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Congressional Record

PROCEEDINGS AND DEBATES OF THE 98th CONGRESS, FIRST SESSION

SENATE—*Monday, June 13, 1983*

The Senate met at 12 noon and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

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

Let us pray.

O come let us sing to the Lord; let us make a joyful noise to the rock of our salvation! Let us come into His presence with thanksgiving; let us make a joyful noise to Him with songs of praise! For the Lord is a great God.—Psalm 95: 1-3.

Father God, how do we thank Thee as we ought for Thy goodness to us? We slept in comfortable beds last night between clean sheets; millions in our city and cities of the world slept on the streets. We awakened to a good breakfast this morning, with promise of more than enough to eat for lunch and dinner. Millions had no breakfast this morning, nor yesterday or the day before or the day before that—and they have no prospect of lunch or dinner in the foreseeable future. We live in comfortable homes, millions are homeless in refugee camps or worse.

Dear God, forgive us for ever complaining, for never thanking Thee, for behaving as though we deserve these benefits in contrast to those who are without. Don't let us have to lose these blessings to appreciate them. We pray in the name of Him whose heart was with the hungry, the homeless, the naked, the oppressed. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER (Mr. WARNER). The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE POET'S FAREWELL TO HIS TEETH

Mr. BAKER. Mr. President, this week's poem was written by William Dickey and is titled, "The Poet's Farewell to His Teeth." Not that I had the misfortune to encounter such an operation of late, but somewhere, someone did, and this is dedicated to them.

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

THE POET'S FAREWELL TO HIS TEETH

(By William Dickey)

Now you are going, what can I do but wish you
(as my wife used to say) "every success
in your chosen field."
What we have seen together! Doctor X,
having gagged us, hurling his forceps to the floor
and denouncing our adolescent politics,
or the time we had caught trench-mouth in Iowa City
and had to drive west slowly and haltingly,
spitting in all the branches of the Missouri.
Cigar-stained and tired of cavities, you leave.
It is time to go back to the pure world of teeth
and rest, and compose yourselves for the last eruption.
As to those things in a glass by the bathroom sink
they will never communicate with me as you have done,
fragile and paranoid, sensing the world around you
as wild drills and destructive caramel, getting even
for neglect by waking me into the pain of dawn,
that empty and intimate world of our bitter sharing.
Go, under that cool light. I will remember you:
the paper reports that people may still feel pain
in their missing teeth, as with any amputation.
I hope you relax by the shadowy root canals,
and thinking of me with kindness, but not regret,
toast me just once in the local anaesthetic.

SENATE SCHEDULE

Mr. BAKER. Mr. President, obedient to the provisions that were made by the Senate on last Friday, we have reconvened today pursuant to an adjournment. However, the reading of the Journal has been dispensed with, as has the call of the calendar, and no resolution shall come over under the rule. The morning hour is deemed to have expired by unanimous consent.

Mr. President, provision also has been made that, after the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business of not more than 1 hour in length in which Senators may speak for not more than 5 minutes each.

At 1 p.m. this afternoon, Mr. President, the Senate will proceed to the consideration of S. 66, which is the so-called cable TV bill. That is calendar order No. 106. Time for debate on that measure has been agreed to at 13 hours, to be divided equally and controlled by the distinguished chairman of the Commerce Committee, Senator PACKWOOD, and the distinguished minority leader, Senator BYRD, or his designee.

Mr. President, under the order entered some time ago, any rollcall votes that are ordered today will be deferred until tomorrow 15 minutes after we resume consideration of the pending bill.

Mr. President, I am advised unofficially that it may not take 13 hours to take care of the cable TV bill and, indeed, we might finish that bill today except for the voting. I do not imagine there will be time remaining on which we could return to the consideration of the supplemental appropriations bill today, but if we do so I would hope the Senate would agree to do that.

I have consulted with the chairman of the Appropriations Committee and he is canvassing members to see who might have amendments to offer this afternoon. In the event that happy situation should occur, that is to say the early completion of the cable TV bill, it would be necessary then to change the unanimous-consent order which now provides for 15 minutes after we resume consideration of the pending bill. I would like to change that now, Mr. President, to make it 15 minutes after we resume consideration of the cable TV bill, because it is possible that we will not be on the cable TV bill at that time. I do now make that request.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The PRESIDING OFFICER. Without objection.

Mr. BYRD. Mr. President, give the minority leader an opportunity to object.

Mr. BAKER. The enthusiasm and the energy of the distinguished Presiding Officer was such that, while gratifying to me, perhaps was faster than the rising minority leader.

The PRESIDING OFFICER. The Chair has examined with care the minority leader's countenance and now gives him the opportunity to object.

Mr. BYRD. I thank the Chair. What I said was said in jest. I am very fond of the Senator who is in the Chair and who has always been very fair to me.

I wanted to reserve the right to object just to say that I agree with the majority leader. I would like to see us get back on the appropriation bill today, if at all possible, because the sooner we get that bill disposed of the sooner we can get on to other appropriations bills. At the moment I know of no reason why we would have any problems on our side. I may be unaware that some do exist, but it would be well, I think, if we could get back to the supplemental appropriations bill today. It would certainly shorten the time on tomorrow, which is of great interest to me and other Members. So I fully agree with the majority leader.

I say to the Chair again that we are the best of friends and we are going to continue to be. I have no objection.

The PRESIDING OFFICER. Without objection, the majority leader's request is granted.

Mr. BAKER. I thank the Chair.

Mr. President, if we can get back to the supplemental appropriations bill, I will certainly ask the Senate to do so after first consulting with the minority leader. I will not make that request at this time pending my further conversation with the chairman of the Appropriations Committee.

"DOCUMENTS OF THE SENATE" EXHIBIT

Mr. BAKER. Mr. President, this week in the "Documents of the Senate" exhibit case in the crypt of the Capitol, the U.S. Senate Commission on Art and Antiquities is sponsoring a brandnew exhibition on the famous Daniel Webster-Robert Hayne debate of 1830. The exhibit will run through December of this year.

I am privileged, along with my good friend the minority leader, to serve on the Commission on Art and Antiquities, and I want to encourage both Members and staff to take advantage of this display which illustrates a great moment in Senate history.

Those who were fortunate enough to listen to Senator BYRD, in another of his widely acclaimed history lessons on March 3, 1982, will recall that the debate between Webster and Hayne took the better part of a week, and was delivered before a packed Chamber and gallery. Hayne, from South Carolina, spoke in support of the Southern doctrine of States rights and nullification, while Webster, from Massachusetts, stressed the need for a strong central government. It was at the end of Webster's passioned plea for the Union that he spoke the now famous words, "Liberty and Union, now and forever, one and inseparable."

The display in the Capitol will include the original letter from Daniel Webster to his friend William Sullivan, describing his reaction to Haynes' remarks, and the writings of Isaac Bassett, who later became Assistant Doorkeeper of the Senate, and Margaret Smith, a famous hostess, discussing their observations of the debate.

Mr. President, I take this opportunity to commend the Curator's office, under the direction of James Ketchum, for their dedication to this exhibit and others, and I hope that their work is shared with many in the months to come.

Mr. President, I thank the Senate for its forbearance while I have perhaps exceeded the time allocated to me. I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

INTERSTATE MINING COMPACT COMMISSION RESOLUTION

Mr. BYRD. Mr. President, the 17-member States of the Interstate Mining Compact Commission held their annual meeting in Little Rock, Ark., April 26-29. The Commission is composed of the Governors of most of the major mining States in America.

On April 28, the Commission adopted a resolution concerning acid deposition. The resolution notes that scientific research on the acid deposition phenomenon has produced inconclusive and conflicting results. It further states that legislation under consideration by Congress to impose new limits on sulfur dioxide emissions could have a substantial negative effect on mining and related industries. Electric utility rates could also be increased, without any assurance that sulfur dioxide controls would have the desired results, according to the resolution.

For those reasons, the Commission's resolution states that legislation to impose new sulfur dioxide controls is premature and is not based on adequate scientific research. The Commission strongly supports the enactment of legislation to accelerate the Federal research efforts into the origins, causes, and effects of acid deposition.

I have introduced S. 454, a bill to accelerate the work of the Interagency Task Force on Acid Precipitation. My bill also authorizes the Environmental Protection Agency Administrator to make grants to States for projects to reduce acidity levels.

I believe that it is significant that the Interstate Mining Compact Commission, whose member States represent a cross section of all of the mining regions in the United States, should adopt a resolution to support the approach taken in S. 454. My bill also has bipartisan support, and the cosponsors of the legislation represent many different regions of our country.

I ask unanimous consent that a copy of the resolution adopted by the Interstate Mining Compact Commission be inserted in the RECORD at this point, along with a list of the members of the Commission.

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

RESOLUTION BY THE INTERSTATE MINING COMPACT COMMISSION

Be it known that:

Whereas, there is a high degree of public attention being given to the issue of acidity levels in precipitation at some locations in the United States and Canada; and

Whereas scientific research on this phenomenon has led different researchers to different and sometimes conflicting conclusions; and

Whereas the United States Congress is considering measures intended to limit sulfur dioxide emissions that could reduce the use of coal as a boiler fuel; that could cause dislocations in coal mine employment, coal producing and using industries and related businesses; and could bring about increases in the rates of electric utility consumers with no certainty that the measure would achieve the intended results.

Now therefore be it resolved: The Interstate Mining Compact Commission believes the rush to unjustified costly remedies is premature and not based on adequate research.

Be it further resolved: The member States staunchly support and advocate the enactment of legislation which calls for an acceleration of federal research efforts into the origins, causes and effects of acid deposition.

Issued this 28th day of April 1983.

KENES C. BOWLING,
Executive Director.

LIST OF COMMISSIONERS

Gov. Charles S. Robb, Virginia, Chairman.
Gov. Richard Celeste, Ohio, Vice-Chairman.
Gov. Bill Clinton, Arkansas, Treasurer.
Gov. James R. Thompson, Illinois.
Gov. George C. Wallace, Alabama.
Gov. Mark White, Texas.
Gov. Lamar Alexander, Tennessee.
Gov. Robert D. Orr, Indiana.
Gov. John Y. Brown, Kentucky.
Gov. James B. Hunt, Jr., North Carolina.
Gov. John D. Rockefeller IV, West Virginia.
Gov. Harry Hughes, Maryland.
Gov. George Nigh, Oklahoma.
Gov. Richard W. Riley, South Carolina.
Gov. Richard L. Thornburgh, Pennsylvania.
Gov. David Treen, Louisiana.

Gov. Toney Anaya, New Mexico.

Mr. BYRD. Mr. President, I have no request for time on this side. I yield back the rest of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to exceed 1 hour, with statements therein limited to 5 minutes.

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

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

WHY CRANSTON WON IN WISCONSIN; THE SIGNIFICANCE OF THE NUCLEAR FREEZE

Mr. PROXMIRE. Mr. President, for Americans who follow politics closely, especially Democrats, the straw poll victory of Senator ALAN CRANSTON in Wisconsin last Saturday was a real shocker, a No. 1 upset. I talked to the most seasoned observers of Democratic politics in my State. They could not believe it. Almost no one thought it could happen. Former Senator and Vice President Walter Mondale was the heavy favorite for many reasons to win that straw poll.

Mondale not only had the advantages that he has everywhere else in the country—far better name recognition, much stronger support by the movers and shakers in the Democratic Party, such as organized labor—but Mondale also had a much more seasoned larger organization, more money, and the momentum of having won in Massachusetts and being considered the sure shot frontrunner.

In Wisconsin, Mondale had special advantages. The Wisconsin and Minnesota Democratic parties have been like twin sisters with Minnesota easily the dominant twin. Hubert Humphrey was a smash hit for years in Wisconsin. Democrats loved him and in the long years when Republicans dominated Wisconsin politics, Wisconsin Democrats adopted Hubert Humphrey as their Senator.

In his speech to the Wisconsin Democratic convention just before the straw poll on Saturday, Mondale took full advantage of all this. He wrapped himself in Wisconsin's favorite liberal, old Bob LaFollette, and his dear friend and patron, Hubert Humphrey. Also Mondale himself has come to Wisconsin far more than any other national Democrat in recent years. And who was Walter Mondale—the national front runner and Wisconsin favorite up against? A Senator who a year ago had a name recognition in Wisconsin of less than 1 percent and even among active Wisconsin Democratic convention goers probably would not have been recognized as recently as 1981 by 5 percent.

Yet, in spite of all this, CRANSTON beat Mondale. Why? CRANSTON won for one reason and for one reason only. He did not win because he had a superior organization. He did not. He did not win because he spent more money, which he might have done, but the money did not really make much difference. Was there a cause in ideology? No, there were no significant disagreements in political philosophy that made the difference Was there a personal difference? No. CRANSTON did not come through as a stronger, more eloquent, more charismatic, more exciting figure than Mondale.

CRANSTON won for one simple and very obvious reason. He identified himself at the 1982 Democratic Convention—that is, last year—when he appeared as the principal convention speaker with a single issue. Mr. President keep in mind that CRANSTON did not differ from Mondale on the issue. They both agreed, but CRANSTON made that issue his at the 1982 Democratic convention, so that at the 1983 convention last Saturday, CRANSTON had become Mr. Nuclear Freeze.

Result: That surprising—shocking, upset vote in Milwaukee was an overwhelming expression of the intensity with which many Wisconsin people and I believe many Americans feel about the nuclear freeze issue. It's the kind of issue that will persuade people who knew and admired and enthusiastically supported former vice President Mondale to leave him, although he strongly favored a freeze, and switch to vote for a man they knew only one thing about: CRANSTON not only favored the freeze, he had become the very personification of the issue. The delegates could vote this intensity of their determination to win a halt to the nuclear arms race.

Mr. President, I think I have talked with more Wisconsin people than any one else ever has in history. I have found them to be moderate, tolerant people, much like Americans from any other State—devoted to hard work, proud of our country, but deeply troubled by the prospect of a nuclear war and anxious to do everything they can to persuade our leaders to find a way to negotiate an end to the arms race. Sure, those who go to a Democratic convention in my State tend to be much more liberal, more intense, more concerned than most Wisconsin citizens or most Americans. But I think that Members of the Congress and other national political leaders should heed the message that came from Wisconsin so loud and clear last Saturday. More and more American citizens have a burning desire that we find a way to end the nuclear arms race. That desire is growing. It will not be denied.

Mr. LEAHY. Will the Senator from Wisconsin yield for just a moment?

Mr. PROXMIRE. I am happy to yield to my good friend from Vermont.

Mr. LEAHY. Mr. President, I was glad to hear the statements of the Senator from Wisconsin on the floor today. I just want to take this occasion to commend the Senator from Wisconsin. He has, over the past number of months, constantly advised the Senate of items regarding the nuclear freeze and nuclear war and nuclear arms control. I have heard him speak many, many times and have read his statements in the RECORD.

I should note that what the Senator from Wisconsin states is something that has been a long-held belief for him. I heard and recall statements of his on the need for nuclear arms control long before I was in the Senate. I commend him on that.

During the weekend, I was in Vermont, a State that showed leadership in the nuclear freeze issue a year-and-a-half ago in their town meeting votes. I spoke to a large gathering in the southern part of our State at the Weston Priory. It is a priory run by the Benedictine Monks. It was a beautiful day, a lovely early summer Vermont day, following eight weekends of rain. The grass was green, the flowers were out, people were spread out over a long field. I spoke near one of the barns at the priory.

I was impressed by the people who were there—all concerned about nuclear disarmament. They ranged from, literally, babes in arms to one person who told me she is in her late eighties. They were Republicans, Democrats, Independents, Liberals and Conservatives, rich, poor, a cross-section, really, of Vermont. They were all united on one thing: That we need nuclear arms control, real nuclear arms control, that we try somehow to get the genie back in the bottle before it devours us all. I know, from talking with many of these Vermonters, that they wanted to know who some of the Senators were who may need encouragement in this area. I said I could give them the names of some Senators who did not need further encouragement. I mentioned the Senator from Wisconsin as one and mentioned the statements he has made on the floor.

I take this occasion to publicly applaud him for the statements he has made.

Mr. PROXMIRE. Mr. President, I thank the Senator from Vermont. One of the first statements of popular support for the nuclear freeze came from him.

About a year-and-a-half ago, after those town meetings were held, he

made an extraordinarily fine, eloquent statement about the nuclear freeze and popular support for it and the real grass roots sentiment in this country at that time. Of course, it has been building ever since.

I thank my good friend for his very thoughtful remarks, I appreciate them.

Mr. LEAHY. I thank the Senator.

THE WARSAW JEWS

Mr. PROXMIRE. Mr. President, this season marks the anniversary of the Warsaw Ghetto uprising. To commemorate the event, Yisrael Gutman, a survivor of the uprising, has written, "The Jews of Warsaw 1939-43: Ghetto, Underground Revolt." It provides a detailed description of the injustices directed at the Polish Jews.

Gutman explains how the occupying Nazi police encouraged Polish gangs to harass individual Jews.

He writes:

> The Polish police ignored the rampages; the novice Polish underground did not respond at all; and the hoodlums learned that most of the Polish public, as well as the Germans, allowed them a free hand to attack Jews.

Unchecked, these personal attacks escalated into mass murder. The Nazis forced nearly 400,000 Polish Jews into the tiny Warsaw Ghetto. Gutman recalls that many died from disease and starvation. In addition, they suffered from isolation and alienation.

Gutman's work emphasizes that both the Polish Government and the local community knew of the horrible conditions the Jews endured, but remained silent. Rather than protest the violation of human rights, the Poles expressed "apathy and hostility," toward the Jews which "intensified during the war."

Under such harsh conditions, one can only commend the bravery and spirit of the Polish Jews. Battling against all odds, these people preferred to die fighting their oppressors rather than enter the Nazi death camps.

Yet, as we read Gutman's work, we realize that the Warsaw Jews could not fight unaided and expect to survive. They did not receive this support from other Poles; Gutman writes that not a single non-Jewish Pole was found within the ranks of the Warsaw Ghetto resistors.

We cannot alter the tragic ending of Gutman's story. Most of the Warsaw Jews died as martyrs, in both the Ghetto and the crematorium. The few remaining survivors will always carry painful memories of the past.

However, we can take an important step to insure that persecuted groups will never again fall prey to such desertion. The Genocide Convention declares acts of genocide criminal, and calls upon nations to make them punishable by law. By joining the other countries who have already ratified the Genocide Convention, the United States will formally express our concern for religious, ethnic, racial, and national groups into international doctrine. We would also be providing these groups with the moral support the Warsaw Jews desperately needed, but did not receive.

By ratifying the Genocide Convention, we would not only be paying tribute to the brave Jews of Warsaw, but would also be preventing the repetition of the events described in Yisrael Gutman's chronicle.

MILTON R. YOUNG

Mr. PRESSLER. Mr. President, today I would like to pay tribute to a fine Senator, a personal friend, and an outstanding man—Milton R. Young, who recently passed away.

Although I served only briefly with Senator Young, we developed a fast friendship. I often turned to Senator Young for advice on problems concerning our neighboring States. Although one of the senior members on a number of committees, he was never too busy to lend his patient ear to my concerns.

Senator Young's great career began at the county, township, and school board levels. He was elected to the North Dakota State House of Representatives, and to the Senate, where he served as president pro tempore and majority leader, until his appointment to the U.S. Senate in 1945 to fill the vacancy caused by the death of Senator John Moses. In a special election in 1946, he was elected to the term which ended in January 1951. He then went on to be reelected five times. He served continuously longer than any other Republican in the Senate's history; only six Senators have served longer.

I know the love and affection the people of his home State of North Dakota had for him. Many South Dakotans share that feeling. Senator Young served with South Dakota's Senator Karl Mundt on the Senate Appropriations Committee. Senator Mundt became ill while working on a South Dakota project, now known as the Earth resources observation satellite (EROS). Senator Young carried on Senator Mundt's efforts on this project. The people of South Dakota showed their appreciation for his good work by naming a street after him, at the EROS site near Sioux Falls and Garretson, S. Dak. That street is Milton R. Young Boulevard.

I frequently conversed and worked with Senator Young on the agricultural and water problems that face our similar States. He was in agreement that those of us who represent rural States face increasingly tougher odds in our fight to obtain fair representation of farm and rural interests.

Mr. President, Senator Young will be remembered most for his outstanding work on the Agriculture Committee. A farmer at heart, he worked diligently on the committee to see that farmers—not only those in North Dakota, but all across this great country of ours—got the best possible representation. Through his dedicated work on this committee, he was fittingly dubbed "Mr. Wheat." I believe "Mr. Agriculture" would also be an appropriate description.

Mr. President, I ask unanimous consent that an article by Wayne Lubenow concerning Senator Young appear at this point in the RECORD. The article appeared in the Garretson Weekly, published in Garretson, S. Dak.

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

MILTON R. YOUNG

(By Wayne Lubenow)

[From the Garretson Weekly, Garretson, S. Dak., June 9, 1983]

Milt Young is dead at 85.

He was a very special person.

I say that not only because of the 36 years he served as North Dakota's Senator, but because I knew him pretty well.

Probably no man did as much for the state as he did. And he did it in the wily ways that a United States Senator must do. To get legislation that would help North Dakota farmers, he had to go tenting with southern cotton and tobacco growing Senators.

A military hawk, he hobnobbed with top generals and admirals, rarely voted against Pentagon wishes.

That paid off, too.

When the government decided to build a Coast Guard sophisticated signal beam station called Omega, it boiled down to two sites.

Congressman Odin Langen of Minnesota wanted it for his district. Milt Young wanted it for his home town of LaMoure.

It was no contest. The military gave it to Milt and to LaMoure—proving that a Senator has more clout than a Congressman.

But I said that I knew him pretty well and I did.

When he was instrumental in getting the first Minuteman missiles into North Dakota there was some fear of the reaction of farmers.

I wrote a tongue-in-cheek imaginary interview with a farmer on whose land a missile would be based.

The column ended quoting a farmer, "I don't care about the missiles, just so they don't scare the chickens."

The next day I got a phone call from a delighted Milt Young. He was chuckling. "I'm gonna put it in the Congressional Record," he said. And he did.

He used to put a lot of my columns into the Congressional Record, a meaningless gesture, but he liked to put everything about North Dakota into the Record.

We met personally on countless occasions.

One that strikes me was when the town of Linton put grass greens into its 9-hole golf course.

Milt Young was there for the occasion and so was Lawrence Welk. So was I.

As Young and Welk were about to tee off, Milt spotted me standing among the reporters.

"Why don't you join us, Wayne?" he asked.

He didn't have to ask twice. I joined 'em—and those two old codgers beat the pants off me.

At dozens of ceremonies and press conferences I met with Milt Young. He'd see me and grin and walk over and say, "Who you after today?"

At a big party for him in the Town House Motel in Fargo, he noticed me and Rosie sitting in the huge crowd. He came right off the stage and walked to our table and shook hands and talked to us for 20 minutes.

It wasn't politics, I don't think, but maybe a kinship.

Milt Young knew that I was diametrically opposed to his conservative views. It didn't matter.

He was one of the most open, frank guys I ever met. If this sounds like name-dropping, I'm sorry. We were not close pals, not buddy-buddy. But I knew him.

Most Senators and Congressmen from agricultural states refer to themselves as "dirt farmers."

It is a ploy to get votes.

Well, Milt Young was a real "dirt farmer."

He came up the hard way and he never forgot it. If he had to play footsie with some people to get something for North Dakota, he did it.

That's why we kept electing him.

But Milt Young and I had something else in common.

He stuttered and so do I.

When we met, it would take 10 minutes for us to say hello to each other. It was worth it.

It showed me that a stutterer can become a United States Senator.

It let me know that a stutterer can also get interviews for stories.

The eulogies have poured out for Milt Young and rightly so.

Let one small voice say that he was the most honest man and the most approachable United States Senator I've seen in a long time.

So long, Milt Young. It was awfully good to know you.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed in the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTIONS SIGNED

At 2:29 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 42. Joint resolution designating Alaska Statehood Day, January 3, 1984;

S.J. Res. 75. Joint resolution to provide for the designation of June 12 through June 18, 1983, as "National Scleroderma Week"; and

H.J. Res. 201. Joint resolution designating June 14, 1983 as "Baltic Freedom Day".

The enrolled joint resolutions were subsequently signed by the President pro tempore (Mr. THURMOND).

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary reported that on today, June 13, 1983, he had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 42. Joint resolution designating Alaska Statehood Day, January 3, 1984; and

S.J. Res. 75. Joint resolution to provide for the designation of June 12 through June 18, 1983, as "National Scleroderma Week".

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Report to accompany the bill (S. 1285) to improve the quality of mathematics and science teaching and instruction in the United States, and for other purposes (Rept. No. 98-151).

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. SPECTER:

S. 1449. A bill to amend the Agricultural Act of 1949 to modify the dairy price support program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BENTSEN:

S. 1450. A bill to authorize water supply for the Brazos River Basin, Texas; to the Committee on Environment and Public Works.

S. 1451. A bill to provide for possible hydropower development at Town Bluff Dam, Texas; to the Committee on Environment and Public Works.

S. 1452. A bill to amend Section 221 of the Flood Control Act of 1970; to the Committee on Environment and Public Works.

S. 1453. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project for flood control on Lake Wichita, Holliday Creek, Texas; to the Committee on Environment and Public Works.

S. 1454. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project for navigation improvement at Brazos Island Harbor, Tex.; to the Committee on Environment and Public Works.

S. 1455. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project for flood control on Boggy Creek in Austin, Tex.; to the Committee on Environment and Public Works.

S. 1456. A bill to provide for municipal use of storage water in Benbrook Dam, Tex.; to the Committee on Environment and Public Works.

S. 1457. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project for flood control and recreation in the upper White Oak Bayou area, Texas; to the Committee on Environment and Public Works.

S. 1458. A bill to modify the project for navigation at Houston Ship Channel (Greens Bayou), Texas, to maintain a forty-foot depth in Greens Bayou; to the Committee on Environment and Public Works.

S. 1459. A bill to modify the Houston Ship Channel navigation project to maintain a forty-foot project depth in the Barbour Terminal Channel; to the Committee on Environment and Public Works.

S. 1460. A bill to authorize limited local action on water resources under the jurisdiction of the Corps of Engineers; to the Committee on Environment and Public Works.

S. 1461. A bill to declare the Port of Houston Authority Bridge over Greens Bayou, Tex., to be for all purposes of "lawful bridge" as defined in "An Act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes" approved June 21, 1940 (33 U.S.C. 511 et seq.); to the Committee on Environment and Public Works.

By Mr. SYMMS (for himself and Mr. ZORINSKY):

S. 1462. A bill to provide for an administration of pay of new Government Printing Office employees under the prevailing rate system and the General Schedule, while protecting the pay of present Government Printing Office employees; to the Committee on Rules and Administration.

By Mr. BENTSEN:

S. 1463. A bill to modify the Rio Grande Bank Protection Project, Texas, to the Committee on Environment and Public Works.

By Mr. NUNN:

S.J. Res. 114. Joint resolution to request the President to proclaim September 1983, as "National Professional Security Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER:

S. 1449. A bill to amend the Agricultural Act of 1949 to modify the dairy price support program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

MILK PRODUCERS EQUITY ACT OF 1983

Mr. SPECTER. Mr. President, I rise today to introduce the Milk Producers' Equity Act of 1983. We are all aware of the overproduction problem plaguing the dairy industry, resulting in

huge outlays by the Federal Government. In the interest of taxpayers and farmers, alike, we must act to decrease production. This legislation, formulated by the Pennsylvania Farmers' Association, addresses both the short-term problem of surplus stocks of dairy products, currently equivalent to 13.6 billion pounds of milk, and the long-term need to balance supply and demand. Similar legislation has been introduced in the House of Representatives, H.R. 2812, by Congressman CLINGER of Pennsylvania.

The price support program was established to assure a fair income for dairy farmers and an adequate supply of dairy products for consumers. It has been in existence for 40 years. Until recently, the program has met these goals fairly well, with Commodity Credit Corporation—CCC—purchases averaging 4.8 billion pounds per year. However, since 1979, CCC purchases have been climbing dramatically, currently representing 10 percent of total production. In an effort to stem this growth, we enacted a 50-cent assessment per hundredweight on all farmers, with an additional 50-cent assessment at the discretion of the Secretary of Agriculture. Unfortunately, the effect of these assessments has been to increase production, not decrease it. The first assessment was just implemented on April 16. However, since enactment, production has risen nationwide in an attempt to offset the assessment. The Department of Agriculture estimates, assuming the full $1 assessment in effect, that total production for the 1982-83 marketing year will increase from 1 to 3 percent, with CCC purchases of 14.3 billion pounds at a cost of over $2.4 billion. In my State of Pennsylvania, production has increased by 4 percent in each of the last two quarters. Those farmers who are unable to increase production to compensate for the assessment will be forced out of business. Obviously, placing an assessment on all farmers will not correct the supply/demand imbalance.

I am proposing repeal of both 50-cent assessments and replacing them with a two-phase dairy program. Phase 1 would bring down our surpluses by encouraging farmers to cut production and phase 2 would regulate overproduction in the future. Under this plan, farmers would be assigned a production level by the Secretary of Agriculture based on previous production. The Secretary would then determine a production reduction factor equal to the percentage of milk marketed commercially which is purchased by the Federal Government. An individual farmer's production goal would be calculated by subtracting the reduction factor from his production level. Those farmers who maintained their production goal would be supported at $13.10 per hundredweight. However, if a farmer voluntarily reduced production, below the goal, he would receive a bonus payment equal to 15 percent of the support price, approximately $2 per hundredweight. Likewise, a farmer who increases production above his production level will be charged an equivalent assessment. This penalty, reducing the price support level to approximately $11.10, is substantial enough to deter the majority of farmers from offsetting it through increased production. More importantly, the reward is a significant incentive to cut production. It has been estimated that if only 70 percent of farmers participate in the bonus system, CCC purchases would be reduced to 5 billion pounds within 1 year.

When CCC purchases fall below 4 percent of all milk marketed, the bonus/penalty program would terminate and an indexing system put in place. Phase 2 is designed to keep supply and demand in line by indexing the support price to CCC purchases. As milk purchases rise, the support price will automatically fall, and vice versa. This scale will allow the market, not the Government, to set both supply and price.

Our goal should be to reduce the amount of milk produced, not the number of dairy farmers. This legislation would achieve this goal through a temporary reduction incentive program to cut our current surpluses, followed by an indexed scale of price support levels to prevent such overproduction in the future.

I ask unanimous consent that testimony by the Pennsylvania Farmers' Association before the Senate Agriculture Committee be printed in the RECORD along with the text of the bill.

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

S. 1449

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Milk Producers Equity Act of 1983".

DAIRY PRICE SUPPORT PROGRAM

SEC. 2. Section 201 of the Agriculture Act of 1949 (7 U.S.C. 1446), as amended by section 101(2) of the Omnibus Budget Reconciliation Act of 1982, is amended—

(1) by striking our subsection (d);

(2) by redesignating subsection (e) through (h) as subsection (f) through (i), respectively; and

(3) by inserting after subsection (c) the following new subsections:

"(d) (1) Notwithstanding subsection (c) and except as provided in paragraph (2), the price of milk shall be supported at not less than $13.10 per hundredweight of milk containing 3.67 per centum milkfat.

"(2) (A) As used in this paragraph—

"(i) the term 'preceding year' means the one year period ending on the date of a determination described in subparagraph (B) is made; and

"(ii) the term 'subsequent year' means the one year period beginning on the first day of the first quarter which begins after the quarter in which a determination described in subparagraph (B) is made.

"(B) If the Secretary determines in any quarter that gross Government price support purchases of milk and the products of milk during the preceding year were less than 4 percent of the amount of milk which was marketed commercially by producers during the preceding year, the price of milk shall be supported during the subsequent year at the level determined under subparagraph (C).

"(C) During any subsequent year, the price support level for milk containing 3.67 per centum milkfat shall equal the percentage of the parity price for milk prescribed in the following table which corresponds to the amount of gross Government price support purchases of milk and the products of milk prescribed in the following table that were made during the preceding year, as determined by the Secretary:

"If gross Government price support purchases of milk and milk products during the preceding year were (in billions of pounds of milk equivalent):	The level of support during the subsequent year shall be the following percentage of the parity price:
Not more than 2.0	More than 80 but not more than 90
More than 2.0 but not more than 2.5.	79
More than 2.5 but not more than 3.0.	78
More than 3.0 but not more than 3.5.	77
More than 3.5 but not more than 4.0.	76
More than 4.0 but not more than 4.5.	75
More than 4.5 but not more than 5.0.	74
More than 5.0 but not more than 5.5.	73
More than 5.5 but not more than 6.0.	72
More than 6.0 but not more than 6.5.	71
More than 6.5 but not more than 7.0.	70
More than 7.0 but not more than 7.5.	69
More than 7.5 but not more than 8.0.	68
More than 8.0 but not more than 8.5.	67
More than 8.5 but not more than 9.0.	66
More than 9.0 but not more than 9.5.	65
More than 9.5 but not more than 10.0.	64
More than 10.0 but not more than 10.5.	63
More than 10.5 but not more than 11.0.	62
More than 11.0 but not more than 11.5.	61
More than 11.5	60

"(D) The Secretary shall make the determination described in this paragraph at least once each quarter of a fiscal year.

"(3) The price of milk shall be supported under this subsection through the purchase of milk and the products of milk.

"(e)(1)(A) The Secretary shall establish a milk production level for each producer of milk which is equal to—

"(i) in the case of a person who produced milk throughout the three year period beginning January 1, 1980, and ending December 31, 1982, the average of the amount of milk produced by the person during each quarter of the three year period (as determined by the Secretary);

"(ii) in the case of a person who produced milk throughout the two year period ending on the date of the establishment or adjustment of the milk production level (other than a person described in clause (i)), the average of the amount of milk produced by the person during each quarter of the two year period (as determined by the Secretary); and

"(iii) in the case of a person who produces milk other than a person described in clause (i) or (ii), an amount determined by the Secretary taking into account—

"(I) the level necessary to assure an adequate, but not excessive, supply of milk of pure and wholesome milk to meet current needs; and

"(II) the average of the amount of milk produced by the person during each quarter of the period beginning with the first quarter of milk production by the person.

"(B) If the appropriate county committee (established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b))) determines that the amount of milk produced by a person who is described in subparagraph (A)(i) and who resides in the county was abnormally low as a result of factors beyond the control of the person, the county committee may increase the milk production level of the person established by the Secretary under such paragraph (in accordance with guidelines established by the Secretary). A producer may appeal to the Secretary the action of a county committee taken under this subparagraph. The decision of the Secretary on the appeal shall be final.

"(C) The Secretary shall adjust quarterly the milk production level established for a person described in clause (ii) or (iii) of subparagraph (A).

"(D) A milk production level established for a person under this paragraph may not be leased, sold, or transferred to a person other than to a member of the same family as the person (as described in section 447 (d)(1) of the Internal Revenue Code of 1954).

"(E) If a milk production level is established for a person under this paragraph and the person does not produce milk during all (or substantially all) of two consecutive years, the milk production level for the person shall be terminated.

"(2)(A) No later than September 15 of each year, the Secretary shall establish in accordance with subparagraph (B) a production reduction factor for the fiscal year beginning on October 1 of such year.

"(B) The production reduction factor for a fiscal year shall be equal to the percentage obtained by dividing—

"(i) the amount of gross Government price support purchases of milk and the products of milk which the Secretary determines were made during the fiscal year preceding the relevant fiscal year; by

"(ii) the amount of milk which the Secretary determines was produced by producers during the fiscal year preceding the relevant fiscal year.

"(3)(A) No later than September 15 of each year, the Secretary shall establish in accordance with subparagraph (B) a production goal for each producer described in paragraph (1) for the fiscal year beginning on October 1 of such year.

"(B) The production goal for a milk producer for a fiscal year shall be equal to the—

"(i) the production level established for the producer under paragraph (1); less

"(ii) the product obtained by multiplying—

"(I) the production level established for the producer under paragraph (1); and

"(II) the production reduction factor established for the year under paragraph (2).

"(4)(A) Except as provided in subparagraph (C), if a producer markets during a quarter of a fiscal year an amount of milk which is not more than the quarterly equivalent of the production goal established for the producer for the fiscal year under paragraph (3), the Secretary shall make a bonus payment to the producer which is equal to the product obtained by multiplying—

"(i) 15 percent of the level of price support for milk established under subsection (d) (in hundredweights); by

"(ii) the total amount of milk marketed by the producer during the quarter.

"(B) The Secretary shall make the bonus payment to the producer in equal installments during the quarter following the relevant quarter.

"(C) The Secretary may not make a bonus payment to a producer under subparagraph (A) unless the Secretary is satisified that the reduction in marketings is a net decrease in milk marketings by the producer and has not been offset—

"(i) by expansion of milk production in any other milk production facility in which the producer has an interest; or

"(ii) by the taking of any other action which is a scheme or device to qualify for the bonus payment.

"(D) A bonus payment received by a producer under this paragraph shall be considered as included in payments to the producer for purposes of the minimum price provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.).

"(5)(A) If a producer markets during a quarter of a fiscal year an amount of milk which is more than the quarterly equivalent of the production level established for the producer for the fiscal year under paragraph (3), the producer shall be liable for an assessment equal to the product obtained by multiplying—

"(i) 15 percent of the level of price support for milk established under subsection (d) (in hundredweights); by

"(ii) the total amount of milk marketed by the producer during the quarter.

"(B) No later than fifteen days after the date of the sale of milk, an assessment owed by a producer under subparagraph (A) shall be remitted to the Commodity Credit Corporation in equal installments during the quarter following the relevant quarter—

"(i) by each person making payment to the producer for milk purchased from the producer; or

"(ii) in the case of a producer who markets milk produced by the producer directly to consumers, by the producer.

"(C) Each person who markets milk and each person required to remit assessments under subparagraph (B)(i) shall keep such records and make such reports as the Secretary determines necessary to carry out this paragraph.

"(D) If a person is given adequate notice of, and an opportunity for an administrative hearing with respect to an alleged violation of subparagraph (B) and is found to have willfully violated such subparagraph, the person may be assessed a civil penalty by the Secretary of not more than $1,000 for each such violation, in addition to any assessment owed under such subparagraph, plus interest and costs.

"(E)(i) The person may obtain a review of the penalty by filing a civil action (no later than thirty days after a penalty is assessed against a person under subparagraph (D)) in an appropriate district court of the United States.

"(ii) As part of the answer of the Secretary, the Secretary shall file in the court a certified copy of the record upon which the findings and decision complained of are based.

"(iii) The decision of the Secretary may be set aside only if found to be unsupported by substantial evidence.

"(iv) The district courts of the United States are vested with jurisdiction to review and enforce any civil penalty imposed by this paragraph.

"(6) In carrying out this subsection, the Secretary may, on a reimbursable or nonreimbursable basis, use—

"(i) administrators of Federal milk marketing orders;

"(ii) State and county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)); or

"(iii) administrators of State milk marketing programs.".

EFFECTIVE DATES

SEC. 3. (a) Section 201(d) of the Agricultural Act of 1949, as amended by section 2 of this Act, shall become effective on the date of the enactment of this Act.

(b) Section 201(e) of the Agricultural Act of 1949, as amended by section 2 of this Act, shall become effective on October 1, 1983, and implemented no later than December 31, 1983.

STATEMENT OF THE PENNSYLVANIA FARMERS' ASSOCIATION

I am Keith Eckel, president of the Pennsylvania Farmers' Association. I am a dairy farmer from Clarks Summit, Pennsylvania, and submit testimony today on behalf of 23,429 farm family members from across our State. Over 50 percent of our members produce milk.

The Pennsylvania Farmers' Association is pleased to testify before this subcommittee to present its recommendations concerning changes on the dairy price support program. Even though our membership comes from within the boundaries of one state, we recognize that the current supply demand imbalance as a national problem and must be dealt with accordingly.

Voting delegates at our November, 1982 annual meeting devoted much time to the discussion of needed changes on the national dairy program. The following policies were adopted unanimously by the delegate body.

(1) That the fifty cent deduction deadline set for December 1 be extended to allow producers more time to offer suggestions and develop an alternative to the surplus problem.

(2) That PFA work for a production reduction plan for dairy farmers under which (1) milk producers who reduce production would not be penalized by having to pay an assessment but would rather be rewarded for reducing production, (2) milk producers who maintain past production would receive a flat rate, (3) milk producers who continue

to increase production would receive a reduced rate for excess production.

We do not believe an assessment on all dairy farmers will correct the current supply demand imbalance or solve OMB budgeting situation. Many farmers are planning to increase production in order to compensate for the 50 cents per hundredweight lost through the assessment. Milk production continues to rise, production in February totaled 10.6 billion pounds, 2.3 percent more than February, 1982, and 4.6 percent more than February, 1981. As farmers increase production to cover costs, total expenditures for the program will multiply and the government will become the owner of even more butter, cheese, and powdered milk. Estimated costs for CCC purchases in 1983 are likely to exceed $2.4 billion, an amount that is inconsistent with the original intent of the program.

We urge that the current 50 cents/hundredweight assessment and planned second 50 cents assessment be repealed. In its place, we recommend a two phase dairy program that will reestablish the proper balance between supply and demand and then maintain that balance automatically. This proposal we present to you today is built on the foundation of principles we consider essential to any successful dairy program.

(1) the cost of the program is of major concern and must be minimized.

(2) the program must be simple to administer and be easily understood by dairy farmers.

(3) the program must bring supply into line with demand through voluntary measures.

(4) the program must supply a structure that will automatically balance supply and demand in the future.

Phase one of this proposal is designed to reduce supply by providing an economic incentive for dairy farmers to reduce production rather than by reducing the number of individuals who produce milk. This will be accomplished by economically rewarding farmers who reduce production and penalizing farmers who increase production.

Revised figures put 1982 production at 135.2 billion pounds, 13.5 billion pounds above commercial disappearance of 121.7 billion pounds. Since the inception of the dairy price support program in 1949 through 1980, CCC purchases averaged 4.8 billion pounds of milk equivalent per year. Phase one will reduce government purchases by the difference between total production and commercial disappearance less the necessary government purchases needed to stabilize the market.

Dairy farmers will participate in this program because there is a significant reward for reducing production and a significant penalty for increasing production. One year will be needed to reduce CCC purchases to five billion pounds. If 100 percent of dairy farmers participate, the cost to the government will be 2.43 billion dollars, almost equal to the current cost of 2.2 billion dollars. But only 70 percent of dairy farmers must participate to make the program work. This reduction plan would automatically terminate when CCC purchases reach 4 percent of all milk marketed.

Under this plan, the average quarterly production level for each producer for the time period 1/1/80 through 12/31/82 would be calculated. A minimum of one year's production would be required for this calculation. The Secretary of Agriculture would determine the needed reduction by dividing commercial disappearance by total production. Those farmers who reduce marketings by this percentage would receive a bonus of 15 percent of the support price multiplied by their production. Those farmers who increased production by any amount would be penalized by the same percentage times their entire production. Adjustments to producers would be made in equal installments during the next quarter. Hardship cases would be handled by local ASCS committees and new producers would enter the market at 90 percent of the current support price. Only members of the same family would be permitted to pass on a production average. Administration of this program would be conducted through Federal Milk Marketing Orders, State and County ASCS committees, and State milk marketing orders.

Phase two of this proposal is designed to keep supply and demand in line by indexing the support price to CCC purchases. As milk production goes up, the support price will go down, automatically. As the supply of milk falls the support price will rise automatically. This scale will allow the market, not government to set both supply and price.

Adjustment of the support price will be made quarterly by the secretary based on predicted CCC purchases for the upcoming 12 month period. The support level will range from 60 to 90 percent of parity and be indexed to 2.0 to 11.6 billion pounds of CCC purchases. This sliding scale will be implemented when CCC purchases reach 4 percent of milk marketed and will effectively work to maintain both supply and price at a fair level.

I thank you for the opportunity to submit testimony today to discuss the Pennsylvania Farmers' Association's idea for the national dairy program. May I reiterate, that our goal is to reduce the amount of milk produced in this country, not the number of dairy farmers. We propose to do this through a short term production reduction incentive program followed by an indexed scale that will balance supply and demand in the long run. This proposal will soon be introduced into Congress. We ask your serious consideration.

By Mr. SYMMS:

S. 1462. A bill to provide for administration of pay of new Government Printing Office employees under the prevailing rate system and the General Schedule, while protecting the pay of present Government Printing Office employees; to the Committee on Rules and Administration.

GOVERNMENT PRINTING OFFICE PAY REFORM ACT OF 1983

● Mr. SYMMS. Mr. President, for over a decade, the issue of excessive wages for certain congressional employees has been discussed but not addressed by Congress. GAO has just finished its third comprehensive study of Government Printing Office wages in 7 years. The report details the fact that some employees at Congress Government Printing Office receive, on average, 42 percent more in wages than other Federal workers performing the same or similar work. This is a shocking problem in our own backyard. If Congress fails to rectify this gross inequity and overpayment of the taxpayers' money to its own employees, the American public will lose faith in our ability to fairly and economically govern.

I am introducing legislation which equitably addresses these problems. The June 3, 1983, GAO report on GPO wages revealed the following astounding facts:

GPO craft and industrial employees were paid $3,322 to $17,879 more per year than General Schedule or Federal wage system employees in the same or similar occupations. This means that GPO craft and industrial employees earn an average of 42 percent more than other Federal workers performing the same or similar work.

GPO craft employees also receive between $0.36 and $5.14 per hour more than private sector employees doing the same work. This translates into approximately a 32 percent premium over the private sector in the Washington, D.C., area.

Over the last 10 years, GPO wage increases for these workers have greatly exceeded wage increases granted other Federal workers.

Many different unrelated jobs, requiring different training and skill levels, are all paid at the same rate, completely disregarding the standard practice in the Federal Government.

The main provisions of my bill will:

First. Apply the Federal wage grades and pay rates—printing and lithographic wage scales—to all the newly hired GPO craft and industrial employees.

Second. "Grandfather" the previously negotiated Kiess Act pay levels for all GPO employees paid under that system, while classifying or grading those workers under the General Schedule or Federal wage systems; and

Third. Provide the "grandfathered" workers with pay raises which they would receive if they were paid under the General Schedule or general wage systems.

Fourth. Apply the General Schedule classification and pay systems to all present and future white-collar GPO employees.

This legislation is designed to bring GPO's classification and pay practices for both white-collar and blue-collar workers into conformity with the systems used by the rest of the Federal Government. Currently, the workers in GPO field printing plants are paid under the Federal wage system whereas the workers at the Washington, D.C., plants bargain collectively for their wages in accordance with 44 U.S.C. 305. This practice is irrational, inequitable, and has been the source of numerous legal challenges.

Three major class-action lawsuits have been leveled against the GPO in the last decade, and the agency has settled or lost them all. These suits resulted from the use of inconsistent classification and pay systems and the perpetuation of the journeyman craft status despite clear disparities in job duties. The Government has lost over $13 million in these suits already, and the costs continue to escalate. The only way to solve the agencywide problems highlighted by the lawsuits

is to implement a rational, equitable, and objective classification and wage system for the agency. This legislation will be a major step toward such a system and will not impact adversely on workers currently employed at the Government Printing Office.

Here, the excessive and wasteful expenditures for Congress own printing have reached intolerable proportions.

This legislation has the potential for saving $18 million yearly when fully implemented.

We must act now for the sake of good and efficient government to remedy problems in our own house.●

By Mr. NUNN:

S.J. Res. 114. Joint resolution to request the President to proclaim September 1983, as "National Professional Security Month"; to the Committee on the Judiciary.

NATIONAL PROFESSIONAL SECURITY MONTH

● Mr. NUNN. Mr. President, I am happy today to introduce a joint resolution to designate September 1983 as National Professional Security Month. This joint resolution would recognize the outstanding contributions made by those security professionals who protect the assets—people, property and information—of private industry, government, and public institutions.

The work of these highly trained professionals has significantly reduced losses caused by various crimes against business and public establishments and have helped prevent or minimize losses to communities from fires, riots, strikes, and civil disorder.

The private security industry now employees more than 1 million men and women and grosses in excess of $10 billion annually. Private security efforts save taxpayers dollars every day by reducing crime and drug abuse.

I want to commend the 18,000 plus members of the American Society for Industrial Security (ASIS) for its efforts to educate the public on the need for improved security.

Mr. President, the many important activities of ASIS should be recognized by designating September 1983 as National Professional Security Month.●

ADDITIONAL COSPONSORS

S. 540

At the request of Mr. D'AMATO, his name was added as a cosponsor of S. 540, a bill to amend the Public Health Service Act to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases, and for other purposes.

S. 1022

At the request of Mr. ANDREWS, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 1022, a bill to amend section 8(a) of the Small Business Act to treat businesses owned by Indian tribes as socially and economically disadvantaged small business concerns.

S. 1080

At the request of Mr. GRASSLEY, the name of the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 1080, a bill to amend the Administrative Procedure Act to require Federal agencies to analyze the effects of rules to improve their effectiveness and to decrease their compliance costs, to provide for a periodic review of regulations, and for other purposes.

S. 1244

At the request of Mr. PACKWOOD, the names of the Senator from Hawaii (Mr. INOUYE), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 1244, a bill to amend title XVIII of the Social Security Act to provide for a program of health care for elderly individuals who require long-term care.

S. 1256

At the request of Mr. MOYNIHAN, the name of the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 1256, a bill to authorize special assistance for desegregation activities.

S. 1300

At the request of Mr. HUDDLESTON, the name of the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 1300, a bill to amend the Rural Electrification Act of 1936 to insure the continued financial integrity of the rural electrification and telephone revolving fund, and for other purposes.

S. 1302

At the request of Mr. HEINZ, the name of the Senator from Georgia (Mr. NUNN) was added as a cosponsor of S. 1302, a bill to amend title XVIII of the Social Security Act with respect to purchase and rentals of durable medical equipment.

S. 1348

At the request of Mr. MOYNIHAN, the names of the Senator from Texas (Mr. BENTSEN), the Senator from Maryland (Mr. SARBANES), the Senator from Maryland (Mr. MATHIAS), the Senator from Michigan (Mr. RIEGLE), the Senator from Indiana (Mr. LUGAR), the Senator from Kansas (Mr. DOLE), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 1348, a bill to authorize the President of the United States to present on behalf of Congress a specially struck gold medal to the widow of Roy Wilkins.

S. 1361

At the request of Mr. HUMPHREY, the name of the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 1361, a bill to require notice on social security checks that it is a violation of law to commit forgery in conjunction with the cashing of those checks.

SENATE JOINT RESOLUTION 54

At the request of Mr. NICKLES, the names of the Senator from Louisiana (Mr. JOHNSTON), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of Senate Joint Resolution 54, a joint resolution to authorize and request the President to designate the month of January 1984 as "National Eye Health Care Month."

SENATE JOINT RESOLUTION 56

At the request of Mr. GRASSLEY, the names of the Senator from Maryland (Mr. MATHIAS), the Senator from Indiana (Mr. LUGAR), the Senator from North Carolina (Mr. HELMS), the Senator from Tennessee (Mr. SASSER), the Senator from Mississippi (Mr. STENNIS), and the Senator from Wisconsin (Mr. KASTEN) were added as cosponsors of Senate Joint Resolution 56, a joint resolution to designate the month of August 1983 as "National Child Support Enforcement Month."

SENATE RESOLUTION 114

At the request of Mr. PRESSLER, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of Senate Resolution 114, a resolution to express the sense of the Senate that certain rural fire protection programs should receive a level of funding for fiscal year 1984 which is at least as high as the level of funding provided for such programs for fiscal year 1983.

AMENDMENT NO. 1376

At the request of Mr. HUDDLESTON, his name was added as a cosponsor of amendment No. 1376 proposed to H.R. 3069, a bill making supplemental appropriations for the fiscal year ending September 30, 1983, and for other purposes.

AMENDMENTS SUBMITTED

CABLE TELECOMMUNICATIONS ACT

ABDNOR (AND OTHERS) AMENDMENT NO. 1378

Mr. ABDNOR (for himself, Mr. EXON, Mr. BURDICK, and Mr. PRESSLER) proposed an amendment to the bill (S. 66) to amend the Communications Act of 1934; as follows:

"(5) recognizing the long standing tradition of the Congress of promoting universal telephone service at reasonable rates, and recognizing the rapid technological changes of the types and delivery of services offered by the telecommunications industry, it is in the public interest to ensure that all providers of telecommunication services share in the obligation of providing universal service.".

ABDNOR (AND OTHERS) AMENDMENT NO. 1379

Mr. ABDNOR (for himself, Mr. BURDICK, Mr. EXON, Mr. EAST, Mr. HELMS,

Mr. ANDREWS, Mr. MELCHER, and Mr. PRESSLER) proposed an amendment to the bill S. 66, supra; as follows:

On page 23, beginning with line 15, strike out all through line 20 and insert in lieu thereof:

"(2) 'basic telephone service' means telecommunications service that would be subject to regulation by the Commission or any State if offered by a common carrier subject, in whole or in part, to title II of this Act; ".

BENTSEN AMENDMENT NO. 1380

Mr. BENTSEN proposed an amendment to the bill S. 66, supra; as follows:

On page 46, line 18, immediately after the period insert the following: "Notwithstanding any other provision of this Act, the provisions of this Act shall not be applicable to any franchise in effect on the date immediately preceding the date of the enactment of this Act.".

WILSON AMENDMENT NO. 1381

Mr. WILSON proposed an amendment to the bill S. 66, supra; as follows:

Page 37, line 18, immediately after "24 months", insert ", but not more than 36 months,".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Tuesday, June 14, at 9:30 a.m., to hold a hearing on the tobacco program.

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

SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Pollution, of the Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Tuesday, June 14, at 2 p.m., to receive testimony from EPA Administrator William D. Ruckelshaus on the Clean Water Act.

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

SUBCOMMITTEE ON TOXIC SUBSTANCES

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Subcommittee on Toxic Substances and Environment Oversight, of the Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Tuesday, June 14, at 10 a.m., to hold a hearing on environmental research and development.

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

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. PACKWOOD. Mr. President I ask unanimous consent that the Subcommittee on Nuclear Regulation, of the Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Tuesday, June 14, at 10 a.m., to hold a hearing to consider licensing reform.

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

ADDITIONAL STATEMENTS

SELF-TAX OF 1983

● Mr. QUAYLE. Mr. President, earlier this year I introducted my proposal for reform and simplification of the U.S. Tax Code, S. 1040, the SELF-tax plan of 1983. This proposal would eliminate most special preferences and reduce both individual and business tax rates.

My colleague, Senator BRADLEY, has now introduced S. 1421, a tax proposal which shares many of the aims of my own. In the interests of keeping my colleagues informed on how these two proposals compare, I have prepared some tables showing the differences in tax liability for several hypothetical taxpayers under 1984 law, the Bradley-Gephardt proposal, and the SELF-tax.

The computations for the SELF-tax are based on the tax table proposed in that bill. Computations are based on schedules for single persons who are not heads of household and married taxpayers filing jointly. The hypothetical taxpayers in these tables are the same as those used by Senator BRADLEY to compare his proposal to the 1984 law. I ask that the tax schedules for the SELF-tax and the tables comparing the 1984 law, Bradley-Gephardt, and the SELF-tax be reprinted in the RECORD.

The material follows:

TABLE 1.—SELF-TAX PLAN OF 1983: TAX SCHEDULES

If taxable income is—	The tax is—
Schedule I. Single taxpayers who do not qualify for rates in schedules II and III:	
Not over $6,000	No tax.
Over $6,000 but not over $16,000	Zero plus 144 excess over $6,000.
Over $16,000 but not over $40,000	$1,400 plus 21 percent of excess over $16,000.
Over $40,000	$6,440 plus 26 percent of excess over $40,000.
Schedule II. (A) Married taxpayers filing joint returns, (B) Certain widows and widowers:	
Over $10,000	No tax.
Over $10,000 but not over $26,000	Zero plus 14 percent of excess over $10,000.
Over $26,000 but not over $60,000	$2,240 plus 21 percent of excess over $26,000.
Over $60,000	$9,380 plus 28 percent of excess over $60,000.
Schedule III. Unmarried (or legally separated) taxpayers who qualify as heads of household:	
Over $6,000	No tax.
Over $6,000 but not over $19,000	Zero plus 14 percent of excess over $6,000.
Over $19,000 but not over $50,000	$1,820 plus 21 percent of excess over $19,000.
Over $50,000	$8,530 plus 28 percent of excess over $50,000.

TABLE 1.—SELF-TAX PLAN OF 1983: TAX SCHEDULES—Continued

If taxable income is—	The tax is—
Schedule IV. Married individuals filing separate returns:	
Over $5,000	No tax.
Over $5,000 but not over $13,000	Zero plus 14 percent of excess over $5,000.
Not over $13,000 but not over $30,000	$1,120 plus 21 percent of excess over $13,000.
Over $30,000	$4,690 plus 28 percent of excess over $30,000.
Schedule V. Estate and trust:	
Over $8,000	14 percent of taxable income.
Over $8,000 but not over $25,000	$1,120 plus 21 percent of excess over $8,000.
Over $25,000	$4,690 plus 28 percent of excess over $25,000.

COMPARISON OF 1984 LAW, BRADLEY-GEPHARDT PROPOSAL, AND SELF-TAX OF 1983

MARRIED TAXPAYER NO. 1

	1984 law	Bradley-Gephardt proposal	SELF
Income: Salary	[1] $15,000	[1] $15,000	[1] $15,000
Less: Two earner deduction	500		
Plus:			
Employer paid life insurance		1,200	1,200
Employer paid health insurance		150	150
Equals: Adjusted gross income	14,500	16,350	16,350
Less: Exemptions	4,000	5,200	400
Equals: Taxable income	10,500	11,150	12,350
Tax	[2] 889	[3] 721	[4] 329
Marginal tax rate (in percent)	14	14	14

[1] Assumed $10,000 earned by one spouse, $5,000 by other.
[2] From 1984 law rate tables.
[3] Taxable income less $6,000 zero bracket amount times 14 percent tax rate.
[4] From SELF-tax rate table.

SINGLE TAXPAYER NO. 1

	1984 law	Bradley-Gephardt proposal	SELF
Income: Salary	$15,000	$15,000	$15,000
Plus:			
Employer paid health		1,200	1,200
Employer paid life		100	100
Equals: Adjusted gross income	15,000	16,300	16,300
Less: Exemption	1,000	1,600	1,000
Equals: Taxable income	14,000	14,750	15,300
Tax	[1] 1,801	[2] 1,645	[3] 1,302
Marginal tax rate (in percent)	20	14	14

[1] From 1984 law tax rate tables.
[2] Taxable income less $3,000 zero bracket amount times 14 percent tax rate.
[3] From SELF-tax rate table.

SINGLE TAXPAYER NO. 2

	1984 law	Bradley-Gephardt proposal	SELF
Income: Salary	$30,000	$30,000	$30,000
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		300	300
Equals: Adjusted gross income	30,000	31,500	31,500
Less: Exemption	1,000	1,600	1,000
Equals: Taxable income	29,000	29,900	30,500
Tax	[1] 5,773	[2] 4,546	[3] 4,445
Marginal tax rate (percent)	34	26	21

[1] From 1984 law rate tables.
[2] Taxable income less $3,000 zero bracket amount times 14-percent rate, plus surtax (12 percent of AGI over $25,000).
[3] From SELF-tax rate table.

MARRIED TAXPAYER NO. 2

	1984 law	Bradley-Gephardt proposal	SELF
Income: Salary	[1] $30,000	[1] $30,000	[1] $30,000
Less: 2-earner deduction	1,000		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		300	300
Equals: Adjusted gross income	29,000	31,500	31,500
Less:			
Exemptions	4,000	5,200	4,000
Child care deduction		2,000	
Equals: Taxable income	25,000	24,300	27,500
Tax before credit	[2] 3,565	[2] 2,562	
Less: Child care credit	400		
Equals: Tax after credit	3,165	2,562	[4] 2,555
Marginal tax rate (percent)	25	14	21

[1] Assumed $20,000 earned by 1 spouse, $10,000 by the other.
[2] From 1984 law rate tables.
[3] Taxable income less $6,000 zero bracket amount times 14-percent tax rate.
[4] From SELF-tax rate table.

