spent than does the President of the United States, the U.S. Attorney General or this Senator or this body.

Under the proposal contained in my crime legislation, local government officials will get Federal money, and what they do with it will be up to them. They will be able to spend that money based on local needs, local concerns, local priorities.

Yesterday, I discussed my proposal to pay for extra police officers in the highest crime areas in America. The 250 most crime-infested areas in America are eligible under my bill for police funding. Other areas, areas that are not included in the list of the 250 worst crime areas, may decide, if they wish, that they need extra police officers. If that is the case, they may choose to spend the dollars they get from this $7 billion local flexibility fund to pay for the extra police officers. My bill allows them that flexibility. They can use the money to hire, train, and employ these police officers, maybe put them out on the street. They can use it to pay overtime for police officers that they already have which, frankly, may, depending on the jurisdiction and the economics involved, be the best use of the funds. Or they can use it to buy extra technology that is already covered in this bill. They can use it to beef up school security, either by deploying extra police or adding measures like metal detectors. They can use it to establish and run crime-prevention programs like Neighborhood Watch and citizen patrol programs and programs to combat domestic violence and juvenile crime. They can use it to establish early intervention and prevention programs for juveniles to reduce or eliminate crime.

There was a vigorous debate last year about the issue of crime prevention. One thing I have learned in my years in local law enforcement is that even more than most programs crime prevention programs really have to be grown locally to be effective.

When you travel Ohio, as I have done, or Minnesota, or Wisconsin, and you look at crime prevention programs, I suspect in other States you find what I have found in Ohio, and that is the quality of those programs depends upon the local people. It depends on who is running the program, the dedication of that particular individual. This is not something that Washington can take a cookie cutter and duplicate, replicate across the country. They have to be grown locally.

It is clear that we have to go after those also who have chosen a life of crime. We have to apprehend them. We have to convict them. But we also have to reach out to the young people who are at risk in this country. We have to reach out to them before—before—they embark on a life of crime.

The best ideas on how to do this are not in Washington, DC, surprisingly. It is not with Government bureaucrats, in Washington. It is, rather, locally. Government bureaucrats in Washington, Mr. President, do not know the kids in Greene County, OH. Do you know who does? The people in Greene County—Jerry Irwin, our county sheriff; the county prosecuting attorney, Bill Schenck. I could go on and on. That is why I wish to empower people such as County Sheriff Jerry Irwin, or County Prosecutor Bill Schenck through this proposal.

Mr. President, to mandate a prevention program from Washington, DC, is absurd. Let us trust the people on the ground, the local law enforcers who know the young people in their communities.

In conclusion, Mr. President, let me say there is a basic insight that the American people imparted to all of us last November. I hope we heard the message. That message was fairly simple and basic, that Government is best which is closest to the people.

I have worked to incorporate this basic principle into the legislation that I will be introducing tomorrow.

At this time, I yield the floor.

ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 1078 WITHDRAWN

Mr. MURKOWSKI. Mr. President, I withdraw my amendment No. 1078 at this time.

The PRESIDING OFFICER. The Senator has that right and the amendment is so withdrawn.

The amendment (No. 1078) was withdrawn.

AMENDMENT NO. 1101

(Purpose: To provide for the energy security of the Nation through encouraging the production of domestic oil and gas resources in deep water on the Outer Continental Shelf in the Gulf of Mexico, and for other purposes)

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

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

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON], for himself, Mr. MURKOWSKI, and Mr. BREAUX, proposes an amendment numbered 1101.

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

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

The amendment is as follows:

At the appropriate place in the bill, insert the following as a new Title III:

''TITLE III: OUTER CONTINENTAL SHELF DEEP WATER ROYALTY RELIEF

SEC. 301.—This Title may be referred to as the ''Outer Continental Shelf Deep Water Royalty Relief Act''.

SEC. 302. AMENDMENTS TO THE OUTER CONTINENTAL SHELF LANDS ACT.—Section 8(a) of the Outer Continental Shelf Lands Act, (43 U.S.C. 1337(a)(3)), is amended by striking paragraph (3) in its entirety and inserting the following:

''(3)(A) The Secretary may, in order to—

''(i) promote development or increased production on producing or non-producing leases; or

''(ii) encourage production of marginal resources on producing or non-producing leases; through primary, secondary, or tertiary recovery means, reduce or eliminate any royalty or net profit share set forth in the lease(s). With the lessee's consent, the Secretary may make other modifications to the royalty or net profit share terms of the lease in order to achieve these purposes.

''(B)(i) Notwithstanding the provisions of this Act other than this subparagraph, with respect to any lease or unit in existence on the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act meeting the requirements of this subparagraph, no royalty payments shall be due on new production, as defined in clause (iv) of this subparagraph, from any lease or unit located in water depths of 200 meters or greater in the Western and Central Planning Areas of the Gulf of Mexico, including that portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, until such volume of production as determined pursuant to clause (ii) has been produced by the lessee.

