Electric Industrial dominate the world market for solar batteries, and Fuji Electric Co. leads in fuel-cell technology. Last year, Matsushita Battery Industrial Co. commercialized the world's first mercury-free alkaline batteries. It licensed the technology to Rayovac Corp., the No. 3 U.S. battery producer.

Now, the Japanese government is funding more exotic projects. The latest, led by the Ministry of International Trade & Industry (MITI), aims to use biotech to make hydrogen, the cleanest-burning of all fuels and one that experts think is the great hope for the 21st century. Making hydrogen now requires huge amounts of electricity to separate the gas from water. MITI's idea is to use gene-splicing and other techniques to boost the productivity of hydrogen-producing microbes in seaweed. If this works, MITI says, the benefits could far exceed those of solar cells and other energy sources it has backed so far.

Whenever possible, Japan is focusing on integrated systems that minimize waste—and create new markets. Nippon Steel Corp., for example, is converting coal ash to zeolite, a mineral used in water treatment. Researchers at the Japan Atomic Energy Research Institute, Chubu Electric Power Co., and Ebara Corp. are working on a project to convert sulfur and nitrogen oxides—the chief causes of acid rain—into ammonium sulfate and ammonium nitrate, which can be used in fertilizers. The technique has been licensed to research groups in the U.S., Poland, and Germany.

To be sure, Japan faces plenty of obstacles. U.S. and European competitors haven't been standing still. Japan produces some of the world's most advanced incinerators, for instance, but relatively few of the 2,000 in operation are rigged to produce electricity. The U.S. has the lead in such cogeneration systems, and the Energy Dept. funds leading research in a broad range of advanced energy technologies.

Moreover, as with earlier efforts in semiconductors and consumer electronics, Japan is starting from a small base. Domestic orders for environmental equipment last year totaled just $5.8 billion, and exports of such gear account for less than 10% of Japan's industrial production. Still, by the year 2000, Japanese companies will be cranking out $12 billion worth of waste incinerators, air-pollution equipment, and water-treatment devices a year, predicts the Japan Association of Industrial Machinery.

To expand overseas, Japan's strategy is to use joint ventures. In the U.S., Mitsubishi Heavy Industries have teamed up with Corning Inc. in Durham, N.C. to use chemical catalysts to remove nitrogen oxides from coal-fired power plants. Ebara has tapped Zurn Industries Inc., in Erie, Pa. to build industrial waste incinerators—and Ebara director Yoshio Hirayama expects joint venture sales of $160 million a year by 1993. Ishikawajima-Harima Heavy Industries has licensed its nitrogen-oxides removal technology for industry and power plants to America's largest boilermaker, Foster Wheeler Energy Corp.

Scrubbing up. Still, U.S. factories have a weak incentive to buy all this, given cheap energy prices and, by Japanese standards lax air-quality laws. In fact, although U.S. gross national product is only twice as big as Japan's, America's total emissions of sulfur and nitrogen oxides were many times those of Japan in 1990, says the Organization for Economic Co-operation & Development. The U.S. also accounts for 25% of the world's carbon-dioxide emissions, vs. less than 5% for Japan. "The need for new technology is apparent," says Katsuya Sato, senior technical officer at Japan's environment agency. "But the gap in energy prices and pollution standards will be a barrier." Even so, the Japanese see opportunity in the new Clean Air Act, which will take effect this decade.

In Europe, where companies such as Asea Brown Boveri Inc. have stayed on the technological cutting-edge and where plants are often better equipped than in the U.S., the Japanese have also been signing joint ventures. Ebara recently licensed its incinerator technology to Abfall Beseitigungs Technologien (ABT), which already has orders from the cities of Berlin and Macomer, Italy. And Mitsubishi is working the frontiers. "We're very interested in Northern Europe, as well as Poland and Czechoslovakia," says Mitsubishi Heavy general manager Kazuhiko Kusakabe.

Asia, however, is Japan's top priority. The government has earmarked Official Development Assistance (ODA) funds to subsidize environmental projects there. Last summer, for example, MITI proposed bundling aid projects aimed at energy development in China, Malaysia, and Indonesia with ODA subsidies for Japanese environmental equipment purchases.

As competition in environmental technologies heats up, Japan's moves could spark new trade tensions. But then again maybe not: Competitors will be hard-pressed to claim unfair trade when the issue is aiding the survival of planet Earth.

[From Science, May 22, 1992]

JAPAN BIDS FOR GLOBAL LEADERSHIP IN CLEAN INDUSTRY

(By Frederick S. Myers)

"In the past, Japan was criticized because we did not create new technology," says Ikuo Tomita, Director for Global Environmental Technology at the Ministry of International Trade and Industry (MITI). But as Tomita lists the innovative, high-technology environmental projects that MITI has begun as part of its strategy for sending world greenhouse gas emissions plunging by the year 2025, it's clear that he is determined to put the lie to that criticism. "This program is completely different," he says. "Japan wants to be a leader in global environmental technology."

Japan first laid out its comprehensive plans for a technical fix for global warming and ozone depletion in 1990, in MITI's "The New Earth 21—Action Program for the Twenty-First Century." New Earth 21 is a "vision," as the ministry calls its long-term strategic plans, and as such it comes with plenty of hype. The ultimate goal, says MITI, is "to undo the damage done to the earth over the past two centuries, since the Industrial Revolution." But this is no utopian dream: Like the "visions" that preceded Japan's conquest of world semiconductor markets, it signals a consensus in industry that it is time to move into a particular area of technology. And like earlier visions, New Earth 21 has spurred the formation of new government-industry-university joint research institutes, in this case aimed at transferring existing "clean" technologies to developing countries and—a longer-term goal—devising completely new technologies that would actually strip carbon dioxide out industry smokestacks.

That big-budget, long-term technological approach to global warming is unparalleled elsewhere. "[Even] in the United States remarks Tomita, "the Department of Commerce, the National Science Foundation, and the Environmental Protection Agency have no such programs for environmental technology development." And Japan's effort attracting plenty of plaudits abroad. National Academy of Engineering president Robert White, for example, has cited it as a potential nucleus for a global effort to develop and transfer clean technology—an effort likely be discussed next month in Rio de Janeiro the United Nations Conference on Environment and Development.

Japan is well positioned to take the lead environmental technology, as industry and government spokesmen are found of pointing out. Turn to the Ministry of Foreign Affair handbook on Japan's environmental policies and you'll find a proud boast in big, bold headlines: "Japan's carbon dioxide emission is about 4% of the world's total and one-fifth that of the United States." The figure is so low because Japan uses less energy per head (and per dollar of GDP) than any other advanced nation, thanks to the rapid response of industry to the 1970 oil shock.

"In retrospect," says Genya Chiba, who runs the Science and Technology Agency's Exploratory Research for Advanced Technology (ERATO) program, "the oil crisis was valuable in that it compelled Japan to draw on both technology and a flexible management system. As a result Japan was propelled into the emerging era of conservation and efficiency much faster than the nations that were less threatened. In some cases, within 2 or 3 years industrial oil consumption decreased by 20% to 30%."

To build on that record, MITI began work in 1990 to create the Research Institute of Innovative Technology for the Earth (RITE), intended to develop the environmental technologies New Earth 21 says will be needed early next century. Instead of searching for ways to improve energy efficiency (with lowered carbon dioxide emissions as a lucky byproduct), RITE is aiming toward schemes for stripping carbox dioxide out of industrial emissions and recycling the carbon.

Industry has responded enthusiastically. In the half-year after the institute was set up, $45 million came in from Japanese industry, adding to the $80 million in seed money provided by MITI. Every sector is represented: the huge electric utilities, engineering companies, car manufacturers, shipbuilders, electronics companies, steel manufacturers, and even clothing makers. All have their own environmental technology programs too—Tokyo Electric Power, for example, is searching for ways to extract carbon dioxide from smoke by chemical absorption—but they see involvement with RITE as essential to keep abreast of long-term technological change and the latest in government thinking.

Thanks to industry's largess, RITE is now able to spend about $28 million a year to support work by about 200 researchers. Half of the money goes toward the two big carbon dioxide fixation projects and the rest is divided among the remaining big projects, subsidies to private companies for the development of environmental technology, and grants for basic research. For the time being, all of the work is going on at the laboratories of the companies, universities, and MITI institutes that have joined RITE projects. But next year this will change when RITE's own laboratory is completed in the new "Kansai Science City" under construction near Osaka.

International participation in all RITE projects is welcome—a highly unusual arrangement for a Japanese institution—but at a price: Intellectual property rights on the fruits of research must be shared with RITE. Last year, applications for grants came in from the United Kingdom, the United States, Canada, Australia, and the Netherlands, says Hidefusa Miyama, director of Research Planning Department of RITE. Already, an Italian company has joined one large project on microbial generation of hydrogen, and a British group at the Agriculture and Food Research Council has won funding to study the uptake of methane by agricultural soils.

But the new technology being developed at RITE won't be ready for 20 years; until then Japan sees transferring its existing energy-efficient technology to the developing world as the best way to tackle global warming. The logic is simple: Most industrial countries can now hold their carbon dioxide emission at current levels or start to reduce them, says Tomita, but industrializing countries going for quick economic growth to support growing populations will pump out more greenhouse gases every year. He cites World Bank figures that show that developing countries will produce 44% of total carbon emissions in 2050, up from 20% now.

Japan's answer to the threat is the International Center for Environmental Technology Transfer (ICETT), which won MITI backing last year. Its objectives are ambitious: Tomita says it and an associated energy center are going to try "to train 10,000 people over the next 10 years" in energy conservation, pollution control technology, and environmental protection regulations. Most participants will come from developing countries and, as with other Japanese overseas programs, many will end up working for Japanese companies when they get back home. Naturally enough, their first choice of technology is likely to carry the "Made in Japan" label.

That's an unsettling prospect for some observers outside Japan, and they now have another cause for worry: a new United Nations Environment Program International Environmental Technology Center (UNEP/ITEC), first proposed by the then-Japanese Prime Minister Toshiki Kaifu at the Houston Summit of advanced nations in July 1990. Like RITE and ICETT, it will be built in Kansai Science City and should be up and running this fall. This added boost for Japan's technology-transfer activities is worrying presidential science adviser D. Allan Bromley, among others. Bromley has already voiced concerns that the decision to put the UN institute in Japan may mean U.S. industry has missed the environmental technology boat. But Miwako Kurosaka, senior researcher at the World Resources Institute in Tokyo, argues that Japan deserves the job: Its design and manufacturing skills will speed the effort to disseminate environmental technology before developing countries build polluting industries. And if Japan can sell environmental technology as fast as it sells video recorders, the world will surely be a better place.

A TECHNICAL FIX FOR THE GREENHOUSE

When Japanese government and industry get together to develop a new technology, they're in it for the long haul. And the national effort to seize the lead in technologies for reducing greenhouse gas emissions and protecting the ozone layer (see main text) is no exception. With government and industry promising funding for "at least 10 years," says Ikuo Tomita, director for global environmental technology at MITI, scientists at the Research Institute of Innovative Technology for the Earth (RITE) know that they can think really long-term in their quest for technological solutions to the problems of the global environment.

Five of RITE's suite of seven big projects have familiar goals: substitutes for the chlorofluorocarbon compounds that attack ozone, biodegradable plastics, improved bioreactors for low-energy synthesis of chemicals, production of hydrogen by bacteria, and recycling of steel scrap. But the two frontrunners, sharing half of the total $28 million-a-year budget, are more unusual. Both projects aim at new methods for removing carbon dioxide from industrial exhaust gases. If they succeed, factories and power plants might one day run without net production of carbon dioxide.

One project, run by Hiroshi Kuwahara, general manager of Hitachi's Industrial Systems and Equipment Division, would harness biology. At the mercy of rainfall and soil quality, plants are normally working at less than optimal efficiency when they use sunlight to convert carbon dioxide into carbohydrates: RITE would outdo nature, placing algae capable of extraordinarily high rates of photosynthesis in a perfect environment: a nutrient bath at the ideal temperature, with sunlight piped in through special optical fibers that diffuse light through their sides to produce an even illumination. If the plan works, carbon dioxide bubbled into this algal heaven from industrial exhausts will simply vanish, turned straight into carbohydrate, which can in turn serve as a fuel or food source.

"To find the superior photosynthetic microorganisms, microalgae have been collected from lakes and hot springs," says Mamoru Kodama, chief scientist at the Marine Biotechnology Institute in Kamaishi, on the north Pacific coast of Japan. "Several species were found that could grow under carbon dioxide concentrations of 20%," he says. Screening of the organisms is now under way, and the biotechnologists are ready to try to improve the best the microbiologists can find. Meanwhile, physicists are developing new reflective coatings for solar collectors and new types of glass for light-diffusing optical fibers, biochemists are examining ways of turning end products into useful fuels or foodstuffs; and, at the top of the hierarchy, computer engineers are developing fuzzy logic controls that would operate the whole system automatically. Sixteen companies are involved in the work, including Hitachi, Asahi Glass and Sumitomo Chemical Company, each bringing its own special area of expertise. The goal is to have a test plant running early in the next century, at a projected total cost of $123 million.

But if biology can't gulp enough carbon dioxide, then maybe blunter chemical methods will work. Another group of 14 companies plus three of MITI's own research institutes, is also spending big—$77 million over 10 years—to create new kinds of selectively permeable membranes that could filter carbon dioxide out of high-volume, high-concentration industrial sources. "We have found two or three types of membrane with high efficiency for carbon dioxide separation, says Hiroshi Mano of Sumitomo, who directs the membrane research. The next step might be to turn the carbon dioxide into methanol, a fuel, by adding hydrogen in the presence of new high-performance metal catalysts. A copper-based catalyst already looks promising, says Taiki Watanabe, a researcher from Kawasaki Havy Industries who directs the catalyst side of the project. Together, the

membrane and the catalyst could yield an elegant recycling scheme: When the methanol is burned, the carbon dioxide could be recovered and turned into fuel again. One way or another, it seems, RITE is determined to turn carbon dioxide from a problem into a profit center.

[From International Wildlife]

DOWN GERMANY'S ROAD

(By Curtis A. Moore)

The world's future begins in Germany, down a country lane and through a gate into tomorrow. You get to it on a two-lane road that winds across a field, then disappears over the crest of a hill.

There, nestled in a hollow near the tiny village of Neunburg just 20 miles from the border with Czechoslovakia, stands a glimmering complex of yellow and white, glass and steel, which converts solar radiation into electricity and, in turn, into hydrogen fuel. It is the experimental $38 million Solar Wasserstoff power plant.

By utility-company standards the futuristic plant, owned by a consortium of governments and industries, is minuscule; it generates only enough energy to supply the equivalent of 50 or 60 households. By every other standard, however, it is revolutionary. The fuel it produces to run cars and furnaces is zero-polluting and virtually limitless.

Even more important, Solar Wasserstoff symbolizes a strategy that may catapult Germany into a position of global economic dominance for years to come. Like dozens of other environmental miracles currently being nurtured in that country, the Wasserstoff operation is lean, mean, competitive and poised to take advantage of an expanding global marketplace—precisely because it is clean.

More than anywhere else on Earth, Germany is demonstrating that the greening of industry, far from being an impediment to commerce, is in fact a stimulus. From Bonn to Berlin, Germany's citizens, businesses and government have concluded that a robust economy and a safe environment are like the chicken and the egg: One leads to the other. "What we are doing here is economic policy, not environmental policy," says Edda Muller, chief aide to Germany's minister for the environment.

The impetus for that economic policy, however, began with an environmental shock wave: a phenomenon called Waldsterben, or "forest death." The term refers to a mysterious tree die-off, first noticed around 1979 or 1980, which has been linked to air pollution. In a nation with an almost mythic connection between its people and the forests, the specter of losing woods ranging from the fabled Black Forest of Hansel and Gretel to the graceful lindens of Berlin generated an irrepressible demand for action.

The result was the burgeoning of the world's first environmentally based Green political party. At one point the Greens claimed roughly one of every 12 members of the parliament, or Bundestag, and their grass-roots pressure pushed politicians inexorably toward tighter and tighter environmental controls.

Then, just as this upwelling of environmental fervor seemed to be subsiding, the meltdown and explosion in 1986 of the Soviet Union's Chernobyl nuclear power plant revived and strengthened it. As mothers fearfully kept their children indoors to avoid the hazard of nuclear fallout, and, as rumors of two-headed calves being born to exposed cattle swept the nation, environmentalism became a deep-seated national value.

Quickly, the zeal to make environmental improvements spread from smokestacks to cars, then to ozone-destroying chemicals, hazardous wastes and global warming. As a result, says Alan Miller of the Center for Global Change, a policy-analysis institute of the University of Maryland, "There is virtually no field of environmental protection where Germany does not stand out. It has the most rigorous controls of any nation, bar none—and that includes the United States."

In the space of ten years, Germany has vaulted into the vanguard of global environmental leadership, eclipsing the United States, Canada, Japan and even ecological hotbeds like Sweden. Although the Green Party has waned nationally, its policies have been usurped by the political mainstream and nurtured by a politician regarded as among the world's most conservative, Chancellor Helmut Kohl. As a result, Germany today is a nation which is:

Revolutionizing the junk business. In the car industry, a "take-back" program requires car companies to pick up and recycle junked cars of their make. New cars will soon roll off the assembly line with barcoded parts and predesigned disassembly plants capable of dismantling an auto in 20 minutes. By 1994, similar requirements will be imposed on products ranging from yogurt containers to cameras.

Retrofitting all power plants. While politicians in North America were arguing about whether acid rain was fact or fantasy, Germany adopted rules requiring every power plant within its borders to slash by 90 percent the air pollutants that cause acid rain. By 1990, the German retrofit was complete. Today, while companies in the United States continue to bicker over the details of an acid rain program, Germans are selling Americans and the rest of the world antipollution technology and know-how.

Phasing out harmful atmospheric gases. In 1989, Germany mandated a ban by 1995—five years before the test of the world—on CFC gases, the primary culprits in the destruction of the ozone layer that protects Earth from the sun's ultra-violet radiation. The country had also committed to reducing emissions of carbon dioxide, principal cause of global warming, by 25 percent by the year 2005. There are the swiftest and toughest phasedowns in the world, and they required German industries to respond quickly.

Labeling environmentally friendly products. In 1977, the government's environment ministry began a labeling program to alert consumers to product brands that are less harmful to the environment than those of competing brands. The symbol, known as the Blue Angel, is laurel wreath encircling a blue figure with outstretched arms. The government licenses use of the label for about 3,500 products selected by an independent nine-member Environmental Label Jury. The Blue Angel program has unleashed a torrent of innovation among manufacturers, spawning new environmentally friendly products ranging from low-polluting paints to mercury-free batteries.

With such economic efficiencies now in place, Germany faces the tantalizing prospect of stealing a competitive edge over its industrial rivals for global markets. "Any country that does not emulate Germany's strategy will be at a competitive disadvantage in 10 or 20 years," says Konrad von Moltke, a senior fellow at the World Wildlife Fund who has written extensively on the country's new policies.

This cross-fertilization between environmental protection, government regulation and economic development has already begun making an impact in the marketplace. For example:

At the Ford auto plant in Cologne, managers complied with new requirements by modernizing the paint-spray line, cutting pollution by 70 percent and the cost of painting a car by about $60—a savings that makes German-made cars marginally more saleable.

At the "4P" plastic-film manufacturing and printing plant in Forchheim, where plastic bags for frozen french fries and other foods are printed and stamped by the millions, officials were forced by strict new pollution laws to cut emissions by 70 percent. They installed a recycling system that reclaims up to 90 percent of the plant solvents, saving so much money that the 4P pollution controls will not only pay for themselves but will actually start saving the company money as the price of solvents rises. A sister plant with a similar system already makes money by recapturing solvents, once again lowering the price of its service and increasing profit.

At the Knauf gypsum manufacturing plant in Iphofen, "scrubber sludge" (acidic wastes neutralized in a slurry of limestone and water) from nearby power plants is manufactured into wallboard, concrete and a wide array of other building materials. Knauf's program has proven so successful that it recently opened a new plant—at Sittingbourne, England, on the banks of the Thames River. There, waste exported from German power plants is manufactured into wallboard for the English market, generating annual sales of $48 million a year for Knauf. In the United States, such byproducts from pollution controls are dumped as useless waste.

At Siemens in Munich, the German conglomerate has made numerous inroads into foreign markets. Siemens makes the world's cleanest and most efficient gas turbines for generating electricity. Two have already been installed in Delaware at a Delmarva Power and Light facility, and the company is pushing hard to close sales in San Diego, California. Seimens also manufactures compact, high-efficiency fluorescent light bulbs, which were initially developed in the United States with funding from the Department of Energy. But it is the Germans who are making a profit selling the bulbs.

At Deutsche Voest-Alpine, based in Dusseldorf, engineers have developed and built the world's first cokeless steel mill. Long considered an essential step in the manufacture of steel, coking—the heating of scarce and expensive metallurgical coal in massive, airtight ovens—spews a noxious mixture of cancer-causing pollution. A second full-size facility has already been built in South Africa, and negotiations are underway to build another in the United States.

Such breakthroughs are likely to continue as Germany edges closer to a self-imposed target of reducing carbon dioxide emissions from the former West Germany by 25 percent and from the former East Germany by 30 percent, both by the year 2005. As the already efficient economy slims itself down further, this will mean:

Harnessing wasted energy. In most power plants and factories, only about one-third of the energy in coal, oil or gas is converted into electricity. The rest is vented as waste heat. Now, the German government is preparing regulations that require large and medium industries and utilities to market this waste energy. The energy can be used to heat or cool homes and factories, operate paper mills and chemical plants, and even

generate additional kilowatts in power plants. Officials estimate that by using this waste heat, efficiency can be boosted to roughly 90 percent and air pollution—already at the world's lowest levels—can be chopped in half or more.

Cutting auto use. Other regulations on the drawing board will reduce pollution by forcing drivers out of gas-guzzling cars and onto public transit. Inner cities are systematically being closed to auto traffic, while fees for highway and bridge use are being raised. The government hopes that the number of bicycle riders in Germany, already at one of every 20 commuters, will double.

Recycling more than cars. Because products made from virgin raw materials can require 10 to 100 times the energy of those made from recycled goods, the car company "take-back" requirements now applicable to new vehicles are being extended to virtually all other products. By 1995, 72 percent of glass and metals must be recycled, along with 64 percent of paperboard, plastics and laminates. Incineration, even if used to generate power, is ruled out. Goods made from recycled materials require up to 95 percent less energy—savings that can make products less expensive and more competitive.

"Taking back" used products. Consumers will be required to begin paying deposits on bottles, paint cans and even soap boxes. Such products will bear a "green point" recycling symbol. "The ferocity of the new regulations is extraordinary," said the international business magazine The Economist.

To be sure, there are critics of the German strategy. Many question whether the country can achieve its environmental goals while maintaining a high standard of living and a social welfare system that is among the world's most comprehensive—all while undertaking the mammoth costs of reunifying the former East and West Germanies.

Gasoline prices have already been hiked by roughly 45 cents a gallon to help pay the estimated $128 billion cost of bringing the former East Germany up to West Germany's stringent environmental standards. New taxes on toxic waste, carbon dioxide and other pollutants are imminent. Now some industries are resisting.

When the government proposed yet another turn of the environmental screw in late 1991, the chairman of Hoechst, Germany's largest chemical company, complained bitterly, saying the government "had lost all sense of proportion." Wolfgang Hilger said stringent requirements had already forced Hoechst to halt production of some dyes and chemicals at a cost of $60 million, and another $48 million were threatened. Chemical firms, Hilger warned, "now have to study each new legislative proposal to see whether we can still afford to invest in Germany."

It is exactly these kinds of fears that have slowed cleanup in the United States, Canada and other developed countries. In the United States, for instance, the prevailing view among Bush Administration officials is that the inevitable consequence of environmental protection is a weakened economy and loss of jobs.

Increasingly, however, the marketplace results of the German experiment are discounting this view. Now many experts feel that if the United States and other industrial giants fail to take actions of their own to catch up, the Germans will be catapulted into the lead in many areas.

This makes sense to economists who have attempted to explain the dynamics underlying the debate. "Tough standards trigger innovation and upgrading," says Harvard Business School economist Michael Porter, whose 855-page multinational study of industrial economics, The Competitive Advantage of Nations, examined the impact of environmental regulations on competitiveness. "Nations with the most rigorous requirements often lead in exports of affected products," he adds, citing both Germany and Japan's air-pollution requirements.

"Although the U.S. once clearly led in setting standards," Porter continues, "that position has been slipping away. Today the U.S. remains the only industrialized country without a policy on carbon dioxide, and our leadership in setting environmental standards has been lost in many areas."

Roger Gale, a former senior official at both the U.S. Department of Energy and the U.S. Environmental Protection Agency, agrees. Investments in new technologies of the sort being deployed in Germany "accomplish the twin goals of improving environmental quality while improving competitiveness," says Gale, who now advises foreign and domestic utilities on the competitive implications of environmental regulations. "Gains in efficiency from investment in new technologies and services will provide a huge, long-term competitive advantage."

Meantime, there is no sign that the German public is growing weary of the pursuit of green policies. In fact, the government is now launching a series of innovative initiatives that capture the imagination. The most environmentally elegant may be an aggressive and focused program to commercialize what many energy experts consider to be the two perfect fuels: solar electricity and hydrogen.

Electricity can be generated from sunlight through the use of photovoltaic panels—devices commonly used on a small scale to power calculators and watches. Solar electricity is utterly silent, nonpolluting and more reliable than coal, oil or natural gas.

Trouble is, solar electricity costs up to five times that made from coal or oil. So, to bring down costs and gain hands-on experience with engineering details, Germany launched the Thousand Roofs program. Its aim is to install residential-scale solar-electric panels on roofs throughout the country by providing government purchase subsidies of up to 75 percent. The wildly successful program quickly doubled after the inclusion of roofs in the former East Germany.

For other uses, hydrogen is an equally perfect fuel: It can be produced by splitting water with electricity, a process called electrolysis. Then, in advanced engines, it produces only pure water and pure energy. Again, however, there's a hitch: While there's little doubt that hydrogen can be used for everything from home furnaces to cars, the infrastructure of pipelines, storage tanks and the like is lacking, as is extensive experience in using the highly explosive gas safely.