SINGLE TAXPAYER NO. 3

	1984 law	Bradley-Gephardt proposal	SELF
Income: Salary	$30,000	$30,000	$30,000
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		300	300
Equals: Adjusted gross income	30,000	31,500	31,500
Itemized deductions:			
Mortgage interest	3,000	3,000	
Property taxes	1,000	1,000	
Sales taxes	250		
Income taxes	1,200	1,200	
Charitable contributions	500	500	
Total	5,950	5,700	
Less: Zero bracket amount	2,300	3,000	
Equals: Excess itemized deductions	3,650	2,700	
AGI	30,000	31,500	
Less:			
Exemptions	1,000	1,600	1,000
Excess itemized deductions	3,650	2,700	
Equals: Taxable income	25,350	27,200	30,500
Tax	[1] 4,670	[2] 4,168	[3] 4,445
Marginal tax rate (percent)	30	26	21

[1] From 1984 law rate tables.
[2] Taxable income less $3,000 zero bracket amount times 14-percent tax rate, plus surtax (12 percent of AGI over $25,000).
[3] From SELF-tax rate table.

MARRIED TAXPAYER NO. 3

	1984 law	Bradley-Gephardt proposal	SELF
Income: Salary	[1] $30,000	[1] $30,000	[1] $30,000
Less: 2-earner deduction	1,000		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		300	300
Equals: Adjusted gross income	29,000	31,500	31,500
Itemized deductions:			
Mortgage interest	3,000	3,000	
Property taxes	1,000	1,000	
Sales taxes	400		
Income taxes	1,000	1,000	
Charity	500	500	
Total	5,900	5,500	
Less: Zero bracket amount	3,400	6,000	
Equals: Excess itemized deductions	2,500	0	
AGI	29,000	31,500	
Less:			
Exemptions	4,000	5,200	4,000
Excess itemized deductions	2,500	0	
Child care deduction		2,000	
Equals: Taxable income	22,500	24,300	27,500
Tax before credit	[2] 3,003	[2] 2,562	

MARRIED TAXPAYER NO. 3—Continued

	1984 law	Bradley-Gephardt proposal	SELF
Less: Child care credit	400		
Equals: Tax after credit	2,603	2,562	[4] 2,555
Marginal tax rate (percent)	22	14	21

[1] Assumed $20,000 earned by 1 spouse, $10,000 by the other.
[2] From 1984 law rate tables.
[3] Taxable income less $6,000 zero bracket amount times 14-percent tax rate.
[4] From SELF-tax rate table.

SINGLE TAXPAYER NO. 4

	1984 law	Bradley-Gephardt proposal	SELF
Income:			
Salary	$60,000	$60,000	$60,000
Dividends	100	100	100
Less: Dividend exclusion	100		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		600	600
Equals: Adjusted gross income	60,000	61,900	61,900
Itemized deductions:			
Mortgage interest	4,800	4,800	
Property taxes	2,000	2,000	
Sales taxes	700		
Income taxes	3,000	3,000	
Charitable contributions	1,500	1,500	
Total	12,000	11,300	
Less: Zero bracket amount	2,300	3,000	
Equals: Excess itemized deductions	9,700	8,300	
AGI	60,000	61,900	
Less:			
Exemption	1,000	1,600	1,000
Excess itemized deductions	9,700	8,300	
Equals: Taxable income	49,300	52,000	60,900
Tax	[1] 13,595	[2] 12,264	[3] 12,292
Marginal tax rate (percent)	45	30	28

[1] From 1984 law rate tables.
[2] Taxable income less $3,000 zero bracket amount times 14 percent, plus surtax (12 percent of AGI from $25,000 to $37,500, and 16 percent of AGI in excess of $37,500.
[3] From SELF-tax rate tablE.

MARRIED TAXPAYER NO. 4

	1984 law	Bradley-Gephardt proposal	SELF
Income:			
Salary	$60,000	$60,000	$60,000
Dividends	200	200	200
Less:			
Dividend exclusion	200		
2 earner couple deduction	2,000		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		600	600
Equals: Adjusted gross income	58,000	62,000	62,000
Itemized deductions:			
Mortgage interest	4,800	4,800	
Property taxes	2,000	2,000	
Sales taxes	800		
Income taxes	2,400	2,400	
Charitable contributions	1,500	1,500	
Total	11,500	10,700	
Less: Zero bracket amount	3,400	6,000	
Equals: Excess itemized deductions	8,100	4,700	
AGI	58,000	62,000	
Less:			
Exemptions	4,000	5,200	4,000
Excess itemized deductions	8,100	4,700	
Child care deduction		3,000	
Equals: Taxable income	45,900	49,100	58,000
Tax before credit	[1] 9,810	[2] 8,674	
Less child care credit	600		
Equals: Tax after credit	9,210	8,674	[3] 8,960
Marginal tax rate (percent)	38	26	21

[1] From 1984 law rate tables.
[2] Taxable income less $6,000 zero bracket amount times 14 percent tax rate, plus surtax (12 percent of AGI over $40,000).
[3] From SELF-tax rate table.

SINGLE TAXPAYER NO. 5

	1984 law	Bradley-Gephardt proposal	Self
Income:			
Salary	$60,000	$60,000	$60,000
Long Term capital gains	40,000	40,000	40,000
Interest and dividends	20,000	20,000	20,000
Total	120,000	120,000	120,000
Less:			
Capital gain exclusion	24,000		
Dividend exclusion	100		
Net interest exclusion	450		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		600	600
Equals: Adjusted gross income	95,450	121,800	121,800
Intemized deductions:			
Mortgage interest	5,000	5,000	
Other interest	5,000	2,500	
Property tax	3,000	3,000	
Sales tax	1,000		
Income tax	7,500	7,500	
Charity	5,000	5,000	
Total	26,500	23,000	
Less: Zero bracket amount	2,300	3,000	
Equals: Excess itemized deductions	24,200	20,000	
AGI	94,450	121,800	121,800
Less: Exemption	1,000	1,600	1,000
Less; Excess itemized deductions	24,200	20,000	
Equals: Taxable income	70,250	100,200	120,800
Tax	[1] 23,291	[2] 28,596	[3] 29,064
Marginal tax rate:			
Ordinary income (percent)	48	30	28
Capital gains (percent)	19.2	30	28

[1] From 1984 law rate tables.
[2] Taxable income less $3,000 zero bracket amount times 14 percent tax rate, plus surtax (12 percent of AGI from $25,000 to $37,500, and 16 percent of AGI in excess of $37,500).
[3] From SELF-tax. rate table.

MARRIED TAXPAYER NO. 5

	1984 law	Bradley-Gephardt proposal	Self
Income:			
Salary	[1] $60,000	[1] $60,000	[1] $60,000
Long-term capital gains	40,000	40,000	40,000
Interest and dividends	20,000	20,000	20,000
Total	120,000	120,000	120,000
Less:			
Capital gain exclusion	24,000		
Dividend exclusion	200		
2 earner deduction	2,000		
Net interest exclusion	900		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		600	600
Equals: Adjusted Gross Income	92,900	121,800	121,800
Itemized deductions:			
Mortgage interest	5,000	5,000	
Other interest	5,000	2,500	
Property tax	3,000	3,000	
Sales tax	1,200		
Income tax	7,000	7,000	
Charity	5,000	5,000	
Total	26,200	22,500	
Less: Zero bracket amount	3,400	6,000	
Equals: Excess itemized deduction	22,800	16,500	
AGI	92,900	121,800	
Less: Exemptions	4,000	5,200	4,000
Excess itemized deductions	22,800	16,500	
Child care deduction		4,000	
Equals: Taxable income	66,100	96,100	117,800
Tax before credit	[2] 17,730	[3] 24,702	
Child care credit	800		
Tax	16,930	24,702	[4] 25,564

MARRIED TAXPAYER NO. 5—Continued

	1984 law	Bradley-Gephardt proposal	Self
Marginal tax rate:			
Ordinary income (percent)	42	30	28
Capital gains (percent)	16.8	30	28

[1] Assumed $40,000 earned by one spouse, $20,000 by the other.
[2] From 1984 law rate tables.
[3] Taxable income less $6,000 zero bracket amount times 14 percent tax rate, plus surtax (12 percent of AGI from $40,000 to $65,000, and 16 percent of AGI in excess of $65,000).
[4] From SELF-tax rate table.

SINGLE TAXPAYER NO. 6

	1984 law	Bradley-Gephardt proposed	SELF
Income:			
Salary	$60,000	$60,000	$60,000
Total	120,000	120,000	120,000
Less:			
Dividend exclusion	100		
Net interest exclusion	450		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		600	600
Equals: Adjusted gross income	119,540	121,800	121,800
Itemized deductions:			
Mortgage interest	5,000	5,000	
Other interest	5,000	2,500	
Property tax	3,000	3,000	
Sales tax	1,000		
Income tax	7,500	7,500	
Charity	5,000	5,000	
Total	26,500	23,000	
Less: Zero bracket amount	2,300	3,000	
Equals: Excess itemized deductions	24,200	20,000	
AGI	119,450	121,800	
Less: Exemption	1,000	1,600	1,000
Equals: Excess itemized deductions	24,200	20,000	
Equals: Taxable income	94,250	100,200	120,800
Tax	[1] 35,060	[2] 28,596	[3] 29,064
Marginal tax rate:			
Ordinary income (percent)	50	30	28
Capital gains (percent)	20	30	28

[1] From 1984 law rate tables.
[2] Taxable income less $3,000 zero bracket amount times 14 percent tax rate, plus surtax (12 percent of AGI from $25,000 to $37,500 and 16 percent of AGI in excess of $37,500).
[3] From SELF-tax rate table.

MARRIED TAXPAYER NO. 6

	1984 law	Bradley-Gephardt proposal	SELF
Income:			
Salary	[1] $60,000	[1] $60,000	[1] 60,000
Interest and dividends	60,000	60,000	60,000
Total	120,000	120,000	120,000
Less:			
Dividend exclusion	200		
2 earner deduction	2,000		
Net interest exclusion	900		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		600	600
Equals: Adjusted gross income	116,900	121,800	121,800
Itemized deductions:			
Mortgage interest	5,000	5,000	
Other interest	5,000	2,500	
Property tax	3,000	3,000	
Sales tax	1,200		
Income tax	7,000	7,000	
Charity	5,000	5,000	
Total	26,200	22,500	
Less: Zero bracket amount	3,400	6,000	
Equals: Excess itemized deduction	22,800	16,500	
AGI	116,900	121,800	
Less:			
Exemptions	4,000	5,200	4,000
Excess itemized deductions	22,800	16,500	
Child care deduction		4,000	

MARRIED TAXPAYER NO. 6—Continued

	1984 law	Bradley-Gephardt proposal	SELF
Equals: Taxable income	90,100	96,100	117,800
Tax before credit	[2] 27,945	[3] 24,702	
Child care credit	800		
Tax	27,145	24,702	[4] 25,564
Marginal tax rate:			
Ordinary income (percent)	45	28	28
Capital gains (percent)	18	28	28

[1] Assumed $40,000 earned by one spouse, $20,000 by the other.
[2] From 1984 law rate tables.
[3] Taxable income less $6,000 zero bracket amount times 14 percent tax rate, plus surtax (12 percent of AGI from $40,000 to $65,000, and 16 percent of AGI in excess of $65,000).
[4] From SELF-tax rate table.

MARRIED TAXPAYER NO. 7

	1984 law	Bradley-Gephardt proposal	SELF
Income:			
Salary	[1] $200,000	[1] $200,000	[1] $200,000
Long-term capital gain	400,000	400,000	400,000
Interest and dividends	400,000	400,000	400,000
Total	1,000,000	1,000,000	1,000,000
Less:			
Capital gain exclusion	240,000		
Dividend exclusion	200		
Two-earner deduction	3,000		
Net interest exclusion	900		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		2,000	200
Equals: Adjusted gross income	755,900	1,003,200	1,003,200
Itemized deductions:			
Mortgage interest	10,000	10,000	
Other interest	100,000	50,000	
Property tax	10,000	10,000	
Sales tax	4,000		
Income tax	100,000	100,000	
Charity	50,000	50,000	
Total	274,000	220,000	
Less: Zero bracket amount	3,400	6,000	
Equals: Excess itemized deductions	270,600	214,000	
AGI	755,900	1,003,200	
Less:			
Exemptions	4,000	5,200	4,000
Excess itemized deductions	270,600	214,000	
Child care deduction		4,800	
Equals: Taxable income	481,300	779,200	999,200
Tax before credit	[2] 222,050	[2] 261,360	
Child care credit	960		
Tax after credit	221,090	261,360	[4] 272,356
Marginal tax rate (percent)			
Ordinary income	50	30	28
Capital gains	20	30	28

[1] Assumed at least $30,000 earned by lesser earning spouse.
[2] From 1984 law rate tables.
[3] Taxable income less $6,000 zero bracket amount times 14 percent tax rate, plus surtax (12 percent of AGI from $40,000 to $65,000, and 16 percent of AGI in excess of $65,000).
[4] From SELF-tax rate table.

MARRIED TAXPAYER NO. 8

	1984 law	Bradley-Gephardt proposal	SELF
Income:			
Salary	[1] $200,000	[1] $200,000	[1] $200,000
Interest and dividends	800,000	800,000	800,000
Total	1,000,000	1,000,000	1,000,000
Less:			
Dividend exclusion	200		
Two earner deduction	3,000		
Net interest exclusion	900		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		2,000	2,000
Equals: Adjusted gross income	995,900	1,003,200	1,003,200

MARRIED TAXPAYER NO. 8—Continued

	1984 law	Bradley-Gephardt proposal	SELF
Itemized deductions:			
Mortgage interest	10,000	10,000	
Other interest	100,000	50,000	
Property taxes	10,000	10,000	
Sales taxes	4,000		
Income taxes	100,000	100,000	
Charitable contributions	50,000	50,000	
Total	274,150	220,000	
Less: Zero bracket amount	3,400	6,000	
Equals: Excess itemized deductions	270,600	214,000	
AGI	995,900	1,003,200	
Less:			
Exemptions	4,000	5,200	4,000
Excess itemized deductions	270,600	214,000	
Child care deduction		4,800	
Equals: Taxable Income	721,300	779,200	999,200
Tax before credit	[2] 342,050	[3] 261,360	
Child care credit	960		
Tax after credit	341,090	261,360	[4] 272,356
Marginal tax rate (percent):			
Ordinary income	50	30	28
Capital gains	20	30	28

[1] Assumed at least $30,000 earned by lesser earning spouse.
[2] From 1984 law rate tables.
[3] Taxable income less $6,000 zero bracket amount times 14 percent tax rate, plus surtax (12 percent of AGI from $40,000 to $65,000 and 16 percent of AGI in excess of $65,000).
[4] From SELF-tax rate table.

MARRIED TAXPAYER NO. 9

	1984 law	Bradley-Gephardt proposal	Self
Income:			
Salary	[1] $200,000	[1] $200,000	[1] $200,000
Interest and dividends	800,000	800,000	800,000
Oil and gas partnership revenues	100,000	100,000	100,000
Less:			
Intangible drilling costs	1,000,000	142,857	
Depletion	65,000	14,286	
Total	35,000	942,857	1,100,000
Less:			
Dividend exclusion	200		
2-earner deduction	3,000		
Net interest exclusion	900		
Plus:			
Employer paid health insurance		[1] 1,200	1,200
Employer paid life insurance		2,000	2,000
Equals: Adjusted gross income	30,900	946,057	1,003,200
Itemized deductions:			
Mortgage interest	10,000	10,000	
Other interest	100,000	50,000	
Property taxes	10,000	10,000	
Sales taxes	4,000		
Income taxes	100,000	100,000	
Charitable contributions	50,000	50,000	
Total	274,000	220,000	
Less: Zero bracket amount	3,400	6,000	
Equals: Excess itemized deductions	270,600	214,000	
AGI	30,900	946,057	
Less:			
Exemptions	4,000	5,200	4,000
Excess itemized deductions	270,600	214,000	
Child care deduction		4,800	
Equals: Taxable income	0	722,057	1,099,200
Tax before credit	[2] 0	[3] 244,217	
Child care credit	960		
Tax after credit	0	244,217	
Minimum tax	158,000		
Total tax	158,000	244,217	[4] 300,356
Marginal tax rate (percent)	20	30	28

[1] Assumes at least $30,000 earned by lesser earning spouse.
[2] From 1984 law rate tables.
[3] Taxable income less $6,000 zero bracket amount times 14 percent tax rate, plus surtax (12 percent of AGI from $40,000 to $65,000 and 16 percent of AGI in excess of $65,000).
[4] From SELF-tax rate table.

MARRIED TAXPAYER NO. 10

	1984 law	Bradley-Gephardt proposal	Self
Income: Salary	[1] $30,000	[1] $30,000	[1] $30,000
Less: 2-earner deduction	1,000		
Plus:			
Employer paid health insurance		1,200	1,200
Employer paid life insurance		300	300
Equals: Adjusted gross income	29,000	31,500	31,500
Itemized deductions:			
Mortgage interest	5,000	5,000	
Property taxes	1,500	1,500	
Sales taxes	400		
Income taxes	1,000	1,000	
Charitable contributions	500	500	
Toital	8,400	8,000	
Less: Zero bracket amount	3,400	6,000	
Equals: Excess itemized deductions	5,000	2,000	
AGI	29,000	30,700	
Less:			
Exemptions	4,000	5,000	4,000
Excess itemized deductions	5,000	2,000	
Child care deductions		2,000	
Equals: Taxable income	20,000	22,300	27,500
Tax before credit	[2] 2,461	[3] 2,282	
Less: Child care credit	400		
Equals: Tax after credit	2,061	2,282	[4] 2,555
Marginal tax rate (percent)	18	14	21

[1] Assumed $20,000 earned by 1 spouse, $10,000 by the other.
[2] From 1984 law rate tables.
[3] Taxable income less $6,000 zero bracket amount times 14-percent tax rate.
[4] From SELF-tax rate table.●

PRESIDENT REAGAN'S NEW START OFFER

● Mr. KENNEDY. Mr. President, last week President Reagan announced that he was altering his proposal for the strategic arms reductions talks (START) to "reflect the concerns and recommendations of the Scowcroft Commission, the Congress, and others" and "offer the prospect of new progress toward a START agreement."

I hope this indicates some flexibility on the administration's part, but we do have to remember that at the same time the President is proposing the MX missile, the B-1 bomber, a record defense budget, and a whole new escalation of the nuclear arms race. This President has opposed every nuclear-arms-control agreement of the last 20 years and has supported virtually every proposed weapons system during that same period.

It is time for the administration to move toward a mutual and verifiable nuclear freeze, and to recognize that the way to stop the arms race is to stop, not START. That is why I am determined to pursue a full Senate debate and vote on the Kennedy-Hatfield nuclear freeze resolution as soon as possible.

In the June 12 issue of the New York Times, Leslie H. Gelb and Raymond L. Garthoff explain cogently why President Reagan's proposals raise doubts about the reality of flexibility in the START negotiations. As Mr. Gelb points out, the President "had made the minimum necessary changes in his negotiating approach to capture a Congressional majority for the new MX missile, but not nearly enough to achieve a breakthrough in the talks that resumed in Geneva on Wednesday." Unfortunately, "the advertised flexibility," according to Mr. Garthoff," does not extend to the key provisions that made the administration's original negotiating proposal fundamentally unacceptable to Moscow."

I commend these two articles, by a former Director of Political-Military Affairs of the State Department and a former member of the United States SALT delegation, to my colleagues and request that they be printed in the RECORD.

The articles follow:

[From the New York Times, June 6, 1983]

TARGET OF 'FLEXIBILITY' IS CONGRESS, NOT THE KREMLIN

(By Leslie H. Gelb)

WASHINGTON.—Amid much fanfare last week, President Reagan announced that he was altering his proposal to the Soviet Union in the strategic arms reductions talks and dangled promises of continuing flexibility. But when the noise died down, the situation looked like this: He had made the minimum necessary changes in his negotiating approach to capture a Congressional majority for the new MX missile, but not nearly enough to achieve a breakthrough in the talks that resumed in Geneva on Wednesday.

In fact, the only concrete decision officials said he took in an hour-long National Security Council meeting was to raise the proposed ceiling of long-range ballistic missiles on each side from 850 to about 1,200. Every other element of his original proposal still stands, according to Administration officials, and these basics—the demands for sharp cuts in missile warheads and in large Soviet land-based missiles—remain the major stumbling blocks to agreement, as Moscow's reaction confirmed. Tass, the Soviet press agency, described the revised proposals as "mere words" which were "directed at gaining military superiority and pressing the Soviet Union into unilateral disarmament."

Nevertheless, the mood music from Washington and Moscow was less downbeat than it has been recently. Mr. Reagan went out of his way to stress that practically nothing was set in concrete. He said that Moscow was "largely," but not wholly, to blame for the lack of progress. Congressional skeptics, who were backing him, grasped the theme of flexibility as a way of holding Mr. Reagan to his pledge. Meanwhile, Soviet leader Yuri V. Andropov had said through the veteran American diplomat W. Averell Harriman that he wanted better relations with Washington, and Moscow picked up on Mr. Reagan's emphasis on the need for "deep cuts" in nuclear forces.

The first step for the Reagan team was to ensure that Congress would not undercut his bargaining position by refusing to back the MX. Getting the necessary Congressional support meant accepting the proposals of his Commission on Strategic Forces, the group headed by retired Lieut. Gen. Brent Scowcroft. The deal was that a number of Democratic legislators would vote for the MX if Mr. Reagan committed himself to building a new small missile with a single warhead, known as Midgetman, and adjusted the strategic arms talks position accordingly. This entailed raising the proposed ceiling on missiles to accommodate the additional Midgetmen, thus in theory opening the door for Moscow to march in the same direction toward reducing the number of powerful land-based missiles with multiple warheads.

The raising of the proposed missile limit from 850 to about 1,200 was also a conciliatory step toward Moscow. The Soviet proposal calls for a ceiling of 1,800 missiles and long-range bombers for each side, of which 1,450 would be missiles. Thus, the gap in proposed allowable missiles was closed to 250 at most. As of now, the United States has about 1,600 such missiles and the Soviet Union 2,350.

LAND-BASED MISSILES AN ISSUE

But there was less here than met the eye. Administration officials made known that the President would retain his limit on proposed missile warheads of 5,000, of which no more than 2,500 could be on land-based missiles. Since the Soviets have almost 6,000 warheads on land-based missiles (as compared with 1,500 submarine-launched warheads), this would still require them to destroy more than half of their best forces. On top of that, the officials said that Mr. Reagan was still insisting that Moscow reduce its forces of about 600 heavy and medium heavy missiles such as the SS-18 to no more than 210. Furthermore, he was still refusing to set limits on the 3,000-odd cruise missiles to be carried by American bombers or to bargain away the MX.

Even if Mr. Reagan proves flexible on these key issues, Moscow continues to insist that its entire position in the so-called Start talks is dependent on Washington's agreeing not to deploy any new medium-range ground-launched cruise missiles and Pershing II missiles in Europe. In other words, no deal without accepting the essential Soviet demand in the medium-range missile talks, which are being conducted separately.

MOSCOW'S PRIORITY

The main Soviet priority all along has been to prevent the deployment of the new 572 medium-range missiles and thus to hold agreement in the strategic arena hostage to prior accord in the medium-range arena. As a prelude to his visit to Moscow next month, Chancellor Helmut Kohl of West Germany backed Washington last week by warning the Kremlin not to try to intimidate his country into not deploying the missiles. But he, like other Western European leaders, would like to see an accord.

As if such matters were not complicated enough, The Boston Globe reported last week that Richard Perle, the Assistant Secretary of Defense for arms policy, had privately told reporters that he thought it was a mistake to pledge deployment of the medium-range missiles in the first place. Nonetheless, he insisted that American credibility required the deployments to proceed.

Talks in this arena are also under way in Geneva, and the deployments are set to begin in December. Administration officials continue to say that once the deployments begin, Moscow will move toward the American proposal for an equal level of missiles on both sides of about 300. But Soviet thinking seems focused on the broader political situation in the United States. Moscow knows that an arms control pact would help Mr. Reagan politically, and Soviet officials would prefer not to have him around for a second term. But if in six

months or a year Mr. Reagan's re-election appears assured, then the logjam might break with Moscow moving before Mr. Reagan's hand was strengthened in a second term.

That is far away, and the President's men acknowledge that he has to maintain credibility and support at home in the meantime. Mr. Reagan's technique for doing this in recent months has been to establish bipartisan commissions in areas such as Social Security and the MX missile and strategic forces. He announced last week that he was extending the life of this last group, the Scowcroft Commission, to deal with arms control and strategic arms.

This was very important to legislators who have taken political risks to back him on the MX and who have heard past promises about flexibility. Many of them continued to wonder privately whether Mr. Reagan was now serious about arms control and had the will and skill to produce agreements or whether he was simply serious about appearing to be serious. At any rate, Mr. Reagan has bought time.

[From the New York Times, June 12, 1983]

AN ARMS NONOFFER

(By Raymond L. Garthoff)

WASHINGTON.—President Reagan's revised proposals for strategic arms reductions have been generally well received in Washington for their new, more flexible tone. This apparent flexibility will certainly help to build an American consensus on a negotiating position. Unfortunately, it will do nothing to advance actual negotiations with the Soviet Union. Indeed, by creating expectations that Moscow might have responded favorably—misplaced expectations that will not be met—the revised proposals may in fact have seriously reduced prospects for a successful negotiation.

The President's show of flexibility already seems to be serving its main purpose—gaining a degree of bipartisan support for the Administration's defense program. President Reagan no doubt believed that Soviet leaders, too, would see his new approach as a sign of reasonableness to which they should respond if they are serious about strategic arms reductions.

The American proposal to concentrate on limiting warheads, rather than launchers or missiles, is probably sound, and the proposed equal limits of 5,000 warheads would represent a significant reduction of about one-third for each side. But not all the revisions are so even-handed. The new flexible attitude toward ballistic-missile launchers, while nominally designed to open the way for developing a single-warhead missile, was really needed to allow us to retain a larger number of Minuteman 3 missiles, which the Administration feels we need to make up for the scaling back of plans for the MX. (We now plan to deploy 100 MX's rather than the 200 envisioned when the missile ceiling of 850 was established last year.) The revised proposals accommodate American defense programs: They require deep cuts in Soviet long-range land-based missiles with multiple independently targeted warheads and would alleviate the vulnerability of American long-range land-based missiles. Thus, they enhance the United States' idea of "strategic stability"—but not necessarily the Soviet one.

From the Soviet perspective, the revised proposals are fatally flawed, as Moscow indicated clearly on Thursday. The advertised flexibility does not extend to the key provisions that made the Administration's original negotiating proposal fundamentally unacceptable to Moscow. These crucial flaws are not affected by the flexibility on total ballistic-missile numbers and are in fact made worse by the American plan to deploy the MX.

President Reagan makes no reference to these unacceptable constraints: the limit of 2,500 warheads on land-based missiles, the limits of 210 on MX and larger missiles and 100 on the Soviet SS-18 missile. The 2,500-warheads ceiling would mean a cut of more than half in the Soviet warheads on intercontinental missiles, while permitting an increase in comparable American warheads. The President did not go so far as to impose explicit limitations on missile throw-weight—essentially a measure of payload—but he kept severe indirect constraints on throw-weight that would require Moscow to reduce by two-thirds its biggest and best strategic missiles, the SS-18 and SS-19, while Washington could go ahead with plans to build up its MX and Trident II missiles.

Worse still, from the Soviet standpoint, while the proposed agreement would alleviate the vulnerability of American land-based intercontinental missiles (not the major part of the American arsenal), it would greatly increase the vulnerability of comparable Soviet missiles—which are the most important component of Moscow's strategic force. There would be no equality of sacrifice and no "equal security." In short, in the Soviet view, the American pursuit of parity in missile throw-weight—the one and only area in which the Russians now have an advantage—would be at the expense of overall strategic parity, because in other areas American superiority would remain unchanged, and even increase. Thus, for example, the proposed reduction to 5,000 ballistic-missile warheads is not accompanied by any constraints on cruise missile warheads—a new technology in which the United States has a lead, with current plans to deploy up to 5,000 such missiles.

Clearly, then, the proposals remain loaded to the United States' advantage. We have yet to show flexibility where it counts. proposing reductions that are acceptable to Moscow cannot, of course, take precedence over meeting American security interests. But designing proposals tilted so far to American strategic advantage that they cannot be accepted by the other side gain us nothing, and only deprive us of the security benefits of negotiated arms control with balanced constraints and reductions that serve both American and Soviet security interests. The best arms control is that which is truly in the interests of both sides and therefore can be agreed upon and implemented.●

THE EMERGENCY SCHOOL AID ACT OF 1983

● Mr. D'AMATO. Mr. President, today I am cosponsoring a bill, S. 1256, introduced by Senators MOYNIHAN, DANFORTH, and others. Earlier in the year I cosponsored a similar measure, S. 402. In 1972, the Congress adopted the Emergency School Aid Act (ESAA) which was designed to encourage communities to voluntarily desegregate their schools. Through 1981, this program has channeled some $2.2 billion in funding into the Nation's schools for the purpose of voluntary desegregation efforts.

In 1981, however, the Omnibus Reconciliation Act folded the ESAA program and 28 others into the chapter II block grant. This has resulted in severe reductions in the amount of funding which school districts have available for ESAA activities. In my State of New York, funding for these activities has dropped from $20.4 million in fiscal year 1981 to less than $3 million in fiscal year 1982. School districts in Buffalo, Newburgh, New York, Rochester, Syracuse, and other parts of the State have suffered because of this drastic reduction in funding.

S. 1256 would reauthorize a categorical program for voluntary desegregation activities such as the planning and establishment of magnet schools and the training of staff to handle desegregation efforts. The bill would authorize $125 million for assistance in fiscal year 1983 and a like amount for the succeeding 3 fiscal years. Funds would be distributed by the Department of Education through a competitive awards process.

Mr. President, the Senate Subcommittee on Education will conduct hearings on this issue this week. I urge the members of this committee and the full Senate to carefully consider this important piece of legislation and enact it into law.●

CLINCH RIVER: HERITAGE REJECTS FEDERAL SUPPORT OF ANY SORT

● Mr. HUMPHREY. Mr. President, I have argued on several occasions that the proposals for federally guaranteed alternative financing for the Clinch River breeder reactor project—the only private financing proposals for the project offered so far—simply make a bad thing worse. As the General Accounting Office (GAO) pointed out in a report that I entered into the RECORD, May 11, these schemes would actually add to Clinch River's cost. And the amounts here are not trivial. Indeed, according to GAO calculations, they could add several hundred million dollars to the project's cost. Nor should this be surprising. These proposals, after all, require that industry be given major tax breaks—lost revenue to the Federal treasury—and that Government pay industry an industrial rate of return for the money they invest in the project. As Shelby Brewer, DOE's Assistant Secretary for Nuclear Energy pointed out, these schemes are "simply moving money around in time,"—they get industry to take Congress off the hook for having to fully fund Clinch River construction costs now by promising later to pay industry significantly more than industry ever loaned Government in the first place.

Of course, if we are truly intrested in seeing industry finance the project, no finer stimulus exists than to terminate Federal support. This is the position I have taken for the last 3 years and is the same position the Heritage Foundation emphazies in its latest Backgrounder entitled "Privatizing Federal Energy Research."

The foundation begins its report with a review of the lessons to be learned from past Government energy research efforts. Here the foundation emphasizes that commercialization projects make the least sense:

There are a number of conclusions that can be drawn from the country's decade of experience with extensive government involvement in research, and these help to provide a framework for determining the proper federal role. The first is that the federal government should continue to have a limited, but important, presense in energy research, both as a patron of basic science, and as the sponsor of programs involving national security. . . . A second inescapable conclusion is that commercial demonstration projects will be far less likely to win congressional support in the future than they were in the 1970s. Congress has finally become aware of the inherent flaw in the logic underpinning federal encouragement of commercial demonstrations: That is, the notion that the law of supply and demand can somehow be repealed through legislative fiat, in order to force a new technology into the marketplace prematurely. Experience gained at great cost shows that this approach simply does not work. Despite the expediture of massive amounts of taxpayer dollars, little has been gained through commercial demonstrations.

The foundation's report, however, does not stop here. It gives a frame work for deciding which Federal projects should be terminated and gives precise examples:

There are two methods that could be used to determine the appropriate roles for the government and private sectors. The first is on the basis of fuel type (fossil, nuclear, etc.), and the second is on the basis of research purpose (such as commercial demonstration, pilot-scale plant, or bench-scale test). Some blend of these approaches is likely to be necessary in each case. If this frame work is used, a number of obvious targets for privatization emerge.

All commercial demonstration project should be conducted by the private sector. Not only have these projects traditionally been undertaken by private organizations, but government commercial demonstration projects—dating from the attempt to create a synthetic rubber industry during the Second World War—have been singularly unsuccessful. Among the projects falling within this first category for privatization would be all of those undertaken by the Synthetic Fuels Corporation, together with the Clinch River Breeder Reactor and solar energy demonstration projects . . . . If these technologies are really commercial, the private sector should be willing to fund them.

The Heritage Foundation here gives us good advice. It is the same advice that the President's Private Sector Survey on Cost Control gave in April. Indeed, if we are truly interested in following the President's desire to get Government out of the energy commercial demonstration business, the place to begin is in terminating Federal support of any sort for the Clinch River project.●

IN SUPPORT OF S. 540 AND A NATIONAL INSTITUTE OF ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES

● Mr. D'AMATO. Mr. President, I am happy to add my name today as a cosponsor of S. 540, which amends the Public Health Service Act to establish a National Institute of Arthritis, Musculoskeletal, and Skin Diseases. I commend my distinguished colleague, Mr. GOLDWATER, on offering this legislation.

More than 37 million Americans suffer not only from chronic forms of arthritis, a musculoskeletal disease that attacks the body's joints and tissues, but from other musculoskeletal and skin diseases as well. Each year these painful and crippling diseases claim over 1 million new victims. Arthritis afflicts over 40 percent of those over 65. Yet it is not a disease of the elderly alone. More than 250,000 children contract a particularly ravaging form of this disease. Juvenile arthritis can stunt growth, blind, cripple, deform, and even kill. Over one-half of these childrem are crippled for the rest of their lives.

Those of any age who suffer a traumatic injury to their joints may one day develop osteoarthritis; 28 million Americans suffer from this disease. Sports, recreational, and other traumatic accidents, such as motor vehicle accidents, figure prominently in the case histories of these sufferers. Osteoporosis is another serious disease afflicting those of all ages. It is especially prevalent among women.

Arthritis alone costs our economy over $30 billion each year. This is 5 percent of our national health bill. These costs include medical care, half of all worker compensation claims, diminished earning capacity, and the resulting losses in tax revenues. An additional $1 billion is thrown away each year on quack remedies. The extent of this waste is a measure of the desperation of the victims.

The rapid growth in the percentage of the population suffering from arthritis, musculoskeletal, and skin diseases is evidence that a better organization of our research capability is necessary. Well over 16 percent of our populaton, or one of every six Americans, is now suffering from these diseases. That is an increase of 6 percent in just the last 4 years.

Mr. President, we are clearly losing ground in our battle against these diseases. The time has come to revive the original intent of Congress when it first established a National Institute of Arthritis and Metabolic Diseases to focus research attention on the musculoskeletal and related diseases.

S. 540 will enable the National Institute of Arthritis, Musculoskeletal, and Skin Diseases to promote national research efforts with increased vigor. The new Institute will become a national sponsor of research and training. It will also serve as a needed information clearinghouse.

S. 540 calls for a new national plan to expand, intensify, and coordinate research, training, and educational activities for more than 100 arthritis and musculoskeletal diseases. A beneficial international exchange of research will also be promoted.

One of the new Institute's most welcome mandates is to establish programs emphasizing the importance of early detection as well as prompt and appropriate treatment. Another is the establishment of mechanisms "to monitor the causes of athletic injuries and identify ways of preventing such injuries on scholastic athletic fields." A third is the appointment to the Institute's Advisory Council of at least one member of the public who suffers from one of the subject diseases and another member of the public who is a parent of such an individual. As the Arthritis Foundation has so amply demonstrated, the active involvement of the public is one of our greatest resources in the campaign against arthritis. The appointment of members nominated by the Veterans' Administration and the Department of Defense is another sound requirement.

Mr. President, I would also like to voice my support for this bill's call for a new study by the National Academy of Sciences. The study will examine the effectiveness of the organization of each of the national research institutes. We must satisfy ourselves that the $4 billion NIH annual budget is being spent in the most effective manner possible.

As we have learned in our battles against cancer and heart disease, when Americans dedicate themselves to an intensified research effort, tremendous, undreamed-of progress can be the result.

Mr. President, the time has come for such a national dedication to the battle against arthritis and related diseases. I urge my colleagues to support this important legislation as we rededicate ourselves in earnest to the conquest of the Nation's No. 1 crippler.●

PROPOSED REPEAL OF TIP INCOME REPORTING

● Mr. SASSER. Mr. President, I am pleased today to join as a cosponsor of S. 986. This important piece of legislation repeals the tip income reporting requirements contained in 1982's Tax

Equity and Fiscal Responsibility Act (TEFRA).

I actively opposed placing these provisions in last year's tax increase bill. Because of my misgivings about this provision and other sections of that measure, I voted against passage of TEFRA. I remain firm in my belief that these tip reporting requirements set a bad precedent in our Nation's tax laws.

In particular, I am concerned with the allocation provisions as well as with the complicated Internal Revenue Service regulations issued pursuant to TEFRA. Under these provisions, restaurant employees will be the only group of workers in America to have assumed income reported on their W-2 forms. This simply is not right, Mr. President.

Having the IRS assume an 8-percent tip income on a W-2 statement of restaurant employees discriminates against such workers in rural areas where tipping falls well below the national average. Such is the case with many of Tennessee's tourist areas. Indeed, the National Restaurant Association estimates that in the late 1970's there were over 17,000 tipped employees working in Tennessee's restaurants and cafes. These middle- to low-income earners will be forced to prove that they in fact earn less than the 8 percent assumed by the IRS.

Mr. President, such a provision strikes me as uncalled for. We are in effect asking these hard-working men and women to do a job that the IRS should be doing itself. It is quite difficult to justify such an approach.

In addition to these burdens, a food service employer's paperwork is substantially increased under these tip reporting provisions. The complexity of these new recordkeeping procedures has left food service operators confused and uncertain as to whether they are meeting the law's requirements. This confusion is easy to understand. The IRS regulations on this topic run some seven pages. This is additional redtape imposed by an administration which claimed it would cut back on Government interference in our day-to-day operations.

Another aspect of the bookkeeping procedures necessary under these tip reporting provisions is the impact this activity has on employer-employee relations. Under the current approach, the restaurant owner or operator is put in an adversial relationship with his or her employees. In essence, the owner has to become an in-house IRS agent. If the owner does not comply with these regulations, he or she faces Federal penalties.

Mr. President, let me underscore that I am in favor of cracking down on those individuals who evade paying their fair share of taxes. I do not believe this complex and unreasonable law is the best solution to this problem. Furthermore, as a member of the Small Business Committee, I am deeply concerned over the effects of the tipping provisions on our Nation's small businesses. In conclusion, Mr. President, let me urge my colleagues to join me in supporting S. 986 calling for the repeal of the tip reporting requirements.●

PROTECTIONISM

● Mr. CHAFEE. Mr. President, protectionism is too often proposed as a quick, appealing solution to competition from abroad and an easy way to save American jobs. But such an approach would ultimately cost this country far more than it could possibly save—in terms of jobs, productivity, prices and overall consumer choice.

A constructive approach to our trade concerns will involve a concerted effort by industry, labor, and Congress. The goal of that effort must be meeting the competition, not banning it.

Mr. President, the Washington Post today printed two excellent articles refuting arguments for protectionism. One is an editorial, entitled "A Dubious Case for Protection," the second a very thoughtful article by Ambassador William E. Brock, U.S. Trade Representative, entitled "No, Let Us Praise Free Trade."

I ask that they be printed in the RECORD.

The articles follow:

[From the Washington Post, June 13, 1983]

A DUBIOUS CASE FOR PROTECTION

Rapid economic growth is disruptive, uncomfortable and sometimes frightening. Its benefits are great, but it forces people to live differently and earn their livings differently from the way they are accustomed to doing. Nothing pushes growth faster than foreign trade, and the United States is now in the process of coming to terms with the enormous expansion of trade in the 1970s. The political reaction is expressed in the rising campaign for protection against imports.

Several weeks ago, this newspaper published a vigorous defense of protectionism by Wolfgang Hager, a visiting professor at Georgetown University. Today, on the opposite page, we offer a rebuttal by William E. Brock, the U.S. trade representative.

The case for protectionism comes down to wages. It argues that there's an endless supply of low-wage labor in the world that threatens to destroy the high-wage economies. But the actual experience of the past four decades, with decreasing trade barriers and rising prosperity, suggests precisely the opposite.

The protectionist position argues that in the postwar years the Atlantic countries with their high standards of living had a sort of self-protective monopoly that has now been broken by Latin American and Asian industry. In response, it's useful to recall that in the 1950s industrial wages in West germany and France were as far below the American level as wages in Brazil and Mexico are today. As trade expanded across the Atlantic in the 1960s, according to protectionist theory, American wages should have dropped under competitive pressure. In fact, they kept rising steadily, while European wages soared and are now—allowing for the swings in exchange rates—in the same range as they are here.

Japan's wages are about half the American average. But wages in Brazil are less than half as high as Japan's. Both have automobile industries. Why isn't Brazil the stronger competitor?

A long recession and a strong dollar are currently giving the protectionist cause a plausibility that it doesn't deserve. The main reason for this country's poor trade performance at the moment is a huge budget deficit that keeps interest rates high, in turn lifting the dollar's exchange rate and making it harder to sell American goods abroad. The 1930s demonstrated more than adequately that pulling up the drawbridge won't remedy mistakes in domestic economic policy. Mr. Brock does an important service by reminding the country of the real sources of its competitive strength.

[From the Washington Post, June 13, 1983]

NO, LET US PRAISE FREE TRADE

(By William E. Brock)

During the past year, I have noticed the appearance of several commentaries that challenge the precepts of free trade and make protectionism appear as a logical instrument of bringing order out of economic chaos. One recent effort, "Let Us Now Praise Trade Protectionism" by Wolfgang Hager, appeared in The Post's Outlook section May 15.

The basic assumption of the article is that the continuation of free-trade policies in industrialized countries will leave us nothing more than a few high-tech and service-industry jobs. Heavy industrial sectors will be lost to Third World countries, because the labor differential will leave us forever noncompetitive.

This has been a particularly fashionable argument, especially during a period of economic downturn when the immediate problems of foreign competition seem infinite. But Hager boldly concludes that protectionism is something more than the politicially expedient statements made by some presidential candidates—that it is a necessity based on the evolution of the world economy. There are a number of reasons why these conclusions are poorly founded, but perhaps the most important one is that increased protection ensures substantially lower levels of productivity. The result: fewer jobs, less innovation and more inflation. Hardly a logical set of goals.

It is simplistic—and false—to assume that, because of the worldwide availability of state-of-the-art capital equipment, the industrialized countries will never have the chance to make up the labor differential enjoyed by the developing countries. There are many other factors that enter into the competitiveness of national industry, including capital intensity, a management competence and creativity, worker training and productivity, the quality of national infrastructure of roads, communication and distribution systems, adequate and flexible financial systems, the willingness of entrepreneurs to take risks, the level of savings, investments and incentives, and the economic environment provided by the government.

In truth, automation and technology, more than imports, may well continue to result in fewer people employed in specific heavy industries, but workers will produce more in a cleaner and safer work place while

earning better pay. Can we fairly stop that process? We certainly have fewer people on the farm than we did 50 years ago, yet we produce far more products with lower prices, higher profits and better quality. Would anyone seriously suggest our diet would improve with a return to horse and harness? The same is true today in the plant. If we have the foresight to invest the necessary physical and human capital in our industries, as we must, we can remain competitive.

In fact, the key is productivity. Protection is the worst remedy for a lack of productivity. Modern technology is making possible incredible improvements, and success will go to those countries that have the foresight to build an economic and political system with the incentives to invest in both new technology and better education. Protection removes those incentives and provides an illusion of security while, in reality, the competitive gap becomes larger and larger.

A protected national market will ultimately guarantee non-competitiveness in the global market, and that's the only market that can provide the necessary economies of scale for many industries. To remain competitive in the world market, you have to compete, not hide behind import barriers.

Hager's advocacy of increased protection of industrial-country markets from the flood of goods and services originating in the developing world is particularly disturbing. These are not just friends, they are the largest and fastest growing market for our manufactured exports. We sell more to the developing countries than to Japan and the European Community combined. It is inconceivable that we might continue to create jobs here through our exports if we don't buy their products.

Far tighter controls on less-developed countries' exports to the industrial world would be even more absurd right now in light of the siginificant debt problems facing many developing countries. Rather, industrial countries need to maintain and increase the access of developing-country exports to their markets. If not, the refusal to buy our goods and, ultimately, the inability to pay their debts won't be simply an emotional response; it will be an economically mandated reality. The stability, and perhaps survival, of our world financial and economic system is threatened by such protectionist rationalization.

But Hager has a plan that purportedly will satisfy Third World foreign exchange needs and stabilize markets generally. All we have to do is enter into a series of understandings that will alter the "terms" of trade, which includes the notion that importing countries will be willing to accept an increase in price overall, perhaps through high tariffs that we would then rebate to them as foreign aid. So, to solve our problem, all we have to do is reduce competition here at home, pay higher prices for that which we import (presumably only those products not available domestically) and snuggle up under the warm blanket of an all-wise and all-caring government. Precedent for this is cited in Eastern Bloc trade, among others. Is massive bureaucracy to be our role model?

The article reminds us again that a significant percentage of world trade is "managed" anyway with the proliferation of textile quotas, agricultural subsidies and steel arrangements. But to acknowledge that we are all sinners does not justify economic suicide. The important thing is to acknowledge protection and to establish policies that discourage its proliferation and lead to its removal.

Then we can take an honest look at remedies and ask the real questions: How good is our educational system, and what are we doing to make it the best in the world? How good is our tax system, and can we remold it to increase savings, incentives and investment? How competitive are our management and labor practices, and can we shape up our R&D? How strong is our self-confidence, and what do we need to do to compete? Or, alternatively, how desperate are we for security, and what degree of stagnation and hopelessness will we impose on our children to achieve it?●

THE WORLD TRADING SYSTEM

● Mr. TOWER. Mr. President, at this time I would like to share with my colleagues an excellent discourse on the world trading system by Bill Brock, the U.S. Trade Representative, which appeared in today's Washington Post. In his article, Mr. Brock states that the key to future economic growth and trade expansion is increasing productivity, not protectionism, which he calls the worst remedy for a lack of productivity.

Productivity was the goal that led to our Nation's historic economic success and its position as the world's leading free market economy. As the Washington Post states in an editorial of today:

Mr. Brock does an important service by reminding the country of the real sources of its competitive strength.

I commend Mr. Brock for the clarity of his views, and submit them for the RECORD.●

(NOTE.—The article and the editorial referred to are printed immediately prior hereto.)

DEMOCRATS AND SMALL BUSINESS

● Mr. SASSER. Mr. President, over the past few years members of the small business community have become increasingly active in our Nation's political process. I know that in Tennessee I have had the good fortune to have the advice of counsel of many small business leaders on a variety of issues. These men and women share my philosophy and support my efforts on behalf of small business.

Recently, Inc. magazine published an article about the Democratic Party's small business council and its efforts to solicit the advice, ideas, and opinions of small business owners and operators from across the country. I take great pride in the fact that this outreach effort has in large part been spearheaded by my good friend Bill Nourse. Bill has been active in similar efforts on my behalf in the State of Tennessee. Through Bill's efforts I have had a constant input on the interests and concerns of the small business community in Tennessee.

I applaud Bill's actions in taking the initiative in assisting the Democratic Party's path-blazing efforts in sounding out the interests of the small business sector of our economy. We all realize that the future of our economy relies in large part on the health of our Nation's small businesses. We are attempting to find out what we need to do to achieve this goal. I believe my colleagues would benefit greatly from reading how the Democratic Party is taking the necessary steps to insure the full participation of small business in our Nation's economic recovery. I ask that the article outlining the activities of the Democratic Party in the small business community be printed in the RECORD.

The article follows:

THE DEMOCRATS ARE COMING

The Democratic Party's new Small Business Council is getting its act together and taking it on the road. Beginning in June, the council will sponsor a series of local "town meetings" intended to solicit the advice, ideas, and opinions of people in small businesses around the country. The plan calls for a band of roving Democrats to travel from town to town, attending meetings organized by local members of the Small Business Council. The meetings will feature open sessions on topics ranging from capital formation to international trade, followed by a speech from a Democratic official active in the small business arena.

Appearances notwithstanding, organizers insist that the meetings will be "nonpartisan." The purpose, they say, is not to recruit small businesspeople to the Democratic cause, but rather to find out their needs and concerns. "We want people to express what they think the Democrats should be doing," says Rob Bender, executive director of the Small Business Council. "In a sense, we're going to be using them to help us formulate our small business program."

The idea for the town meetings comes from the ubiquitous Bill Nourse (see Inc., November 1982, page 59), the West Nashville hardware store owner who has helped lead the charge of small businesspeople into politics over the past three years. Nourse had participated in similar town meetings in Tennessee, organized in connection with state small business conferences. "They were incredibly productive," he says. "So I took the idea to Rob Bender. I said, 'Why not go nationwide with this?' "

Nourse sees the meetings as a way for the Democrats to take the pulse of the small business community, find out which issues are important, and come up with practical programs addressed to those concerns. Along the way, he hopes to strengthen the hand of the Small Business Council within the party. "We need credibility," he says. "We need the strength to win battles behind closed doors. Think of the power of being able to say, 'Here's the consensus of what small businessmen all over the country are thinking.' "

In effect, Nourse and Bender, among others, are trying to build a visible small business constituency within the Democratic Party that is comparable to the labor and big-business constituencies that already exist. To succeed, they must pull off a neat trick. First, they must attract traditionally Republican small business people to their town meetings—which involves convincing them that the meetings will be truly "non-

partisan." Then they must turn around and persuade the Democratic Party to adopt a program responsive to small business needs. Finally, they must go back and convince the small business community that the Democrats really have its best interests at heart.

That is an awful lot of persuading to do, and Nourse knows it won't be easy. "We have no illusions," he says. "It's going to be a tough, uphill fight."

On the other hand, he can draw some encouragement from recent surveys that suggest that the Republicans, and President Reagan in particular, may be losing ground in the small business community. The latest poll of small business executives conducted by Walter E. Heller International Corp.'s Institute for Small Business, for example, indicates a sharp increase in those who consider the Reagan Administration's policies "nonsupportive" of small business and a sharp decline in confidence in the President's leadership. Of course, the trend could well reverse itself if the economy makes a strong recovery.

In any case, Nourse believes that the Democratic Party can win significant numbers of small business people to its cause. "You know, I was a typical small businessman, never active in politics. I just assumed I was a Republican," he says. "But when you get involved, you go through a metamorphosis. You realize that you have more in common with Democrats.

Nourse thinks that others will draw the same conclusion, whether he tries to recruit them or not. With that hope in mind, he and Bender will take their traveling, nonpartisan road show to New England in June, move down the coast, and gradually make their way along the highways and byways of America.●

GARRISON: OPPOSITION BEGINS AT HOME

● Mr. HUMPHREY. Mr. President, as I noted in my RECORD entry of May 16, 1983, the Garrison Diversion Unit proposed for North Dakota needs to be examined, given its exorbitant environmental and fiscal costs. In the last 2 weeks, many Senate offices have been lobbied by Canadians from the province of Manitoba where the Garrison project threatens to destroy between 50 and 75 percent of that province's fisheries.

It would be a mistake, however, to conclude that the primary opposition to this project is Canadian or merely the product of Washington-based environmentalists. In fact, some of the stiffest opposition to the Garrison project comes within the State of North Dakota, from the very dry farmers the project its supposed to benefit.

In fact, back in April 1980, the Jamestown Sun, a major newspaper serving the State, sponsored a poll of 2,000 North Dakotans, in which more residents (36.4 percent) opposed the project's continued construction than those who favored it (31.1 percent). And last year, this opposition was converted into electoral results. For the first time in North Dakota history, individuals were elected to the Garrison Diversion Conservancy District Board who were opposed to the project. These five candidates, moreover, were not obstructionists or outsiders but local dry farmers angered over the price of irrigation from the project being far too expensive for them to buy and irritated in having to give up land for the project without getting any clear benefit from the project.

Mr. President, I think it is important that the Senate understand why North Dakotans oppose further funding the Garrison Diversion Unit as planned. I ask to enter the Jamestown Sun's 1980 poll and an anti-Garrison editorial run in the Bismarck Tribune last December, along with a letter from Darwin Fisher, one of the newly elected anti-Garrison board members and two articles that further explain the basis of Mr. Fisher's opposition to the project.

The material follows:

[From the Jamestown Sun, Apr. 11, 1980]

MORE FAVOR HALTING GARRISON

While 31.1 percent of 2,000 North Dakotans surveyed favor finishing the Garrison Diversion Unit in North Dakota, 36.4 percent favor either ending the project or halting further construction until the location of all lands to be benefited or taken by the project are identified and made public.

The Jamestown Sun-sponsored survey, conducted by the Bureau of Governmental Affairs, University of North Dakota, shows 31.1 percent, or 622 respondents, favor completing the irrigation project, while 23.9 percent, or 478 of the 2,000 persons surveyed, favor halting construction until lands taken and benefited are identified and made public, and 12.5 percent, or 251 people, indicate the project should not continue.

The survey shows 30.5 percent, or 611 of the respondents, aren't sure and 38 people, or 1.9 percent, did not respond to the question.

The percentages carry a plus or minus 2.2 error rate meaning 95 times out of 100, North Dakotans would answer the question the same, within 2.2 percentage points.

Of the 2,000 surveyed, 249, or 12.4 percent, said they have followed the Garrison issue closely and believe they are well informed about it. Respondents believing they have a general knowledge number 1,041, or 52 percent, and those feeling they don't know much about the project total 664, or 33.2 percent.

Results show 44 respondents did not answer the question concerning knowledge of the water project.

While 699 of the respondents have always favored the Garrison Diversion project in North Dakota, 190 or 9.5 percent who once favored it now oppose it, the survey reveals.

Another 91 respondents, or 4.5 percent, who opposed the water project now favor it and 167, or 8.3 percent, have always opposed the project. The survey shows 768 respondents, or 38.4 percent, consider themselves to have always been neutral on the issue.

The Sun-sponsored poll asked three questions concerning the Garrison project:

Question: How familiar are you with the Garrison Diversion Project?

I have followed the Garrison issue closely and believe I am well informed on the project, 249.

I have a general knowledge of the project, 1,041.

I don't know very much about the project, 664.

Question: Which of the following statements best states your position on the Garrison Diversion Project?

I believe the Garrison project should be finished without delay, 622.

I support a halt of further construction until the location of all lands to be either benefited by the project, or taken for the project, is made public, 478.

I do not believe the project should continue, 251.

I'm not sure, 611.

Question: Which of the following statements best states your opinion of the Garrison Diversion Project when you first heard of the project, as compared to how you feel about the project today? (Please circle only one answer.)

I was in favor of the project when I first heard about it, but I am against the project today, 190.

I was against the project when I first heard about it, but I am in favor of the project today, 91.

I have always been in favor of the project, 699.

I have always been against the project, 167.

I have always been neutral on the project, 768.

The Bureau of Governmental Affairs conducted the poll between March 20 and April 7, 1980. It mailed out 2,000 envelopes with two questionnaires in each, and received a total of 2,000 valid surveys, the bureau reports.

The survey shows 95 out of 100 times, North Dakotans would answer the same questions the same way, with a plus or minus 2.2 percent error on question 1, 2 percent on question 2 and 2.1 percent on question 3.

Of the 505 respondents living on farms, 101 (20 percent) favor completing the project, while 140 (27.7 percent) favor halting it until lands are identified, 100 (19.8 percent) favor ending the project and 156 (30.8 percent) aren't sure. Eight didn't respond.

Of the 855 respondents living in towns over 2,500 in population, 321 (37.5 percent) favor completing the project, 181 (21.1 percent) favor halting it until lands are identified, and 80 (9.3 percent) favor ending the project. Another 260 (30.4 percent) aren't sure and 13 people didn't respond.

Of the 320 respondents living in towns of 500 to 2,500, 108 (33.7 percent) favor completing the diversion project, 81 (25.3 percent) favor halting it until lands are identified and 30 (9.3 percent) prefer ending it. Another 94 (29.3 percent) aren't sure.

Other categories include towns under 500 and persons living in the country but not farming.

The survey also reveals of the 634 Republicans responding, 227 (35.8 percent) favor completing the project, 146 (23.5 percent) favor a halt until lands are identified, and 68 (10.7 percent) favor stopping the project. Another 185 (29 percent) aren't sure and eight didn't respond.

Of the 481 Democrats responding, 164 (53.4 percent) favor completing the Garrison plan, 101 (20.5 percent) favor a halt until lands are identified and 65 (13.2 percent) favor ending the Garrison plan. Some 151 (50.7 percent) aren't sure.

Of the 685 independents responding, 180 (26.2 percent) prefer completing the project, 200 (29.1 percent) favor halting it until lands are identified, and 96 (14 percent)

favor ending it. Another 198 (28.9 percent) aren't sure.

[From the Bismarck Tribune, Dec. 26, 1982]

GARRISON PROJECT CHANGE NEEDED

It's time to take a good, hard look at Garrison Diversion.

It almost doesn't matter that Garrison survived a recent House-Senate conference committee test.

Clearly, Garrison has lost politicial support in the House, which, only five days before the conference committee met, voted to cut funds 252-152.

The project is not likely to recoup much House support in the foreseeable future.

At the very best, Garrison's promoters will be able to work lose crumbs for funds. At the worst, Garrison won't be so lucky next time.

But Congress isn't Garrison's only problem.

Aside from Congress, Garrison still finds:

Stronger Canadian opposition than ever, based on fears of harm to Manitoba's fishing industry.

Opposition from environmental groups, who aren't likely to ease their stands on water development in North Dakota unless they perceive a better shake for wildlife and wetlands.

Renewed opposition by North Dakota farmers to a wildlife mitigation plan. Many landowners see Garrison as a project that takes from one set of farmers and gives to another, and many believe there is too much land in public ownership now.

The point is, as constituted, the Garrison plan continues to meet objections at every turn.

It has been nearly 30 years since Garrison Dam was completed, and this state still has no water project. At that rate, no living North Dakotan will see a completed project.

Garrison's supporters have stuck to their guns long past the time they should have tried to compromise and get a project moving forward, and it is time we faced political realities.

We should also realize that, more important than a specific water project outlining a certain number and location of acres, Garrison Diversion is an idea.

The idea is this: North Dakota has all this water in one place, doing itself little good. The best thing to do is to move that water and put it to better use.

The idea always has been and still is sound, and the idea should be implemented.

Furthermore, North Dakota has a right to a water project for agreeing to flood out more than half a million acres to create Lake Sakakawea and prevent flooding of downstream states.

But, that doesn't mean the state has a right to this particular project. It means the state has a right to compensation by whatever project or projects are acceptable to a wide array of interests.

For years, this newspaper has supported the authorized project in its editorials, believing that the 250,000-acre project was good and merely the first phase of a much bigger water plan.

Thus, it is no small step for us to urge that the current project be de-authorized and a project more palatable to the politicial powers that be, as well as to our own farmers, be authorized instead.

The reason we've come to this conclusion is that it's time to make measurable progress on a water project for North Dakota, rather than continue to get very little.

What is an acceptable alternative?

We can't say for sure. That's something to be planned out by our State Water Commission and the Bureau of Reclamation.

But here are some ideas:

If we agree to deauthorize Garrison, perhaps the feds would finance a municipal and industrial water pipeline project not only for the southwest area of the state, but for the eastern part as well.

Even that project would not fully compensate for flooding the Missouri River bottomlands.

The state should push, then, for federal financing of some of the items in the huge 1983 State Water Plan the Water Commission is presenting to the Legislature.

Let's come up with something everyone can agree on and do it. Having some water project is a whole lot better than sticking to a principle and having none.