''(ii) Upon submission of a complete application by the lessee, the Secretary shall determine within 180 days of such application whether new production from such lease or unit would be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i) of this subparagraph. In making such determination, the Secretary shall consider the increased technological and financial risk of deep water development and all costs associated with exploring, developing, and producing from the lease. The lessee shall provide information required for a complete application to the Secretary prior to such determination. The Secretary shall clearly define the information required for a complete application under this section. Such application may be made on the basis of an individual lease or unit. If the Secretary determines that such new production would be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i) of this subparagraph, the provisions of clause (i) shall not apply to such production. If the Secretary determines that such new production would not be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i), the Secretary must determine the volume of production from the lease or unit on which no royalties would be due in order to make such new production economically viable; except that for new production as defined in clause (iv) (aa), in no case will that volume be less than 17.5 million barrels of oil equivalent in water depths of 200 to 400 meters, 52.5 million barrels of oil equivalent in 400–800 meters of water, and 87.5 million barrels of oil equivalent in water depths greater than 800 meters. Redetermination of the applicability of clause (i) shall be undertaken by the Secretary when requested by the lessee prior to the commencement of the new production and upon significant change in the factors upon which the original determination was made. The Secretary shall make such redetermination within 120 days of submission of a complete application. The Secretary may extend the time period for making any determination or redetermination under this clause for 30 days, or longer if agreed to by the applicant, if circumstances so warrant.

The lessee shall be notified in writing of any determination or redetermination and the reasons for and assumptions used for such determination. Any determination or redetermination under this clause shall be a final agency action. The Secretary's determination or redetermination shall be judicially reviewable under section 10(a) of the Administrative Procedures Act, 5 U.S.C. Sec. 702, only for actions filed within 30 days of the Secretary's determination or redetermination.

''(iii) In the event that the Secretary fails to make the determination or redetermination called for in clause (ii) upon application by the lessee within the time period, together with any extension thereof, provided for by clause (ii), no royalty payments shall be due on new production as follows:

''(I) For new production, as defined in clause (iv)(I) of this subparagraph, no royalty shall be due on such production according to the schedule of minimum volumes specified in clause (ii) of this subparagraph.

''(II) For new production, as defined in clause (iv)(II) of this subparagraph, no royalty shall be due on such production for one year following the start of such production.

''(iv) For purposes of this subparagraph, the term 'new production' is—

''(I) any production from a lease from which no royalties are due on production, other than test production, prior to the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act; or

''(II) any production resulting from lease development activities pursuant to a Development Operations Coordination Document, or supplement thereto that would expand production significantly beyond the level anticipated in the Development Operations Coordination Document, approved by the Secretary after the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act.

''(v) During the production of volumes determined pursuant to clauses (ii) or (iii) of this subparagraph, in any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for light sweet crude oil exceeds $28.00 per barrel, any production of oil will be subject to royalties at the lease stipulated royalty rate. Any production subject to this clause shall be counted toward the production volume determined pursuant to clause (ii) or (iii). Estimated royalty payments will be made if such average of the closing prices for the previous year exceeds $28.00. After the end of the calendar year, when the new average price can be calculated, lessees will pay any royalties due, with interest but without penalty, or can apply for a refund, with interest, of any overpayment.

''(vi) During the production of volumes determined pursuant to clause (ii) or (iii) of this subparagraph, in any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for natural gas exceeds $3.50 per million British thermal units, any production of natural gas will be subject to royalties at the lease stipulated royalty rate. Any production subject to this clause shall be counted toward the production volume determined pursuant to clauses (ii) or (iii). Estimated royalty payments will be made if such average of the closing prices for the previous year exceeds $3.50. After the end of the calendar year, when the new average price can be calculated, lessees will pay any royalties due, with interest but without penalty, or can apply for a refund, with interest, of any overpayment.

''(vii) The prices referred to in clauses (v) and (vi) of this subparagraph shall be changed during any calendar year after 1994 by the percentage, if any, by which the implicit price deflator for the gross domestic product changed during the preceding calendar year.''

SEC. 303. NEW LEASES.—

Section 8 (a)(1) of the Outer Continental Shelf Lands Act, as amended, (43 U.S.C. 1337(a)(1)) is amended as follows:

(1) Redesignate section 8(a)(1)(H) as section 8(a)(1)(I); and

(2) Add a new section 8(a)(1)(H) as follows:

''(H) cash bonus bid with royalty at no less than 12 and ½ per centum fixed by the Secretary in amount or value of production saved, removed, or sold, and with suspension of royalties for a period, volume, or value of production determined by the Secretary. Such suspensions may vary based on the price of production from the lease.''