To gain this experience, the governments of Germany and Bavaria teamed with a handful of industrial partners, including BMW and aerospace giant Messerschmitt-Boelkow-Blohm (MBB), to build the Solar Wasserstoff plant. Using its outputs of zero-polluting electricity and hydrogen, German engineers are experimenting with different types of furnaces, cars, storage systems and other equipment to eliminate the devilish kinks that can spell the difference between success and failure. During off hours, the excess electricity is sold to the local utility and used to power nearby homes.

In addition, Germany's government is feeding money to Mercedes-Benz and BMW to hasten development of hydrogen-powered cars and trucks. If the ultimate goal of using solar-derived electricity to decompose water into oxygen and hydrogen is realized, Germany will convert itself to utterly nonpolluting fuels: solar electricity to run homes, shops and factories, with solar-derived hydrogen fueling the nation's cars, trucks, locomotives, planes and even ships and submarines.

It may be two or three decades before the investment in the Solar Wasserstoff plant pays off. But if threats such as global warming and ozone depletion prove to be the peril to human survival that many scientists predict, the path of Germany's future may prove to have been a road of another sort: a yellow brick road, bathed in sunlight—and paved with gold.

A CLEANER GERMANY FLEXES ITS MUSCLE

Although Germany is by no means the world leader in every field of environmental technology, it leads the pack overall. Consider the following:

Solar photovoltaics. Germany is now neck and neck with the United States for the lead in production of devices for generating electric power from sunlight. But German production is rising so fast that, as the former head of the U.S. program puts it, Germany will soon climb to first place.

High-efficiency turbines. Although General Electric remains the world's leader in manufacture of these machines for producing electricity, the German giant, Siemens, has produced what are, at least for the moment, the world's least polluting and most highly efficient models.

Motor vehicles. Germany is at the cutting edge of developing zero- and near-zero-polluting hydrogen cars, although these are unlikely to be commercially available for another decade or perhaps two. By century's end, says international consultant Michael Walsh, Germany could have a fleet of diesel-engine vehicles averaging 40 to 50 miles per gallon, compared to the 25 to 30 miles per gallon of conventional vehicles in North America, if trends continue.

Household appliances. German appliances historically have been smaller and more energy efficient than their North American counterparts, and they're becoming even more so. Washing machines, for example, have computer microchips that sense the weight of a load, metering soap and water accordingly.

Add-on pollution controls. When Germany embarked on a crash program to slash the power-plant pollutants that cause acid rain by 90 percent within a six-year period, it was forced to buy technology from the world's leading producer, Japan. Now, German firms have improved that technology and are aggressively marketing their own versions, challenging Japanese supremacy.

Atmospheric-gas recycling. Chlorofluorocarbons, or CFCs—the compounds destroying Earth's protective ozone shield—are used in refrigerants and in plastic-foam insulation in refrigerators. When an old refrigerator dies in Germany, it is hauled at no charge to one of 11 centers where the compressor's CFCs are drained. Then the CFC-laden insulation is extracted and crushed beneath exhaust hoods which capture the gases. These are then piped to barrels for storage and recycling by Hoechst Chemical.

"Green" foreign aid. In 1989-90 alone, Germany spent nearly $1 billion in foreign aid devoted to environmental protection, much of it tailored to stimulate demand for German technologies and services. For instance, solar-powered lights, wind-driven pumps and

other nonpolluting sources of energy—many made in Germany—are being introduced in countries from Kenya to Peru. If current trends continue, developing nations will account for 40 percent of the world's energy consumption by the year 2010. Germany is betting that much of this new demand will be for technologies it is fostering.

[From the New York Times, Aug. 6, 1990]

FIGHTING GLOBAL WARMING IS GOOD FOR BUSINESS

(By David Doniger and Alan Miller)

WASHINGTON.—There is an air of familiarity to the White House's doomsday warnings against rapid action to combat global warming.

We are told that a severe cutback in the use of fossil fuels, which produce the carbon dioxide that is warming the atmosphere, is technically impossible and economically suicidal. This is exactly what we heard just a few years ago, when the idea of banning ozone-depleting chlorofluorocarbons was first proposed.

Today, however, with the recent adoption of a treaty to phase out the 10 worst ozone-depleting chemicals, things don't look nearly so bleak. Virtually every industry knows how it will eliminate these chemicals before the year 2000 deadline, and many firms already have. Cost estimates are melting away like an iceberg adrift in a tropical sea. The economy may even show a net savings from the ban.

The lesson of the ban on chlorofluorocarbons, or CFC's, is clear: When industry is forced to find alternatives it will, and without the dire consequences that are routinely forecast.

CFC's seemed indispensable when they were dirt cheap and available in unlimited quantity. If you've got something almost as inexpensive and plentiful as water, why look for substitutes? Thus it was no surprise that in 1982 the Environmental Protection Agency could identify substitutes for no more than a third of the chemicals' uses.

But with the discovery in 1985 of the ozone hole yawning over Antarctica, perceptions turned and the search for substitutes began in earnest. Today, breakthroughs are coming at increasing speed. Many companies have sharply cut ozone-depleting emissions just by eliminating waste or recycling used chemicals—usually saving money. Some industries are swimming in new alternatives.

For cleaning printed circuit boards, for example, the electronics industry has perfected new solvents made from water and detergents (one is even made from orange peels). For refrigeration and air conditioning, alternatives include new, less dangerous chemicals and even the revival (with modern safety precautions) of old coolants such as ammonia.

The best of the new cooling compounds and equipment, it now turns out, are more energy-efficient than their predecessors. According to the E.P.A., the energy savings could reach $5 billion in the 1990's and $100 billion over the next 85 years.

As alternatives mushroom, estimates of the overall cost to the U.S. economy have nose-dived. In 1988, the E.P.A. projected that cutting CFC's by 50 percent over 10 years would cost more than $3 billion. But just a year later, the agency found that a total phase-out by the year 2000 would cost less than its earlier estimate for doing just half as much.

In fact, thanks to the multibillion-dollar energy savings, the economy may show a net profit. And this is not to mention some $30 trillion in health and environmental damages avoided over the next 85 years.

The analogy between cutting CFC's and reducing the use of fossil fuels is very close.

Opportunities for cutting U.S. energy use—at enormous profit—are widespread. For example, applying known energy-efficiency improvements to seven types of home appliances would produce net savings of more than $50 billion over the next 20 years.

Responding to a United Nations report predicting a disastrous warming of 5 to 10 degrees Fahrenheit by 2100, six of the seven countries at the Houston economic summit meeting last month have announced major curbs in carbon dioxide emissions over the next 10 to 15 years. Only the Bush Administration persists in King Canute like denial.

Just as with CFC's, the new commitments are going to spur strong investment in energy efficiency and alternative power, producing a crop of currently unimagined technologies and options. The cost of cooling the greenhouse will tumble.

Germany, which already uses only half as much energy per unit of gross national product as the U.S., plans a 25 per cent cut in its carbon dioxide emissions by 2005, and expects a net savings to its economy. On competitive grounds alone, it should worry U.S. leaders that industry in other countries will get the jump on new energy technologies.

Short of total conversion, President Bush could take one immediate lesson from the ozone story and support a "carbon tax." Last year, after all, he endorsed a $5 billion tax on CFC's to cut emissions and trim the deficit. A carbon tax, based on the amount of carbon dioxide produced by each type of fuel, would yield billions while sharply reducing greenhouse emissions and it would spur U.S. investments in the new energy technologies needed to stay competitive in a greenhouse world.

[From the Wall Street Journal, May 28, 1992]

BUSH'S POLLUTER PROTECTIONISM ISN'T PRO-BUSINESS

(By Michael Silverstein)

As a businessman, I find the attitude of George Bush toward environmental laws (and the environment generally) incomprehensible.

In recent months the Bush administration has declared a moratorium on new environmental regulations and taken steps to ease enforcement of existing ones. Such an approach, from the business perspective, strikes me as absolutely cuckoo.

It seems based on a failure to understand the difference between environmental spending and environmental potlatching. Laws and regulations that force polluters to spend money on cleaning up the environment do not diminish the wealth of a nation. They transfer this wealth from polluters to polluter-cleaner-uppers and lay a foundation for greater future wealth.

The overall effects of this process over more than two decades have been extraordinarily positive. Not only have countless formerly high-polluting enterprises been forced to become less wasteful (i.e., less polluting) and thereby more competitive, not only has "the environment" become a force generating technological innovation on a scale as great as the defense or space program's, but a vital new component of the U.S. economy has emerged in the bargain—the environmental industry sector.

In 1991, this country's 65,000 to 70,000 environmental companies garnered an estimated $130 billion in sales. The 70 largest publicly traded firms in this group, with collective revenues of almost $30 billion, saw their revenues jump more than 18% last year. All told, some two million Americans now make their living doing some kind of environmental cleanup work.

The positive impact of this industry on the international trade standing of the U.S. has become striking. According to U.S. Commerce Department data, the world market for pollution control products and environmental services ("green goods") reached $370 billion last year. It continues to grow rapidly. Of this total, some $50 billion is traded among nations, with the U.S. winning a very respectable $6 billion of the business. And because of America's early involvement in this field, the U.S. still has positive trade balances with virtually every other nation of the world in this category—including Japan.

Beneficial effects for the U.S. economy of this trade go far beyond the well-known international involvement of a Waste Management Inc., whose foreign operations generated almost $1.1 billion in 1991. Increasingly, they also mean new business for such smaller firms as Isco (waste water samplers), Safety-Kleen (solvent recycling), Gundle Environmental (landfill liners), and Calgon Carbon (activated carbons).

The air, water and soil contamination problems becoming endemic around the world may be ecological disasters. But clearly, they represent enormous economic opportunities as well. Even countries like Taiwan and Mexico, which enjoyed pollution-based prosperity for a few years, are now sharply boosting their spending on green goods.

Taiwan, for example, where industrial growth has soared since the mid-1970s, now discards an estimated three million metric tons of hazardous wastes into its national environment annually. In some parts of the country, only 1% of the waste water and sewage is treated, and sulfur dioxide emissions from almost 12 million cars and motorcycles are staggeringly high. To combat these environmental ills, Taiwan's government and businesses plan to spend more than $20 billion by the end of this decade on pollution control equipment and environmental engineering and consulting.

U.S. companies, of course, now stand to get a hefty share of this kind of spending. Reducing our own domestic demand for environmental services and pollution control equipment by scaling back on environmental regulations, however, is sure to make us a less important player in such international green markets in times to come. After all, could a country be a successful car exporter without having a strong domestic car market or a developed road infrastructure? Why would anyone think a different set of rules applies to green goods?

The rationale for the Bush administration's current anti-environmental policies is that they help keep us competitive, boost corporate profits and protect jobs. This is nonsense. What these policies really do is temporarily insulate inefficient producers from the need to innovate and invest in new equipment, while penalizing an industry that is arguably the most dynamic element of the entire U.S. economy.

Bush administration policies in this realm are no more "pro-business" than policies of Soviet Bloc regimes during the 1970s and 1980s were "pro-industry." Both simply were (and are) aimed at temporarily shielding ossified, entrenched interests from the dictates of a changing world economic order.

These are a commonplace set of observations among hundreds of college instructors and thousands of executives in scores of in-

dustries. They are routinely discussed not only by officials in the Bush administration's own Environmental Protection Agency, but by officials in its Commerce Department, which is today actively promoting green exports in a variety of ways. So why is it not obvious to people at the helm of the Bush administration?

Regulation that promotes environmentally sound, efficiency-enhancing and innovation-producing activity is simply a jump start on the road toward a 21st century production and transportation system that is far less wasteful. If you don't generate pollution in the first place, you don't have to worry about cleanup costs, years later. Environmental regulation is a rocket assist until the real free market motors—consumer demand for greener products and international competition fostering manufacturing efficiency—kick in fully.

I can understand why Democratic activists, who see regulations as a punishment for corporate sin and an end in itself have not tumbled to the realities of a New Environmental Economics. But that people who claim to be good, solid market-oriented Republicans are missing the boat here is astounding. And destructive. And just plain dumb.

[From the National Journal, July 4, 1992]

A NUDGE TOWARD GREENER PASTURES

(By Graeme Browning)

Summer really puts my commitment to the environment to the test. Outside, I have no problem. My garden is organic, my composter is going strong and I'm a whiz at separating recyclables from regular trash. But inside it has to be cool or I'm miserable. When someone cuts back the air-conditioning to save energy and reduce the use of ozone-destroying chlorofluorocarbons (CFCs), I melt.

So it comes as a relief to hear that ICC Technologies, a Philadelphia research firm, has developed an ozone-friendly air-conditioner. An ICC spokesman says that the company's system not only will cool the air with the help of a dessicant, or drying agent, instead of CFCs, but also will use only a fraction of the energy that conventional air-conditioners do.

Could other American companies come up with technologies that protect the environment and still give consumers what they want? You bet, if they're encouraged, a growing number of voices in Washington are saying.

The first step is to get industry to think of "green" technologies—processes that have no negative impact on the environment—as potential money makers. This is hard to do when the rules of thumb in technology companies is that for every $1 spent on research and development, it takes $100 to bring to market a product that arises out of that research.

Engineers at a chemical company, for example, may have done enough basic research to formulate a solvent that breaks down into organic compounds after it is used. But company executives will rightly balk at investing the cash needed to produce the solvent in large enough quantities to sell to the public if they think few customers will buy it and the company will lose money.

A bill introduced on June 18 in the Senate could ease the path from lab to sales floor for green technologies. It would require 13 of the 17 national laboratories operated by the Energy Department to focus some of their considerable research talents on this area. Sen. Albert Gore Jr., D-Tenn., one of the bill's co-sponsors, envisions a process in which industry and the national labs work in tandem to develop technologies to the precommercial stage, saving industry money and giving the labs, which have concentrated on developing nuclear weapons, a new, beneficial mission in the post-Cold War era.

"To many business people in our nation are assuming that * * * you can only get environmentally friendly products at the expense of corporate profits. This must change," Gore said at a recent briefing for journalists.

Still, the use of fossil fuels is wreaking havoc on our air and water, and the world's population is expected to double by the middle of the next century, a new report by the authoritative World Resources Institute (WRI), a Washington-based think tank, warns, Step two, therefore, will require policy makers to do more than merely refocus one of two segments of the government.

The report, "Back to the Future: U.S. Government Policy Toward Environmentally Critical Technology," suggests that the government must foster the development of a broad spectrum of what it calls "environmentally critical" technologies. Such technologies would include not only improved versions of relatively old-hat concepts—solar-powered batteries, nuclear reactors and climate-controlled office buildings—but also such brave-new-world products as fuel cells that produce electricity by forcing atomic particles through a membrane.

These technologies are critical "because they not only help solve the next generation's environmental problems, but they also will promote the long-term competitiveness of the country," George R. Heaton, an adjunct associate professor at Worcester Polytechnic Institute and one of the report's three authors, said in an interview. "They're also the sorts of general processes private companies don't tend to invest in because they can't really 'own' them."

Maybe industry isn't investing in these things, but the United States' competitors are.

According to the WRI report, Japan's powerful Ministry of International Trade and Industry has spent more than $1 billion in the past two years to establish a research institute devoted to investigating greenhouse warming. Germany, Italy and the Netherlands are devoting about 10 per cent of their public research and development budgets to the study of such environmental technologies as waste management, radiation protection and low-emission processes to generate electricity and power cars.

As their governments place more emphasis on green technologies, foreign companies are also slowly beginning to respond with products that meet environmental needs.

Bayerische Motoren Werke AG, for example, has developed the E1, a four-seater sedan with a top speed of 75 miles per hour that runs on an electric motor powered by sodium-sulfur batteries. Goaded by a new German law, Mercedes-Benz AG has begun to build chemical codes into the resins it uses to make automobile bodies. When the cars are ready for the junk pile, the resin can be broken down and reused.

American scientists and engineers could easily come up with similar innovations if only the federal government would give then a nudge, say those who favor more support for green technologies.

Restructuring the government's regulatory policy on waste management and pollution control would also help, Heaton added. U.S. regulations demand only that industry use the "best available technology" to curb pollution—a standard open to varying interpretation—while regulations in Japan and Europe are much stricter, he said.

Setting similar standards in the United States would encourage innovation by giving smaller companies the incentive to bring risky new processes to market, Heaton said.

If the first process to show up involves air-conditioning, I, for one, will be all for it.

[From the Washington Post, May 3, 1992]

NOT FLYING DOWN TO RIO

(By Al Gore)

For the Bush administration, deciding whether the United States can afford to reduce emissions of carbon dioxide has all the seriousness of a rigged television game show: They know the answer before they ask the question. And the answer is "no."

That's the wrong answer. In fact, it's a dangerous answer, with severe consequences not just for the United States and for our economy, but also—because carbon dioxide is the principal cause of global warming—for the global economy, the global environment and for humanity.

There is an urgent need for a reality check. Urgent, because a draft agreement on climate change—a compromise released late Friday—leaves many goals unmet. This draft compromise comes as nations from around the world meet for the sixth time in an effort to craft a new international agreement to control emissions of carbon dioxide and confront global warming in time for the agreement to be signed at the Earth Summit in June.

Each time these nations have negotiated, intransigence from President Bush and his representatives has blocked progress. Now, there is a weak compromise, clouded by confusing and dense language and without any specific targets and timetables for action, but a compromise. Unfortunately, it appears as though the United States—instead of moving forward—has pulled every other nation back to craft an agreement far short of what could have been accomplished. A treaty without specific targets and timetables is a hollow promise. There is no assurance it will be kept and no promise of future benefit. This is the final negotiating session, and every indication is that the United States will continue to do all it can to weaken the language of any treaty.

That's why a reality check is needed. The administration is selectively sorting through the data to get the answers it wants, ignoring even the findings of its own agencies whenever they don't support the administration's advance conclusions.

For many months, the administration took the position that the United States cannot afford to stabilize emissions of carbon dioxide at 1990 levels by the year 2000—and sign the climate convention at the international Earth Summit—because the economic impact would be debilitating. However, the administration's most recent analysis, "U.S. Views on Global Climate Change," shows not only that we can afford to stabilize emissions but that voluntary energy conservation and other measures have brought the United States close to meeting the proposed targets and timetables—while actually enhancing business profits. What was once called too expensive is now called a bargain too good to pass up.

But instead of seizing this as a plausible justification for a change in position—and one that would be politically palatable to the president's conservative critics—the administration now argues that this good news

means the United States doesn't need to sign an international agreement—or at least not one that actually requires us to do anything.

The economic analysis that supported the report's findings was debated intensely within the administration; it is unclear whether the conclusions were reached as much by politics as by facts. But, by the administration's own reckoning, the United States can nearly achieve stabilization of carbon dioxide emissions at 1990 levels by the year 2000, and—again by the administration's own reckoning—easily meet targets and timetables in language now being negotiated by other nations. The Bush administration has stubbornly blocked a binding commitment to these goals on the grounds that the United States, of all the world's developed nations, is uniquely unable to reach them.

Indeed, the administration has consistently endorsed the idea that business profits can only be hurt by the effort to curb global warming embodied in specific targets and timetables. For example, previous Department of Energy (DOE) analyses, such as the National Energy Strategy and the DOE Report to Congress, "Limiting Net Greenhouse Gas Emissions in the United States," concluded that many of the options now considered profitable would, in fact, hurt the economy. The administration justifies its stubborn opposition to a strict climate change agreement—indeed, to any serious U.S. effort to reduce emissions of carbon dioxide—by arguing we can't afford it.

But a closer look at the administration's own analyses of the costs and benefits discloses numerous examples of faulty analysis:

DOE emphasizes energy production over conservation in its modeling. That's what a National Research Council committee—put to work by the department to evaluate the analysis behind the National Energy Strategy—concluded. The committee's interim report offers a number of criticisms and points up fundamental flaws in the analysis DOE used to craft the energy strategy. How then can the Energy Department continue to use this energy plan, with its flawed analysis, to justify claims that aggressive conservation policies hurt the economy?

The National Energy Strategy analysis assumes that the U.S. gross national product will grow at an average annual rate of 3.2 percent between 1990 and 2000, while more realistic current estimates are between 2 and 2.5 percent. Even DOE's annual Energy Outlook, compiled by the Energy Information Administration, uses a 2.3 percent growth rate. These seemingly small differences have a tremendous impact on projections of carbon dioxide emissions.

For example, a 3.2 percent annual average growth rate will forecast an economy that is 9 percent larger over the course of a decade. The effect of this is to substantially inflate—perhaps as much as double—projections of the increases of carbon dioxide emissions, making the job of stabilizing or reducing emissions seem tougher than it will be in reality.

DOE's projections of future carbon dioxide emissions by the nation's electric utilities are based on an outdated 1986 industry forecast of the impact of utility-sponsored energy programs. But the industry updated its own analysis in 1990, forecasting that demand for electricity will grow by only 1.8 percent annually in the 1990s, significantly lower growth—and therefore, lower emissions—than DOE projected. DOE ignored the new information and built an analysis that makes the job of stabilizing emissions seem harder by setting the goal farther from us.

The Energy Department, apparently afraid that the price tag on energy efficiency will be too high, offers little conservation guidance to business, school districts and homeowners—as though none is needed or wanted. In fact, corporate America has a far different view of this situation.

Progressive electric utilities are becoming enormously successful with programs that encourage customers to invest in energy efficiency as an alternative to more expensive investments in new generating capacity. For example, energy conservation and efficiency will save Pacific Gas and Electric customers $2.4 billion over the next 10 years, money that will be available to strengthen the economy and create jobs. In the process, PG&E will reduce its carbon dioxide emissions by some 20 million tons.

DOE has recently ignored much of the energy analysis done by its own national laboratories. For example, researchers at Oak Ridge National Laboratory and other laboratories concluded that the nation could effectively and profitably stabilize energy use by the year 2000 and limit subsequent energy growth to less than 1 percent per year until 2010. But DOE's National Energy Strategy ignores the projection.

The fact is that we can create jobs, strengthen our economy and improve our performance in the global economy with energy efficiency and conservation technologies. The private sector is eager to respond to the stabilization challenge. Profitable energy conservation opportunities still exist in our diverse economy.

Indeed, we can create more jobs by expanding conservation than by expanding energy production. A recent study by Economic Research Associates concluded that new conservation investments in Louisiana would provide more than twice as many jobs as an expansion of conventional power generation—about 12,600 new jobs over 20 years. A similar study for Virginia reached similar findings.

These efforts are moving forward with little help from the administration. The moment is at hand for the President to start truly leading on the environment—at the upcoming Earth Summit as well as here at home. If we insist on a weak treaty with no binding commitments at Rio, we destroy our capacity to lead. We cannot keep searching for excuses instead of working for solutions.

Without agreement such as the climate-change treaty, with its specific deadlines and targets, there can be no assurances that what must happen, will happen: that carbon dioxide emissions will be reduced and global warming will be confronted. The situation is far more serious than is commonly understood.

The administration is stuck between its economic analysis and its political instincts. Maybe they don't trust the economic analysis. Or maybe they don't want to commit to a stabilization treaty because they don't believe that other developed nations are bargaining in good faith—and will renege if they encounter unwelcome economic consequences of a stabilization commitment.

In fact, other nations could also enhance their economic growth from committing to carbon dioxide stabilization. If we want to be competitive in tough global markets, it is in our self-interest to work to raise energy efficiency, increase energy conservation and reduce carbon dioxide emissions. If we don't, then other nations alone will benefit from creating a more productive economy.

[From Scientific American, April 1992]

ESSAY: A CASE OF DÉJÀ VU

(By Richard Elliot Benedick)

Memories are short. A scant five years ago there was no evidence of global depletion of the ozone layer. Skeptics maintained that the dangers were unproved, that better technologies were nonexistent and that the cost of developing such technologies would disrupt the economy.

The current debate about greenhouse warming conveys a distinct sense of déjà vu. The world again confronts a classic situation: weighing the risks of action and inaction in the face of uncertainties. Short-term costs loom large; long-term dangers seem remote.

Nature, however, is not in the habit of providing convenient early-warning signals. So astounded were scientists in the early 1980s to detect a dramatic seasonal drop in ozone levels over Antarctica that they spent two years rechecking their data. They soon discovered that satellites had dutifully been recording the ozone collapse for several years but had not raised any alert because the computers were programmed to reject such extreme data as anomalies.

The Antarctic ozone hole is an example of what scientists call a nonlinear response; that is the ozone layer kept absorbing ever more chlorine from man-made sources without revealing any problem, until the concentrations reached a breaking point, and collapse ensued. With respect to greenhouse warming, scientists warn that the billions of tons of carbon dioxide and other gases being emitted by modern industrial economies constitute an unpredictable experiment on the atmosphere. Are we approaching other unknown thresholds?

If we heed those who counsel deferring policy action on global warming, we are betting high stakes that clouds or oceans will offset for a while the intrusions into the atmosphere. If they are wrong, the consequences will be grave. Even the most dire predictions are now shown to have *underestimated* ozone loss caused by chlorofluorocarbons (CFCs). Had CFCs been permitted to continue growing, they would have wrought irreparable damage on the ozone layer. And yet at the time, powerful voices in government and industry strongly opposed regulations, on the grounds of incomplete scientific evidence.

Under these circumstances, the lesson for the policymaker seems clear: if we are to err, let us err on the side of caution. The very existence of scientific uncertainty about global warming should lead us to action rather than delay, especially when most of the international scientific community persistently warns of the risks.

Against this background, at least one country, Japan, has unveiled an aggressive program for improving energy efficiency and developing technology to combat the dangers threatening the environment. The program called Earth 21, clearly considers protecting the planet to be a commercial opportunity. Contrary to views in some influential circles in the U.S., environmental concern is not a pretext for central planning. Free-market forces can be harnessed to work for sustainable growth. For the market is essentially neutral with respect to the environment; relying solely on Adam Smith will not, as we have painfully learned, invariably lead to the right outcome.