Our politicians should show the leadership required and admit that big changes are needed for this state to get the uses it deserves out of its water.

[From the Forum, Jan. 30, 1983]

ANTI-GARRISON BOARD MEMBER SAYS IRRIGATION IS BEING FORGOTTEN

(By Jim Baccus)

YPSILANTI, N. Dak.—When a former neighbor asked Darwin Fisher and his son, Steven, to act in a television commercial for a savings and loan association, the two did. Later, when a friend reported seeing the commercial and said, "This fellow on the screen looked just like you, except his hair was lighter." Fisher and his wife, Helen, had trouble keeping a straight face.

It's possible to mis-identify Darwin Fisher on another count. A native North Dakotan, a well-read, energetic, successful dryland farmer with scattered farmland located over aquifers that would make him an irrigator if he chose. One might well call him pro-Garrison, in favor of that Missouri River project that has had the state locked with Congress and environmentalists.

But Fisher is a dedicated enemy of the plan, and last November he was elected a member of the Garrison Diversion Conservancy District board of directors, representing Stutsman County.

With very little campaigning, Fisher won in the primary and then swept all precincts in Jamestown in November, emerging with a 58 percent majority over the incumbent, Royal Berstler.

"With Robert Melland (former state senator from Jamestown, now director of the Office of Management and Budget) as Mr. Berstler's secretary in the primary, I didn't think I had a chance against the Jamestown establishment," Fisher said at his immaculate farmestead four miles west of here.

"But when I began to tell people exactly what Garrison was doing to the state, their reactions made me realize I could win and maybe help change Garrison around."

Fisher, 50, was born near Medina, N.D. Later, his father, Emmett, moved to land a few miles south of Jamestown—a farm which Fisher's son, Steven, farms and hopes to buy. Darwin Fisher graduated from Jamestown High School in 1950, but then his formal education stopped.

What was substituted was some travel, seeing a bit of the world and making up his mind on what he wanted to do.

"I worked for Douglas Aircraft in California," he says. "I did some custom combining for a time." His older son, Trent, 23, operates a custom combining rig of his own, following his father's example.

"California wasn't for me," the elder Fisher says. "I guess farming came out of me, I had worked in the Oklahoma oil fields, and then I came back to the land."

In Oklahoma he met his future wife, Helen Disney, daughter of an Enid, Okla., farmer. It was 1958. In 1959 they were married, came to North Dakota and rented some land. In 1962, with a down payment of $1,000, their present home was purchased, and they began farming in earnest.

Today Fisher and Steven own or operate a fairly large spread, producing last year about 2,600 acres of sunflowers, 2,400 acres of wheat, plus pasture and summer fallow.

The family, with the aid of a hired man or two, including the Fishers' daughter, Jillayne, 20, a student of nursing at Jamestown College and Steven's wife, Jackie, operates the farm together.

When the newly elected director of the conservancy district went to Grand Forks for his first district meeting, Fisher's treatment, according to him, was "about what I expected."

With him was another newly elected anti-Garrison director, Herbert Nathan, and another relative newcomer, Richard Betting, of Valley City. Betting is rated as being on the fence regarding Garrison.

Nathan, of Coleharbor, N.D., had defeated Carl Kuehn of Underwood, himself pro-Garrison and as articulate as Fisher. The two had traveled the region and had made a presentation before an Oakes, N.D. audience.

"The other board members were stunned," Fisher says. He doesn't enlarge on that. But it was probably because of a long resolution which Fisher presented for consideration.

The resolution suggests that Sen. Mark Andrews, R.-N.D., has lost interest in the irrigation aspects of the project, along with the general public and the news media.

The project faces serious inter-basin transfer problems which will likely prevent further construction, the resolution continued. In consideration of all the problems, it would be wise for the district directors to initiate an investigation, measuring domestic and municipal water needs and the number of citizens interested in seeing completion of the project.

Fisher says the meeting in Grand Forks slipped into disarray. He says he had to point out several times that he still had the floor.

Pro-Garrison district member Henry Hendrickson of Fargo, representing Cass County, says Fisher and Nathan were "very vocal" during the meeting and insistent they were right throughout.

Finally, Fisher moved that his resolution be tabled, and it was.

An avid hunter who enjoys his pleasant home, is something of a Civil War buff and has strong affection for his family, Fisher's routine will probably change some as the most persuasive anti-Garrison voice on the conservancy district. His avocations, such as Fisher Sales Co., a Jamestown distribution agency for outdoor furniture and some farm equipment, may languish.

"I always thought Garrison was a good program, until about three years ago I heard about the mitigation fight," he says.

"I was never a member of Audubon (Society). There were maps showing some drained wetland just west of me that was slated for flooding and one showing how little Stutsman County land is suitable for irrigation.

"I heard about the farmers along the projected New Rockford canal and the 35,000

acres they will lose and I said to myself. "Who do we throw to the wolves?"

He says he studied the statistics and saw that the estimated total cost of the project jumped from $249 million to $1.1 billion. Water costs per acre remained at $6.45 per acre (although the estimate has jumped to over $20.)

"I realized that irrigators won't be able to make money with Garrison water. I have a friend who raised corn last year under the irrigation at $3 and sold it for $2.45."

Fisher says he has calculated that the 11 North Dakota counties which border the Missouri River can together offer more than 1 million acres suitable for irrigation. Along the McClusky Canal (already in place) there are more potential acres. Thus the state can salvage what has already been constructed.

"It won't go," he says, meaning Garrison. "We fight Congress to get a measly $4 million, when what we need is $200 million. Do you think we'll ever get the money we need to finish the job?"

He says the conservancy board and the Legislature should be bold enough to look at change, including the buried pipeline idea.

Fisher has caught the ear of Jamestown residents with his claim that the James River will not be able to handle the water flows once the vast Garrison chain is in place. Parts of Jamestown will flood, and water will seep into basements.

Garrison designers deny strongly any such idea.

"It's all wrong," Fisher says of the basic idea of Garrison. "We've lost land, and we've got farmer fighting farmer."

[From the Jamestown (ND) Sun, November 3, 1982]

COMMON GROUND—THE VOTE IS IN . . . ALMOST

(By James Smorada)

With two Jamestown wards still a-counting, the off-year election produced some surprises and hints of possible surprises to come.

One of the trends that seems to be emerging indicates a larger number of electors has second thoughts about the Garrison Diversion project.

Unofficial and incomplete returns in Jamestown and Stutsman County show incumbent Garrison board member and proponent Royal Berstler has been defeated by Darwin Fisher, a man who has compaigned for a place on the board because he opposes the water project.

And county voters may have elected three new commissioners who said they are "soft on Garrison."

In District 29, voters elected a political newcomer Wade Williams, who has indicated he feels there needs to be some modifications in the water diversion project.

In the region, voters in Renville, Pierce and McLean counties have elected Garrison board members who have voiced concerns about the project.

The trend suggests voters no longer consider the project an untouchable. Opponents of the project gained political strength on Tuesday—a measure of power in state politics opponents have not had in the past.

The results also suggest it is now possible for a candidate to oppose Garrison Diversion—or just question it—and still be elected to office.

It remains to be seen if the sentiment makes any appreciable difference to the project's future but one thing is clear: if Garrison is to survive, major compromises will have to be considered.

The objections abroad, the cost Washington may not be willing to bear; and the slightly less enthusiastic support the diversion project polled strongly suggests the idea is ripe for compromise.

Perhaps the one-sixth of the board, elected and opposed to Garrison, can play a role redesigning the water project. A growing number of voters seem to be saying the project needs some fresh thinking—not bullheaded reluctance to change.

YPSILANTI, N. DAK.,
June 3, 1983.

Hon. GORDON HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: There could be no clearer admission that the Garrison Diversion Unit cannot stand on its own merits or withstand Congressional scrutiny than the strategy announced two weeks ago by North Dakota Congressman Byron Dorgan not to seek funding for the project in the House but to have Senators Andrews and Burdick obtain $21 million in the Senate appropriations bill and then, in Mr. Dorgan's words, "slide the funding through the House" in a conference committee report. Not only does this ploy violate the principle of funding measures originating in the House, but it effectively removes the project from review by half of the Congress by preventing the House from having a voice in determining the course to be followed with the project.

It has become abundantly clear from the determination of the U.S. Bureau of Reclamation and project proponents to continue spending federal funds on the project before solving any of the serious economic, environmental or international problems that the only way these problems are going to be solved is for the Congress to step in and resolve them before any further construction is undertaken. Otherwise, options for solving those problems will continue to become more restricted as funds are expended on project features that are over-built or unneeded.

In 1965, the Congress authorized the Bureau of Reclamation to build a 250,000 acre Garrison Diversion Unit. However, the potentially devastating effects of interbasin transfer of Missouri River fish species, diseases and parasites into the Hudson Bay Basin has resulted in the Government of Canada expressing its firm opposition to any such interbasin transfer of Missouri River water, whether for irrigation or municipal use. Although this means that some 87 percent of the authorized Garrison Diversion project that is located in the Hudson Bay Basin cannot be built, the Bureau of Reclamation has not asked the Congress to review the authorization to determine what it should be building, but, rather, has continued to build a project which cannot be completed without violating the Boundary Waters Treaty of 1909.

To circumvent this obvious conflict, the Bureau now is planning to build an 85,000 acre "Phase I" of the 250,000 acre project—without determining whether the rest of the authorized project can be completed and without determining the feasibility of the 85,000 acre first phase. In fact, the Bureau acknowledges that the rest of the authorized project may never be completed, but it still is asking the Senate to appropriate $21 million for it without determining whether the features which will be constructed with those funds are needed. Not only does the Bureau not tell the Congress what it ultimately plans to build, but it does not consider that more than 60 percent of the Phase I project it is proposing is located within the Hudson Bay Basin, so there is a very real question whether even that can be completed. Thus, the Bureau of Reclamation is asking the Senate to give it $21 million to spend on whatever it decides, but not to ask whether what it builds can be used.

Clearly, it now is time for the Congress to step in and decide just what it is that the Bureau of Reclamation can and should build. Ironically, this is precisely the time that the North Dakota Congressional Delegation is attempting to prevent the Congress from reviewing the project. Again, there could be no clearer evidence of the need for congressional scrutiny of the Garrison Diversion project than this attempt by the North Dakota Congressional Delegation to prevent it.

Not only is it evident that the authorized project cannot be built, but there are serious questions whether it is needed or even wanted. North Dakota has the highest rate of participation in the Payment-In-Kind Program of any state in the nation. The PIK Program, as you know, is designed to reduce farm production and crop surpluses in order to increase commodity prices for all farmers. The Garrison Diversion Unit, on the other hand, would increase production for the few (750-1,200) farmers who would receive the massive federal irrigation subsidy ($3,787 per acre). Ironically, many private irrigators in North Dakota have enrolled their irrigated lands in the PIK Program.

With increased energy and operating costs, interest in irrigation is declining among farmers in North Dakota. Here in Stutsman County, only four of the 20 or so landowners who would receive Garrison water are interested in irrigating. On the other hand, some 600 county residents are in need of improved rural water supplies, but there is no provision for meeting these needs under the project.

Even Senator Andrews recognizes the dwindling interest in irrigation. In a November 24, 1981, news story, he was quoted as saying,

"I could care less about the 250,000 acres of irrigation. They can irrigate from aquifers or a host of other sources. What concerns me is the adequate water supply for cities such as Fargo and Grand Forks and artificial habitat for wildlife."

Under the Phase I project proposed by the Bureau, however, neither Fargo or Grand Forks will get water from the project, and the Canadian objections to interbasin transfer mean it is unlikely they will ever get water from the project. Moreover, the water supplies for Fargo and Grand Forks will actually be reduced as a result of the 20 percent reduction in flows in the Sheyenne River (a tributary of the Red River of the North) under the Phase I project. Because the project will destroy more natural wildlife habitat than it would replace with artificial habitat, Senator Andrews' concern for wildlife would best be met by not building the project.

It should also be noted that two years ago, North Dakota Congressman Byron Dorgan said, in an August 6, 1981, Associated Press story, that the Garrison Diversion project will die unless a modified plan is agreed on, and he proposed a meeting to discuss the problems facing the project and to explore alternatives. Senator Andrews endorsed the

proposal, and Senator Burdick agreed to attend. However, the meeting was never held, the problems were never resolved, and no alternative plan was ever developed, yet Congressman Dorgan now is plotting to have the Congress appropriate another $21 million to keep the project alive. I believe that Congressman Dorgan should be taken at his word, and that a modified project should be developed. I also believe that this should be done before another $21 million is spent on construction of the authorized project.

With the clear evidence that the authorized project cannot be completed, that more crop production is not needed, that most farmers do not want the project, and that other real needs will not be met by the project, it is obvious that it is time for the Congress to reevaluate the Garrison Diversion Unit to determine what is needed and what can and should be built. The place to start is by defeating the Administration's request for $21 million for the Garrison Diversion Unit in order that a thorough review of the project can be made before any more money is wasted on project features that are over-built, unneeded, or cannot be used.

Sincerely yours,

DARWIN FISHER,
Stutsman County Director, Garrison Diversion Conservancy District.●

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

CABLE TELECOMMUNICATIONS ACT OF 1983

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 66, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 66) to amend the Communications Act of 1934.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike out all after the enacting clause and insert the following:

That (a) this Act may be cited as the "Cable Telecommunications Act of 1983".

(b) The Communications Act of 1934 is amended by inserting immediately after title V the following new title:

"TITLE IV—CABLE TELECOMMUNICATIONS ACT

"FINDINGS

"SEC. 601. The Congress hereby finds that—

"(1) cable systems are engaged in interstate commerce through the origination, transmission, distribution, and dissemination of broadband telecommunications services;

"(2) the provision of broadband telecommunications is of concern to governmental entities; and

"(3) a uniform national policy for broadband telecommunications can serve to eliminate and prevent conflicting and counterproductive regulations in order to allow unhampered growth and development of cable as a competitive medium which will be responsive to and serve the needs and interests of the public.

"PURPOSES

"SEC. 602. The purposes of this title are to—

"(1) establish a national policy concerning broadband telecommunications and to encourage a competitive environment for the growth and development of broadband communications;

"(2) establish guidelines for the exercise of Federal, State, and local regulatory authority;

"(3) allow cable systems to be responsive to the needs and interests of the public on an equal basis without a competitive disadvantage with other providers of telecommunications services; and

"(4) eliminate government regulation in order to prevent the imposition of an unnecessary economic burden on cable systems in their provision of service to the public.

"DEFINITIONS

"SEC. 603. For purposes of this title, the term—

"(1) 'basic service' means the lowest cost tier, other than a tier offered at a discounted fee, of service which is available to subscribers for a fee and which includes the provision of retransmission of local broadcast signals, public, educational, and governmental programing and any other programing service as offered by a cable operator as part of the tier, and specified in the franchise agreement as part of basic service, which is distributed by coaxial cable or any other closed transmission medium;

"(2) 'basic telephone service' means telecommunications service provided through a switched network capable of providing two-way voice grade communications that would be subject to regulation by the Commission or any State if offered by a common carrier subject, in whole or in part, to title II of this Act;

"(3) 'broadband telecommunications' means any receipt or transmission of electromagnetic signals, including basic service, cable service, and telecommunications service, over coaxial cable or any other close transmission medium;

"(4) 'broadcasting' means telecommunications by radio intended to be received by the public, directly or by the intermediary of relay stations;

"(5) 'cable channel' or 'channel' means that portion of the electromagnetic frequency spectrum used in a cable system for the propagation of an electromagnetic signal;

"(6) 'cable operator' or 'cable system operator' means any person or persons, or an agent or employee thereof, that provides basic service, cable service, or telecommunications service over a cable system, or that directly or indirectly owns a significant interest in any cable system, or that otherwise controls or is responsible for, through any arrangement, the management and operation of such a cable system;

"(7) 'cable service' means the provisions by a channel programer of one-way programing on a per channel, per program, or other basis which is distributed by coaxial cable or any other closed transmission medium, but such term shall not include basic service;

"(8) 'cable subscriber' means any person who receives or transmits electromagnetic signals distributed over a cable system;

"(9) 'cable system' means a facility or combination of facilities under the ownership or control of any person or persons, which consist of a primary control center used to receive and retransmit, or to originate broadband telecommunications service over one or more coaxial cables, or other closed transmission media, from the primary control center to a point of reception at the premises of a cable subscriber, but such term does not include: (A) a facility or combination of facilities that serves only to retransmit the television signals of television broadcast stations; (B) a facility or combination of facilities that serves only subscribers in one or more multiple unit dwellings under common ownership, control, or management; or (C) a common carrier subject to the provisions of title II of this Act whenever such carrier transmits broadband telecommunications services other than basic service or cable service;

"(10) 'channel programer' or 'programer' means any person having an agreement to provide basic service or cable service to a cable system operator, or any person who leases, rents, or is otherwise authorized to use the facilities of a cable system for the provision of basic service or cable service, and such term shall include a cable system operator to the extent that such operator, or person or persons under common ownership or control with such operator, is engaged in the provision of such service;

"(11) 'closed transmission medium' or 'closed transmission media' means media having the capacity to transmit electromagnetic signals over a common transmission path such as coaxial cable, optical fiber, wire, waveguide, or other such signal conductor or device;

"(12) 'franchise' means a permit, license, ordinance, resolution, right-of-way, contract, certificate, agreement, or similar authorization issued by a franchising authority which authorizes the provision of basic service, cable service, or telecommunications service by a cable operator;

"(13) 'franchising authority' means any State, political subdivision, or agency thereof, or any other governmental entity empowered to grant a franchise;

"(14) 'grade B contour' means the field strength of a television broadcast station computed in accordance with regulations promulgated by the Commission;

"(15) 'information' means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or other symbols;

"(16) 'law' includes any regulation, rule, order, standard, policy, requirement, procedure, or restriction;

"(17) 'person' means an individual, partnership, association, joint stock company, trust, corporation or any governmental authority;

"(18) 'telecommunications' means the transmission of information by electromagnetic means, with or without benefit of any closed transmission medium, including all instrumentalities, facilities, apparatus, and services (including the collection, storage, forwarding, switching, and delivery of such information) essential to such transmission;

"(19) 'telecommunications service' means the offering of telecommunications facilities, or of telecommunications but such

term shall not include basic service or cable service; and

"(20) 'United States' means the several States and territories, the District of Columbia, and the possessions of the United States.

"STATEMENT OF AUTHORITY

"SEC. 604. The provisions of this title shall apply as follows:

"(1) The Commission shall have jurisdiction and exercise authority with respect to broadband telecommunications in accordance with the provisions of this title and other applicable provisions of law.

"(2) Nothing in this title shall be construed as prohibiting any State or political subdivision or agency thereof, or franchising authority, from awarding, in accordance with the provisions of this title, one or more cable franchises within its jurisdiction.

"(3)(A) Except to the extent provided in paragraph (B), no cable system shall provide basic service or cable service without a cable franchise in compliance with this title.

"(B) The provision of paragraph (A) shall not be applicable in the case of any cable system in operation on April 21, 1983.

"OWNERSHIP OR CONTROL OF CABLE SYSTEMS

"SEC. 605. (a) No State or political subdivision or agency thereof, or franchising authority, shall have the authority to prohibit, directly or indirectly, the ownership of cable systems by any person by reason of that person's ownership of any other media or other interests, including broadcast, cable, newspaper, programing service, or other printed or electronic information service.

"(b)(1) Notwithstanding the provisions of subsection (a) of this section, for the purpose of ensuring fair and equitable treatment of United States cable enterprises seeking access to markets in a foreign country, the Commission shall have authority to conduct inquiries applicable to foreign persons from that country seeking access to domestic markets in the United States in connection with the construction, ownership and operation of cable enterprises as to whether the United States cable enterprises are permitted fair and equitable access to such foreign markets.

"(2) The Commission shall submit any information obtained through such inquiries to the United States Trade Representative to assist the Trade Representative in his identification and analysis of acts, policies or practices which constitute significant barriers to, or distortions of, United States exports of services.

"(3) For purposes of this subsection, the term 'foreign persons' includes any individual who is not a citizen of the United States, any subsidiary (although established under the laws of the United States or any State thereof) of a corporation or other business entity which was established under the laws of a foreign country, any corporation or other business entity established under the laws of a foreign country, or any corporation or other business entity established under the laws of the United States or any State thereof, if 25 percent or more of the capital stock or equivalent ownership is owned or controlled by an individual who is not a citizen of the United States or by a corporation or other business entity established under the laws of a foreign country, or any subsidiary of a corporation or other business entity established under the laws of a foreign country.

"(c)(1) Notwithstanding the provisions of subsection (a) of this section, a State or political subdivision or agency thereof, or franchising authority, may not acquire an ownership interest in any cable system pursuant to a buy-back provision of a franchise or require a sale of a cable system to any other person pursuant to a franchise, upon the expiration of the franchise, unless such State, subdivision, agency, authority, or person acquires such ownership or interest at not less than fair market value based upon the ongoing business value of the system. In the event that the cable operator and a State or political subdivision or agency thereof, or franchising authority, are unable to agree upon any such fair market value, then the matter of determining fair market value shall be submitted to binding arbitration. For purposes of arbitration, each of the affected parties shall select one arbitrator and the two arbitrators so selected shall choose a third arbitrator.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, in the event of termination for cause of a franchise due to a material breach, a State or political subdivision or agency thereof, or franchising authority, may acquire an ownership interest in such cable system but only upon written notice of the breach, reasonable opportunity to remedy the breach, and other due process. Any such termination shall be subject to de novo review by a court of competent jurisdiction.

"(d) In any case in which any such State, subdivision, agency, or authority has or acquires any such ownership or interest, such State, subdivision, agency, or authority shall, in no case, own or control, directly or indirectly, the content of any of the programing on such cable system, except for programing on government access channels, unless such State or political subdivision or agency thereof, or franchising authority, establishes an independent board or a separate management company. Such board or company shall not include any State or local office holder.

"ACCESS CHANNELS

"SEC. 606. (a) A cable system operator may offer in a franchise to dedicate or set aside channels for public, educational, governmental or other channel users.

"(b) The franchising authority and the cable operator may establish rules and procedures for the use of the channels set aside or dedicated pursuant to this section.

"(c) Until such time as there is demand for each channel full time for its designated use, public, educational, governmental, or other channel programing may be combined by the cable system operator on one or more channels, and to the extent time is available on such channels, they may be used by the cable system operator for the provision of other services.

"REGULATION OF RATES AND SERVICES

"SEC. 607. (a) Nothing in this title shall be construed as prohibiting any State or political subdivision or agency thereof, or franchising authority, from establishing, fixing, or otherwise restricting the rates charged by cable operators—

"(1) to subscribers for the receipt of basic service,

"(2) to subscribers for equipment necessary for the receipt of basic service, and

"(3) to subscribers for equipment which facilitates the reception of basic service by hearing impaired individuals.

"(b)(1) Any rate regulated pursuant to this section may be increased annually at the discretion of the cable operator by an amount not to exceed 5 percent of the existing rate or the regional consumer price index for the preceeding 12 months, whichever is greater, upon 30 days prior notice. The ability to affect such increases shall be cumulative for not more than 3 successive years.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, nothing in this title shall be construed as prohibiting any State or political subdivision or agency thereof, or franchising authority, from providing that such automatic increases shall not apply to a franchise which is in existence on the date of the enactment of the Cable Telecommunications Act of 1983 and which provides for a fixed rate for basic service over a specified period.

"(c) Notwithstanding the provisions of subsections (a) and (b) of this section, a cable system operator may automatically increase basic service rates which exceed the basic rates allowed pursuant to subsection (a) or (b) of this section if—

"(1) such operator has requested the increase in rates; and

"(2) the request is not acted on within 90 days following the date of its receipt.

"(d)(1) Notwithstanding the provisions of subsection (a) of this section, the authority to establish, fix, or otherwise restrict the rates charged to subscribers for the provision of basic services set forth in subsection (a) of this section, except to the extent otherwise provided in paragraph (2) of this subsection, shall not be applicable in any case where the cable system is located within the grade B contour of not less than four television signals of which there shall be one affiliate of each of the three major television networks.

"(2) The provisions of paragraph (1) of this subsection shall not be applicable in the case of any franchise in existence prior to the date of the enactment of the Cable Telecommunications Act of 1983, if the rates charged to subscribers for the provision of basic services are subject to regulation or are restricted by any State or political subdivision or agency thereof, or any franchising authority. The provisions of this paragraph relating to existing rate regulation of basic service shall be applicable for a period of 5 years following the date of the enactment of such Act, or for a period equal to one-half of the period of the remaining term of such franchise, as of the date of the enactment of such Act, whichever is greater. The provisions of paragraph (1) shall be applicable to any renewal or other extension of any such franchise.

"(e) No executive agency of the United States, including the Commission, and no State or political subdivision or agency thereof, or franchising authority, shall have authority to regulate or restrict the rates for reconnection, additional sets to the same subscriber, or sales of equipment.

"(f) No executive agency of the United States, including the Commission, and no State or political subdivision or agency thereof, or franchising authority, shall have authority to regulate or restrict the provision of or nature of cable services offered over a cable system except as provided in section 613 of this Act.

"(g) No executive agency of the United States, including the Commission, and no State or political subdivision or agency thereof, or franchising authority, shall have authority to regulate or restrict the provision of or nature of telecommunications services offered over a cable system, except with respect to the provision of basic tele-

phone service, and except as provided in section 613 of this Act.

"(h) Nothing in this Act shall be construed as prohibiting a franchising authority and a cable operator from specifying, in a franchise agreement or renewal thereof, that certain cable services shall not be provided or shall be provided subject to conditions, if such cable services are obscene or are otherwise unprotected by the United States Constitution.

"FRANCHISE FEES

"SEC. 608. (a) Cable operators may be required in a franchise to pay to a State or political subdivision or agency thereof, or franchising authority, a franchise fee.

"(b)(1) No franchise fee paid by a cable system operator for the privilege of holding a franchise, shall exceed an annual aggregate of 5 percent of such cable operator's gross revenues derived from the operation of the cable system which is the subject of the franchise.

"(2) Nothing in this section shall be construed as limiting fees required by a franchise in effect on the date of enactment of the Cable Telecommunications Act of 1983 to be paid directly or indirectly to entities established for the purpose of facilitating the use of channels set aside for public, educational, or governmental use.

"(c) Any cable system operator may pass the cost of any increase in a franchise fee through to subscribers, and may designate the total franchise fee as a separate item in the subscribers' bills.

"(d) For the purposes of this section—

"(1) 'franchise fee' shall include any tax, fee or assessment of any kind imposed by a franchising authority or governmental authority on a cable system operator or cable subscriber because of their status as such; and

"(2) 'assessment' shall not include bonds, security funds, letters of credit, insurance, indemnification, penalties, liquidated damages or similar requirements which are incidental to the enforcement of the franchising agreement.

"(e) Nothing in this section shall be deemed to require a cable operator to renegotiate the provisions of an existing franchise.

"RENEWALS AND EXTENSIONS

"SEC. 609. (a) In any case in which a cable system operator submits an application to the franchising authority for the renewal or other extension of such operator's franchise authorization, the franchising authority shall grant such renewal or other extension unless it finds that—

"(1) the cable system operator has not substantially complied with the material terms of such franchise and with applicable law, or has been convicted of a felony;

"(2) there has been a material change in the legal, technical, or financial qualifications of the cable system operator that would substantially impair the continued provision of service by such operator;

"(3) the facilities to be provided by such operator, including facilities for governmental access, are unreasonable in light of the community need for and cost of such facilities;

"(4) the signal delivered by the cable system within the control of the cable system operator, has not generally met technical standards as established by the Commission; or

"(5) the proposals contained in the renewal application are otherwise unreasonable.

"(b) A cable system operator must file for renewal at least 24 months before the expiration of the franchise. The franchising authority—

"(1) must consider the renewal within 90 days of submission of the application and conduct any proceedings necessary to adequately consider the application; and

"(2) may not request, accept, or consider any other franchise application until the incumbent franchisee application is denied or approved.

"(c) A cable system operator with a franchise which shall expire within 24 months after the date of enactment of the Cable Telecommunications Act of 1983, shall be in compliance with subsection (b) if he files an application for renewal within 60 days after such date of enactment.

"(d) The franchising authority shall—

"(1) negotiate in good faith with any cable system operator regarding franchise renewal within 30 days after the completion of proceedings pursuant to subsection (b); and

"(2) make a final decision on granting or denying renewal within 12 months after receipt of an application;

"(3) in the case of denial of an application—

"(A) not make the final decision for at least 7 months from the date of receipt of the application; and

"(B) notify the applicant by written statement, within 7 days after the final decision, of the reasons for the denial.

"(e) Any renewal applicant adversely affected or aggrieved by a final decision of a franchising authority made pursuant to subsection (d), or by a failure of the franchising authority to act in accordance with subsection (d), may obtain a de novo review of such final decision in any court of competent jurisdiction. The existing franchise shall remain in effect pending the completion of such judicial review.

"UNAUTHORIZED INTERCEPTION OR RECEPTION

"SEC. 610. (a) No person or government authority shall intercept or receive broadband telecommunications unless specifically authorized to do so by a cable system operator, channel programer, or originator of broadband telecommunications or as may otherwise be specifically authorized by Federal law.

"(b) In order to safeguard the right to privacy and security of broadband telecommunications, such broadband telecommunications shall be deemed to be a 'wire communication' within the meaning of section 2510(1) of title 18 of the United States Code.

"(c) In the event that there may be any difference between the provisions of this section and chapter 119 of title 18 of the United States Code, or any regulations promulgated thereunder, it is the intent of the Congress that such chapter 119 shall be controlling.

"PROTECTION OF SUBSCRIBER PRIVACY

"SEC. 611. (a)(1) Except as provided in paragraph (2) of this subsection, no cable operator, channel programer, or originator of broadband telecommunications may use the cable system to collect personally identifiable information with respect to a cable subscriber, except upon the prior written or electronic consent of that subscriber.

"(2) The provisions of paragraph (1) of this subsection shall not apply to the collection of information solely for billing purposes or to monitor whether there is unauthorized reception of cable telecommunications.

"(3) A cable operator, channel programer, or originator of broadband telecommunications shall ensure that any such information is destroyed when the information is no longer used or to be used for the purposes for which it was collected.

"(b) No cable operator, channel programer, or originator of broadband telecommunications shall disclose personally identifiable information obtained pursuant to subsection (a) of this section with respect to a cable subscriber, or personally identifiable information with respect to the services provided to or received by a particular cable subscriber by way of a cable system, except upon the prior written or electronic consent of the subscriber, or pursuant to a lawful court order authorizing such disclosure.

"(c) If a court shall authorize or order disclosure, the cable subscriber shall be notified of such order by the person to whom such order may be directed, within a reasonable period of time before the disclosure is made, but in no event less than 14 calendar days.

"(d) Each cable operator shall, at the time of entering into an agreement to provide cable telecommunications, and regularly thereafer, inform every subscriber of the rights of the subscriber under this section. Such information shall include a description of the nature of the information to be maintained by the cable operator, channel programer, or originator of broadband telecommunications, and the location and availability of such information.

"(e) A cable subscriber shall have access to all personally identifiable information regarding that subscriber which is collected and maintained by a cable operator, channel programer, or originator of broadband telecommunications. Such information shall be available to the subscriber at reasonable times and at a place designated by the cable operator, channel programer, or originator of broadband telecommunications.

"(f) Any cable subscriber whose privacy is violated in contravention of this section, shall be entitled to recover civil damages as authorized and in the manner set forth in section 2520 of title 18 of the United States Code. This remedy shall be in addition to any other remedy available to such subscriber.

"CRIMINAL AND CIVIL LIABILITY

"SEC. 612. Nothing in this title shall be deemed to affect the criminal or civil liability of channel programers or cable operators pursuant to the law of libel, slander, obscenity, incitement, invasions of privacy, false or misleading advertising, or other similar laws, except that cable operators shall not incur such liability for any program carried on any public, educational, governmental, or other channel referred to in subsection (a) of section 606, or for any program required by law to be carried on any other channel.

"PROGRAMING, SERVICES, AND FACILITIES

"SEC. 613. (a) No State or political subdivision or agency thereof, or franchising authority, may require the provision of particular programing or other broadband services, or facilities, equipment, services, or other items of value which are not related to the provision of broadband telecommunications service.

"(b) A franchising authority may require, as part of the initial franchise request for proposals—

"(1) channel capacity for governmental access purposes; and

"(2) the construction of cable system facilities or provision of other cable-related equipment.

"(c) A cable operator may offer, but may not be required to provide, as part of basic service or any other tier of service—

"(1) channel capacity for access uses; and

"(2) particular services.

"(d) The cable operator may replace or remove a particular service specified in the cable franchise as part of the basic service or any other tier of cable service or telecommunications service, or cable system facilities or cable related equipment, in any case in which there has been a significant change in circumstances since the cable operator's offer to provide such service, facilities, or equipment. The cable operator may not be required to retain a specified service in any particular category of service other than basic service.

"(e) Except as provided in subsection (c) of this section, a franchising authority may, in accordance with the provisions of this section, enforce any offer to provide particular basic service set forth in subsection (c) or particular cable services or telecommunications services or cable system facilities or cable-related equipment offered by a cable operator provided that the provision of such services, facilities, or equipment is specifically required by the franchise agreement.

"(f) Notwithstanding the preceding provisions of this section, in any case in which a franchise agreement in effect on the date of the enactment of the Cable Telecommunications Act of 1983 requires the cable operator to provide particular programing, services, facilities, cable related equipment, or channel capacity for access uses, such requirements, subject to subsections (d) and (e), shall remain in effect for the term of the franchise and in accordance with the provisions thereof.

"NO REGULATION AS COMMON CARRIER

"SEC. 614. No executive agency of the United States, including the Commission, and no State or political subdivision or agency thereof, or franchising authority, shall have authority to impose on a cable system regulation as a common carrier or a utility to the extent that such cable system provides broadband telecommunications service other than basic telephone service.".

EXCLUSIVE JURISDICTION

SEC. 2. (a) Except to the extent otherwise specifically provided in title VI of the Communications Act of 1934, as added by the first section of this Act and as provided in section 607 of such title, the Federal Government shall have exclusive jurisdiction over broadband telecommunications regarding matters covered by such title.

(b) Any law of any State or political subdivision or agency thereof, or franchising authority, in effect on the effective date of title VI of the Communications Act of 1934, as added by the first section of this Act, which is in conflict with the provision of subsection (a) of this section relating to the exclusive jurisdiction of the Federal Government, shall be deemed superseded, as of the expiration of the 6-month period following the date of the enactment of this Act, and shall thereafter be null and void and of no effect.

(c) Except to the extent otherwise provided by this Act and the amendments made thereby, any State or political subdivision or agency thereof, or franchising authority, may exercise jurisdiction over matters which are of strictly local concern and which are necessary for reasons of public health, safety, and welfare, including the terms and conditions for the granting of a franchise, the construction and operation of a cable system, and the enforcement and administration of a franchise.

NEW AND ADDITIONAL SERVICES

SEC. 3. Title I of the Communications Act of 1934 is amended by inserting after section 6 the following new section:

"NEW AND ADDITIONAL SERVICES

"SEC. 7. (a) consistent with sound spectrum management, the Commission shall, to the maximum feasible extent, encourage the introduction of new and additional services by new applicants, existing licensees, or other persons. In any proceeding in which new or additional services are proposed, such services shall be presumed to be in the public interest whenever the Commission finds that such services are technically feasible without causing significant technical degradation to or interference with radio transmissions by other licensees.

"(b) Any person may file with the Commission a petition to establish or an application to offer a new or additional service.

"(c) The Commission must determine whether the new or additional service proposed in a petition or application is in the public interest within 1 year after such petition or application is filed. If the Commission initiates its own proceeding for a new or additional service, such proceeding must be completed within 12 months after it is initiated.".

EFFECTIVE DATE

SEC. 4. The provisions of this Act and the amendments made thereby shall take effect upon the date of enactment of this Act.

REDESIGNATION

SEC. 5. The existing title VI of the Communications Act of 1934 is redesignated as title VII, and sections 601 through 609 are redesignated as sections 701 through 709, respectively.

Mr. BYRD. Mr. President, I designate Mr. EXON at this point to control the time on my side.

Mr. PACKWOOD. Mr. President, I sent to the desk a committee modification.

The PRESIDING OFFICER. The Senator has a right to modify the committee amendment, and it is so modified.

The modification follows:

On page 22, line 4, strike out the word "and".

On page 22, line 10, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 22, between lines 10 and 11, insert the following:

"(4) competition is a more efficient regulator than government of the provision of diverse telecommunications services and as competition continues to develop, the deregulation of telecommunications services should occur.".

On page 23, line 15, beginning with "telecomuni-", strike out all through "tions" on line 18 and insert in lieu therof "two-way voice grade communications that is held out to the public and".

On page 31, line 15, insert "be required, as part of the franchise request for proposals, to dedicate or set aside channels for public, educational or governmental users, and the cable system operator may" immediately after "may".

On page 31, line 16, strike out all beginning with "public" through "or" on line 17.

On page 32, line 16, strike out "5 percent of the existing rate or".

On page 32, line 18, strike out "whichever is greater,".

On page 34, insert between lines 9 and 10 the following new paragraph:

"(3) The provisions of paragraph (1) of this subsection shall not be applicable where the cable system is subscribed to by at least 80 percent of the residences to which cable service is available, unless the cable operator demonstrates that 90 percent of the time, adequate on-site reception of the four television signals is available to more than 50 percent of the households to which cable service is available. Such a determination shall be made by the Commission. Failure by the Commission to make a determination within 180 days after the filing of an application by the cable operator shall be deemed to be a determination that such satisfactory reception is available.".

On page 34, line 21, immediately after "(g)" insert "(1)".

On page 35, line 1, immediately after the comma, insert the following: intrastate telecommunications services,".

On page 35, between lines 2 and 3, insert the following:

"(2)(A) Subject to the provisions of subparagraph (B), a State may require only the filing of informational tariffs for intrastate telecommunications services that would be subject to regulation by the Commission or any State if offered by a common carrier subject, in whole or in part, to title II of this Act, which are offered over a cable sytem. Such informational tariffs shall specify only the rates, terms, and conditions for the provision of service and shall take effect on the date specified therein.

"(B) Subparagraph (A) shall not apply to any private telecommunications service which is a discrete service dedicated to a single customer and operated by such customer.

"(3) A State shall deregulate the provision of intrastate telecommunications services if it finds that such services are subject to effective competition.

"(4) For purposes of this subsection, an intrastate telecommunications service shall be considered to be subject to effective competition in a particular geographic area or market if there are reasonably available alternatives. In determining whether there are reasonably available alternatives, the State shall consider—

"(A) the number and size of providers of services;

"(B) the extent to which services are available from providers in the relevant geographic area or market;

"(C) the ability of such providers to make services readily available at comparable rates, terms, and conditions; and

"(D) other indicators of the extent of competition, including affiliation of providers of services.

"(5) Nothing in paragraphs (2), (3), and (4) of this subsection shall be construed as being applicable to basic telephone service.".

On page 37, beginning with line 19, strike out all through line 3 on page 38 and insert in lieu thereof the following: "franchising authority must consider the renewal within 120 days of submission of the application and conduct any proceedings necessary to adequately consider the application".

On page 39, line 3, strike out "a de novo" and insert in lieu thereof "judicial".

On page 39, line 5, immediately after the period insert "Such judicial review shall be

de novo, unless the renewal applicant has been afforded a hearing on record before an independent hearing examiner or administrative law judge consistent with State law that requires—

"(1) adequate notice;

"(2) fair opportunity for participation by the renewal applicant, which includes—

"(A) discovery;

"(B) the filing of pleadings, motions, or objections;

"(C) the introduction of written or oral testimony; and

"(D) cross-examination of opposing parties; and

"(3) a written decision by the examiner or judge based exclusively on the full record of the hearings and stating the specific findings of fact and conclusions of law on which the decision is based.".

On page 42, line 19, strike out "initial".

On page 42, line 20, insert "public, educational or" immediately after "for".

On page 43, line 4, insert "other" immediately after "for".

On page 43, line 6, immediately after "(d)" insert "(1)".

On page 43, between lines 14 and 15, insert the following:

"(2) In any case in which a cable operator submits a showing that, as a result of a significant change in circumstances, particular facilities and equipment required by the franchise are economically, technically, or otherwise impracticable, the franchising authority shall enter into negotiations with the cable operator for the termination, modification, or deferral of such requirement. If such terms and conditions cannot be agreed upon within 45 days, the matters shall be submitted to binding arbitration. For purposes of arbitration, each of the affected parties shall select one arbitrator and the two arbitrators so selected shall choose a third arbitrator. The existing franchise provisions, except for those which are the subject of arbitration, shall not be affected by the arbitrators' final decision.

On page 45, line 19, strike out "tion" and insert in lieu thereof "tions".

On page 46, line 14, strike out the quotation marks and the last period.

On page 46, between lines 14 and 15, insert the following new section:

"DECLARATION

"SEC. 8. The Congress declares that competition is a more efficient regulator than government of the provision of diverse communications services and as competition continues to develop, the deregulation of communications services should occur.".

Mr. PACKWOOD. Mr. President, at the Commerce Committee's executive session on April 21, 1983, concerns were expressed about how telephone companies would compete with cable systems in the provision of local data services. S. 66 provides that cable systems would not be subject to regulation when they provide such services. Regulation of telephone companies providing such services, however, is not addressed in this bill, and such regulation would continue, subject to state oversight.

Cable has the capability of providing much more than video services. It has the potential of offering many innovative information services at attractive prices. Yet, cable has hardly begun to enter this market. That is why S. 66 allows cable to provide local data services without being subject to regulatory control.

Telephone companies are the dominant providers of voice and data services in local markets. While many alternative technologies are now beginning to enter the local market, it is far from clear how these will fare. Until then, these services, as provided by the telephone companies, must continue to be subject to regulation.

At some point, with all of these new services, the local data service market may become competitive. It would be unfair to the telephone companies to continue to regulate them when this occurs. The proposed amendment addresses this problem.

The amendment provides that when local data services are effectively competitive, all providers of such services shall be deregulated. In other words, the telephone companies will be deregulated in the provision of these services when they face genuine competition. If, for example, the telephone companies believe such competition exists today, they are able to petition for deregulation after the bill becomes law.

The amendment also allows States to require cable operators to file an "informational tariff" when they provide local data services. This tariff will include information regarding the rates, terms, and conditions of such service and will go into effect when the cable operator specifies. States can enforce these tariffs by requiring cable operators to follow these tariffs until new ones are filed.

The advantages of this "informational tariff" are twofold. First, it allows States to see if competitive data services are actually being provided. This will facilitate the marketplace analysis required for deregulation. Second, this tariff allows consumers and competitors to determine what services are being offered. Greater information enables the marketplace to work more efficiently, increasing the opportunity for competition to develop and deregulation to occur.

The amendment also responds to another concern raised by the telephone companies: that cable is statutorily deregulated when they provide data processing services, while the telephone companies are only administratively deregulated. The amendment includes a provision placed in title I of the 1934 Communications Act that provides, as national policy that services subject to competition should not be regulated. Since data processing services fit this description, the amendment further insures that they will continue to be offered without regulation.

This bill's basic premise is that cable's entry into the local information market has the potential to greatly benefit consumers. It will join a host of other new delivery services that have already been authorized and that will increase local telecommunications competition, providing the public with a variety of new ways to send and receive information.

The telephone companies continue to have the responsibility to provide universal telephone service. This bill recognizes the importance of such an obligation by requiring cable operators who wish to provide basic telephone service to be fully subject to State regulation.

There is one other amendment to S. 66 that deals with concerns raised by Senator THURMOND. Senator THURMOND expressed concern about the antitrust implications of this legislation. Thus, several meetings took place between the staff of the Commerce and Judiciary Committees on this issue. These meetings culminated in an agreement that provides as follows:

First. The provision that no competing applications shall be considered by the franchising authority at renewal time will be deleted; and

Second. There is a conforming amendment in another section that allows a franchising authority to require the same things of a competing applicant that it did of the renewal applicant.

These amendments were agreed to in order to make clear that it is not our purpose to hinder competition by mandating exclusive rights for any cable operation. However, the incumbent cable operator has the assurance that he will be able to continue his business if he meets the renewal standards set forth in the bill, which is the basic purpose of the renewal section in S. 66.

Mr. President, I urge my colleagues to join in support of S. 66, as amended, as it is an essential step toward providing the public with quality service.

Mr. President, if I can in a brief period of time, let me try to cut through the chaff and get down to the wheat of this bill, and allay some of the fears that have been expressed about some parts of it.

Cable television has grown from infancy to adolescent. It is not yet a full-fledged adult and it has a long way to go before it will be the significant force in this country that either over the air broadcast television or the telephone company or any of its local affiliates are.

Nevertheless, there has been expressed some fear that one particular provision of this bill which would allow local cable companies to transmit data, local data—not voice, but local data—would so strip bare the revenues of the local phone companies that they would have to significantly increase their rates. No provision of this bill would do that.

We have had over the past year and a half many misstatements—I hope unintentional—about the problem of increases in the cost of local telephone service. Some of it has been blamed on the consent decree arrived at between the Department of Justice and AT&T. But that decree is not yet in effect. It does not go into effect until next January. Judge Greene, the presiding judge, hearing the Justice Department's case, still has the power to change it. So whatever the effect may be on telephone rates in the future, it has not happened yet. So scratch that consent decree argument as the reason for the increase in telephone rates.

Well, then the argument is used that we have deregulated the provision of equipment—cordless phones, princess phones, competitive phones—and indeed we have deregulated that. And indeed today you can buy phones when you formerly had to rent them from one of the AT&T affiliates or one of the private phone companies.

Today, as a homeowner, you can do infinitely better on purchasing equipment than you could ever do by renting. By and large, you can amortize most of the equipment you would purchase in your home over, say, 2½ years. And any business would be delighted to be able to amortize equipment over that period of time.

The real reason that we face the possibility of increased local phone rates in the future is that there has been a change of policy undertaken by the Federal Communications Commission to gradually require that local phone service pay its own way. In the past, local phone service was heavily subsidized, say from 35 to 50 percent of its cost, by long-distance charges, both interstate and intrastate. And so long as AT&T and its affiliates were really all one company it did not make a great deal of difference to AT&T whether or not they subsidized, in essence, their own subsidiaries.

The Senate will recall that about 1½ or 2 years ago this Senate passed a telephone deregulation bill, S. 898, that was slightly different from the consent decree. We did not require the divestiture by AT&T of its subsidiaries. So that the division of interests—and frankly that is what they are—the division of interests and division of subsidiaries between the local companies and AT&T did not exist in our bill. But even so, to make sure that the policy that the Federal Communications Commission had followed in the past of subsidizing local rates with long-distance charges was continued, we codified what had previously been FCC administrative policy.

Now the bill we passed had provisions, that did require the separation of AT&T's competitive fashion different than the consent and noncompetitive services in a decree. We did not split off the local companies from AT&T. But I want to emphasize that in our bill was a statutory codification of the policy of subsidizing residential rates and rural rates with charges on long-distance companies.

That bill did not pass the House. The House never considered it. It never got out of committee and never got to the floor. And if the House was truly interested and truly afraid that any kind of change in the makeup of AT&T or any kind of increased competition from other nontelephone company competitors was going to seriously drive up local rates, the House could have stripped out of that bill the one sentence that directed the FCC to subsidize local rates, and we would have willingly accepted it. The House did not, and we are now left with the situation that we are in.

Senator GOLDWATER and I, and I hope numerous others, will soon be introducing a bill, the philosophy of which is to, again, direct the Federal Communications Commission to use a mechanism to subsidize rural and residential telephone service. Because Senator GOLDWATER and I are committed to the concept that everyone in this country should have access to a phone and should not be denied it because they live in geographically remote areas or should not be denied it because the price finally gets so high they cannot afford it, we will start hearings on that bill after the Fourth of July. But there is nothing in the present cable bill—nothing—that has any significant effect on local rates.

The argument is made, that because we allow the cable companies to transmit data locally on an unregulated basis, that they are going to skim cream, and steal the phone companies' business. This, it is argued, will cause the phone companies to have to raise their local rates, because the phone companies would still be regulated by the same public utility commissioners in the transmission of data.

Well, Mr. President, it depends on what your philosophy is. Our philosophy is that when there is competition—and I am speaking for the Commerce Committee and Senator GOLDWATER and myself—our philosophy is that when there is competition, all of the parties should be deregulated. And our bill requires—it is mandatory—that if and when any State public utility commissioner finds that local data transmission by cable companies has become competitive with the phone company then the phone company is deregulated as far as the transmission of data is concerned. And they will both be on a level playing field, and they will both be competitive in the marketplace, and they will both be unregulated.

The philosophy of the phone companies is they want the Federal Government—and they have suggested they may offer an amendment—in this bill to regulate both the phone companies and cable as to the transmission of local data.

Let me give you an idea of roughly what kind of revenues we are talking about. Bearing in mind that long distance calls now subsidize anyplace from 35 to 50 percent of local calls, in 1982 the revenue, the local revenue, of all of AT&T's affiliates nationwide was $29.6 billion. The local data revenue, all the money that they got from transmitting data all over the United States, every one of their local companies, was $331 million or roughly 1.1 percent of their total revenue. If cable took it all, and it is not going to, it is 1 percent. One percent of revenues is not going to subsidize anybody's local phone rate significantly.

Let me take my own phone company in Oregon. Pacific Northwest Bell serves Washington and Oregon, by and large. Its local revenue last year was $749 billion. That is revenue from all sources, voice, data, everything else. Their local data revenue was $7 million—1 percent. That does not vary significantly from anyplace in the country.

If you want to take what is perhaps the most significant example, let us take New York Telephone Co., the AT&T affiliate in New York. Let us compare with the Manhattan Cable. This is an old cable company. Manhattan has been wired for a long period of time.

Before I get into this, let me explain the situation of where cable exists in this country. By and large, Mr. President, where cable exists, as I recall my figures, something like 75 percent of all cable companies serve towns of 15,000 or less, and 90 percent of all cable companies serve areas of 30,000 or less.

In those small towns, Mr. President, there is relatively little intracity data transmission, and in many of those areas, the local phone company is the local cable company. Most cable companies exist in the smaller areas of this country.

We here in Washington, D.C., are not wired for cable service. They have not let a franchise. Montgomery County, one of D.C.'s largest suburbs, is not yet wired; there is no franchise. I doubt if most major cities today will be wired if they have not been wired, because the cost of wiring is so extraordinary today that I think few companies will be willing to put the money up front to wire the city when they face the possiblity of being supplanted by other technologies like direct satellite-to-home-television.

Now, let us use Manhattan as an example.

First, for New York Telephone, their 1982 local revenue, voice, data, and everything else, was $3.8 billion. Its local

data revenue—this is New York Telephone—was $82 million or about 2 percent of their revenues.

Now let us take Manhattan Cable which is the largest cable company in the United States. Manhattan Cable has 150,000 subscribers. Twenty-two of them use it for data transmission. Manhattan Cable's total gross revenues in 1982 were $41 million; its total data revenue was $985,000.

Again I want to put that in comparison. New York Telephone's total local revenues were $3.8 million; Manhattan Cable total revenues, $41 billion; New York Telephone total local data revenue $82 million, and Manhattan Cable $985,000, roughly a ratio of 90 to 1.

Mr. President, that is not seriously competitive. Forget that. This bill says, when it becomes competitive the phone company will be deregulated in the transmission of data.

Mr. President, I could cover a lot of other aspects of this bill, but that is the principal debate we are facing right now, whether or not by passing this bill we are going to seriously undermine local service by dramatically increasing its cost or dramatically reducing its subsidy. We are not. There is no likelihood we will do so in the immediate remote future. Worse than that, it is a misleading smoke screen for the fact that the principal subsidy that exists in this country today is the local phone rate being subsidized heavily by long distance. That is a subject this bill does not address. It is a subject that Senator GOLDWATER and I and others will address whether any amendments are passed or not passed. Regulating or deregulating cable as far as data transmission is concerned is irrelevant to the subsidization of local telephone service.

With that, Mr. President, I will yield the floor.

Mr. GOLDWATER. Will the Senator yield to me?

Mr. PACKWOOD. I yield the floor.

Mr. GOLDWATER. Mr. President, I subscribe to everything that my Commerce Committee chairman has said. He has succinctly outlined what this bill is all about, a rather unusual and uncalled for apparent interference by American Telephone & Telegraph Co.

I would like to address myself, Mr. President, very briefly to what cable television really is.

All of us and people hearing this and reading this understand a television antenna, that your antenna has to be on your roof, that it requires a lead into your set, it requires a transmission antenna, preferably indirect line with your receiving antenna because the frequencies used by television will not penetrate to any great extent or will they go around corners or over the curve of the Earth.

Knowing that people all over America would like to have a clearer picture on their television screen than many of them are able to get—regardless of the fact that they may be in more or less direct line with the transmission antenna—cable television came out. What is cable? Cable is merely what it says. It is a cable that can be stretched on telegraph, telephone, or power polls. It can be placed underground, as mine is where I live in Arizona.

The great advantage of this is that it not only brings a clearer peiture, but it gives me in my particular case 36 different channels where I have 5 channels available locally. It enables me to see television any time of the day or night. Many people may say "Who wants to watch that much television?" Well, there are times when you want to see the news and news is available 24 hours a day on cable television.

I come from a State that is more rural than it is citified, if we want to use that word. Arizona is a State with high mountains, deep canyons—places where television cannot get to without some means of transmission by cable, the cable that can be stretched over the power or telephone lines, put underground, and made available to people in remote places.

So, if it has great appeal, it should have great appeal to people living in urban areas who do not have the advantage of direct-line reception.

Mr. President, the quality received over a cable is far, far superior to anything that can be received from antenna to antenna. I have been in this business all of my life, I know something about it. I can tell you, Mr. President, without any question that I would much rather watch cable television than antenna-to-antenna television.

We even have coming along, I think within 3 years maybe 4, the ability of every homeowner in this country able to afford a few hundred dollars to have television reception directly from satellites of television programs going on in, literally, every country in the world. If you want to spend a little more money, it will be possible to receive programs from every country in the world at any time you want them to be received, with great, great clarity.

Mr. President, in writing this bill, we have had our problems. It has not been easy.

We at first had a great deal of trouble with cities and towns in America—my own, by the way, being one. Our staff worked assiduously and constantly with the group of cities known as the National League of Cities. Finally, after 2 years of work, they came to agreement whereby the cities would support this bill. I am happy to say as I stand here today that probably 85 percent of those cities still support this bill.

Then we come to a group that is loosely known as the Coalition of Cities. I do not know how many there are. All I know is that New York City is one of them. This coalition opposes this bill.

I shall tell a little problem we run into here in Washington. The cable people want to run cable into here with the supply coming out of Virginia. Metro, our underground transportation system here, will not allow them to run a cable. A cable is about a half-inch in diameter. That would not take up a lot of room in those tunnels. That is the kind of attitude that rules a lot of our big cities; that is why our big cities are in a lot of trouble. They cannot see very far. But that is beside the point.

We have a group called the U.S. Conference of Mayors which has offered a lot of opposition to this bill. The only opposition I can sense—mind you, Mr. President, some of these people who have written me are people I have known intimately all my life—is that they are not going to be able to get quite as much money out of the cable television subscriber as they would like to get. They would like to put a bigger bite on the cable company. In spite of all this, Mr. President, our staff has been able to put together a bill that I think deserves the favorable attention of this entire body.

Now, Mr. President, we get into what my chairman was speaking about, and I think it deserves more attention. That is the opposition to this legislation by AT&T.

I know that AT&T will say, as it has said to many Members of this body, that cable television is going to compete with the phone companies. As my chairman points out, what is AT&T talking about? One percent.

Let me tell you something about this little company, Mr. President. They spend more money on research and development than the U.S. Government spends. If you put that organization in a list of countries, they have the seventh or eighth largest gross national product in the world. And they are worried about 1 percent.

As the chairman has indicated, he and I, shortly, will introduce, I presume with many other Senators, legislation that will be aimed at taking care of this growing threat and problem that every one of us is living through. My telephone bills out where I live in the Rocky Mountains of the United States are going to go up. Some way, legislation-wise, we are going to have to develop a formula whereby as subsidy can continue to pay part of the costs that have been beneficial to the local resident, whether he lives in the city or whether he lives in the country.

Mr. President, we are not even talking in the same ball park when we talk about competition from cable with telephone. Theoretically, it can be

done. I admit that I can sit in my living room and I can watch the temperature, I can watch the dew point, the humidity, the winds, transmitted from some place in Georgia to Arizona. But it is put on there by an Arizona company. Or I can pick up the telephone, dial a number, and get all the weather I want and the correct time. We have not run the telephone company out of business and they have not hurt the cable business.

Mr. President, I am hoping that we can get along with this legislation. It has been very carefully put together.

Mr. President, on March 4, 1982, I introduced S. 2172, the Cable Telecommunications Act of 1982. That represented the culmination of process that began in 1979 when I introduced legislation that contained similar provisions. The extensive record of that legislation included 22 days of hearings and testimony from 171 witnesses. Unfortunately, the Senate failed to take action on that legislation in the 96th Congress.

In 1981, the Commerce Committee considered and passed a number of communications bills that were ultimately passed by the full Senate, including S. 898, the Telecommunications Competition and Deregulation Act of 1981. That bill contained several cable provisions, but no hearings had been held on those particular sections in S. 898. Therefore, during the consideration of that bill on the Senate floor, I objected to those provisions because of the commitments I had made to various cities that there would be no cable legislation without hearings. I also made it clear that I was not objecting to the substance of the cable provisions in S. 898. My amendment to delete those provisions was successful, and they were stricken from the bill.

Shortly thereafter, the Commerce Committee held 2 days of field hearings on cable. The first was in Seattle, Wash., on January 18, 1982, chaired by Senator PACKWOOD, and attended by Senator GORTON. The committee heard testimony from 10 witnesses. The second was in Albuquerque, N. Mex., on February 16, 1982, and was chaired by Senator Schmitt. The committee heard from 10 witnesses as well. In addition, statements were received for the record from 18 other parties.

Based upon this evidence, on March 4, 1982, I introduced S. 2172, the Cable Telecommunications Act of 1982. That bill was the result of many months of study on the issues and was the first time that a comprehensive bill had been introduced on the subject of cable. Hearings were held before the Subcommittee on Communications on April 26, 27, and 28, 1982, and we heard testimony from 54 witnesses, and received statements from scores of others. After reviewing and evaluating all of the testimony and the comments received and meeting with representatives of the cities and the cable industry, the staff revised S. 2172. Those revisions were widely circulated and then were incorporated into a substitute bill which was favorably reported by the Commerce Committee on July 22, 1982, by a vote of 13 to 3.

Unfortunately, there was simply not time to bring S. 2172 to the full Senate for a vote before adjournment of the 97th Congress at the end of 1982. However, when that fact was evident, I announced my intention to reintroduce a cable bill at the beginning of the 98th Congress.

To fulfill my pledge, on January 26, 1983, at the very beginning of the 98th Congress, I introduced S. 66, the Cable Telecommunications Act of 1983. That bill was virtually identical to the previous year's revised version of S. 2172. Hearings were held before my Subcommittee on Communications on S. 66 on February 16 and 17, 1983. Testimony was received from 17 witnesses, and there were numerous submissions for the record.

Mr. President, this bill, S. 66, establishes a new title in the Communications Act of 1934 for cable telecommunications. The bill creates a jurisdictional framework which apportions the regulatory authority between the Federal, State, and local governments, and establishes a national policy for the provision of cable. Finally, S. 66 addresses the specific issues of ownership, access channels, rate regulation, franchise fees, renewals and extensions, unauthorized interception or reception, protection of subscriber privacy, criminal and civil liability, programing, services and facilities, jurisdiction, and new and additional services.

Last year, many city officials opposed S. 2172, the predecessor to S. 66. In an effort to reach an agreement which would lead to passage of S. 66, I asked the cable industry and the cities to attempt to resolve their differences. Beginning late last year, those two groups began talks.

Over the past several months, the National League of Cities (NLC) and the National Cable Television Association (NCTA) held a series of meetings in an attempt to reach a compromise on cable legislation. As a result of their successful efforts, S. 66 was revised to substantially reflect their agreement. I offered that revised version at executive session of the Commerce Committee on March 22, 1983, as an amendment in the nature of a substitute.