SEC. 304. LEASE SALES.—For all tracts located in water depths of 200 meters or greater in the Western and Central Planning Area of the Gulf of Mexico, including that portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, any lease sale within five years of the date of enactment of this title, shall use the bidding system authorized in Section 8(a)(1)(H) of the Outer Continental Shelf Lands Act, as amended by this title, except that the suspension of royalties shall be set at a volume of not less than the following:

(1) 17.5 million barrels of oil equivalent for leases in water depths of 200 to 400 meters;

(2) 52.5 million barrels of oil equivalent for leases in 400 to 800 meters of water; and

(3) 87.5 million barrels of oil equivalent for leases in water depths greater than 800 meters.

SEC. 305. REGULATIONS.—The Secretary shall promulgate such rules and regulations as are necessary to implement the provisions of this title within 180 days after the enactment of this Act.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Senator MURKOWSKI be added as a cosponsor to this amendment, and that David Applegate, a fellow of the Energy and Natural Resources Committee, be given privileges of the floor during pendency of this amendment.

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

Mr. JOHNSTON. I ask unanimous consent that Senator BREAUX be added as a cosponsor.

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

Mr. JOHNSTON. Mr. President, gross oil imports to the United States today are over 50 percent, and they are scheduled to be over 60 percent by the year 2010. For this reason, in February of this year, President Clinton announced the President's finding that the Nation's growing reliance on imports of crude oil and refined petroleum products threaten the Nation's security because of the increased vulnerability of U.S. oil supply disruptions.

This being the problem, how do we solve it at a time of growing deficits, at a time of money shortage, at a time when we have no money to apply to any kind of energy technology? The way we do it, Mr. President, is by this amendment, which provides that with respect to existing leases in the Gulf of Mexico in over 200 meters of water, where the development expenses are very, very great and where wells otherwise would not be drilled unless given some incentive, there be a discretionary incentive given for both existing leases and new leases according to a carefully worked out formula, worked out with the Department of the Interior.

Mr. President, when I say it is discretionary, it is discretionary in that the Secretary of the Interior must analyze all of these leases and with respect to any lease which he determines would otherwise be drilled, there is no incentive given, there is no royalty holiday given. It is only with respect to those leases that would not otherwise be drilled, either existing or future leases, that this amendment would provide that incentive.

So it is for this reason this amendment has been scored as costing zero by CBO and, as a matter of fact, it would make money for the American taxpayer and for the budget because, obviously, if you have a lease that otherwise would not be drilled, which is drilled, it has positive economic impact from the salaries paid to the workers by the oil company to drill the well, and if oil is found, then there is royalty to be paid even with the royalty holiday because the royalty holiday is not complete.

This was worked out last year with the Secretary of the Interior. It took us a long time to work out the formulas, the amount of the incentive. The Secretary of the Interior wanted the amount of the incentive to be sufficient but not too much. That took a lot of negotiating. The whole matter of negotiation took a long period of time. After working it out last year, we introduced the legislation this year as S. 158. The administration has testified on this in an affirmative way. It is a piece of legislation that is going to make money for the Treasury and is going to help our energy balance.

According to the Department of the Interior, it should bring on at least two new fields with approximately 150 million barrels of oil equivalent from existing leases and it significantly improves the economics of 10 to 12 possible and probable fields.

As we know, Mr. President, the OCS in the Gulf of Mexico has been the United States' most promising region for new discoveries. In 1993, 98 percent of new crude oilfields and 76 percent of new gasfields discovered in the United States were in the Gulf of Mexico.

So, Mr. President, this is a way to offset that $46 billion of deficits which is attributable to net energy imports. It is 40 percent of the total U.S. merchandise deficit of $116 billion. For this reason, Mr. President, I think this is an excellent amendment backed by the administration which will help our energy balance a great deal.

Mr. President, I ask unanimous consent that a letter from Bob Armstrong, Assistant Secretary of the Interior, backing this amendment be printed in the RECORD.

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

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, May 16, 1995.

Hon. J. BENNETT JOHNSTON,
Ranking Minority Member, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR SENATOR JOHNSTON: I understand that you intend to offer an amendment to S. 395 to provide Outer Continental Shelf (OCS) deep water royalty relief to leases in the Central and Western Gulf of Mexico.

We support this amendment and believe it is consistent with the Administration's objectives with respect to OCS exploration and development in the Gulf of Mexico. The deep water areas of the Gulf contain some of the most promising exploration targets in the United States, but industry confronts substantial economic and technological challenges in bringing them into production. The responsible and orderly development of these resources is truly in the national interest.

The Office of Management and Budget has advised that it has no objection to the presentation of these views from the standpoint of the Administration's program.

Sincerely,

BOB ARMSTRONG,
Assistant Secretary.

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

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

Mr. GRAMS. 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. GRAMS. Mr. President, I rise today to support the measure before us lifting the 22-year-old export restrictions on domestic crude oil produced on Alaska's North Slope.

I commend my distinguished colleague from Alaska, the chairman of the Energy and Natural Resources Committee, for bringing this legislation to the floor.

Clearly, the time has come for Congress to repeal an outdated law that no longer serves its intended purpose. When the export restrictions on Alaskan crude oil were originally enacted, many people believed that the legislation would enhance our long-term energy security.