It is our inadequate tools of economic analysis and accounting that often lead planners and investors to precisely the wrong decisions. Out-moded concepts of national accounting generally ignore the

"externalities" of environmental damage and discount potential harm. A country's economy, for example, receives a double "boost" from production of toxic products and from their subsequent costly cleanup. Similarly, the more countries such as Malaysia and Indonesia destroy their tropical forests and export their patrimony, the more "growth" they register in their GNP. On a corporate level, the technique of discounting future values intrinsically minimizes the harm to future generations while predisposing managers toward investment decisions that maximize short-run profits.

Something is clearly wrong here. The outmoded system by which we measure income needs to be overhauled so that it reflects the future costs of environmental damage. Only then will financial markets reward environmental protection rather than regarding it as an irksome charge against current profits. Far-ranging benefits could flow from such a reform as markets begin receiving more balanced financial signals and their responses permeate the economy.

Here again, the experience with the ozone layer offers some lessons. Consumers showed that with the right information from the media, they were capable of changing purchasing habits abandoning or even boycotting CFC-propelled aerosol sprays. And the ozone treaty signed in Montreal in 1987 demonstrated that, with the proper stimulus, industry can change old habits.

Significantly, the Montreal Protocol on Substances that Deplete the Ozone Layer departed from the customary accommodation of environmental regulation to commercial convenience. It did not merely prescribe "best available technology" to replace CFCs. Rather the designers of the treaty mandated a timetable for deep cuts in consumption of these useful chemicals with full knowledge that the technology did not yet exist to achieve those cuts.

The treaty furnished an unmistakable market signal that made it worthwhile for companies to invest in research into new chemicals and processes they had previously eschewed. The rules of the market were modified, creating conditions that mobilized the vast financial and intellectual resources of the private sector to find solutions formerly claimed to be impossible.

Given the most recent scientific revelations on the ozone layer, we are fortunate that the Montreal Protocol stimulated entrepreneurship on behalf of an environmental objective that had previously been ridiculed. Was this a "radical" treaty, as some antiregulatory politicians argued? Far from it: the protocol was an expression of genuine faith in the market system, in its ability to respond to incentives. As it turned out, economists had vastly overestimated the costs of CFC alternatives and new technologies; some industries even lowered expenses by redesigning processes to do without CFC substitutes.

Market signals imposed by an innovative international treaty achieved results for protecting the ozone layer. I suspect we would find the same forces at work if we would focus on reducing dependence on fossil fuels in the current international negotiations on a climate treaty. The moment of truth will be a historic United Nations conference in Rio de Janeiro in June.

[From the Economist, Sept. 19, 1992]

JAPAN: MUCK INTO MONEY AGAIN

On the subject of pollution, Japanese businessmen are apt to sound smug. Since the 1970s, when anti-pollution demonstrators trapped businessmen in their buildings and the government hustled through 14 environmental laws in a single year, Japan has invested massively in pollution prevention. The country's businessmen like to tell each other that their pollution controls are the toughest in the world—and they are probably right.

But they are about to come under pressure to do more. Japan's attack on dirty air at home gave it a competitive edge in the world's markets for cars and air-pollution equipment. Now the government hopes to do much the same with global pollution. Japanese companies have been thinking up ways to get rid of ozone-depleting chlorofluorocarbons (CFCS): for instance, NEC, a computer manufacturer, now engraves electronic chips with lasers, a technique that costs less than older methods that used CFCS to clean the chips. The Keidanren, a big-business club, is talking to China about that fast-developing country's energy policy: China's filthy coal-fired plants, which Japan has the technology to clean, shower acid rain on Japan's forests.

Most intriguing, though, is the government's enthusiasm for ways to curb global warming by reducing Japan's output of carbon dioxide. The government has promised that, by the end of the century, the output of carbon dioxide per person will be held at the 1990 level. Japan's output of the gas stabilized in the 1970s (see chart), after a big rise in the oil price; after the yen price of oil collapsed in the early and mid-1980s, output of the gas began to rise again.

The main source of this increase has been transport: the boom of the 1980s led to a taste for petrol-guzzling cars. New Japanese cars averaged 13 km (eight miles) to the litre in 1981; by 1988 they did only 11.6 km. That is equal to 27.3 miles to the American gallon, less than the 28 miles per gallon achieved by the average new American car. Japan's car makers say the trend to bigger cars is continuing. Overall, the country's appetite for energy grew by 5 percent a year in the fiscal years of 1987 and 1988, and was still growing by 2.7 percent in 1991.

The international trade and industry ministry, MITI, is running a large programme of research into ways to curb the output of carbon dioxide, much of it paid for by the main fuel-gobbling industries. The government wonders whether to go further, and introduce economic rewards and punishments. As so often in Japanese environmental policy, the various interested ministries are at loggerheads.

The battleground is a new law to cover international environmental issues, promised by the prime minister, Kiichi Miyazawa. The environment agency would like the law to make it easier to introduce new green taxes. Its panel of experts on global warming has called for a carbon tax, to the indignation of industrialists.

MITI, though, wants to design the new law itself. It prefers a mixture of subsidies for energy conservation, and penalties on companies that use energy wastefully. But a lot of industrialists suspect that MITI, which has been deprived of some of its sway over companies by deregulation, sees energy conservation as a way to regain influence. They also think that those penalties might come to look surprisingly like a tax, whose proceeds would conveniently end up in MITI's budget, not in that of the finance ministry.

Not surprisingly, lots of Japanese companies are keen on the idea of subsidies to encourage investment in energy conservation. Other industrial countries might feel differently. If Japan were to subsidize some of its most successful export industries, in the virtuous cause of curbing global warming, some countries might decide that a level playing field was more important than a cool planet.

Mr. ROCKEFELLER. Mr. President, I am joined today by a distinguished group of colleagues, Senator BIDEN, Senator GORE, Senator WIRTH, Senator LIEBERMAN, Senator BINGAMAN, and Senator LEAHY, in introducing the Environmental Aid and Trade Act of 1992. This comprehensive bill gives us an unusual opportunity to take concrete, simultaneous action on two important issues that have meant a great deal to me, both as Governor of West Virginia and as one of West Virginia's U.S. Senators: improving our environment and improving our international competitiveness. Despite the attempts of the Bush campaign—unsuccessful attempts I am glad to say—to convince Americans that saving our environment will destroy our economy, other countries are increasingly learning what the people of West Virginia and the rest of this country already know: a prosperous economy requires a prosperous environment; protecting and cleaning the environment doesn't cost jobs, it creates jobs.

This increasing international awareness of the importance of protecting the environment, and of cleaning up existing pollution problems, is creating one of the fastest growing markets in the world. The global market for environmental goods and services is already more than $250 billion annually and is projected to nearly double by the year 2000. Unfortunately, because of the inadequate attention the Reagan and Bush administrations have given both to improving our environment and to improving our international competitiveness, American producers of environmental goods and services are not fully participating in this world market expansion. The Environmental Aid and Trade Act of 1992 will assist American firms to increase their share of this important market and to reduce the growing U.S. trade deficit.

The recent Earth Summit held in Rio de Janeiro was an example of how other governments increasingly recognize the fundamental connection between the economy and the environment, while President Bush falsely argues that the pursuit of a greener America will have adverse economic consequences. We saw that nations like Germany and Japan are looking to the future; their governments realize the advantages of an environmental economy; and as a result, their companies, with government support, are dominating the international market for environmental products. President Bush, on the other hand, is trying to convince Americans that protecting the U.S. environment will result in the loss of U.S. jobs; this shortsighted, false choice between the environment and

jobs is in fact costing us both a better environment and more jobs; and as a result of this Government support, American companies are losing the race for domestic sales, as well as international sales.

We can see the results of the administration's attitude toward the environment and toward trade promotion in both our international environmental policies and in our international competitiveness. What we see is that other countries are doing more to preserve and to clean up the Earth's environment and that foreign competitors are taking over the environmental market, even in the United States. For example, American companies have already lost domination of the solar energy market, an area we pioneered, to Japan and Germany which now control 70 percent of the world market. Another example of what is happening is clean air technology, where the United States itself now imports over 70 percent of its needs, mostly from Germany which got into this market in the 1980's when the United States was paralyzed by inaction at the White House.

American companies, with support from their Government, have the ability to regain their leadership of the environmental goods and services industry. This judgment is recognized in a report entitled "The OECD Environment Industry: Situation, Prospects, and Government Politics," which was prepared by the OECD Secretariat earlier this year. The report states, "Governments which view the environment industry in strategic terms and provide appropriate supports may be better placed to realize the ecological and economic benefits of a competitive environment sector." The Environmental Aid and Trade Act of 1992 is designed to begin this process of realizing the ecological and economic benefits of a competitive environmental industry in the United States. There will be no quick fix, but with this bill we begin to promote a program that will enhance the environmental and economic conditions of our generation, as well as future generations.

Specifically, the Environmental Aid and Trade Act of 1992 will mandate the following efforts:

It will establish an explicit U.S. Government policy of promoting the export of environmental goods and services. It requires the appointment of senior officers from the State Department, Commerce Department, the Export-Import Bank, the Agency for International Development, the Overseas Private Investment Corporation, the Trade and Development Program, and other agencies to lead this effort.

It will establish an Environmental Trade Working Group of the Trade Promotion Coordinating Committee as a statutory body to "address all issues with respect to the export promotion and export financing of U.S. goods and services to control or reduce pollution and to clean up existing pollution problems" and to serve as the forum for coordinating the efforts of the many agencies involved.

It uses already appropriated funds to establish a new trade credit insurance program to assist developing countries to meet their pressing environmental import needs and, at the same time, to assist American companies to export their environmental goods and services. This program could easily result in $5 billion in additional exports and in additional environmental protection over the next several years.

It requires that the U.S. Government assist American companies in exporting their environmental goods and services by preparing surveys of existing markets and of emerging market trends for environmental goods and services in developed countries, as well as in developing countries, by preparing reports on the trade promotion services the U.S. Government makes available to U.S. businesses, and by comparing these services with the trade promotion services provided by the competition.

It establishes American Environmental Business Centers in countries which will be the key export markets for American environmental products. These centers will provide, on a reimbursable basis, additional trade promotion services.

In introducing this bill today, I am pleased to indicate that, because of the way we do business in the Senate, the Environmental Aid and Trade Act of 1992 has a couple of unusual features. The first, and most important of these unusual features, is that the provisions of the bill can be accomplished with no additional budget outlays. I repeat, all of the actions I just described can be accomplished within the existing budgets and with the existing personnel of the several agencies involved.

The second unusual feature is that much of the bill's comprehensive approach to environmental trade promotion has already been overwhelmingly passed by the Senate. This is because, with the full cooperation and support of Senator RIEGLE, Senator SARBANES, Senator GARN, and Senator MACK of the Banking Committee, I and the other sponsors of the Environmental Aid and Trade Act of 1992 introduced relevant portions of the bill as an amendment of the Export Enhancement Act of 1992, S. 2864, which passed without dissent in August.

Therefore, the Senate has already approved the establishment of an explicit U.S. policy on environmental trade promotion, the establishment of an Environmental Trade Working Group of the Trade Promotion Coordinating Committee as a statutory body, the establishment of American Environmental Business Centers, and the development of new trade promotion services for American exporters.

Mr. President, along with my cosponsors, I plan to bring the other sections of the Environmental Aid and Trade Act of 1992 to the Senate floor before the end of this session. These other sections of the comprehensive bill will deal with the international trade promotion activities of the Department of State, the Agency for International Development, the Trade and Development Program, and the Overseas Private Investment Corporation. It is our hope—and our expectation—that these proposals as well will be approved by the Senate this session, and that our House colleagues will join us in sending this legislation to the President for signature.

When these proposals are signed by law, they will help ensure that American environmental exporters are provided with the most efficient and effective trade promotion assistance in the world. Because of their experience in the very competitive U.S. environmental market, these firms have developed proven products that will be competitive internationally as well. The smaller companies which are so important in the U.S. environmental sector, however, often don't have the capital base or the knowledge of foreign markets that they need to become active internationally. This bill is especially designed to help these environmental firms, which are some of the most dynamic in our economy.

In West Virginia, for instance, there are environmental equipment companies like Winfield Industries in Clarksburg and environmental service companies like Touchstone Research Laboratory in Wheeling which can move actively into international business with the help of the programs established by this bill.

Winfield Industries manufactures hazardous waste containers for the medical sector, and is one of the most successful suppliers in the United States because of the high quality of its products. For the same reason, Winfield could be very successful internationally but to date its only export market is Canada. With the appropriate government support and encouragement, Winfield Industries will be able to expand its export sales significantly.

Touchstone Research Laboratory, Ltd., is one of the Nation's leading industrial problem-solving research firms and is one of the fastest growing companies in America. By helping U.S. manufacturers maximize their output with minimal environmental effect, it is helping our economy and our environment. Despite this expertise, Touchstone only this year has begun to move into international markets where its potential growth is enormous. The international efforts of Touchstone not only expand its own sales abroad but also, because Touchstone recommends U.S. environmental products and tech-

nology to its customers, will expand the international sales of other U.S. companies.

The Environmental Aid and Trade Act of 1992 will help companies like Winfield Industries and Touchstone Research Laboratory to initiate or to increase their international sales. This bill, by taking concrete, simultaneous action on two important issues, demonstrates that sound environment policy and sound economic policy are not incompatible. The programs mandated in this bill will help other countries with their environmental problems while creating employment in the United States and helping reduce our trade deficit. As part of my commitment to the creation of world class export promotion services for American companies and as part of my commitment to global environmental protection, I am proud to be a cosponsor of this legislation.

Mr. LIEBERMAN. Mr. President, I rise in support of legislation being introduced by Senators BIDEN, WIRTH, GORE, ROCKEFELLER, BINGAMAN, LEAHY, and myself—the Environmental Trade and Aid Act of 1992. This legislation continues work that I have done with Senators BOREN, BENTSEN, BYRD, and BAUCUS on trade and aid.

With this bill, we are helping American producers of cutting edge environmental technology be more competitive. The bill establishes programs at AID, the Import-Export Bank, the Trade and Development Program, and OPIC. It is estimated that the annual market for environmental products is more than $300 billion annually, and it is expected to increase to $400 billion by the year 2000.

Earlier this year, the Congressional Office of Technology Assessment [OTA] released a report, "Fueling Development: Energy Technologies for Developing Countries." In that report, OTA discussed the emerging new market for American environmental technology in the developing world. It described how we might best access this new market, helping these nations, and at the same time helping ourselves.

If we are to eliminate our trade deficit, we must aggressively pursue new export opportunities and market our best products. An independent study contracted by the Export-Import Bank's Advisory Board, undertaken by the former chief economist at AID, Dr. Ernest Preeg, estimated that we lose up to $5 billion annually in exports to developing countries because we don't pursue capital projects that would help our Nation's exporters. This means a loss of approximately 100,000 jobs annually, since the Department of Commerce estimates that for every $ 1 billion in exports, we create 20,000 new jobs. And we cannot afford this level of job loss, particularly since our economy remains so sluggish.

By passing this legislation, we would help to guarantee that as developing nations upgrade their environmental infrastructure, they will be doing so with American products made by American workers. With this bill, we are taking the "Buy America" campaign overseas.

It has always been my contention that sound environmental policy can be sound economic policy, and this bill proves the point.

By Mr. BREAUX:

S. 3262. A bill to amend title 46, United States Code, to prohibit abandonment of barges, and for other purposes; to the Committee on Commerce, Science, and Transportation.

ABANDONED BARGE ACT OF 1992

• Mr. BREAUX. Mr. President, I am introducing a bill today that is intended to protect the waterways of the United States from serious environmental problems resulting from abandoned barges.

Abandoned barges have been used by so-called midnight dumpers for the disposal of hazardous wastes and waste oils. The General Accounting Office [GAO] has found that there are over 1,300 known abandoned vessels along U.S. waterways. They have been the cause of numerous water pollution incidents, including many incidents in my home State of Louisiana, that have cost the Federal Government millions of dollars in cleanup expenses. This legislation is designed to give the Coast Guard the authority to deal with these potential sources of pollution.

The bill prohibits owners or operators of barges over 100 gross tons from abandoning them on the navigable waters of the United States. In addition it directs the Secretary of Transportation to fine barge owners or operators up to $1,000 for each day that the vessel is deemed to be abandoned. The Secretary is also directed to require the owner or operator to remove the abandoned barges for which they are responsible. If the owner or operator does not remove the barge as specified, the Secretary is authorized to have it removed by a third party at the expense of the violating party.

The American Waterways Operators, the Coast Guard, the maritime industry, and the GAO have all been consulted in the drafting of this bill. There has been some concern that the bill may be inconsistent with Superfund and the Oil Pollution Act of 1990 [OPA]. However, I believe that its language has been worded so as not to supersede or conflict with either of them. Should an abandoned barge be used as a dump for oil or hazardous waste, nothing in this bill would affect the authority of the Coast Guard or any other agency from carrying out its responsibilities under Superfund or OPA. My intention is not to supersede Superfund or OPA but to get abandoned barges removed from our waterways and to stop the practice of abandoning barges and their use as dumps for hazardous waste.

Mr. President, I request that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3262

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 "Abandoned Barge Act of 1992".

SEC. 2. ABANDONMENT OF BARGES.

(a) IN GENERAL.—Part B of subtitle II of title 46, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 47—ABANDONMENT OF BARGES

"Sec.
"4701. Definitions.
"4702. Abandonment of barge prohibited.
"4703. Penalty for unlawful abandonment of barge.
"4704. Removal of abandoned barges.
"4705. Liability of barge removal contractors.

"§ 4701. Definitions

"In this chapter—

"(1) 'abandon' means to moor, strand, wreck, sink, or leave a barge over one hundred gross tons unattended for longer than forty-five days.

"(2) 'barge removal contractor' means a person that enters into a contract with the United States to remove an abandoned barge under this chapter.

"(3) 'navigable waters of the United States' means waters of the United States, including the territorial sea.

"(4) 'removal' or 'remove' means relocation, sale, scrapping, or other method of disposal.

"§ 4702. Abandonment of barge prohibited

"(a) An owner or operator of a barge may not abandon it on the navigable waters of the United States. A barge is deemed not to be abandoned if—

"(1) it is located at a Federally- or State-approved mooring area;

"(2) it is on private property with the permission of the owner of the property; or

"(3) the owner or operator notifies the Secretary of the barge's location.

§ 4703. Penalty for unlawful abandonment of barge

"Thirty days after the notification procedures under section 4704(a)(1) are completed, the Secretary may assess a civil penalty of not more than one-thousand dollars for each day of the violation against an owner or operator that violates section 4702. A vessel with respect to which a penalty is assessed under this chapter is liable in rem for the penalty.

"§ 4704. Removal of abandoned barges

"(a) AUTHORITY TO REMOVE.—

"(1) IN GENERAL.—The Secretary may remove a barge that is abandoned after complying with the following procedures:

"(A) If the identity of the owner or operator can be determined, the Secretary shall notify the owner or operator by certified mail—

"(i) that if the barge is not removed it will be removed at the owners' or operators' expense; and

"(ii) of the penalty under section 4703.

"(B) If the identity of the owner or operator cannot be determined, the Secretary shall publish an announcement in—

"(i) a notice to mariners; and

"(ii) an official journal of the county in which the barge is located

that if the barge is not removed it will be removed at the owners' or operators' expense.

"(2) UNITED STATES NOT LIABLE.—The United States, and any office or employee of the United States is not liable to an owner or operator for damages resulting from removal of an abandoned barge under this chapter.

"(b) LIABILITY OF OWNER AND OPERATOR.—The owner or operator of an abandoned barge is liable, and an abandoned barge is liable in rem, for all expenses that the United States incurs in removing an abandoned barge under this chapter.

"(c) REMOVAL SERVICES.—

"(1) SOLICITATION.—The Secretary may, after providing notice under subsection (a)(1), solicit by public advertisement sealed bids for the removal of an abandoned barge.

"(2) CONTRACT.—After solicitation under paragraph (1) the Secretary may award a contract. The contract—

"(A) may be subject to the condition that the barge and all property on the barge is the property of the barge removal contractor; and

"(B) must require the barge removal contractor to submit to the Secretary a plan for the removal.

(3) COMMENCEMENT OF REMOVAL.—Removal of an abandoned barge may begin thirty days after the Secretary completes the procedures under subsection (a)(1).

"§ 4705. Liability of barge removal contractors

"(a) LIABILITY.—

"(1) IN GENERAL.—A barge removal contractor and its subcontractor are not liable for damages that result from actions taken or omitted to be taken in the course of removing a barge under this chapter.

"(2) EXCEPTIONS.—Subparagraph (1) does not apply—

"(A) with respect to personal injury or wrongful death; or

"(B) if the contractor or subcontractor is grossly negligent or engages in willful misconduct.".

"(b) APPLICATION TO CERTAIN BARGES.—One year after the date of enactment of this Act, the Secretary may assess a civil penalty under section 4703 against an owner or operator of a barge abandoned before June 11, 1992.

SEC. 3. CLERICAL AMENDMENT.

The analysis of subtitle II at the beginning of title 46, United States Code, is amended by inserting after the item relating to chapter 45 the following:

"47. Abandonment of barges ..... 4701".

SEC. 4. NUMBERING OF BARGES.

Section 12301 of title 46, United States Code, is amended—

(1) by inserting "(a)" before "An undocumented vessel"; and

(2) by adding at the end the following:

"(b) The Secretary shall require an undocumented barge 100 gross tons operating on the navigable waters of the United States to be numbered.".•

By Mr. MACK:

S. 3263. A bill to amend title 37, United States Code, to provide evacuation and transition assistance to dependents of members of the Armed Forces and civilian employees of the Federal Government who are affected by Hurricane Andrew, to provide homeowners assistance to such members and employees, and for other purposes; to the Committee on Armed Services.

ASSISTANCE FOR DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES OF HOMESTEAD AIR FORCE BASE

Mr. MACK. Mr. President, I am delighted today to introduce this legislation which will provide vital assistance for the men and women of Homestead Air Force Base, and their families, as they respond to upheavals in their lives caused by Hurricane Andrew.

The provisions of this bill are simple. The first section allows payment of evacuation allowances for dependents as of August 23—the day Homestead's personnel and their families were ordered out—instead of August 28 as presently established. The second allows payment of departure allowances for the families of servicemembers who had been assigned overseas unaccompanied. Forty families were forced to evacuate the Homestead area, but are not now authorized payment of evacuation allowances as a result of existing regulations. The third expands the existing Housing Assistance Program to allow payments to servicemembers dislocated from Homestead. This provision was originally written to help those affected by base closures, but the victims of Hurricane Andrew need it even more. They have been ordered to alternate bases, but have no opportunity to repair their damaged homes for sale or rental. Under the Housing Assistance Program, the Government purchases homes at either 85 percent of their value or the amount of the outstanding mortgage, and insurance claims are credited against the Government's share.

In short, my bill will permit DOD to take three simple, measured steps in order to help the families of Homestead Air Force Base. Remember, these are the same people who have dedicated their lives to defending America. Thus, I urge all my colleagues to support this legislation, and extend a needed hand to the victims of Hurricane Andrew.

ADDITIONAL COSPONSORS

S. 1294

At the request of Mr. FOWLER, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 1294, a bill to protect individuals engaged in a lawful hunt within a national forest, to establish an administrative civil penalty for persons who intentionally obstruct, impede, or interfere with the conduct of a lawful hunt, and for other purposes.

S. 1506

At the request of Mr. GLENN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1506, a bill to extend the terms of the olestra patents, and for other purposes.

S. 1622

At the request of Mr. KENNEDY, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 1622, a bill to amend the Occupational Safety and Health Act of 1970 to improve the provisions of such act with respect to the health and safety of employees, and for other purposes.

S. 1687

At the request of Mr. MCCAIN, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1687, a bill to increase the capacity of Indian tribal governments for waste management on Indian lands, and for other purposes.

S. 1777

At the request of Mr. ADAMS, the names of the Senator from Alaska [Mr. STEVENS], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 1777, a bill to amend the Public Health Service Act to establish the authority for the regulation of mammography services and radiological equipment, and for other purposes.

S. 1862

At the request of Mr. GRAHAM, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 1862, a bill to amend the National Wildlife Refuge System Administration Act of 1966 to improve the management of the National Wildlife Refuge System, and for other purposes.

S. 2113

At the request of Mr. SMITH, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 2113, a bill to restore the Second Amendment rights of all Americans.

S. 2204

At the request of Mr. DURENBERGER, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 2204, a bill to amend title 23, United States Code, to repeal the provisions relating to penalties with respect to grants to States for safety belt and motorcycle helmet traffic safety programs.

S. 2484

At the request of Mr. KASTEN, the names of the Senator from Georgia [Mr. FOWLER], the Senator from Washington [Mr. GORTON], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 2484, a bill to establish research, development, and dissemination programs to assist State and local agencies in preventing crime against the elderly, and for other purposes.

S. 2652

At the request of Mr. BIDEN, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 2652, a bill to provide enhanced penalties for commission of fraud in connection with the provision of or receipt of payment for health care services, and for other purposes.

S. 2792

At the request of Mr. KOHL, the name of the Senator from Florida [Mr. GRA-

HAM] was added as a cosponsor of S. 2792, a bill to amend and authorize appropriations for the continued implementation of the Juvenile Justice and Delinquency Prevention Act of 1974.

S. 2810

At the request of Mr. GORE, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 2810, a bill to recognize the unique status of local exchange carriers in providing the public switched network infrastructure and to ensure the broad availability of advanced public switched network infrastructure.

S. 2841

At the request of Mr. D'AMATO, the names of the Senator from Utah [Mr. GARN], the Senator from Hawaii [Mr. INOUYE], and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of S. 2841, a bill to provide for the minting of coins to commemorate the World University Games.

S. 2914

At the request of Mr. DURENBERGER, the names of the Senator from North Carolina [Mr. HELMS], the Senator from South Dakota [Mr. DASCHLE], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 2914, a bill to direct the Secretary of Health and Human Services to make separate payment for interpretations of electrocardiograms.