During that executive session, the cable bill was discussed in detail. However, several members of the committee expressed a desire to postpone final consideration due to the shortness of time within which they had had a chance to review the bill. Therefore, Senator PACKWOOD and I agreed to postpone final consideration until a later date.

Thereafter, the NLC reevaluated its position and support for the compromise legislation. In a four-page letter dated April 6, 1983, from Mayor Charles Royer, president of the NLC and mayor of Seattle, Wash., to Thomas Wheeler, president of the NCTA, Mayor Royer detailed several major areas in the amended version of S. 66 which would have to be revised in return for the NLC's continued support of the bill.

As a result of this letter, more negotiating sessions were held which included the NLC, the NCTA and majority and minority committee staff members. These negotiations culminated in a further amended version of S. 66, which was wholeheartedly endorsed by the NLC and the NCTA. Virtually every change requested by the NLC was eventually conceded to by the NCTA and placed in the bill.

The major revisions which were made included:

First. The section which provided that no Federal agency can prohibit ownership of cable systems by any person was eliminated, so that the FCC would continue to have the authority to impose cross-ownership restrictions.

Second. The franchising authority and the cable operator were allowed to establish rules and procedures for the use of access channels.

Third. The 5-percent franchise fee limit does not include such things as bonds, security funds, and letters of credit.

Fourth. Personally identifiable information about a cable subscriber could be obtained with prior written or electronic consent.

Fifth. The criminal or civil liability of channel programers or cable operators was not affected.

Sixth. Any franchise agreement in existence on the date of enactment of the bill which requires the cable operator to provide programing, services, facilities, equipment, or access channels is grandfathered as to those provisions.

Seventh. States, franchising authorities, and so forth, may exercise jurisdiction over matters which are of strictly local concern and which are necessary for reasons of public health, safety, and welfare, including the terms and conditions for the granting of a franchise, the construction and operation of a cable system, and the enforcement and administration of a franchise.

Eighth. The act takes effect on the date of enactment.

Thereafter, the NLC and the NCTA sent a letter of endorsement, dated April 21, 1983, for the revised version of S. 66, which was jointly signed by Mayor Royer and Mr. Wheeler.

I offered the revised version of S. 66 at full executive session of the Commerce Committee on April 21, 1983, as an amendment in the nature of a substitute, and my amended bill passed the committee by an overwhelming vote of 15 to 2.

At that executive session on April 21, 1983, concerns were expressed about how telephone companies would compete with cable systems in the provision of local data services. S. 66, as reported, provides that cable systems would not be subject to regulation when they provide such services. Regulation of telephone companies providing such services, however, is not addressed in my bill.

The Commerce Committee, through the Subcommittee on Communications, which I chair, has long believed that our Nation's telecommunications needs are best met if we allow the marketplace to function free of government regulation. Services subject to effective competition in that marketplace should be deregulated. The Commerce Committee has reported many bills, almost all of which the full Senate has passed, which apply this procompetitive approach. My bill, S. 66, is one more in this long line.

Cable has the capability of, and potential for, the provision of many innovative information services at attractive and affordable rates. However, since cable has just begun to enter this market, S. 66 allows cable to provide local data services without being subject to regulatory control.

Telephone companies are the dominant provider of voice and data services in local markets. Until alternative technologies begin to enter the local market, these services, as provided by the telephone company, must continue to be subject to regulation.

At some point, with all of these new services, I believe the local data market may well become competitive. It would be unfair to the telephone companies to continue to regulate them when this occurs. Thus, I have agreed, quite reluctantly, to some amendments to my bill which I hope will address these issues and will benefit the consumer.

The amendments provide that, when local data services are effectively competitive, all providers of such services shall be deregulated. In other words, the telephone companies will be deregulated in the provision of these services when they face real competition. If, for example, the telephone companies believe such competition exists today, they are able to petition to the States for deregulation after this bill becomes law.

The amendment also allows States to require cable operators to file an "informational tariff" when they provide local data services. This tariff will include information regarding the rates, terms, and conditions of such service and will go into effect when the cable operator specifies.

There are two advantages to this "informational tariff." First, it allows States to see if competitive data services are actually being provided. This will facilitate the marketplace analysis required for deregulation. Second, this tariff will allow consumers to determine what services are available. With more information, the marketplace should work more efficiently and should increase the opportunity for competition to develop and deregulation to occur.

The amendment also responds to another concern raised by AT&T, and that is that cable is statutorily deregulated when they provide data processing services, while the telephone companies are only administratively deregulated. To address this, the amendment includes a provision to amend title I of the 1934 Communications Act that provides, as national policy, that services subject to competition should not be regulated. Since data processing services fit this description, the amendment further insures that they will continue to be offered without regulation.

A basic premise of my bill is that cable's entry into the local information market has the potential to greatly benefit consumers. It will join a host of other new delivery services that have already been authorized and that will increase local telecommunications competition to provide the public with a variety of new ways to send and receive information.

The telephone companies continue to have the responsibility to provide universal telephone service. S. 66 recognizes the importance of such an obligation by requiring cable operators who wish to provide basic telephone service to be fully subject to State regulation. Local telephone rates are rising for many reasons. As was stated at the Commerce Committee executive session on April 21, 1983, I, and the members of the committee, are now drafting legislation to resolve this larger problem. This legislation will seek to preserve reasonably affordable telephone service for the American public. Such a commitment can be met completely consistent with a competitive approach.

There is one final amendment to S. 66 that deals with concerns raised by Senator THURMOND, the chairman of the Judiciary Committee. Several meetings took place between Senator THURMOND's staff and the Commerce Committee staff on the antitrust implications of this cable bill. These meetings culminated in an agreement between myself and Senator THURMOND that provides as follows:

First. The provision that no competing applications shall be considered by the franchising authority at renewal time will be deleted. In other words, the renewal applicant could be subject to comparative challenges; and

Second. There is a conforming amendment in another section that allows a franchising authority to require the same things of a competing applicant that it did of the renewal applicant.

Since these amendments addressed Senator THURMOND's concerns, he canceled his Judiciary Committee hearing scheduled for Monday morning, May 16, 1983.

Senator THURMOND and I agreed to these amendments in order to make clear that it is not our purpose to hinder competition by mandating exclusive rights for any cable operator. The basic purpose of the renewal section in my bill remains intact, however, and that is to make sure that the incumbent cable operator has the assurance that he will be able to continue his business if he meets the renewal standards set forth in the bill, and this application for renewal will be considered according to its own strengths and weaknesses. Without such an assurance, I am fearful that a cable operator with a few years still to run on his franchise will have no incentive to upgrade the services and facilities he provides to the public, and, in fact, he will fail to do so. Even if that operator wanted to improve his system, if there were no such renewal expectancy as provided for in my bill, the banks and other lending institutions would probably not lend the cable operator the money necessary to improve his system. With this amendment, a franchising authority will be able to consider all of the evidence as to what is reasonable or unreasonable. If it wished to do that by looking at what another cable operator promises to do, it would be free to do so, and even would be free to award an additional franchise under the terms of my bill.

I believe this is an equitable solution to the concerns raised by Senator THURMOND and I welcome his support for my bill.

Mr. President, this bill, S. 66, is quite simply the most important piece of legislation for the American consumer that I have been associated with for a long, long time. I have been saying for the past 2 years that we need to establish a national policy for cable before this year is up if the cable industry, the cities, and most of all, the consumer, are to ever reap the benefits of cable's potential. If we do not pass this bill now, I firmly believe that the current patchwork system of Federal, State, and local regulation will be too firmly entrenched to undo. The American public deserves better than that, and I urge my colleagues in the Senate to join me in supporting this legislation. Its time has come; let us not let it pass.

CHANGED CIRCUMSTANCES, SECTION 613(d)(2)

● Mr. DURENBERGER. Mr. President, I should like to take a moment to understand the view of the distinguished Senator from Arizona on the amendment to section 613(d) of the act. It is my understanding that the amendment recognizes that commitments made by cable operators with respect to the provision of facilities and equipment would be distinguished from those commitments with respect to services. Does the Senator share this view?

Mr. GOLDWATER. Yes; I do, Mr. President. While it has always been the committee's view that such commitments should be met, the purpose of today's amendment is to establish procedures for reviewing commitments for facilities and equipment and to permit the modification or deferral, as well as the termination of such commitment, under appropriate conditions. The amendment would provide that where a commitment becomes impracticable as the result of a significant change in the circumstances surrounding the operator's original commitment there would be a requirement to revise that commitment.

Mr. DURENBERGER. The purpose of the amendment, then, does not automatically relieve the operator of commitments which he understood at the time he made them would be costly or otherwise burdensome. Rather, the negotiations required by the amendment would take place if the operator makes a showing that a significant change in circumstances has made the provision of particular facilities and equipment impracticable.

Mr. GOLDWATER. That is essentially correct. However, a significant change in the operator's good-faith assessment as to present and future market conditions would be sufficient to trigger negotiation under the section. We also do not want to foreclose the cable operator from responding to innovation in new facilities and equipment offering comparable capability nor to preclude a review of these commitments if economics or technology makes their fulfillment impracticable.

Mr. DURENBERGER. If the Senator will indulge me further on this point, it is the concern of State and local governments that the provision may have the effect of reducing the financial risks an operator undertakes when agreeing to demands for impracticable commitments in the franchising process. What does the Senator see in the bill to prevent a cable operator from making commitments to providing particular facilities and equipment under assumptions that he believes could change?

Mr. GOLDWATER. Several mechanisms exist. First, as to facilities and equipment, the purpose of mandatory conciliation will permit alternative, practical commitments by the operator, in addition to the option of relieving the operator of his financial commitments. Second, it can be anticipated that the uncertainty associated with binding arbitration, required by the amendment, would instill discipline and reasonableness in the franchising process from the standpoint of the franchising authority's demanding and the operator's agreeing to impracticable commitments. Third, all parties should be able to respond to the ever-changing, fast-paced technology and market demand for cable, thereby insuring the accompanying efficiencies and economic savings for the public.

Mr. DURENBERGER. These indeed appear to be appropriate. Will there be FCC jurisdiction under this section?

Mr. GOLDWATER. We have provided the Federal Communications Commission with exclusive jurisdiction over matters covered by the act with the explicit intent that all governmental levels shall exercise less regulatory control than at present. We intend that these matters can be resolved fairly among the parties, taking into consideration market conditions in the particular cable community. The parties would consider such things as the purpose of the original commitment contemplated with respect to particular facilities and equipment, opportunities available to the operator and franchising authority to defer or modify the commitment for facilities and equipment or secure alternative commitments, and the financial viability of the operator, including his ability to make a reasonable profit.

Mr. DURENBERGER. I thank the distinguished chairman for his comments. He has significantly clarified this subject.●

ACQUISITION RESTRICTIONS AND FRANCHISE FEES

● Mr. TSONGAS. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I yield.

Mr. TSONGAS. I am hopeful that alternatives which have not been considered within the scope of this bill remain available for members of the public and communities themselves to assume significant responsibilities in the planning, construction, financing, and ownership of the art communications facilities and services to members of those communities. While not numerous, those cable systems presently operating which are owned or managed in part by the communities in which they are located have been at the forefront in promoting new and innovative uses of cable and in stimulating educational and other local community programing. We should continue to encourage these different approaches which are not addressed by this bill.

While the bill recognizes the principle of municipal ownership, I am particularly concerned about certain provisions which may, contrary to its apparent purpose, be interpreted to preclude certain mechanisms of financing which are integral to making that ownership possible. In my State, for example, there are a number of towns which are interested in owning and financing the construction of their own cable systems through the issuance of general obligation bonds. Under one proposal, on completion of construction, the town would lease the system to an operator for the period of the license, while retaining title to the system and the risk incurred through financing. Such a system is immensely beneficial to the town, as it maintains ultimate responsibility for the cable system, thereby shielding itself from the potential instabilities of private operators. under Federal tax law and certain accounting principles, however, an operator holding this lease might be considered the owner of the underlying cable property, depending on the term of the lease. If this principle were carried over to this bill, section 605(c)(1), which on its face prohibits municipal acquisition "pursuant to a buy back provision" or "sale of a system * * * on expiration of a franchise" for less than fair market value might be construed to prohibit this type of arrangement. Since, as related in the committee report, the sole purpose of section 605(c)(1) was to preclude an inequitable acquisition from a private operator at the end of a franchise, would there be any basis for applying this restriction under such circumstances, where the town builds the cable system and owns it at the outset?

Mr. GOLDWATER. The Senator is correct in that the concept of municipal construction and ownership of cable systems was not addressed by the drafters with respect to this provision. Section 605(c)(1) is clearly designed for those situations where a private company takes upon itself the substantial task of constructing and franchising the construction of a system and finds itself forced through license restrictions or otherwise to sell its valuable assets to a State or subdivision at the end of the term for a fraction of the real value of the property. Such expropriation is clearly unfair and must be prohibited. At the same time, from the words of this particular section itself, there should be no question that the restriction does not apply where the municipality acquires its ownership interest in the system at the outset through financing and overseeing its own construction of the project. That the lease provisions which you describe may have some particular effect under the tax laws would not, in my view, change this result. Does that clarify the Senator's concern?

Mr. TSONGAS. It does, but there is also an additional issue I would like to address in this regard. Under the proposal described under contemplation in my State, the town which has assumed the responsibility for financing and building the cable system would obviously be entitled to a significant rent from a private operator proposing to lease the system, not only to cover the debt service called for by the financing instruments and at least part of the construction costs but also to reflect the value of the system which has been provided to the operator through the town's efforts. My concern is that section 608(d)(1) defines the term "franchise fee" so broadly—as "any * * * fee or assessment * * * imposed by a franchise authority * * *"—that the restriction in section 608(b)(1) prohibiting imposition of franchise fees over 5 percent of an operator's gross revenues might be interpreted as precluding a rental mechanism which in fact merely permits a local government to recover its costs relating to constructing its system, together with reasonable compensation for the risk taken in financing those costs. Could you address this concern?

Mr. GOLDWATER. Again, I think the answer to the Senator's question can be found in the committee report, which indicates that the overriding purpose of the 5-percent fee cap was to prevent local governments from taxing private operators to death as a means of raising local revenues for other concerns. This would be discriminatory and would place the private operator/owners at a disadvantage with respect to their competitors. However, under the plan which the Senator describes, the town is simply asking the private operator to assume a part of the total risk of constructing a system which the operator would otherwise have had to assume in full if he had been responsible for financing and constructing the cable system. Under those circumstances, it would seem to me that the owner—the town—would be free to require payment of reasonable rentals as the Senator describes. In short, rentals taking into account municipal costs and risks of financing, construction, and ownership should not be considered franchise fees within the meaning of section 608.●

FRANCHISE COMPETITION

Mr. THURMOND. Mr. President, I want to take this opportunity to make clear what purpose the distinguished Senator from Arizona (Mr. GOLDWATER) and I intend to achieve by amending S. 66. Quite simply, that purpose is the preservation of competition in the franchise renewal process.

In its present form, S. 66 anticipates and rightfully encourages competition in the initial franchise award; multiple franchises serving the same area are also permitted and encouraged. My opinion, however, is that initial franchise competition and overlapping system competition is not enough. When deciding to renew a franchise, pursuant to section 609 of this bill, the franchising authority must not be required to make that decision in a competitive vacuum. Rather, the franchising authority may solicit and consider competing applications during the renewal process.

To effectively inject this added element of franchise competition into S. 66, we have done two things. First, section 609(b)(2), which prohibits consideration of competing bids prior to a final decision on renewal of an existing franchise, has been deleted. Second, the word "initial" in section 613(b) has also been deleted. The purpose of these changes is to assure that, should a franchising authority desire to solicit additional bids or proposals during the renewal process, it is not precluded from doing so in the same manner as in an initial request for proposals. This change in section 613(b) is necessary to effectuate the amendment to section 609. The value of permitting competing bids under section 609 would be greatly diminished if the franchising authority was unable to solicit bids in the same way that initial franchise proposals are solicited. Finally, the elimination of section 609(b)(2) clearly contemplates franchise competition based upon many factors, including rates.

Is this the understanding and intention of the Senator from Arizona with respect to this amendment?

Mr. GOLDWATER. Yes, Mr. President, that is my understanding. I would, however, like to make clear that by eliminating section 609(b)(2) and changing section 613(b), we do not intend to impose any delay on the renewal process. Section 609(d)(2) mandates that the renewal decision be made within 12 months of submission of the application, and that provision remains unchanged. While I support the concept of competition in the renewal process, it cannot be used as an excuse to delay that renewal process.

Mr. THURMOND. I agree with the Senator from Arizona.

● Mr. DANFORTH. Mr. President, I do not believe that section 610 of S. 66 applies to the reception of satellite-delivered programing by backyard satellite Earth station operators. Does the Senator from Arizona agree?

Mr. GOLDWATER. Yes; I say to Senator DANFORTH section 610 of S. 66 does not apply to the reception of satellite-delivered programing by backyard satellite Earth station operators. This section applies only to the unauthorized interception or reception of broad-band telecommunications.

Mr. DANFORTH. I thank Senator GOLDWATER for his clarification of this matter. I appreciate his expression of support for the development of this new technology.●

"UTILITY USERS TAXES" AND DEFINITION OF "FRANCHISE FEE"

● Mr. WILSON. Mr. President, I am concerned about a particular section of the Cable Telecommunications Act of 1983, S. 66, and its impact on a number of cities in my State of California. I would appreciate having an opportunity to engage in a colloquy the Senator from Arizona (Mr. GOLDWATER) in order to clarify the meaning of this section and the committee's intent in proposing it.

Section 608(d)(1), provides as follows:

(a) "franchise fee" shall include any tax, fee or assessment of any kind imposed by a franchising authority or governmental authority or a cable system operator or cable subscriber because of their status as such;

Mr. President, my concern is that this definition might be read so as to preclude the levying of what in California is referred to as a utility user tax.

A utility user tax is a tax which a so-called charter law city in California is empowered by the State to levy on consumers of the services of a utility. As applied in California, these taxes are levied, at the discretion of each city, on electric and gas users and telephone subscribers as well as cable television subscribers.

Presently, at least 17 cities in the State have exercised their power to levy utility user taxes on cable television subscribers, and others may soon do the same, for as of July 1, so-called general law cities will also have the power to levy this type of tax on consumers.

Mr. President, a utility user tax, as applied to cable television, is levied upon the consumer, not the cable operator. It is similar to a sales or use tax, and is collected by the cable operator just as a merchant collects a sales tax. The franchise fee, by contrast, is analogous to the rent from a shopping center located on land leased from a city, and is paid directly by the cable company. All utility consumers are subject to a utility users tax, whether or not the utility is under the jurisdiction of the Public Utilities Commission.

Most importantly, in relation to the definition of the term "franchise fee" in S. 66, the cable consumer is not separately classified for tax purposes, but is part of either a larger class of utility consumers or a larger class of home entertainment buyers. The tax charged is a transaction tax much like a sales or use tax. It is not being classified discriminately.

Mr. President, understandably, I have received letters of concern from a number of cities, as well as the league of California cities that S. 66 will dis-

able the collection of utility user taxes on cable television and therefore end a source of revenue for them. Without endorsing the levying of utility user taxes—for as mayor of San Diego I opposed the imposition of such taxes—I am sympathetic to the letters that I have received. For, while some of this revenue will be used for general municipal purposes, some will be used for community projects.

I wish to quote from a letter I received from the mayor of Torrance, Calif., Jim Armstrong:

Torrance will be particularly affected by the passage of the anti-tax provision of S. 66. We are planning to build a studio complex in our civic center for use jointly by our cable franchisee (Group W), the City and the public. In addition, we are planning to construct a small theatre to provide additional facilities as an adjunct for cable television productions. This tax money will be vital to financing the construction of these facilities. The City Council has formally committed all our cable TV related revenues to this project until it is paid for.

Also, we are planning on utilizing some of these monies (after the cable TV facilities have been funded) for exploring new forms of cooperation between government, business and cable television. We have already formed a management team therefore and have met with engineers and scientists in our area in an effort to develop concrete proposals to utilize the cable for government, institution, commerce and industry purposes. We cannot expect any such activities to be funded commercially; they will have to be subsidized. Needless to say we will not be able to carry on this program if we are deprived of the use of these taxes.

Mr. President, it is my understanding that the definition of the term "franchise fee" in section 608(d)(1) is not designed to preclude the collection of utility users taxes on cable television subscribers as presently practiced in a number of California cities, and further, that it would not preclude the levying of such taxes in the future. I would appreciate the counsel of the Senator from Arizona (Mr. GOLDWATER) on this matter.

Mr. GOLDWATER. Mr. President, the Senator from California is correct in his reading of the definition of the term "franchise fee" in section 608(d)(1) of S. 66.

It was the intent of the committee, in crafting this definition, to prevent cities from circumventing the 5-percent cap on franchise fees as set out in the bill by establishing a new sort of tax on cable operators or subscribers. It was not the intent of the committee to prevent taxes of general applicability to apply to cable television just as it does to other commercial operations similarly situated.

Mr. WILSON. Mr. President, I thank the Senator from Arizona for this clarification.●

FRANCHISING

Mr. LAUTENBERG. I am concerned about how this bill would impact on the kind of franchising scheme in my State. I would like to explore this issue, if I may.

New Jersey, since 1972, has involved two tiers of government in the franchising process. By State law, the cable operator must obtain a municipal consent from the municipality, and then must secure a final certificate approval from the State's Office of Cable Television, within the Board of Public Utilities.

Now, as I read this bill, there is nothing to prevent such a two-tiered system from continuing? Am I correct?

Mr. GOLDWATER. That is right, Mr. President.

Mr. LAUTENBERG. You see, I am concerned about the way "franchise" and "franchising authority" are defined under the bill. One might argue that there are two franchising authorities in New Jersey—the State and the municipalities—and two franchises—the municipal consent and the certificate of approval. That would, of course, create problems in applying the deadlines governing franchise renewals set out in another section of the bill. So, I want to be clear about this.

Mr. GOLDWATER. There is no intent to vest any powers in local governments that they do not already enjoy by grant of the States.

Mr. LAUTENBERG. So, in New Jersey, the franchising authority is the State's Office of Cable Television and the Board of Public Utilities, and the franchise as such is the State-granted certificate of approval. And, the municipality is something of an agent of the State, conducting something on the order of a preliminary review.

Mr. GOLDWATER. Given what the Senator has told me about New Jersey law, that is right.

Mr. LAUTENBERG. So, if I may pursue this to conclusion, the deadline in section 609(b)(1), which requires a franchising authority to consider a renewal application within 90 days, would be satisfied in New Jersey, if the municipality, which takes the first look at the application, reviews that within 90 days.

Mr. GOLDWATER. That is correct, Mr. President.

Mr. LAUTENBERG. In section 609(d)(1), it says that the franchising authority shall negotiate in good faith within 30 days after the completion of proceedings pursuant to the section. That would apply to the municipality, as well, I assume.

Mr. GOLDWATER. That is correct.

Mr. LAUTENBERG. I have another question pertaining to that paragraph. The language reads, "The franchising authority shall negotiate in good faith." I want to be clear about what is meant by "negotiate."

In New Jersey, all proceedings, by the municipality and the State, are held subject to the State's sunshine law. The municipality holds quasi-judicial proceedings, as I understand it. In fact, I am told, the Board of Public Utilities has ruled that it is a violation of the law for a municipal to receive ex parte communications from one of the cable operators during the pendency of various applications. All of these procedures are intended to keep the process fair and open, to avoid so-called backroom or sweetheart deals. I want to be sure that the bill would not require any such thing. In my State, the conduct of proceedings in good faith, including the usual give and take in licensing hearings, would comply with the paragraph requiring that a franchising authority "negotiate in good faith."

Mr. GOLDWATER. That is correct. What we are striving for is fairness and good-faith conduct.

Mr. LAUTENBERG. To follow through section 609's deadlines, then, the requirement that a final decision granting or denying renewal within 12 months—that would, I presume, apply to the final action by the State. And the requirement that no denial of application can be made within 7 months from the date of receipt of an application would apply to the State, because the State, in New Jersey, has the power to overrule the denial of a municipal consent by the municipality.

Mr. GOLDWATER. That is correct.

Mr. LAUTENBERG. I wish to raise one other question regarding franchise renewals. The bill does not expressly state whether a franchise can be conditioned upon the taking of certain actions by the cable operator. Then again, it does not expressly state that such conditions cannot be imposed. Is it the case that a franchise authority can issue a conditional or unconditional franchise renewal? So, notwithstanding the specific proposal of the cable operator, the franchising authority can add certain provisions?

Mr. GOLDWATER. Yes; that would be permitted under the bill.

Mr. LAUTENBERG. I think that makes sense, certainly as an incumbent we would not want to prohibit a franchising authority from saying, for example, if you just upgrade your system slightly faster than in your original proposal, we will grant your franchise renewal. That, I think, would give greater latitude to reach resolutions that are satisfactory to the incumbent, and the public.

Mr. GOLDWATER. Of course, if the conditions are so onerous that they amount to a denial of the original application for renewal, then the cable operator would have his rights to appeal, as provided under the bill.

Mr. LAUTENBERG. Granted, Mr. President.

Mr. GOLDWATER. Mr. President, I yield the floor.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I take this opportunity to thank the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Washington (Mr. GORTON), and the Senator from Minnesota (Mr. DURENBERGER) for the efforts they have made to improve this bill. They have had a number of amendments. All of those amendments have been encompassed in the substitute that I have offered. I honestly say that they have actually improved this bill to where there is now relatively little opposition.

I emphasize once more the policy that Senator GOLDWATER and I, and I hope a majority of the Senate, share about our willingness to subsidize local television service.

In this country, from its founding, we have had a policy of subsidizing transport and communications. It started out in the earliest days of this country with our post roads. We subsidized river transportation with our canals. When the railroads came, we clearly initially subsidized them with extraordinary landgrants to move West. We did it with the airlines to encourage them to expand their service, and even today with airline deregulation in place and the Civil Aeronautics Board to go out of business on January 1, 1985, we have continued an airline subsidy program that runs through 1988 to make sure that smaller towns are served. We will review that policy as we approach 1988.

This is no different than the subsidy we have had for years with local telephone rates being subsidized by long distance.

In short, Mr. President, we have seen nothing wrong with saying that we think it is wise that this country be tied together in communications and tied together in transport. If we were to follow the policy in this country today that all areas of the country had to be able to support their own communication and their own transport, there would be barren areas of this country.

As far as highways are concerned, I doubt that most of the rural areas of this country have highways today that will pay for themselves. They are subsidized by other revenues, and rightly so. Most of the smaller towns would have no air service if we did not subsidize it, and rightly so.

I emphasize again that we feel the same way about telephone service, but any amendment that is offered that attempts to give the impression that if cable television can transmit local data without regulation, anybody who introduces an amendment like that and attempts to give the impression that without that amendment local rates are going to go up dramatically is misleading the public.

All of us have been in situations before where perhaps we have mistakenly said—I can recall my days from the legislature—"Pass the cigarette tax and your property taxes will not go up as fast."

What the public heard is, "Your property taxes won't go up." I do not want to mislead the public into thinking that their local rates will stay the same if an amendment is adopted regulating cable's transmission of local data.

The key issue is whether or not the bill that Senator GOLDWATER and I will subsequently offer and have hearings on passes to require the continuation of the subsidy of local rates. If that bill passes, the local rates will not go up as much as they would otherwise. If it does not pass, the local rates are going to go up rather substantially.

But that is the principal subsidy that exists in this country today, and no one should make the mistake in thinking that there is any other immense subsidies which, if saved, will keep local rates from going up.

I yield the floor.

Mr. EXON. Mr. President, it is the request of the minority leader that Senator LAUTENBERG be the manager of this bill on this side of the aisle, and I should like him so designated at this time.

Mr. LAUTENBERG. I thank the Senator from Nebraska for this distinctive honor. I will do my best to insure stability and order.

Mr. ABDNOR. Mr. President, will the Senator from New Jersey yield?

Mr. LAUTENBERG. I yield.

Mr. ABDNOR. Is the Senator going to offer an amendment at this time?

Mr. LAUTENBERG. No; I am not. I just want to make my opening statement.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. I thank my distinguished colleague from Nebraska for yielding to me the responsibility to manage the bill. I will remember this day.

Mr. President, the committee modifications include several amendments that were incorporated at the urging of myself and several of my colleagues. These were printed separately in Friday's RECORD along with some explanatory material. I should like to speak briefly now to those amendments and other aspects of the bill.

Before so doing, I thank the Senator from Oregon, on whose committee I serve, and the Senator from Arizona, who has labored so hard for such a long time to make sense and order out of what is developing in cable telecommunication. I think cable may perhaps become the second most important communications medium in our society. I thank them also for their graciousness and willingness to accommodate some of the concerns I have had about the bill, particularly as it affected my State of New Jersey. The two Senators have come a significant distance to try to address these concerns and I am grateful.

Mr. President, S. 66 creates a national policy on cable telecommunications. It affects an area where local and State governments have been very active. The general thrust of the bill is to remove many of the impediments that allegedly exist at the State and local level to the expansion and development of cable telecommunications, and to its ability to compete with other telecommunications services.

I do believe that we need Federal legislation on cable telecommunications. There is a national interest in promoting this communications medium and in insuring that its potential benefits are enjoyed by as many people as possible.

There are however a number of general goals that I think cable legislation should address. Some of these I did not think were adequately addressed as the bill was released from committee. I would like to review some of them now.

One of the principal goals of the legislation should be to insure fair rules of the game when it comes to franchising cable. I recognize that in some cases the regulation of cable by local and State governments has impeded the growth of the medium. There have been cases of abuse, corruption, and unfairness.

But I also was very much aware of cases where local and State regulation has worked well. My own State is one example. Since 1972, New Jersey has had a State law on cable television. Cable operators must secure a franchise from both the municipality and from the State's Board of Public Utilities, which also has the power to review and overturn arbitrary municipal decisions. Both authorities conduct their procedures subject to the sunshine law. Administrative law judges are involved at the State level. There is a statewide ceiling of 2 percent on franchise fees, and a statewide common tariff on rate regulation. The result is what the New Jersey Cable Television Association calls regulatory stability generally unrecognized at the State level elsewhere. The result is that cable passes 82 percent of the homes in my State. Over 1 million homes subscribe. There is a statewide interconnect. In sum, local regulation has not impeded the development of cable in New Jersey.

It has been my goal to insure that, to the extent possible, the effective aspects of New Jersey's scheme be left intact. I think that some of the amendments included in the commit-

tee modification do this. The amendment regarding judicial review of franchise renewal denials is one example.

As released from committee, the bill provides guidelines governing a franchising authority's consideration of a cable operator's request for a renewal of his franchise. The bill provided, however, that notwithstanding these guidelines, if the franchising authority's decision is adverse to the cable operator, then the cable operator may secure de novo judicial review of the decision. In other words, the cable operator may secure a complete retrial of the issue in the courts. So, the franchising authority's decision—regardless of its fairness and openness—would be denied the respect that courts generally accord administrative decisions.

I objected to this provision. Certainly, if the franchising authority has afforded the cable operator a full and fair hearing, and has rendered its decision on the merits, there should be no second bite at the apple in the courts. That would simply impose added costs on the franchising authority, added burdens on the courts, and generally discourage franchising authorities from acting in what they believe is the public interest.

I am pleased that the committee modifications incorporate an amendment providing that where the franchising authority acts in accord with a State law setting out a fair procedure, then judicial review need not be de novo. By fair procedure, I mean one that includes adequate notice, a fair opportunity to be heard, and a decision by an impartial trier of the facts.

This amendment would clearly cover the procedure that is in effect in my State, where the franchising authority, the State board of public utilities, refers cases to administrative law judges, acting in accord with the State's administrative procedure act and the rules of the Office of Administrative Law. Certainly in my State, it would serve no public policy purpose to provide for de novo judicial review of the franchising authority's actions. The amendment would avoid that necessity.

A second goal of cable legislation should be to promote diversity of information. The public's interest in a diverse marketplace of ideas can be traced back to the first amendment to the Constitution. Cable offers the capacity to increase the variety of information and viewpoints available to the public. Educational, community, and governmental groups should have access to increase the diversity of views available.

The bill as released from committee provided that a franchising authority could require that channel capacity be set aside for access by governmental users. But it did not provide such authority for requiring access by educational groups—like the local college—or community and public interest groups—like the League of Women Voters or others. I thought that was a deficiency in the bill.

I am pleased that the Senator from Oregon and the Senator from Arizona have incorporated an amendment that addresses this problem by expanding the powers of franchising authorities to include the power to require access by public and educational groups as well.

A third goal of cable legislation should be protect consumers from what amounts to the monopoly power of cable systems. An immediate concern of mine was rate regulation.

Cable operators say that thev are in competition with alternative services, and that they have no monopoly. That may be true to the extent that cable offers movies and other forms of pay entertainment. But, in many rural areas of the country—contrary to popular belief, there are rural areas in New Jersey—people rely on cable televison simply to get clear reception of televison signals—signals that they cannot easily receive over the air. In those areas, I think, cable operates as a utility, and should be subject to fair regulation that protects consumers from the exercise of monopoly power.

I do not think the bill as released from committee provided adequate protection of the consumer in this regard.

Specifically, the bill provided that rates shall be deregulated in any area falling within the so-called B contour of four television signals, three of which must be network signals. The B contour is defined as an area where more than 50 percent of the households receive adequate reception 90 percent of the time.

In some municipalities within the B contour, however, reception is much worse. These places could be in a valley, or faced with other barriers to reception. These are areas where cable serves the function of a utility providing essential reception services, there are not available reasonably competitive alternatives to cable for the reception of television signals. There are areas where an overwhelming majority, and an unusual majority of the households subscribe. In these areas, I believe, rate regulation is entirely appropriate.

I am pleased that the Senator from Oregon and the Senator from Arizona accepted a modest amendment that provides that where a system serves more than 80 percent of the households to which cable is available, there shall be a presumption that adequate reception is not available, and rate regulation shall continue. This provision will, at least retain regulation where it is most needed—in areas where an overwhelming majority of the households find the necessity to subscribe to cable for adequate reception.

I should note as well that the bill as released from committee provided that where rates are continued under regulation, the cable operator would be assured of an annual increase in rates of 5 percent or the rise in the consumer price increase, whichever was greater. Assuming that an increase in rates should be guaranteed, notwithstanding continuing regulation, I certainly saw no rationale for allowing 5 percent increases as an alternative to the CPI.

I am pleased that the committee modifications include an amendment, that would limit the rate of guaranteed increases to the rise in the CPI.

A fourth goal of cable legislation should be to promote competition.

When the bill was considered in committee, I was concerned that it did not provide for adequate competition when it came to renewal of franchises. The bill provided that when a cable operator sought renewal of a franchise, the franchising authority could not consider the competing applications of other cable operators.

I thought that provision was unwise and anticompetitive. Some of my colleagues on the Judiciary Committee did so as well.

I am pleased that the committee modifications include an amendment that would open up renewals to competition.

Another aspect of the competition issue is holding competitors to their promises. It certainly makes no sense to promote competition between cable operators—in which operators promise a set of services in return for a franchise—unless there is some mechanism for keeping them to their promises.

The bill as released from committee included a provision that allowed cable operators to escape promises to provide certain facilities or equipment if there was a significant change in the circumstances. Certainly, there should always be room to modify a contract that is out-of-date; that was based on facts and presumptions that no longer hold; or that would actually run counter to the interests of the parties to the contract. But, the bill as released from committee, I thought, tilted too far in favor of the cable operator, and would have allowed the operator, conceivably, to unilaterally escape contractual obligations freely entered.

I am pleased that the committee modifications include an amendment, that addresses this problem. It would require negotiation before any promised facilities or equipment are withdrawn because of a significant change in the circumstances. Moreover, if negotiation fails, the amendment provides for arbitration, to avoid the resolution of these disputes in the courts.

These are some on my concerns about this legislation. I am pleased that many of my objections have been addressed in the committee modifications.

I should add however, that I still do not think that the bill is perfect, nor does it address all of my concerns. But it appeared to me that there was significant support among my colleagues for this bill as it pertains to traditional cable television issues. So, I have sought a reasonable compromise that addressed some of my concerns. The true test of a good compromise is that none of the parties is too happy with it. I think that I and the chairman of the Commerce Committee and the chairman of the Communications Subcommittee have reached a reasonably good compromise. In light of that, I plan to support S. 66 on final passage.

I yield the floor.

The PRESIDING OFFICER (Mr. PRESSLER). Who yields time?

Mr. PACKWOOD. Mr. President, I yield to the Senator such time as he needs.

Mr. GORTON. Mr. President, I am pleased to speak in support of S. 66, the Cable Telecommunications Act of 1983. As many of my colleagues know, I strongly opposed the predecessor to this bill in the last Congress. Since then, however, there has been a great deal of hard and inspired work to produce a compromise. Representatives of the cable industry and of the cities sat down over a period of several months and negotiated a proposal for legislation which both sides supported. Senator GOLDWATER prepared an amendment to S. 66 which substantially reflected this compromise, as he had promised to do.

He deserves a tremendous amount of credit for the fact that this controversial legislation has proceeded at this point in such expeditious fashion.

This amended version of S. 66 passed the Commerce Committee by a vote of 15 to 2, and it has my strong support.

During the last decade the primary responsibility for regulating cable television has fallen to the States and local governments. The local governments have a legitimate interest in selecting the best possible cable operator when they give a company the right to use the public right-of-way. The local governments also need to be able to enforce the promises the cable operator made to get the franchise. The cities have done a good job of franchising cable companies. Cable is now a thriving business with a presence in most of the communities across the Nation.

This compromise bill preserves the cities' authority to enter into franchise agreements and it preserves flexibility and freedom of contract for key terms. At the same time, the cable companies attain certainty and are relieved of regulatory burdens which have inhibited the growth of new technologies.

Under S. 66, the franchising process remains a meaningful, competitive process. Such things as access requirements, programing and service requirements, and facilities and channel requirements remain fully negotiable. In addition, all of these types of requirements in existing franchises are grandfathered by the bill. The bill sets up a procedure for renewal of a cable franchise and it establishes an expectancy of renewal, which provides the existing operator with a timely and fair procedure at the same time that it sets standards and provides for competition.

S. 66 deregulates rates for basic cable programing in many places but it provides for a 5-year or longer transition period. It does not deregulate rates in those areas, such as many hilly parts of my State, in which a subscriber does not receive four clear television stations. I should note that in my State, almost all of the city franchises have already deregulated rates, as have several States, apparently with no serious effect on consumers.

S. 66 also sets up a jurisdictional framework which apportions the regulatory authority between the Federal, State, and local governments. State and local governments retain authority over matters involving the granting of a cable franchise, the construction and operation of a cable system, and the enforcement and administration of a franchise, as well as the State's inherent authority to protect the public health, safety, and welfare.

I would also like to express my support for the amendment the committee is proposing to address the concerns of the telephone industry. S. 66 does not allow cable to be regulated as a common carrier except when it provides voice telephone service to the public. Cable will be able to offer data transmission unregulated, in competition with the telephone companies, which are presently regulated for that service. The proposed amendment permits the States to require that cable operators file informational tariffs for data services. More importantly, it directs the State regulatory authorities to deregulate data services offered by the telephone companies when the telephone companies face genuine competition.

The committee's amendment is a reasonable middle ground between regulating the new, undeveloped services to be offered over cable and completely deregulating the telephone companies before they face competition. The amendment provides the mechanism for the telephone companies to meet their competition on the same deregulated basis. And it leaves the determination of competition with the States, which are in the best position to make it.

The telephone companies' concerns about competition are legitimate. I am concerned about how competition for long-distance service, private-line service, equipment, and enhanced services as well as data transmission will affect local telephone rates. I believe that it is more appropriate, however, to deal with the broader telecommunications issues in separate legislation. Such complex issues as the FCC's access charge and separations proceedings and the AT&T divestiture are far better served by full committee hearings than by floor amendments to a cable television bill. I understand that bills will be introduced shortly to insure that our national telecommunications policies continue to provide for universal telephone service at affordable rates.

Let me, finally, simply reiterate my support for S. 66. I would like to congratulate the chairman of the subcommittee for his successful efforts to produce a compromise cable bill. I believe the compromise is a reasonable one which benefits the industry and which protects the interests of the consumers of cable services as well.

Mr. ABDNOR. Mr. President, I first wish to commend the members of committee. I know that the Commerce Committee has worked for a long, long time on this legislation which I observed in the previous session of Congress as well. Their efforts and actual passage of the bill is considerably different from what we are looking at today.

I suppose the intent is good, but I am afraid I must take issue with exactly what this legislation does in the way of deregulation from that which it intends to do.

First, let me say I regret very much that we do not have more Members present in Congress today. I guess it was necessary for many to be gone.

But this is important legislation, legislation that everyone should follow very closely, and be involved in, including hearing the arguments.

Unfortunately, the amendments that are offered today will not be voted on today but, rather, will be stacked. We will come in tomorrow, as I understand it, at 10 a.m., and proceed to vote.

Mr. FORD. Mr. President, will the distinguished Senator yield for a question?

Mr. ABDNOR. I yield.

Mr. FORD. Mr. President, I have a colloquy with the distinguished manager of the bill which shall take only a minute.

Would it be objectionable to the distinguished Senator if we conducted this colloquy before he gets into his speech?

Mr. ABDNOR. That is perfectly all right with me.

Mr. FORD. Mr. President, without the distinguished Senator losing his right to the floor, I would like to enter into a colloquy with the distinguished manager of the bill. I would like 2 minutes on the bill to engage in this colloquy with the distinguished chairman of the Commerce Committee regarding a unique problem in my State.

The Lexington-Fayette urban county, in Kentucky, is one of the few instances where cable television is an essential service. Many parts of the county do not have receivable television reception and there are extreme distortion problems in parts of the county with the NBC affiliate.

All of the network affiliates are UHF signals. Lexington-Fayette urban county will never have a VHF channel because of FCC mileage requirements. Due to geographical and topographical problems, this area of Kentucky has reception problems even under perfect conditions. Citizens of this area must subscribe to a cable system in order to receive a clear picture.

I am aware of no other place in the country where all three affiliates are UHF signals. Due to this situation, I would like to ask the chairman and manager of the bill to determine that the definition in section 607 of S. 66, on page 33, line 18, regarding grade B contour of not less than four television signals does not apply to Lexington-Fayette urban county? Lexington-Fayette urban county does not meet the letter and the spirit of this provision since the area does not receive adequate reception and the urban council should continue to regulate both basic rates A&B in Lexington and Fayette County. Is this correct?

Mr. PACKWOOD. You are correct. Lexington-Fayette urban county would be exempted from the basic rate deregulation due to this unique situation.

Mr. FORD. I thank the chairman and add that it is hoped that when S. 66 returns to the Senate from conference perhaps there will be a way to solve this problem in the legislation.

I thank the distinguished chairman and I thank my colleague for allowing us this couple of minutes.

Mr. ABDNOR. Mr. President, if I may proceed, I am now offering the amendment, and I would like to address myself generally to S. 66, known as the Cable Telecommunications Act. I begin by observing that S. 66 is not named the cable television act. This is because S. 66 is a bill covering much more than traditional cable television and other one-way broadcast issues. Putting it on the line, the real effect of S. 66 is to give cable companies a competitive advantage in offering highly profitable telecommunications services to large business customers.

Mr. PACKWOOD. Mr. President, is this time on the Senator's time on the amendment?

Mr. ABDNOR. No; it is on general discussion of the bill.

Mr. PACKWOOD. That is fine. I do not want to eat up too much of the Senator's time. Go ahead. I just want to make sure on what we are using the time.

Mr. ABDNOR. I thank the Senator from Oregon for allowing me time.

I support reasonable efforts to deregulate cable television. My esteemed colleague from Arizona, Senator GOLDWATER, who is a sponsor of S. 66, has told me that what he is trying to do in S. 66 is to provide cable television to people who do not have access to good television. I think that is a great idea.

Cable is an excellent way to improve television reception in many parts of my home State of South Dakota and other areas of the United States. I want to encourage and applaud the cable folks for doing that. But let us not rush into legislation that replaces the ghost on a bad television picture with the ghost of what today is the world's finest telephone service. We do not have to give up affordable telephone service to get good television pictures. I think that is clearly understood.

Looked at in its real context, this bill jeopardizes basic telephone service. The telecommunications revenues opened up to the cable companies are the very same revenues that are now used by local telephone companies and State regulatory commissions to hold down local rates.

I am not the only person concerned about the impact of S. 66 on the price of basic telephone service. The National Governor' Association, the National Association of Regulatory Utility Commissioners, and some 40 State public service commissions have written to you and me expressing their concerns.

Echoing the concerns of regulators across the Nation, the South Dakota Public Utilities Commission has asked that we take a "long hard look" at S. 66 which "could lead to a reduction of universal and affordable telephone service to our people." These concerns are well founded, particularly since the drafters of S. 66 have publicly acknowledged that they did not consider the impact of the bill on the rates for local telephone service.

The Senator from Oregon, my good friend, Senator PACKWOOD, has promised to introduce a bill to assure continuation of universal, affordable telephone service. I certainly support these efforts. But we should not permit harm to universal telephone service in one bill, while drafting another bill to repair the damage.

Cable systems are already in place. They use high-quality, state-of-the-art technology. They are generally large, well-financed operations—Warner Communications, American Express, General Electric, Westinghouse, Time, and Cox Broadcasting, to name just a few. These operations are poised to cherrypick the most desirable telephone company business communications markets. Jim Cuddihy, vice president of engineering and development for Group W Cable, the third largest in the United States, laid out the strategy at an industry conference this past April in Boston. Mr. Cuddihy said, and I quote:

> How successful cable can be in meeting marketplace demands for business communications, depends on several factors—facing the competitors, maintaining high technical standards and finally working together as an industry to maximize our potential. The first consideration is the competitive atmosphere in which we must function and thrive. This won't be easy, but we have one factor in our favor. I think it will take three to five years for the Bell operating companies—who will be, of course, our major competitors—to get their act together. So cable has a chance to get the jump on telephone companies, if it begins providing its services, working out the operational problems and developing its marketplace in that time frame."

S. 66 would allow the cable companies in my home State of South Dakota to immediately go after the highest volume business communications customers of the Northwestern Bell Telephone Co. in South Dakota, 2 percent of the customers account for 30 percent of the total revenues. If those telephone revenues are lost, local telephone rates for the residents of my State will increase by 50 percent. And, as the telephone company is forced to raise its rates to its remaining residential customers, more people will not be able to afford service and drop off the line, the rates for those who remain will rise still further. Spiraling rates, fewer customers, and a weakened telephone company is not my idea of a sensible public policy.

S. 66 will cause similar impact across the Nation. For example, Cox Cable Communications owns a corporation called Commline which provides two-way telecommunications services over a coaxial cable system in Omaha, Nebr. These unregulated services duplicate what Northwestern Bell offers under State regulation within the city of Omaha. A Commline promotional brochure describes its own services as "A substitute for telephone lines" and promotes its voice capability. Cox Cable has stated that its basic market for institutional cable—which can be defined as cable telecommunications services to institutions such as banks, service industries, schools, and governments—is 200 businesses in the Omaha exchange area. This may seem like a small number to some, but consider that revenues from those organizations exceed $40 million annually. If 70 to 80 percent of that revenue is lost to unregulated companies, local rates must increase over $7 per month per telephone customer in Omaha alone.

As another dramatic example, consider the State of California. Again, there is a high degree of revenue concentration: 1.2 percent of the business locations generate $760 million in revenues.

If those revenues are skimmed off by unregulated competitors who can pick and choose their customers, every residential customer in the State of California would have to pay an extra $9 per month for basic telephone service—to make up for the lost revenues which previously contributed to holding down local monthly bills.

This pattern could be repeated across the country. A Touche Ross study found that a mere 2 percent of the service areas in Arkansas, Kansas, Missouri, Texas, and Oklahoma produce more than 30 percent of the telecommunications revenues.

The scenario I have just described is exactly what S. 66 will do. The competitive advantage to the cable industry comes about because the telephone companies are regulated as public utilities. The cable companies know the regulatory handicap quite well. As Tom Wheeler, president of the National Cable Television Association, recently told a House committee, cable companies pay 22 cents of every dollar for regulation. S. 66 lifts this burden from the cable companies, but leaves it squarely on the shoulders of the telephone companies and its ratepayers. If the cable companies see the telephone companies as their major competitors, why should the U.S. Senate help one competitor and hold back the other? That does not strike me as being fair, nor in the public interest, since we are discussing an industry as important as communications.

The telephone companies must serve all customers, no matter how big or how small. The cable companies will be free to pick off only the most profitable routes and services.

The telephone companies' rates are set by the State regulatory commissions on a uniform statewide basis. This assures that everyone can afford basic telephone service—something we have been proud of all these years. But the cable companies can charge what the market will bear—underpricing the telephone company to cream-skim lucrative customers, and overpricing where they face no competition. A cable system would be fully deregulated even in those areas where it is a monopoly provider of services.

This is what S. 66 means when it talks about deregulation of cable. It means singling out cable companies for private benefit at public detriment. The bill states in section 602 that its aim is to allow cable systems to offer broadband telecommunications without a competitive disadvantage with other providers. S. 66 replaces disadvantage with tremendous leverage. Not only is competitive disadvantage questionable, the bill legislates a clear competitive advantage for cable. This is not fair, it is not even-handed, and it is not good public policy.

I propose to amend the bill to focus its deregulatory impact where it belongs—on traditional cable television service. I agree with Senator GOLDWATER that regulation of traditional cable should be revised, and S. 66 has merit in that area. But in the telecommunications area, where the quality and affordability of our nationwide telephone system are jeopardized, I hope the Senate will agree that my two simple amendments are right on target.

Mr. GOLDWATER. Will the Senator yield?

Mr. PACKWOOD. Mr. President, I am happy to yield such time as the Senator from Arizona needs.

Mr. GOLDWATER. Mr. President, I would like to answer a little bit of what the Senator has been discussing. His first criticism is that the bill is entitled, "To Amend the Communications Act of 1934."

I remind the Senator that is merely customary. Every communications bill I have had anything to do with, for or against, while on this floor started that way.

As the Senator from Oregon, the chairman of our committee, has said, he and I intend to introduce legislation that will apply itself exclusively to the problem that the urban telephone user is beginning to experience—not only the urban telephone user, but all telephone users whose monthly bills for telephone service are going to go up. And I can tell you my friends that they are going to go up a lot.

When AT&T broke up, they kept the long-line service. They have what I call the most marvelous scientific development in the world, the switching service in New Jersey that enables one just picking up the phone to call anyplace in the world. I spent a part of the last 10 days in Europe. Two or three times a day it was required that I call the Capitol. I did so as easily as picking up the phone in my office and dialing a short number. It went through the switching service that has never been equaled of the old AT&T in New Jersey. But that is beside the point.

This is not a telephone bill. It is a bill to cover the problems in cable telecommunications.

Let us look just briefly at something that the Senator was talking about. South Dakota has 48 cable systems. They pass almost 128,000 homes. They have 82,000 subscribers, roughly. Their percent of subscriber penetration is 64 percent. The TV households are 251,700, roughly, 252,000 and has a 32-percent subscriber penetration. But there is not one single system in the entire State, not one system, that passes data. So, I do not see any reason to be concerned there. Certainly nothing that is happening in the Senator's State has any effect at all upon the telephone company.

Mr. PACKWOOD. Will the Senator yield?

Mr. GOLDWATER. Yes.

Mr. PACKWOOD. Will he say that again? There is not a single cable system in South Dakota at the moment involved in two-way transmission of data? None?

Mr. GOLDWATER. There is not any.

Mr. PACKWOOD. So, this bill has virtually no effect on South Dakota at all?

Mr. GOLDWATER. Absolutely no effect.

Mr. ABDNOR. Will the Senator yield?

Mr. GOLDWATER. I have a few more figures, but I will yield to the Senator from South Dakota.

Mr. ABDNOR. As long as the Senator is talking about my State, I would like to say that there are about three capable of getting into it right now. I should have brought in the newspaper article and inserted it into the RECORD because there are plans.

Incidentally, I think maybe the Senator's figures are a little low on who has cable television in South Dakota. Since they relaxed rules so that telephone companies can install television by cable in communities under 2,500, even my town of 375 has it, and we do appreciate it. That is fine. If that is what this bill is about, to bring cable TV to many people, I am all for it.

There is one thing that bothers me. The Senator says that there is no connection between telephone companies and this bill. Let me assure you of one thing. This legislation could well allow bypass of local telephone systems which provide the access charges on long distance services. As I understand it, we would lose out on that revenue. That is what we are talking about. It does affect telephones. As long as we are in danger of losing those access charges, of causing the rates to go up because of the loss, I think it has a lot to do with telephones.

Mr. GOLDWATER. The Senator is speaking about what might happen in the future. I am not going to stand here and try to look into a crystal ball and say what might happen. It might happen, but it has not happened yet. No cable system in the Senator's State transmits data.

Now, we have 5,790 or so cable systems operating in this country. Less than 0.1 percent, or 7 out of 6,000 cable companies, transmit any data at all—0.1 percent. And the largest corporation in the history of the world is scared to death about 0.1 percent. I would like to be that scared every morning. I would live a hell of a long

time. I am shocked that that gigantic corporation would try to infer that they are on the verge of real trouble.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Will the Senator from New Jersey, who is controlling the time, yield to me?

Mr. LAUTENBERG. I yield to the distinguished Senator from Nebraska.

Mr. EXON. Mr. President, the discussion and debate with regard to the bill before us has been an interesting one. I have listened to much of it today.

Like so much of the legislation which comes before this body this cable bill is not perfect, in the opinion of this Senator. This Senator has been one of those leaders seeking to protect the rights of the cities and the consumers with regard to cable television. Over the years I have maintained this position.

So, while saying that nothing is perfect, the bill before us is the best bill that we could possibly work out involving the very complicated and intricate matters dealing with cable television.

I certainly salute the chairman of the committee, on which I serve, and Senator GOLDWATER, the original leader of the bill presently before us.

While there has been some give and take, and I think there has been cooperation, I think we have done the best possible job that we could, given the importance that the cable television industry has in this Nation and will have in the future, protecting all of the interests, including the cities and consumers. We have worked it out the best we can.

For that reason, the Senator from Nebraska feels it is appropriate for me to support this measure on final passage.

But that does not mean, Mr. President, that we should make no amendments whatsoever to the bill. I said earlier it is not a perfect bill. I think it could be closer to perfection if we would eventually adopt the amendments that I understand will be offered by the Senator from South Dakota.

I would like to request at this time that if and when the Senator from South Dakota offers his amendments that I have seen I be added as a cosponsor.

Mr. ABDNOR. If the Senator will yield, I will say I would be very happy to add him as a cosponsor.

Mr. EXON. I thank my friend from South Dakota.

Mr. President, as a member of the Commerce Committee, the committee members and the Senate in full know, I think, and understand, that I have been very concerned with the issue of basic telephone rates and the problems that residential and particularly rural users may encounter should rates become so high that this basic and essential service becomes unaffordable to many of the present customers of the telephone companies.

Mr. President, I do not believe that it is entirely appropriate to say this has nothing to do with the telephone business, that this is a cable bill.

Well, Mr. President, there is very little in this life of ours today where any action we take does not have a counteraction over here. When you get into the complicated field of communication, I think it well that we recognize and realize that some things are truly likely to occur.

We have heard in debate today that no cable television company in South Dakota today is carrying on any type of competition with the telephone company. Well, that does not mean that that is not likely to happen in the future. In fact, most of the experts in this field do predict that there is going to be increased competition, and increased competition is good.

Going back to the reason that I said I intend to support this measure, I think it enhances and increases competition and still provides some legitimate protection that I think is vitally needed today to make sure that those involved in the highly competitive business of cable television and the risks that they are taking are given a degree of protection. The bill does that.

But I think possibly we should not just put on blinders and say it is not going to have an effect on basic telephone rates, because I suspect with the ingenuity and the plans which are being presently planned by the majors in the cable television industry that indeed increased competition will be a part of that.

What the Senator from South Dakota and the Senator from Nebraska are trying to do is to put on a reasonable amendment that simply says that when we pass this cable television bill, we are affording at least a degree of protection to make certain that telephone rates for individual subscribers are not more adversely affected than they certainly will be by other actions that have been taken.

I know and I realize that deregulation, getting the Government off of our backs, and all these kinds of things, have an excellent ring in the countryside and it is good politics. But certainly I can say as a Senator from Nebraska deregulation of the airline industry has not been a boon to commercial aviation in Nebraska. I think other States with larger geographical areas, other States who have medium- to small-size cities, indeed have been hurt by airline deregulation.

I do not believe, Mr. President, that was adequately addressed or understood when that measure passed the Senate before this Senator came to represent Nebraska in this great deliberative body.

Mr. ABDNOR. Will the Senator yield for a question?

Mr. EXON. Yes.

Mr. ABDNOR. As a member of that committee, you listened to the hearings and the discussions. Will we do great harm to this bill if we completely deregulate the cable television except when it comes to telecommunications to hold off on that until the hearings which are about to be held allowing us to measure the impact better and to have a better feel for what we are doing? Is that possible?

Mr. EXON. It seems a reasonable proposal to me. I guess basically what we have to do, in the opinion of this Senator, and I have not talked with my friend from South Dakota or other Members about any particular way this could be resolved, is as I said earlier, that I think the cable television, which I agree is 95 percent of this bill, is something that needs passage and I will support that. But I do think that the approach by the Senator from South Dakota, with the amendments that I understand he intends to offer, will be in a way to at least address and look into the matters that are the basic thrust of the amendments being offered by the Senator from South Dakota.

I would simply like to say that during this body's consideration of S. 898, the Communications Act which was passed by the Senate but never considered in the House during the 97th Congress, I successfully added an amendment to that bill to address basic telephone rates. This did not become law, as I am sure it would have, because of the administration's decision to enter into an agreement with the American Telephone & Telegraph Co. to end the lawsuit that was being pressed against Mother Bell.

I have heard talk here today that the House did not take action after the Senate did. That is accurate. I think, though, that most would agree that the real reason that the House did not take action was because they felt that the agreement that was entered into jointly by the administration and the Bell System did not necessitate a full telecommunications bill at that time.

The language, though, that I had embodied in that bill that I hoped would have become law simply said that rates for basic telephone service shall not exceed, Mr. President, 110 percent of the national average for comparable services. This amendment would insure that all those who relied so heavily on telephone service, particulary in the case of the less fortunate and the elderly, would continue to receive service at reasonable rates.

I think that we cannot just turn our backs on that and say, "But this has nothing to do with the bill presently before us." I simply suggest, Mr. Presi-

dent, that before there was a game of football, we did not play football in Nebraska; before we had such a thing as television, no one watched television. Before we had all of the devious taxes and loopholes that are replete in our system today—that happened only after we had taxation. My point is that I think it is somewhat shortsighted to say that we should pass this bill and then see what happens in the future.

The amendments that I understand are going to be offered by the Senator from South Dakota merely address the long-range approach and simply say that if we are going to regulate, we should regulate among people who are going to be competitive and if we are going to have deregulation, then there should be deregulation.

This amendment that is to be offered by the Senator from South Dakota is a follow-on to the amendment that I offered on S. 898, which really addresses how much of an increase in cost is the individual subscriber or user of a telephone going to have to pay for some of the actions that are taken through legislation on the floor of Congress. I certainly endorse the proposition that has been suggested by the Senator from Arizona and the Senator from Oregon with regard to other bills that might be coming on line. I recently joined with Senator STEVENS in sponsoring legislation designed once again to insure the availability of basic telephone service at reasonable cost. That bill is S. 1382. Once again, the 110 percent language is incorporated from S. 898, the bill that I introduced. I am hopeful that the Senate Commerce Committee will consider this bill in the near future.

Mr. President, I am aware that the opponents of the Abdnor amendments will say that S. 66 is primarily a cable television bill and that this type of amendment has no place being included in this legislation. Yet, Mr. President, this argument does not convince this Senator. Under the terms of this bill, cable service entities would be able to enter into broad new communications markets free of regulation. With the existing technology, cable would have the ability to compete directly with local exchange telephone companies, who are and will continue to be regulated, thus legally restricted from competing in the open marketplace.