Today, however, we know that restricting the export of Alaskan crude oil has actually weakened our Nation by undermining our initiative to explore and develop new energy resources, and that is keeping us ever more dependent on foreign oil imports.

Some 77 percent of this country's energy consumption is supplied by the oil and gas industry. Yet, the Department of Energy projects that crude oil production will continue to decline over the next decade.

Last year, our Nation imported over half our domestic oil requirements. By the year 2005, the United States will be nearly 70 percent dependent on imported oil—not because consumption is on the rise, but because domestic production continues to fall.

Every drop of oil that is produced by somebody else eventually adds up to a flood of lost U.S. jobs. Three hundred thousand oil-related jobs have been lost in the United States since 1985—the steepest decline in U.S. history.

With oil production decreasing by 2¼ million barrels every day, more job losses are surely ahead.

Of course, decreased production means that revenues are down as well—down, in fact, by more than $50 billion in the last decade.

To add insult to injury, the U.S. petroleum industry has been forced to look beyond American borders when it comes to oil production. We are now putting 65 percent of our exploration and production dollars into projects overseas, at a loss to the U.S. economy of $16 billion annually.

Within the last few years, Congress has consistently rejected regulatory policies that foolishly try to constrain and control the natural flow of goods and services. But there is much more that Congress can do to improve the climate for domestic oil production.

To that end, S. 395 seeks to replace a failed energy policy with a new strategy based on free-market principles.

I am not suggesting that S. 395 will solve this Nation's oil production woes, but it will have a positive, lasting impact.

Nearly every region of the country stands to benefit from lifting the export restrictions on Alaskan crude oil. First and foremost, it would mean new U.S. jobs.

The Department of Energy estimates that if the export restrictions on Alaskan crude oil are lifted, as many as 16,000 new jobs would be created immediately. Up to 25,000 new jobs are likely by the end of the decade.

Lifting the export restrictions would increase oil production in California and Alaska by as much as 110,000 barrels per day.

This legislation will stimulate oil exploration and development in the oilfields of Alaska and California, boosting the economy along the west coast and enhancing our national long-term energy strategy.

The bill also ensures that the U.S. merchant marine will maintain its traditional role of transporting Alaskan crude oil. This provision protects existing U.S. jobs by requiring that exported Alaskan crude oil be carried on American-crewed, American-flag tankers.

Mr. President, history has taught us that free markets—not protectionism—make our Nation more secure. With this lesson in mind, I strongly urge my colleagues to join in the bipartisan effort to lift the ban on exports of Alaskan crude oil.

Thank you very much, Mr. President. I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, unless there is no other Senator seeking recognition, I ask that the amendment pending by the Senator from Louisiana be agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 1101) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. JOHNSTON. Mr. President, I congratulate the chairman of the committee, the Senator from Alaska, on his good work on the Alaska North Slope bill, the underlying bill. It is an excellent bill. It will give much more efficiency to our production and sale of crude oil, and I think that it is definitely in the interest of the United States. Now that we have the merchant marine problem worked out, I think it will be in the interest of everyone and I urge all Senators to adopt the underlying bill.

I thank the Senator for his help on this deep water bill.

Mr. MURKOWSKI. Mr. President, I appreciate the comments of my good friend from Louisiana, and he is my friend. I have had the pleasure of working with him for some 15 years. A significant portion of that time he was chairman of the Energy and Natural Resources Committee. I work with him now, and I think the amendment just adopted is going to be a significant stimulus to ensuring that we are less dependent on imported oil by enhancing exploration and, hopefully, development in areas that otherwise might prove economically prohibitive to the industry.

With the amendment just adopted by the Senator from Louisiana, why, we have enhanced our industry's ability to be competitive in the production of oil. I commend him for his effort and that of his staff, and I am very pleased that we adopted the amendment.

Mr. JOHNSTON. Mr. President, what is the pending business?

AMENDMENT NO. 1102

Mr. MURKOWSKI. Mr. President, if I may, I have an amendment which I send 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 Alaska [Mr. MURKOWSKI] proposes an amendment numbered 1102.

Mr. MURKOWSKI. 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:

Strike Title I and insert in lieu thereof a new Title I.

''TITLE I

''SEC. 101. SHORT TITLE.

''This title may be cited as the ''Alaska Power Administration Asset Sale and Termination Act''.

"SEC. 102. SALE OF SNETTISHAM AND EKLUTNA HYDROELECTRIC PROJECTS.

''(a) The Secretary of Energy is authorized and directed to sell the Snettisham Hydroelectric Project (referred to in this Act as ''Snettisham'') to the State of Alaska in accordance with the terms of this Act and the February 10, 1989, Snettisham Purchase Agreement, as amended, between the Alaska Power Administration of the United States Department of Energy and the Alaska Power Authority and the Authority's successors.