S. 2941

At the request of Mr. RUDMAN, the names of the Senator from California [Mr. SEYMOUR], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 2941, a bill to provide the Administrator of the Small Business Administration continued authority to administer the Small Business Innovation Research Program, and for other purposes.

S. 3002

At the request of Mr. ROCKEFELLER, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 3002, a bill to amend title XIX of the Social Security Act to provide for optional coverage under State medicaid plans of case-management services for individuals who sustain traumatic brain injuries, and for other purposes.

S. 3092

At the request of Mr. NUNN, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 3092, a bill to amend the charter of the Group Hospitalization and Medical Services, Inc., to remove the partial exemption granted to the corporation from the insurance laws and regulations of the District of Columbia.

S. 3119

At the request of Mr. CONRAD, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 3119, a bill to establish a National Appeals Division of the Department of Agriculture to hear appeals of adverse decisions made by certain agencies of the Department, and for other purposes.

S. 3172

At the request of Mr. ROCKEFELLER, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 3172, a bill to amend section 337 of the Tariff Act of 1930 and title 28 of the United States Code to provide effective procedures to deal with unfair practices in import trade and to conform section 337 and title 28 to the General Agreement on Tariffs and Trade, and for other purposes.

S. 3195

At the request of Mr. GLENN, the names of the Senator from Mississippi [Mr. LOTT], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 3195, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the United States' involvement in World War II.

S. 3243

At the request of Mr. ROCKEFELLER, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 3243, a bill to grant employees family and temporary medical leave, to treat the costs of the Head Start Program and other programs for children as emergency funding requirements, to provide aid to parents in providing the best possible learning environment for children, to promote investments in child welfare and family preservation, to reduce violence and improve the safety of children and their families, and for other purposes.

SENATE JOINT RESOLUTION 293

At the request of Mr. SASSER, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of Senate Joint Resolution 293, a joint resolution designating the week beginning November 1, 1992, as "National Medical Staff Services Awareness Week."

SENATE JOINT RESOLUTION 311

At the request of Mr. SEYMOUR, the names of the Senator from Connecticut [Mr. DODD] and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of Senate Joint Resolution 311, a joint resolution designating February 21, 1993, through February 27, 1993, as "American Wine Appreciation Week," and for other purposes.

SENATE JOINT RESOLUTION 321

At the request of Mr. KOHL, the names of the Senator from Nebraska [Mr. EXON], the Senator from Missouri [Mr. BOND], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Joint Resolution 321, a joint resolution designating the week beginning March 21, 1993, as "National Endometriosis Awareness Week."

SENATE JOINT RESOLUTION 328

At the request of Mr. COCHRAN, the names of the Senator from Alabama [Mr. HEFLIN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Maryland [Ms. MIKULSKI], the Senator from Maryland [Mr. SARBANES], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of Senate Joint Resolution 328, a joint resolution to acknowledge the sacrifices that military families have made on behalf of the Nation and to designate November 23, 1992, as "National Military Families Recognition Day."

SENATE JOINT RESOLUTION 332

At the request of Mr. SASSER, the names of the Senator from Louisiana [Mr. JOHNSTON], the Senator from Alabama [Mr. HEFLIN], the Senator from Florida [Mr. GRAHAM], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Joint Resolution 332, a joint resolution to establish the month of October, 1992 as "Country Music Month."

SENATE JOINT RESOLUTION 333

At the request of Mr. DECONCINI, the names of the Senator from Nevada [Mr. REID], the Senator from Idaho [Mr. SYMMS], the Senator from Illinois [Mr. SIMON], and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of Senate Joint Resolution 333, a joint resolution designating the week beginning February 7, 1993, as "Lincoln Legacy Week."

SENATE JOINT RESOLUTION 336

At the request of Mr. AKAKA, the names of the Senator from Missouri [Mr. BOND], the Senator from Louisiana [Mr. BREAUX], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Mississippi [Mr. COCHRAN], the Senator from Maine [Mr. COHEN], the Senator from Idaho [Mr. CRAIG], the Senator from New York [Mr. D'AMATO], the Senator from Illinois [Mr. DIXON], the Senator from Connecticut [Mr. DODD], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Utah [Mr. GARN], the Senator from Florida [Mr. GRAHAM], the Senator from Utah [Mr. HATCH], the Senator from Wisconsin [Mr. KASTEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Michigan [Mr. LEVIN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Maryland [Ms. MIKULSKI], the Senator from New York [Mr. MOYNIHAN], the Senator from Oregon [Mr. PACKWOOD], the Senator from Alaska [Mr. STEVENS], the Senator from Idaho [Mr. SYMMS], the Senator from South Carolina [Mr. THURMOND], the Senator from Virginia [Mr. WARNER], and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of Senate Joint Resolution 336, a joint resolution designating the week beginning November 8, 1992, as "Hire a Veteran Week."

AMENDMENT NO. 3104

At the request of Mr. GLENN the name of the Senator from Nebraska

[Mr. EXON] was added as a cosponsor of amendment No. 3104 proposed to S. 3114, an original bill to authorize appropriations for fiscal year 1993 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

SENATE CONCURRENT RESOLUTION 137—RELATING TO CERTAIN ORDERS OF THE FEDERAL ENERGY REGULATORY COMMISSION

Mr. WELLSTONE submitted the following concurrent resolution; which was referred to the Committee on Energy and Natural Resources:

S. CON. RES. 137

Whereas Congress has declared that a purpose of the Department of Energy is to promote the continued good health of the small business firms, public utility districts, municipal utilities, and private cooperatives of the United States;

Whereas residential and commercial consumers, hospitals, schools, and other users that have been identified by Congress as high-priority users of natural gas depend on an affordable and reliable supply of natural gas;

Whereas on April 8, 1992, the Federal Energy Regulatory Commission adopted new regulations in Order No. 636;

Whereas the order forces significant changes in the structure of the various components of the natural gas industry that will significantly increase the cost of natural gas and have other adverse effects on residential, commercial, and other high-priority users;

Whereas the order will make residential, commercial, and other high-priority users pay all fixed costs of the national pipeline system, instead of only a reasonable share of the fixed costs;

Whereas the cost shift under the order will also increase the cost to consumers due to the wellhead price of natural gas;

Whereas the cost increases under the order will not benefit residential consumers who are nevertheless forced to pay all transition costs created by the restructuring of industry under the order;

Whereas the Federal Energy Regulatory Commission has not provided Congress with an analysis of the economic impact of the order on the classes of natural gas end-users (including higher fixed costs, higher wellhead costs, and new transition costs); and

Whereas the Federal Energy Regulatory Commission has not provided Congress with an analysis of the economic impact of the order on the geographic regions of the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the Comptroller General of the United States should—

(A) conduct a study of the economic impacts of Order No. 636 of the Federal Energy Regulatory Commission that was adopted by the Commission on April 8, 1992, on the classes of natural gas end-users and the geographic regions of the United States; and

(B) not later than January 30, 1993, report the results of the study to Congress; and

(2) the Federal Energy Regulatory Commission should refrain from processing restructuring proceedings pursuant to the order during the 60-day period beginning on the date that the report is submitted to Congress.

• Mr. WELLSTONE. Mr. President, today I am submitting a concurrent resolution calling for a General Accounting Office [GAO] report on the economic impact of Federal Energy Regulatory Commission [FERC] Order 636. This resolution also expresses the sense of the Congress that FERC should delay further proceedings under that order until 60 days after the GAO submits its reports to Congress.

FERC Order 636 could cost consumers tens of billions of dollars. In recent weeks, I have heard loud protests from several municipal utilities in Minnesota about Order 636, universally opposing it. Some utility executives have said that this order will lead to a 50-percent price increase for residential natural gas consumers. Such an increase would wreak economic havoc in Minnesota and throughout much of the United States.

FERC Order 636 is a very complicated proceeding. Through it, FERC is seeking to further deregulate the already deregulated natural gas industry. It represents perhaps the most radical departure possible from historical natural gas regulation.

While Order 636 can appear to be a maze of regulatory intricacies, there is little question about its net effect—it will benefit the major gas producers and pipelines at the expense of existing gas consumers. It will cost consumers billions, particularly those in Northern and Midwestern States, while reaping windfall profits for the major gas companies.

The resolution I am introducing today does not try to reexamine all of the hundreds of aspects of Order 636. It focuses on the most important aspect—its economic impact. That is the key point about which Congress, and the public, need information—and need it before the order takes effect.

Given the extraordinary economic impact of this order, FERC should delay the taking of any further action to implement it until Congress has received GAO's independent review. Consider the following:

According to the American Public Gas Association, Order 636 will increase the utility bills of residential and small commercial consumers by several billion dollars a year!

According to Citizen Action, Order 636 will cost consumers more than $10 billion over the next several years. They estimate it will raise the average home's gas bills by more than $100 a year!

According to FERC, the order will have transition costs of billions of dollars. At least 90 percent of those costs will be paid for by current customers.

An independent economic analysis by GAO is also essential because FERC has failed to provide a credible analysis. Instead of an objective economic analysis, FERC has released with the final order a cost and benefits report. This report carries a disclaimer on its first page stating that it is merely a discussion paper and does not necessarily represent the views of the Commission, any individual Commissioner, the Commission staff, or any individual member of the Commission staff.

Despite the sweeping nature of this order, the Federal Energy Regulatory Commission has presented Congress and the public with platitudes for which it refuses to take responsibility. Not surprisingly, FERC has refused to provide the details and supporting documents for its so-called analysis when requested to do so under the Freedom of Information Act by Citizen Action.

Mr. President, I ask unanimous consent that three documents appear in the RECORD immediately following these remarks: a press statement criticizing FERC's cost and benefits report, prepared by Citizen Action; a Background Paper on FERC's Order No. 636, prepared by the American Public Gas Association; and the text of the resolution itself.

In conclusion, I urge my colleagues to join as cosponsors of this resolution to express their outrage at the irresponsible action of the Federal Energy Regulatory Commission.

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

FERC BLASTED FOR FLAWED AND BIASED ORDER 636 ECONOMIC ANALYSIS

Washington: Citizen Action, the nation's largest consumer organization, today released a sharply worded critique of the Federal Energy Regulatory Commission's economic analysis of Order 636, its pipeline restructuring rule.

According to Citizen Action, the economic analysis, prepared by the Office of Economic Policy, "is deeply flawed or deeply biased or both." Furthermore, "OEP's economic analysis 'just puts a number' on the proposed changes but does so by using questional assumptions and inconsistent methods."

"For example," said Edwin S. Rothschild, Citizen Action's Energy Policy Director, the analysis ignores the fact that residential and small commercial consumers will end up paying billions of dollars in higher bills with the excuse that 'income transfers' do not have an impact on 'net social benefits.'"

"This is the equivalent of calling a bank robbery an 'income transfer' rather than a crime," said Rothschild.

Citizen Action's critique faults the FERC for its lack of an econometric model, failing to state underlying assumptions for its choices of supply and demand forecasts and for failing to properly account for the costs and benefits to all of the sectors of the gas market.

"Ultimately," argued Rothschild, "the FERC's conclusion that the rule provides a $15 to $42 billion dollar increase in 'net social benefit' has all the credibility and mystery of the Loch Ness monster."

BACKGROUND PAPER ON FERC'S ORDER NO. 636

INTRODUCTION

On April 8, 1992, the Federal Energy Regulatory Commission ("FERC") issued Order No. 636 (formerly known as the "Mega-NOPR"), which was the Final Rule in Docket No. RM91-11-000. Order No. 636 mandates major alternations in the structure of services provided by interstate natural gas pipelines. The American Public Gas Association (APGA) and other natural gas consumers oppose specific provisions of Order No. 636 that will hurt this Nation's public gas systems and their customers.

There are approximately 1,000 public-owned gas systems in thirty-four states. These gas systems, which are located predominantly in small to medium-sized communities, serve almost 4 million gas consumers. Public gas systems are owned by and are accountable to the people they serve, and most are controlled by an elected governing board, such as a town council or utility board.

This following background paper explains how FERC's new regulations in Order No. 636 will lead to rate increases, while also threatening the availability and reliability of natural gas service for the Nation's residential and small business consumers of natural gas. APGA is therefore asking Congress to recognize the negative impacts of Order No. 636 on gas distributors and consumers and to intervene where necessary.

STRUCTURE OF THE NATURAL GAS INDUSTRY

Traditionally, natural gas industry regulation has had three major sets of players: (1) producers that explored for and developed gas at the "wellhead"; (2) interstate pipelines that purchased gas from the producers under long-term supply contracts, transported it across state lines, and then resold it at wholesale; and (3) local distribution companies ("LDCs") that purchased gas at their "citygates" from the pipelines and distributed it at retail predominantly to small residential and commercial end use consumers in defined service territories.

Under the Natural Gas Act of 1938 ("NGA"), the FERC regulates the rates the pipelines charged for their gas to ensure that the pipelines did not abuse their monopoly power over interstate gas service. The FERC regulates both the sales and transmission services of interstate pipelines. The prices which producers charged at the wellhead for natural gas were also regulated, starting in 1954; but Congress in the Natural Gas Policy Act of 1978 and the Wellhead Decontrol Act of 1989 deregulated wellhead sales of gas. Congress, however, did not modify the NGA to deregulate the rates which pipelines could charge to sell or transport gas.

In the 1980s, FERC began to advance its own philosophy of how the natural gas industry should be structured. In 1985, it effectively required interstate pipelines to "open up" their pipeline networks and to transport gas for third parties, which competed with the pipelines' own sales gas. The interstate pipeline business changed radically. The transportation of "third party" gas, which producers, marketers, and brokers sold directly to large industrial end users and LDCs, began to overtake the pipelines' own sales volumes. In turn, the pipelines could not sell the gas they had contracted to buy from producers under long-term "ironclad' supply contracts (known as "take-or-pay" contracts). This has led to extensive litigation and expensive settlements between the pipelines and producers. A substantial part of the cost of these "take-or-pay" settlements has been paid by gas consumers.

Now, in its Order No. 636, the FERC wants to complete the "transition" to its version of a supposedly deregulated interstate gas market. It is requiring the pipelines to "unbundle," or disassemble, their wholesale gas service into its constituent gas supply and transportation parts. It is deregulating the prices which pipelines can charge LDCs for their gas supplies. It is requiring all LDCs which presently hold gas sales contracts with interstate pipelines to become "transportation" customers of those pipelines and to negotiate new, deregulated gas supply arrangements with those pipelines or other gas suppliers. It is doing away with the pipelines' statutory obligations under the NGA to continue to transport and sell gas to LDCs in favor of complete reliance on private contracts. It is also changing the way pipelines will develop the rates they charge for the transportation portion of their service to LDCs by shifting more costs to "low load factor" LDCs, i.e. those which serve residential customers that require more gas in the winter than in the summer. In addition, it requires pipelines to curtail service to customers on a pro rata basis, which may deprive "high priority" and "human needs" users of needed gas service.

These changes are ill-advised (as well as illegal) and will increase the cost of gas service to residential and small business gas consumers. Order No. 636 will undercut the affordability and reliability of environmentally-sound and domestically-produced natural gas. Congress must act to protect high-priority consumers of natural gas and ensure that the FERC is carrying out its statutory obligations. Specifically, Congress should recognize the following points:

TRANSITION COSTS

Even FERC realizes the high cost of its new regulations requiring pipelines to accomplish the final "transition" to a deregulated market. The pipelines still hold thousands of long-term, relatively high-priced contracts to purchase gas from natural gas producers. These contracts will have to be reformed or bought out. In Order No. 636, FERC has told the pipelines as a practical matter that they could flow through 100% of any "transition costs" they incurred to their customers, primarily their "firm transportation" customers. No one can say how much consumers will be forced to pay. The Interstate Natural Gas Association of America ("INGAA"), the interstate pipelines' trade association, estimated that the pipelines will incur at least $2 billion in transition costs. However, a single major pipeline filed a settlement proposal in June 1992 to collect more than $587 million in transition costs. One thing is clear: since the LDCs, which provide gas service to residential consumers, will be "firm transportation" customers of the pipelines under the FERC's new regime, they will have to pay the lion's share of these costs and then pass them on to their residential and small business customers.

CHANGES IN TRANSPORTATION RATES

Under the Natural Gas Act, FERC has reviewed and approved the sales and transportation rates of interstate pipelines. Now FERC wants to get out of the business of reviewing pipeline rates for gas sales entirely. FERC says that it will only continue to review and approve pipeline transportation rates. But FERC is changing its method of setting pipeline transportation rates, in a way that will decrease the cost for large industrial or electric generation users while increasing costs to LDCs which provide gas service to residential and small business consumers.

Under FERC's past rate-setting formulas, pipeline costs were divided into two main categories: (1) "variable" costs (those costs that vary with the amount of gas pipelines move through their systems), and (2) "fixed" costs (those costs which do not vary with the volumes of gas moved). FERC has traditionally required the pipelines to recover their variable costs and certain types of fixed costs (including their "rate of return on equity," or profit) in charges levied on the gas volumes that actually moved through their systems. If the pipelines did not move enough gas, they would not recover these costs or make their allowed profits. Pipelines recovered their remaining fixed costs in charges that their customers paid "up front" every month, regardless of how much gas they actually used that month.

FERC now wants all pipelines to set their rates using a different method—the "Straight Fixed-Variable" ("SFV") method. Under SFV, all of a pipeline's fixed costs, including its profit, will be collected "up front" every month from its customers. Coupled with concerns with Order No. 636's restrictions on capacity allocation (which involves an LDCs ability to efficiently allocate its excess summer capacity), the new SFV method will (1) require residential and small business consumers served by the LDCs (which are paying the SFV's increased monthly charges) to pay billions of dollars more for their service; (2) guarantee that interstate pipelines recover all of their fixed costs and profits "up front," thus insulating them from business risks, and (3) remove the incentive for pipelines to operate efficiently.

Recognizing the outcry these increased costs would cause, FERC has proposed to "mitigate" the rate shock by phasing in SFV-related rate increases over four years. All this means is that some LDCs may not experience the full rate shock from the Commission's actions until 1996, though it does not in any way justify that rate shock.

CURTAILMENT

During the curtailment era of the 1970's, Congress enacted Title IV of the Natural Gas Policy Act ("NGPA"), which requires that high-priority or human needs users of natural gas—residential and small commercial consumers, schools, hospitals, and essential agricultural users—continue to receive gas in the event of curtailment by the interstate pipelines.

In Order No. 636, FERC concluded that these Title IV curtailment rules apply only to curtailments of pipeline sales gas, and not to curtailments of pipeline transportation service. (Because of the diminished role FERC foresees for pipeline sales gas in a deregulated market, Title IV will be rendered virtually irrelevant if FERC prevails.) FERC believes that if curtailment of pipeline transportation service is necessary, the affected pipeline should cut each of its customers' contracted-for capacity by an equal percentage. Curtailments can occur if a pipeline's capacity is "oversubscribed" on a cold winter day (much as an airplane can oversell its seats on a busy flight), or if a pipeline's capacity is decreased due to equipment failures or "Acts of Nature." In such cases, FERC's rules would permit pipelines to curtail transportation service to LDCs intended for residential consumers equally—on a *pro rata* basis—with all other service, even service meant for large industrial or electric generation customers that have the capability to switch to a fuel other than gas. This curtailment scheme could result in homes and hospitals and other human needs users being denied their gas supply, while indus-

trial and electric generation users would continue to receive gas. Further, Order No. 636 does not require any sort of protection for human needs users in the event that third party gas supply (the main type of supply provided for in the Final Rule) fails.

This result is exactly what Congress intended to avoid in Title IV of the NGPA. Congress clearly intended to protect deliveries of gas to residential and small business consumers dependent on gas for heating their homes and offices on cold winter days. These consumers are clearly the most vulnerable, and FERC is taking "a head-in-the-sand" attitude with them by relying on the current abundance of gas and unpredictable market forces to keep curtailment a nonproblem.

UNBUNDLING

LDCs have historically relied on interstate pipelines to provide a "bundled" (gas and transportation) service. FERC, however, in Order No. 636 is mandating the "unbundling" of these services by pipelines. Many LDCs would like to have the option of continuing to purchase bundled sales service in lieu of having to contract separately for gas supply and transportation services. In addition, bundled service provides LDCs with the ability to meet gas needs during unanticipated drops in temperature (so called "no notice" service). Even, the FERC, in Order No. 636, has acknowledged the need for no notice service. However, FERC has failed to justify in the Order its refusal to permit pipelines to provide bundled service among the menu of services available to customers.

PREGRANTED ABANDONMENT

LDCs have a public service obligation to provide gas to their local residential and small business customers, because these customers are completely dependent on gas service to heat their homes and businesses. Interstate pipelines have a similar public service obligation under the NGA to provide service to the LDCs serving these consumers, even if there was no current contract between a pipeline and the LDC customer.

In Order No. 636, FERC has effectively attempted to do away with the pipeline's statutory obligations to provide service to their LDC customers. Before Order No. 636, a pipeline had to obtain FERC's permission to "abandon service" to an LDC, which authorization could only be granted upon a showing of "public convenience and necessity." FERC is now trying to universally "pregrant" this abandonment authorization. Under this approach, a pipeline could stop providing firm transportation service to an LDC at the end of their contract, unless the LDC agrees to "reup" the contract by matching the highest price and term that any other potential customer will pay the pipeline for such service. This "matching" requirement will increase uncertainty in the industry and will drive up the costs of the firm transportation service that LDCs need to provide gas service to their residential and small business customers. Plus, it will put LDCs on an unlevel playing field with large industrial or electric generation users.

WHAT SHOULD BE DONE

The new regulations adopted by FERC in Order No. 636 force substantial changes in the structure of the various components of the natural gas industry. These changes may significantly increase the cost and threaten reliability and availability of natural gas for residential, commercial, and other high-priority users. Meanwhile, FERC has not provided Congress with an analysis of the economic impact of Order No. 636 on: (1) the various classes of natural gas end-users and (2) the geographic regions of the country. APGA is thus asking Congress to determine, through an impartial analysis, the economic impact, and other certain effects of Order No. 636 in the context of the concerns addressed in this background paper. FERC must not be permitted to proceed with processing Order No. 636 until this impartial analysis is complete and reviewed by Congress in the appropriate forum.

APGA has already asked FERC to confront these concerns and to "rehear" the Final Rule. Specifically, APGA has asked FERC, among other things; to: (1) at least attempt to quantify the transition costs which pipelines will incur as a result of Order No. 636 and to develop appropriate methods for recovering these costs from *all* industry participants; (2) reverse its decision to impose the SFV rate method on all pipelines by regulatory fiat (or to require permanent and substantial rate mitigation measures to avoid increased rates to LDCs serving residential and small business consumers if the SFV methods remains in place); (3) develop mechanisms to protect gas service to residential and small business consumers if there are renewed curtailment of gas supply or pipeline capacity; (4) require pipelines to continue to offer bundled gas service as an option; and (5) enforce the NGA's statutory protection against abandonment of service by pipelines to LDCs.●

SENATE RESOLUTION 345—COMMENDING AND CONGRATULATING THE COLLEGE OF WILLIAM AND MARY ON THE OCCASION OF THE 300TH ANNIVERSARY OF ITS FOUNDING

Mr. STEVENS (for Mr. WARNER, for himself and Mr. ROBB) submitted the following resolution; which was considered and agreed to:

S. RES. 345

Whereas throughout their history, the people of the United States have recognized that an educated citizenry is important to a democracy, and to that end have supported universal education as well as the development of centers of advanced learning for the benefit of the general welfare;

Whereas on February 8, 1693, a royal charter was granted by King William III and Queen Mary II of England to found and establish "a certain place of universal learning" in the "good arts and sciences" to be known forever as the College of William and Mary in Virginia;

Whereas on December 4, 1779, after the United States gained its independence, Thomas Jefferson, the Governor of the Commonwealth of Virginia and a former student of the College of William and Mary, led an effort to reorganize the curriculum of the College of William and Mary which resulted in the creation of the first elective system of study in the United States, the establishment of an honor system that remains an integral part of the College of William and Mary today, and the creation of the first Chair of Law in the United States;

Whereas the students of the College of William and Mary, the second oldest institution of higher learning in the United States, have contributed to the general welfare for three centuries, so that it has accurately been said that the history of the College of William and Mary forms a significant part of the history of the United States;

Whereas among the distinguished alumni of the College of William and Mary are three Presidents of the United States, Thomas Jefferson, James Monroe, and John Tyler; Chief Justice John Marshall and three Associate Justices of the United States; more than 30 United States Senators; more than 60 members of the House of Representatives; eight members of Presidential cabinets; 27 Governors of ten States; and countless other public officials and leaders in business, industry, military service, science, and the arts;

Whereas the College of William and Mary and the town of Williamsburg have flourished together, fulfilling a prediction made in 1699 that "the College will help make the Town", and together constituting an historical treasure to be enjoyed and appreciated by the people of the United States and the world;

Whereas in the past 25 years, the College of William and Mary has established itself as a modern university with distinctive graduate programs and as a leader in higher education, while never wavering from its commitment to undergraduate liberal arts education as a foundation of a free society; and

Whereas as the College of William and Mary prepares to embark upon its fourth century, it continues to educate men and women to be productive citizens in both public and private pursuits and to adapt its course of studies to the growing needs of the community and the Nation: Now, therefore, be it

Resolved, That it is the sense of the Senate to commend and congratulate the College of William and Mary in Virginia on the occasion of its 300th anniversary, to recognize the many contributions it has made to the well-being of the people of Virginia and the United States, and to express the hope of the people of the United States that the College of William and Mary will continue to grow and prosper in the centuries yet to come.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, FISCAL YEAR 1993

LEAHY (AND OTHERS) AMENDMENT NO. 3117

Mr. LEAHY (for himself, Mr. LAUTENBERG and Mr. JEFFORDS) proposed an amendment to the bill (H.R. 5504) making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes.

At the appropriate place in the bill, insert the following:

(1) None of the funds appropriated by this Act may be used for the inactivation of any unit in the Selected Reserve of the Army, Navy, Air Force, or Marine Corps, except for—

(A) an inactivation of a unit which is the direct result of the closure or realignment of a military installation required pursuant to law;

(B) an inactivation of a reinforcing unit in the Naval Reserve that is associated directly with a decommissioned unit in the active component of the Navy; and

(C) an inactivation of an aviation unit as a direct result of the phasing out of a weapon

system from the active components and the reserve components by the end of fiscal year 1993.