As a result, I see three major concerns arising from this situation. Mr. President, I believe we will see local telephone rates become increasingly vulnerable to large cost increases. This will be particularly onerous to those customers in rural areas where service costs are higher. Cable companies in an unregulated environment could effectively attract large-volume communications customers without regard or obligation to serve the general public, thereby eroding the revenue base from which local service charges are determined. This large customer loss could have a devastating financial impact on the telephone companies and ultimately the basic subscriber especially in rural America.

There is also involved here, Mr. President, an issue of fundamental fairness and equal treatment under the law. Allowing cable television to go unregulated while telephone companies remain subject to regulation is quite frankly unfair in a supposedly competitive environment.

Finally, Mr. President, my third concern deals with the basic universal telephone service itself. I believe that the provisions of S. 66 cast uncertainty on our ability to preserve universal service at reasonable rates.

It seems to me, Mr. President, that if we could simply accept the amendments that I understand are going to be offered by the Senator from South Dakota, we would at least take a step forward in attempting to correct a situation that I see coming home to haunt us much faster than we presently envision. It is for these basic reasons, Mr. President, that I support the amendments that I understand will be offered by the Senator from South Dakota. It is my hope that we in this body may assure our telephone subscribers in these towns and farms and ranches throughout my State of Nebraska and throughout this country that we mean to do all we can to insure reasonably priced telephone rates to meet their needs now and in the future.

Mr. President, I yield the floor.

Mr. GOLDWATER. Will the Senator yield to me for just a moment?

Mr. EXON. I shall be happy to yield.

Mr. GOLDWATER. Mr. President, I should like to call the attention of my colleagues to one fact we have overlooked so far. I continue to call this a bill to handle cable television, and some of my colleagues are continually trying to turn it into a telephone bill. Let me refresh their memories.

I am not precisely or exactly certain of the time, but I am approximately so. Either the morning we were marking this bill up or the afternoon before was the first time AT&T showed any interest in this bill at all. In fact, efforts were started at that time to prevent this bill from coming out of our committee and onto the floor, and they were started by AT&T.

Everything in this bill is more or less ancient history. It has practically been in every bill to change the Communications Act of 1934 since my memory serves me. Yet, it was only a few hours before final passage that AT&T got into the act, stating that this might cause them some problems.

I remind my good friend from Nebraska, because I think we are in agreement on it, that last year, when we discussed the possibility of deregulation in this field with the distinguished Representative from Colorado (Mr. WIRTH), he said he did not think enough time had gone by and I had to agree, as did members of my subcommittee, that enough time had not passed since the breaking up of AT&T to be able to tell whether or not the Federal Government would have to step in. I think we all felt that the Federal Government would be better off if it did not have to.

Now that we see the developments coming along that the distinguished chairman has seen, we have indicated to the people interested on both sides that hearings would be held—now, I understand, as soon as the July 4 recess is over—at which time, we shall explore what the Federal Government can do to hold local and rural rates down. I no longer feel that not enough time has passed; I think enough time has passed.

I say to my good friend from Nebraska that we never had discussions on this problem during the hearings on cable television. We talked about cable television. It was not until the very last moment that the telephone business got in at all. And here we stand this afternoon, after about 2 hours of debate, and we have heard practically nothing about cable television, but we have heard all about the high cost of telephones, most of which has not happened yet.

I can assure my friend from Nebraska that I have been notified my rates are going up, and I suppose he has, too. I feel that we should meet and we should come up with some idea of what we can suggest in the way of keeping rural and local rates down, at the same time not impairing the tremendous efficiency of the switching system that we have under AT&T.

I hope that, with the knowledge certain that we are going to have adequate hearings, full hearings, on full telephone rate problems, we can get around to discussing the real meat of this bill, which is whether or not we are going to make it possible for people in the small towns in Nebraska—where my mother spent so many years of her life—in the small towns of South Dakota, in towns in my own native Arizona, that are down deep in canyons or way up on top of mountains, if we are going to say no to them on cable television or any television at all. That is what we are getting at.

That is what we are getting at. It is not to help this group or that group. I want to see something done to enable all Americans to have adequate access to good television. I also concur with what the Senator from Nebraska and the Senator from South Dakota want to see—a stopping of unusually high increased rates to local telephone subscribers. But I do not think we can ac-

complish that through this bill. I honestly feel that any amendments referring to telephone can well destroy this bill as far as any chance of getting it through the House. I feel at the same time that the chairman of the House Subcommittee on Communications feels as I, that the time has come when the AT&T breakup has had enough time for us to sit down and assess what is happening to local telephone rates. I do not believe it belongs in this bill. I do not think it will help the bill. I think eventually it could defeat the bill, and I know that is the last thing that the Senator from Nebraska wants. I yield the floor, Mr. President.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I ask again that my time go on the time allotted to this side of the aisle.

I thank my friend from Arizona. To answer one of his questions, why have we not had more discussion on what this bill is really about, the Senator remembers that I said it is 95 percent, maybe it is 98 percent, maybe it is 99 and 99 1/100ths percent cable. I expect that with a few exceptions there is little opposition on the floor of the Senate to the excellent compromise that has been worked out primarily because of the attitudes of the Senator from Arizona and the chairman of the committee, who have worked admirably in this area.

I understand that there is going to be some amendments on cable, but basically as far as the cable portion of this bill, which is a major portion of it, this Senator has no concerns whatsoever. They are well thought out. I say that as one, as the Senator from Arizona, who had some grave reservations when it came up last year and this year with regard to the authority that the city councils and mayors would have, especially in some of the smaller and medium sized cities in this country, with regard to their situations with the cable operators.

But I think there has been a feeling of total cooperation. I think there has been a feeling of let us work this problem out, because we all know that cable television is going to be a tremendously important part, maybe the most important part, of our television viewing and the commuications of thought and news to the people of the United States including the great people of Nebraska, who, by the way, are quite well served by cable television now. Generally speaking, we have gotten along very well with the city fathers who have the right to supervise the various cable companies that operate in Nebraska.

I think the reason we have not had more discussion on that there is that is total agreement. Where there is not total agreement is on the amendments that we have been discussing that I understand will be offered by the Senator from South Dakota. If those amendments are adopted, I cannot see why that should defeat the bill. I believe that there are sufficient votes on the floor of the Senate to pass this bill even if the amendments that I hope will be offered, and I hope will be accepted, by the Senator from South Dakota are adopted. So I do not believe, at least I have not heard previously, that the amendments that are likely to be offered by the Senator from South Dakota are killer amendments. They are merely to clarify one area where I think all of us are concerned. I recognize and realize that there can be honest differences of opinion between well intentioned people on what is right or wrong in this area. The Senator from Nebraska does not speak as a representative of, by, or for the Bell System. I am speaking on what I believe to be the best interests of the rural people particularly in my State and the individual subscribers; I am trying to give some degree of protection.

I believe that the amendments that will be offered by the Senator from South Dakota will be a significant step in the right direction and would not be killer amendments.

Mr. ABDNOR. Will the Senator yield?

Mr. EXON. I yield the floor.

Mr. ABDNOR. I commend the Senator for those remarks and I would like to associate myself with him on his statement. I, too, feel that basically this is a good bill. It is just the concerns that we have in a small part of the bill itself. We agree on most of it.

I should also like to say, as the Senator has said, that my concern is not AT&T. My sole concern is directed toward our local telephone companies that depend so much on access charges that will be lost and go a long way toward holding the rates down. That is our concern, not gigantic AT&T. I thank the Senator.

The PRESIDING OFFICER. Who yields time? If neither side yields time, time will be charged equally against both sides.

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

Mr. PACKWOOD. Will the Senator withhold?

Mr. GOLDWATER. The time being equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. WILSON assumed the chair.)

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.

Who yields time to the Senator?

Mr. ABDNOR. Mr. President, I have not offered the amendment. I am getting ready to do so. I was giving the chairman an opportunity to look at the amendment before we proceed.

Mr. PRESSLER. Mr. President, I wish to speak on the bill, if someone will yield time.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I would like to yield time to those in opposition to the bill, but I am controlling time in favor of it, so I cannot yield time.

The PRESIDING OFFICER. Does the Senator from New Jersey yield time?

Mr. LAUTENBERG. I yield my time to the Senator from Oregon to deal with as he judges. I yield the time to the Senator from Oregon, such as he needs for the present amendment. I do not yield all my time.

The PRESIDING OFFICER. The Senator from New Jersey may yield time to any Senator, for whatever purpose.

Mr. LAUTENBERG. The distinguished Senator from Oregon has an opportunity to use some of my time, 10 minutes.

AMENDMENT NO. 1378

(Purpose: To recognize the policy of promoting universal telephone service)

Mr. ABDNOR. 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 South Dakota (Mr. ABDNOR), for himself, and Mr. EXON, Mr. BURDICK, and Mr. PRESSLER, proposes an amendment numbered 1378.

Mr. ADBNOR. 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 22, between lines 10 and 11, insert the following.

"(5) recognizing the long standing tradition of the Congress of promoting universal telephone service at reasonable rates, and recognizing the rapid technological changes of the types and delivery of services offered by the telecommunications industry, it is in the public interest to ensure that all providers of telecommunication services share in the obligation of providing universal service.".

Mr. ABDNOR. Mr. President, it is my understanding that the committee would be willing to accept this amendment.

Mr. PACKWOOD. I am not quite sure. I have some questions I wish to ask about it. We may be willing to accept the amendment. I wish to ask some questions about it.

Mr. ABDNOR. Mr. President, I wish to make some comments with regard to my amendment to section 601, the findings, which reemphasize the intention of Congress in providing universal telephone service at reasonable rates.

Public officials from many branches of government have been involved in the challenge of changing the structure of the telecommunications industry. And any change as big as this one is bound to have political repercussions. Public service commissions throughout the country are beginning to feel the heat associated with changing costs and prices, and we in the Congress are the next in line. If your mail is like mine, you are already receiving a considerable number of complaints.

It is clear to me that the Congress cannot sit idly on the issue of telecommunications deregulation. Our constituencies will not allow us to do it. The Congress must pay close attention to the actions of the Justice Department and the Federal Communications Commission.

The communications industry is going through changes as a result of deregulation, and many of these changes are separate from the divestiture of AT&T of the Bell operating companies.

The forces of marketplace competition do not protect all elements of society. Among those who may not be protected adequately are residential users, people in rural and remote areas and people of lower incomes located anywhere, city and farm alike. How do we provide communications services to those in high cost areas or in low income settings?

The FCC and the Congress are working on a plan called the universal service fund to assist in providing assistance to those who face dramatic price increases. The mere creation of the universal service fund is not enough, however. To accomplish its objective, that fund needs to be adequately funded. My amendment dealing with universal service and reasonable rates cites that all providers of communications services have a responsibility and obligation to contribute to the public interest, that is, the universal service fund. The phase "all providers" may seem broad to many, but not to me.

If the new, emerging telecommunications industry is attracting new firms by the lure of profit, certainly their chipping a little bit into a common kitty is a fair and reasonable thing to do. By "all providers" I mean to include both private and public communication networks alike: I mean a whole spectrum of communications services, not just voice: I mean all forms of communication transmission services, including satellite, microwave, and digital not just wire switches.

In the changing environment of the communications field, there will be gainers and losers in the deregulation process. Unfortunately, my State of South Dakota is a big loser. But if misery loves company, I have plenty of company. Of the 48 contiguous States, at least 21 others and the District of Columbia will be facing higher costs than the national average. Similar changes will occur at the State level for intrastate access charges which will also drive up local rates. I would suggest to my colleagues, representing those States, they would benefit by conferring with me before they vote. Besides the 21 States I mentioned by name, almost all States have sizable rural areas, whose service may be jeopardized.

I do not mean to sound pessimistic about these changes in the communications industry. Actually, I am excited about the technological advances. If we take steps now to safeguard the interest of those who will be most affected by deregulation, our whole country can prosper from a technology which will transform our lives and raise the standard of living of all Americans. We are now in the information stage—It is the leading edge in the process of social change. Our economy cannot grow without the growth of the communications and information sector. It is as important to this generation and the future of our country as were the industrial revolution and the modernization of transportation in generations past.

We are witnessing the dawn of a new era, and I am excited by the prospects that accompany it. However, I will do everything possible to protect the interests of residential and rural citizens as the communications industry evolves through changes in Federal regulation and changes in technology.

Let me conclude my remarks by reading the language of my amendment. I think it summarizes well not only my feelings, but those of all Members of Congress, both past and present. These words serve to keep the United States unified through the preservation of the world's finest communications system. It reads:

Recognizing the longstanding tradition of the Congress of promoting universal telephone service at reasonable rates, and recognizing the rapid technological changes of the types and delivery of services offered by the telecommunications industry, it is in the public interest to insure that all providers of telecommunications services share in the obligation of providing universal service.

Mr. President, I ask unanimous consent that the following two letters be included in the RECORD. They provide excellent testimony to the harm that may occur if areas subject to high costs are not protected by a universal service fund. I cannot stress my concerns enough, and my fears are substantiated by these letters.

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

GOLDEN WEST TELEPHONE COOPERATIVE, INC.,
Wall, S. Dak., May 18, 1983.

Senator JAMES ABDNOR,
Senate Office Building,
Washington, D.C.

DEAR JIM: The FCC appointed Joint Board has now delivered their recommendations to the FCC regarding Docket 80-286. It appears from analysis of their recommendations that rural telephone companies will be in for some rough economic times ahead. Although the FCC to our knowledge has not yet formally adopted the Joint Board's recommendations we understand they will in almost the form submitted.

Based on what we know today we have had our cost separations firm of Ernst & Whinney prepare an analysis on Golden West's operation. We are sending along a copy of this analysis as sent to our board president Earl Waterland. We are understandably concerned that the final results will cause rural companies such as ours some very serious problems.

The hoped for relief which might have come from the High Cost Factor (HCF) and resulting universal service pool did not materialize. We know that telephone rates must go up but not to the extent we force customers from having service. Surely there must be more concern for Rural America to continue to have telephone service somewhat near the quality of Urban areas. It appears that the results of FCC actions so far will be what we predicted from the start—the elimination of the Universal Service Concept and placing telephone service in a luxury category.

Thank you in advance for your past concerns of this issue.

Yours truly,

DONALD PAULSEN,
General Manager.

ERNST & WHINNEY,
Tacoma, Wash., May 5, 1983.

Mr. EARL WATERLAND,
President, Board of Directors, Golden West Telecommunications Cooperative, Inc., Wall, S. Dak.

DEAR MR. WATERLAND: This letter will address the probable effects of the Joint Board's final recommendations in Docket 80-286 upon Golden West Telecommunications Cooperative, Inc. As the South Dakota Commission has not yet specified what the intrastate jurisdictional separations procedures will be, this letter will focus on the interstate side.

The Joint Board has recommended adoption of a flat 25 percent assignment of nontraffic sensitive costs to interstate, following a five year transition period beginning January 1, 1984. This 25 percent assignment will replace the frozen Subscriber Plant Factor (SPF) which, in Golden West's case, is approximately 42 percent. This means that instead of assigning 42 percent of NTS costs to the interstate jurisdiction, by 1988 only 25 percent of these costs will be considered "interstate."

Golden West's total NTS revenue requirement in 1982 will be approximately $4,126,000, or about $33.50 per line per month. In 1982, 42 percent or $1,732,900 will be assigned to the interstate jurisdiction, 33 percent or $1,358,900 to the intrastate jurisdiction, and the remaining 25 percent, or $1,034,200 will be assigned to local. By the

end of the five year transition, the interstate allocation will decrease from $1,732,900 to $1,031,500 (42 percent to 25 percent). This will shift $701,400 in NTS costs away from the interstate jurisdiction. If we assume that the South Dakota Commission will follow the FCC's lead and mandate a flat 25 percent intrastate toll allocation, an additional shift of $327,400 away from the toll jurisdiction would occur.

In addition to specifying the new NTS allocator, the Joint Board has laid out the manner in which the High Cost Factor will operate. Under the proposed methodology, Golden West's NTS cost, after the access charge phase-in period, would be recovered as follows:

Interstate end user (flat rate) monthly charge	$8.38
Intrastate jurisdiction	19.72
High cost factor	5.40
Total	33.50

Golden West's current one party residence line access rate is $5.80. If we assume that on the state side, an additional $8.38 of the $19.72 intrastate NTS cost is assigned to the end user, the total NTS cost per month per line shifted to the end user would be $16.76 (Interstate—$8.38; State—$5.38). This would increase the residential single line access rate from $5.80 to aproximately $22.50, or an increase of 288 percent. An additional increase could also be expected as the current $5.80 local rate does not completely cover the portion of the NTS cost per line that is assigned to "local" in the separations process. Based upon AT&T's curtailment study, "Economic and Demographic Determinants of Residential Demand for Basic Telephone Service," a monthly rate increase greater than 200 percent would be expected to produce a decrease in Golden West's subscriber base of more than 24 percent, or more than 2,500 subscribers. However, as subscribers leave the network, the NTS costs would be spread over a shrinking base, necessitating further rate increases. Theoretically, a "worst case" situation would occur when the NTS cost per line per month reached 200 percent of the national average. At this level, no further NTS costs would be assigned to end users. This situation would come about only after Golden West's subscriber base has been reduced to less than 8,600 subscribers.

A decrease of more than 20 percent in Golden West's subscriber base, which according to our analysis is theoretically possible, along with a corresponding decrease in revenue, could have a serious negative impact upon the Cooperative's ability to maintain high quality service. The curtailment problem indicates that the long-term effect of the implementation of Dockets 78-72 and 80-286 may be more than simply a shifting of costs between the toll and local jurisdictions. While AT&T's curtailment estimates may be exaggerated to some degree, it is clear that local rate increases of the magnitude discussed previously will, certainly, convince a significant percentage of Golden West's subscribers to subscribe to a lower grade of service, engage in "shared" telephone service with other subscribers, or even to completely abandon telephone service.

Golden West's decisions regarding REA borrowing were made based upon operating conditions and revenue flows as defined by Ozark separations procedures. A change in conditions as profound as that contemplated by the access charge and Joint Board proceedings could not have been predicted when Golden West's financing decisions were being made. Therefore, a significant loss of subscribers and operating revenues could have serious effects on Golden West's ability to fund construction and repay outstanding loans.

It should be noted that costs which are currently assigned 100 percent to toll are not affected by the Joint Board's decision. Thus, the Golden West/Northwestern Bell microwave project costs will continue to be 100 percent recoverable through settlements. However, Northwestern Bell's intrastate rate of return may be expected to decrease to some degree over the next few years, which could limit the return on that portion of the costs which are assigned intrastate vs. interstate.

Per your request, this analysis has been prepared based on current interpretations of the FCC's access charge docket, and the Joint Board's recommendations in Docket 80-286. The potential effects upon Golden West as a result of these proceedings are estimates and, therefore, subject to change based upon the ultimate outcome of both proceedings.

I hope these comments prove helpful in relation to the potential effects of proposed Federal regulation upon Golden West Telecommunications Cooperative, Inc. It is imperative that the South Dakota Commission evaluate the effects of further local increases on the State's telephone subscribers before making a decision on future intrastate jurisdictional settlements.

Sincerely,

DANIEL A. LYNCH.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the following table be printed in the RECORD. While the information contained in this table is not directly related to the effects of my amendment, I wish to point out to my colleagues how vulnerable their States are to telephone rate increases.

A portion of the cost of providing local phone service is subsidized by long-distance revenues. States where there are high costs associated with the local exchanges receive a considerable amount of subsidy. For example, my home State of South Dakota receives $1.38 in revenue for every $1 generated in long distance phone calls. That 38-percent subsidy helps to maintain quality, affordable phone service for the citizens of South Dakota.

If South Dakota customers did not receive that additional assistance, phone rates easily would double in most parts of the State. Other States are in exactly the same position; I make an illustration with South Dakota data because I am most familiar with it.

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

1983 Interstate allocation of subscriber plant costs

[In dollars per subscriber line per month]

State	Cost
Alabama	$7
Arizona [1]	12
Arkansas [1]	9
California	6
Colorado [1]	12
Connecticut [1]	8
Delaware [1]	8
Florida [1]	13
Georgia [1]	9
Idaho [1]	10
Illinois	6
Indiana	6
Iowa	7
Kansas [1]	8
Kentucky	5
Louisiana	7
Maine	7
Maryland	5
Massachusetts	6
Michigan	4
Minnesota	7
Mississippi [1]	8
Missouri	7
Montana [1]	12
Nebraska [1]	10
Nevada [1]	26
New Hampshire	12
New Jersey	7
New Mexico [1]	10
New York	7
North Carolina	7
North Dakota [1]	10
Ohio	4
Oklahoma [1]	8
Oregon [1]	9
Pennsylvania	4
Rhode Island	6
South Carolina	7
South Dakota [1]	10
Tennessee	6
Texas	7
Utah [1]	8
Vermont [1]	11
Virginia	7
Washington	7
West Virginia	7
Wisconsin	5
Wyoming [1]	25
District of Columbia [1]	10

[1] 22 States exceed the national average of $7 (Alaska and Hawaii were excluded from the analysis).

Mr. ABDNOR. Mr. President, I ask unamimous consent to place in the RECORD two letters which were sent to the Federal Communications Commission. They underscore my involvement in the issue of universal service.

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

U.S. SENATE

Washington, D.C. November 22, 1982.

Mr. MARK FOWLER,

Chairman, Federal Communications Commission, Washington, D.C.

DEAR MR. CHAIRMAN: It is my understanding that the FCC is proceeding with its task of determining access charges for telephone subscribers.

I would like to express my interest and concerns about this issue. Rural areas in the United States are highly vulnerable to significant rate increases if their unique circumstances are not recognized, or even worse, ignored. Because of low population density, per-subscriber fixed costs are considerably higher than what urban areas experience.

The United States has become the integrated and efficient economy that it is due in part to the commitment to providing universal telephone service at reasonable rates. The worldwide telephone communications network is made stronger by ensuring service to outlying areas. All telephone users have some obligation to keep the network as comprehensive as possible so that communi-

cation can take place between all points in the United States.

It is in the national interest to maintain the universal service concept and to assure that all Americans have an opportunity to use telephone services at reasonable rates. Without some level of rate support, rural users will be exposed to tremendous rate increases. Under the "Pure II" approach for defining access changes, subscribers of non-Bell services in South Dakota would be required to pay an additional $38.50 for basic monthly service. Over the entire state, all customers would be subject to an increase of about $15.00. Clearly, these large increases in rates will invoke hardship on the people of South Dakota and other rural states.

While I recognize that changes in the telecommunications market structure require changes in the allocations of costs, I do not believe that the cost of basic phone service should vary dramatically from one area of the country to another. To facilitate a comprehensive telephone network, it seems to me that a nation-wide average cost allocation is a fair way to deal with the access charge problem.

I have information that shows subscriber plant factor interstate allocation on a per subscriber basis varies from $3 to $26 per month, with $7 being the approximate average. About 21 states are above that average; 13 states exceed the average by 40% or more. If monthly costs for basic service must rise in the absence or reduction of subsidies from long distance revenue, it seems to me that the imposition of an average rate increase on all users would be equitable for all.

Today's rural citizen is probably more reliant on telephone service than his urban counterpart because of the great distances that separate the towns. Farmers and ranchers must be in constant contact with their local elevators and agriculture suppliers as well as their out-of-state commodities brokers. Businessmen, too, must remain in contact with customers and out-of-state suppliers and manufacturers.

The rural economy is very dependent on the phone system. Home and personal use of the telephone must be taken into consideration, also. Increases in phone costs to the user translate directly to decreases in the standard of living of South Dakotans. If subscribers keep the service and are required to pay as much as $400 more annually for phone service, they will have to forego the purchase of other goods and services. The only other alternative available to them is to forfeit the use of telephone service. That kind of dislocation would be tragic.

Phone usage in rural areas is a necessity. Besides the social and economic reasons for having telephone service, phone availability can assist in life-saving efforts. Weather conditions and job hazards are often life threatening in remote areas and communication is vitally important in reducing risks associated with rural living.

I urge you and your fellow commissioners to give full consideration to the needs of rural citizens. The principle of universal service at reasonable rates should not be abandoned now. The benefits from this admirable goal have been bestowed on all Americans. Let us take steps to assure the continuance of affordable basic service by compromising an acceptable mix of economic and social objectives.

With best wishes,

Sincerely,

JAMES ABDNOR,
U.S. Senator.

U.S. SENATE,
Washington, D.C., December 9, 1982.

Re Docket No. 78-72.

Hon. MARK S. FOWLER,
Chairman Federal Communications Commission, Washington, D.C.

DEAR MR. CHAIRMAN. We are writing to express our interest in the FCC's pending decision on access charges. Specifically of concern is the impact your action will have on rural telephone subscribers.

We recognize the necessity of the action that you are taking as well as the complexity of the issue. The advent of competition in the long distance market and the settlement of the Department of Justice antitrust suit against AT&T are among the factors that dictate the replacement of the present method by which local telephone companies are compensated for the use of their facilities for the initiation and completion of long distance calls. However, your response to these new market-oriented elements should not in any way reduce our nation's longstanding commitment to universal service.

You already have heard in greater detail from some of us and from some of our colleagues about this important issue of access charges. Our purpose in writing now is not to discuss the merits of the various access charge proposals presently before you. Rather, this letter serves as a reminder that the concept of universal service is of utmost importance to this nation's legislators.

As representatives of rural America, our review and judgment of your final product will be influenced in large part by your treatment of rural telephone subscribers. Those rural citizens must continue to have telephone service and telephone rates that are comparable to the service and rates in urban areas.

Your attention to our views on this extremely important topic is appreciated.

Sincerely,

Senators James Abdnor, Larry Pressler, Edward Zorinsky, Thomas Eagleton, Pete Domenici, Dennis DeConcini, John Stennis, Alan Simpson, Don Nickles, Gary Hart, John Melcher, Quentin Burdick, David Boren, Patrick Leahy, Robert Stafford, James McClure, Mark Andrews, Wendell Ford, Paul Laxalt.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the following information be included in the RECORD. On a State-by-State basis, the first table shows that a relatively small handful of telephone service customers make up a substantial and sometimes overwhelming volume of the total revenues generated.

The second table shows how the rates or costs to other customers would be vulnerable to dramatic increases if lost revenues had to be made up in the event that large customers leave the phone network.

My argument is that these few customers are exactly the ones that everyone will be vying for in the event that the telecommunications industry, either as a whole or just certain firms, is deregulated. They are the lucrative and highly profitable end of the market. But who is going to be looking out for the little guy—the small business or the elderly couple—who still is dependent on reasonably priced phone services?

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

BUSINESS CUSTOMER REVENUES

[MTS. WATS and private lines]

	Percent of business customers	Percent of business revenues
Alabama	10	77
California	1.2	30
Connecticut	1	45
Florida	.5	47
Georgia	.5	50
Iowa	6.3	24
Kentucky	10	83
Louisiana	10	73
Maine	3	39
Massachusetts	3	55
Minnesota	6.4	28
Mississippi	10	69
Nebraska	.3	28
New Hampshire	3	44
New Jersey	3	36
New York	.3	33
North Carolina	.4	45
North Dakota	.9	9
Ohio	.5	45
Pennsylvania	1	40
Rhode Island	3	51
South Carolina	.5	41
South Dakota	2	50
Tennessee	10	81
Vermont	3	42
Washington	.5	40
Missouri	1	33
Oklahoma, Kansas, Arkansas, Texas	1	33
Arizona [1]	.2	10
Colorado [1]	.3	10
Idaho [1]	.03	10
Montana [1]	.1	10
New Mexico [1]	.05	10
Utah [1]	.05	10
Wyoming [1]	.6	10

[1] These final figures were calculated to demonstrate the percentage of total business customers representing 10 percent of business revenues.

If a small number of customers generate a substantial portion of revenues and those customers drop out, then the remaining customers will probably face higher rates.

In order to meet revenue requirements to insure quality telephone service, the other customers would have to pay more for it, either through increased use or higher rates. The following table shows how rates would have to increase to maintain operating revenues in the event that large volume customers drop off the line:

If revenues drop by this percentage: 10, 20, 30, 40, and 50 percent.

Then phone rates or costs to remaining customers would have to increase by this percentage to compensate for lost revenue: 11, 25, 43, 67, and 100 percent.

Mr. ABDNOR. Mr. President, I know there are a number of people who have asked to make comments on this particular amendment.

Mr. PACKWOOD. Mr. President, will the Senator yield for a question?

Mr. ABDNOR. Yes.

Mr. PACKWOOD. I want to be sure I understand what telecommunications services means.

In the bill telecommunications service means the offering of telecommunications facilities, or of telecommunications but such term shall not include basic service or cable service.

Do I take it to mean the Senator is saying any communication in this country except for cable service or

basic services will pay a fair share, to the support of universal service? This would include General Motors communicating by satellite from Detroit to their plant in California. They never paid a subsidy before, and they will pay their share of that now. If it is communication between banks in this country they will share the telecommunications costs?

Mr. ABDNOR. Those are the options I hope you consider in your legislation in the days ahead.

Mr. PACKWOOD. Fine. I am in agreement with that definition. But I want everyone to understand, although this is a policy statement and not law per se, the Senator is indicating an expansion of the subsidy far beyond what it is now, and I think it should be. I think it is unfair to make AT&T, through its Long Lines division, be the sole subsidizer. Everyone who happens to use the spectrum for transmission between their own plants does not subsidize, and it is a tremendous incentive to leave AT&T to go to another form of communication and not subsidize. I think it is only fair if we have a subsidy that everyone who communicates will pay a proportionate share of that subsidy.

Mr. ABDNOR. That is exactly what we have in mind, and we are happy that the Senator agrees with that.

Mr. PACKWOOD. I can speak for myself. I cannot speak for others. I would like to vote on this tomorrow, although I think it is a good amendment. I would be prepared to accept it. But I would like when we vote tomorrow, we would like, the yeas and nays.

Mr. ABDNOR. You will have a rollcall, you say?

Mr. PACKWOOD. Yes.

Mr. ABDNOR. With that I will yield to the Senator from South Dakota, my colleague, Senator PRESSLER.

Mr. PRESSLER. Mr. President, I rise in support of the Abdnor amendment. We are in a situation where we need to look very carefully at what has happened in rural and small town America, or what might happen, in terms of communications policy.

In our State the deregulation of airlines has had a devastating impact on the availability of service to our people. I have opposed deregulation of certain transportation modes, be they railroads or trucks, because the common carrier responsibility has been abandoned. Over the years our Nation has grown and our economy has flourished because some common responsibilities are shared that very rich markets help out in unprofitable markets.

A recent article in the Washington Post illustrates the problem. AT&T, our Nation's phone company, has announced that it will soon be selling a new computer memory chip which has four times the capacity of memory chips now in use.

Technological progress has blurred the traditional distinctions among various telecommunications industries. This change is a major justification for the pending AT&T divestiture, although I am fearful that that court-ordered divestiture may well create worse results in telephone rates in rural and small town America.

I can say, Mr. President, that in Wall, S. Dak., the head of the rural telephone co-op has a set of figures that indicates that rural cutomers will pay even higher rates than those even in small towns and smaller cities.

The merging of technologies should be a primary focus for any congressional action affecting telecommunications networks, whether it is telephone, broadcasting, or cable service.

Mr. President, I think we need to talk about defining basic telephone service as S. 66 does.

It defines it as a "telecommunications service provided through a switched network capable of providing two-way voice grade communications that would be subject to regulation by the Commission or any State."

This definition fits our traditional view of telephone service, one person picking up the phone and calling another person in the next room or next city.

However, telephone companies are beginning to offer kinds of telecommunications services, subject to State regulation. This service might be data transmission for a local bank or a large corporation. This type of service is regulated. But S. 66 would allow cable companies to provide this same type of service without any regulatory requirements.

This unequal regulation of the same service could easily lead to a bypass of the local telephone company at a time when our local phone companies need additional revenue to offset the economic impact of divestiture.

Since the local operating companies will no longer rely on long-distance cross-subsidy to maintain affordable local telephone rates, the revenue must be made up somewhere else.

The Federal Communications Commission is currently developing a universal service fund, which will help offset the costs of local phone service in high-cost areas like my home State of rural South Dakota. Long-distance carriers will pay access changes to support this fund. This money will then be paid to phone companies in high-cost areas to help maintain reasonable telephone rates. If cable companies are allowed to bypass the local phone network, they will not be required to pay these access charges. As a result, the universal service fund could be inadequate before it is fully implemented.

S. 66 has been the subject of much debate within the Commerce Committee. This measure was first scheduled for Commerce Committee action on March 22. During that executive session, I first raised the telephone issue. I asked the bill's supporters to consider its effects on our telephone companies at a time when they are most vulnerable. Committee action was postponed until April 21. During that month's delay, efforts were made to solve this problem. Unfortunately, no agreement had been reached before the next executive session. However, asssurances were given that a committee amendment would be drafted to address this problem.

Unfortunately, the committee amendment does not go far enough. The committee amendment would allow States to require informational tariffs whenever cable companies provide local data services. Although this informational tariff would require additional paperwork, it does not provide sufficient State regulatory authority to carefully monitor the bypass problem.

Second, the committee amendment allows deregulation of local data services when effective competition in the marketplace is determined. This is a promise of future deregulation for the phone companies while leaving the cable companies' data transmission services totally unregulated. The local phone company must continue to meet regulatory requirements. But it is restricted in its efforts to find new sources of revenue to stabilize the financial base. Who loses in this situation? The local telephone user who will face rapidly increased phone rates in the coming years.

Congress must fulfill its obligations to the consumer, to the American people who depend on their telephones, to the thousands of rural citizens who would be cut off from business and personal communications if they cannot afford a telephone. For this reason, I support this amendment to create a fair and equal regulatory environment for telecommunications services, regardless of who is providing those services. I urge my colleagues to join in supporting this amendment.

Mr. President, I will say in conclusion that in this struggle, let us remember that if the first transportation policies and the Communications Act and the international highway program had been set up so that they only went to areas where there was a very clear profit, our whole nationwide network of transportation and communications would not have been built up.

We must be very careful to remember that we are probably developing two forms of communications in this country.

I frequently say, and perhaps to the point that my colleagues on the Commerce Committee probably are tired of hearing me say it, but I fear that the

urban city cores and the rural areas are sometimes being left out of the so-called communications revolution. I read an excellent speech by the Senator from New Jersey about how, in some cases, the poor are being left out of data control services. I have pointed out many times that the two places where, as a Member of the U.S. Senate, I live in Washington, D.C., in Humboldt, S. Dak., we do not have cable, one a very urban area and the other a very rural area.

There has always been a provision of the U.S. mail service, from the days of the Pony Express on, to try to reach all citizens wherever they lived, even though the cost is much greater to serve someone when you have to deliver the mail in a remote area than it is to deliver that mail in an urban area where you have several hundred boxes in the same place.

The business of our Nation, the communications of our Nation, the decisions that have been made in the past, be it on railroads, airplanes, buses—must be based on a common carrier principle.

In this bill, I know the chairman of the subcommittee has done a great deal of work. I wish to commend him because the Senator from Arizona has worked out the compromise between cities and cable companies. It has been miraculous how many accommodations he has made.

But I wonder why it would harm this bill to have these amendments by my colleague attached. I do not think it would kill the bill. I think it would improve the bill.

I wish to thank the subcommittee chairman for delaying consideration of this bill and for coming up with a committee amendment. That committee amendment is not as satisfactory to me as my colleague's amendment it.

But aside from the immediate consideration of amendments, we have the broad overview of what is going on in communications policy in the United States. We must be vigilant that we are not leaving out the poor, the very urban people, the people who live on ranches, the people who live on a farms, or the people who live in a town of 300 or 500 people.

Indeed, our national policy should be to encourage more people to live in rural and small towns areas. Surveys have shown that people would prefer to if they have the option, if the quality of life is good, if there is cable TV, if there is good telephone service, if there is good educational services for their children, and good mail service. These are some of the things that we must preserve.

So I think that this effort we are seeing here this afternoon is a positive effort. This debate causes us to discuss some things that should be discussed about this bill and about telecommunications policy. It will be particularly noticeable next year when the public begins to be aware that great changes are occurring in our telephone service. Maybe I will be proven wrong, but I think the changes that are underway will be disastrous for telephone service in this country. I tend to believe that we had a great system. There were complaints, but nothing like there are going to be in the future.

So, with those remarks, I yield back my time and I urge my colleagues to join in supporting this amendment.

Mr. ABDNOR. Mr. President, I ask for the yeas and nays on this amendment.

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

The yeas and nays were ordered.

Mr. GOLDWATER. Will the Senator yield?

Mr. PACKWOOD. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, first I wish to thank my friend for the complimentary remarks he made about the subcommittee and the full committee. I do not need to remind him that the art of politics is compromise. That is what we are gathered here for, to bargain back and forth and finally come up with something that is acceptable and that will work for the benefit of the American people.

I think I probably have flown across the United States more than any individual living in the United States. I am constantly looking down and I am amazed at the great, great areas where people do not live. So when you talk about rural problems, I think every State in the Union—approximately 80 percent of the land area of America—is rural in nature. It has always been our purpose to encourage private enterprise to do the best they can to help people living every place, particularly where services are hard to get to. It is only when we get the Federal Government in the act that we begin to stumble and fall down.

This amendment, I might say, is a good amendment. It does not do damage to the ultimate objectives of the bill.

I remind my colleagues, though, that the language:

> Recognizing the longstanding tradition of the Congress of promoting universal telephone service at reasonable rates, and recognizing the rapid technological changes of the types and delivery of services offered by the telecommunications industry, it is in the public interest to ensure

and I emphasize this—

> that all providers of telecommunications services share in the obligation of providing universal service.

That is why I like this amendment and why I am very happy that the chairman of the committee is willing to accept it. I like it because it gives us an opening to the series of hearings, that the chairman will hold on communications after the Fourth of July on who these providers will be, and if there is any kind of a formula we can develop as to what percentage of each bill is to be matched or returned by moneys from sources such as the Long Lines division of AT&T.

That is the real problem. As I understand it now, in the State of South Dakota the matching formula is something around 38 percent. I think it is about the same in my own State. We have been able to provide not just the man or woman who lives on a farm or who lives in a small community access to adequate telephone service all over the world, and particularly within the communal area, but we have been able to do that because of the very high rate of use of interstate telephone service which has really been the source of money to provide smaller bills for our telephone users.

So I think this is a step in the right direction. It is not the answer, I have to say, because the answer will only come after we have hearings when the problem is a little better defined, a little more clearly defined, as to what we have to provide in the way of money to enable the people of South Dakota, the people of Oregon, the people of Kentucky, the people of Arizona, to mention a few, the benefit of lower telephone rates.

The Senator made some comments about deregulation. I have to say, as one who has long believed in deregulation, if it has proven anything, it has proven almost a total inadequacy for the people engaged in free enterprise in this country to know what to do about it. We deregulated the airlines and they have never been in such bad shape.

I do not think the Federal Government moving in will take them out of that bad shape, but I think it is about time that management wakes up to the fact that somebody has to run these things, somebody has to make the telephone service work, somebody has to make the automobiles work, somebody has to do the job, and we have always looked upon the American free enterprise system to do that. I think deregulation in the long run will do it.

Mr. President, I just wanted to say those few words in support of this amendment which I think will help. I do not agree that the other amendment to be offered by the Senator's colleague is going to help cable television, but we will just have to wait and see. In the meantime, I am glad that the Senator called for a vote.

Mr. PACKWOOD. If the Senator from South Dakota is prepared to yield back his remaining time, I am prepared to yield back the remainder of my time.

Mr. ABDNOR. I thank the Senator from Arizona for his comments. I yield back the remainder of my time.

Mr. PACKWOOD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The vote will occur on tomorrow under the previous order.

AMENDMENT NO. 1379

(Purpose: To modify the definition of basic telephone service)

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

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from South Dakota (Mr. ABDNOR), for himself, Mr. BURDICK, Mr. EXON, Mr. EAST, Mr. HELMS, Mr. ANDREWS, Mr. MELCHER, Mrs. HAWKINS, and Mr. PRESSLER proposes amendment No. 1379.

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

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

The amendment is as follows:

On page 23, beginning with line 15, strike out all through line 20 and insert in lieu thereof:

"(2) 'basic telephone service' means telecommunications service that would be subject to regulation by the Commission or any State if offered by a common carrier subject, in whole or in part, to title II of this Act;".

Mr. ABDNOR. Mr. President, I now wish to direct my remarks specifically to my amendment dealing with the definition of basic telephone service. However, I wish to make a few comments about both amendments at this time to show how the two are related and equally important.

The previous amendment would add to the section 601, the findings, a recognition of the longstanding congressional policy of promoting universal telephone service at reasonable rates. My amendment would simply affirm that all providers of telecommunications service share the obligation to maintain affordable basic telephone service. On this we agreed a few minutes ago. This policy has worked well for decades in this country, and it is as right today as it ever was.

I firmly believe that this overriding principle should be reaffirmed today especially because of the changes in the industry that are occurring. I believe that S. 66, which established a national broadband telecommunications policy, should declare this basic principle.

Now, my amendment currently before the Senate would maintain the regulatory status for both local and long-distance telecommunications services until the broad social and economic effects of massive changes in telecommunications can be more fully assessed. The telecommunications industry is undergoing rapid technological changes, rapid regulatory change, and rapid organizational changes as AT&T is divesting the telephone companies into a number of separate companies. My amendment would recognize these huge uncertainties by amending the definition of "basic telephone service." My amendment does not affect the deregulation of cable television services. Traditional cable television services would be deregulated exactly as presently contemplated by the sponsors of S. 66.

My amendment would assure that telecommunications services and facilities which are currently regulated or which can be regulated when provided by a telephone company would remain subject to State and Federal jurisdiction—whether those services or facilities are provided by a telephone company, a cable company, or some other public or private organization.

My amendment would make S. 66 truly a cable television deregulation bill. It would address the very cable issues that I understood Senator GOLDWATER intended to address in S. 66, without jeopardizing universal service at affordable rates. I believe my amendment provides a reasonable, balanced compromise:

Traditional cable television services would be fully deregulated as now provided in S. 66.

Deregulation of the telecommunications services would be deferred so that this important issue could be addressed with appropriate care and consideration, not in the hastily drawn confines of a special interest bill.

Mr. President, I ask unanimous consent that a letter from the National Telephone Cooperative Association be placed in the RECORD at this time. Telephone cooperatives play an important and valuable role in providing communications services in rural areas. In South Dakota, for example, phone co-ops serve over two-thirds of the land area of the State. Only one-fourth of the population of the State resides in areas served by cooperatives. In some remote parts, there is less than one telephone customer for every mile of line. One can imagine how expensive it is to provide service along sparsely populated routes.

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

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C., June 10, 1983.

Senator JAMES ABDNOR,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ABDNOR: The National Telephone Cooperative Association (NTCA) strongly supports your two amendments to S. 66, the Cable Telecommunications Act of 1983. NTCA represents over 420 independent telephone systems in over 40 states. We are very concerned about the uneven treatment of providers of telecommunications services in S. 66 and its impact on universal service. CATV operators would be allowed to provide telecommunications services similar to that of telephone companies, but on an unregulated basis. S. 66 would promote cream-skimming of our lucrative customers and threaten universal telephone service.

NTCA believes that your amendment to define basic telephone service ensures that providers of the same telecommunications services would continue to be subject to equal regulatory treatment. Your second amendment reaffirms the Congressional policy of promoting universal service at reasonable rates and ensures that all providers of telecommunications services contribute toward maintenance of universal service.

NTCA appreciates your efforts to insure that modern telecommunications services in the information age are provided to rural Americans.

Very truly yours,
DAVID C. FULLARTON,
Executive Vice President.

Mr. ABDNOR. Mr. President, I ask unanimous consent that a letter from the National Governors' Association be included in the RECORD at this time. It outlines the concerns of the States in regard to the adverse effects of telephone service if cream skimming takes place in the communications industry. Certainly State and local officials are extremely concerned about rate increases which would accompany erosion of the revenue base of the phone network.

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

NATIONAL GOVERNORS' ASSOCIATION,
Washington, D.C., June 10, 1983.

Hon. JAMES ABDNOR,
Hart Senate Office Building,
Washington, D.C.

DEAR SENATOR ABDNOR: On behalf of the National Governors' Association, we urge you to oppose S. 66 the Cable Telecommunications Act of 1983. The bill would prevent states from insuring universal telephone service at reasonable cost and preempt state authority to guarantee moderately priced high quality cable television service.

The definition of "basic telephone service" in S. 66 would allow cable television companies to offer unregulated telephone service. Existing local telephone service would remain subject to state regulation. Cable companies would be able to offer unregulated telephone and data transmission service to high volume users. Skimming the cream from the local telephone market would mean higher rates for other customers, since fewer consumers would be forced to pay for the local telephone company physical plant.

Recent federal actions implementing the divestiture of AT&T and the FCC's access charge decisions have resulted in an industry that has already requested $4.8 billion of rate increases for local telephone service. The national goal of universal telephone service will be jeopardized as local rates become unaffordable for large groups of citizens.

State governments would be preempted from overseeing cable television service in S. 66. Cable TV enjoys the unique capability to provide through a single wire a wide variety

of services including television, voice communication, alarm services, and shopping and banking at home. No other utility can compete with cable's ability to provide this service combination.

Federal preemption of state authority to deal with intrastate telecommunications should be as a last resort. The cable industry has not demonstrated that current state and local regulation has restrained its ability to grow at a rapid pace.

We support the amendments you intend to offer that would protect the ability of states to insure the maintenance of quality telephone and cable television service at affordable costs.

Sincerely,

GOV. ROBERT D. ORR,
CHAIRMAN, TRANSPORTATION,
Commerce and Technology Committee.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the following letter be included in the RECORD at this time. It is from the National Association of Regulatory Utility Commissioners, otherwise known as NARUC. As we might expect, this organization is deeply concerned with what is happening in the communications field these days. Their commitment to universal service at reasonable rates is worthy of recognition. As this topic receives more attention in the future, it is imperative that the Congress work closely with State public service commissions, the Justice Department, and the Federal Communications Commission.

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

NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS,
1102 INTERSTATE COMMERCE COMMISSION BUILDING,
Washington, D.C., June 10, 1983.

Hon. JAMES ABDNOR,
U.S. Senate, Washington, D.C.

Re: Proposed Amendments to S. 66, A Bill Proposing the Cable Telecommunications Act of 1983.

DEAR SENATOR ABDNOR: The National Association of Regulatory Utility Commissioners (NARUC), composed of the governmental agencies of the fifty States which regulate intrastate telecommunications services, strongly endorses your proposed amendments to S. 66 relating to the definition of "basic telephone service" and the continued availability of universal telephone service.

As you know, the NARUC is firmly opposed to the overall thrust of S. 66, which is that independent State and local regulatory authority over cable telecommunications should be displaced by a Federal statute placing severe restrictions on the scope and nature of State/local cable regulation. Your amendment to the bill's "basic telephone service" definition addresses one of the most serious of these restrictions. Under the bill as currently written, State regulation of cable company-provided telecommunications services—other than basic voice telephone service—would be prohibited, even though identical services offered by telephone companies would be subject to regulation. Your amendment would preserve State authority to regulate telecomminications services regardless of the nature of the service provider.

The national policy goal of universally affordable local telephone service is now in jeopardy. Recent FCC decisions and the impending divestiture of AT&T Co. are certain to exert a severe cumulative impact upon the cost of service for the basic telephone service subscriber. State regulators are in the unenviable position of having to oversee the implementation of these Federally-mandated policy decisions even as their ability to mitigate adverse impacts within their respective States is being further curtailed by these same Federal decisions.

The disparate regulatory treatment of cable-offered telecommunications services proposed in S. 66 would only exacerbate this trend. It would further reduce the panoply of regulatory tools currently at the States' disposal to ensure fair rate structures which promote universal service.

Your definional amendment as well as your amendment to S. 66's findings which would expressly state the obligation of all carriers to contribute to universal service maintenance, on the other hand, represent the types of policy directions from Congress that are absolutely essential as the telecommunications industry moves through this transition era.

The members of the NARUC commend you, Senator Abdnor, for your leadership in championing the cause of universal service.

Sincerely,

PAUL RODGERS,
General Counsel.
RITA A. BARMANN,
Director of Congressional Relations.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the following letter be included in the RECORD. The South Dakota Public Utilities Commission is one of 39 State public service commissions which support my efforts. I am pleased to know of their interest in the issue.

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

PUBLIC UTILITIES COMMISSION,
STATE OF SOUTH DAKOTA,
Pierre, June 10, 1983.

Re S. 66, a bill proposing the Cable Telecommunications Act of 1983.

Hon. JAMES ABDNOR,
U.S. Senate, Hart Senate Office Building, Washington, D.C.

DEAR SENATOR ABDNOR: The South Dakota Public Utilities Commission wholeheartedly supports your amendments to S. 66. The amendments as proposed will help to preserve the South Dakota Public Utilities Commission's future regulation of basic telecommunication services.

Should you or your staff have questions on our Commission's position, please contact us.

Sincerely,

KENNETH STOFFERAHN,
Chairman.
JEFF SOLEM,
Vice Chairman.
DENNIS EISNACH,
Commissioner.

Mr. President, I ask unanimous consent that certain information from the National Association of Regulatory Commissioners be printed in the RECORD at this time.

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

OPPOSITION TO S. 66

The National Association of Regulatory Utility Commissioners (NARUC) has taken a formal position opposing portions of S. 66, including those portions which would deregulate CATV companies offering telecommunications services while leaving similar services offered by telephone companies subject to full regulation. NARUC believes that the result of this unequal treatment must be increased local telephone rates. The concerns of NARUC have so far been reflected in positions taken by the Northeast Conference of Utility Commissions and by the following state Public Utility Commissions:

Alabama, Alaska, Arizona, California, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Montana, and Nebraska.

Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Virginia, West Virginia, and Wisconsin.

Mr. ABDNOR. Mr. President, I yield to the Senator from Florida (Mrs. HAWKINS).

Mrs. HAWKINS. Mr. President, I rise today in support of Senator ABDNOR's amendment to S. 66 because I share my colleague's concern that Congress must do all that it can to insulate consumers from the nationwide telephone rate shock that is just aroung the corner—I refer to imminent steep increases in the cost of basic local, life support telephone service.

Universal telephone service is the key phrase in today's debate. By universal telephone service, I mean universally affordable, high-quality, telephone service in all but the most remote areas of this country. It has taken years for us to reach the remarkable levels of telephone service that this country is known for. No where in the world can you find a more comprehensive and more moderately priced telephone service system.

Yet, our success is threatened today. Passage of the Cable Communications Act without this amendment will place added upward pressure on local telephone service rates. The AT&T divestiture, the recent FCC/Joint Board decisions on asset depreciation and access charge will push local rates so high that the number of people with telephones is expected to drop by 3 to 10 percent nationwide. The erosion of local telephone revenue bases by cable company cream skimming will drive that figure higher unless the Abdnor amendment is adopted.

What is cream skimming? Cream skimming involves cable company practices of obtaining a community's largest and most lucrative customers, thereby reducing the revenue base for the telephone company. What are the statistics? Telephone company revenue statistics show that a very small number of heavy phone use customers

account for a very large proportion of the telephone company's revenues. Nationwide statistics show that 4 percent of residential customers represent 29 percent of cumulative residential revenues.

More nationwide statistics: Only 3.9 percent of business customers provide 61 percent of total business revenues. Over 75 percent of total revenues from business long distance are accounted for by less than 8 percent of all business customers.

Florida statistics: We are an average State; 0.5 percent of business telephone customers represent 47 percent of the business telephone revenues.

Those are just a few figures, Mr. President, that will define what I feel is cream skimming. This is what consumers already are facing, and it is just the beginning.

In 1982 alone, $3.5 billion worth of telephone rate increases were granted by State public service commissions.

I know we jest a little bit on the floor about a million here and a million there and the first thing we know, we are talking about real money. I am talking about real money: $3.5 billion worth of telephone rate increases were granted by States in 1982 alone. Right now, as we speak on this floor, there are $4.5 billion worth of increases pending before the same commissions. We should all fear how much more of these increases will erode our telephone service. The threat is real.

During the AT&T divestiture cases, a study was introduced into evidence by the defendant, AT&T, to show how many telephone customers would drop basic telephone service if the price reached certain levels.

Here were the conclusions. First, the study showed that around 93 percent of all Americans enjoyed basic telephone service, a great goal that we have reached. It showed that if local rates increased by 100 percent, which is the minimum increase expected in most markets as a result of divestiture, only 83 percent of our citizens would be able to afford basic telephone service. If rates were to increase by 200 percent, the percentage of those taking service would decrease to 70 percent of the population. In rural areas, that same 200 percent increase was expected to drop telephone hookups down to 64 percent of the population. The numbers in the study were worse for select groups within the population; of members of the group termed "very poor," 79 percent were shown to take basic service. It is a life-support service, not a luxury. A 100 percent increase was expected to precipitate a drop of 64 percent participation in that group while an increase of 200 percent would drop that figure to only 46 percent. These are frightening statistics but section 614 of S. 66 will make it harder for Congress to avoid this result later.

S. 66 effectively allows cable companies to expand into the two-way telecommunications market on an unregulated basis serving only those customers and areas they consider the most lucrative. Everything should be equal in this legislation. This provision now only encourages "cream skimming," but it also, in my opinion, removes from the FCC and State agencies the authority needed to require cable companies to make a contribution in the fight to retain universal telephone service.

Now, some may have heard the argument that the cable industry poses no threat to the seven telephone companies that will emerge from the AT&T divestiture on January 1, 1984, and that it will be years before they could even make a difference in the telecommunications market. Well, I do not think this is true. They have done very well indeed in the last 8 years. At last count, they have operating revenues of $4.5 billion nationwide and have increased their percentage of penetration into U.S. TV households from 15.5 percent. In 1976, to 36 percent today. Right now, over 50 percent of all households can accept cable. Private sector predictions are that that number will be 85 percent by 1990. Please take note that it is there newer systems being built right now that are equipped with two-way data and voice capabilities.

I am not convinced that it will be years before two-way cable service puts pressure on local telephone rates. We have badly underestimated the speed of many new technologies into the marketplace in recent days.

I expect that the cable industry will be ready very soon to compete for the Nation's telecommunications markets whether or not they are under the control of the State public service commissions. I encourage the cable industry to compete, but to compete within the regulatory framework that we have in place. There is no good public policy reason to allow ratepayers to suffer unnecessarily during the transition from a monopoly-based telecommunications system to a competitive one.

Today, Senator ABDNOR and I and the cosponsors of the Abdnor amendment are not alone in our effort to modify this cable bill. This is a very difficult and complex issue. Nevertheless, the consequences are great enough that groups like the National Association of Utility Regulatory Commissioners, the National Governor's Association, the National Telephone Cooperative Association, and the Consumer Federation of America have taken the time to analyze this bill and have spoken out in favor of the Abdnor amendment.

Thirty-nine State public service commissions have either written to or called their Senators to explain their reasons for supporting the Abdnor amendment. These commissioners are the people who live day in and day out with telecommunications companys' financial problems, technical glitches, and service complaints.

Service complaints are very important. Who is going to consider the service complaints if this bill is passed without the amendment?

Public service commissions are extremely sensitive to the difficulties that will be caused their telephone rate-payer constituents should rates be pushed up even further. They are understandably concerned about the proposition of having hundreds of cable companies establishing two-way information loops within their jurisdictional service areas. As a former public service commission chairman, I share their concerns. I have been supportive of deregulatory efforts in many areas of commerce during my 2½ years here in the Senate, and as an elected public service commissioner in Florida. Yet I have always advocated careful and deliberate deregulation with full review of all the possible consequences. The consequences of passing this cable bill without our amendment are great. We must remember that, whatever legislative solution we produce to address the question of how to preserve universal telephone service, State public service commissions will be heavily involved. In order to be an effective part of that solution, these commissions must be allowed to keep within their purview all the players in the ongoing telecommunications market competition.

I hope that my colleagues will recognize the importance of placing all companies that provide two-way communications services under the regulatory control of State public service commissions.

I urge my colleagues to support this amendment.

I thank the Chair.

Mr. PACKWOOD. Mr. President, I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I would like to inquire of the Senator from Florida if she is addressing herself to the first Abdnor amendment or the one he just offered.

Mrs. HAWKINS. The second one he has offered, but I think it is important to talk about high quality service at the same time.

Mr. GOLDWATER. I have to point out with all due respect that what the Senator is talking about we have taken care of in accepting the first Abdnor amendment.

This second Abdnor amendment applies itself to something that has not happened yet. That is the percentage of service or the volume of services that AT&T feels would be competitive to them. I believe that Florida comes

under Southern Bell Telephone & Telegraph Co.

Mrs. HAWKINS. That is correct.

Mr. GOLDWATER. They have almost $6 million in revenues, local revenues almost $3 million, but less than 0.7 percent of that is concerned with data transmission. That is what the Abdnor main amendment is aimed at.

He says:

All providers, including cable, of basic telephone service, defined very broadly to include basic voice plus data, would be regulated by the States.

I have to point out that we are speaking about something that is so small that we cannot even measure it among the 5,790 or so cable television companies operating in this country.

As I explained earlier on this floor, in a technical way, in an electronic way, if you have a wire running from your house to my house and you are willing to spend the money, and I am willing to spend the money, and a cable company is willing to spend the money to provide the system, we could theoretically communicate.

That is not the purpose of this bill. It is not the purpose of cable television. The purpose is to provide better television for people who do not now get adequate television reception. While I have to admit that in Florida, with it being, with no disrespect, a very flat type of State, television has good transmission qualities. But we are talking about States where there are many, many square miles that television cannot reach.

S. 66, as reported, would not regulate a cable company's provision of data services over its wires. Such services offered by telephone companies are not addressed in the bill as reported.

Well, we do not address it because again AT&T has about 1 percent of their total local income coming from local data offering.

I am not going to stand here and say it is not going to grow, because AT&T has now become a communications company. It is no longer a telephone or a telegraph company. Somebody remarked that the ability of a chip to provide memory is four times as great as chips can provide now. That is absolutely true. In fact, we are working on chips that will probably offer as much as a billion times as much memory.

So, Mr. President, I have to oppose, as chairman of the Subcommittee on Communications, the second Abdnor amendment. I am perfectly happy with the first one. I think it will pave the way, as I said earlier, to help the local telephone user, seeing to it that his bills do not become exorbitant. I think they will if we do not pay attention to it. But I see no purpose in amending this bill to include something that is not even in existence. If it becomes a problem next year or the year after, we can always meet and take care of the differences that might exist then from what exists today.

I thank my chairman.

Mr. PACKWOOD. Will the Senator from South Dakota on my time yield for a question?

Mr. ABDNOR. Yes.

Mr. PACKWOOD. I want to make sure that the Senator's use of the term "telecommunication service" means the same as it did in his previous amendment.

Mr. ABDNOR. It means all telecommunications with the exception of broadcasting. Your bill's definition is adequate for me.

Mr. PACKWOOD. So this amendment is infinitely more extensive in terms of regulation than just subjecting cable television to regulation when it transmits data. The Senator is saying all telecommunications service except as he defines it, will be subject to regulation if a common carrier could provide the service?

Mr. ABDNOR. Essentially, this would be a similar regulation over what we have today for the telephone people.

Mr. PACKWOOD. Today in many States the revenue from the Yellow Pages is counted as part of the revenue of the local telephone companies in terms of determining their total revenues and it is used basically as a subsidy for telephone service.

Do I take it then that anybody else who would be providing the equivalent of that kind of service would be subject to regulation?

Mr. ABDNOR. What I intended by the amendment, is that if any service is regulated, then all providers be regulated equally. To answer your question, if Yellow Pages are regulated currently, then the answer is yes.

Mr. PACKWOOD. That is what I wanted to make sure, because I misunderstood the Senator's amendment. This amendment does not relate to just the transmission of data locally by cable companies?

Mr. ABDNOR. That is right. This would put the cable TV services under the same kind of regulations that we placed telephone people under.

Mr. PACKWOOD. That is not my question. The Senator's amendment says "telecommunication service," and in the previous amendment he said he defined that as all communications. I used the example of General Motors in Detroit communicating with its plant in California and using satellites. The Senator said, yes, that is also a telecommunication service for purposes of the subsidy amendment that he previously offered.

Mr. ABDNOR. Getting back to yellow pages, I am not referring to advertising generally under this. The Yellow Pages is part of the original package today.