''(b) The Secretary of Energy is authorized and directed to sell the Eklutna Hydroelectric Project (referred to in this Act as ''Eklutna'') to the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this Act as ''Eklutna Purchasers''), in accordance with the terms of this Act and the August 2, 1989, Eklutna Purchase Agreement, as amended, between the Alaska Power Administration of the Unites States Department of Energy and the Eklutna Purchasers.

''(c) The heads of other Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized and directed by this Act.

''(d) Proceeds from the sales required by this title shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts.

''(e) There are authorized to be appropriated such sums as may be necessary to prepare, survey, and acquire Eklutna and Snettisham assets for sale and conveyance. Such preparations and acquisitions shall provide sufficient title to ensure the beneficial use, enjoyment, and occupancy by the purchaser.

"SEC. 103. EXEMPTION AND OTHER PROVISIONS.

''(a)(1) After the sales authorized by this Act occur, Eklutna and Snettisham, including future modifications, shall continue to be exempt from the requirements of the Federal Power Act (16 U.S.C. 791a et seq.) as amended.

''(2) The exemption provided by paragraph (1) does not affect the Memorandum of Agreement entered into among the State of Alaska, the Eklutna Purchasers, the Alaska Energy Authority, and Federal fish and wildlife agencies regarding the protection, mitigation of, damages to, and enhancement of fish and wildlife, dated August 7, 1991, which remains in full force and effect.

''(3) Nothing in this title or the Federal Power Act preempts the State of Alaska from carrying out the responsibilities and authorities of the memorandum of Agreement.

''(b)(1) The United States District Court for the District of Alaska shall have jurisdiction to review decisions made under the Memorandum of Agreement and to enforce the provisions of the Memorandum of Agreement, including the remedy of specific performance.

''(2) An action seeking review of a Fish and Wildlife Program (''Program'') of the Governor of Alaska under the Memorandum of Agreement or challenging actions of any of the parties to the Memorandum of Agreement prior to the adoption of the Program shall be brought not later than ninety days after the date on which the Program is adopted by the Governor of Alaska, or be barred.

''(3) An action seeking review of implementation of the Program shall be brought not later than ninety days after the challenged act implementing the Program, or be barred.

''(c) With respect to Eklutna lands described in Exhibit A of the Eklutna Purchase Agreement:

''(1) The Secretary of the Interior shall issue rights-of-way to the Alaska Power Administration for subsequent reassignment to the Eklutna Purchasers—

''(A) at no cost to the Eklutna Purchasers;

''(B) to remain effective for a period equal to the life of Eklutna as extended by improvements, repairs, renewals, or replacements; and

''(C) sufficient for the operation of, maintenance of, repair to, and replacement of, and access to, Eklutna facilities located on military lands and lands managed by the Bureau of Land Management, including lands selected by the State of Alaska.

''(2) If the Eklutna Purchasers subsequently sell or transfer Eklutna to private ownership, the Bureau of Land Management may assess reasonable and customary fees for continued use of the rights-of-way on lands managed by the Bureau of Land Management and military lands in accordance with existing law.

''(3) Fee title to lands at Anchorage Substation shall be transferred to Eklutna Purchasers at no additional cost if the Secretary of the Interior determines that pending claims to, and selections of, those lands are invalid or relinquished.

''(4) With respect to the Eklutna lands identified in paragraph 1 of Exhibit A of the Eklutna Purchase Agreement, the State of Alaska may select, and the Secretary of the Interior shall convey to the State, improved lands under the selection entitlements in section 6 of the Act of July 7, 1958 (commonly referred to as the Alaska Statehood Act, Public Law 85–508, 72 Stat. 339, as amended), and the North Anchorage Land Agreement dated January 31, 1983. This conveyance shall be subject to the rights-of-way provided to the Eklutna Purchasers under paragraph (1).

''(d) With respect to the Snettisham lands identified in paragraph 1 of Exhibit A of the Snettisham Purchase Agreement and Public Land Order No. 5108, the State of Alaska may select, and the Secretary of the Interior shall convey to the State of Alaska, improved lands under the selection entitlements in section 6 of the Act of July 7, 1958 (commonly referred to as the Alaska Statehood Act, Public Law 85–508, 72 Stat. 339, as amended).

''(e) Not later than one year after both of the sales authorized in section 102 have occurred, as measured by the Transaction Dates stipulated in the Purchase Agreements, the Secretary of Energy shall—

''(1) complete the business of, and close out, the Alaska Power Administration;

''(2) submit to Congress a report documenting the sales; and

''(3) return unobligated balances of funds appropriated for the Alaska Power Administration to the Treasury of the United States.

''(f) The Act of July 31, 1950 (64 Stat. 382) is repealed effective on the date, as determined by the Secretary of Energy, that all Eklutna assets have been conveyed to the Eklunta Purchasers.

''(g) Section 204 of the Flood Control Act of 1962 (76 Stat. 1193) is repealed effective on the date, as determined by the Secretary of Energy, that all Snettisham assets have been conveyed to the State of Alaska.