(2) A unit of the Selected Reserve of the Army, Navy, Air Force, or Marine Corps may not be inactivated pursuant to an exception in paragraph (1) until the Secretary of Defense has submitted to the Committees on Appropriations and Armed Services of the Senate and House of Representatives the rationale for the proposed inactivation of that unit and the specific exception that applies.

HELMS AMENDMENT NO. 3118

Mr. HELMS proposed an amendment to the bill H.R. 5504, supra, as follows:

At the appropriate place in the Committee amendment on page 142, lines 1-6, insert the following:

"Notwithstanding any other provision of law, the Office of Personnel Management is prohibited from including in the Combined Federal Campaign (the Federal government's annual employee fund-raiser for charities), and from contracting with, any organization which uses charitable contributions to compel, or attempt to compel, the Boy Scouts of America, Inc., or any other youth group, to accept as members or permit as leaders:

(1) homosexuals; or

(2) individuals who reject the group's oath of allegiance to God and country.".

HELMS (AND ROBB) AMENDMENT NO. 3119

Mr. STEVENS (for Mr. HELMS, for himself and Mr. ROBB) proposed an amendment to the bill H.R. 5504, supra, as follows:

At the appropriate place in the bill insert the following:

"SEC. . NUISANCE AQUATIC VEGETATION IN LAKE GASTON, VIRGINIA AND NORTH CAROLINA.

(a) IN GENERAL.—The Secretary of the Army is authorized to undertake a program to control nuisance aquatic vegetation for the purpose of preserving the recreational uses of the waters of Lake Gaston, Virginia and North Carolina.

(b) In addition to amounts appropriated elsewhere in this Act, $200,000 is appropriated for the purposes described in subsection (a).".

DASCHLE (AND OTHERS) AMENDMENT NO. 3120

Mr. INOUYE (for Mr. DASCHLE, for himself and Mr. DOLE, Mr. HARKIN, and Mr. BREAUX) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 39, on line 3, before the period insert the following: ": *Provided further*, That of the funds appropriated in this act for medical technology, $4,000,000 shall be used for Assistive Technology Center at the National Rehabilitation Hospital".

STEVENS (AND OTHERS) AMENDMENT NO. 3121

Mr. STEVENS (for himself, Mr. THURMOND, Mr. HELMS, and Mr. HOLLINGS) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 157, line 10, add a new section:

"SEC. . None of the funds provided in this Act may be obligated to implement any test of changes in the Department's domestic interstate household goods program as proposed in the Federal Register on June 29, 1992."

FOWLER (AND NUNN) AMENDMENT NO. 3122

Mr. INOUYE (for Mr. FOWLER and Mr. NUNN) proposed an amendment to the bill H.R. 5504, supra, as follows:

SEC. 91 . In addition to the $630,100,000 appropriated in this Act for the National Guard and Reserve components, $25,000,000 is appropriated for one C-20 aircraft for the Marine Corps Reserve.

BUMPERS AMENDMENT NO. 3123

Mr. BUMPERS proposed an amendment to the bill H.R. 5504, supra, as follows:

At page 29, strike lines 5 and 6 and insert in lieu thereof the following: "$2,695,564,000, to remain available for obligation until September 30, 1995, except that no more than $90,000,000 may be obligated or expended for the Trident II missile.".

BUMPERS AMENDMENT NO. 3124

Mr. BUMPERS proposed an amendment to the bill H.R. 5504, supra, as follows:

At the appropriate place in the bill insert the following:

"The Secretary of Defense shall provide for the conduct of an independent study, with participation by one or more federally funded research and development centers, of the Trident missile system. A report containing the results of such study, together with the Secretary's comments and recommendations concerning the report shall be submitted to the Congressional defense committees, in classified and unclassified versions, on or before May 1, 1993. This report shall address, inter alia, the following issues:

"(1) the relative merits and costs of continuing the Trident II missile production versus the refurbishment of existing Trident I missiles, taking into account such factors as inflation, appropriate regulations such as OMB Circular A-94 and DOD Instruction 7041.3, refurbishment costs for the Trident I that would be incurred anyway, the impact of the new START agreements, refurbishment requirements of the Trident II, and other related factors.

"(2) the relative merits and costs of continuing with current plans to backfit the first eight Trident submarines with Trident II missiles versus their continuation with Trident I missiles, taking into account such factors as inflation, appropriate regulations such as OMB Circular A-94 and DOD Instruction 7041.3, refurbishment costs for the Trident I that would be incurred anyway, the impact of the new START agreements, refurbishment requirements of the Trident II, and other related factors.

"(3) the relative merits and costs of taking anticipated SLBM warhead reductions under START in the following ways:

"(A) by offloading individual warheads from missiles;

"(B) by offloading missiles from submarines;

"(C) by dismantling submarines; and

"(D) some combination of the above.

"4. Options for the United Kingdom to meet its strategic requirements in a situation where the U.S. procurement of Trident II missiles is terminated earlier than originally planned.

"5. The reasons why the costs stated for Trident I refurbishment are substantially greater than Minuteman III refurbishment.

"6. The reasons why strategic missile flight testing rates are substantially different for the Navy and Air Force, along with recommendations for uniform testing rates."

GLENN (AND PELL) AMENDMENT NO. 3125

Mr. GLENN (for himself and Mr. PELL) proposed an amendment to the bill H.R. 5504, supra, as follows:

At the appropriate place in the bill, insert the following new section;

SEC. . SENSE OF CONGRESS REGARDING UNRESOLVED COMMERCIAL DISPUTES IN SAUDI ARABIA.

(a) FINDINGS.—The Congress finds that—

(1) the Department of Commerce has identified "18 major unsettled cases, involving 14 American firms with claims of approximately $500 million", in Saudi Arabia in a letter dated May 27, 1992, to the House Subcommittee on Europe and the Middle East;

(2) the Department has testified that many of these disputes "go back 8 to 10 years";

(3) the Department of Commerce has testified that "Saudi Arabia's commercial law has not kept pace with its great economic strides. The Kingdom's system of commercial regulation lacks an effective internationally accepted mechanism to resolve disputes with foreign firms.";

(4) the Department of Commerce has testified that "The United States has trading relationships with virtually all the nations in the Near East region. The only country in which we encounter a continual problem with unresolved commercial disputes is Saudi Arabia."; and

(5) failure to resolve these contractual disputes results in great hardship for the American businesses involved and their employees.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Government of the United States and the Government of Saudi Arabia should work diligently and without delay to resolve satisfactorily the outstanding commercial disputes identified in the Department of Commerce letter.

(c) REPORT.—Not later than February 1, 1993, the Secretary of Defense, after consultation with the Secretary of State and the Secretary of Commerce, shall submit a report to the Congress on the status of the process for the resolution of commercial disputes in Saudi Arabia and the prognosis for any of the 18 such disputes which remain unresolved.

BREAUX AMENDMENT NO. 3126

Mr. INOUYE (for Mr. BREAUX) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 28, line 14, strike "$5,734,209,000" and insert in lieu thereof "$5,749,209,000".

At the appropriate place add the following general provision:

SEC. . Of the funds appropriated for "Aircraft Procurement, Navy", $15,000,000 shall be available only for acquisition of A-6E Mission Recorder/Reproducer Systems (MR/RS).

CRANSTON (AND SEYMOUR) AMENDMENT NO. 3127

Mr. INOUYE (for Mr. CRANSTON, for himself and Mr. SEYMOUR) proposed an

amendment to the bill H.R. 5504, supra, as follows:

At the appropriate place in the bill insert the following:

"SEC. . In the event that the purchaser of the Sale Parcel at Hamilton Air Force Base in Novato, in the State of California, exercises its option to withdraw from the sale as provided in the Agreement and Modification, dated September 25, 1990, between the Department of Defense, the General Services Administration, and the purchaser, the purchaser's deposit of $4,500,000 shall be returned by the General Services Administration and funds eligible for reimbursement under the Agreement and Modification shall come from the funds made available to the Department of Defense by this Act.".

DECONCINI AMENDMENT NO. 3128

Mr. INOUYE (for Mr. DECONCINI) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 41, line 16, insert before the period: ": *Provided*, That in addition to the amount appropriated elsewhere in this paragraph, $25,000,000 is appropriated for the T-45 training system engine competition development activity".

DOLE AMENDMENT NO. 3129

Mr. INOUYE (for Mr. DOLE) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 36, at the end of the paragraph entitled National Guard and Reserve equipment insert the following:

In addition to amounts appropriated elsewhere in this paragraph, $56 million is appropriated for 8 UH-60 helicopters for the Army National Guard.

GORTON (AND ADAMS) AMENDMENT NO. 3130

Mr. INOUYE (for Mr. GORTON, for himself and Mr. ADAMS) proposed an amendment to the bill H.R. 5504, supra, as follows:

At the end of Section 9032, before the period, insert: ": *Provided further*, That the Department of Defense shall enter into participation agreements with the Uniformed Services Treatment facilities implementing the managed care program mandated under section 718(c) of the National Defense Authorization Act for fiscal year 1991 (Public Law 101-510; 104 Stat. 1587) which provides for such service delivery under such program beginning no later than October 1, 1993".

GRAHAM AMENDMENT NO. 3131

Mr. INOUYE (for Mr. GRAHAM) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 157, between lines 9 and 10, insert the following:

SEC. 9132. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the Defense Agencies.

HEFLIN AMENDMENT NO. 3132

Mr. INOUYE (for Mr. HEFLIN) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 7, line 25, strike out "$13,422,198,000" and insert in lieu thereof "$13,423,198,000".

On page 9, line 2, insert before the period at the end the following: ": *Provided, further*, That $1,000,000 of the funds appropriated under this heading shall be available for providing military police training for Marine Corps personnel at Fort McClellan, Alabama".

On page 12, line 22, strike out "$16,205,216,000", and insert in lieu thereof "$16,204,216,000".

JOHNSTON (AND BREAUX) AMENDMENT NO. 3133

Mr. INOUYE (for Mr. JOHNSTON, for himself and Mr. BREAUX) proposed an amendment to the bill H.R. 5504, supra, as follows:

At the end of the bill, add the following:

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities" to cover the cost of grants to persons engaged in commercial fisheries, as provided in section 308 of the Interjurisdictional Fisheries Act of 1986, as amended by this Act, $100,000,000 to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That such sums shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement, as defined in section 251 of such Act is transmitted by the President to Congress: *Provided further*, That section 308 of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4107) is amended by adding at the end the following new subsection:

"(d) GRANTS TO COMMERCIAL FISHERMEN.—(1) In addition to the amounts authorized under subsections (a), (b), and (c), there are authorized to be appropriated to the Department of Commerce $100,000,000 for fiscal year 1992 to enable the Secretary to award grants to persons engaged in commercial fisheries, for uninsured losses determined by the Secretary to have been suffered as a direct result of a fishery resource disaster arising from Hurricane Hugo, Hurricane Andrew, Hurricane Iniki, or any other natural disaster. Amounts appropriated under this subsection shall remain available until expended.

"(2) The Secretary shall determine the extent, and the beginning and ending dates, of any fishery resource disaster under this subsection.

"(3) Eligibility for a grant under this subsection shall be limited to any person that has less than $2,000,000 in gross revenues annually, as determined by the Secretary.

"(4) A person may receive a grant under this subsection for up to 75 percent of any uninsured commercial fishery loss resulting from such a fishery resource disaster (to the extent that such losses have not been compensated by other Federal and State programs), but shall receive no more than $100,000 in the aggregate for all such losses suffered as a result of any particular fishery resource disaster.

"(5) The Secretary shall establish, after notice and opportunity for public comment, appropriate limitations, terms, and conditions for awarding grants under this subsection, including provisions specifying the means by which applicants must demonstrate claimed losses and limiting the aggregate amounts that may be paid to persons that are affiliated with each other or under common ownership.

"(6) As used in this subsection, the term 'person' means any individual or any corporation, partnership, trust, association, or other nongovernmental entity.".

LOTT (AND COCHRAN) AMENDMENT NO. 3134

Mr. INOUYE (for Mr. LOTT, for himself and Mr. COCHRAN) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 52, line 7, before the period add: ": *Provided further*, from within the funds appropriated in this paragraph, the Secretary shall either lease or procure, and evaluate, an existing airship as an integrated sensor platform for detection and monitoring missions in the Department's Drug Interdiction and Counternarcotics program".

NUNN (AND OTHERS) AMENDMENT NO. 3135

Mr. INOUYE (for Mr. NUNN, for himself, Mr. WARNER, Mr. LUGAR, and Mr. STEVENS) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 132, strike out lines 6 through 9 and insert in lieu thereof the following:

SEC. 9110. (a) The Secretary of Defense may transfer to appropriate appropriation accounts for the Department of Defense, out of funds appropriated to the Department of Defense for fiscal year 1993, up to $400,000,000 to be available for the purposes authorized in the Former Soviet Union Demilitarization Act of 1992. Amounts so transferred shall be in addition to amounts transferred pursuant to the authority provided in section 108 of Public Law 102-229 (105 Stat. 1708).

(b) Of the funds transferred pursuant to this section—

(1) not less than $10,000,000 shall be available only for the study, assessment, and identification of nuclear waste disposal by the former Soviet Union in the Arctic region; and

(2) not less than $25,000,000 shall be available only for Project PEACE.

(c) The authority provided in section 108 of Public Law 102-229 (105 Stat. 1708) to transfer amounts appropriated for fiscal year 1992 shall continue to be in effect during fiscal year 1993.

(d) The transfer authority provided in this section shall be in addition to any other transfer authority contained in this Act.

LEVIN (AND RIEGLE) AMENDMENT NO. 3136

Mr. INOUYE (for Mr. LEVIN, for himself and Mr. RIEGLE) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 20, line 23, add: "*Provided further*, That, of the funds provided under this heading, not less than $3,500,000 of this amount

shall be granted in fiscal year 1993 to a nonprofit institution with expertise in applied environmental bioremediation technology, which includes experience in biological fluidized bed systems containing granular activated carbon as the microbial support medium, microbial cultures with proven ability to degrade nitrates, chlorinated aromatic compounds, benzene, toluene, and xylene, as well as an advanced monitoring system to ensure optimal control of electron donor feeds, for the purpose of establishing an advanced process integration, scale-up and applied technology demonstration program in environmental bioremediation restoration technology.

SEYMOUR AMENDMENT NO. 3137

Mr. INOUYE (for Mr. SEYMOUR) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 12, line 2 before the period, add: "*Provided further*, That from within funds provided in this paragraph, $3,000,000 shall be available only for Marine Corps Child Abuse Prevention Program".

WALLOP AMENDMENT NO. 3138

Mr. INOUYE (for Mr. WALLOP) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 45, line 15, before the period, add: ": *Provided further*, That in addition to the amount appropriated elsewhere in this paragraph, $16,000,000 is appropriated for synthetic aperture radar digital terrain mapping".

WARNER AMENDMENT NO. 3139

Mr. INOUYE (for Mr. WARNER) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 36, before the period on line 10, add: ": *Provided*, That in addition to the amount appropriated elsewhere in this paragraph, $40,000,000 is appropriated for Night Vision Equipment".

WARNER AMENDMENT NO. 3140

Mr. INOUYE (for Mr. WARNER) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 45, line 15, before the period, add: ": *Provided further*, That in addition to the amount appropriated elsewhere in this paragraph, $7,000,000 is appropriated for Laser Imaging Detection and Ranging (LIDAR).".

McCAIN AMENDMENT NO. 3141

Mr. INOUYE (for Mr. McCAIN) proposed an amendment to the bill H.R. 5504, supra, as follows:

At the appropriate place insert the following section:

"(1) Notwithstanding the provisions of any other law, subject to the execution of a binding Trust Fund Payment Agreement as required by section 403 of Public Law 100-696 ("the Act"), the Secretary of the Interior is authorized to issue special-use permits or other licenses to the Department of Veterans Affairs for use of the parcels of property described in section 402(f) and (g) of the Act and to the city of Phoenix, Arizona, for use of the parcel of property described in section 402(e) of the Act and any other lands within the school property that are to be conveyed to the city of Phoenix pursuant to a further exchange agreement between the city of Phoenix and the Baron Collier Company. The Secretary of Veterans Affairs is authorized to accept such permit or license and to transfer such permit or license to the State of Arizona for the 4.5 acres described in section 402(g) of Public Law 100-696 for the purposes described therein. Any permit or license issued pursuant to this section shall expire upon the closing of the Land Exchange, and shall be consistent with the provisions of the Exchange Agreement described in section 402(b) of the Act and any amendment thereto. The Secretary is authorized to amend the Exchange Agreement, upon the written consent of the parties thereto, to effectuate this result.".

HARKIN (AND OTHERS) AMENDMENT NO. 3142

Mr. HARKIN (for himself, Mr. D'AMATO, Mr. WELLSTONE, and Mr. SPECTER) proposed an amendment to the bill H.R. 5504, supra; as follows:

On page 38, line 10, strike out lines 10 and 11 and insert in lieu thereof the following: "$5,297,737,000, to remain available until September 30, 1992: *Provided*, That $210,000,000 of the funds appropriated in this paragraph shall be available for a peer reviewed breast cancer research program of the Army: *Provided further*, That the total amount available for the Defense Agencies for Research, Development, Test, and Evaluation shall be reduced to $8,301,222,000, to remain available for obligation until September 30, 1994: *Provided further*, That not more than $3,600,000,000 of the funds appropriated for the Defense Agencies for that purpose shall be available for the Strategic Defense Initiative: *Provided further*, That".

ENTERPRISE ZONES TAX INCENTIVES ACT

WALLOP AMENDMENT NO. 3143

(Ordered to lie on the table.)

Mr. WALLOP submitted an amendment intended to be proposed by him to the bill (H.R. 11) to amend the Internal Revenue Code of 1986 to provide tax incentives for the establishment of tax enterprise zones, and for other purposes, as follows:

SECTION 1.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Energy Conservation and Production Incentives

SEC. 1. TREATMENT OF EMPLOYER-PROVIDED TRANSPORTATION BENEFITS.

(a) EXCLUSION.—Subsection (a) of section 132 (relating to exclusion of certain fringe benefits) is amended by striking "or" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting ", or", and by adding at the end thereof the following new paragraph:

"(5) qualified transportation fringe."

(b) QUALIFIED TRANSPORTATION FRINGE.—Section 132 is amended by redesignating subsections (f), (g), (h), (i), (j), and (k) as subsections (g), (h), (i), (j), (k), and (l), respectively, and by inserting after subsection (e) the following new subsection:

"(f) QUALIFIED TRANSPORTATION FRINGE.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified transportation fringe' means any of the following provided by an employer to an employee:

"(A) Transportation in a commuter highway vehicle if such transportation is in connection with travel between the employee's residence and place of employment.

"(B) Any transit pass.

"(C) Qualified parking.

"(2) LIMITATION ON EXCLUSION.—The amount of the fringe benefits which are provided by an employer to any employee and which may be excluded from gross income under subsection (a)(5) shall not exceed—

"(A) $60 per month in the case of the aggregate of the benefits described in subparagraphs (A) and (B) of paragraph (1), and

"(B) $160 per month in the case of qualified parking.

"(3) BENEFIT NOT IN LIEU OF COMPENSATION.—Subsection (a)(5) shall not apply to any qualified transportation fringe unless such benefit is provided in addition to (and not in lieu of) any compensation otherwise payable to the employee.

"(4) DEFINITIONS.—For purposes of this subsection—

"(A) TRANSIT PASS.—The term 'transit pass' means any pass, token, farecard, voucher, or similar item entitling a person to transportation (or transportation at a reduced price) if such transportation is—

"(i) on mass transit facilities (whether or not publicly owned), or

"(ii) provided by any person in the business of transporting persons for compensation or hire if such transportation is provided in a vehicle meeting the requirements of subparagraph (B)(i).

"(B) COMMUTER HIGHWAY VEHICLE.—The term 'commuter highway vehicle' means any highway vehicle—

"(i) the seating capacity of which is at least 6 adults (not including the driver), and

"(ii) at least 80 percent of the mileage use of which can reasonably be expected to be—

"(I) for purposes of transporting employees in connection with travel between their residences and their place of employment, and

"(II) on trips during which the number of employees transported for such purposes is at least ½ of the adult seating capacity of such vehicle (not including the driver).

"(C) QUALIFIED PARKING.—The term 'qualified parking' means parking provided to an employee on or near the business premises of the employer or on or near a location from which the employee commutes to work by transportation described in subparagraph (A), in a commuter highway vehicle, or by carpool. Such term shall not include any parking on or near property used by the employee for residential purposes.

"(D) TRANSPORTATION PROVIDED BY EMPLOYER.—Transportation referred to in paragraph (1)(A) shall be considered to be provided by an employer if such transportation is furnished in a commuter highway vehicle operated by or for the employer.

"(E) EMPLOYEE.—For purposes of this subsection, the term 'employee' does not include an individual who is an employee within the meaning of section 401(c)(1).

"(5) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 1993, the dollar amounts contained in paragraph (2)(A) and (B) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1992' for 'calendar year 1989' in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of $1, such increase shall be rounded to the next lowest multiple of $1.

"(6) COORDINATION WITH OTHER PROVISIONS.—For purposes of this section, the terms 'working condition fringe' and 'de minimis fringe' shall not include any qualified transportation fringe (determined without regard to paragraph (2))."

(c) CONFORMING AMENDMENT.—Subsection (i) of section 132 (as redesignated by subsection (b)) is amended by striking paragraph (4) and redesignating the following paragraphs accordingly.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits provided after December 31, 1992.

SEC. 2. EXCLUSION OF ENERGY CONSERVATION SUBSIDIES PROVIDED BY REGULATED PUBLIC UTILITIES.

(a) GENERAL RULE.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by redesignating section 136 as section 137 and by inserting after section 135 the following new section:

"SEC. 3. ENERGY CONSERVATION SUBSIDIES PROVIDED BY REGULATED PUBLIC UTILITIES.

"(a) EXCLUSION.—

"(1) IN GENERAL.—Gross income shall not include the value of any subsidy provided by a regulated public utility to a customer for the purchase or installation of any energy conservation measure.

"(2) LIMITATION ON EXCLUSION FOR NONRESIDENTIAL PROPERTY.—In the case of any subsidy provided with respect to any energy conservation measure referred to in subsection (c)(1)(C), only 65 percent of such subsidy shall be excluded from gross income under paragraph (1).

"(b) DENIAL OF DOUBLE BENEFIT.—Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed for, or by reason of, any expenditure to the extent of the amount excluded under subsection (a) for any subsidy which was provided with respect to such expenditure. The adjusted basis of any property shall be reduced by the amount excluded under subsection (a) which was provided with respect to such property.

"(c) ENERGY CONSERVATION MEASURE.—

"(1) IN GENERAL.—For purposes of this section, the term 'energy conservation measure' means—

"(A) any residential energy conservation measure with respect to a dwelling unit,

"(B) any commercial energy conservation measure with respect to dwelling units in a building containing 5 or more dwelling units, and

"(C) in the case of subsidies provided on or after January 1, 1994—

"(i) any commercial energy conservation measure with respect to property other than dwelling units, and

"(ii) any specially defined energy property.

"(2) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) RESIDENTIAL ENERGY CONSERVATION MEASURE.—The term 'residential energy conservation measure' has the meaning given to such term by section 210(11) of the National Energy Conservation Policy Act (as in effect on the date of the enactment of this section).

"(B) COMMERCIAL ENERGY CONSERVATION MEASURE.—The term 'commercial energy conservation measure' means any installation or modification primarily designed to reduce the consumption of petroleum, natural gas, or electricity. Such term includes the items referred to in any subparagraph of section 710(b)(5) of the National Energy Conservation Policy Act (as in effect on the day before the date of the enactment of the Conservation Service Reform Act of 1986).

"(C) SPECIALLY DEFINED ENERGY PROPERTY.—The term 'specially defined energy property' has the meaning given to such term by section 48(l)(5) of this title (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

"(D) DWELLING UNIT.—The term 'dwelling unit' has the meaning given such term by section 280A(f)(1).

"(d) EXCEPTION.—This section shall not apply to any payment to or from a qualified cogeneration facility or qualifying small power production facility pursuant to section 210 of the Public Utility Regulatory Policy Act of 1978."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 136 and inserting:

"Sec. 136. Energy conservation subsidies provided by regulated public utilities.

"Sec. 137. Cross reference to other Acts."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after December 31, 1992.

SEC. 179A. DEDUCTIONS RELATING TO CLEAN-FUEL VEHICLES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding after section 179 the following new section:

"SEC. 179A. DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.

"(a) GENERAL RULE.—There shall be allowed as a deduction an amount equal to the cost of—

"(1) any qualified clean-fuel vehicle property, and

"(2) any qualified clean-fuel vehicle refueling property.

The deduction under the preceding sentence with respect to any property shall be allowed for the taxable year in which such property is placed in service.

"(b) LIMITATIONS.—

"(1) QUALIFIED CLEAN-FUEL VEHICLE PROPERTY.—

"(A) IN GENERAL.—The cost which may be taken into account under subsection (a) with respect to any motor vehicle shall not exceed—

"(i) in the case of a motor vehicle not described in clause (ii) or (iii), $2,000,

"(ii) in the case of any truck or van with a gross vehicle weight rating greater than 10,000 pounds but not greater than 26,000 pounds, $5,000, or

"(iii) $50,000 in the case of—

"(I) a truck or van with a gross vehicle weight rating greater than 26,000 pounds, or

"(II) any bus which has a seating capacity of at least 20 adults (not including the driver).

"(B) PHASEOUT.—In the case of any qualified clean-fuel vehicle property placed in service after December 31, 2001, the limit otherwise applicable under subparagraph (A) shall be reduced by—

"(i) 25 percent in the case of property placed in service in calendar year 2002,

"(ii) 50 percent in the case of property placed in service in calendar year 2003, and

"(iii) 75 percent in the case of property placed in service in calendar year 2004.