Mr. PACKWOOD. In that case, if the telephone company were to offer burglar alarm service through their phone wires, any other company that wanted to offer it, cable or otherwise, would be subject to regulation?

Mr. ABDNOR. That may be right, if these services are currently subject to regulation.

Mr. PACKWOOD. And the same with any other service?

Mr. ABDNOR. Yes; I would guess.

Mr. PACKWOOD. Well, then, what the Senator really wants to do at the moment is regulate a great many services that are not regulated today.

Mr. ABDNOR. I think you have to consider the overall thrust. It would be the same kind of regulation that the telephone people are experiencing today. I do not intend to determine what is an unfair practice. It is unfair when you say, if the telephone people do this, they are subject to regulation and approval but it is perfectly OK for another area to go right ahead and do the same thing without any kind of regulation.

Mr. PACKWOOD. Let me read the Senator's amendment again.

Basic telephone service means telecommunication service.

We have already defined that as being almost anything.

That would be subject to regulation by the Commission or any State if offered by a common carrier.

Now, of course, the common carrier we are talking about is the telephone company. If the telephone company were to offer a burglar alarm service, it would be determined by the public utility commission of the State to be a common carrier service. So the Senator is saying that if anybody else offers that service, it is also subject to regulation by the public utility commission?

Mr. ABDNOR. I am talking about enhanced services. I am talking about the direct services.

Mr. PACKWOOD. Talking about what?

Mr. ABDNOR. The basic service. That is a better phrase. We will use "basic service."

Mr. PACKWOOD. Wait a minute now. The Senator has this term in his previous amendment. Does "telecommunication service" here mean the same as "telecommunication service" in the Senator's previous amendment?

Mr. GOLDWATER. Will the Senator yield for a question at that point?

Mr. PACKWOOD. Yes.

Mr. GOLDWATER. A number of years ago, when this matter first came up, I was approached by a newspaper publisher of this country objecting to the use of the Yellow Pages by some of the telephone companies because it would tend to destroy the want ad section of the newspapers.

The newspapers since that time, to a large extent, have bought pieces of the Yellow Pages, and they use them precisely the way that they were afraid AT&T would use them.

My question is, Would the amendment prevent the newspapers from using the property they now own; namely, lists of people, from any means of communication that they care to utilize, including the printed word, which is communications?

Mr. PACKWOOD. I am not sure what this means, but I will take a guess. I think what it means is this: If the phone company were allowed to get into the electronic yellow pages, if they could put their Yellow Pages on television and the rate they could receive would be subject to regulation by a State public utility commission, then if a newspaper did the same thing, it would also be subject to regulation, because it would be offering the same service as the common carrier, the phone company. That is assuming that the telecommunication service means the same thing that we all agreed in the previous amendment it meant, which was everything except the one exception we defined:

> Telecommunication service means the offering of telecommunication facilities or of telecommunications but such term shall not include basic service or cable service.

But apparently it means everything else.

Mr. GOLDWATER. I might suggest that this theoretically could be extended to the use of any list that can be purchased such as the total list of either political party.

Mr. PACKWOOD. I think so.

Mr. GOLDWATER. Or the lists that are now available to companies running catalog services who transmit this information back and forth. They in effect would come under this amendment.

Mr. PACKWOOD. I think what this amendment means is that any service that is offered by anybody that is telecommunication service that would be offered by the telephone company would be subject to regulation.

I ask the Senator from South Dakota whether I state it accurately.

Mr. ABDNOR. Will the Senator repeat that?

Mr. PACKWOOD. As I read the amendment of the Senator from South Dakota, it says that any telecommunications service that might be offered by anybody will be subject to regulation by the State public utility commission if that same service could be offered by the phone company.

Mr. ABDNOR. The basic telephone service; that is correct.

Mr. PACKWOOD. The basic telephone service and telecommunications service are not the same thing. I am reading from the Senator's amendment, which uses the term "telecommunications service," which is the same term used in the previous amendment and was defined in some questions and answers on the floor, which was very cumbersome.

Mr. ABDNOR. The intent of the amendment—I think it says that—is that we are not expanding any new regulatory jurisdiction at any level of government. No government body—Federal, State, or local—would have any greater regulatory power than it presently has today because of this amendment.

I do not know what you are trying to read into it. The only effect of the amendment is that it modifies the definition of "basic telephone service," which covers that which is subject to regulation today.

Mr. PACKWOOD. If offered by anybody else.

Mr. ABDNOR. If it is a basic telephone service which should be subject to regulation. It is like what we meant before and understood in the past.

Mr. PACKWOOD. I ask again: Does "telecommunications service" in this amendment mean the same as in the Senator's previous amendment?

Mr. ABDNOR. My intention is the same in both.

Mr. PACKWOOD. Your what?

Mr. ABDNOR. What we want to accept is the definition you have in your bill.

Mr. PACKWOOD. We do not have this amendment in the bill.

An intent is one thing, but if the bill says one thing, the court is not going to look at the intent, if the bill is clear.

I will read your amendment:

> (2) "Basic telephone service" means telecommunications service that would be subject to regulation by the Commission or any State if offered by a common carrier * * *.

Do I read the amendment correctly?

Mr. ABDNOR. That is what the amendment says, yes.

Mr. PACKWOOD. I want to make sure what it is driving at. If telecommunications service means——

Mr. ABDNOR. I misunderstood that you had a modification in yours. The one I sent to the desk is different from this.

Mr. PACKWOOD. You lost me there.

Mr. ABDNOR. The one I was reading from is in the bill, and I understand that I have a modification of that.

Mr. PACKWOOD. I am still confused by your amendment, because my additional thought was that what you were trying to do was to say that if a local cable company offered local data transmission, that would be subject to regulation, and I understood that was the entire thrust of the amendment. Do I misstate what your amendment was or what you intended it to be?

Mr. ABDNOR. We are not saying there should not be a difference between voice or data.

Mr. PACKWOOD. Good.

Mr. ABDNOR. But I am not going into the enhanced part. I do not know how many different interpretations you could read into this. I am telling you what the intent of the sponsor of the amendment is.

We are not talking about enhancement, but we are talking about voice or the data part. We think they are closely tied together, and we could never understand how you could totally ignore the fact that they are together.

Mr. PACKWOOD. Your phone company is Northwestern Bell. Voice transmission is the absolute sustenance of the revenues of most local phone companies. They have some other revenues. They have some Yellow Page revenues. They have some immense long distance subsidy revenues.

Mr. ABDNOR. Right.

Mr. PACKWOOD. But in terms of data transmission, Northwestern Bell's total revenues—I am not counting all their revenues, just some local revenues—are $967 million. Their local data transmission revenues are roughly $8 million. If they lost all local data transmission revenues, assuming cable wiped it out, it would be less than 1 percent of their revenues. So it is not absolutely critical and essential to the local telephone service as to whether or not your phone company keeps this relatively minuscule amount of money. If they were to lose their local voice transmission revenues, they would be destitute, and this is a significant difference.

Mr. ABDNOR. Obviously, the concern I think you have in your committee was voiced several times, that you are instantly going to look down the road to what we are doing to the telephone system. You do not deny that access charges are still going to be an important part of any telephone company.

For some reason, somewhere along here today, we seem to think that what I am doing is trying to defend AT&T, which is the least of my concern. I am thinking about the people in my State and in the other States throughout this country who have nothing but higher costs to look forward to.

This is not a big cause for the rates going up—I will grant that. We are looking toward the future. As we look down the road, an additional burden is going to fall on phone customers.

It makes me think—and you can put this on my time, if you wish. I recall what I saw earlier this year, before the close of the last session, on the so-called trucking bill we passed.

It is not the user's fee by itself that is causing the truckers' problem. It started earlier with the deregulation of the industry. Where a State like mine used to have 3 truck routes going

from one end of the State to the other, we now have more than 10, taking the cream from the top in the big cities, skipping all the little towns in between. Now we have a big user fee on top of that. Maybe a user's fee does not sound like much to people, but when you are already on the rocks and in financial trouble and you add more taxes, it becomes a gigantic problem.

We are putting the local telephone companies in difficulty.

I daresay that many of the new Bell operating companies starting up are in trouble, let alone the independents. I have a telephone company in my town, with 375 people. You bet they depend on the $1.38 return on a dollar of generated revenue that comes back. That is the only reason they have any reasonable cost at all charged for the use of the telephone.

When we take that away, it can do nothing but go up, up, up to the place where they may not be able to afford it.

In the bill as proposed today, you pave the way to losing valuable revenues in many cases. Private networks can go right around those telephone companies. So they are tied together. All we are trying to do is lessen the severe burden that is now being placed upon these small telephone companies and the RTA's because of changes in the telephone industry.

Mr. PACKWOOD. I share the same concern the Senator from South Dakota has about the small towns.

Let me once more go through the figures. Seventy-five percent of all cable systems exist in towns of 15,000 or less. Ninety percent of all cable systems exist in towns of 30,000 or less. Of more than 6,000 cable companies in this country, only 130 provide 2 way service of any kind. In small towns, intracity data transmission is negligible. In the State of South Dakota, there is no cable company that provides two-way transmission.

Indeed, I am concerned, but what I do not want to see is the public given the impression that if we adopt the amendment of the Senator from South Dakota—although I want to get back to what the amendment means—they are going to get any significant relief on their phone bills. They are not.

I understand the frustration of the phone companies. I also understand the interest of the AT&T in this. I regard it as a well-managed company. But they no longer have an identity of interest with the local Bell operating companies.

I think AT&T would hope that the present policy of the Federal Communications Commission would be continued and that we would see the end of long distance subsidies for residential rates because they are no longer going to be in the residential telephone business, and if I were in their position that is the position I would advocate.

So, anything they can do to give the impression that the increase in the telephone rates is being caused by something other than the FCC policy is in their interests.

Blame it on the divestiture—the fact is that divestiture has not gone into effect yet, and is not in effect yet, is forgotten. Nothing, not a single telephone is effected by it. There is none until January. There is not a single data transmission by cable because of the consent decree.

Blame it on someone else. Try to get out of the problem we have on long distance.

I do not want the Senator to mislead the public that if we adopt his amendment they are going to get any relief. They are not.

Mr. ABDNOR. I do not think I said that they are going to get relief. We are talking about a great erosion of revenue because of this bill being passed in its present form without my amendment. Maybe it will cause rates to go up higher because there will be loss.

I did not say we are going to reduce anything. I am saying it is going to grow worse and those end costs are going to continue to go up.

We do not have to look very far down the road to see that as more dollars are lost through access charges, the more others have to pay. And the higher it gets some people will have to give up the use of the telephone, so there will be additional loss there.

There are a number of reasons why prices will go up. But this is part of the problem.

We must do something about it.

Mr. PRESSLER. Mr. President, will the Senator yield?

Mr. ABDNOR. I do not have the time.

Mr. PACKWOOD. I yield the floor.

Mr. PRESSLER. Go ahead.

Mr. ABDNOR. I wish to say there is a direct connection. I am not a great authority on between data and voice services. All I know is what I read.

Let me read this conclusion. Maybe the Senator knows more about it than I do.

There was announced by the Federal Communications Commission in the Computer II Inquiry decision that was reported on page 31333 in the Federal Register: "there is no effective way to distinguish between a cable company's provision of voice communication services as opposed to data services."

Just recently an employee of Bell Labs, a Mr. Robert Aaron, testified before the Florida Public Service Commission, and this is what he said:

> To my knowledge there is no device on the market that is capable of distinguishing between the transmission of voice signals and voice-based data.

Mr. PACKWOOD. Mr. President, will the Senator yield?

Mr. ABDNOR. I yield.

Mr. PACKWOOD. Mr. President, in that case, I am looking at the filing of his telephone company, Northwestern Bell, with the Federal Communications Commission, year ending December 31, 1982, No. 34, operating revenues account 300. Local service revenues subscribers, station revenues $925 million, public telephone $16 million, and so on. Data services $8 million.

How do they know?

Mr. ABDNOR. Since voice lines can also carry data, the figure is misleading.

Mr. PACKWOOD. How can they separate the two? I know they can separate it down to how much they get from carrying data. I thought the Senator said they could not tell.

Mr. ABDNOR. Some lines are exclusively dedicated to that purpose, I suppose.

Mr. PACKWOOD. That is not what this says—devoted exclusively.

They can even break it down on this to total services. They have both intra and interstate data services on their form. They are able to break it down to how much data they have received in State revenues, how much out of State. I do not know how they break it down. I am looking at the Senator's phone company's report.

Mr. PRESSLER. Mr. President, will my colleague yield? I can state the answer to that. I do not know if it is permissible.

Will the Senator yield?

Mr. PACKWOOD. I am on his time.

Mr. ABDNOR. I yield to the Senator.

Mr. PRESSLER. Mr. President, I say that the argument of the Senator from Oregon goes toward the Abdnor amendment. Because the definitions are so vague, we need to go to conference and get this definition worked out.

There are three purposes that I see to this amendment.

One is the definitional argument.

We do need to get into conference with a definition of basic telephone service or basic data service. We have had assurances that would be done before this bill came to the floor.

I think this very debate illustrates the need to include this amendment so that will go to conference where it can be clearly defined.

Second of all, let me say that it is true that telephone rates are going to go up next year. I do not like that. But they are going to go up more if certain things happen than if certain other things do not happen.

The third area that we must consider is what will happen in the future. Now, less than half a percent of Northwestern Bell customers in South Dakota provide 28 percent of the reve-

nues. However, that may change or someone may "cream-skim" that 0.5 percent of the Northwest Bell customers and take away 28 percent of the revenues.

So, I think the very question the Senator from Oregon asked illustrates the need to include this amendment. There is so much disagreement about the definition of basic telephone service.

Before this bill is passed through and goes through conference and goes through the House of Representatives that must be defined.

His argument in favor of the amendment illustrates the confusion and it illustrates the Pandora's box that we are leaving open for different definitions other than definitions by Congress. If Congress does not address this issue, we are leaving it to the FCC, the courts, or someone out there, and I think Congress should address it.

I would merely say in conclusion, and I know we are limited on time, that on this amendment there are three basic arguments.

The first one is the one that has been used against it, that it is a matter of definition, basic telephone service, or what is in the bill as data transmission.

That illustrates the need to define what we have and that we have not defined it. So that is point No. 1.

The second point is that the argument has been used against this amendment that only a tiny percentage of transmissions are by cable companies. Indeed, in South Dakota there are none according to one report. That very argument is an argument for the amendment because that tiny portion of the transmissions has accounted for huge portions of the revenues, namely in South Dakota—I use that as an illustration—0.5 of 1 percent of the Northwest Bell customers in South Dakota provide 28 percent of the revenues.

If that little portion of 1 percent were skimmed off, problems result, and in this business of communications technology things change very quickly.

Of course, the basic final argument that I have made many times is that we must preserve a nationwide system of telephone service and communications that does not leave out the urban poor and rural persons.

I believe we are developing two cultures, not only for telephones but also television, and all the new technology, and that new era leaves out completely the business of sharing the cost to get the messages to certain areas that are not so profitable.

We have seen it happen in deregulation of the airlines, deregulation of buses, deregulation of railroads, and now the court-ordered breakup of AT&T.

My view has been, and I opposed each of those deregulatory efforts. We are in a situation where we are giving up that common carrier responsibility, the responsibility of the very profitable markets to assist some of those not so profitable, the responsibility to build an Interstate Highway System to all States as we did, the responsibility to build railroads through all States as we did, the responsibility to deliver mail to everyone in the country and not just those where there is a profit involved.

As I have said before this afternoon the two places where I reside, Washington, D.C., and Humboldt, S. Dak., neither of them has cable TV, for an example. The urban area is left out and the rural area is left out, but there is plenty of cable TV and communications in the suburbs where it is profitable.

It can be profitable in urban areas and rural areas but it is not so profitable. So this amendment is saying to the conferees, saying to the House, that these definitions may not be perfect, but they will force the conferees to consider this issue, and I think that is what we want.

Mr. FORD. Mr. President, would the distinguished senior Senator from South Dakota yield for a question?

Mr. PRESSLER. Yes.

Mr. FORD. Senator, you somewhat ridiculed the statement of, financial statement of, Northwestern Bell.

Mr. PRESSLER. No, I did not.

Mr. FORD. You ridiculed it on the basis that it did not mean anything.

Mr. PRESSLER. No, I did not say it quite that way.

Mr. FORD. Well, you said something similar to that.

Mr. PRESSLER. Well, that is not what I said.

Mr. FORD. That the figure did not mean anything.

Mr. PRESSLER. I said this is an accounting method.

Mr. FORD. Well, they have to have some background to make that accounting method to the Federal Communications Commission.

Mr. PRESSLER. Yes, I am sure they do.

Mr. FORD. If it does not mean anything, it is just an accounting, how in the world did they ever come up with the figure they have here if it does not mean anything?

Mr. PRESSLER. I am sure there is a basis, a well-thought-out basis. I will submit to you it is not an exact science.

Mr. FORD. It is a very exact number and there is a very exact number in this report.

Mr. PRESSLER. Let me say——

Mr. ABDNOR. Let me say it is my time here. If we are going to yield, yield on the Senator's time.

Mr. FORD. You still have 16 minutes or something.

Mr. PRESSLER. Just 1 second.

Mr. GOLDWATER. Will you yield?

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. In an effort to get this back on track, and I think we are wandering all over the place, the present language in the bill, as modified, on page 23, line 15, says "two-way voice grade communications" that are held out to the public.

Now the amendment describes basic telephone service as telecommunications services that would be subject to regulation by the Commission or any State if offered by a common carrier subject in whole or in part to title II of this act.

We have in our definition exactly what my friends from South Dakota are arguing about. They are not arguing about computer talk. I am not arguing about computer talk. I will mention one thing: Cable television has been with us about 35 years, and only 15 years or so in nonrural areas. Computers have been with us a long, long time. In the 35 years of cable television they have not developed a measurable service of data transmission. It is below zero as far as we can tell. So I cannot understand why my friends from South Dakota are so upset about the language "two-way voice grade communications." That is what we are talking about. That is what I want to help you with.

Frankly, if I can get computer language in my house, and if I can understand it, before I die I might like to get it. But I do not think I will, and I think the American people are a long ways off. But they want two-way voice-grade communications. And that is all we are talking about.

Mr. PRESSLER. Mr. President, could I get the floor, will my colleague yield to me?

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. ABDNOR. How much time do we have?

The PRESIDING OFFICER. The Senator from South Dakota has 5 minutes remaining, the Senator from Oregon has 5 minutes remaining.

Mr. PRESSLER. Staff's number for data services are misleading because all business customers can use all telephone services—WATS, private line, and regular voice lines—for data transmission as well as voice. The basic telephone network is today transparent to whether voice or data is carried for the customer. The same would be true for cable company provision of these services.

The real issue is not any relative market shares for voice against data today, but the ability of State and Federal regulators to maintain control over local telephone rates as the transition to competitive markets is made.

The bill and the committee amendment would remove the power of State regulators to deal with a major provider of transmission services—a power which they have today.

That is an answer to my distinguished colleague from Kentucky's inquiry; and I think the very question illustrates the need to get this into the conference. The very need for a definition, a clearer definition, is illustrated. I believe that the definition in the amendment is sufficient for us to move forward.

Mr. PACKWOOD. Mr. President, I now have had a chance to check and I am going to say that unless the Senator from South Dakota wants to contest it, that the definition of basic telephone service as we look at the bill, includes anything intrastate or interstate. Almost anything but one-way cable programing because any of those services can be provided by a regulated common carrier, that is, phone company; dial-a-prayer, sports scores, weather, burglar alarm security, fire alarm, powerloading management, where you hook up to your home system power source and it will regulate your heating, electronic banking, shopping. All of these services not now subject to regulation will be subject to regulation under the amendment of the Senator from South Dakota if such a service could be offered by the local phone company, and, indeed; in some areas they do offer some of them. So this is not just a little amendment to decide whether or not the minuscule amount of data transmitted by cable will be subject to regulation. It is opening up a panoply of services to regulation this committee did not contemplate. I do not know whether the Senator from South Dakota contemplated it, but if he is a genuine free enterpriser he is asking for regulation on a variety of areas that are not now regulated.

Mr. ABDNOR. I think we are straying a little ways away from what I intend with the amendment. We are using telecommunications as defined in your bill and I am not speaking to the enhanced areas that you speak about.

All I am saying is this: if cable is going to offer the same kind of telecommunications service which is regulated if offered by a common carrier then cable, why should they not be regulated just like anyone else?

For heaven's sake let us keep the rules of the game. You do not get into a sports contest with one another—baseball and football, for example—and say one side over here has one set of rules and we are going to have another one for the other side which is trying to get against them in the ball game. This is not a game. This is business. If cable offers the functional equivalent of a regulated service offered by that telephone company and if it is regulated so should the same service if it is offered by cable. The language of my amendment is only as broad as to reach these same services and that is what I am talking about. The State would regulate it if offered by a common carrier and would give the State power to regulate the same services if they are offered by cable TV. It is your definition, and we think—we are not reading enhancement or anything else in it.

Mr. PRESSLER. Will my colleague yield?

Mr. ABDNOR. I do not know if I have any time remaining.

Before we go any further, I ask for the yeas and nays on this amendment.

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

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, will the Senator from Oregon yield for a question?

Mr. PACKWOOD. Mr. President, I believe the Senator from South Dakota yielded to the senior Senator from South Dakota.

Mr. PRESSLER. Mr. President, let me conclude by urging the adoption of this amendment by saying that I think the essence, the heart of the argument, is what might happen in rural, small-town areas to telephone service and perhaps to cable service and to transmission of data, be it weather services, farm market services, or voice transmissions. I think that these voices will not be heard unless we give this amendment our support and pass it. I also think that it represents an effort to blunt the edge of a severe danger that exists to communications in rural and small-town areas.

I yield back to my colleague from South Dakota. I commend him for his efforts.

Mr. GOLDWATER. Will the Senator yield for a question?

Mr. PACKWOOD. I yield to the Senator from Arizona.

Mr. GOLDWATER. The Senator from Oregon referred to services that can be purchased through cable television, such as fire protection, police protection, et cetera. If the amendment of my friend from South Dakota is accepted, this means that any State agency can get into the regulation of smoke detectors, fire detectors, police alarms, burglary alarms, and Lord knows what else that is run electronically.

Mr. PACKWOOD. The Senator is absolutely right, because the definition of telecommunications in the bill says:

> The transmission of information by electromagnetic means, with or without the benefit of any closed transmission medium,

that means with or without wires—

> including all instrumentalities, facilities, apparatus, and services (including the collection, storage, forwarding, switching, and delivery of information) essential to such transmission.

The Senator is absolutely correct. It means the regulation of all telecommunications services if they could be provided by a local common carrier. And a local common carrier can provide almost anything, including, I might say, advertising such as the yellow pages.

Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from Oregon has 2 minutes and the Senator from South Dakota has 21 seconds remaining.

Mr. PACKWOOD. I am prepared to yield back the remainder of my time on the amendment.

Mr. ABDNOR. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The vote is put off until tomorrow. The bill is open to further amendment.

AMENDMENT NO. 1380

(Purpose: To amend the Communications Act of 1934)

Mr. BENTSEN. Mr. President, I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from Texas (Mr. BENTSEN) proposes an amendment numbered 1380.

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

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

The amendment is as follows:

> On page 46, line 18, immediately after the period insert the following: "Notwithstanding any other provision of this Act, the provisions of this Act shall not be applicable to any franchise in effect on the date immediately preceding the date of the enactment of this Act.".

Mr. BENTSEN. Mr. President, in reading over this bill and committee report, it is obvious that a great deal of work has gone into it. There is much of this bill that I agree with and that I can certainly support. I may well end up voting for this piece of legislation, except for one thing which really grates and which I cannot accept. This amendment takes care of that. The amendment that I have sent to the desk is a very simple one. It is very direct, and I think it ought to be acceptable to every Member of this body. It is an amendment that grandfathers all existing contracts.

I believe a contract is a contract. My amendment does nothing more than underline that agreements freely negotiated by major corporations and some of our cities should remain in force for their duration.

As this bill is currently written, it only grandfathers contracts regarding existing facilities and equipment and grandfathers existing rate regulations for only—get this—for only the first tier of basic service for 5 years or one-half the duration of the contract, whichever is the longer.

Now, why should it allow corporations, which I believe in the final analysis knew what they were doing, to abrogate contracts after that time? I really believe that these corporations that entered into these contracts—the vast majority of them were large corporations—were certainly sophisticated. They employed some of the finest, most expensive, most experienced attorneys in the land. Frequently, they hired additional local counsel in the hope that they could influence members of the city council. They resorted to all sorts of blandishments to encourage city councils to approve their particular contracts. They practically salivated over being able to acquire a contract to wire particular cities.

But to say that now the Congress should abrogate those things which cable companies had agreed to is not right. The city of Fort Worth, for example, negotiated a contract which called for the regulation of the first three tiers of service. S. 66, if enacted in its present form, would allow the cable company which wired Fort Worth the next day to raise the rates for the second two tiers of service, I repeat: that is just not right. Frankly, I see no reason why Congress should allow that to happen.

It has been argued that the contracts that the cities negotiated with the cable companies are "contracts of adhesion;" they were negotiated by unequal partners. Is the Senate ready to believe that powerful cities overwhelmed little companies like Warner Amex, Times Mirror, and Time-Life? Is the Senate ready to believe that they just really did not know what they were negotiating.

What do you think would happen if, instead of some of these companies finding that they were not making money on these contracts, they instead discovered that all of their rosy predictions had indeed come through? What do you all think would happen if all that they had prophesyed was going to be profitable come to pass?

Well, I will tell you what would happen to their price earnings multiples. They would go right through the roof. Their stocks would be showing enormous profits.

Do you really believe that if that happened, that Time-Life, that Warner Amex, and the other cable corporations would then go to the cities and say: "Oh, gee, fellows, this deal is a lot better than we anticipated so we want to do some extra things for you. We want to add some more channels. We want to render these extra services out of the goodness of our hearts."

Or, on the other hand, do you think that they would write in their annual statements how wise they had been, how they had been able to prophesy the great profits in this field and they were going into it even further?

You know what would happen. They surely would not be coming to the Congress and asking us to abrogate the contracts for them. They would be delighted and they would want them locked up and retained. I understand that.

I have entered into contracts that did not turn out as profitable as I had hoped they would, but I had signed my name on them and I lived up to them. I never broke a contract, and never asked Congress to break one for me either.

I do not think we ought to abrogate these contracts because of any lobbying influence, or because these companies were not sophisticated, or because things happened that they did not anticipate. The contract ought to be carried out.

It has been said that when a cable company agrees to provide a service not related to cable service, like planting trees, in one extreme case, that that does not make sense.

Well, it made sense at the time and the parties agreed to it. Sacramento wanted some trees and the cable company said, "If that is the cost, we will pay it." In fact, I understand that it was the cable company which suggested planting the trees. In other words, two parties agreed to what they thought the obligation should be.

It has been said that sometimes conditions change. CBS, for example, decided to drop its cultural programing. Well, if conditions change, then contracts can be renegotiated by both parties working together. They ought not come to the Congress and ask us to change the terms of agreements.

If you have conditions that are beyond control, that no reasonable party could have aniticipated, the court is still there. But the court looks at the individual case. It looks at the merits. It examines the evidence, and decides what should be done. We do not need a broad brush stroke painted by the U.S. Congress affecting all parties.

We have a situation in Dallas and Houston, where I understand the companies which are wiring those cities are not making money. Well, once again, companies which freely negotiated those contracts designed by great batteries of lawyers to see that every I was dotted and every comma was in its proper place, are now coming to the Congress and asking for relief.

I do not think that is the way the game ought to be played. S. 66, in spite of many other good provisions, in this situation represents a congressional nullification of contractual obligations and commitments. I am not sure that all the Members of this body understand the magnitude of that.

Earlier today I was talking to a number of the Members of the Senate who had no idea that this provision was in there. I hope that by tomorrow they will, and that they will be able to support this bill with the understanding that we are asking both parties to live up to their contracts.

I see no reason to change the rules applicable to communities which have already begun to franchise cable. Both parties entered into these contracts with explicit expectations and Congress ought to respect those expectations. Otherwise, S. 66 is going to relieve the cable operators of obligations that were freely negotiated with no recompense to communities across the Nation, and that is just not right. No record of abuse has been cited. No compelling reason of need by the cable industry has been shown to set aside these extensive and diverse agreements.

My amendment does not more than allow cities to keep what cable companies have already promised.

I reserve the remainder of my time.

Let me ask first for the yeas and nays on this amendment.

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

The yeas and nays were ordered.

Mr. BENTSEN. Frankly, I would hope that the committee in its wisdom might be in accord with the function of this amendment.

Mr. GOLDWATER. Will the Senator yield me some time?

Mr. PACKWOOD. I am delighted to yield.

Mr. BENTSEN. I was hoping that the Senator from Arizona would speak in behalf of the amendment.

Mr. GOLDWATER. Mr. President, we have not really looked at the opposition to this bill. The real core is that the cities and communities of this country are not happy with the amount of money they have been able to get out of the cable television service. Our bill has been written with the idea that we might help bring these two groups together.

If we grandfather, I can understand Dallas, which is now in the early stages of having cable television, grabbing the best that it can get, and the day after this bill passed, if that amendment were in it, every city in the country would rush to get franchises put together because they would be grandfathered.

I am not speaking on behalf of cable. I have no idea what their profits may be or are. Frankly, I could not care less. I have served on a city council. I know what their attitude is. Normally, it is a pretty good attitude to get all

the money that they can out of any service coming into the city.

But I must say that these franchise agreements are not regulated by city ordinance. They are regulated by the usual process of arguing across a table as to what would happen. I have no idea, as I say, as to what these amounts might be. I think a city the size of my home town of Phoenix gets around $350,000 a year from their franchise. The little community that I call home probably gets close to $150,000 to $180,000. So we are not talking about an astronomical part of the city budgets.

What I am deeply concerned with, and I say this in all sincerity to my friend from Texas, is if we accept the amendment of grandfathering it will kill this bill. We will not need a bill at all because every community in this country would say, "Well, it is a law that the franchise that we are operating under is the one we are going to continue under." You cannot argue with that. That is exactly what grandfathering means.

Mr. BENTSEN. Will the Senator yield?

Mr. GOLDWATER. Yes.

Mr. BENTSEN. I am not talking about continuing on without any resolution. I am talking about just for the term of the contract. We should not abrogate the remainder of that contract. This piece of legislation does just that.

Mr. GOLDWATER. It should.

Mr. BENTSEN. Prior to the end of the contract?

Mr. GOLDWATER. If you put grandfathering in, I do not think the Senator from Texas thinks for one moment that the present franchise will be the end of the granfather concept in Dallas, Phoenix, or anyplace else.

Mr. BENTSEN. My understanding is the contract is an executed contract for Dallas.

Mr. GOLDWATER. That is not the understanding of the Senator's amendment. I understand grandfathering. I have lived through it many, many times. If we have grandfathering, there would be no need to continue debate, if the amendment is accepted. We would not need a bill.

Mr. BENTSEN. But when the contract expires, it expires. But we should not come in unilaterally as a legislative body and abrogate it. I am saying we should let them fulfill the contract for the period of time of the contract. That is all.

Mr. GOLDWATER. In my opinion, adoption of this amendment would do away with the need for this legislation. It is that simple. I have lived through grandfathering arguments in my community as a member of the city council. I have lived through grandfathering arguments here in the Senate. They are not made for midnight tonight. We have grandfathering clauses; regulations, and rules that govern this body. I remember when they were adopted they were only to cover a certain period. But they have gone on and on and on.

I am going to have to resist the amendment, with all the respect I have for my friend from Texas. I had hoped that it would be a smaller town. Dallas is a big place. It has a good football team, good cheerleaders and things like that. But if he makes it come from a little place like Quererito, N. Mex., I could go along with him.

Mr. BENTSEN. Mr. President, I am not sure the Senator from Arizona heard me right. My point is that that is an existing contract. A contract was signed; a contract was made.

Mr. GOLDWATER. Then let them be happy with it.

Mr. BENTSEN. Mr. President, all I want to see is that they abide by the contract now, whether it is Fort Worth, Dallas, or any other city.

Mr. GOLDWATER. I do not see any use to go back to Smoke City. Grandfathering is not going to do it.

Mr. BENTSEN. Mr. President, if there is no further debate on either side, I am prepared to yield back—let me understand something first.

Insofar as tomorrow, when the vote is cast, do I understand correctly that we have 5 minutes prior to voting to discuss the amendments?

Mr. PACKWOOD. Mr. President, I do not think there is any unanimous consent for tomorrow as to what time we vote or any 5 minutes before. We have 13 hours on the bill. It is hoped we will finish tomorrow but any votes that will be ordered will be held until tomorrow.

The PRESIDING OFFICER. The agreement is for 15 minutes after we resume consideration of the bill. There is no time agreement between votes.

We start voting 15 minutes after we resume consideration of the bill, with no time between the votes.

Mr. PACKWOOD. We shall start voting on what, Mr. President?

The PRESIDING OFFICER. On all the amendments on which yeas and nays have been ordered.

Mr. PACKWOOD. Even if the time has not been used up on the amendments?

The PRESIDING OFFICER. That is true, but up to this point, the time has all been used or yielded back on each amendment.

Mr. PACKWOOD. I understand that, Mr. President, but that is on the two Abdnor amendments, on which we almost ran out of time. I had not seen the Bentsen amendment until a few moments ago. Is the Chair indicating now that we will vote on the two Abdnor amendments, then the Bentsen amendment, start the vote on the two Abdnor amendments 15 minutes after we take up the bill?

The PRESIDING OFFICER. That is correct.

Mr. BENTSEN. Is there anything that will preclude my having 5 minutes on my amendment before the vote on the bill?

The PRESIDING OFFICER. It will take unanimous consent.

Mr. BENTSEN. I ask unanimous consent that I may have 5 minutes prior to the vote on my amendment.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. I reserve the right to object, Mr. President.

I suggest the absence of a quorum and ask unanimous consent that it not be charged to either side.

Mr. BENTSEN. Mr. President, do we have an understanding?

Mr. PACKWOOD. No, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, the clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. 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. PACKWOOD. Mr. President, I think Senator BENTSEN and I are ready to propound an agreement. I think I shall state it for the record and the Senator will correct me if I make a mistake.

I ask unanimous consent that, when we finish the vote on the second Abdnor amendment tomorrow, there be a period of 10 minutes for debate, divided 5 minutes equally, on the Bentsen amendment and, at the end of the 10 minutes, we vote on the Bentsen amendment.

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

Mr. BENTSEN. I thank the managers of the bill. I appreciate the cooperation on both sides.

Mr. PACKWOOD. I thank the Senator.

Mr. President, as I understand the present order, we shall be coming in at 9:30 a.m. tomorrow. At 10 o'clock, we start on the cable bill. Is that correct?

The PRESIDING OFFICER. No later than 10 o'clock.

Mr. PACKWOOD. And at 10:15, we start to vote on the first Abdnor amendment.

The PRESIDING OFFICER. That is correct.

Mr. BENTSEN. Mr. President, I yield back the remainder of my time on my amendment other than what the unanimous-consent agreement was if the other side is prepared to yield back its time.

Mr. PACKWOOD. I am not quite prepared. I may say a few things this afternoon.

Mr. BENTSEN. Then I shall reserve the remainder of my time.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. As I have only had a chance—in fact, I have not even had a chance to read the Bentsen amendment this afternoon. I thought it was slightly different. I would ask that the unanimous-consent order be amended to include a vote on the subject of the Bentsen amendment. I may want to move to table.

Mr. BENTSEN. What is that?

Mr. PACKWOOD. I may want to move to table the Senator's amendment. I am not sure. I have not read it yet. I have not seen it.

Mr. BENTSEN. I thought we had an agreement.

Mr. PACKWOOD. We had an agreement to vote on it.

Mr. BENTSEN. It was assumed that was up or down. There was no mention of tabling it in the unanimous-consent agreement. I thought we had an agreement.

Mr. PACKWOOD. Well, I would ask——

Mr. BENTSEN. I think my friend has had a second thought.

Mr. PACKWOOD. No, not a second thought. I was assuming that by agreement we would have a vote or a chance to table the amendment because I have not had a chance to read it.

Mr. BENTSEN. That was not my understanding at all. It is my understanding that we were going to vote up or down on the Bentsen amendment.

Mr. PACKWOOD. I yield to the Senator.

Mr. BENTSEN. What?

Mr. PACKWOOD. I yield to the Senator. We will vote on the amendment.

Mr. BENTSEN. I thank the Senator.

The PRESIDING OFFICER. If neither side yields time, the time runs equally.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. WILSON. I thank the Chair.

AMENDMENT NO. 1381

(Purpose: To limit to a maximum of 36 months prior to the expiration of a franchise agreement the time at which a cable television operator may seek a renewal of a franchise agreement)

Mr. WILSON. Mr. President, I have an amendment at the desk. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Until the time has been used or yielded back on the Bentsen amendment, it will not be set aside and, therefore, another amendment is not in order at this point.

Mr. WILSON. I was under the impression an agreement was reached, Mr. President.

Mr. PACKWOOD. Mr. President, the Senator from California wants to offer an amendment. As I indicated, I may wish to speak later tonight on the amendment of the Senator from Texas. The Senator from California has an amendment to offer that is acceptable but is not in order so long as the amendment of the Senator from Texas is pending. I should like to propose an amended request simply to lay it aside and take his amendment.

Mr. BENTSEN. Absolutely.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that we temporarily lay aside the amendment of the Senator from Texas in order to consider the amendment of the Senator from California.

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

Mr. WILSON. I thank the Chair. I thank the distinguished managers and the Senator from Texas for their courtesy.

I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. WILSON) proposes an amendment numbered 1381:

Page 37, line 18, immediately after "24 months", insert ", but not more that 36 months,".

Mr. WILSON. Mr. President, that brief reading by the clerk is a complete reading, so I need not ask that we dispense with further reading. It indicates the simplicity of this amendment. It is quite straightforward.

Section 609(d) of the bill as written provides that a cable operator must file for renewal of a franchise agreement at least 24 months before expiration of that franchise. However, the section does not set an outside time limit, that is to say, it does not say how early the franchise may be applied for, that is, the renewal. In other words, it does not state how long before expiration of the franchise an operator may ask for renewal. This amendment would set such a limit at 36 months prior to the expiration of the present franchise.

There has been concern expressed to the Senator from California primarily from the League of California Cities that as presently drafted the bill would allow for a request for renewal long before the date of expiration. It is felt that this is a defect requiring a cure because it could conceivably allow a city to suffer a great period of time in which no remedy would be available because renewal had already been granted and too little opportunity to adequately assess performance under the existing franchise agreement.

Mr. President, it is the understanding of the Senator from California that there is no objection to this amendment by the managers of the bill. It is hoped that it can be quickly dispensed with.

Mr. PACKWOOD. The Senator from California is correct. It is a good amendment. I appreciate his calling to our attention the fact that we had put in one date and not the other.

The Senator is right, the cable franchise could ask 7 or 8 years ahead of time to reopen.

Mr. FORD. Mr. President, it is also satisfactory with this side. I thank the distinguished Senator for bringing it to our attention. I am ready to voice vote it now.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PACKWOOD. I yield back all time on this side.

Mr. WILSON. I thank the distinguished managers.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (No. 1381) was agreed to.

AMENDMENT NO. 1380

Mr. PACKWOOD. Mr. President, are we now back on the Bentsen amendment?

The PRESIDING OFFICER. The question recurs on the Bentsen amendment.

Mr. PACKWOOD. I suggest the absence of a quorum dividing the time equally between the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR THE RECOGNITION OF SENATOR RANDOLPH TOMORROW

Mr. PACKWOOD. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order the Senator from West Virginia (Mr. RANDOLPH) be recognized for not to exceed 15 minutes for a special order.

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

UNANIMOUS-CONSENT AGREEMENT ON S. 66

Mr. PACKWOOD. Mr. President, I ask unanimous consent that when the Senate resumes consideration of S. 66, the cable television bill at 10 a.m. on Tuesday, that the only amendments to be in order tomorrow be amendments to be offered by the Senator from Illinois (Mr. DIXON), amendments Nos. 1324, 1325, and 1353 or modifications thereof necessary due to the committee modification, an amendment to be offered by the Senator from Pennsylvania (Mr. SPECTER), dealing with the lifting of the franchise fee cap, an amendment to be offered by the Senator from Oregon (Mr. PACKWOOD), dealing with telecommunications, and an amendment to be offered by the Senator from California (Mr. WILSON) dealing with existing franchise agreements in the States of California and Massachusetts.

Mr. FORD. Mr. President, reserving the right to object, and I shall not object, the Senator from Texas (Mr. BENTSEN) has a unanimous-consent order that is already in place, and there is no question about the 10 minutes prior to the vote on his amendment after the two Abdnor amendments have been considered.

The PRESIDING OFFICER. The Senator is correct.

Mr. FORD. Mr. President, I have no objection.

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

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. PACKWOOD. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess in accordance with the previous order.

The motion was agreed to; and, at 5:36 p.m., the Senate recessed until Tuesday, June 14, 1983, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 13, 1983:

DEPARTMENT OF JUSTICE

Stephen S. Trott, of California, to be an assistant attorney general, vice D. Lowell Jensen.

DEPARTMENT OF THE INTERIOR

William Perry Pendley, of Wyoming, to be an Assistant Secretary of the Interior, vice Daniel N. Miller, Jr., resigned.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Edgar A. Chavarrie, [redacted] FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601 to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Winston D. Powers, [redacted] FR, U.S. Air Force.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. Edward C. Waller III, [redacted] /1310, U.S. Navy.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform duties indicated with grade and date of rank to be determined by the Secretary of the Air Force provided that in no case shall any of the following officers be appointed in a grade higher than that indicated.

MEDICAL CORPS

To be colonel

Hatsell, Charles P., [redacted]
Rivera, Pedro N., [redacted]
Smith, Michael T., [redacted]
Waterman, John R., [redacted]

To be lieutenant colonel

Bogner, David F., [redacted]
Luciani, Ralph J., [redacted]
Magruder, Michael R., [redacted]
Porterfield, David E., [redacted]
Victor, David W., Jr., [redacted]

DENTAL CORPS

To be lieutenant colonel

Williams, David E., [redacted]

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the appropriate provisions of chapter 36, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force.

DENTAL CORPS

To be colonel

Alexander, Glen W., [redacted]
Bergman, Dennis W., [redacted]
Blaser, Paul K., [redacted]
Brennan, Mark E., [redacted]
Cohen, Robert B., [redacted]
Couvillion, Charles R., [redacted]
Dufrane, Michael H., [redacted]
Goupil, Michael T., [redacted]
Hallmon, William W., [redacted]
Hebda, Thomas W., [redacted]
Jackson, Anson B., [redacted]
Killian, William F., [redacted]
Landers, Sam R., [redacted]
Lubow, Richard M., [redacted]
Maki, Karl A., [redacted]
Nielsen, Adrian M., [redacted]
Noren, Gaylord D., [redacted]
Nosworthy, Donald G., [redacted]
Paetz, Bill L., [redacted]
Rossmiesl, Roman W., [redacted]
Schad, George W., [redacted]
Shannon, John W., [redacted]
Stevens, Fredric D., [redacted]
Stoffers, Kenneth W., [redacted]
Voss, James E., [redacted]
Westbrook, Steven D., [redacted]
Wilcox, James W., [redacted]

MEDICAL CORPS

Antonio, Melvin Q., [redacted]
Arnold, Colin B., [redacted]
Belihar, Robert P., [redacted]
Bostrom, Stuart G., [redacted]
Brady, Charles E., III, [redacted]
Carbonneau, John R., [redacted]
Carson, James H., Jr., [redacted]
Chasen, Marvin H., [redacted]
Christian, Charles B., Jr., [redacted]
Cofoid, Paul B., [redacted]
Cogburn, Bobby E., [redacted]
Copek, Arthur P., [redacted]
Corwin, James A., [redacted]
Crawford, Raymond S., III, [redacted]
Driscoll, Timothy J., [redacted]
Evans, William M., [redacted]
Fedosky, Allan L., [redacted]
Fisher, John A., [redacted]
Fisk, David E., [redacted]
Fry, Harold H., [redacted]
Gabatin, Angelita R., [redacted]
Gilmore, Robert W., [redacted]
Gilstrap, Larry C., III, [redacted]
Goff, Terry H., [redacted]
Haggard, Robert C., [redacted]
Hallett, John W., Jr., [redacted]
Harasimowicz, Joseph A., [redacted]
Harmon, Lloyd C., [redacted]
Harville, Victor L., Jr., [redacted]
Hatsell, Charles P., [redacted]
Hoenes, Douglas R., [redacted]
Hoffman, Peter F., [redacted]
Jaurigue, Oscar L., [redacted]
Kane, Daniel D., [redacted]
Larkin, Francis T., [redacted]
Lee, Chang H., [redacted]
Legaspi, Lester M., [redacted]
Lewis, Ramon L., [redacted]
Lichtenstein, Joel E., [redacted]
Loizeaux, Paul H., [redacted]
Lundquist, Jon E., [redacted]
Mabry, Earl W., II, [redacted]
Marsh, Royden W., [redacted]
Medina, Oswaldo F., [redacted]
Mimay, Antonio S., [redacted]
Moncrief, Hugh, [redacted]
Muller, Stephen P., [redacted]
Naguwa, Stanley M., [redacted]
Noffsinger, Jay E., [redacted]
Null, Donald M., Jr., [redacted]
Pare, Norman G., [redacted]
Peppard, Raymond W., [redacted]
Perezfigaredo, Rafael A., [redacted]
Poitrast, Bruce J., [redacted]
Postles, William T., [redacted]
Quebral, Merle G., [redacted]
Raddin, James H., Jr., [redacted]
Rasmussen, Reed C., [redacted]
Rivera, Pedro N., [redacted]
Rogers, James H., Jr., [redacted]
Rohrer, James F., [redacted]
Romberg, Gary P., [redacted]
Ruehle, Charles J., [redacted]
Ruggles, Charles W., [redacted]
Samler, Jacob D., [redacted]
Schull, Jerry L., [redacted]
Schwartz, Gary P., [redacted]
Schwender, George E., [redacted]
Shane, Jeffrey A., [redacted]
Sharp, John R., [redacted]
Sheffer, Thomas F., [redacted]
Shelley, James M., Jr., [redacted]
Shirley, Douglas P., [redacted]
Sipperley, Jack O., [redacted]
Smith, James M., [redacted]
Smith, Michael T., [redacted]
Spielvogel, Richard L., [redacted]
Stith, John A., [redacted]
Thornton, William V. S., [redacted]
Tolan, Gil D., [redacted]
Toon, Lee, [redacted]
Vandersarl, Jules V., [redacted]

Walters, William E., [redacted]
Wardinsky, Terrance D., [redacted]
Warren, Fredric H., [redacted]
Waterman, John R., [redacted]
Wilcox, Harry E., [redacted]
Wolfe, William H., [redacted]
Woolley, Galen S., [redacted]

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the appropriate provisions of chapter 36, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force.

DENTAL CORPS

To be lieutenant colonel

Adams, Louis W., III, [redacted]
Alvarez, Angel D., [redacted]
Ames, John R., [redacted]
Arochoperez, Juan E., [redacted]
Beardsley, Stuart H., [redacted]
Calhoun, Richard L., [redacted]
Canning, Harold B., [redacted]
Crichton, David D., III, [redacted]
Crigger, Laurence P., [redacted]
Dasher, David R., [redacted]
Denny, John M., [redacted]
Fairbourn, Dennis R., [redacted]
Fate, Donald D., [redacted]
Foster, James H., [redacted]
Frantzis, Theodosios G., [redacted]
Frost, David E., [redacted]
Fryling, Stephen E., [redacted]
Goode, Robert K., [redacted]
Haney, Stephan J., [redacted]
Hebert, John R., [redacted]
Heck, Thomas T., [redacted]
Hutchinson, John D., Jr., [redacted]
Kaat, Daniel L., [redacted]
Kaplan, Paul, [redacted]
Kretzschmar, David P., [redacted]
Kyle, Frank A., Jr., [redacted]
Lachat, Jerry D., [redacted]
Langenderfer, William R., [redacted]
Lemar, Mark E., [redacted]
Lieb, Lewis V., Jr., [redacted]
Longo, James J., Jr., [redacted]
McAlpine, George J., [redacted]
McDonald, John J., [redacted]
McNerney, James M., [redacted]
Mizukawa, John H., [redacted]
Moore, Stephen P., [redacted]
Olson, Steven J., [redacted]
Palermo, James J., [redacted]
Roth, William C., [redacted]
Shiplov, Jeremiah J., [redacted]
Spradling, Peter M., [redacted]
Stelton, Dennis E., [redacted]
Stuckey, Dennis D., [redacted]
Taylor, William G., [redacted]
Teuton, William T., Jr., [redacted]
Underhill, Ronald R., [redacted]
Wayman, Blake E., [redacted]
Williams, David E., [redacted]
Withers, James A., [redacted]
Zaner, David J., [redacted]

MEDICAL CORPS

Ake, Burton K., [redacted]
Alcaraz, Renato V., [redacted]
Angles, Alberto, [redacted]
Augustine, Jose, [redacted]
Ayres, Allen W., [redacted]
Bass, William S., [redacted]
Bayona, Domingo M., Jr., [redacted]
Berg, Michael W., [redacted]
Bogner, David F., [redacted]
Bongiorno, Frank P., [redacted]
Boonyapredee, Wichest, [redacted]
Bragado, Ines A., [redacted]
Burton, Joe E., [redacted]
Burton, Thomas P., [redacted]
Butler, William K., [redacted]
Campomanes, Benjamin A., [redacted]
Cantu, Rudolf G., [redacted]
Carpenter, Frank E., [redacted]
Clark, Tee S., [redacted]
Cordon, Ricardo M., [redacted]
Correa, Norma J. C., [redacted]
Craun, Michael L., [redacted]
Davis, Brian M., [redacted]
Deeney, Vincent F. X., [redacted]
Dorwart, Robert H., [redacted]
Douville, Douglas R., [redacted]
Dykstra, Kenneth D., [redacted]
Ebron, Rosita P., [redacted]
Eisenberg, Burton L., [redacted]
Fournier, Donald C., [redacted]
Gillette, Lyra S., [redacted]
Goodwin, Malcolm N., Jr., [redacted]
Haycraft, Gordon L., [redacted]
Huber, Stephen C., [redacted]
Irani, Farrokh A., [redacted]
Jacinto, Jolly R., [redacted]
Johnston, Roswell M., [redacted]
Jones, Venus R., [redacted]
Kalosis, John J., Jr., [redacted]
Kroner, David R., [redacted]
Kucinski, Stefan A., [redacted]
Kuner, Karl D., [redacted]
Lau, Liong C., [redacted]
Leopold, John C., [redacted]
Limco, Rizalina Y., [redacted]
Lindsey, Stephen M., [redacted]
Luciani, Ralph J., [redacted]
Magruder, Michael R., [redacted]
Martel, Larry, [redacted]
Mayer, John E., Jr., [redacted]
McCurdy, Fredrick A., [redacted]
McGannon, Patricia M., [redacted]
McGinnis, Lloyd P., [redacted]
McKee, William Y., [redacted]
McKenna, Peter J., [redacted]
Miller, James E., [redacted]
Navarro, Alfonso V., [redacted]
Nepomuceno, Concepcion A., [redacted]
Ngdillon, Wingsheung, [redacted]
Oandasan, Filadelfo V., [redacted]
Ortaliz, Ramon L., [redacted]
Paek, Donald R., [redacted]
Paglen, Patrick G., [redacted]
Pascua, Erlina V. F., [redacted]
Pascua, Percival G., [redacted]
Patel, Sushila M., [redacted]
Plemons, Ronald W., [redacted]
Pontius, Uwe R., [redacted]
Porterfield, David E., [redacted]
Quizon, Mendrado L. [redacted]
Raisani, Kamal K., [redacted]
Rao, Chamaraja A., [redacted]
Robertson, Howard D., [redacted]
Robinson, John D., [redacted]
Roe, John P., [redacted]
Roll, Walter A., Jr., [redacted]
Sanchez, Gualbert M., [redacted]
Sanders, Robert M., [redacted]
Santos, Marco A., [redacted]
Schultz, Richard L., [redacted]
Schutt, David C., [redacted]
Shahan, Michael E., Jr., [redacted]
Shaw, Clayton T., [redacted]
Silva, John S., [redacted]
Smith, Wilburn A., Jr., [redacted]
Solanki, Prabha H., [redacted]
Stevenson, James D., [redacted]
Sugunan, Unnyampath, [redacted]
Tuason, Moises B., Jr., [redacted]
Varley, Thomas, [redacted]
Victor, David W., Jr., [redacted]
Villamizar, Alfonso, [redacted]

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the appropriate provisions of chapter 36, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force.

DENTAL CORPS

To be lieutenant colonel

Rogerson, John N., [redacted]

DENTAL CORPS

To be major

Cooley, David R., [redacted]
Harberson, Van A., [redacted]
Karn, Kenneth W., [redacted]
Kreutner, Mark H., [redacted]
Langston, Gregory G., [redacted]
Mirrielees, Robert A., [redacted]
Mjos, David P., [redacted]
Stetzel, Patrick J., [redacted]

MEDICAL CORPS

Aarons, Scott P., [redacted]
Baer, Gregory S., [redacted]
Bassett, Mark R., [redacted]
Bell, William F., [redacted]
Boyd, Gwendolyn M., [redacted]
Bryant, Nancy D., [redacted]
Carter, Ezzard, C., [redacted]
Chetta, Sidney G., [redacted]
Copeland, Ronald L., [redacted]
Cord, Stephen A., [redacted]
Deshmukh, Avinash T., [redacted]
Dryer, Randall F., [redacted]
Gold, Mitchell J., [redacted]
Gomez, Rodrigo, [redacted]
Goodwin, Deborah V., [redacted]
Gratkins, Lawrence V., [redacted]
Haberstroh, William D., [redacted]
Hansen, James E., [redacted]
Henshaw, Raymond E., II, [redacted]
Higgins, James R., [redacted]
Johnson, Glenn R., [redacted]
Kennedy, John D., Jr., [redacted]
Kubik, Carolyn J., [redacted]
Marks, Donald H., [redacted]
McCombs, Paul R., III, [redacted]
Minor, Frank W., [redacted]
Mitchell, Foy B., Jr., [redacted]
Oommen, Samuel C., [redacted]
Robinson, Jean H., [redacted]
Rosenkrans, Ramon H., [redacted]
Stambler, Jay B., [redacted]
Symmonds, Jeffrey B., [redacted]
Taylor, Kenneth K., [redacted]
Vanduyne, Charles P., [redacted]
Villacian, Eugene, [redacted]
Yakuboff, Kevin P., [redacted]

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Robert F. Ackerman, [redacted]
Maj. Burton O. Blomgren, [redacted]
Maj. Kirk R. Brimmer, [redacted]
Maj. David C. Engwall, [redacted]
Maj. Daniel S. Gordon, [redacted]
Maj. William H. Hays, Jr., [redacted]
Maj. Ralph M. Lange, [redacted]
Maj. Harry M. Lesley, [redacted]
Maj. Carol B. McAllister, [redacted]
Maj. Ervin D. Meyer, [redacted]
Maj. William R. Sherer, [redacted]
Maj. Jerry L. Stellner, [redacted]
Maj. Jerry W. Whitman, [redacted]
Maj. Jimmie L. Winders, [redacted]

MEDICAL CORPS

Maj. Thomas J. Humphries, [redacted]
Maj. Howard M. Richardson, [redacted]

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the appropriate provisions of chapter 36, title 10, United States Code, as amended,

with dates of rank to be determined by the Secretary of the Air Force.