''(h) As of the later of the two dates determined in subsection (f) and (g), section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152(a)) is amended—

''(1) in paragraph (i)—

''(A) by striking subparagraph (C); and

''(B) by redesignating subparagraphs (D), (E), and

''(F) as subparagraphs (C), (D), and (E) respectively; and

''(2) in paragraph (2) by striking out ''and the Alaska Power Administration'' and by inserting ''and'' after ''Southwestern Power Administration,''.

''(i) The Act of August 9, 1955, concerning water resources investigation in Alaska (69 Stat. 618), is repealed.

''(j) The sales of Eklutna and Snettisham under this title are not considered disposal of Federal surplus property under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) or the Act of October 3, 1944, popularly referred to as the ''Surplus Property Act of 1944'' (50 U.S.C. App. 1622).

''(k) The sales authorized in this title shall occur not later than 1 year after the date of enactment of legislation defining 'first use' of Snettisham for purposes of section 147(d) of the Internal Revenue Code of 1986, to be considered to occur pursuant to acquisition of the property by or on behalf of the State of Alaska.''.

Mr. MURKOWSKI. Mr. President, this is an amendment with regard to technical language associated with title I.

AMENDMENT NO. 1103 TO AMENDMENT NO. 1102

(Purpose: To make clear that the authorization of sale of hydroelectric projects under section 102 has no relevance to any proposal to sell any other hydroelectric project or the power marketing administrations)

Mr. JOHNSTON. Mr. President, on behalf of Senator DASCHLE, I send an amendment to the desk, which is a second-degree amendment to this existing amendment. This amendment states in its entirety as follows:

Congress declares that—

(1) the circumstances that justify authorization by Congress of the sale of hydroelectric projects under section 102 are unique to those projects and do not pertain to other hydroelectric projects or to the power marketing administrations of the 48 contiguous States; and

(2) accordingly, the enactment of section 102 should not be understood as lending any support to any proposal to sell any other hydroelectric project or the power marketing administrations.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON], for Mr. DASCHLE, proposes an amendment numbered 1103 to amendment No. 1102.

Mr. JOHNSTON. 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 end of the pending amendment insert the following:

SEC. . DECLARATION CONCERNING OTHER HYDROELECTRIC PROJECTS AND THE POWER MARKETING ADMINISTRATIONS.

Congress declares that—

(1) the circumstances that justify authorization by Congress of the sale of hydroelectric projects under section 102 are unique to those projects and do not pertain to other hydroelectric projects or to the power marketing administrations in the 48 contiguous States; and

(2) accordingly, the enactment of section 102 should not be understood as lending support to any proposal to sell any other hydroelectric project or the power marketing administration.

Mr. DASCHLE. Mr. President, I offer an amendment to S 395, the Alaska Power Administration Sale Act, to make explicit that this legislation does not in any way set a precedent for the sale of any other Federal power marketing administrations.

My colleague from Alaska makes a strong case for the sale of the Alaska Power Administration. As I understand the situation, the congressional delegation and the Governor of Alaska support the sale, and the proposal enjoys broad public support.

As we concentrate on this bill and this sale, it is important to keep in mind that there is a broader discussion taking place in the Congress over the sale of other Federal power administrations, and the case for those sales is by no means as clear cut as that in Alaska.

While the privatization of the Alaska PMA is supported in Alaska, there is strong public opposition to the sale of PMA's located in the lower 48 States. Moreover, the sale of the Alaska PMA involves a relatively small sum of money, only $83 million. This is a manageable investment for the State. It ensures that Alaskans will be able to purchase the PMA assets and that the purchase will not cause rates to rise substantially.

This is not the case with the proposed sale of PMA's in the lower 48 States, where far greater sums of money are at stake and where the sale likely would lead to significant rate increases.

In South Dakota, the Western Area Power Administration, which markets power from the main stem dams along the Missouri River, has ensured a consistent and affordable supply of electricity. The program is being run on a sound financial basis, as it recovers all expenses relating to its annual operation and the initial construction expenses, with interest. Under the current system, rates are set at the lowest possible cost, consistent with sound business principles, and to ensure that these financial objectives are met.

If this power marketing administration is sold, then it is likely that rates will increase substantially. The assets could well be purchased by out-of-State financial interests, who likely will set rates to maximize profit. Electric rates for existing Federal power customers will rise as a result. South Dakotans and customers from other States served by power marketing administrations will pay higher costs for power, and much of that money will go to the out-of-State financial interests who bankroll these purchases.

The Western Area Power Administration is a program that works. It provides affordable power to states like South Dakota, and it does so without any subsidy. The Federal Government gets a return on its investment. In short, it is an unquestioned success. It is a program that we should hold up as an example of how the Federal Government can work for the people and the national economy.