"(2) QUALIFIED CLEAN-FUEL VEHICLE REFUELING PROPERTY.—

"(A) IN GENERAL.—The aggregate cost which may be taken into account under subsection (a) with respect to qualified clean-fuel vehicle refueling property placed in service during the taxable year at a location shall not exceed the excess (if any) of—

"(i) $100,000, over

"(ii) the aggregate amount taken into account under subsection (a) by the taxpayer (or any related person or predecessor) with respect to property placed in service at such location for all preceding taxable years.

"(B) RELATED PERSON.—For purposes of this paragraph, a person shall be treated as related to another person if such person bears a relationship to such other person described in section 267(b) or 707(b)(1).

"(C) ELECTION.—If the limitation under subparagraph (A) applies for any taxable year, the taxpayer shall, on the return of tax for such taxable year, specify the items of property (and the portion of costs of such property) which are to be taken into account under subsection (a).

"(c) QUALIFIED CLEAN-FUEL VEHICLE PROPERTY DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified clean-fuel vehicle property' means property which is acquired for use by the taxpayer and not for resale, the original use of which commences with the taxpayer, with respect to which the environmental standards of paragraph (2) are met, and which is described in either of the following subparagraphs:

"(A) RETROFIT PARTS AND COMPONENTS.—Any property installed on a motor vehicle which is propelled by a fuel which is not a clean-burning fuel for purposes of permitting such vehicle to be propelled by a clean-burning fuel, but only to the extent such property is—

"(i) an engine (or modification thereof) which may use a clean-burning fuel, or

"(ii) used in the storage or delivery to the engine of such fuel, or the exhaust of gases from combustion of such fuel.

"(B) ORIGINAL EQUIPMENT MANUFACTURER'S VEHICLES.—A motor vehicle produced by an original equipment manufacturer and designed so that the vehicle may be propelled by a clean-burning fuel, but only to the extent of the portion of the basis of such vehicle which is attributable to an engine which may use such fuel, to the storage or delivery to the engine of such fuel, or to the exhaust of gases from combustion of such fuel.

"(2) ENVIRONMENTAL STANDARDS.—Property shall not be treated as qualified clean-fuel vehicle property unless—

"(A) the motor vehicle of which it is a part meets any applicable Federal or State emissions standards with respect to each fuel by which such vehicle is designed to be propelled, or

"(B) in the case of property described in paragraph (1)(A), such property meets all applicable Federal and State emissions-related certification, testing, and warranty requirements.

"(3) ONLY INCREMENTAL COST TAKEN INTO ACCOUNT.—If a vehicle may be propelled by both a clean-burning fuel and any other fuel, only the incremental cost of permitting the use of the clean-burning fuel shall be taken into account.

"(d) QUALIFIED CLEAN-FUEL VEHICLE REFUELING PROPERTY DEFINED.—For purposes of this section, the term 'qualified clean-fuel vehicle refueling property' means any property (not including a building and its structural components) if—

"(1) such property is of a character subject to the allowance for depreciation,

"(2) the original use of such property begins with the taxpayer, and

"(3) such property is for the storage or dispensing of a clean-burning fuel (not including electricity) into the fuel tank of a motor vehicle propelled by such fuel, but only if the storage or dispensing of the fuel is at the point where such fuel is delivered into the fuel tank of the motor vehicle.

"(e) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) CLEAN-BURNING FUEL.—The term 'clean-burning fuel' means—

"(A) natural gas,

"(B) liquefied natural gas,

"(C) liquefied petroleum gas,

"(D) hydrogen,

"(E) electricity, and

"(F) any other fuel at least 85 percent of which is 1 or more of the following: methanol, ethanol, any other alcohol, or ether.

"(2) MOTOR VEHICLE.—The term 'motor vehicle' means any vehicle which is manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails) and which has at least 4 wheels.

"(3) COST OF RETROFIT PARTS INCLUDES COST OF INSTALLATION.—The cost of any qualified clean-fuel vehicle property referred to in subsection (c)(1)(A) shall include the cost of the original installation of such property.

"(4) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any deduction allowable under subsection (a) with respect to any property which ceases to be property eligible for such deduction.

"(5) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No deduction shall be allowed under subsection (a) with respect to any property referred to in section 50(b) or with respect to the portion of the cost of any property taken into account under section 179.

"(6) BASIS REDUCTION.—

"(A) IN GENERAL.—For purposes of this title, the basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a).

"(B) ORDINARY INCOME RECAPTURE.—For purposes of section 1245, the amount of the deduction allowable under subsection (a) with respect to any property which is of a character subject to the allowance for depreciation shall be treated as a deduction allowed for depreciation under section 167.

"(f) TERMINATION.—This section shall not apply to any property placed in service after December 31, 2004."

(b) DEDUCTION FROM GROSS INCOME.—Section 62(a) is amended by inserting after paragraph (13) the following new paragraph:

"(14) DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.—The deduction allowed by section 179A."

(c) CONFORMING AMENDMENTS.—

(1) Section 1016(a) is amended by striking "and" at the end of paragraph (23), by striking the period at the end of paragraph (24) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(25) to the extent provided in section 179A(e)(6)(A)."

(2) The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 179 the following new item:

"Sec. 179A. Deduction for clean-fuel vehicles and certain refueling property."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after June 30, 1993.

SEC. 4. CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE SOURCES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following new section:

"SEC. 45. ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

"(a) GENERAL RULE.—For purposes of section 38, the renewable electricity production credit for any taxable year is an amount equal to the product of—

"(1) 1.5 cents, multiplied by

"(2) the kilowatt hours of electricity—

"(A) produced by the taxpayer—

"(i) from qualified energy resources, and

"(ii) at a qualified facility during the 10-year period beginning on the date the facility was placed in service, and

"(B) sold by the taxpayer to an unrelated person during the taxable year.

"(b) LIMITATIONS AND ADJUSTMENTS.—

"(1) PHASEOUT OF CREDIT.—The amount of the credit determined under subsection (a) shall be reduced by an amount which bears the same ratio to the amount of the credit (determined without regard to this paragraph) as—

"(A) the amount by which the reference price for the calendar year in which the sale occurs exceeds 8 cents, bears to

"(B) 3 cents.

"(2) CREDIT AND PHASEOUT ADJUSTMENT BASED ON INFLATION.—The 1.5 cent amount in subsection (a) and the 8 cent amount in paragraph (1) shall each be adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which the sale occurs. If any amount as increased under the preceding sentence is not a multiple of 0.1 cent, such amount shall be rounded to the nearest multiple of 0.1 cent.

"(3) CREDIT REDUCED FOR GRANTS, TAX-EXEMPT BONDS, AND SUBSIDIZED ENERGY FINANCING.—The amount of the credit determined under subsection (a) with respect to any project for any taxable year (determined after the application of paragraphs (1) and (2)) shall be reduced by the amount which is the product of the amount so determined for such year and a fraction—

"(A) the numerator of which is the sum, for the taxable year and all prior taxable years, of—

"(i) grants provided by the United States, a State, or a political subdivision of a State for use in connection with the project,

"(ii) proceeds of an issue of State or local government obligations used to provide financing for the project the interest on which is exempt from tax under section 103, and

"(iii) the aggregate amount of subsidized energy financing under a Federal, State, or local program provided in connection with the project, and

"(B) the denominator of which is the aggregate amount of additions to the capital account for the project for the taxable year and all prior taxable years.

The amounts under the preceding sentence for any taxable year shall be determined as of the close of the taxable year.

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

"(1) QUALIFIED ENERGY RESOURCES.—The term 'qualified energy resources' means—

"(A) wind, and

"(B) closed-loop biomass.

"(2) CLOSED-LOOP BIOMASS.—The term 'closed-loop biomass' means any organic material from a plant which is planted exclusively for purposes of being used at a qualified facility to produce electricity.

"(3) QUALIFIED FACILITY.—The term 'qualified facility' means any facility originally placed in service by the taxpayer after December 31, 1993 (December 31, 1992, in the case of a facility using closed-loop biomass to produce electricity), and before July 1, 1999.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) ONLY PRODUCTION IN THE UNITED STATES TAKEN INTO ACCOUNT.—Sales shall be taken into account under this section only with respect to electricity the production of which is within—

"(A) the United States (within the meaning of section 638(1)), or

"(B) a possession of the United States (within the meaning of section 638(2)).

"(2) COMPUTATION OF INFLATION ADJUSTMENT FACTOR AND REFERENCE PRICE.—

"(A) IN GENERAL.—The Secretary shall, not later than April 1 of each calendar year, determine and publish in the Federal Register the inflation adjustment factor and the reference price for the preceding calendar year in accordance with this paragraph.

"(B) INFLATION ADJUSTMENT FACTOR.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the GNP implicit price deflator for the calendar year and the denominator of which is the GNP implicit price deflator for the calendar year 1992. The term 'GNP implicit price deflator' means the first revision of the implicit price deflator for the gross national product as computed and published by the Department of Commerce.

"(C) REFERENCE PRICE.—The term 'reference price' means, with respect to a calendar year, the Secretary's determination of the annual average contract price per kilowatt hour of electricity generated from the same qualified energy resource and sold in the previous year in the United States.

"(3) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—In the case of a facility in which more than 1 person has an interest, except to the extent provided in regulations prescribed by the Secretary, production from the facility shall be allocated among such persons in proportion to their respective interests in the gross sales from such facility.

"(4) RELATED PERSONS.—Persons shall be treated as related to each other if such persons would be treated as a single employer under the regulations prescribed under section 52(b). In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated return, such corporation shall be treated as selling electricity to an unrelated person if such electricity is sold to such a person by another member of such group.

"(5) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply."

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 is amended by striking "plus" at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting ", plus", and by adding at the end thereof the following new paragraph:

"(8) the renewable electricity production credit under section 45(a)."

(c) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 is amended by redesignating the paragraph added by section 11511(b)(2) of the Revenue Reconciliation Act of 1990 as paragraph (1), by redesignating the paragraph added by section 11611(b)(2) of such Act as paragraph (2), and by adding at the end thereof the following new paragraph:

"(3) NO CARRYBACK OF RENEWABLE ELECTRICITY PRODUCTION CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 45 (relating to electricity produced from certain renewable resources) may be carried back to any taxable year ending before January 1, 1993."

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 45. Electricity produced from certain renewable resources."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 1992.

SEC. 5. REPEAL OF MINIMUM TAX PREFERENCES FOR DEPLETION AND INTANGIBLE DRILLING COSTS OF INDEPENDENT OIL AND GAS PRODUCERS AND ROYALTY OWNERS.

(a) DEPLETION.—

(1) Paragraph (1) of section 57(a) (relating to depletion) is amended by adding at the end thereof the following new sentence: "Effective with respect to taxable years beginning after December 31, 1992, and before January 1, 1998, this paragraph shall not apply to any deduction for depletion computed in accordance with section 613A(c).".

(2) Subparagraph (F) of section 56(g)(4) is amended to read as follows:

"(F) DEPLETION.—

"(i) IN GENERAL.—The allowance for depletion with respect to any property placed in service in a taxable year beginning after December 31, 1989, shall be cost depletion determined under section 611.

"(ii) EXCEPTION FOR INDEPENDENT OIL AND GAS PRODUCERS AND ROYALTY OWNERS.—In the case of any taxable year beginning after December 31, 1992, and before January 1, 1998, clause (i) (and subparagraph (C)(i)) shall not apply to any deduction for depletion computed in accordance with section 613A(c)."

(b) INTANGIBLE DRILLING COSTS.—

(1) Section 57(a)(2) is amended by adding at the end the following new subparagraph:

"(E) EXCEPTION FOR INDEPENDENT PRODUCERS.—

"(i) IN GENERAL.—In the case of any taxable year beginning after December 31, 1992, and before January 1, 1998, this paragraph shall not apply to any taxpayer which is not an integrated oil company (as defined in section 291(b)(4)).

"(ii) LIMITATION ON AGGREGATE BENEFIT.—The aggregate reduction in alternative minimum taxable income by reason of clause (i) for any taxable year shall not exceed 40 percent (30 percent in case of taxable years beginning in 1993) of the alternative minimum taxable income for such year determined without regard to clause (i) and the alternative tax net operating loss deduction under subsection (a)(4)."

(2) Clause (i) of section 56(g)(4)(D) is amended by adding at the end thereof the following new sentence: "In the case of a taxpayer other than an integrated oil company (as defined in section 291(b)(4)), this clause shall not apply in the case of amounts paid or incurred in taxable years beginning after December 31, 1992, and before January 1, 1998.".

(c) CONFORMING AMENDMENTS.—

(1) Subsection (h) of section 56 is amended by adding at the end thereof the following new paragraph:

"(9) SUSPENSION.—No deduction shall be allowed under this subsection for any taxable year beginning after December 31, 1992, and before January 1, 1998."

(2) Clause (ii) of section 59(a)(2)(A) is amended by striking "and the" and inserting ", section 57(a)(2)(E), and the".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 6. INCREASED BASE TAX RATE ON OZONE-DEPLETING CHEMICALS.

(a) IN GENERAL.—Subparagraph (B) of section 4681(b)(1) (relating to amount of tax) is amended to read as follows:

"(B) BASE TAX AMOUNT.—The base tax amount for purposes of subparagraph (A) with respect to any sale or use during a calendar year before 1996 with respect to any ozone-depleting chemical is the amount determined under the following table for such calendar year:

"Calendar year:	Base tax amount:
1992	$1.85
1993	2.75
1994	3.65
1995	4.55."

(b) CONFORMING AMENDMENTS.—

(1) RATES RETAINED FOR CHEMICALS USED IN RIGID FOAM INSULATION.—The table in subparagraph (B) of section 4682(g)(2) (relating to chemicals used in rigid foam insulation) is amended—

(A) by striking "15" and inserting "13.5", and

(B) by striking "10" and inserting "9.6".

(2) FLOOR STOCK TAXES.—

(A) Subparagraph (C) of section 4682(h)(2) (relating to other tax-increase dates) is amended by striking "1993, and 1994" and inserting "1993, 1994, and 1995, and July 1, 1992".

(B) Paragraph (3) of section 4682(h) (relating to due date) is amended—

(i) by inserting "or July 1" after "January 1", and

(ii) by inserting "or December 31, respectively," after "June 30".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable chemicals sold or used on or after July 1, 1992.

SEC. 7. TREATMENT OF CERTAIN OZONE DEPLETING CHEMICALS.

(a) TREATMENT OF CERTAIN HALONS.—The table contained in subparagraph (A) of section 4682(g)(2) is amended to read as follows:

"In the case of:	The applicable percentage is:	
	For sales or use during 1992	For sales or use during 1993
Halon-1211	4.5	3.0
Halon-1301	1.4	0.9
Halon-2404	2.3	1.5".

(b) CHEMICALS USED FOR STERILIZING MEDICAL INSTRUMENTS.—

(1) IN GENERAL.—Subsection (g) of section 4682 is amended by adding at the end thereof the following new paragraph:

"(4) CHEMICALS USED FOR STERILIZING MEDICAL INSTRUMENTS.—

"(A) RATE OF TAX.—

"(i) IN GENERAL.—In the case of—

"(I) any use after June 30, 1992, and before January 1, 1994, of any substance to sterilize medical instruments, or

"(II) any qualified sale during such period by the manufacturer, producer, or importer of any substance,

the tax imposed by section 4681 shall be the applicable percentage (determined in accordance with the following table) of the amount of such tax which would (but for this subparagraph be imposed).

In the case of sales or use during:	The applicable percentage is:
1992	90.3
1993	60.7.

"(ii) QUALIFIED SALE.—For purposes of clause (i), the term 'qualified sale' means any sale by the manufacturer, producer, or importer of any substance—

"(I) for use by the purchaser to sterilize medical instruments, or

"(II) for resale by the purchaser to a 2d purchaser for such use by the 2d purchaser.

The preceding sentence shall apply only if the manufacturer, producer, and importer, and the 1st and 2d purchasers (if any) meet such registration requirements as may be prescribed by the Secretary.

"(B) OVERPAYMENTS.—If any substance on which tax was paid under this subchapter is used after June 30, 1992, and before January 1, 1994, by any person to sterilize medical instruments, credit or refund without interest shall be allowed to such person in an amount equal to the excess of—

"(i) the tax paid under this subchapter on such substance, or

"(ii) the tax (if any) which would be imposed by section 4681 if such substance were used for such use by the manufacture, producer, or importer thereof on the date of its use by such person.

Amounts payable under the preceding sentence with respect to uses during the taxable year shall be treated as described in section 34(a) for such year unless claim thereof has been timely filed under this subparagraph."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and uses on or after July 1, 1992.

SEC. 8. PERMANENT EXTENSION OF ENERGY INVESTMENT CREDIT FOR SOLAR AND GEOTHERMAL PROPERTY.

(a) GENERAL RULE.—Paragraph (2) of section 48(a) (defining energy percentage) is amended—

(1) by striking "Except as provided in subparagraph (B), the" and inserting "The",

(2) by striking subparagraph (B), and

(3) by redesignating subparagraph (C) as subparagraph (B)

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on June 30, 1992.

SEC. 9. NUCLEAR DECOMMISSIONING FUNDS.

(a) REPEAL OF INVESTMENT RESTRICTIONS.—Subparagraph (C) of section 468A(e)(4) (relating to special rules for nuclear decommissioning funds) is amended by striking "described in section 501(c)(21)(B)(ii)".

(b) REDUCTION IN RATE OF TAX.—Paragraph (2) of section 468A(e) is amended—

(1) by striking "at the rate equal to the highest rate of tax specified in section 11(b)" in subparagraph (A) and inserting "at the rate set forth in subparagraph (B)", and

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) RATE OF TAX.—For purposes of subparagraph (A), the rate set forth in this subparagraph is—

"(i) 22 percent in the case of taxable years beginning in calendar year 1994 or 1995, and

"(ii) 20 percent in the case of taxable years beginning after December 31, 1995."

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1992.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1993. Section 15 of the Internal Revenue Code of 1986 shall not apply to any change in rate resulting from the amendment made by subsection (b).

SEC. 10. FACILITIES FOR PRODUCTION OF CERTAIN FUELS.

Subsection (f) of section 29 is amended by adding at the end thereof the following new sentence:

"For purposes of paragraph (1)(B), a facility for production of qualified fuels referred to in subparagraph (B)(ii) or (C) of subsection (c)(1) shall be treated as placed in service before January 1, 1993, if such facility is placed in service before January 1, 1996, pursuant to a written binding contract in effect on December 31, 1992, and at all times thereafter before such facility is placed in service."

SEC. 11. TREATMENT UNDER LOCAL FURNISHING RULES OF CERTAIN ELECTRICITY TRANSMITTED OUTSIDE LOCAL AREA.

(a) IN GENERAL.—Subsection (f) of section 142 (relating to local furnishing of electric energy or gas) is amended to read as follows:

"(f) LOCAL FURNISHING OF ELECTRIC ENERGY OR GAS.—For purposes of subsection (a)(8)—

"(1) IN GENERAL.—The local furnishing of electric energy or gas from a facility shall only include furnishing solely within the area consisting of—

"(A) a city and 1 contiguous county, or

"(B) 2 contiguous counties.

"(2) TREATMENT OF CERTAIN ELECTRIC ENERGY TRANSMITTED OUTSIDE LOCAL AREA.—

"(A) IN GENERAL.—A facility shall not be treated as failing to meet the local furnishing requirement of subsection (a)(8) by reason of electricity transmitted pursuant to an order of the Federal Energy Regulatory Commission under section 211 or 213 of the Federal Power Act (as in effect on the date of the enactment of this paragraph) if the portion of the facility financed with tax-exempt bonds is not greater than the portion of the use of the facility which is in the local furnishing of electric energy (determined without regard to this paragraph).

"(B) SPECIAL RULE FOR EXISTING FACILITIES.—In the case of a facility financed with bonds issued before the date of an order referred to in subparagraph (A) which would (but for this subparagraph) cease to be tax-exempt by reason of subparagraph (A), such bonds shall not cease to be tax-exempt bonds (and section 150(b)(4) shall not apply) if, to the extent necessary to comply with subparagraph (A)—

"(i) bonds are defeased not later than the 90th day after the date such order was issued, and

"(ii) bonds are redeemed not later than the earliest date on which such bonds may be redeemed."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued before, on, or after the date of the enactment of this Act.

Subtitle B—Other Revenue Provisions

SEC. 12. REPEAL OF EXEMPTION FROM COMMUNICATIONS TAX FOR NEWS SERVICES.

(a) GENERAL RULE.—Subsection (b) of section 4253 (relating to exemption for news services) is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall take effect on January 1, 1993.

SEC. 13. EXCEPTION FROM PRO RATA ALLOCATION OF INTEREST EXPENSE OF FINANCIAL INSTITUTIONS TO TAX-EXEMPT INTEREST FOR SMALL ISSUERS INCREASED TO $20,000,000.

(a) IN GENERAL.—Subparagraphs (C) and (D) of section 265(b)(3) are each amended by striking "$10,000,000" each place it appears and inserting "$20,000,000".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 1992.

SEC. 14. DISCLOSURES OF INFORMATION FOR VETERANS BENEFITS.

(a) IN GENERAL.—Section 6103(l)(7)(D) (relating to program to which rule applies) is amended by striking "September 30, 1992" in the last sentence and inserting "September 30, 1997".

(b) CONFORMING AMENDMENT.—Section 5317(g) of title 38, United States Code, is amended by striking "September 30, 1992" and inserting "September 30, 1997".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 30, 1992.

SEC. 15. DISALLOWANCE OF INTEREST ON CERTAIN OVERPAYMENTS OF TAX.

(a) GENERAL RULE.—Subsection (e) of section 6611 is amended to read as follows:

"(e) DISALLOWANCE OF INTEREST ON CERTAIN OVERPAYMENTS.—

"(1) REFUNDS WITHIN 45 DAYS AFTER RETURN IS FILED.—If any overpayment of tax imposed by this title is refunded within 45 days after the last day prescribed for filing the return of such tax (determined without regard to any extension of time for filing the return) or, in the case of a return filed after such last date, is refunded within 45 days after the date the return is filed, no interest shall be allowed under subsection (a) on such overpayment.

"(2) REFUNDS AFTER CLAIM FOR CREDIT OR REFUND.—If—

"(A) the taxpayer files a claim for a credit or refund for any overpayment of tax imposed by this title, and

"(B) such overpayment is refunded within 45 days after such claim is filed,

no interest shall be allowed on such overpayment from the date the claim is filed until the day the refund is made.

"(3) IRS INITIATED ADJUSTMENTS.—Notwithstanding any other provision, if an adjustment, initiated by or on behalf of the Secretary, results in a refund or credit of an overpayment, interest on such overpayment shall be computed by subtracting 45 days from the number of days interest would otherwise be allowed with respect to such overpayment."

(b) EFFECTIVE DATES.—

(1) Paragraph (1) of section 6611(e) of the Internal Revenue Code of 1986 (as amended by subsection (a)) shall apply in the case of returns the due date for which (determined without regard to extensions) is on or after July 1, 1992.

(2) Paragraph (2) of section 6611(e) of such Code (as so amended) shall apply in the case of claims for credit or refund of any overpayment filed on or after July 1, 1992 regardless of the taxable period to which such refund relates.

(3) Paragraph (3) of section 6611(e) of such Code (as so amended) shall apply in the case of any refund paid on or after July 1, 1992 regardless of the taxable period to which such refund relates.

SEC. 16. INFORMATION REPORTING WITH RESPECT TO CERTAIN SELLER-PROVIDED FINANCING.

(a) GENERAL RULE.—Section 6109 (relating to identifying numbers) is amended by adding at the end thereof the following new subsection:

"(h) IDENTIFYING INFORMATION REQUIRED WITH RESPECT TO CERTAIN SELLER-PROVIDED FINANCING.—

"(1) PAYOR.—If any taxpayer claims a deduction under section 163 for qualified residence interest on any seller-provided financing, such taxpayer shall include on the return claiming such deduction the name, address, and TIN of the person to whom such interest is paid or accrued.

"(2) RECIPIENT.—If any person receives or accrues interest referred to in paragraph (1), such person shall include on the return for the taxable year in which such interest is so received or accrued the name, address, and TIN of the person liable for such interest.

"(3) FURNISHING OF INFORMATION BETWEEN PAYOR AND RECIPIENT.—If any person is required to include the TIN of another person on a return under paragraph (1) or (2), such other person shall furnish his TIN to such person.

"(4) SELLER-PROVIDED FINANCING.—For purposes of this subsection, the term 'seller-provided financing' means any indebtedness incurred in acquiring any residence if the person to whom such indebtedness is owed is the person from whom such residence was acquired.".

(b) PENALTY.—Paragraph (3) of section 6724(d) (relating to specified information reporting requirement) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", and", and by adding at the end thereof the following new subparagraph:

"(E) any requirement under section 6109(f) that—

"(i) a person include on his return the name, address, and TIN of another person, or

"(ii) a person furnish his TIN to another person."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

Subtitle C—Federal Tax Exemption for Uranium Enrichment Corporation; Limitation on Borrowing Authority

SEC. 17. FEDERAL TAX EXEMPTION; LIMITATION ON BORROWING AUTHORITY.

(a) FEDERAL TAX EXEMPTION.—Subsection (l) of section 501 (relating to governmental corporations exempt from tax) is amended by adding at the end thereof the following:

"(4) The Uranium Enrichment Corporation established under section 1301 of the Atomic Energy Act of 1954.

Paragraph (4) shall cease to apply as of the first day on which any stock issued by the Uranium Enrichment Corporation is held by any person other than the Federal Government."

(b) LIMITATION ON BORROWING AUTHORITY.—

(1) Chapter 31 of title 31, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER III—RESTRICTION ON BORROWING AUTHORITY OF CERTAIN GOVERNMENT-RELATED CORPORATIONS

"§ 3141. Limitation on borrowing authority of Uranium Enrichment Corporation

"The Uranium Enrichment Corporation established pursuant to section 1301 of the Atomic Energy Act of 1954 may borrow (directly or indirectly) from the Treasury only to the extent, and in the manner, provided in section 1405 of such Act (as in effect on the date of the enactment of this section).".