DENTAL CORPS

To be major

Augustyniak, Edward F., Jr., [redacted]
Balogh, Peter J., [redacted]
Barney, Vermon C., [redacted]
Barnhurst, Kenneth, [redacted]
Belles, Donald M., [redacted]
Bolger, Walton L., [redacted]
Broom, David B., [redacted]
Broome, James C., Jr., [redacted]
Brown, Michael R., [redacted]
Bussone, Richard P., [redacted]
Carlson, Mark T., [redacted]
Carmody, Dennis J., [redacted]
Christenson, Bradford W., [redacted]
Clark, Douglas A., [redacted]
Cohen, Jay S., [redacted]
Cooper, Monte L., [redacted]
Cornelius, Clifford W., [redacted]
Daniels, Walter C., [redacted]
Davis, Richard D., [redacted]
Decounter, Bradley L., [redacted]
Deperalta, Alex A., Jr., [redacted]
Eckles, Robert L., [redacted]
Edwards, Richard C., [redacted]
Fahndrich, Alan L., [redacted]
Farhood, John E., [redacted]
Flaggert, James J., III, [redacted]
Foreman, Frank J., [redacted]
Forman, Teddy P., [redacted]
Fox, Lee T., [redacted]
Friedman, Lee E., [redacted]
Fuller, Michael F., [redacted]
Gering, Becky L., [redacted]
Green, Floyd W., [redacted]
Greene, Paul D., Jr., [redacted]
Greenley, Barry P., [redacted]
Grellner, Theodore J., [redacted]
Hambleton, Jeffrey C., [redacted]
Harnist, Jeffrey W., [redacted]
Hastings, Paul F., [redacted]
Heist, Robert L., [redacted]
Hills, Robert E., [redacted]
Hilton, Thomas J., [redacted]
Hiraki, Richard M., [redacted]
Hornburg, John S., [redacted]
Hoskins, John M., [redacted]
Ippolito, Stephen P., [redacted]
Jacobus, Brian B., [redacted]
Kelleher, Thomas P., [redacted]
Kennedy, Bruce A., [redacted]
Kennedy, Wade A., [redacted]
Kirk, Walter C., Jr., [redacted]
Kissel, Patricia A., [redacted]
Knight, John C., [redacted]
Koenke, Kenneth E., [redacted]
Lathan, Scott A., [redacted]
Levin, Kenneth A., [redacted]
Levon, John A., [redacted]
Martin, Michael W., [redacted]
Mathers, David G., [redacted]
McCall, Carol A., [redacted]
McMichael, David W., [redacted]
Mitchell, Thomas W., [redacted]
Moore, William S., [redacted]
Morelli, Ernest F., [redacted]
Morrison, Stephen R., [redacted]
Naylor, William P., [redacted]
Neilson, Tad O., [redacted]
Neubauer, Michael F., [redacted]
Neuser, Stephen M., [redacted]
Nevins, Steven J., [redacted]
Newton, Alan D., [redacted]
Nuckols, Glenda E. S., [redacted]
Olson, Robert A., [redacted]
Overton, Johnie D., [redacted]
Parlee, Mary T., [redacted]
Parsons, Michael R., [redacted]
Pemble, Charles W., III, [redacted]
Perry, Thornton T., IV, [redacted]
Petitti, Leonard J., [redacted]
Plamondon, Thomas J., [redacted]
Pleis, Ronald L., [redacted]
Pohl, Mitchell A., [redacted]
Poindexter, Forrest R., [redacted]
Propst, Larry A., [redacted]
Rabbio, Maria A., [redacted]
Raines, William H., [redacted]
Raper, Rex T., [redacted]
Raugust, James T., [redacted]
Rethman, Kevin V., [redacted]
Richter, John J., III, [redacted]
Robinson, Craig A., [redacted]
Rodriguez, Nelson., [redacted]
Rouse, Paul J., [redacted]
Salbego, Stephen B., [redacted]
Samborski, Charles S., [redacted]
Schmidt, Stephen A., [redacted]
Schuermer, Eric S., [redacted]
Shaefer, Jeffry R., [redacted]
Shannon, Michael D., [redacted]
Shannon, Rayanne F., [redacted]
Sheets, James Lt. A., [redacted]
Shoff, Carl C., [redacted]
Shreve, Carolyn L., [redacted]
Shulman, Elliot R., [redacted]
Simmons, Ellen M., [redacted]
Simmons, Ronny M., [redacted]
Smith, Michael W., [redacted]
Songrozich, Sheila W. W., [redacted]
Stanya, Andrew E., [redacted]
Stewart, Daniel M., [redacted]
Strickland, Judy P., [redacted]
Sullivan, Thomas K., [redacted]
Sundquist, Robert E., [redacted]
Thomas, Faith A., [redacted]
Weston, Sue E., [redacted]
Wiggins, Scott W., [redacted]
Young, John D., III, [redacted]

MEDICAL CORPS

Abernathy, Susan P., [redacted]
Abraham, Anes W., [redacted]
Ackerman, Neel B., Jr., [redacted]
Addison Therese J., [redacted]
Alexander, John E., [redacted]
Allen, Charles E., [redacted]
Appleman, Mark E., [redacted]
Arastu, Raiqua S., [redacted]
Argyle, Heather A., [redacted]
Bagnall, James W., [redacted]
Baker, Delwyn R., [redacted]
Baldwin, Gary T., [redacted]
Bardi, Christopher, [redacted]
Barker, Phillip D., [redacted]
Barth, Richard J., [redacted]
Barton, Joel H., [redacted]
Bearden, Dwight L., [redacted]
Bell, Gary V., [redacted]
Berg, Jack L., [redacted]
Biggers, Jerel R., [redacted]
Black, James R., [redacted]
Black, Jerrold G., [redacted]
Boersma, Richard W., [redacted]
Boettger, Mark L., [redacted]
Bohler, Henry C. L., Jr., [redacted]
Boiko, Susan, [redacted]
Bolen, George, [redacted]
Borel, Terry C., [redacted]
Bowman, John M., [redacted]
Bowman, Richard L., [redacted]
Bramble, John M., [redacted]
Breed, Dennis N., [redacted]
Bricknertruschel, Timothy L., [redacted]
Brinkley, Ben P., [redacted]
Bronfman, Jana R., [redacted]
Broomfield, Paul H., [redacted]
Brophy, Michael C., [redacted]
Brown, David L., [redacted]
Brown, James O., II, [redacted]
Brown, Steven B., [redacted]
Bryan, Charles L., [redacted]
Buchholz, Curtis L., [redacted]
Butera, Philip J., [redacted]
Camp, John F., [redacted]
Cantoni, James D., [redacted]
Capps, Raymond L., [redacted]
Cardenas, Charles D., [redacted]
Carleton, Scott H., [redacted]
Carlson, Byron H., [redacted]
Carnahan, Willard R., [redacted]
Catanese, Vincent J., [redacted]
Chamberlain, Craig E., [redacted]
Chang, Sammy L., [redacted]
Charochak, Patricia A., [redacted]
Chengson, Richard A., [redacted]
Chesney, Murphy A., III, [redacted]
Childrey, Gregory W., [redacted]
Christensen, Alan W., [redacted]
Christensen, William J., [redacted]
Christopher, Robert B., [redacted]
Clark, Robert A., [redacted]
Clement, Donald J., [redacted]
Cobb, Pamela K., [redacted]
Coffey, Ronald R., [redacted]
Cofield, Brooks G., [redacted]
Cohen, Barry A., [redacted]
Cole, Michael K., [redacted]
Coleman, Daniel E., [redacted]
Colvin, David P., [redacted]
Connell, Patrick, Jr., [redacted]
Cookson, James L., [redacted]
Cornish, John D., [redacted]
Cosby, Steven L., [redacted]
Costanzo, George P., [redacted]
Covasmaldonado, Ivan, [redacted]
Craft, Charles W., [redacted]
Crank, Robert N., [redacted]
Dailey, Richard R., [redacted]
Daniels, Michael O., [redacted]
David, Daniel J., [redacted]
Davis, Jack L., [redacted]
Deaton, John S., [redacted]
Deaton, Kenneth D., Jr., [redacted]
Dedwylder, Wilkins W., Jr., [redacted]
Dennis, David T., [redacted]
Dickson, James B., [redacted]
Dipalma, Jack A., [redacted]
Doran, John G., Jr., [redacted]
Drehner, Dennis M., [redacted]
Drury, William J., [redacted]
Dubeck, Frank J., Jr., [redacted]
Durand, Roger E., [redacted]
Durning, James P., [redacted]
Eastmead, Donald J., [redacted]
Ehrlich, Glenn W., [redacted]
Eilers, Mark A., [redacted]
Elizondo, Phillip A., [redacted]
Elliott, Wendell H., Jr., [redacted]
Ellis, Elaine M., [redacted]
Essig, Michael J., [redacted]
Exstrum, Terry D., [redacted]
Falkenheimer, Sharon A., [redacted]
Fearey, Alan J., [redacted]
Fenlon, Patrick B., [redacted]
Fling, John A., [redacted]
Forrest, Thomas S., [redacted]
Fowler, Leon A., [redacted]
Franz, Joseph C., [redacted]
Frese, Daniel R., [redacted]
Gallery, George P., [redacted]
Gasser, Robert A., Jr., [redacted]
Georgelas, Timothy, [redacted]
Gibbs, Robert H., [redacted]
Gibson, Desmond D., [redacted]
Gilliam, Paul E., Jr., [redacted]
Glifort, Kenneth F., [redacted]
Goforth, Thomas F., [redacted]
Goodman, Thomas M., [redacted]
Goodwin, Thomas E., [redacted]
Grayson, Robert S., [redacted]
Green, Charles B., [redacted]
Griffin, Gregory C., [redacted]
Griffith, Joan R., [redacted]
Grundy, Paul H., [redacted]
Haines, Garland T., [redacted]
Hallett, Jeffrey S., [redacted]
Hammond, Marvin A., [redacted]
Hancock, Kenneth C., [redacted]
Hanna, Edward S., [redacted]
Hardee, Gary R., [redacted]

Hardin, Richard D., [redacted]
Harimoto, Dean Y., [redacted]
Hayes, Edward E., [redacted]
Heap, Alan F., [redacted]
Helton, Timothy D., [redacted]
Hennessey, James V., [redacted]
Hernandez, Valentin, [redacted]
Herpst, Sally L., [redacted]
Hesterberg, Raymond C., Jr., [redacted]
Hicken, Stephen L., [redacted]
Hilbert, William L., [redacted]
Hillman, Steven K., [redacted]
Hinkin, Douglas P., [redacted]
Hoffman, Eric P., [redacted]
Hogle, Gregory A., [redacted]
Holmes, Russell C., [redacted]
Horn, Steven R., [redacted]
Hudson, Donald E., Jr., [redacted]
Hughes, Keith S., [redacted]
Hughes, Mark D., [redacted]
Hull, Donald F., III, [redacted]
Humphrey, Stephen S., [redacted]
Hunt, William M., III, [redacted]
Hunter, Clarence J., Jr., [redacted]
Hussey, Jimmy P., [redacted]
Hyatt, John R., Jr., [redacted]
Ireland, Mark L., [redacted]
Isley, William L., [redacted]
James, John T., [redacted]
Javaid, Mohammed H., [redacted]
Jeansonne, Cornel J., [redacted]
Johns, Walter S., IV, [redacted]
Johnson, Larry R., [redacted]
Johnson, Mark D., [redacted]
Johnt, James W., [redacted]
Jones, Frederick W., [redacted]
Jones, Joseph G., [redacted]
Jordan, Matthias J., [redacted]
Keats, John P., [redacted]
Keenan, William F., Jr., [redacted]
Keller, Michael G., [redacted]
Kelly, William M., [redacted]
Kelso, William R., II, [redacted]
Kennett, Ronald W., [redacted]
King, Thomas H., [redacted]
Kopynec, Bohdan W., [redacted]
Kosty, John W., [redacted]
Kramer, Kenneth, [redacted]
Kremer, John A., II, [redacted]
Krizan, Kelly J., [redacted]
Lagnese, Margaret A., [redacted]
Lambe, Clarke D. K., [redacted]
Lange, Donald H., [redacted]
Larson, Shelley D., [redacted]
Lawrence, Philip H., [redacted]
Leckie, Kenneth D., [redacted]
Leisy, Marlyn A., [redacted]
Lewis, David S., [redacted]
Lewis, Michael R., [redacted]
Lichtenstein, Vivian C., [redacted]
Loesch, David M., [redacted]
Lopez, Abraham R., [redacted]
Lopez, Edward M., [redacted]
Louisville, Tommy L., [redacted]
Lucca Michael J., [redacted]
Lux, Gregory K., [redacted]
Lynch, Barlow S., [redacted]
Lysak, Steven Z., [redacted]
Malpass, Michael A., [redacted]
Masferrer, Roberto, [redacted]
McCall, Marybeth K., [redacted]
McCarthy, David A., [redacted]
McCauley, Kathleen M., [redacted]
McConville, Joseph F., [redacted]
McCriskin, James W., [redacted]
McDonald, Robert E., [redacted]
McDougall, William A., [redacted]
McGraw, John J., [redacted]
McKinney, Michael K., [redacted]
McLean, John R., [redacted]
McClellan, Garey L., [redacted]
McManamy, John L., [redacted]
Mena, Michael C., [redacted]
Merkl, Matthew B., [redacted]
Michel, Dennis W., [redacted]
Mignogna, Joseph J., [redacted]
Millier, Thomas J., [redacted]
Millwood, Roger H., [redacted]
Milner, Garland K., [redacted]
Mitchell, Clyde P., [redacted]
Montalvo, Albert E., [redacted]
Moore, Robert C., [redacted]
Moralescaban, Alex A., [redacted]
Mueller, Donald P., [redacted]
Murname, John E., III, [redacted]
Narvaez, Roberto M., [redacted]
Nash, James P., [redacted]
Nellsch, Verner O., [redacted]
Nelson, Marvin D., [redacted]
Nelson, Owen A., [redacted]
Newcom, Gary R., [redacted]
Norman, Lee A., [redacted]
Northrup, Thomas E., [redacted]
Obermeier, Stephen J., [redacted]
Oneal, Henry J., [redacted]
Pabonnadal, Calvi E., [redacted]
Paden, Stephen J., [redacted]
Pandiscio, John N., [redacted]
Parham, John V., Jr. [redacted]
Parker, Mark W., [redacted]
Patterson, Relford E., [redacted]
Paynter, Donald E., [redacted]
Pearson, Jack A., [redacted]
Pelteson, Howard M., [redacted]
Perez, Steven J., [redacted]
Pham, Lu G., [redacted]
Pickard, Jeb S., [redacted]
Pietz, Jeffrey T., [redacted]
Pollan, William A., [redacted]
Porter, Donald K., [redacted]
Potter, Willie P., [redacted]
Press, Paul H., [redacted]
Price, Leslie A., [redacted]
Pulliam, David V., [redacted]
Ramey, Elvin R., [redacted]
Ramirez, Alfonso, [redacted]
Ramler, John M., [redacted]
Rea, Rodney J., [redacted]
Reeves, James D., [redacted]
Renfro, Robert H., [redacted]
Richardson, Londe A., [redacted]
Richardson, Romie N., [redacted]
Riddle, Samuel M., [redacted]
Robinette, Michael D., [redacted]
Rolerson, Mark H., [redacted]
Rollins, John M., [redacted]
Rossel, Linda S., [redacted]
Row, James M., [redacted]
Rowley, Steve E., [redacted]
Ruiz, Victor R., [redacted]
Russo, Martin T., Jr., [redacted]
Ruxer, Robert L., Jr., [redacted]
Ryan, Robert E., III, [redacted]
Saboe, Gerald W., [redacted]
Salvador, Anastacio T., [redacted]
Salzman, Eric E., [redacted]
Santiago, Rafael M., [redacted]
Sarno, Ronald A., [redacted]
Saucer, Glenn J., [redacted]
Sayers, Robert E., [redacted]
Scharf, Carl J., [redacted]
Scott, Thomas E., [redacted]
Scranton, Stephen L., [redacted]
Shelburne, Thomas M., [redacted]
Sholer, Chris M., [redacted]
Smead, Kenneth W., III, [redacted]
Smith, James M., [redacted]
Snyder, Barbara K., [redacted]
Snyder, Russell R., [redacted]
Spaccavento, Leo J., [redacted]
Spiekermann, Luke E., [redacted]
Stahly, Walter R., [redacted]
Stanhople, John E., Jr., [redacted]
Stewart, James B., Jr., [redacted]
Stewart, Robert L., [redacted]
Stoick, Gary M., [redacted]
Sudholt, Barbara A., [redacted]
Swedenburg, Mark G., [redacted]
Taxin, Edward, [redacted]
Taylor, George P., Jr., [redacted]
Taylor, Robert W., Jr., [redacted]
Taylor, Thomas M., [redacted]
Thacker, Stephen W., [redacted]
Thompson, James M., [redacted]
Tice, Andrew W., Jr., [redacted]
Tinsley, Charleen B., [redacted]
Tomacari, Richard L., [redacted]
Tonnemacher, Kent D., [redacted]
Townsendparchman, Wallace R., [redacted]
Trame, Eldon A., [redacted]
Trapalis, Andrew T., [redacted]
Truss, Hubert Nelson, [redacted]
Tullis, William H., [redacted]
Vacarella, Jake S., [redacted]
Vacek, James L., [redacted]
Valen, Peter A., [redacted]
Valentin, Stone, Paul Ernest, [redacted]
Varesko, Rudolph W., [redacted]
Vaughn, Andrew I. S., [redacted]
Vicks, Steven L., [redacted]
Wade, John E., III., [redacted]
Walker, Enlow R., [redacted]
Walker, Martha K., [redacted]
Walker, Ronald C., [redacted]
Ward, Stephen C., [redacted]
Waters, Gregory J., [redacted]
Webster, Raymond L., [redacted]
Wehr, Jerome A., [redacted]
Weldon, Bruce C., [redacted]
Wellman, Robert G., [redacted]
Weston, Jonathan P., [redacted]
Whatley, Lewis R., III, [redacted]
Wheelock, Johnny B., [redacted]
Whiteley, Michael J., [redacted]
Williams, Edward, [redacted]
Williams, Larry T., [redacted]
Winger, Douglas G., [redacted]
Wold, Thomas F., [redacted]
Wolf, Earl G., Jr., [redacted]
Woodrow, Charles L., [redacted]
Woods, Donald R., Jr., [redacted]
Wright, John C. Y., Jr., [redacted]
Wytock, Dale H., [redacted]
Yanoff, David B., [redacted]
Yochim, Robert J., [redacted]
York, Jeffrey P., [redacted]
Yost, Mark F., [redacted]
Young, Daniel W., [redacted]
Young, James J., [redacted]
Young, Karlon K. H. K., [redacted]
Zasik, Joseph M., Jr., [redacted]
Zeller, Charles J., [redacted]
Zerull, Robert G., [redacted]

IN THE MARINE CORPS

The following-named U.S. Air Force Academy graduate for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 5585/541, subject to the qualifications therefor as provided by law:

Danel, Keith W., [redacted]

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 2107, subject to the qualifications therefor as provided by law:

Ridall, Peter A., [redacted]
Romano, Daniel M., [redacted]
Tholen, Steven L., [redacted]
Westbrook, Mark S., [redacted]

The following-named U.S. Naval Academy graduate for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, U.S. Code, section 531, subject to the qualifications therefor as provided by law:

Shindelar, Timothy V., [redacted]

HOUSE OF REPRESENTATIVES—*Monday, June 13, 1983*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.
June 9, 1983.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, June 13, 1983.

THOMAS P. O'NEILL, Jr.
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We laud your name, O gracious God, for the bounty of the gifts we have received and the blessings You have given. May Your presence be with us this week and may we know the strength and the peace and the assurance that comes from Your word. O God, protect all who trust in You, that Your will may be done on Earth as it is in heaven. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 201. Joint resolution designating June 14, 1983, as "Baltic Freedom Day."

The message also announced that the Senate had passed a bill of the following title in which the concurrence of the House is requested:

S. 695. An act to amend the Bretton Woods Agreements Act to authorize consent to and authorize appropriations for an increase in the U.S. quota in the International Monetary Fund and to authorize appropriations for increased U.S. participation in the IMF's General Arrangements to Borrow.

WAS JAMES WATT LISTENING TO THE PRESIDENT?

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I am sure many Americans took heart over the weekend when the President declared our environmental policies "the strongest in the world." But I wonder if Interior Secretary James Watt was listening.

How can we be world leaders on the environment when Secretary Watt still wants to give away massive amounts of public land in fire-sale priced coal leases? Where is the "wise stewardship" of our Nation's resources when Secretary Watt insists on more offshore oil drilling in the waters off northern California and Cape Cod? What sort of environmental concern is shown by the Department's failure to enforce vital strip mining laws?

Mr. President, we will not have the world's strongest environmental policies until Secretary Watt's actions match your words.

WILLIAM BAXTER'S VIEW OF THE WORLD IS VERY DISTURBING

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, at a time when all we seem to get is doubletalk from administration officials, I take my hat off to one member of President Reagan's team who is not afraid to speak his mind no matter how ridiculous he may sound. I am talking about Mr. William Baxter, the Assistant Attorney General for Antitrust at the Department of Justice.

Mr. Baxter told the Senate Banking Committee last week that interstate banking would not be bad for small, local banks because:

If we were to repeal Douglas and McFadden there would be a very large number of substantial banking institutions who would become bidders for acquisition of many of these small local banks. They would be able to sell out at very handsome premiums . . .

Mr. Baxter's view of the world is very disturbing. Whatever your position is on banking deregulation, I am sure you do not believe that America's smaller banks exist solely to someday be acquired by larger banks.

This is not the first time that our chief antitrust official has spoken out publicly against the interests of small business. Last year Mr. Baxter was quoted in Duns magazine as saying:

There is nothing written in the sky that this world would not be a perfectly satisfactory place if there were only 100 companies.

Imagine that, from our chief antitrust enforcement official.

Furthermore, Mr. Baxter told a Small Business Subcommittee that he did not like our Nation's vertical price fixing laws. Thus, even though the Supreme Court has ruled vertical price maintenance per se illegal, Mr. Baxter said he would not enforce the law of the land.

Mr. Speaker, while I applaud Mr. Baxter's honesty and openness, I for one do not find his comments very funny. Quite the contrary, I find his especially narrow, textbook view of the world very tragic.

SOVIET OBSTRUCTIONS MAKE SUMMIT URGENT

(Mr. WHITTAKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTAKER. Mr. Speaker, city officials of Lawrence, Kans., have invited President Reagan and Soviet leader Yuriy Andropov to a friendly, informal meeting in the interest of world peace. The Soviet Embassy acknowledged the invitation last week.

I urge Mr. Andropov to pursue a "cordial summit" in my home State of Kansas. But, he should prove his peaceful intentions at the arms control talks at Geneva, as well.

During the course of the MX debate, instead of seeing our real enemy, many of my colleagues have tried to score political points by claiming that our own President was not committed to arms control.

Perhaps those critics have forgotten that it is the Soviet leaders—not ours—who have posed obstructions to productive arms control negotiations. It is the Soviet military buildup—not ours—which makes these negotiations so urgent. I have not forgotten.

H.R. 2957 AND THIRD WORLD DEVELOPMENT

(Mr. NIELSON of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NIELSON of Utah. Mr. Speaker, on May 9, 1983, the House Banking Committee reported out the IMF quota increase bill (H.R. 2957) which

would authorize an additional $8.4 billion for the IMF. The bill also requires in section 409 that banks prepare economic feasibility evaluations of requested foreign project loans to document that the extensions of credit can reasonably be expected to be repaid from revenues generated by the foreign project itself without regard to any government loan guarantees on subsidy, and that the loan will benefit the host country receiving the extension of credit. This section will help insure that commercial banks diligently review foreign project loans so that only those that are productive and economically justified are undertaken, and is designed to be self-producing by only allowing Federal banking agencies to review the evaluations during the normal audit process. Consequently, this provision is not Federal intrusion into the banking industry and is not protectionism.

I consider this provision of H.R. 2957 to be essential, and urge my colleagues to support it, since one of the fundamental causes of international indebtedness is the funding of economically nonviable projects, which eventually lead to a strained international banking system and potential IMF rescheduling. This, in turn, results in added burdens to U.S. taxpayers and bankers.

Subsidies have drained financial reserves of host governments, necessitated international borrowing and been a factor that has produced prolonged global recession, increased U.S. business failures, and exacerbated U.S. unemployment.

For example steel and copper, basic and once mighty American industries, are decimated by record earning losses, plant closings, and employee layoffs. In comparison, their foreign counterparts, operating in the same world market, have maintained and in some cases increased production. Although it might appear these foreign industries are immune to the perils of global recession, in fact, government subsidies, provided with the assistance of international lenders, have resulted in oversupply and falling commodity prices below the level where American and other nonsubsidized competitors can produce, precipitating U.S. plant closings and unemployment.

Mr. G. F. Joklik, president of Kennecott, the Nation's largest copper producer, presented testimony before the Senate Banking, Housing, and Urban Affairs Committee at oversight hearings on international debt (February 14, 15, 16, 1983), on the adverse impacts of the U.S. domestic copper industry of uneconomic and ineffective Third World development. I commend this testimony to the attention of my colleagues in support of section 409 in H.R. 2957.

CAP THE CUT

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKEY. Mr. Speaker, many around the House are looking for ways to reduce the deficit. I am one of these people. And when deficit hunters are on the prowl, they look for big game.

One of the items that some deficit hunters have in their sights is the third year of the tax cut. Some want to see it eliminated completely, abolished. Mr. Speaker, these deficit hunters have shot a blank. Unfair as it is, the third year of the tax plan is nonetheless the fairest of the three. More than any Reagan tax scheme, its relief would go to middle class, working families.

The third year of the tax cut should not be stalked down and bagged. It should be capped; it should be de-Reaganized. As it is, it gives 30 times more tax relief to those making $200,000 than those making $20,000. Of course, that is fair by Reagan standards.

A cap would take the inequity out of the tax cut, and would reduce the deficit by $38 billion or more. It would give working families the tax break they need. Do not cut the cut—cap it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RATCHFORD). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, June 14, 1983.

JACK D. WATSON POST OFFICE BUILDING

Mr. YOUNG of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3151) to name the U.S. Post Office building to be constructed in Fort Worth, Tex., as the "Jack D. Watson Post Office Building."

The Clerk read as follows:

H.R. 3151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Post Office Building to be constructed in Fort Worth, Texas, at the intersection of Meacham Boulevard and the Mark IV Parkway, shall hereafter be named and designated the "Jack D. Watson Post Office Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the "Jack D. Watson Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Missouri (Mr. YOUNG) will be recognized for 20 minutes, and the gentleman from Florida (Mr. SHAW), will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri (Mr. YOUNG).

Mr. YOUNG of Missouri. Mr. Speaker, I yield myself such time as I may consume.

The Speaker, the purpose of this legislation is to honor an outstanding American, Jack D. Watson, who was a dedicated career employee with the U.S. Postal Service for 45 years.

Jack Watson was hired as an 84-cent-an-hour temporary employee with the Postal Service in 1945. He rose through the ranks and, subsequent to his retirement in 1980, served as postmaster of the Fort Worth Post Office for 14 years.

Throughout his career, Jack Watson was known for his foremost concern for timely and professional service to the public and the welfare of his employees. He was instrumental in forming the Fort Worth Postal Employees Council. Jack Watson was named Postmaster of the Year in 1971 and was regarded as one whom employees could talk to. Under his stewardship, the Forth Worth Post Office was chosen No. 1 in the Nation in 1971 and maintained the honor until 1976. Jack Watson died on May 18, 1983, after he fought a long battle with cancer.

In view of his long and distinguished career with the U.S. Postal Service, it is fitting that the U.S. Post Office Building to be constructed in Fort Worth, Tex., at the intersection of Meacham Boulevard and the Mark IV Parkway, be known and designated as the "Jack D. Watson Post Office Building."

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas, Mr. WRIGHT.

Mr. WRIGHT. Mr. Speaker, I do want to say a few words about Jack Watson and our reasons for our asking that this bill be considered today.

This may seem to most folks a parochial matter. In some ways it is. Jack Watson was best known in Fort Worth. He was, like so many others of his generation, growing up at just the time when World War II was coming on. Like thousands of others, Jack went to war, fought for our country in combat in the South Pacific in the Coast Guard. Like many others, he returned looking for a job.

Jack got a 64-cents-an-hour job as a substitute clerk in the post office and began preparing for a career. He went to college at night, finished a degree, and was determined to learn everything he could about the post office and the Postal Service. He was effec-

tive, he was popular, he was well liked, and he was dedicated.

Soon his fellow employees in the post office were electing him to represent them and to speak for them as president of their union.

Jack performed almost every job in the post office. When ultimately it became opportune for me to be asked for a recommendation for postmaster, there was no doubt in my mind that Jack Watson, having come up through the ranks, having proven himself by diligence, was the logical nominee for postmaster in Fort Worth. It was absolutely the most popular appointment I ever recommended.

I have never known a man more conscientious in his dedication to serving and pleasing the public.

□ 1215

Fort Worth is not a big city when compared to New York, but it is a big town in Texas.

Jack came to me about a year after he had assumed the job of postmaster. He said, "Jim, I am not sure that I am the right man for this job."

I said, Why, Jack?

And he said, "I have tried by every means that I can conceive of to make a group of doctors over here on Summit Avenue happy with the service we have been providing, and I have not been able to do it."

I said, "Jack, is that office building the only one from which is emanating any complaints?"

He said, "Yes. I have got all the rest of them satisfied, but I just simply cannot seem to satisfy the people in that building, and maybe you need to have somebody else as postmaster."

Well, you can imagine my response. I said, "Jack, for Pete's sake, you've got a lifetime job. You don't have to be reelected. You have one office building in this entire city where somebody is unhappy with you. I wish I were that well off." I said, "I must be reelected every 2 years, and there are people all over town who are upset with me continually and repeatedly, Jack."

And he said, "Well, I ought to be able to satisfy those people, but I can't seem to do it."

That is the kind of man Jack was. As the manager of the bill, the gentleman from Missouri (Mr. YOUNG) has said, he was named as "Postmaster of the Year." The Fort Worth Post Office, which he managed, was named "Post Office of the Year" for 5 consecutive years.

Jack always maintained an open door policy. The employees always thought of him as one of them. He was able to understand their problems because he had endured those problems. He was able to elicit from them a high degree of dedication because he exhibited himself such a high degree of dedication.

Jack died last month and we buried him, after a prolonged battle with cancer. Even in his last months he was an inspiration to all of us who knew him.

Mr. Speaker, I think for all of these reasons to name this installation after Jack Daniel Watson of Fort Worth will be a living and constant reminder of those ideals of the public service to which he was so deeply dedicated—the vigor, the diligence, the pride, and the professionalism which the Postal Service likes to believe that it represents and of which Jack Watson was the best exemplar that I have ever known.

Mr. YOUNG of Missouri. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to associate myself with the remarks of the chairman of the Public Buildings and Grounds Subcommittee, Mr. YOUNG, and the majority leader, Mr. WRIGHT, and as ranking minority member of the subcommittee, I urge the Members of the House to support H.R. 3151.

By naming the postal facility in Fort Worth, Tex., in honor of Jack Watson we are paying tribute to a man who dedicated his life to the U.S. Postal Service and the public.

Throughout his career with the Postal Service, including 14 years as postmaster of Fort Worth, his foremost concern was for timely deliveries and professional service to the public, and the welfare of his employees.

These traits earned him respect among his peers and brought prominence to his Fort Worth office.

In 1971, Mr. Watson was chosen Postmater of the Year and his Fort Worth office chosen No. 1 in the Nation.

The Fort Worth office maintained that honor until 1976.

Unfortunately, Mr. Watson died several weeks ago of cancer; and illness which he knew was killing him.

Naming the Fort Worth Post Office in honor of him is one small way in which we can pay our last respects to a man who dedicated his life to the citizens of Texas and the Nation, and the betterment of the U.S. Postal Service.

Mr. Speaker, I urge the Members to suspend the rules and pass H.R. 3151.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 3151.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

INCREASING AUTHORIZATION FOR EMERGENCY RELIEF FROM HIGHWAY TRUST FUND

Mr. ANDERSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3103), to increase the amount authorized to be expended for emergency relief under title 23, United States Code, in fiscal year 1983 from $100,000,000 to $250,000,000, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3103

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in addition to any amounts authorized to be appropriated by section 125 of title 23, United States Code, for the fiscal year ending September 30, 1983, there is authorized to be appropriated, out of the Highway Trust Fund, for such fiscal year $150,000,000 to carry out such section.

SEC. 2. (a) Section 125 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) For purposes of this section, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands shall be considered to be States and parts of the United States, and the chief executive officer of each such territory shall be considered to be a Governor of a State.".

(b) The first sentence of subsection (b) of such section 125 is amended by inserting "(1)" before "obligations" and by inserting after "$30,000,000 in any State" the following: ", and (2) the total obligations for projects under this section in any fiscal year in the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands shall not exceed $5,000,000.".

SEC. 3. The proviso in the first sentence of subsection (b) of section 125 of title 23, United States Code (as amended by section 2(b) of this Act), limiting the aggregate amount of obligations for projects under such section, shall not apply to funds authorized to be appropriated by the first section of this Act.

SEC. 4. A project to alleviate flooding conditions caused by an inadequate box culvert under an Interstate highway in the vicinity of Carencro, Louisiana—

(1) by removal of such box culvert and construction of one or more bridges, or

(2) by construction of drainage ditches,

at a cost not to exceed $2,000,000, shall be eligible for assistance under section 125 of title 23, United States Code.

SEC. 5. A project to repair or reconstruct any portion of a Federal-aid primary route in San Mateo County, California, which was destroyed as a result of a combination of storms in the winter of 1982-1983 and a mountain slide and which, until its destruction, had served as the only reasonable access between two cities and as the desig-

nated emergency evacuation route of one of such cities shall be eligible for assistance under section 125 of title 23, United States Code.

SEC. 6. Construction of any bridge—

(1) which will be part of a four-lane expressway on the Federal-aid primary system in the vicinity of Valley City, Illinois, and Florence, Illinois;

(2) construction of which received discretionary funding in fiscal year 1979 under the third sentence of section 144(g) of title 23, United States Code; and

(3) construction of which, on May 1, 1983, was prohibited by judicial injunction;

shall be eligible for assistance under section 144 of such title.

The SPEAKER pro tempore. Is a second demanded?

Mr. SHAW. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California, Mr. ANDERSON, will be recognized for 20 minutes, and the gentleman from Florida, Mr. SHAW, will be recognized for 20 minutes.

The Chair recognizes the gentleman from California, Mr. ANDERSON.

Mr. ANDERSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3103 is designed to at least partially address the series of weather-related disasters that have been occurring around the country with all too frequent regularity this past winter and spring.

This legislation will not revive destroyed crops, bring back washed away homes, or restore communities to their previous condition. It will, though, help assure that those roads on the Federal-aid highway system, that network of highways in which the Federal Government has a particular interest, are repaired and reconstructed.

Under present law, the emergency relief program is funded at a level of $100 million per year, and there is a cap on the amount any State may receive for a particular natural disaster or catastrophic failure.

Tragically, $140 million has already been allocated or committed for highway emergency relief in fiscal year 1983, with another $125 million in needs already identified. And this last figure does not include damages resulting from the ongoing floods in Utah and the Southwestern portions of the country. Similarly, it does not factor in the fact that we have yet to experience hurricane season this year, or the likely impact of even normal rains later this year, and their impact on the Nation's swollen rivers and saturated soils.

To address the problems already facing us, and to begin to deal with those we might reasonably anticipate, H.R. 3103 will add $150 million to the Federal-aid highway emergency relief program and, from this new authorization of budget authority only, remove the cap limiting any State's allocation to $30 million per disaster.

Mr. Speaker, that is the primary purpose of H.R. 3103; to provide humanitarian relief so that communities impacted by the Nation's severe weather conditions might at least be assured of having their Federal-aid highways repaired and reconstructed. The legislation also clarifies that two particular projects in northern California and Carencro, La., are eligible for emergency assistance, and that the Nation's territories may also be eligible, as the need arises.

Section 6 reaffirms the intent of Congress, recently overturned by a U.S. district court, that a particular bridge crossing the Illinois River is, indeed, eligible for funding under the bridge replacement program.

Mr. Speaker, it occurs to me that when a foreign nation suffers through severe weather conditions, this Congress makes available emergency aid that is needed to perform tasks such as the rebuilding of their highways. The States of our Union should be able to expect the same, and that is precisely what H.R. 3103 will accomplish.

I urge its passage at this time.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3103, a bill which, beyond question, is necessary if we are to meet our obligations under the emergency relief program for the repair and reconstruction of highway facilities damaged by natural disasters.

Tragically, this has been a bad year, Mr. Speaker, and the annual authorization of $100 million for the program as contained in the Surface Transportation Assistance Act of 1982 is clearly insufficient. Therefore, the increase of $150 million in fiscal year 1983 is absolutely justified.

This is a national program, providing assistance for repair and replacement of highway facilities on the Federal-aid systems in any State in which they occur. I, therefore, would urge my colleagues, whatever areas and whatever States they represent, to support this measure.

In addition to the 1-year increase in authorizations, this bill also provides that the limitation in existing law, restricting the amount of funding which may go to any one State per disaster to $30 million, will not be applicable to the increased funds.

The bill also provides that the Virgin Islands, American Samoa, and Guam, which were made eligible for Federal-aid primary system funding in the 1982 act, are eligible for emergency relief. In future years, they will be subject to an aggregate limit of $5 million per year.

Other provisions of the bill are intended to address a severe and recurrent flooding problem in Louisiana, and to make assistance to solve a chronic problem in California clearly eligible for funding.

I am pleased to note that the bill also contains a provision to reaffirm, when the Congress has already thought it made clear in the past, and that is the construction of a bridge in the vicinity of Valley City and Florence, Ill., is eligible for funding. This project has been placed in jeopardy because of a U.S. district court ruling that it is ineligible, despite clear legislation history made at the time the bridge replacement and rehabilitation program was expanded under the Surface Transportation Assistance Act of 1978. An appeal of this decision would be costly and time consuming, however, and at least $14 million of the total $29.3 million already allocated for the bridge is in danger of lapsing.

Mr. Speaker, I urge my colleagues to support the bill.

GENERAL LEAVE

Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ANDERSON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DURBIN) in whose area I believe this bridge that was just mentioned is located.

Mr. DURBIN. Mr. Speaker, I wish to thank the gentleman from California (Mr. ANDERSON) for yielding me this time, and I would like also to express my appreciation for the committee's support of the amendment to the legislation relating to the Valley City bridge.

This bridge is a key element in the completion of the Central Illinois Expressway, which is going to be a major transportation artery helping the people of central and western Illinois. I might say that the heroic efforts made by the Committee on Public Works and Transportation to respond to the needs of the 20th Congressional District and to make sure this amendment is included in this emergency legislation are certainly appreciated by the people living in western and central Illinois.

I thank in addition my colleague, Congressman BOB MICHEL, who has joined me in this effort to have the Valley City bridge language enacted into law. Both Congressman MICHEL and I are acutely aware of the urgent need for modern highways in western Illinois. Several years ago this area was dubbed forgottonia. Today we are taking an important first step in let-

ting the people of central and western Illinois know they are not forgotten.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 3103 and urge its immediate passage.

I want to commend the gentleman from California (Mr. ANDERSON) and the gentleman from Florida (Mr. SHAW), for their efforts in bringing this bill before us today. They have done so very expeditiously. This is a problem that does require and merits immediate action.

For example, just in California, according to the California Department of Transportation, California has suffered about $150 million in damage to its Federal aid highway system and thus far has received $27 million from the Federal Department of Transportation. Because of the present law restricting the amount any one State may get from a single disaster to $30 million, California would be eligible to receive only an additional $3 million to cover about $120 million in work that is still outstanding.

This bill, as has been explained, would place no restrictions on the amount any State may receive from the additional $150 million, and also, of course, it would provide the additional $150 million for the disasters that we have had throughout the Nation.

Mr. Speaker, as I said earlier, I think this is a meritorious bill. I urge its immediate approval.

□ 1230

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Utah (Mr. NIELSON).

Mr. NIELSON of Utah. Mr. Speaker, I rise in support of this bill.

My own State of Utah, as mentioned in the opening statement by the gentleman from California, is not specifically included in this bill. I understand that and I know that the bill cannot be amended here because it is under suspension.

Nevertheless, I assume that raising the amount for flood relief will provide some help to Utah and other States which have experienced flood disasters.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. NIELSON of Utah. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Speaker, I believe that this would include Utah. It was the intention of the committee.

Mr. ANDERSON. Mr. Speaker, if the gentleman will yield, no particular State is earmarked. Each State will make its application on a merit basis. I assume that those that have their applications in might be ahead of those that have not; but it is on a straight merit basis; no earmarking for any particular State.

Mr. NIELSON of Utah. I made that comment, Mr. Speaker, because in the gentleman's opening statement and also the statement of the gentleman from California (Mr. LAGOMARSINO) was that the funds would be pretty well used up by California, which had a prior disaster.

May I simply point out that the first disaster that occurred in Utah, in which a whole mountain came down and created a 200-foot dam in 3 days and then subsequently a reservoir 190-feet high which drowned a town, the highways which were involved there, U.S. 89 and U.S. 6, have a total of $27 million of damage in those two highways alone and there have been additional roads which have been cut through, including a State highway in Salt Lake City which is being used as a flood plain right now.

We will have great need for funds in Utah and I hope at the appropriate time that this can be amended in the Senate, if necessary, and that we will be considered in the action.

Mr. ANDERSON. Mr. Speaker, if the gentleman will yield further, I would like to assure the gentleman that Utah is eligible for funds under this bill as much as any other State.

Mr. NIELSON of Utah. I appreciate that.

Mr. SHAW. Mr. Speaker, if the gentleman will yield further, I would like to add my words to those of the chairman, that upon proper application, we know very well of the tremendous disasters that Utah has had and certainly upon proper application they would be eligible.

Mr. NIELSON of Utah. Mr. Speaker, I thank the gentleman.

● Mr. MICHEL. Mr. Speaker, let me express appreciation to the committee for including language in the bill making it clear that the so-called Valley City bridge in Illinois is in fact eligible for Federal funding under the highway bridge replacement and rehabilitation program.

I particularly want to thank JIM HOWARD and GLENN ANDERSON on the majority side, and GENE SNYDER and BUD SHUSTER on our side, for their help, particularly the very forthcoming and expeditious manner in which they handled this matter.

The need for this language arose when a Federal district court ruled earlier this year that this bridge was not eligible for funding under the highway bridge rehabilitation program because the State was not going to actually tear down the old bridge and construct a new one in its place, but rather was going to build the new one a short distance to the south.

I do not agree with the court decision, because in this case the highway is being upgraded to an expressway and rerouted over the location where the new bridge is to be constructed. The old bridge, which, incidently, is currently closed because it was banged into by a truck, thus graphically illustrating its inadequacy, would be used for local traffic only. This is certainly a legitimate replacement of a bridge if anything ever was.

Nevertheless, the court ruling does exist, and the judge indicated that if Congress clarifies its intent in this regard, he is prepared to lift the injunction as it applies to this aspect of the case. The language in this bill provides that clarification, and I thank the committee again for its assistance.●

Mr. SHAW. Mr. Speaker, I have no further requests for time.

Mr. ANDERSON. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ANDERSON) that the House suspend the rules and pass the bill, H.R. 3103, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ATLANTIC TUNAS CONVENTION ACT AUTHORIZATIONS FOR FISCAL YEARS 1984, 1985, AND 1986

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2784) to authorize appropriations to carry out the Atlantic Tunas Convention Act of 1975 during fiscal years 1984, 1985, and 1986, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2784

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

TITLE I—MARINE FISHERIES PROGRAMS

SECTION 1. That section 10 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971h) is amended by striking out "and 1983" and inserting in lieu thereof "1983, 1984, 1985, and 1986".

SEC. 2. The Atlantic Salmon Convention Act of 1982 (16 U.S.C. 3601 et seq.) is amended—

(1) by inserting "not" immediately after "shall" in the second sentence of section 303(c); and

(2) by amending subsection (c) of section 307 to read as follows:

"(c) Any vessel used, and any fish (or the fair market value therof) taken or retained in any manner, in connection with or as the result of the commission of an act which is unlawful under subsection (a) of this section shall be subject to civil forfeiture under section 310 of the Act of 1976 (16 U.S.C. 1860) to the same extent as if such vessel was used in, or such fish was taken or retained in con-

nection with or as the result of, the commission of an act prohibited by section 307 of the Act of 1976 (16 U.S.C. 1857).".

SEC. 3. (a) The Fish and Wildlife Act of 1956 (16 U.S.C. 742a et seq.) is amended—

(1) by striking out "September 30, 1983" each place it appears in section 4(c) and inserting in lieu thereof "September 30, 1984"; and

(2) by striking out "1982 and 1983." in section 7(c)(6) and inserting in lieu thereof "1982, 1983, and 1984.".

(b) Section 221 of the American Fisheries Promotion Act (16 U.S.C. 742c note) is amended—

(1) by striking out "September 30, 1982" in subsection (a) and inserting in lieu thereof "September 30, 1984";

(2) by amending subsection (b)—

(A) by striking out "fiscal year 1982," in subparagraph (2)(A) and inserting in lieu thereof "each of fiscal years 1982, 1983, and 1984,", and

(B) by striking out "1981 and 1982" is subparagraph (2)(C) and inserting in lieu thereof "1981, 1982, 1983, and 1984"; and

(3) by striking out "fiscal year 1981 or 1982, or both," in subsection (c)(1) and inserting in lieu thereof "any of fiscal years 1981, 1982, 1983, and 1984,".

SEC. 4. Section 1(c)(2) of the Anadromous Fish Conservation Act (16 U.S.C. 757a(c)(2)) is amended (1) by striking out "shall be 90 percent" and inserting in lieu thereof "shall be up to 90 percent"; and (2) by striking out "resources," and inserting in lieu thereof "resources, prepared by an interstate commission,"; and by adding at the end thereof the following new sentence: "For purposes of this paragraph, the term 'interstate commission' means—

"(A) the commission established by the Atlantic States Marine Fisheries Compact (as consented to and approved by Public Law 80-77), approved May 4, 1942 (56 Stat. 267);

"(B) the commission established by the Pacific Marine Fisheries Compact (as consented to and approved by Public Law 80-232), approved July 24, 1947 (16 Stat. 419); and

"(C) the commission established by the Gulf States Marine Fisheries Compact (as consented to and approved by Public Law 81-66), approved May 19, 1949 (63 Stat. 70).".

SEC. 5. Section 2 of the Fishery Conservation Zone Transition Act (16 U.S.C. 1823 note) is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding such section 203—

"(1) the governing international fishery agreement referred to in subsection (a)(5), as extended until July 1, 1984, pursuant to the Diplomatic Notes referred to in the message to the Congress from the President of the United States dated May 3, 1983, is hereby approved by the Congress as a governing international fishery agreement for the purposes of such Act of 1976;

"(2) the governing international fishery agreement referred to in subsection (a)(6), as extended until July 1, 1984, pursuant to the Diplomatic Notes referred to in the message to the Congress from the President of the United States dated May 3, 1983, is hereby approved by the Congress as a governing international fishery agreement for the purposes of such Act of 1976; and

"(3) the governing international fishery agreement referred to in subsection (a)(4), as contained in the message to the House of Representatives and the Senate from the President of the United States dated May 3, 1983, is hereby approved by the Congress as a governing international fishery agreement for the purposes of such Act of 1976.

Each such governing international fishery agreement shall enter into force and effect with respect to the United States on July 1, 1983.".

TITLE II—AQUACULTURE FISHERIES

SEC. 201. TITLE.

This title may be cited as the "National Aquaculture Improvement Act of 1983".

SEC. 202. FINDINGS, PURPOSE, AND POLICY.

Section 2 of the National Aquaculture Act of 1980 (which Act is hereinafter referred to as the "Act of 1980") (16 U.S.C. 2801) is amended—

(1) by striking out "3 per centum" in subsection (a)(3) and inserting in lieu thereof "6 per centum";

(2) by amending subsection (a)(7) by inserting "scientific," before "economic,"; and by inserting "the lack of supportive Government policies," immediately after "management information,";

(3) by amending subsection (b)—

(A) by striking out "and" in paragraph (2),

(B) by redesignating paragraph (3) as paragraph (5), and

(C) by inserting after paragraph (2) the following new paragraphs:

"(3) establishing a National Aquaculture Board to facilitate aquaculture development;

"(4) establishing the Department of Agriculture as the lead Federal agency with respect to the coordination of national aquaculture policy by designating the Secretary of Agriculture as the permanent chairman of the coordinating group; and"; and

(4) by amending subsection (c) by inserting "for reducing the United States trade deficit in fisheries products," immediately after "potential" in the first sentence.

SEC. 203. DEFINITIONS.

Section 3 of the Act of 1980 (16 U.S.C. 2802) is amended—

(1) by redesignating paragraphs (4), (5), (6), (7), and (8) as paragraphs (5), (6), (7), (8), and (10), respectively;

(2) by inserting after paragraph (3) the following new paragraph:

"(4) The term 'Board' means the National Aquaculture Board established by section 10."; and

(3) by inserting after paragraph (8) the following new paragraph:

"(9) The term 'Secretary' means the Secretary of Agriculture.".

SEC. 204. NATIONAL AQUACULTURE DEVELOPMENT PLAN.

Section 4 of the Act of 1980 (16 U.S.C. 2803) is amended as follows:

(1) Subsection (a) is amended—

(A) by striking out "Secretaries" each place it appears therein and inserting in lieu thereof "Secretary";

(B) by amending paragraph (1) to read as follows:

"(a) IN GENERAL.—(1) Not later than October 1, 1983, the Secretary shall establish the National Aquaculture Development Plan.";

(C) by amending the first sentence of paragraph (2)—

(i) by inserting "the Secretary of Commerce and the Secretary of the Interior," immediately after "shall consult with", and

(ii) by striking out ", and representatives of the aquaculture industry"; and

(D) by striking out paragraph (3).

(2) Subsection (b) is amended—

(A) by inserting "to" immediately after "determine" in paragraph (1);

(B) by striking out "Secretaries deem" in paragraph (6) and inserting in lieu thereof "Secretary deems", and

(C) by striking out "Secretaries" in the matter following paragraph (6) and inserting in lieu thereof "Secretary".

(3) Subsection (c) is amended—

(A) by striking out "Secretaries determine" in paragraph (1) and inserting in lieu thereof "Secretary determines";

(B) by striking out "and" at the end of subparagraph (A) of paragraph (2);

(C) by inserting "; and" after "concerned" in subparagraph (B) of paragraph (2); and

(D) by inserting immediately after subparagraph (2)(B) the following new subparagraph;

"(C) the concurrence of the Secretaries.".

(4) By striking out subsections (d) and (e).

SEC. 205. FUNCTIONS AND POWERS OF SECRETARIES.

Section 5 of the Act of 1980 (16 U.S.C. 2804) is amended as follows:

(1) Paragraph (2) of subsection (a) is amended by inserting "the Board," immediately before "interested".

(2) Subsection (c) is amended to read as follows:

"(c) INFORMATION SERVICES.—(1) In addition to performing such other mandatory functions under this Act—

"(A) the Secretaries shall collect and analyze scientific, technical, legal, and economic information relating to aquaculture, including acreages, water use, production, culture techniques, and other relevant matters;

"(B) the Secretary shall—

"(i) establish, within the Department of Agriculture, an Office of Aquaculture Coordination and Development,

"(ii) establish and maintain an information service for the dissemination of information generated pursuant to subparagraph (A),

"(iii) arrange with foreign nations for the exchange of information relating to aquaculture and support a translation service, and

"(iv) conduct a study of the extent to which the United States aquaculture industry has access to relevant Federal programs which assist the agricultural sector and report to Congress on the findings of such study by February 1, 1985.

"(C) the Secretary of Commerce shall conduct a continuing study, and report thereon annually in the annual status report required under subsection (d), to determine whether existing capture fisheries could be adversely affected by competition from products produced by commercial aquacultural enterprises and include in such study an assessment of any adverse effect, by species and by geographical region, on such fisheries and recommended measures to ameliorate any such effect.

"(D) the Secretary of the Interior, in consultation with the Secretary of Commerce, shall undertake a study, and report to Congress thereon by February 1, 1985, to identify exotic species introduced into United States waters as a result of aquaculture activities, and to determine the potential benefits and impacts of the introduction of exotic species.

"(2) Any production information submitted to the Secretaries under paragraph (1)(A) shall be confidential and may only be disclosed if required under court order; except, however, that the Secretaries may release or make public any information in any aggregate or summary form that does not directly or indirectly disclose the identi-

ty, business transactions, or trade secrets of any person who submits such information. The Secretaries shall prescribe such procedures as may be necessary to preserve such confidentiality.";

(3) Subsection (d) is amended—

(A) by striking out "Biennial Report" and inserting in lieu thereof "Annual Report";

(B) by striking out "Secretaries" each place it appears and inserting in lieu thereof "Secretary";

(C) by inserting "and in consultation with the Secretary of Commerce and the Secretary of the Interior" immediately after "group" in the first sentence;

(D) by striking out "biennial" in the first sentence and inserting in lieu thereof "annual";

(E) by striking out "under section 4(d)" in the second sentence;

(F) by striking out "deem" in the second sentence and inserting in lieu thereof "deems"; and

(G) by striking out the last sentence and inserting in lieu thereof "The first report required under this subsection shall be submitted to Congress by February 1, 1985, and subsequent reports on February 1 of each year thereafter. Appended to the report shall be the Annual Report prepared by the coordinating group pursuant to subsection 6(c) of this Act and the Annual Report prepared by the Board pursuant to subsection 10(j) of this Act."

SEC. 206. COORDINATION OF NATIONAL ACTIVITIES REGARDING AQUACULTURE.

Section 6 of the Act of 1980 (16 U.S.C. 2805) is amended as follows:

(1) Subsection (a) is amended by inserting ", who shall be the permanent chairman of the coordinating group" immediately after "Agriculture" in paragraph (1).

(2) Subsection (b) is amended—

(A) by inserting ", in consultation with the Board," immediately following "coordinating group" in the second sentence;

(B) by striking out paragraph (4); and

(C) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5).

(3) Subsection (c) is repealed.

(4) Subsections (d), (e), and (f) are redesignated as subsections (c), (d), and (e), respectively.

(5) Subsection (c) (as redesignated) is amended to read as follows:

"(c) REPORTS.—The coordinating group shall submit to the Chairman of the Federal Council and the Secretary an annual report on the activities of the coordinating group and on recommendations concerning Federal policies and programs related to aquaculture. The first report required under this subsection shall be submitted by November 1, 1984, and subsequent reports by November 1 of each year thereafter.";

(6) Subsection (e) (as redesignated) is amended—

(A) by striking out "(b)(6)" in the second sentence and inserting in lieu thereof "(b)(5)"; and

(B) by striking out "subsection (d)" in the second sentence and inserting in lieu thereof "subsection (c)".

SEC. 207. CAPITAL REQUIREMENTS FOR AQUACULTURE.

The first sentence of section 8(b) of the Act of 1980 (16 U.S.C. 2807(b)) is amended to read as follows: "Based on the results of the Capital Requirements Study conducted under subsection (a), the Secretaries, in consultation with the Board, shall formulate a plan for acting on the study's finding.".

SEC. 208. REGULATORY CONSTRAINTS ON AQUACULTURE.

The first sentence of section 9(b) of the Act of 1980 (16 U.S.C. 2808(b)) is amended to read as follows: "Based on the results of the Regulatory Constraints Study conducted under subsection (a), the Secretaries, in consultation with the Board, shall formulate a plan for acting on the study's findings.".

SEC. 209. NATIONAL AQUACULTURE BOARD.

(a) The Act of 1980 is amended—

(1) by redesignating sections 10 and 11 thereof as sections 11 and 12, respectively; and

(2) by inserting immediately after section 9 the following new section:

"SEC. 10. NATIONAL AQUACULTURE BOARD.

"(a) ESTABLISHMENT.—There shall be established the National Aquaculture Board.

"(b) COMPOSITION.—(1) The Board shall consist of—

"(A) twelve voting members drawn from among individuals in the private sector nominated by the aquaculture industry in accordance with procedures prescribed by the Secretary. The Secretary shall make such appointments in a manner to achieve:

"(i) equitable geographical representation of the domestic aquaculture industry; and

"(ii) equitable representation of those segments of the domestic aquaculture industry engaged in the production of marine, estuarine, and freshwater species, with each segment represented by not less than three members and with the producers of different species within each segment represented in an equitable manner.

"(B) two voting members, nominated in accordance with procedures prescribed by the Secretary, who shall be representatives of State agricultural cooperative extension services;

"(C) two voting members, nominated in accordance with procedures prescribed by the Secretary, who shall be representatives of State agricultural experiment stations;

"(D) two voting members, nominated in accordance with procedures prescribed by the Secretary of Commerce, who shall be representatives of marine advisory services; and

"(E) three nonvoting members who shall be the Secretaries or their designees.

"(2) No individual is eligible for nomination or appointment as a voting member of the Board unless the individual is knowledgeable and experienced in aquaculture.

"(3) Within one hundred and twenty days of enactment of the National Aquaculture Improvement Act of 1983, the voting members of the Board shall be appointed by the Secretary following concurrence by the Secretaries. Each voting member appointed to the Board by the Secretary shall serve for a term of three years, with the initial appointments being staggered so that three appointments expire every year after the first year. A member is eligible for any number of reappointments. Any individual appointed to fill a vacancy prior to the expiration of any term of office shall be appointed for the remainder of that term.

"(c) COMPENSATION.—Members of the Board shall serve without compensation, if not otherwise officers or employees of the United States. Members of the Board, while away from their homes or regular places of business in the performance of services for the Board, shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

"(d) TRANSACTION OF BUSINESS.—(1) A majority of the voting members of the Board shall constitute a quorum, but one or more such members designated by the Board may hold hearings. All decisions of the Board shall be by majority vote of the voting members present and voting.

"(2) The voting members of the Board shall select a Chairman from among the voting members.

"(3) The Board shall meet at the call of the Chairman or upon the request of a majority of its voting members.

"(4) If any voting member of the Board disagrees with respect to any matter which is transmitted to the Secretary by the Board, such member may submit a statement to the Secretary setting forth the reasons for such disagreement.

"(e) STAFF AND ADMINISTRATION.—(1) The Board may appoint, and assign duties to, an Executive Director and such other full- and part-time administrative employees as the Secretary determines are necessary to the performance of its functions.

"(2) Upon the request of the Board, and after consultation with the Secretary, the head of any Federal agency is authorized to detail to the Board, on a reimbursable basis, any of the personnel of such agency, to assist the Board in the performance of its functions under this Act.

"(3) The Secretary shall provide to the Board such administrative and technical support services as are necessary for the effective functioning of the Board.

"(4) The Administrator of General Services shall furnish the Board with such offices, equipment, supplies, and services as the Administrator is authorized to furnish to any other agency or instrumentality of the United States.

"(5) The Board shall determine its organization, and prescribe its practices and procedures for carrying out its functions under this Act, in accordance with such standards as are prescribed by the Secretary. The Board shall publish and make available to the public a statement of its organization, practice, and procedures.

"(6) The Secretary shall pay—

"(A) the expenses provided for in subsection (c);

"(B) appropriate compensation to employees appointed under paragraph (1);

"(C) the amounts required for reimbursement of other Federal agencies under paragraphs (2) and (4); and

"(D) such other costs as the Secretary determines are necessary to the performance of the functions of the Board.

"(f) FUNCTIONS.—The Board shall, in accordance with the provisions of this Act, carry out the following functions:

"(1) Periodically review the Capital Requirements Plan and the Regulatory Constraints Study and the operation and effectiveness of the National Aquaculture Development Plan and, if, as a result of any such review, or the aquaculture assessment required under paragraph (2), the Board determines that—

"(A) any aquatic species not currently identified in the National Aquaculture Development Plan has significant potential for aquaculture;

"(B) any action specified in the National Aquaculture Development Plan, the Regulatory Constraints Plan, or the Capital Requirements Plan, is not being accomplished on a successful or timely basis; or

"(C) any action specified in the Plans referred to in (B) should be terminated because its objectives have been achieved or its projected benefits do not warrant further support;

the Board shall make appropriate recommendations to the Secretary and the Secretary shall amend the Plans, as the Secretary deems appropriate, and advise the Board of such amendment(s).

"(2) Assess, in consultation with the coordinating group and on a continuing basis, aquaculture in the United States and other nations for the purpose of maintaining, on a continuous basis—

"(A) a complete profile of the aquaculture industry in the United States and other nations with respect to the incidence, size, and status of commercial aquaculture enterprises;

"(B) the identification of the private and public institutions and organizations involved in aquaculture research, extension, credit, and market development;

"(C) the identification of the various aquatic species being cultured and a description of the status of commercial development of each of those species;

"(D) to the extent practicable, the identification of aquacultural production regions, species, and markets that have significant potential for development;

"(E) a catalog describing all Federal programs and activities that directly or indirectly encourage, support, or assist aquaculture;

"(F) the identification of the economic, physical, legal, institutional, and social constraints that inhibit the development of aquaculture in the United States;

"(G) an assessment of the effectiveness and adequacy of Federal efforts to meet national aquaculture needs; and

"(H) the collection, compilation, and dissemination of information on aquaculture.

"(3) Periodically review and evaluate, in consultation with the coordinating group, existing research, extension service, and marine advisory service programs and recommend to the Secretaries priorities for the implementation of such programs.

"(g) CONFIDENTIALITY OF STATISTICS.—Any statistics submitted to the Board by any person pursuant to subsection (f)(2)(A) shall be confidential and may only be disclosed if required under court order; except, however, that the Board may release or make public any information in any aggregate or summary form that does not directly or indirectly disclose the identity, business transactions, or trade secrets of any person who submits such information. The Secretary shall prescribe such procedures as may be necessary to preserve such confidentiality.

"(h) POWERS.—For purpose of carrying out its functions, the Board may exercise the following powers:

"(1) Establish and maintain, and appoint the members of, such committees as are necessary and appropriate to assist the Board in carrying out the functions under this Act.

"(2) Conduct public hearings, at appropriate times and locations, so as to allow interested persons an opportunity to be heard in the development of recommendations made by the Board pursuant to this Act.

"(i) DATA COLLECTION PROGRAMS.—If the Board determines that information and data would be beneficial for the purposes of carrying out its functions, the Board may request that the Secretary implement a survey or data-collection program which would provide the types of information and data (other than information and data that would disclose proprietary or confidential commercial or financial information regarding aquaculture research or production) specified by the Board. The Secretary shall approve such survey or data-collection program if the Secretary determines that a need is justified, and shall promulgate regulations to implement the program within sixty days after such determination is made. If the Secretary determines that the need for such survey or data-collection program is not justified, the Secretary shall inform the Board of the reasons for such determination in writing. The determination of the Secretary under this subsection regarding a Board request shall be made within a reasonable period of time after the Secretary receives that request.

"(j) ANNUAL REPORT.—The Board shall prepare on an annual basis, and submit to the Secretary, a report on its activities and recommendations made pursuant to this Act. The first report shall be submitted by November 1, 1984, and subsequent reports by November 1 of each year thereafter.".

SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

Section 11 of the Act of 1980 (as redesignated) (16 U.S.C. 2809) is amended as follows:

(1) Paragraph (1) is amended—

(A) by striking out "and" at the end of subparagraph (B);

(B) by inserting "and" after the semicolon in subparagraph (C); and

(C) by adding at the end thereof the following:

"(D) $3,000,000 for each of fiscal years 1984, 1985, and 1986, of which not to exceed $1,000,000 in each of such years is available for the operation of the Board;".

(2) Paragraph (2) is amended—

(A) by striking out "and" at the end of the subparagraph (B); and

(B) by adding at the end thereof the following:

"(D) $2,000,000 for each of fiscal years 1984, 1985, and 1986; and".

(3) Paragraph (3) is amended—

(A) by striking out "and" at the end of subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and";

(C) by adding at the end thereof the following:

"(D) $1,000,000 for each of fiscal years 1984, 1985, and 1986.".

SEC. 211. CONFORMING AMENDMENT.

Section 1476 of the National Agricultural Research, Extension and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is repealed.

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill now before the House is H.R. 2784, reported unanimously from the Merchant Marine and Fisheries Committee on May 10. I will briefly describe its contents for the Members.