In conclusion, Mr. President, the sale of the Alaska Power Administration should not be viewed as a precedent for the sale of other power administrations. The situation in Alaska is unique. It is very different from the situation with the other PMA's, such as Western, where there is strong public opposition to the sale and where Senators are on record opposing the sale. I have received well over 10,000 letters in opposition to this sale and 2 in favor of it. And while sheer numbers can never determine the merits of any program, I am inclined to believe that people generally know what is best for themselves.

Given the almost certain rate increases that would accompany the sale of the Western Area Power Administration and others in the lower 48, and the potential for out-of-State ownership and, thus, the export of State resources, it is not a policy that I can support. I hope that my colleagues will be willing to recognize that the Alaska sale does not set any sort of precedent for the sale of other power marketing administrations, and support my amendment.

Mr. JOHNSTON. I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1103) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. MURKOWSKI. Mr. President, what is the pending business, if I may inquire of the Chair?

The PRESIDING OFFICER. The first-degree amendment No. 1102.

Mr. MURKOWSKI. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment No. 1102, as amended.

The amendment (No. 1102), as amended, was agreed to.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1104

Mr. MURKOWSKI. 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 Alaska [Mr. MURKOWSKI] proposes an amendment numbered 1104.

Mr. MURKOWSKI. 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:

Strike the text of title II and insert the following text:

''TITLE II

''SEC. 201. SHORT TITLE.

''This title may be cited as 'Trans-Alaska Pipeline Amendment Act of 1995'.

''SEC. 202. TAPS ACT AMENDMENTS.

''Section 203 of the Act entitled the 'Trans-Alaska Pipeline Authorization Act,' as amended (43 U.S.C. 1652), is amended by inserting the following new subsection (f):

''(f) EXPORTS OF ALASKAN NORTH SLOPE OIL.—

''(1) Subject to paragraphs (2) through (6), of this subsection and notwithstanding any other provision of law (including any regulation), any oil transported by pipeline over right-of-way granted pursuant to this section may be exported after October 31, 1995 unless the President finds that exportation of this oil is not in the national interest. In evaluating whether the proposed exportation is in the national interest, the President—

''(A) shall determine whether the proposed exportation would diminish the total quantity or quality of petroleum available to the United States; and

''(B) shall conduct and complete an appropriate environmental review of the proposed exportation, including consideration of appropriate measures to mitigate any potential adverse effect on the environment, within four months after the date of enactment of this subsection.

''The President shall make his national interest determination within five months after the date of enactment of this subsection or 30 days after completion of the environmental review, whichever is earlier. The President may make his determination subject to such terms and conditions (other than a volume limitation) as are necessary or appropriate to ensure that the exportation is consistent with the national interest.

''(2) Except in the case of oil exported to a country pursuant to a bilateral international oil supply agreement entered into by the United States with the country before June 25, 1979, or to a country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency, any oil transported by pipeline over right-of-way granted pursuant to this section, shall, when exported, be transported by a vessel documented under the laws of the United States and owned by a citizen of the United States (as determined in accordance with section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802)).

''(3) Nothing in this subsection shall restrict the authority of the President under the Constitution, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), or the National Emergencies Act (50 U.S.C. 1601 et seq.) to prohibit exportation of the oil.''.

''(4) The Secretary of Commerce shall issue any rules necessary for implementation of the President's national interest determination within 30 days of the date of such determination by the President. The Secretary of Commerce shall consult with the Secretary of Energy in administering the provisions of this subsection.

''(5) If the Secretary of Commerce finds that anticompetitive activity by a person exporting crude oil under authority of this subsection has caused sustained material crude oil supply shortages or sustained crude oil prices significantly above world market levels and further finds that these supply shortages or price increases have caused sustained material adverse employment effects in the

United States, the Secretary of Commerce may recommend to the President appropriate action against such person, which may include modification of the authorization to export crude oil.

''(6) Administrative action with respect to an authorization under this subsection is not subject to sections 551 and 553 through 559 of title 5, United States Code.

''SEC. 203. ANNUAL REPORT.

''Section 103(f) of the Energy Policy and Conservation Act (42 U.S.C. 6212(f)) is amended by adding at the end thereof the following:

''In the first quarter report for each new calendar year, the President shall indicate whether independent refiners in Petroleum Administration for Defense District V have been unable to secure adequate supplies of crude oil as a result of exports of Alaskan North Slope crude oil in the prior calendar year and shall make such recommendations to the Congress as may be appropriate.''.

''SEC. 204. GAO REPORT.

''The Comptroller General of the United States shall conduct a review of energy production in California and Alaska and the effects of Alaskan North Slope crude oil exports, if any, on consumers, independent refiners, and shipbuilding and ship repair yards on the West Coast. The Comptroller General shall commence this review four years after the date of enactment of this Act and, within one year after commencing the review, shall provide a report to the Committee on Energy and Natural Resources in the Senate and the Committee on Resources in the House of Representatives. The report shall contain a statement of the principal findings of the review and such recommendations for consideration by the Congress as may be appropriate.

''SEC. 205. EFFECTIVE DATE.