(2) The chapter analysis for chapter 31 of title 31, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER III—RESTRICTION ON BORROWING AUTHORITY OF CERTAIN GOVERNMENT-RELATED CORPORATIONS

"3141. Limitation on borrowing authority of Uranium Enrichment Corporation.".

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, FISCAL YEAR 1993

DOLE AMENDMENT NO. 3144

Mr. INOUYE (for Mr. DOLE) proposed an amendment to the bill H.R. 5504, supra, as follows:

At the appropriate place in the bill, insert the following

"SEC. . Of the funds appropriated for drug interdiction and counter narcotics, $35,000,000 shall be appropriated for the purposes of modifying with improved radars and FLIRs and leasing up to 15 T-47 aircraft.".

LEVIN AMENDMENT NOS. 3145 AND 3146

Mr. INOUYE (for Mr. LEVIN) proposed two amendments to the bill H.R. 5504, supra, as follows:

AMENDMENT NO. 3145

After line 7, page 17, add the following: "and to establish the STARBASE Youth Education Program.".

Strike line 10 and place in lieu thereof: "$2,191,677,000".

AMENDMENT NO. 3146

After line 3, page 39, add the following: "and for advanced automotive development for future Armored Systems Modernizations applications.".

Strike line 10, page 38, and place in lieu thereof: "$5,122,737,000, to remain available for".

AKAKA (AND OTHERS) AMENDMENT NO. 3147

Mr. INOUYE (for Mr. AKAKA, for himself, Mr. MACK, and Mr. INOUYE) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 157, between lines 9 and 10, insert the following:

SEC. 9132. It is the sense of the Senate that—

(1) the Corps of Engineers of the Army should evaluate new concrete construction technologies in order to identify technologies that, if used in the construction of Department of Defense facilities in regions susceptible to hurricanes, would prevent future hurricanes striking those regions from causing the extensive level of damage to those facilities that Hurricane Andrew and Hurricane Iniki caused at installations and facilities of the Department of Defense in Florida and Hawaii, respectively; and

(2) the Secretary of Defense should ensure that, to the extent that it is cost effective to do so, concrete construction technologies identified in accordance with paragraph (1) be used in the construction of facilities of the Department of Defense in those regions in the future.

JOHNSTON AMENDMENT NO. 3148

Mr. INOUYE (for Mr. JOHNSTON) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 38, line 22, after the words "of the", delete the remainder of the proviso and insert the following: "GP-160 vaccine: *Provided further*, That funds in the preceding proviso shall be obligated, unless the Secretary of Defense, the Director of the National Institutes of Health, or the Commissioner of Food and Drugs certifies, in writing, within six months of enactment of this Act, that such large-scale phase III investigation should not proceed, including an assessment of the vaccine and reasons for the certification.".

NUNN AMENDMENT NO. 3149

Mr. INOUYE (for Mr. NUNN) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 115, line 12, insert before the period at the end the following: ": *Provided further*, That the funds made available by this section may be obligated only in accordance with a merit based selection process, utilizing recommendations of a peer review process, consistent with the provisions of section 2361(a) of title 10, United States Code: *Provided further*, That the Secretary of Defense shall select persons to participate in such peer review process only from the faculty or staff of institutions that are members of the National Association of State Universities and Land Grant Colleges or the American Association of State Colleges and Universities.".

GRAHAM AMENDMENTS NOS. 3150 AND 3151

Mr. INOUYE (for Mr. GRAHAM) proposed two amendments to the bill H.R. 5504, supra, as follows:

AMENDMENT NO. 3150

On Page 157, between lines 9 and 10, insert the following:

SEC. 9132. (a) Subject to subsection (b), the amount expended from the appropriation under title II of this Act in fiscal year 1993 for salaries and expenses relating to the administrative activities of the Department of Defense, the military departments, and the Defense Agencies may not exceed the amount expended during fiscal year 1992 for such salaries and expenses under title II of the Defense Appropriation Act, 1992 (Public Law 102-172; 105 Stat. 1152), exclusive of any OPM authorized pay increase or benefits

(b) The President may waive the limitation described in subsection (a) if he deems it to be in the national interest, or to accomplish the management reform initiatives under the Defense Management Review or the establishment of the Defense Business Operating Fund.

AMENDMENT NO. 3151

On page 157, between lines 9 and 10, insert the following:

SEC. 9132. (a) The Secretary of Defense shall transmit to Congress a report on whether the United States should participate with other countries of the Western Hemisphere in an international rapid deployment force for use in international crisis in the Western Hemisphere.

(b) The report shall include a discussion of, and the Secretary's recommendations regarding, the following matters:

(1) Whether a rapid deployment force should be established.

(2) The circumstances under which the rapid deployment force should be used for intervention in international crises in the Western Hemisphere.

(3) Whether the establishment of a rapid deployment force with the mission to engage in military operations in the Western Hemisphere in such an intervention is prohibited by, or inconsistent with, the Charter of the Organization of American States.

(4) How to ensure that the elements of the Armed Forces of the United States in the rapid deployment force are not introduced into situations involving life-threatening dangers without the specific approval of the United States under the laws of the United States, including the War Powers Resolution (50 U.S.C. 1541 et seq.).

(c) The Secretary shall submit the report required by subsection (a) at the same time as the President submits to Congress the budget for fiscal year 1994 pursuant to section 1105 of title 31, United States Code.

PRYOR (AND OTHERS) AMENDMENT NO. 3152

Mr. PRYOR (for himself, Mr. BINGAMAN, Mr. NUNN, Mr. LIEBERMAN, Mr. COATS, Mr. ROCKEFELLER, Mr. BRYAN, Mr. SEYMOUR, Mr. DOMENICI, Mr. COATS, Ms. MIKULSKI, Mr. COHEN, Mr. WOFFORD, Mr. DECONCINI, Mr. DODD, Mr. RIEGLE, Mr. MURKOWSKI, and Mr. ROBB) proposed an amendment to the bill HR. 5504, supra, as follows:

On page 54, in line 4, strike out the period at the end of line 4, and insert the following in lieu thereof:

": *Provided further*, That of the funds appropriated in this paragraph, funds shall be available for the following programs in the following amounts;

"For federal military and civilian personnel transition programs and community assistance programs as authorized by Congress, $470,000,000.

"For dual-use critical technology partnerships, $100,000,000.

"For commercial-military integration partnerships, $50,000,000.

"For regional technology alliances, $100,000,000.

"For defense advanced manufacturing technology partnerships, $25,000,000.

"For manufacturing engineering education programs, $30,000,000.

"For defense manufacturing extension programs, $100,000,000.

"For dual-use technology and industrial base extension programs, $200,000,000.

"For agile manufacturing and enterprise integration, $30,000,000.

"For advanced materials synthesis and processing partnerships, $30,000,000.

"For United States-Japan Management Training, $10,000,000.".

PRYOR (AND BUMPERS) AMENDMENT NO. 3153

Mr. INOUYE (for Mr. PRYOR, for himself and Mr. BUMPERS) proposed an amendment to the bill H.R. 5504, supra, as follows:

On page 157, between lines 9 and 10, insert the following:

SEC. 9132. (1) Hereafter, whenever a State or local development authority or other State or local installation reuse entity submits to the Secretary of a military department for approval a proposed interim lease of a facility at a closing installation under the jurisdiction of that Secretary, the Secretary shall approve or disapprove the proposed interim lease within 60 days after the proposed interim lease is submitted to the Secretary.

(b) For purposes of this section, the term "closing", with respect to an installation, means an installation that is being closed pursuant to—

(1) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 102-510; 104 Stat. 1808; 10 U.S.C. 2687 note);

(2) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note); or

(3) section 2687 of title 10, United States Code.

VETERANS COMPENSATION RATE AMENDMENTS OF 1992

CRANSTON AMENDMENT NO. 3154

Mr. PRYOR (for Mr. CRANSTON) proposed an amendment to the amendments of the House to the bill (S. 2322) to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Compensation Cost-of-Living Adjustment Act of 1992".

SEC. 2. DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION RATE INCREASES.

(a) IN GENERAL.—(1) The Secretary of Veterans Affairs, shall, as provided in paragraph (2), increase, effective December 1, 1992, the rates of and limitations on Department of Veterans Affairs disability compensation and dependency and indemnity compensation.

(2)(A) The Secretary shall increase each of the rates and limitations in sections 1114, 1115(1), 1162, 1311, 1313, and 1314 of title 38, United States Code, that were increased by the amendments made by Veterans' Compensation Rate Amendments of 1991 (Public Law 102-152; 105 Stat. 985). The increase shall be made in such rates and limitations as in effect on November 30, 1992, and shall be by the same percentage that benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1992, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(B) In the computation of increased rates and limitations pursuant to subparagraph (A), amounts of $0.50 or more shall be rounded to the next higher dollar amount and amounts of less than $0.50 shall be rounded to the next lower dollar amount.

(b) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 (2 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(c) PUBLICATION REQUIREMENT.—At the same time as the matters specified in section 214(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 1992, the Secretary shall publish in the Federal Register the rates and limitations referred to in subsection (a)(2)(A) as increased under this section.

VETERANS COMPENSATION AMENDMENTS

CRANSTON AMENDMENT NO. 3155

Mr. PRYOR (for Mr. CRANSTON) proposed an amendment to the bill (S. 2323) to amend title 38, United States Code, to revise the rates of dependency and indemnity compensation payable to surviving spouses of certain service-disabled veterans, to provide supplemental service disabled veterans' insurance for totally disabled veterans, and for other purposes, as follows:

On page 13, line 12, strike out "The cost" and insert in lieu thereof "(1) Subject to paragraph (2), the cost".

On page 13, between lines 18 and 19, insert the following new paragraph:

(2) The amount paid under paragraph (1) in fiscal year 1993 from amounts available to the Department of Veterans Affairs for the payment of compensation and pension may not exceed $5,000,000.

DEPENDENCY AND INDEMNITY COMPENSATION REFORM ACT OF 1992

CRANSTON AMENDMENT NO. 3156

Mr. PRYOR (for Mr. CRANSTON) proposed an amendment to the bill (H.R. 5008) to amend title 38, United States Code, to reform the formula for payment of dependency and indemnity compensation to survivors of veterans dying from service-connected causes, to increase the rates of payments for benefits under the Montgomery GI bill, and for other purposes, as follows:

On page 1, strike out line 3 and all that follows through page 12, line 18, and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Survivors' Benefits Improvement Act of 1992".

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. REVISION OF RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES OF VETERANS.

(a) DEATHS OF VETERANS BEFORE DECEMBER 1, 1992.—Subsection (a) of section 1311 is amended—

(1) by inserting "(1)" before "Dependency"; and

(2) by inserting at the end the following new paragraphs:

"(2) Subject to subsections (b) through (d) and except as provided in paragraph (3), dependency and indemnity compensation shall be paid to surviving spouses of veterans whose deaths occur before December 1, 1992, at the rates provided in paragraph (1).

"(3) Each surviving spouse referred to in paragraph (2) for whom the rate of dependency and indemnity compensation payable under subsection (e)(2) exceeds the rate of such compensation payable under paragraph (1) shall be paid dependency and indemnity compensation at the rate specified in subsection (e)(2).".

(b) DEATHS ON OR AFTER DECEMBER 1, 1992.—Section 1311 is amended by adding at the end the following new subsections:

"(e)(1) Subject to subsections (b) through (d), the monthly rates of dependency and indemnity compensation payable for deaths occurring on or after December 1, 1992, shall be determined under this subsection.

"(2) Subject to paragraph (3), the monthly amount of dependency and indemnity compensation payable to the surviving spouse of a deceased veteran under this paragraph shall be the sum of $725 and the greater of—

"(A) an amount, if any, equal to—

"(i) in the case of a veteran having a disability rated as total (including a veteran so rated on the basis of the veteran's individual unemployability) for a total of ten or more years before the date of the veterans death, $200;

"(ii) in the case of a veteran having a disability so rated for a total of five years or more but less than ten years, $150;

"(iii) in the case of a veteran having a disability so rated for a total of one year or more but less than five years, $50; or

"(iv) in the case of a veteran having a disability so rated for less than one year, $0; or

"(B) an amount, if any, equal to—

"(i) in the case of a veteran who completed a period of active military, naval, or air service of thirty years or more, $100;

"(ii) in the case of a veteran who completed a period of such service of twenty years or more but less than thirty years, $70;

"(iii) in the case of a veteran who completed a period of such service of ten years or more but less than twenty years, $40; or

"(iv) in the case of a veteran who completed a period of such service of five years or more but less than ten years, $20.

"(3) In determining the period of a veteran's disability under subparagraph (A) of paragraph (2), only periods in which the veteran was married to the surviving spouse referred to in that paragraph shall be taken into account.

"(f) Dependency and indemnity compensation shall be paid to a surviving spouse for the first full calendar month following the death of a veteran in an amount that is the greater of—

"(1) 50 percent of the amount of compensation under chapter 11 of this title which the veteran received or was entitled to receive for the last full month prior to the date of the veteran's death; and

"(2) the amount payable in the case of such veteran pursuant to subsection (e)(2).".

(c) ADDITIONAL DIC FOR CHILDREN.—(1) Section 1311(b) is amended by striking out "$71 for each such child" and inserting in lieu thereof "$100 for each such child during fiscal year 1993, $150 for each such child during fiscal year 1994, and $200 for each such child during each fiscal year thereafter".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1992.

(d) PAYMENT FOR IMPLEMENTATION OF REVISIONS.—(1) Subject to paragraph (2), the costs of implementing, during fiscal year 1993, any revisions in the payment of dependency and indemnity compensation to surviving spouses under section 1311 of title 38, United States Code that result from the amendments made by subsections (a) and (b) shall be paid from amounts available to the Department of Veterans Affairs for the payment of compensation and pension.

(2) The amount paid under paragraph (1) in fiscal year 1993 from amounts available to the Department of Veterans Affairs for the payment of compensation and pension may not exceed $5,000,000.

SEC. 3. STUDY AND REPORT RELATING TO THE PROVISION OF BENEFITS TO SURVIVORS OF VETERANS AND MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—In accordance with the provisions of this section, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives the report on the study and recommendations of the Commission on the Study of Survivor Benefits with respect to the most appropriate combination of financial, health-care, educational, and other survivor benefits to meet the needs of survivors.

(b) COMMISSION.—(1) There is established a commission to be known as the "Commission on the Study of Survivor Benefits" (in this section referred to as the "Commission").

(2) The Commission shall be composed of 7 members of whom—

(A) one shall be an appropriate representative of the Department of Veterans Affairs, determined and appointed by the Secretary of Veterans Affairs;

(B) one shall be an appropriate representative of the Department of Defense, determined and appointed by the Secretary of Defense;

(C) one shall be a representative of a veterans service organization recognized by the Secretary of Veterans Affairs under section 5902 of title 38, United States Code;

(D) one shall be a representative of an organization that represents surviving spouses; and

(E) three shall be experts (as determined by the Secretary of Veterans Affairs) on matters relating to survivor benefits who are not affiliated with the departments or organizations referred to in subparagraphs (A) through (D).

(3) The chairperson of the Commission shall be chosen by the members of the Commission from among the three experts referred to in paragraph (2)(E).

(4) The Commission shall hold its first meeting not later than 60 days after the date of the enactment of this Act.

(c) DUTIES OF COMMISSION.—(1) The Commission shall—

(A) evaluate the data and studies assembled by the National Academy of Sciences (or other entity) under subparagraphs (A) and (B) of subsection (d)(1) in light of the methods of analysis proposed by the National Academy of Sciences (or other entity) under subparagraph (C) of that subsection;

(B) based upon that evaluation, determine the adequacy of current and anticipated survivor benefits to meet the financial, health-care, educational, and other needs of the survivors who are provided such benefits; and

(C) submit to the Secretary of Veterans Affairs a report containing the recommendations of the Commission on the most appropriate combination of financial, health-care, educational, and other benefits to meet the current and anticipated needs of survivors.

(2) The Commission shall submit the report required under paragraph (1)(C) not later than December 1, 1993.

(d) STUDY AND REPORT OF PROVISION OF BENEFITS.—(1) Not later than 60 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall enter into an agreement with the National Academy of Sciences (or other entity determined by the Secretary to have an expertise and objectivity that is similar to that of the National Academy of Sciences) pursuant to which agreement the National Academy of Sciences (or other entity) shall carry out and submit to the Chairperson of the Commission the study described by paragraph (2).

(2) The study required under paragraph (1) shall include the following:

(A) A review and compilation of data on current and proposed survivor benefits programs that will permit an assessment of the adequacy of such benefits programs, including information on—

(i) in the case of each current and proposed alternative survivor benefits program—

(I) each benefit provided;

(II) the survivors entitled to the benefit;

(III) the extent to which survivors are entitled to similar benefits under the program; and

(IV) the costs of providing such benefits under the program;

(ii) the extent to which current and anticipated benefits under current survivor benefits programs meet the current and anticipated financial, health-care, educational, and other needs of survivors; and

(iii) the differences, if any, in the survivor benefits provided under current and proposed survivor benefits programs to survivors of various categories of veterans and members of the Armed Forces (including survivors of veterans having service-connected disabilities, veterans without such disabilities, members of the Armed Forces who die during service in the Armed Forces, retired career members of the Armed Forces, and retired non-career members of the Armed Forces).

(B) A review and compilation of existing studies on the adequacy of survivor benefits provided under current and proposed survivor benefits programs to meet the financial, health-care, educational, and other needs of survivors.

(C) Recommendations relating to the data required for, and the methods of analysis appropriate to carry out, a comprehensive assessment and evaluation of the adequacy of current and proposed survivor benefits programs, including data and methods for an assessment and evaluation of—

(i) the feasibility and desirability of limiting the period of entitlement of survivors to survivor benefits;

(ii) the feasibility and desirability of modifying the provision of monetary benefits to survivors by—

(I) revising the term of payment of any such benefits;

(II) replacing the periodic payment of such benefits with a lump sum payment;

(III) providing such benefits through insurance or other premium-based payment mechanisms; or

(IV) carrying out any other revision or modification proposed before the date of the enactment of this Act by the Secretary of Veterans Affairs, the Secretary of Defense, the Secretary of Health and Human Services, or organizations recognized by the Secretary of Veterans Affairs under section 5902(a)(1) of title 38, United States Code;

(iii) the feasibility and desirability of modifying the provision of health-care benefits to survivors;

(iv) the feasibility and desirability of modifying the provision of benefits to children survivors; and

(v) the feasibility and desirability of consolidating, expanding, or otherwise modifying any program relating to the provision of survivor benefits.

(3) Not later than October 1, 1993, the National Academy of Sciences (or other entity) shall submit to the Chairperson of the Commission a report on the study required under paragraph (2). The report shall contain the matters described in that paragraph and any other matters with respect to survivor benefits that the National Academy of Sciences determines appropriate.

(e) REPORT OF THE SECRETARY OF VETERANS AFFAIRS.—(1) Not later than March 1, 1994, the Secretary of Veterans Affairs shall submit to the committees referred to in subsection (a) a report on the report submitted to the Secretary by the Commission under subsection (c). The report of the Secretary shall include the following:

(A) The report submitted to the Secretary by the Commission, together with the comments of the Secretary thereon.

(B) The recommendations of the Secretary (including a proposal for legislation) on the most appropriate combination of survivor benefits to meet the current and anticipated financial, health-care, educational, and other needs of survivors.

(C) The comments and recommendations of the Secretary on such other matters relating to survivor benefits as the Secretary determines appropriate.

(2) In preparing the report required under this subsection, the Secretary shall permit at least one opportunity for meaningful public comment on the matters covered by the report.

(f) PRESERVATION OF CONFIDENTIALITY.—To the maximum extent practicable, the Secretary of Veterans Affairs shall ensure that the study carried out by the National Academy of Sciences (or other entity) under subsection (c), the report submitted by the Commission under subsection (d), and the report submitted by the Secretary under subsection (e) are carried out and submitted in a manner that is consistent with the privacy rights and interests of the survivors covered by such study and reports.

(g) FUNDING.—The cost of carrying out the study required under subsection (c) and the report required under subsection (d) shall be paid from amounts available to the Department of Veterans Affairs for the payment of compensation and pension.

(h) DEFINITIONS.—In this section:

(1) The term "survivor", in the case of a veteran or member of the Armed Forces who dies, means the surviving spouse or surviving dependent child of the veteran or member.

(2) The term "survivor benefit" means any monetary, health-care, educational, or other benefit paid, payable, or otherwise provided

to survivors of veterans and survivors of members of the Armed Forces under the following:

(A) Laws administered by the Secretary of Veterans Affairs.

(B) Laws administered by the Secretary of Defense.

(C) The Social Security Act (42 U.S.C. 301 et seq.).

(3) The term "veteran" has the meaning given such term in section 101(2) of title 38, United States Code.

SEC. 4. SUPPLEMENTAL SERVICE DISABLED VETERANS' INSURANCE FOR TOTALLY DISABLED VETERANS.

(a) IN GENERAL.—Subchapter I of chapter 19 is amended by inserting after section 1922 the following new section:

"§ 1922A. Supplemental service disabled veterans' insurance for totally disabled veterans

"(a) Any person insured under section 1922(a) of this title who qualifies for a waiver of premiums under section 1912 of this title is eligible, as provided in this section, for supplemental insurance in an amount not to exceed $20,000.

"(b) To qualify for supplemental insurance under this section a person must file with the Secretary an application for such insurance not later than the end of (1) the one-year period beginning on the first day of the first month following the month in which this section is enacted, or (2) the one-year period beginning on the date that the Department notifies the person that the person is entitled to a waiver of premiums under section 1912 of this title.

"(c) Supplemental insurance granted under this section shall be granted upon the same terms and conditions as insurance granted under section 1922(a) of this title, except that such insurance may not be granted to a person under this section unless the application is made for such insurance before the person attains 65 years of age.

"(d) No wavier of premiums shall be made in the case of any person for supplemental insurance granted under this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 is amended by inserting after the item relating to section 1922 the following new item:

"1922A. Supplemental service disabled veterans' insurance for totally disabled veterans.".

SEC. 5. INCREASE IN AMOUNT OF VETERANS' MORTGAGE LIFE INSURANCE.

(a) INCREASE.—Section 2106(b) is amended in the first sentence—

(1) by striking out "initial"; and

(2) by striking out "$40,000" and inserting in lieu thereof "$90,000".

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of chapter 21 is amended by striking out the item relating to section 2106 and inserting in lieu thereof the following:

"2106. Veterans' Mortgage Life Insurance.".

SEC. 6. REDUCTION IN PENSION FOR VETERANS AND VETERANS' SURVIVORS WHO ARE RECEIVING MEDICAID-COVERED NURSING HOME CARE.

(a) REDUCTION IN PENSION.—Paragraph (2) of section 5503(f) is amended to read as follows:

"(2)(A) Not more than $90 per month may be paid under chapter 15 of this title to or for any person described in subparagraph (B) for any period that a nursing facility furnishes such person with services covered by a Medicaid plan. The restriction in the preceding sentence applies to periods after the month of the person's admission to the nursing facility.

"(B) A person referred to in subparagraph (A) is a person—

"(i) who is covered by a Medicaid plan for services furnished such person by a nursing facility; and

"(ii) who is (I) a veteran who has neither spouse nor child, or (II) a surviving spouse who has no child.".

(b) CONFORMING AMENDMENTS.—Section 5503(f) is amended—

(1) in paragraph (3)—

(A) by striking out "a veteran" and inserting in lieu thereof "a person referred to in paragraph (2)(A)"; and

(B) by striking out "such veteran under paragraph (2) of this subsection" and inserting in lieu thereof "such person under such paragraph"; and

(2) in paragraph (4)—

(A) by striking out "A veteran" and inserting in lieu thereof "A person referred to in paragraph (2)(A)";

(B) by striking out "the veteran" both places it appears and inserting in lieu thereof "the person"; and

(C) by striking out "the veteran's" and inserting in lieu thereof "the person's".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on July 1, 1992, and apply with respect to months after June 1992.

(d) DELETION OF EXPIRATION DATE.—Section 5503(f) is amended by striking out paragraph (6).

SEC. 7. PERMANENT AUTHORITY TO CARRY OUT INCOME VERIFICATION.

(a) TITLE 38.—Section 5317 is amended by striking out subsection (g).

(b) INTERNAL REVENUE CODE OF 1986.—Section 6103(l)(7)(D)(viii) of the Internal Revenue Code of 1986 is amended by striking out the second sentence of the flush material.

(c) TECHNICAL AMENDMENTS.—Section 6103(l)(7)(D)(viii) of the Internal Revenue Code of 1986 is amended—

(1) in subclause (II), by striking out "415" and inserting in lieu thereof "1315"; and

(2) in subclause (III), by striking out "610(a)(1)(I), 610(a)(2), 610(b), and 612(a)(2)(B)" and inserting in lieu thereof "1710(a)(1)(I), 1710(a)(2), 1710(b), and 1712(a)(2)(B)".

On page 12, line 19, strike out "**304.**" and insert in lieu thereof "**8.**".

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Subcommittee on Patents, Copyrights and Trademarks of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, September 22, 1992, at 9:30 a.m. on "The Genome Project: The Ethics of Gene Patenting."

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

COMMITTEE ON FINANCE

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on September 22, 1992, at 3 p.m. to consider the following: Legislation to modernize the U.S. Customs Service; Senate Resolution 320, approving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of Romania; legislation denying trade benefits to Serbia and Montenegro; a section 332 request regarding the economic impact of the North American Free-Trade Agreement; and a section 332 request regarding energy trade and investment barriers in the former Soviet Union.

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

COMMITTEE ON FINANCE

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on September 22, 1992, at 9 a.m. to hold a hearing on the North American Free-Trade Agreement.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, September 22, 1992, at 10 a.m. to hold a hearing on the Open Skies Treaty, with 12 annexes—Treaty Document 102-37.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, September 22, beginning at 10 a.m. to conduct a hearing on S. 2658, a bill to increase infrastructure investment.

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

COMMITTEE ON VETERAN'S AFFAIRS

Mr. PRYOR. The Committee on Veterans' Affairs would like to request unanimous consent to hold a joint hearing with the House Veterans' Affairs Committee to receive testimony from the American Legion on Tuesday, September 22, 1992, in 334 Cannon Office Building, at 9 a.m.

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

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs and the House Committee on Interior and Insular Affairs be authorized to meet on September 22, 1992, beginning at 10 a.m., in 485 Russell Senate Office Building, on S. 2977 and H.R. 5744, the Indian Agricultural Resources Management Act of 1992.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Full Com-

mittee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, September 22, beginning at 2 p.m., to conduct an oversight hearing to celebrate the 20th anniversary of the Clean Water Act; to assess past progress toward water quality goals; and to review future challenges for protecting water quality.

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

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. PRYOR. Mr. President, I ask unanimous consent that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Tuesday, September 22, 1992, at 9:30 a.m., to hold a hearing on "Allegations of Bias Within the Social Security Disability Program."

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

SELECT COMMITTEE ON POW/MIA

Mr. PRYOR. Mr. President, I ask unanimous consent for the Senate Select Committee on POW/MIA Affairs to meet Tuesday, September 22, 1992, at 9 a.m. in room 216 of the Hart Senate Office Building for hearings to examine the Paris peace accords: the negotiations and the aftermath.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, September 22, 1992, at 10:30 a.m., for a hearing on "User Fees for the Food and Drug Administration."

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

ADDITIONAL STATEMENTS

INDOOR AIR QUALITY ACT OF 1991

• Mr. LIEBERMAN. Mr. President, I wish to call attention to an important piece of legislation passed by the Senate last November, the Indoor Air Quality Act of 1991. This bill is pending approval in the House, and I hope to see it enacted into law before the end of the 102d session of Congress.

One provision in this bill contains some very simple wisdom in approaching the pressing problem of indoor air pollution. I was pleased to contribute to the provision that calls for further research on plants as a measure against indoor air pollution.

It might come as a surprise that plants are a wonderful purifier of indoor air pollution. But it also makes basic common sense to rely on nature to help us clean up our indoor air.

Many Americans think of pollution as something that only comes billowing out of smokestacks or automobiles. But that idea of pollution is as old fashioned as a model T Ford. The fact is that the indoor air that we breathe may actually be dirtier and unhealthier than the air we breathe outdoors.

The health hazards of indoor air pollution are becoming clearer and clearer as doctors chart the number of patients who complain of fatigue, dizziness, and respiratory problems for no apparent reason except that they live or work in buildings that can be hazardous to your health. Modern buildings—skyscrapers, hospitals, apartment complexes, hotels—are often built with a sealed air system that does not allow air to circulate naturally out the windows, so that noxious chemicals are sealed inside these airtight buildings. Many American officeworkers breathe polluted air every day of their working lives. The EPA estimates that the direct health costs of indoor pollution, the price we pay for this malady, exceed $1 billion a year. We lose billions more every year if we measure the costs of increased sick leave and reduced productivity due to indoor air pollution.

A few years ago, in 1989, NASA studied indoor air pollution. The NASA study discovered that we need more nature inside our office buildings and living spaces. In short, Mr. President, we need more plants to naturally dispose of waste in our indoor air.

Green plants are a smart way to reduce the plague of indoor air pollution. Besides making the environment look more cheerful, would any of us guess that philodendrons love to eat formaldehyde? Would we suspect that some flowering plants are good at getting rid of benzene? These facts give new meaning to the old story in the movie, "The Little Shop of Horrors." Plants are, as nature knows and man needs to remember, an efficient way to remove waste and revitalize stagnant air. As one scientist involved in the NASA study concluded, "man should be biologically wise enough to realize that sealing himself inside tightly constructed buildings without adding green living plants, nature's life support system, will create health problems."

Mr. President, I urge the Congress to pass this legislation, the Indoor Air Quality Act, into law. Next month, the Plants for Clean Air Council will be working to increase public awareness about the benefits of green plants in our indoor environments. I urge participation in this effort. Green plants not only make us happier, but healthier, too.•

TRIBUTE TO JOE MELTON, JR.: SUCCESSFUL LOUISVILLE BUSINESSMAN

• Mr. McCONNELL. Mr. President, I rise today to pay tribute to a Louisville native who has worked hard all of his life to turn a family business into a genuine American success story. Joe Melton, Jr., has taken his simple mom and pop grocery stores and watched them grow from one to eight stores which totaled over $25 million in sales last year. I know my colleagues will join me in recognizing this outstanding gentleman for his achievement.

Mr. Melton attributes his success to the fact that all of his stores are family owned and operated. He believes that this has allowed him to give special attention to the types of details that other larger stores have taken for granted. At a Melton Food Mart bag boys still carry out every order. Mr. Melton says it best when he says that the stores give service that just can't be found anywhere else.

Family is important to Mr. Melton and this spills over into his stores. There is at least one family member working in each of the eight Melton Food Marts. In fact, when Mr. Melton opened his first store in 1964, he worked the meat counter while his wife Jan worked as a cashier.

As proof of Mr. Melton's dedication to his stores and employees, one need only look at the number of employees who have stayed with him for extended periods. Many of the workers in Melton's have been with the stores for over 20 years. Many began as baggers and have moved on to become managers. Mr. Melton's dedication to his employees does not end with their work relationship, he has been known on more than one occasion to help out those in need. Lending money in times of financial crisis, or giving needed time off when family emergencies arose. He truly treats his employees as family.

Mr. President, I know that my colleagues join me in recognizing this wonderful Kentuckian. I ask that an article from the July 22 Business First be included in the RECORD.

The article follows:

BAGGING THE ODDS: MELTON MAKES MARK WITH STORES

(By Wayne Fowler)

Joe Melton Jr. has made a career of defying conventional wisdom. In 1964, when mom and pop grocery stores were fast going the way of trolley cars, Melton opened his first store.

In recent years, with the trend toward self-service operations as big as football fields, Melton Food Marts has successfully operated medium-sized stores where bag boys carry out every order.

"The secret to our success is that we're family owned and operated," says the 60-year-old Melton. "That's one of our slogans and why we're able to compete with the super stores.

"We run stores the old-fashioned way. We work in them. You'll find a Melton in practically every store.

"People appreciate knowing who they're shopping with. They like being recognized and called by name."

The Melton formula has proven successful. The eight stores that comprise the company totaled sales of over $25 million last year.

"We give our customers what they want, especially in service, meat and produce—something the big stores don't do," Melton says.

"We sell fresh fryers and process our own U.S. Choice carcass beef. The meat business has been the backbone of our business down through the years.

"We also have much higher labor costs than our competitors because we carry out every order. We give service that you just can't get anywhere else."

Melton's roots in the grocery business began in 1949 when his father bought a store at 5310 Valley Station Road. He and his five brothers worked in the store each day after school.

"The store was so small we couldn't stock during the day," Melton says. "So we had to wait until after the store closed. We'd get a truckload in, and Dad would go home. He'd lock the door so we couldn't leave. We were in there until eight the next morning."

In 1957, the elder Melton decided to sell his store and retire.

"It was a small store, and the big supermarkets were just beginning to move in," says Melton, a graduate of Valley High School and Western Kentucky University.

"All of us felt there wasn't much of a future in it. That's why none of us bought it."

Melton went to work for a paper company in Cincinnati, but left in 1964 when he refused to take a job in New York. Coincidentally, the store on Valley Station Road was for sale.

"Jan (his wife) and I barely had a nickel to our name," he says. "Dad loaned us a little, and I think we had $200 saved and $1,200 equity from selling our house.

"I had to convince Jan that we should go into business for ourselves. Her dad had managed a Kroger for 20 years, and she knew all the hours that went with it."

During their first years, Melton worked the meat counter in the rear of the store, and his wife worked as a cashier. When their first child, Brad, was born, he stayed in a playpen next to the checkout lane.

The couple worked seven years without a day off, and their effort yielded solid dividends.

The Meltons paid off their store in just two years and bought a second store, at Rockford Lane and Plaza Drive, two years after that. Three years later, they purchased their third store, on Flintlock Drive just off Dixie Highway.

In 1981, the Meltons opened a store on Frankfort Avenue, and in 1983 at Old Shepherdsville Road and Outer Loop.

Two of the Melton Food Marts are owned by Melton's brothers, and one by a former longtime employee. Melton sold the Valley Station Road store to his brother Paul in 1974, and helped brother Don open a store on Poplar Level Road in 1979.

Melton opened a store in the Prairie Center on Third Street Road in 1979, and built new corporate offices across the street in 1985.

"All of the stores operate as a group," Melton says. "I do the advertising and buying and so forth, and they pay a fee for their share."

Melton says he didn't mind the long hours he put into his business, but regrets not spending more time with his four children. Now with three grandchildren, he's thinking about retiring.

"We missed out on a lot of things with the kids," he says. "We're fortunate they've turned out as well as they have. I'm trying to spend more time with my grandchildren to make up for that."

In a move toward retirement, Melton sold three stores May 1 and turned the operations of a fourth over to longtime employees.

Daughter Kathy and her husband, Wayne, bought the Prairie View store, and Joe Melton III the Outer Loop store. Ron Wafford, who has been with Melton 24 years, purchased the Flintlock Drive store.

Melton plans to let several longtime employees run the Frankfort Avenue store "as long as they make a profit."

Melton will sell the Rockford Lane store to son Brad within a year. Daughter Robin Vincent and her husband, Don, also work with Melton, but don't plan on owning a store.

"One of my goals has been to have something to leave my family," Melton says. "It's nice to be able to do that."

When Melton uses the word "family," he includes employees, many of whom have been with him over 20 years.

"That's why I haven't just sold the Frankfort Avenue store," he says. "I wanted to give the employees there a chance to have a decent job and earn decent money.

"That's one of the things I've enjoyed most. So many young people have started and come up with me. And I've been able to help them improve their way of life.

"Some of them have gone on to be very successful, and they still come back to see me."

Jack Price left A&P 24 years ago to work for Melton because they had similar ideas about running a grocery store. He says Melton's concern for his employees is genuine.

"Joe is a taskmaster, and he can get bent out of shape like anybody else. But I can think of at least two stories that show the kind of guy he really is.

"One year we had a young woman with a little girl who worked for us and their trailer got burned down a couple of weeks before Christmas. They lost everything. The employees took up a collection that amounted to about $600.

"Well, when the check went to the woman, it was for $2,000. Nobody ever knew where the rest of the money came from, but I did. It was Joe."

Another time, a former Melton employee was implicated in a robbery at a convenience store where he worked.

"He had worked for us eight years," Price says. "He was a nice kid, but not cut out for management. When we heard what they had accused him of, we all knew there was no way he had done it.

"Joe got his personal lawyer, paid all the legal fees and got the boy out of trouble.

"Joe didn't do those things to get any credit. He wouldn't let me tell those stories for a long time."

Price has also been the beneficiary of Melton's largess. Several years ago, when Price's elderly father was seriously ill, Melton paid Price for many days when he was tending his father.

Ormond Ostroff, of Deming, Malone, Livesay and Ostroff, has observed Melton's concern for his employees during 20 years of being his accountant.

"He has a very unusual attitude," he says. "He's a very caring man when it comes to his employees. A lot of them are dedicated to him and have been with him a long time. He's given several the opportunity to go into business for themselves."

One employee, Marge Pate, began working for the Meltons when Joe Melton Sr. first owned the store on Valley Station Road. She has worked as a cashier, bookkeeper and office manager.

"I enjoy working for the Meltons," she says. "They're my employers, but they're also my friends."

Randy Collier, president of the Axton Candy and Tobacco Co., has a 20-year history dealing with Melton. He says Melton Food Marts is successful because of Melton's hands-on approach.

"He's a heck of a businessman," says Collier. "He doesn't leave a lot of details to someone else. He knows what's going on in his stores. If there's a problem, he corrects it right away.

"When he speaks, it's the gospel. He doesn't send word out to a store or department head who then does things his own way. He expects things to be done his way.

"And when he makes a decision, he gives it a lot of thought. He doesn't jump at immediate change."

When Collier was attempting to sign Melton up as a client in the early 1970s, Melton called him and asked for a meeting.

"I told him I was available just about any time," Collier recalls. "So, he says, 'Well, how about 10 o'clock tomorrow night?'"

"Now, I've had meetings that began anywhere from 6 a.m. to 6 p.m., and I've been in meetings that started at four and went to midnight, but never have I had a meeting at 10 o'clock."

After work, Collier spent several uneasy hours worrying because it was an important account.

"I walked in, and Joe introduced me to all of his store managers who were sitting there," Collier says. "Then he announces to everybody that from now on they were going to get all their cigarettes, candy and cigars from my company.

"He'd already thought about it and made up his mind. That's just the classic story about the way he runs his business."

Both Price and Melton's friend, Norm Gagel, say Melton may have a hard time retiring.

"It's going to be hard for him to leave the business," Gagel says. "He's worked hard all of his life, and it's hard to walk away because other people don't do things the same way you do. I know he really wants them (his children and employees) to do well."

Melton admits retirement may not come easy, but says he will be completely out of the business within two years.

"I'm going to stay around just a little longer to help the kids out if they need it," he says.

Melton bought a condominium in Fort Myers, Fla., several years ago and took up golf five years ago. He and his wife take lessons and he's gone from shooting 120 to 85.

Besides golf and his grandchildren, Melton plans to enjoy his success as well.

"We never really had any money when we were younger, and it was never really a goal to see how much money we could make," he says.

"We're not rich now, but we can pretty much go anywhere and do anything; and I'm going to enjoy it."

BIO: JOE MELTON, JR.

Title: Owner, Melton Food Marts.

Age: 60.

Hometown: Louisville.

Education: Bachelor of Education, Western Kentucky University.

Family: Wife: Jan; Children: Kathy Cheatham, 35; Joe III, 33; Robin Vincent, 30; Brad, 24.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. SANFORD. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received a request for a determination under rule 35 for Andrew S. Morton, a member of the staff of Senator LUGAR, to participate in a program in Germany, sponsored by Haus Rissen, International Institute for Politics and Economics, from August 11-19, 1992.

The committee determined that participation by Mr. Morton in this program, at the expense of Haus Rissen, was in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Mark Ashby, a member of the staff of Senator BREAUX, to participate in a program in Chile, sponsored by the Chilean American Chamber of Commerce, from August 30 to September 3, 1992.

The committee has determined that participation by Mr. Ashby in this program, at the expense of the Chilean American Chamber of Commerce, is in the interest of the Senate and the United States.●

TRIBUTE TO JIM FOX "PRACTICAL PRESERVATIONIST"

● Mr. MCCONNELL. Mr. President, today I rise to pay tribute to a fellow Louisvillian whose mark on the city has left an indelible impression. Jim Fox, president of FBM Properties has contributed greatly to a revitalized Louisville.

Mr. Fox's company is responsible for the virtual rebirth of many of Louisville's most historic buildings. The beauty of his operation however, is the fact that his company does not blindly look for projects. As Mr. Fox says, a building should not be preserved just because it's old and if it "doesn't add something to history, it should be torn down."

Mr. President, it is that type of no nonsense attitude which has lead to the undeniable success of FBM Properties. Known as dedicated and hard working, Fox is still able to describe his work as play. He combines his work ethic with common sense and kindness which allows him to be successful.

Mr. Fox has a very simple strategy for his properties, charge reasonable rents, keep them clean, and they will do well. There is no question that his formula has proven effective. Says one of his tenants, Mr. Fox is a "caring landlord. He is one of the most trustworthy people I know."

Many businessmen could learn from Mr. Fox's example, Mr. President. He never leverages one building to finance another project and avoids debts whenever possible. It is this type of conservative economic practice that has made Mr. Fox an extremely successful entrepreneur.

I ask my colleagues to join me in recognizing this outstanding Kentuckian who has given so much to the city of Louisville. I also ask an article from the July 13 Business First be included in the RECORD at this point.

The article follows:

FOX CASHED IN INSURANCE FOR REAL ESTATE MARKET

(By John Bowman)

Several years ago, when he learned his childhood home near Shelby Park had burned to the ground, Jim Fox drove to the site and retrieved one charred red brick from the rubble.

Today, it can be found in Fox's office at the headquarters of FBM Properties in downtown Louisville's Speed Building, bearing a small bronze plate inscribed with the words: "Boyhood Days," 701 E. St. Catherine.

The brick reminds Fox of his upbringing in the inner-city neighborhood, and of his parents—Ben and Cecilia Fox—who operated a small grocery in the area in the 1940s and '50s.

I'm sentimental," the 51-year-old Fox explains. "Things like that are important to me."

It would be easy to seize upon this story—to pinpoint Fox's sentimentality about his urban childhood and his fond memories of a long-gone house—maybe to view the preserved brick itself as a symbol of the driving force behind Fox's real estate management firm.

After all, over the past decade FBM Properties has made its name—and a good deal of money—by buying older commercial buildings, and either restoring them to their former grandeur or at least renovating them for modern uses.

In June, the company added the 11-story First Nationwide Building to its downtown Louisville portfolio, which also included the Speed Building, the 300 Building at Third and Main streets, and the McDowell Building at Third and Muhammad Ali Boulevard.

The trouble is, the truth intrudes on such a black-and-white analysis; and Fox himself—a once hard-driving, profit-minded insurance executive turned relaxed, low-key, even philosophical saver of old buildings—simply won't be pigeonholed neatly into a slot marked "preservationist."

In fact, the very word crosses Fox's lips much the same way the word "liberal" now falls from the mouths of many people who once proudly embraced the label: with only the slightest hint of—well, what is it. . . disdain?

Ask him point-blank if he is a preservationist, and Fox responds with a few well chosen words: "I'm a 'practical' preservationist."

Simply put, Fox says, he doesn't believe in "preserving something just because it's old."

If a building "doesn't have a practically readaptive use," Fox adds, "and if it doesn't add something to history, it should be torn down."

Does he mean to imply that mainstream preservationists often try to save buildings just because they're old?

"That's exactly what I'm saying."

Fox speaks softly, but he's certainly not soft-spoken.

He answers touchy questions with a directness normally restricted to someone who's not running for political office, doesn't belong to any social clubs and has long-since become financially secure enough to view his business as a hobby—all of which are true of James S. Fox.

Check in with his receptionist at the Speed Building, and Lady—Fox's six-year old Shih Tzu—might be the first rounding the corner to greet you.

Then comes Fox, his collar open: he stopped wearing a tie to work years ago.

Follow him into his office, careful not to step on the one-eyed chicken or various other of Lady's stuffed toys.

Only don't let the informal atmosphere fool you.

Fox says his work is his play. If so, he plays hard.

Connie, his wife of 12 years, says her husband works every day of the week.

"He works hard at his job; it's just that he doesn't do it in a necessarily traditional way."

The couple will go out to dinner, and Jim will want to drive downtown to make sure everythings's OK at FBM's buildings there, for instance.

A couple of Sundays ago, he decided the shrubs at the company's Nolan Building on Gardiner Lane didn't look just right—so he spent the afternoon trimming them himself.

"This is a very dedicated man to his properties—very dedicated," Connie Fox says.

Sometimes Fox catches himself calling them "his" properties. When he does, he corrects himself.

"I really don't feel anyone owns anything," he'll say. "I feel we're just custodians."

Maybe that's why he shows no desire to build his own monuments.

"I'm not a developer," he points out. "I've never built anything. I'm a real estate manager."

It's a second career for Fox, who graduated from the University of Louisville in 1963 with an accounting degree only to arrive at the disturbing conclusion that "I really wasn't a very good accountant."

He soon took a job as a field rep with Hartford Life Insurance Co.

In 1967, he borrowed $100,000 from his then father-in-law, Dr. James Ryan, and started his own insurance company.

He bought out Tom Storms—his original partner in the business—about a year later, and, in 1970, brought on Bruce Cohen as a minority partner.

Over the next several years, the business grew larger by buying up a string of other insurance agencies in the metro area—a strategy Fox says proved "very profitable."

The largest of the acquisitions came in 1977, with the purchase of the Citizens Fidelity Insurance Corp., a deal that also brought a third partner, Roger Puckett, to the company.

But by that time, Fox was already looking for something more in his life.

He found it in the 300 Building, a once-glorious stone structure on West Main Street that had seen better days.

Probably because he had come from a relatively poor financial background, Fox says, his main focus until then had been on business—"rather than on having balance in my life."

He paid $400,000 for the building, and—using money borrowed from Citizens Fidelity Bank & Trust Co. of Louisville—spent twice that amount to restore it.

The money, he says, "never entered my mind; I wanted to do something for myself." He took great pleasure in re-creating the building's original integrity.

Fox, Puckett & Cohen Insurance Co. moved from Watterson Tower into the restored structure, which is now one of several FBM properties on the National Registry of Historic Places.

Fox says a 1980 divorce from his first wife had a "dramatic impact" on him.

By the time he sold the insurance business in 1982, he had married Connie, whom he calls "a wonderful girl from Louisville." The sale of the firm—at an undisclosed price—left Fox financially secure, mentally drained and ready for a major change in his life.

His years building the insurance agency had left him "burned out a little," Connie says.

Fox finally ended a five-year employment contract with his former insurance agency—now called Robinson-Conner of Kentucky—three years early because "I wasn't doing justice to the job."

He and Connie traveled a lot—to China, Europe, Indonesia, Mexico.

"My thrust was toward fun, relaxation and doing the things I enjoy doing," Fox remembers.

He found time to form FBM in 1983, along with Robert Metts and current partner—and closest friend—Steve Baser; Metts later left the firm in an amicable departure, and was eventually replaced by Fox's son, Robert.

As FBM bought Bardstown Road Center, the Speed Building, the Nolan Building, the Elsby Building in New Albany and other properties, Fox found a new career and developed his own philosophy about real estate.

He decided that the old axiom of "location, location, location" is overrated, if not downright untrue.

As long as a property is visible from the street, Fox says, "the one major ingredient is price."

His strategy as a landlord is to buy right, renovate and pass along the savings to office and retail tenants.

The storefront in FBM's Speed and McDowell buildings are proof that retail shops can still make it downtown—if the price is right.

"You charge reasonable rents, you keep it clean, and if it's visible, I think they'll do well," he says.

And then there's service.

"If you have a problem, just pick up the phone and he's here—or Steve's here," says Doris Denney, who moved her Janus boutique to the McDowell Building from the Galleria in 1988.

Fox is "a caring landlord," says Denney. "He's one of the most trustworthy people I know."

Janus has been more profitable since the move, Denney says, because its expenses have been reduced drastically.

Fox says he'd extremely conservative in money matters. He always pays off mortgages in 10 years, figuring the buildings will need to be renovated again by then. He never leverages one building to finance another project.

And he's stuck with Citizens Fidelity ever since his first acquisition.

"He does not like debt," Citizens chairman Daniel Ulmer Jr. says with a laugh. Ulmer calls Fox "a first-class fellow who's always done what he's said he's going to do. I consider him to be a very shrewd and creative real estate investor."

Fox may have his own way of doing things—but he's not too stubborn to listen to others.

When Louisville Central Area wanted to create a downtown taxing district to provide better maintenance and security in the area, it needed an OK from owners of a majority of downtown property.

At first, LCA was unable to convince Fox, who viewed the idea as just another unneeded tax. He changed his mind only after he talked with each of his downtown tenants and found them solidly behind the idea.

Today, Fox is a member of the board that oversees the Downtown Management District.

Because he deals closely with his retail tenants, Fox provides an important perspective to the management board, according to Errol Frailey, president of LCA.

Frailey says he's not surprised to learn that, after just a few weeks of effort, Fox has signed a retail tenant to take 5,000 square feet of space once occupied by New Orleans House in the First Nationwide Building.

The space has been vacant since the restaurant closed four years ago.

"This guy understands the business," says Frailey. "He's very aggressive."

FBM owns suburban buildings, but Fox's heart is clearly in downtown Louisville.

"It's the pulse and lifeblood of our community," he says.

Since the purchase of the First Nationwide Building—Fox flew to Dallas and bought it at a court-ordered auction for just over $1 million—he "is working harder now than I've ever seen him work," says Connie.

But at the same time, she says, he's "mellowed a great deal" since leaving the insurance business.

Baser—who oversaw renovation of the 300 Building as Fox's general contractor and now performs the same task as his partner—says he's noticed little difference in Fox through the years.

"I guess he's calmed down a little," Baser allows, noting that when you're around someone every day you might not notice long-term changes.

Fox purposely keeps a low profile.

For instance, acquaintances say he provides space at far below market value to several charitable agencies—with the caveat that the beneficiaries not discuss the fact.

Fox says only that he feels i.'s important to give to charity.

To Connie's delight, Fox recently bought a boat—a 34-foot cruiser named "Jim's Con"—which is docked at the Captain's Quarter's Marina, not far from the couple's home on Boxhill Lane.

"I think it's important to have more than just work," she says. "It's something we can both share together."

But Fox says the buildings remain his number one hobby.

"I just like looking at 'em and keeping them clean," he says. "I'm proud of them—I'm damn proud of them.

"God's been good to me."

BIO: JAMES FOX

Title: President, FBM Properties.

Age: 51.

Hometown: Louisville.

Education: Bachelors degree in accounting, University of Louisville.

Family: Wife; Connie; Children; Steve, 26; Allison, 21; and stepsons Tony Handmaker, 28, and John Handmaker 25.●

ORDERS FOR TOMORROW

Mr. PRYOR. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand adjourned until 9:30 a.m., Wednesday, September 23, and when the Senate reconvenes on Wednesday, September 23, the Journal of proceedings be deemed approved to date, the call of the calendar waived, no motions or resolutions come over under the rule, and that the morning hour be deemed to have expired. I further ask unanimous consent that the time for the two leaders be reserved for their use later in the day, that following the prayer the Senate vote, without any intervening action or debate, on final passage of H.R. 5504, the Defense appropriations bill.

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

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. PRYOR. Mr. President, if there is no further business to come before the Senate today, I now move that the Senate stand adjourned in accordance with the previous order until 9:30 a.m., Wednesday, September 23.

The motion was agreed to, and the Senate, at 9:41 p.m., adjourned until Wednesday, September 23, 1992, at 9:30 a.m.