''This title and the amendments made by it shall take effect on the date of enactment.''.

Mr. MURKOWSKI. 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. MURKOWSKI. 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. 1105 TO AMENDMENT NO. 1104

Mr. MURKOWSKI. 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 Alaska [Mr. MURKOWSKI], for Mr. HATFIELD, proposes an amendment numbered 1105 to amendment No. 1104.

Mr. MURKOWSKI. 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 amendment add the following new section:

SEC. 206. RETIREMENT OF CERTAIN COSTS INCURRED FOR THE CONSTRUCTION OF NON-FEDERAL PUBLICLY OWNED SHIPYARDS.

(a) IN GENERAL.—The Secretary of Energy shall—

(1) deposit proceeds of sales out of the Naval Petroleum Reserve in a special account in amounts sufficient to make payments under subsections (b) and (c); and

(2) out of the account described in paragraph (1), provide, in accordance with subsections (b) and (c), financial assistance to a port authority that—

(A) manages a non-Federal publicly owned shipyard on the United States west coast that is capable of handling very large crude carrier tankers; and

(B) has obligations outstanding as of May 15, 1995, that were issued on June 1, 1977, and are related to the acquisition of non-Federal publicly owned dry docks that were originally financed through public bonds.

(b) ACQUISITION AND REFURBISHMENT OF INFRASTRUCTURE.—The Secretary shall provide, for acquisition of infrastructure and refurbishment of existing infrastructure, $10,000,000 in fiscal year 1996.

(c) RETIREMENT OF OBLIGATIONS.—The Secretary shall provide, for retirement of obligations outstanding as of May 15, 1995, that were issued on June 1, 1977, and are related to the acquisition of non-Federal publicly owned dry docks that were originally financed through public bonds—

(1) $6,000,000 in fiscal year 1996;
(2) $13,000,000 in fiscal year 1997;
(3) $10,000,000 in fiscal year 1998;
(4) $8,000,000 in fiscal year 1999;
(5) $6,000,000 in fiscal year 2000;
(6) $3,500,000 in fiscal year 2001; and
(7) $3,500,000 in fiscal year 2002.

Mr. MURKOWSKI. Mr. President, I am offering this amendment on behalf of Senator HATFIELD and respectfully urge its adoption.

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

The amendment (No. 1105) was agreed to.

Mr. MURKOWSKI. I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER (Ms. SNOWE). Without objection, it is so ordered.

Mr. DORGAN. Madam President, I ask unanimous consent that I be allowed to speak for 10 minutes as in morning business.

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

THE BUDGET RESOLUTION

Mr. DORGAN. In the next several days, we will have on the floor of the Senate a budget resolution. This has been much discussed and anticipated because we have had substantial debate here in the Senate and in the House of Representatives and in the country as a whole about the need to deal with this country's fiscal policy problems. No one, I think, will deny that our country is off track in fiscal policy. We spend more than we have. We routinely charge the balance to our children and grandchildren, and we must change priorities and fiscal policy to balance the Federal budget.

The Federal budget that we deal with and the budget resolution coming from the Budget Committee is a critically important document. A hundred years from now, if historians then could look back 100 years and view us, they could evaluate our priorities by what we spent our money on. They can look at our Federal Government and look at a $1.5 trillion budget and determine what was important to us by how we spent our money. What did we hold dear? What did we treasure, value, and what kind of investments did we think were important? That is what they will be able to tell about us. That is what is in the budget resolution. It represents our priorities, values, and what we think is important for our country.

A lot of people view this as just politics, just the same old thing, Republican versus Democrat. It is not that at all. It is much, much more important than that. It is the establishment of a set of principles by which we determine how we spend the public's money. I recall a story in the Washington Post, I believe, once where two people were quoted from Congress and one said—speaking of some other dispute—''This has degenerated into an argument about principle.'' I thought to myself, I hope so. That is what this is all about. That is what the budget resolution ought to be about.

I was at the White House this morning with a group of my colleagues meeting with President Clinton. He made a point about the budget resolution that I happen to agree with, which is that his problem with the budget resolution that is going to come to the floor of the Senate is that the priorities in that budget resolution do not match the needs of the country.

The budget resolution from the House of Representatives calls for a very large tax cut. The benefits of the tax cut will largely go to the wealthiest in America. If you take a look at who benefits from the tax break by the House of Representatives, the numbers show up like this: If you are a family earning under $30,000 a year, you get a tax break of $120. If you are a family over $200,000 a year in income, you get a tax break of around $11,000. It is pretty clear who benefits from that kind of policy.

In order to pay for a very expensive tax break, the bulk of which goes to the most affluent Americans, what do you have to cut in spending to do it? Well, they cut Medicare. They make it more expensive for someone to go to college. They cut education. They make it more difficult for the elderly to get health care. They cut earned-income tax benefits for the working poor, which means higher taxes for the working poor.

I happen to think those priorities do not match what our needs are. My own view is we ought not at this point have