Section 1 contains a 3-year extension of authorizations for U.S. participation in the International Convention for the Conservation of Atlantic Tunas (ICCAT). ICCAT is the international body which regulates the tuna fisheries of the Atlantic Ocean. During the past 2 years ICCAT has been most active in the implementation of regulatory measures providing for the conservation of bluefin tuna that have, until recently, been overfished in the western Atlantic. While there has been some controversy surrounding this regulatory program, I believe the testimony received before the Subcommittee on Fisheries and Wildlife Conservation and the Environment indicates that the measures are working well and it is certainly important for the United States to continue its participation in this organization.

Section 2 of the bill contains technical amendments to the Atlantic Salmon Convention Act which we passed last year. At the time of passage there was an enrolling error in the bill which we are fixing by today's action.

Section 3 of the bill is a 1-year extension of authorization for funding under the fisheries loan fund. As the Members recall, we revitalized this loan fund in the American Fisheries Promotion Act (AFPA) by placing foreign fishing fees collected during fiscal year 1981 and fiscal year 1982 into the fund and by restricting use of the fund for loans to commercial fishermen who were suffering temporary economic difficulties. The AFPA stipulated that loans from the fund should go: First, to fishermen holding Government-guaranteed loans under the title XI vessel obligation guarantee program; second, to fishermen in danger of defaulting on mortgages not guaranteed; and, third, to fishermen experiencing net operating losses due to temporary economic downturns in a fishery.

Last year we extended the loan fund for 1 year and we propose, in this bill, to extend the fund for 1 additional year. Last year we were also successful, for the first time, in obtaining an appropriation for this fund which the National Marine Fisheries Service is in the process of distributing to fishermen in the first two loan categories. I would further note to the Members that we do not anticipate a continued need for full funding under this program and the subcommittee will be considering, later this year, alternative uses for this money which will further promote the American fisheries.

The fourth section of the bill contains clarifying amendments to a provision we added to the Anadromous Fish Conservation Act when we reauthorized that program last year. As the Members will recall, there was considerable discussion during the reauthorization last year as to how we might best promote State participation in management plans developed by the three marine fisheries commissions that Congress has created to promote interstate cooperation in fisheries management. Of particular concern was participation by the eight States which make up the Atlantic States Marine Fisheries Commission in the striped bass recovery plan developed by that Commission. Essentially, the provision we enacted last year provided that should such States participate in, and implement, that plan, grant projects proposed by those States that were related to the plan's objectives would be eligible for a 90-percent Federal matching share instead of the normal 50-percent Federal match. The National Marine Fisheries Service has raised questions of interpretation regarding that language and, therefore, we deem it appropriate to clarify our intent as set forth in section 4 of the bill before us.

Mr. Speaker, section 5 of H.R. 2784 contains congressional approvals for the 1-year extensions recently agreed to between the United States and both the Soviet Union and Poland with respect to the Governing International Fishery Agreements (GIFA's) between our countries. An amendment offered by the committee, contained in this section of the bill also grants approval to the recently renegotiated GIFA between the United States and the German Democratic Republic. In addition to bringing the existing GIFA fully into line with the "fish-and-chips" policy of the United States, this GIFA is significant in that it represents the first formal recognition by a foreign government of the recently proclaimed U.S. exclusive economic zone.

Finally, Mr. Speaker, I am pleased to note that both the Committees on Merchant Marine and Fisheries and Agriculture have agreed to include, as title II of H.R. 2784, the provisions of H.R. 2676, a bill which would reauthorize and amend the National Aquaculture Act of 1980 in a manner which will substantially strengthen the U.S. commitment to a national aquaculture policy. The bill was reported unanimously by both committees and is largely representative of the input the committees received from the diverse public and private aquaculture community.

As the Members will recall, the objective of this act is to provide a healthy climate for the U.S. private sector to capitalize on the vast potential for aquaculture development. Today, as in 1980, the U.S. aquaculture industry has the potential to significantly reduce the expanding $3 billion U.S. trade deficit in fishery products and to provide a substantial source of wholesale protein to an increasingly hungry world. Unfortunately, neither the outstanding potential benefits from aquaculture nor the constructive objectives of the National Aquaculture Act have been sufficient to generate congressional support for appropriations to carry out this important legislation. In addition, several provisions of the act have created bureaucratic complexities and inefficiencies which have prevented effective and timely implementation of a national aquaculture policy.

Mr. Speaker, I believe the provisions embodied in H.R. 2676, as contained in title II of the bill before us, correctly address the deficiencies in the National Aquaculture Act. The Department of Agriculture will now assume the lead responsibility for coordinating and implementing many Federal efforts under this act, thereby providing a central focus for the aquaculture community. In addition, U.S. aquaculture policy development and implementation will be made more responsive to the needs of the fledgling U.S. aquaculture industry through the establishment of a National Aquaculture Board.

Mr. Speaker, for years the members of our two committees have listened to a multitude of testimony which has more than sufficiently brought to our attention the virtues of developing a healthy aquaculture capability in this Nation. I believe that the bill before us will put the United States on the right track toward achieving this end, therefore, I would urge my colleagues here today to support this important legislation.

Last, I would like to particularly thank the distinguished chairman of the Agriculture Committee, Mr. DE LA GARZA, for his and his staff's hard work and cooperation in developing this bill.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2784, to reauthorize the Atlantic Tunas Convention Act and for other purposes, will maintain U.S. participation in the International Commission for Conservation of Atlantic Tunas (ICCAT). This Commission has played a critical role in the conservation of important tuna resources, particularly Atlantic bluefin tuna which have shown signs of declining stock conditions. It was forceful action by the United States under this Commission in 1981 which led to the adoption of measures which clearly took into account the concept of coastal-State preference and which, I am hopeful, will protect the Atlantic bluefin tuna resource for future generations. Although I have expressed concern about the need for complete scientific information in Commission decisions, I believe that the Commission provides to all parties a sound basis for international cooperation in the conservation of living marine resources.

H.R. 2784 also extend for 1 year the fisheries loan fund originally established under section 4 of the Fish and Wildlife Act of 1956. The bill also extends through fiscal year 1984 the dedication to the fisheries loan fund of foreign fishing fees received pursuant to the Fishery Conservation and Management Act of 1976. The National Marine Fisheries Service expects to obligate all $10 million appropriated from the fund for fiscal year 1983, leaving an unappropriated balance of $24 million in the fund. I would like to emphasize that receipts from foreign fishing fees are anticipated to be approximately $35 million this fiscal year and an additional $40 million in fiscal year 1984. The fund will thus have a balance of $89 million by the end of that year, minus fiscal year 1984 appropriations which are not expected to exceed $15 million.

When Congress amended the law to dedicate foreign fishing fees to the fund it was with the clear intention that these fees would be used to deal with some of the U.S. fishing industry's pressing needs. While a portion of the fund has been used for that purpose, it is clearly time to examine the best use of the balance. The committee is now taking a close look at directing foreign fishing fee receipts, in combination with other moneys, to a dynamic new quasi-Government institution which will serve the interests, and be under the direction of, the entire U.S. fishing industry. It is my hope that before the 1-year extension of the fund provided for in H.R. 2784 expires, Congress and the fishing industry will have had an opportunity to debate the merits of legislation establishing such an institution.

The bill also amends the Anadromous Fish Conservation Act to clarify congressional intent with respect to interstate cooperation in management of anadromous fishery resources. I have long believed that, given the migratory nature of fishery resources, interstate cooperation is essential to conservation and is to be the potential benefit of all concerned. I have supported legislation in the past which was designed to direct Federal funds to fisheries projects which involve cooperation among the States. I intend to continue advocating such an approach in future legislation.

H.R. 2784 also contains congressional approval for extensions of the Governing International Fishery Agreements between the United States and the Soviet Union, Poland, and East

Germany. Extension of these agreements is essential if the U.S. fishing industry is to benefit from the assistance offered by foreign nations in return for access to U.S. fishery resources.

The bill also reauthorizes the National Aquaculture Act of 1980 and makes a number of amendments to that act in order to improve the national aquaculture program. These amendments will, in particular, insure that the private sector plays a much larger role in the determination and implementation of aquaculture policy. It will also insure that Federal programs will be coordinated under the leadership of the Secretary of Agriculture. I believe that these amendments represent a clear statement of congressional intent with respect to the importance of aquaculture to the United States, as well as a clear statement that the Federal Government is to be responsive, to the extent possible, to the needs of the industry as identified by the industry.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of H.R. 2784 and urge its adoption.

This bill contains a number of different provisions which are important to the U.S. fishing industry, including reauthorizations for the Atlantic Tunas Convention Act, the Fish and Wildlife Loan Fund, and the National Aquaculture Act. Of most importance, however, are resolutions approving the fishing treaties which the United States has signed with the Soviet Union, Poland, and East Germany.

As all Members know, the Soviet Union and Poland were banned from fishing in our 200-mile Fishery Conservation Zone after the invasion of Afghanistan and the imposition of martial law in Poland. In spite of this, both countries have continued to cooperate with U.S. fishermen by purchasing fish at sea through joint ventures. In fact, the joint venture between the United States and the Soviet Union is the largest market for underutilized species of bottomfish in the 200-mile zone off Alaska. Without the approval of these treaties, that market will collapse, leading to a severe economic problem in the fishing industry, a greater dependence on Japan as a market, and a setback to the congressional policy of fully developing our domestic fishing industry.

Like other Members of this body, I am concerned about Soviet actions in Afghanistan and Poland. However, the fact remains that the economic sanctions that the United States has applied just do not work. President Reagan recognized this when he lifted the grain embagro to the Soviet Union shortly after taking office and when he announced that further grain sales would be negotiated. Unfortunately, while the administration is helping the farmers—while at the same time paying them not to grow grain—it has ignored the problems confronting our domestic fishing industry. Further, by using the precedent of trading away our fish resources for foreign policy objectives, the administration has opened the door for future trade-offs which leave our fishermen sitting at the dock, even when there is little or no foreign policy advantage—and no economic advantage—which can be obtained from such a trade.

The Polish and Soviet treaties we are approving today are only 1-year extensions of existing treaties. I suggest that it is time that the administration look seriously at the development of our fishing industry. We need to renegotiate full fishing treaties with the Soviet Union and Poland. We need to allow a limited directed fishery for those nations if it can be shown that this will increase U.S. sales of fish in an amount greater than what we will lose by granting the directed fishing allocation. We need to negotiate a fishing treaty with the Soviet Union that will allow U.S. fishermen access to the fish resources in the Soviet 200-mile zone.

Finally, and most important, we need to end this ridiculous policy of trading fish for uncertain foreign policy objectives. I have introduced legislation that will accomplish this latter objective and I hope that it will be reviewed by the House Merchant Marine and Fisheries Committee. In his statement of March 10, President Reagan said that the proclamation of the U.S. Exclusive Economic Zone "reinforces this Government's policy of promoting the U.S. fishing industry." I think it is time that we begin seriously carrying out that policy.

Mr. Speaker, I urge passage of this very important measure.

Mr. FORSYTHE. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Speaker, I rise in support of H.R. 2784, a bill to reauthorize the Atlantic Tunas Convention Act and for other purposes. This bill contains several important provisions relating to the conservation, management, development, and utilization of our fisheries resources.

H.R. 2784 amends the Anadromous Fish Conservation Act (Public Law 89-304) in two ways. First, it encourages States, via Federal matching funds, to adopt and implement interstate fishery management plans that benefit anadromous species which occur in more than one State's jurisdiction. Second, only those States implementing an interstate fishery management plan prepared by one of the three regional interstate fisheries commissions can qualify for the Federal matching funds.

Section 5 of this legislation also contains congressional approval for the 1-year extension of the Governing International Fishery Agreements (GIFA) between the United States and the Soviet Union, and Poland, and approval of the recently renegotiated 5-year East Germany GIFA. Implementation of the GIFA's is very important to the U.S. commercial fishing industry. These fisheries agreements will allow U.S. fishermen to enter into joint venture fishing arrangements with the respective foreign nations. Joint ventures allow U.S fishermen to harvest fish stocks that are not currently utilized by U.S. consumers. It also allows the U.S. fishing industry to diversify. One such joint venture with the Soviet Union has played an increasingly important role with respect to the Pacific Northwest commercial fishermen and the Pacific Northwest economy.

The bill also contains a provision that reauthorizes and amends the National Aquaculture Act of 1980. The bill amends the National Aquaculture Act by creating a National Aquaculture Board which is composed of representatives from the aquaculture industry, Federal, and State govenments, and various marine advisory services. The primary function of this board is to review and assess aquaculture in the United States. This will give industry representatives a significant role in the formulation and review of U.S. aquaculture policy. It also amends the act by having the Secretary of Agriculture become the permanent Chairman of the Joint Subcommittee on Aquaculture and in this capacity take the lead role in the coordination of Federal efforts. The amendments will help to develop and promote the U.S. aquaculture industry as a viable way to increase the world's protein supply and to benefit another increasingly important segment of the U.S. fishing industry.

Therefore, I urge my collagues to vote in support of H.R. 2784.

Mr. FORSYTHE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I would just also point out for the record the hard work and perseverance that the gentleman from New Jersey has had and the persistence he has shown in assuring that ICCAT does do the job that they want in order to protect the blue fin tuna population, particularly in the Atlantic and off the area of the gentleman.

It is a very difficult program and the gentleman from New Jersey (Mr. FORSYTHE) has been very diligent in trying to insist that ICCAT take the necessary conservation measures that are necessary. Without the gentleman's

efforts, I am afraid they would not have moved as aggressively as they have and I would like to commend him for that.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill now under consideration.

The SPEAKER pro tempore. is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BREAUX. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. JONES).

□ 1245

Mr. JONES of North Carolina. Mr. Speaker, H.R. 2784, a bill to reauthorize the Atlantic Tunas Act and for other pruposes, is an important piece of legislation and critical for maintaining and improving the status of the U.S. fishing industry. The reauthorization of the Atlantic Tunas Convention Act serves to maintain U.S. efforts to carry out research, management and the harvest of Atlantic tunas through international efforts. The operations of the International Commission for the Conservation of Atlantic Tunas (ICCAT) is essential if we are to conserve and utilize the highly migratory tuna in the Atlantic Ocean.

H.R. 2784 would amend the Atlantic Salmon Convention Act to clarify that U.S. representatives to the Atlantic Salmon Commission are not to be considered as Federal employees and to make law enforcement efforts with respect to the Atlantic Salmon Convention conform with the Fishery Conservation and Management Act.

This measure would extend the authorization of the fisheries loan fund for a 1-year period, as well as that part of the American Fisheries Promotion Act which directs the purpose for which fisheries loan funds are to be used: First, to aid fishermen in danger of default on fishing vessel obligation guarantees (FVOG); second, to avoid default on loans not guaranteed under the FVOG program; and third, to cover fishing vessel operating costs when fishing vessel owners or operators are operating at a net deficit. I want to point out that the moneys in the fisheries loan fund are collected from fees assessed on foreign fishermen for the privilege of operating within our 200-mile fishery conservation zone.

H.R. 2784 would also extend a very minor authorization for appropriations relating to volunteer services for fisheries and wildlife purposes. In light of the administration's encouragement of volunteer efforts, I believe this simple measure is appropriate and it could yield dividends of increased fisheries research and management efforts by the U.S. Fish and Wildlife Service and the National Marine Fisheries Service.

In addition, this bill includes language which would clarify that enhanced funding provisions for the purposes of the Anadromous Fish Conservation Act are to benefit those States implementing interstate management plans established by the interstate fishery management compacts.

H.R. 2784 provides for requisite congressional approval of 1-year extensions of the governing international fishery agreements between the United States and the Soviet Union, Poland, and East Germany. These agreements are essential for "fish and chips" policy whereby foreign nations assist the U.S. fishing industry in return for the right to fish in our fishery conservation zone.

Lastly, H.R. 2784 would authorize and amend the National Aquaculture Act of 1980. These amendments would: Create a National Aquaculture Board composed of industry, administration, and research and extension representatives; make the Secretary of Agriculture responsible for coordinating national aquaculture policy; and make the Secretary of Agriculture the permanent Chairman of the Joint Subcommittee on Aquaculture, which is a Federal coordinating council. This is a minor effort to help develop our aquaculture industry. A closer working relationship between the aquaculture industry and the Government agencies involved could well bring about expanded aquaculture production in the United States and provide a subsequent boost in economic growth and employment, as well as a reduction in the existing $3 billion U.S. trade deficit in fishery products.

Mr. Speaker, I fully support H.R. 2784 and I urge my colleagues to vote favorably on this legislation which is of vital importance to the fishing and aquaculture industries.

● Mr. DE LA GARZA. Mr. Speaker, I rise in support of title II. The title, which amends the National Aquaculture Act of 1980, does two principal things: First, it extends the authorization for appropriations for the 1980 act through fiscal years 1984, 1985, and 1986; and second, it amends the 1980 act to provide a better coordinated role for the Federal Government in promoting the development of aquaculture.

Mr. Speaker, this legislation is the product of cooperative efforts by the Committee on Merchant Marine and Fisheries and the Committee on Agriculture. This final version of H.R. 2676, which today is identified as title II of H.R. 2784, the Atlantic Tunas Convention Act of 1975, reflects the combined views and agreements of the membership of our respective committees. It is a pleasure to bring to this floor title II that takes into consideration the diverse interests, factors, and parties, resolves all differences, and results in a title acceptable to all.

Mr. Speaker, first of all, I want to compliment my distinguished colleagues from the Committee on Merchant Marine and Fisheries—especially Mr. BREAUX, the very able chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, and the ranking minority member, Mr. FORSYTHE. Their interest in this legislation and their commitment to further the growth and development of a domestic aquaculture industry is to be commended. I had the privilege and the pleasure of testifying before their subcommittee when this title was being originally considered as H.R. 2676. It is important to note that although this title gives the Department of Agriculture the lead role in aquaculture, it nevertheless continues to protect the rights, interests, and roles of the Departments of Commerce and the Interior. Once again, I want to thank these gentlemen and their colleagues on the full committee, for their dedication and spirit of cooperation in helping us to bring this legislation to the House.

Now, I would like to briefly explain why we are proposing changes in the 1980 act.

The 1980 act was written at a time when there was no clear Federal aquaculture program. There was no clearly understood policy for coordinating the research and development activities necessary for a healthy and viable aquaculture industry. It now seems clear that in drafting that pioneering law, Congress made the mistake of failing to concentrate responsibility for the new Federal effort in a single place.

The 1980 act made three officials—the Secretaries of Agriculture, Commerce, and Interior—equally responsible for developing, implementing, and coordinating Federal aquaculture policy. But one of the lessons that history teaches us is that when a lot of people are in charge, nobody is really in charge. The failure to centralize the direction of the Federal effort in aquaculture has become a substantial barrier to the effective implementation of the act. The result has been that no agency has taken the initiative to encourage and facilitiate an effective Federal aquaculture program.

In the opinion of our Committee on Agriculture—an opinion shared by the Committee on Merchant Marine and Fisheries—title II embodies a better way to get the job done.

The key to developing a really effective Federal effort to support private industry in developing aquaculture lies in providing better coordination and leadership. This is what title II does.

First, the title moves to provide both improved coordination and leadership

by selecting a single Federal official to take the lead in coordinating Government operations under the act. This official will be the Secretary of Agriculture. In addition, the title requires the Secretary to establish an Office of Aquaculture Coordination and Development within the USDA.

Second, the title moves to make sure that the advice and guidance of private industry plays a major role in the program. The legislation establishes and outlines the functions and operation of a National Aquaculture Board made up of representatives of the aquaculture industry and the public.

Both committees which passed on title II believe that the board, as a national organization representing the views of the private sector to officials of the Federal aquaculture program, will greatly improve the effectiveness of the Federal effort.

While the pending legislation designates the Department of Agriculture as the lead agency for aquaculture programs, the title also maintains important roles for the Departments of Commerce and the Interior. They must be encouraged to carry out their responsibilities and every effort must be made to be sure that Federal support for agriculture is carried out in a manner which is fair to all geographical areas and which deals equitably with both warm and estuarine species.

Mr. Speaker, some may ask: "What is so important about developing a domestic aquaculture industry?" The answer is simple, it is important because development of this industry can create jobs and can bring substantial benefits to consumers and the national economy. At present, our fishery industries do not supply our full domestic demand, and we have a very great trade deficit in fishery products. If aquaculture production is fully developed in the United States, it can cut that trade deficit and can provide more ample consumer supplies at reasonable prices. Beyond that, the products of aquaculture can be a great strategic resource—they can play a major role in the years ahead in meeting the world's constantly growing protein needs.

Mr. Speaker, I urge the Members to join me in support of title II H.R. 2784, as amended.●

Mr. FRANKLIN. Mr. Speaker, I rise in support of title II of this bill, the National Aquaculture Improvement Act of 1983.

I think it is important that we address the concerns of the aquaculture industry, mainly because that industry has asked that we do so. The aquaculture people came to us. They did not come asking for more money, but instead came asking Congress to provide that industry with some direction and leadership. Up until now, the aquaculture industry has been shuffled from one Government agency to another, and this section of the bill would settle this question once and for all by placing aquaculture under the jurisdiction of the Department of Agriculture.

This is what the industry wants, and I fully endorse the designation of the Secretary of Agriculture as the permanent chairman of the Joint Subcommittee on Aquaculture. USDA has already shown great interest in advancing this industry, and their interest and support is reassuring to those of us who have a stake in the industry.

I have a particular interest in this bill because aquaculture is perhaps the fastest growing industry in my congressional district. Some 300 farmers now raise catfish in the Mississippi Delta, and this has proven to be one of the most beneficial boosts for our area's economy in many years. This bill would further strengthen this growing industry, and I urge my colleagues to support it.

Mr. FORSYTHE. Mr. Speaker, I have no more requests for time, and I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill, H.R. 2784, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the National Aquaculture Act of 1980."

A motion to reconsider was laid on the table.

ELIMINATION OF JONES ACT EXEMPTION

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1076) to strengthen the domestic waterborne commerce of the United States.

The Clerk read as follows:

H.R. 1076

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883) is amended by striking out "*Provided further,* That this section shall not apply to merchandise transported between points within the continental United States, including Alaska, over through routes heretofore and hereafter recognized by the Interstate Commerce Commission for which routes rate tariffs have been or shall hereafter be filed with said Commission when such routes are in part over Canadian rail lines and their own or other connecting water facilities:".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from North Carolina (Mr. JONES) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1076 would delete the third proviso of section 27 of the Merchant Marine Act of 1920, commonly referred to as the Jones Act. Such action would strengthen the domestic commerce of the United States and help preserve our maritime resources.

The Jones Act requires that merchandise transported either directly or via a foreign port between points in the United States be carried on vessels built in, and documented under the laws of the United States. The exemption provided by the third proviso permits merchandise to be transported between points in the United States, including Alaska, on vessels not otherwise qualified if certain conditions are met. The merchandise must be transported over throughroutes recognized by the Interstate Commerce Commission for which rate tariffs have been filed. These routes must be, in part, over Canadian rail lines.

The exemption was originally intended to permit the continued operation on the Great Lakes of Canadian railroad car ferries. Alaska was specifically excluded but was later included in the proviso by the Alaska Statehood Act.

During the past 25 years, little use has been made of the third proviso. No one is operating under the third proviso at this time.

The current concern arises from two recent efforts to take advantage of the third proviso to install coastwise service from the lower 48 States to Alaska. If the third proviso exemption were to be utilized, it would mean that cargo now being shipped from our U.S. northwest ports on U.S.-flag vessels to Alaska could instead be moved by ground transportation to a Canadian port and from there to Alaska on foreign-flag or other noncoastwise-qualified vessels. This, of course, would harm Jones Act operators who have invested millions of dollars in the Alaska trade—as well as have the potential of a loss in U.S. maritime capability at a time when we can scarcely afford a further diminution in our maritime resources.

I urge my colleagues to join me in supporting this legislation.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1076, which would delete the so-called third proviso from the Jones

Act. The Jones Act, in general, requires that merchandise transported between points in the United States must be carried on vessels built in the United States. The third proviso grants and exemption from the requirements of the Jones Act and allows the use of foreign vessels if the merchandise is transported over routes for which tariffs have been filed with the Interstate Commerce Commission and Canadian rail lines are used for part of the transportation.

The third proviso was originally intended to allow transportation on the Great Lakes of merchandise from the Midwestern States to New England on Canadian railroads using foreign-built rail barges. With the construction of bridges, the use of the railcar barges was no longer necessary. The third proviso was extended to include Alaska at the time of the Statehood Act in the hopes that it would reduce transportation costs, but that did not turn out to be the case. The third proviso is not being used today.

During the hearings held by our committee, the testimony presented indicated that this provision is no longer needed and, in fact, it could lead to severe economic harm to U.S. shipping activities and U.S. ports if it is not repealed. This harm would come about because of foreign-flag vessels loading U.S. cargo brought to Canadian ports by Canadian railroads.

Presently, 20 U.S. Jones Act ship barge operators provide service to Alaska and four companies provide year-round liner service from the Pacific Northwest. These operators, and the U.S. ports, have invested millions of dollars in vessels and port facilities to support this trade. This investment would be in jeopardy if foreign vessels were to begin hauling U.S. cargo from Canadian ports. Furthermore, it is conceivable that foreign operators could stifle competition by driving the U.S. operators out of business by charging lower shipping rates—and then once in control of the trade—could raise their rates leading to higher transportation costs.

This provision of law is no longer needed and could be damaging to U.S. interests. Our committee unanimously approved this legislation, and I urge my colleagues to join us in supporting this bill to help our shipping industry, and the ports of the Pacific Northwest, and to preserve U.S. jobs that might otherwise be lost to Canada.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this measure and urge its adoption.

As a cosponsor of H.R. 1076, I think that this bill is needed to help maintain a strong domestic merchant marine and to insure that residents of the Pacific Northwest, and especially my State of Alaska, continue to receive the cargo service that they need.

H.R. 1076 corrects a loophole in the Jones Act that was originally enacted to solve a specific problem in the Midwest. That problem no longer exists and the proviso is no longer needed. However, various groups and individuals are now looking at using the third proviso to the Jones Act—the section that this bill would repeal—to undercut domestic operators in the Pacific Northwest by using foreign vessels with foreign crews operating out of foreign ports. This can only lead to a decrease in domestic service as U.S. operators are forced out of business by subsidized foreign operations. This could also lead to a substantial loss of employment in Alaska and the Pacific Northwest and a decrease in service to rural areas in Alaska. Finally, retention of the existing language of the law would deliver another strong blow to our already staggering domestic merchant marine.

H.R. 1076 was the subject of a day of hearings in the Merchant Marine Subcommittee. The only witnesses testifying in favor of retaining the third proviso were a foreign operator, the company in Alaska which is acting as an agent for him, and the mayor of Seward, Alaska, the port at which the foreign vessels would stop and which does not now receive extensive service due to a variety of reasons. All other witnesses, including maritime operators, unions, port directors, and private businesses, testified in favor of this legislation and against retaining the third provisio. Further, the support of the city of Seward was based on the need to increase local employment, a problem that can be solved by increasing domestic service. We do not need foreign operators undercutting our domestic merchant marine.

Allowing foreign operators to enter the Alaska trade will not result in service improvements; if anything, service will decrease to rural areas as existing U.S. carriers are forced to decrease their operations. A foreign operator that enters the trade to make a fast dollar will not take the time to serve small rural ports; he will serve only those ports that give him the greatest return. If domestic operators can not serve the large ports, they will be unable to afford to serve the small ports. This will be a disaster for every small town and village in Alaska that must rely on the maritime trade for its food, fuel, and supplies.

Foreign operators will not be able to solve the freight tariff problems that sometimes occur. They will be operating under the same ICC rules as U.S. carriers. However, instead of being able to take a problem to a local office, or even an office in Seattle, Alaskan residents will have to contact Bonn, Seoul, or Tokyo. I do not see that as any advantage.

Mr. Speaker, I think that this is a necessary piece of legislation and one that will result in no costs to the people of my State or of the United States as a whole. I urge its adoption.

Mr. JONES of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I thank the chairman of the full committee for yielding to me.

Mr. Speaker, H.R. 1076 is designed to strengthen U.S. domestic waterborne commerce by simply repealing the third proviso of section 27 of the Jones Act. The proviso is an anomaly in our Nation's maritime laws. It has outlived the purpose for which it was enacted.

I am very pleased that many of my distinguished colleagues in the Pacific Northwest agree to cosponsor this important measure: Washington Representatives SWIFT, PRITCHARD, LOWRY, DICKS, and CHANDLER. I also want to thank Representative YOUNG of Alaska, a cosponsor of H.R. 1076, who has worked with the committee to bring this issue before Congress. And finally, I want to thank Committee Chairman JONES, Subcommittee Chairman BIAGGI, and Ranking Minority Member FORSYTHE, for their strong support in obtaining expeditious committee consideration of this legislation. I am pleased that the bill has moved through committee quickly and with unanimous support.

The third proviso of the Jones Act was enacted in 1920 to allow the continued operation on the Great Lakes of car ferries by Canadian railroads to improve the transportation of U.S. merchandise between the Midwestern United States and New England. With the passage of the Alaska Statehood Act of 1958, it became possible for foreign vessels to use the third proviso to enter into the Alaska trade, but there has been little interest until recently.

Due to improvements in rail transportation around the Great Lakes, the third proviso is no longer used in the Midwest to New England trade. However, there has been considerable interest within the last year in using this proviso for service in the Alaska trade.

If the third proviso is not repealed, cargo now shipped on U.S-flag vessels will be diverted from our Northwest ports to foreign vessels and Canadian ports. This is because the proviso would allow the transportation of cargo from the lower 48 States, over Canadian rail lines to Canadian ports for shipment to Alaska on foreign or other non-coastwise-qualified vessels.

The diversion of this domestic cargo from Pacific Northwest ports would severely harm the 20 U.S. Jones Act

ship and barge operators who have invested hundreds of millions of dollars to provide reliable, competitive service in the Alaska trade. It would result in the loss of American seagoing and portside jobs, including terminal operators, longshoremen, and industries that provide supply receiving, warehousing, consolidation facilities and motor and rail transportation services. These services account for 20,000 jobs in western Washington—jobs which are directly or indirectly related to the transportation of cargo to Alaska. Over 4,000 of these jobs in the Puget Sound area are directly dependent upon the 20 U.S.-flag ship and barge operators serving Alaska.

If the third proviso is allowed to remain, foreign ships and crews carrying the Alaska trade cargo from Canadian ports would be able to undercut the rates offered by U.S. carriers because of the lower costs foreign operators incur for vessel construction and crew wages and the direct foreign subsidies such operators frequently receive. Domestic water carriers, which have invested nearly $1 billion in capital equipment to be used in the Alaska trade, would be unable to compete in such an environment. Service to Alaska by U.S.-flag operators would of necessity be curtailed, and the current vigorously competitive Alaska waterborne trade would be replaced by foreign carriers.

Some have suggested that third proviso transportation could result in lower prices for consumer goods delivered in Alaska. That would not occur. The perceived benefits of lower foreign-flag vessel costs which might be achieved on the ocean portion of a through trip, would in all likelihood not be passed on to the Alaska consumers. Since Canadian rail lines must be used for a portion of the through route, they need only price the total package temporarily below domestic U.S. carrier rates to attract the cargo—they need not, indeed probably would not, pass the total reduction or a portion of it through to the Alaska consumer. Once traffic is diverted and U.S.-flag carriers either severely curtail service or leave the Alaska trade entirely, the pricing situation would be monopolistic in nature and transportation costs most assuredly would rise.

Even if, in the short term, some portion of the cost reduction was passed on to the Alaska consumer, it would not significantly affect the shelf price of merchandise. The freight cost of a product sold in the Alaska market is minimal, less than 2 percent. This is an insignificant portion of the shelf price of the product.

Currently, there is a diverse, competitive, reliable, nonsubsidized U.S. maritime community serving in the Alaska trade. It is our most competitive domestic coastwise trade. Carriers have responded without subsidy to market demand and have more than doubled tonnage in the trade since 1975. The 20 U.S. ship-and-barge operators provide more vessel capacity in the Alaska trade than ever before. These carriers have historically committed private capital to increase vessel capacity in response to the demands of the Alaskan economy. They cannot continue to do so unless the third proviso loophole is closed.

The intent of H.R. 1076 is, simply, to repeal the third proviso. By maintaining the original purpose of the Jones Act—to establish and maintain a strong domestic shipping capability—current capital investment and jobs will be protected while preserving a responsive and responsible transportation service between the Pacific Northwest and Alaska.

Once again I commend the chairman of the full committee and the ranking minority member for their cooperation in expediting action on this bill.

Mr. FORSYTHE. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to vote against the whole Jones Act because I think it is a protectionist adventure that keeps U.S. interests from enjoying full competition and U.S. consumers, wherever they may live, from having the benefits of full competition. This elimination of an exemption from the Jones Act is probably not a very important one.

Nobody at this time is using the exemption. On the other hand, I note with some regret that as soon as anyone begins to contemplate the use of this exemption, this Congress is going to move swiftly to remove the exemption.

What it means is that transportation between the points in question is going to be less competitive and more expensive for the consumers.

In this regard, I quote from the committee report, which in turn is quoting from a statement by the Interstate Commerce Commission, which was requested to make that statement to the committee.

> Deletion of the third proviso, it would appear, could have beneficial and detrimental effects. On the one hand, its deletion would presumably assure U.S. jobs and revenues for U.S. owned water carriers. On the other hand, its retention and utilization could conceivably increase competition and ultimately result in better service and/or lower prices to the shipping public. The latter approach would appear to be consistent with the policy thrust of the major reform legislation affecting the jurisdiction of the Commission.

Later on the Commission takes no position and it leaves this to the Congress. I would hope the Congress would take the position not to delete this proviso and leave the tiny little bit of competition in the Jones Act that now lies there.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. JONES of North Carolina. Mr. Speaker, I yield 2 additional minutes to the gentleman from Minnesota.

Mr. FRENZEL. I yield to the distinguished gentleman from Washington (Mr. BONKER).

Mr. BONKER. The gentleman and I agree so fully on international trade that I hesitate to rise to comment on his statement. But, I think we should recognize that so-called cabotage laws are in effect almost universally. That is defined as a trade or transport in coastal waters between two points within a country. Canada has such a cabotage law as does Australia, Brazil, Finland, France, West Germany, Greece, Spain, and the U.S.S.R., and the list includes three or four of the top maritime nations in the world. It is another example of the United States attempting to practice free trade in a world plagued by protectionist sentiment. I think if other countries would agree to eliminate their cabotage laws, the United States would be willing to go along so we are in a fully free trade environment, so that we are not placing our own industry at a competitive disadvantage.

Mr. FRENZEL. I thank the gentleman for his contribution and I agree with him wholeheartedly that it would be better if no nations had a protected merchant marine. I will stick to my position, however, that we should not follow the mistakes of our trading partners. Just because they want higher costs of transportation between two points in their countries, I do not think we should ask for it in our country. But the gentleman is right, it would be much better if everybody would do the same with respect to maritime transportation.

I yield to my distinguished associate from Alaska (Mr. YOUNG).

□ 1300

Mr. YOUNG of Alaska. Being this is the only State, Alaska being directly connected to this legislation with the State of Washington, let me address one situation which the gentleman brought up.

The SPEAKER pro tempore. The time of the gentleman from Minnesota (Mr. FRENZEL) has again expired.

Mr. FORSYTHE. Mr. Speaker, I yield 2 additional minutes to the gentleman from Minnesota.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Speaker, I do not buy the savings consumer argument and I never have bought that. I think it is important that the American people realize that in 1945 the

United States had the No. 1 merchant marine fleet in the world. Today we are 11th because we have traded off our merchant marine capability as we have traded off our fish and the guys are trying to garner sympathy or understanding from the other international shipping countries. And as the gentleman from Washington has mentioned, the cabotage laws are in place with our nearest neighbor Canada. They are in place with England, Sweden, Norway, Italy, and I can go right on down the line.

And, as the gentleman mentioned before, ideally if everybody gave it up. Well, they are not going to give it up. They are not going to give us the preferential treatment, they are not going to give the amounts of cargo that is necessary to carry, they are not going to take and even consider us. And as far as I am concerned, to have good sound shipping transportation the State of Alaska with five large carriers, who have contributed to the State of Alaska, are willing to invest in the State of Alaska, now to sell out to a German bottom ship, with a German crew, with really no understanding of the problems of Alaska, I think, is incorrect.

I honestly believe when we are talking about consumers, try dealing with Bonn and Seoul and Toyko and other areas, where right now with the ICC we do have some control over what service is offered to what States and when and where.

If the countries want to lift off their ban, fine, but they are not going to do it. Let us be realistic. They are going to insist on 50 percent of their cargo being carried by their ships. We export and import more than any other nation, yet we are 11th in merchant marine capability. I think it is time America recognized we are dependent upon the merchant marine fleets of foreign countries as we are dependent upon foreign oil. And that is what we have to address. We are dependent upon foreign oil and a foreign shipping fleet and if we keep leaving these loopholes in we will be more dependent.

Mr. FORSYTHE. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Speaker, I want to congratulate the chairman and the ranking member and particularly the gentleman from Washington (Mr. BONKER) for his leadership in straightening out what I think was a loophole in the third proviso.

Without getting into the whole argument, I think at this point it makes good sense at least to tighten this loophole up and then we can worry about the consistency of the overall theory, but this is, I think, helpful legislation and I want to commend those who were most important in fashioning this bill.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 1076, being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

● Mr. BIAGGI. Mr. Speaker, I rise in support of H.R. 1076.

The third proviso of the Jones Act was enacted to improve the transportation of merchandise between points in the Continental United States. It allowed the continued operation on the Great Lakes of car ferries by Canadian railroads as a part of the transportation of merchandise from midwestern States across Canada by rail and barge to New England.

Alaska was originally specifically excluded from coverage by the third proviso—but its coverage was extended to that State by the Alaska Statehood Act in 1958.

In the intervening 25 years, little use has been made of the third proviso. Improved rail transportation around the Great Lakes and the construction of bridges have made the use of railcar barges unnecessary. No one is operating under the third proviso at this time.

The trade that is involved—and of immediate issue now—is coastwise service from places in the lower 48 States to Alaska. The current concern arises from the fact that there have been two recent efforts to take advantage of the third proviso exemption. Although unsuccessful thus far, those who wish to enter the trade and take advantage of the exemption have not abandoned their efforts.

If the third proviso exemption were to be utilized, it could mean that cargo now being shipped from our U.S. Northwest ports on U.S.-flag vessels to Alaska could instead be moved by ground transportation to a Canadian port—and from there to Alaska on foreign-flag or other noncoastwise-qualified vessels. This, of course, could harm Jones Act operators who have invested millions of dollars in the Alaska trade—as well as result in a loss of American seagoing and portside jobs.

At the subcommittee hearing on March 18, we heard testimony that the Alaska trade is characterized by a high degree of competition—and is a generally regular and reliable service. The measure was reported out of subcommittee and full committee by unanimous vote.

While this Jones Act exemption once served a purpose, it has outlived its usefulness. I see no compelling reason to retain the exemption, and I urge my colleagues to join me in supporting the bill.●

● Mr. DICKS. Mr. Speaker, as a cosponsor of H.R. 1076, I am pleased to have this opportunity to comment on the importance of repealing the third proviso of the Jones Act.

The third proviso was originally intended to allow the continuation of rail and ferry service from the Midwest to New England through the Great Lakes. But in the Northwest, the effect has been to promote foreign shipping to the disadvantage of domestic carriers.

A growing Canadian emphasis on port development and export enhancement has encouraged numerous Canadian concerns to explore the use of the third proviso to broaden Canadian participation in the shipment of goods to Alaska. Since the third proviso would allow the use of foreign bottoms in Canadian transshipment, pricing for the transportation of goods via Canada could be lower than that available on domestic carriers. The diversion of cargo to Canadian carriers would mean a loss of U.S. jobs.

More than 20 U.S. ship and barge operators now provide service to Alaska. Approximately 25,000 people in western Washington are currently employed in jobs directly or indirectly related to the transportation of cargo to Alaska. And there is now more vessel capacity serving the Alaska trade than at any time in history.

Diversion of cargo from Puget Sound ports to Canadian ports will have a devastating effect on employment and economic vitality in Washington State. The impact will not be limited to the maritime community, but will be felt as well in the rail and motor carrier industries. The bottom line will be a significant loss of employment in a State already suffering a jobless rate significantly over the national average.

A vote in support of H.R. 1076 will reaffirm the interest of the U.S. Congress in the use of domestic carriers to transport domestic cargo. H.R. 1076 is legislation to preserve American jobs. I urge my colleagues to support this important bill.●

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

Mr. FORSYTHE. Mr. Speaker, I have no further requests, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. JONES) that the House suspend the rules and pass the bill, H.R. 1076.

The question was taken.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

NATIONAL MARINE SANCTUARIES

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2062), to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972 as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title III of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431 et seq.) is amended to read as follows:

"TITLE III—NATIONAL MARINE SANCTUARIES

"SEC. 301. FINDINGS, PURPOSES, AND POLICIES

"(a) FINDINGS.—The Congress finds that—

"(1) this Nation historically has recognized the importance of protecting special areas of its public domain, but such efforts have been directed almost exclusively to land areas above the high-water mark;

"(2) certain areas of the marine environment possess conservation, recreational, ecological, historic, research, educational, or esthetic qualities which give them special national significance;

"(3) while the need to control the effects of particular activities has led to enactment of resource-specific legislation, these laws cannot in all cases provide a coordinated and comprehensive approach to the conservation and management of special areas of the marine environment;

"(4) a Federal program which identifies special areas of the marine environment will contribute positively to marine resource conservation and management; and

"(5) such a Federal program will also serve to enhance public awareness, understanding, appreciation, and wise use of the marine environment.

"(b) PURPOSES AND POLICIES.—The purposes and policies of this title are—

"(1) to identify areas of the marine environment of special national significance due to their resource or human-use values;

"(2) to provide authority for comprehensive and coordinated conservation and management of these marine areas which will complement existing regulatory authorities;

"(3) to support, promote, and coordinate scientific research on, and monitoring of, the resources of these marine areas;

"(4) to enhance public awareness, understanding, appreciation, and wise use of the marine environment; and

"(5) to facilitate, to the extent compatible with the primary objective of resource protection, all public and private uses of the resources of these marine areas not prohibited pursuant to other authorities.

"SEC. 302. DEFINITIONS.

"For the purposes of this title, the term—

"(1) 'marine environment' refers to those areas of coastal and ocean waters, the Great Lakes and their connecting waters, and submerged lands over which the United States exercises jurisdiction, consistent with international law;

"(2) 'Secretary' refers to the Secretary of Commerce; and

"(3) 'State' refers to each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, and any other commonwealth, territory, or possession of the United States.

"SEC. 303. SANCTUARY DESIGNATION STANDARDS.

"(a) STANDARDS.—The Secretary may designate any discrete area of the marine environment as a national marine sanctuary and promulgate regulations implementing the designation if the Secretary determines that such designation will fulfill the purposes and policies of this title, and if the Secretary finds that—

"(1) the area is of special national significance due to its resource or human-use values;

"(2) existing State and Federal authorities are inadequate to ensure coordinated and comprehensive conservation and management of the area, including provisions for resource protection, scientific research and public education, and that designation of such area as a national marine sanctuary will facilitate these objectives; and

"(3) the area is of a size and nature which will permit comprehensive and coordinated conservation and management.

"(b) FACTORS AND CONSULTATIONS REQUIRED IN MAKING FINDINGS.—For purposes of determining if an area of the marine environment meets the standards set forth in subsection (a), the Secretary shall—

"(1) take into consideration—

"(A) the area's natural resource and ecological qualities; including its contribution to biological productivity, maintenance of ecosystem structure, maintenance of ecologically or commercially important or threatened species or species assemblages, and the biogeographic representation of the site;

"(B) the area's historic, cultural, archaeological, or paleontological significance;

"(C) the present and potential uses of the area that depend on maintenance of the area's resources; including commercial and recreational fishing, other commercial and recreational activities, and research and education;

"(D) present and potential activities that may adversely affect the factors identified in subparagraphs (A), (B), and (C);

"(E) the existing State and Federal regulatory and management authorities applicable to the area and the adequacy of those authorities to fulfill the purposes and policies of this title;

"(F) the manageability of the area; including such factors as its size, its ability to be identified as a discrete ecological unit with definable boundaries, its accessibility, and its suitability for monitoring and enforcement activities;

"(G) the public benefits to be derived from sanctuary status, giving emphasis to the benefits of long-term protection of nationally significant resources, vital habitats, and resources which generate tourism;

"(H) the negative impacts produced by management restrictions on income-generating activities, such as living and nonliving resource development; and

"(I) the socioeconomic effects of sanctuary designation; and

"(2) consult with—

"(A) the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate;

"(B) the Secretaries of State, Defense, and Transportation, the Secretary of the department in which the Coast Guard is operating, the Secretary of the Interior, the Administrator, and the heads of other interested Federal agencies;

"(C) the appropriate officials of any State that will be affected by the establishment of the area as a national marine sanctuary;

"(D) the appropriate officials of any Regional Fishery Management Council established by section 302 of the Act entitled, 'An Act to provide for the conservation and management of the fisheries, and for other purposes', approved April 13, 1976 (90 stat. 331 et seq., 16 U.S.C. 1801 et seq. (hereinafter in this title referred to as the 'Act of 1976')) that may be affected by the designation; and

"(E) other interested persons.

"SEC. 304. PROCEDURES FOR DESIGNATION AND IMPLEMENTATION.

"(a) SANCTUARY PROPOSAL.—

"(1) NOTICES.—In proposing to designate a national marine sanctuary, the Secretary shall issue in the Federal Register a notice of the proposal, together with proposed regulations that may be necessary and reasonable to implement it, and shall provide notice of the proposal in newspapers of general circulation or electronic media in the communities that may be affected by the proposal. After issuing a notice the Secretary shall conduct at least one public hearing in the area affected by the proposed designation. On the same day of issuing the notice, the Secretary shall also submit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a prospectus on the proposal which shall contain—

"(A) the terms of the proposed designation;

"(B) the basis of the findings made under section 303(a) with respect to the area;

"(C) proposed mechanisms to coordinate existing regulatory and management authorities within the area;

"(D) a management plan detailing the proposed goals and objectives, management responsibilities, resource studies, interpretive and educational programs, and enforcement and surveillance activities for the area;

"(E) an estimate of annual costs of the proposed designation, including costs of personnel, equipment and facilities, enforcement, research, and public education; and

"(F) proposed regulations to implement the measures referred to in subparagraphs (A), (C), and (D).

"(2) TERMS OF DESIGNATION.—The terms of designation of a sanctuary shall include, among other things, the geographic area included within the sanctuary, the characteristics of the area that give it conservation, recreational, ecological, historical research, educational, or esthetic value, and the types of activities that will be subject to regulation by the Secretary in order to protect those characteristics. The terms of designation may be modified only by the same procedures by which an original designation is made.

"(3) FISHING REGULATIONS.—The Secretary shall provide the appropriate Regional Fishery Management Council with the opportunity to draft regulations for fishing within the United States Fishery Conservation Zone as may be necessary to implement the proposed designation. Draft regulations prepared pursuant to this section shall fulfill the purposes and policies of this title and the goals and objectives of the proposed designation. In preparing the draft regulations,

the Regional Fishery Management Council shall also use as guidance the national standards of section 301(a) of the Act of 1976 to the extent that the standards are consistent and compatible with the goals and objectives of the proposed designation. If the Council declines or fails to prepare the draft regulations in a timely manner, the Secretary shall prepare them.

"(4) COMMITTEE ACTION.—After receiving the prospectus under subsection (a)(1), the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate may each hold hearings on the proposed designation and on the matters set forth in the prospectus. If, within the forty-five-day period of continuous session of Congress beginning on the date of submission of the prospectus, either committee issues a report disagreeing with one or more matters addressed in the prospectus, the Secretary shall consider the report before designating the national marine sanctuary.

"(b) TAKING EFFECT OF DESIGNATIONS.—

"(1) In designating a national marine sanctuary the Secretary shall issue a notice of the designation together with final regulations to implement the designation and any other matters required by law and submit such notice to the Congress. No designation may occur until the expiration of the period for committee action under subsection (a)(4). Such designation and regulations shall take effect after the close of a review period of ninety days of continuous session of Congress beginning on the day on which the designation notice is issued unless—

"(A) the Congress disapproves the designation, or any of its terms, by adopting a resolution of disapproval described in subsection (b)(3); or

"(B) in the case of a national marine sanctuary that is located partially or entirely within the jurisdiction of one or more States, the Governor(s) affected certifies to the Secretary that the designation or any of its terms are unacceptable. In the event of such certification, the designation or the unacceptable term shall not take effect in the area of the sanctuary lying within the jurisdiction of the State.

"(2) If the Secretary considers that actions taken under paragraphs (A) or (B) will affect the designation in such a manner that the goals and objectives of the sanctuary cannot be fulfilled, the Secretary may withdraw the designation.

"(3) For the purposes of this subsection, the term 'resolution of disapproval' means a concurrent resolution which states after the resolving clause the following: 'That the Congress does not approve the national marine sanctuary designation entitled that was submitted to Congress by the Secretary of Commerce on .', the first blank space being filled with the title of the designation and the second blank space being filled with the date on which the notice was submitted to Congress. In the event that the disapproval is addressed to one or more terms of the designation, the resolution shall state: 'That the Congress approves the national marine sanctuary designation entitled that was submitted to Congress by the Secretary of Commerce on , but disapproves the following terms of such designation: .', the first blank space being filled with the title of the designation, the second blank space being filled with the date on which the notice was submitted to Congress, and the third blank space referencing each term of the designation which is disapproved.

"(4) In computing the forty-five- and ninety-day periods of continuous session of Congress pursuant to section 304(a)(4) and section 304(b)(1) respectively—

"(A) continuity of session is broken only by an adjournment of Congress sine die, and

"(B) the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain are excluded.

"(5) All permits, licenses, and other authorizations issued under any other authority of law that pertain to activities carried out in the area designated as a national marine sanctuary shall continue to be valid unless the regulations implementing the designation provide otherwise.

"SEC. 305. INTERNATIONAL APPLICATION OF REGULATIONS AND NEGOTIATIONS.

"(a) REGULATIONS.—The regulations issued under section 304 shall be applied in accordance with recognized principles of international law, including treaties, conventions, and other agreements to which the United States is signatory. Unless the application of the regulations is in accordance with such principles or is otherwise authorized by an agreement between the United States and the foreign state of which the affected person is a citizen or, in the case of the crew of a foreign vessel, between the United States and flag state of the vessel, no regulation applicable to areas or activities outside the jurisdiction of the United States shall be applied to a person not a citizen of the United States.

"(b) NEGOTIATIONS.—After the taking effect under section 304 of a national marine sanctuary that applies to an area or activity beyond the jurisdiction of the United States, the Secretary of State shall take such action as may be appropriate to enter into negotiations with other governments for the purpose of arriving at necessary arrangements with those goverments for the protection of the sanctuary and to promote the purposes for which it was established.

"SEC. 306. RESEARCH AND EDUCATION.

"The Secretary shall conduct such research and educational programs as are necessary and reasonable to carry out the purposes and policies of this title.

"SEC. 307. ANNUAL REPORT ON AREAS BEING CONSIDERED FOR DESIGNATION.

"On or before November 1 of each year, the Secretary shall submit a report to the Congress setting forth information on those sites which the Secretary will be actively considering for sanctuary designation during the current fiscal year. Such information for each site shall include, to the extent available at time of submission, the following:

"(1) a description of the resources and other values which make the site nationally significant;

"(2) present and potential human uses;

"(3) impacts of present and potential activities;

"(4) existing State and Federal regulatory and management authorities;

"(5) boundary options;

"(6) regulatory options; and

"(7) potential research and educational benefits.

"SEC. 308. ENFORCEMENT.

"(a) IN GENERAL.—The Secretary shall conduct such enforcement activities as are necessary and reasonable to carry out this title. The Secretary shall, whenever appropriate, utilize by agreement the personnel, services, and facilities of other Federal departments, agencies, and instrumentalities, or of State departments, agencies, and instrumentalities, on a reimbursable basis in carrying out his responsibilities under this title.

"(b) CIVIL PENALTIES.—

"(1) Any person subject to the jurisdiction of the United States who violates any regulation issued under this title shall be liable for a civil penalty of not more than $50,000 for each such violation, to be assessed by the Secretary. Each day of a continuing violation shall constitute a separate violation.

"(2) No penalty shall be assessed under this subsection until the person charged has been given notice and an opportunity to be hears. Upon failure of the offending party to pay an assessed penalty, the Attorney General, at the request of the Secretary, shall commence action in the appropriate district court of the United States to collect the penalty and to seek such other relief as may be appropriate.

"(3) A vessel used in the violation of a regulation issued under this title shall be liable in rem for any civil penalty assessed for such violation and may be proceeded against in any district court of the United States having jurisdiction thereof.

"(c) JURISDICTION.—The district courts of the United States shall have jurisdiction to restrain a violation of the regulations issued under this title, and to grant such other relief as may be appropriate. Actions shall be brought by the Attorney General in the name of the United States. The Attorney General may bring suit either on his own initiative or at the request of the Secretary.

"SEC. 309. AUTHORIZATION OF APPROPRIATIONS.

"To carry out this title, there are authorized to be appropriated not to exceed the following sums:

"(1) $2,264,000 for fiscal year 1984.

"(2) $2,500,000 for fiscal year 1985.

"(3) $2,750,000 for fiscal year 1986.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from North Carolina (Mr. JONES) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. JONES).

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2062.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

● Mr. BREAUX. Mr. Speaker, as chairman of one of the subcommittees responsible for this legislation, I would like to rise in support of the bill which our distinguished chairman of the Committee on Merchant Marine and Fisheries has brought before the House. The bill represents an extensive and commendable effort on the part of the members of our committee and their staff, and if enacted, I believe this bill will substantially

strengthen the marine sanctuaries program.

Since its inception in 1972, the marine sanctuaries program has been the subject of extensive controversy both publicly and within the Congress. While providing an excellent opportunity to protect unique and fragile areas of the marine environment, the program has also, unfortunately, been used as a tool to hamper legitimate offshore development and resource utilization. Admittedly, such problems have been largely attributable to the failure of Congress in 1972 to provide clear and specific guidance as to the objectives of this program.

The bill before us clarifies that the marine sanctuaries program is not to be used as an oceanwide management tool but is simply a means to protect relatively small, discrete areas of the marine environment where existing State and Federal authorities are inadequate. Such areas must possess certain unique characteristics of national significance which not only should, but can be managed as a unit. Furthermore, this bill specifies that while the overall thrust of the program is to protect such unique areas from degredation, we have not created another wilderness area system in which man's activities are to be excluded in all cases. Instead, man's activities are to be permitted, and in some cases encouraged, in marine sanctuaries to the extent that such activities do not detract from the integrity of the sanctuary.

Over the years, many ocean resource user groups have indicated a need for greater access to a better defined decisionmaking process regarding marine sanctuary designations. In this bill we have provided explicit guidelines to the Secretary of Commerce for evaluating and ultimately selecting proposed marine sanctuary sites. Such proposals are then to be submitted to the Committee on Merchant Marine and Fisheries in the House and the Committee on Commerce, Science and Transportation in the Senate for our evaluation. It is intended that these committees will provide a forum to hear and evaluate disputes raised by those interests directly impacted by proposed marine sanctuary designations and to make responsible recommendations to the Secretary thereon. Since this bill retains an ultimate congressional veto provision, I fully expect that the Secretary will seriously consider congressional recommendations in the final sanctuary designation.

H.R. 2062 further provides for the use of the extensive expertise of the Regional Fishery Management Councils to develop draft regulations which pertain to fishing within marine sanctuaries. In developing such regulations, the Councils are to follow the national standards for fishery conservation and management found in the Fishery Conservation and Management Act (FCMA), but only to the extent that such standards are consistent with the goals and objectives of the proposed sanctuary and title III of the Marine Protection, Research and Sanctuaries Act. By virtue of the existing process under the FCMA, any such regulations which become final and which pertain to a fishery currently managed under a fishery management plan (FMP) will be automatically incorporated into the existing FMP.

Mr. Speaker, once again I would like to stress that, in addition to providing a reauthorization, H.R. 2062 should go some way to satisfying the concerns of ocean resource user groups regarding the proper scope of this important program. I strongly believe the bill represents a positive alternative to existing law and would conclude by urging my colleagues to support this important legislation.●

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2062 is a bill to reauthorize the national marine sanctuaries program. This is a small program, relatively speaking, but one that always draws attention from the Committee on Merchant Marine and Fisheries. I am pleased to bring before the House a compromise package which has broad support among committee members.

This program is a modest one, but it is successful and popular. The reauthorization of this law is supported by the administration.

The first sanctuary was established in 1975 to protect the wreck of the U.S.S. *Monitor*, a civil war ironclad. That sanctuary is located off the shores of my district. I would just like to add, Mr. Speaker, that this wreck is a source of pride to North Carolinians. What the entire Confederate navy failed to do at the expense of many ships and lives, was done without even one cannonblast by the seas of North Carolina's Outer Banks.

This wreck was undiscovered and undisturbed for over a century, but once found was endangered by uncontrolled salvage operations. Designation as a marine sanctuary has served to protect this national treasure. Other nationally significant resources of historical or biological importance deserve equal protection, and therefore, I fully support the program's reauthorization.

H.R. 2062, as reported, substantially amends title III of the Marine Protection, Research and Sanctuaries Act. It sets forth explicit purposes and policies for the program. It establishes standards for the Secretary of Commerce to apply when assessing marine areas for sanctuary designation. It outlines site designation procedures for the Secretary to follow, including broadened consultations with affected parties, participation by regional fishery management councils in the drafting of fishing-related regulations and a 45-day period for Congress to review proposed sanctuaries. It also extends the period now set aside for congressional disapproval of a specific designation from 60 to 90 days.

H.R. 2062 is a carefully crafted compromise bill. It represents long hours of effort on the part of many people. I want to commend the members of the committee, both majority and minority, for their work on the bill. The sanctuary program is an important marine conservation program. I strongly believe that H.R. 2062 will strengthen the program and I urge my colleagues to support this bill.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2062, which reauthorized the national marine sanctuary program.

The bill before the House represents an agreement between interested members of the committee on the issue of the appropriate role and involvement of Congress and other interested parties in the designation of marine sanctuaries. Specifically, it mandates a 45-day congressional review period—during which time the appropriate House and Senate committees may hold hearings on a proposed sanctuary designation and may issue reports to the Secretary of Commerce. H.R. 2062 also gives the appropriate Regional Fishery Management Councils the authority to draft regulations pertaining to fishing interests in a sanctuary.

We have been in the trenches over this relatively tiny program since its enactment in 1972. Much of the debate stemmed from the lack of congressional intent with regard to the scope and purpose of the program. In its youth, the marine sanctuary program was perceived by many as a management tool for locking up vast areas of the marine environment. This was never the intent of Congress. NOAA responded to past confusion and controversy by instituting a new site selection and designation process. For the most part, that process has been incorporated into the bill before us today.

With H.R. 2062, I believe we have finally fashioned a program which facilitates public and private use and enjoyment of the marine environment, complements existing regulatory authority in the marine sanctuaries, and meets the critical goal of the act—to protect areas of the marine environment of special, national significance. Further, the funding levels in the bill are realistic and for fiscal year 1984 reflect the administration's request, as well as those contained in the fiscal year 1984 appropriation bill.

Mr. Speaker, I support H.R. 2062 and urge the support of my colleagues.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I rise in strong opposition to this bill and urge its rejection by the House.

H.R. 2062 is spoken of as a compromise by its supporters. In reality, it is nothing more than a rewrite of existing law. Further, by passing this bill, this House will be renouncing it obligation to insure that our public lands and waters are wisely managed. The House will continue to support a law that is opposed by every major user of the marine environment. It will be closing its eyes to an attempt to stop all commercial use of our oceans. At a time when we are giving serious consideration to the proper development of our commercial fishing industry and to offshore oil, gas, and mineral deposits, we will be leaving all power in the hands of an appointed bureaucrat to decide the fate of large areas of our waters.

This is unprecedented in the case of every major land decision made by this Congress. While I may not agree with every decision made on wilderness areas, national parks, and so forth, I at least know that every proposed area has been subject to full review by the Congress. Yet, in the case of a marine sanctuary, there is no requirement for congressional review. We may hold a hearing, if we like. We have the opportunity to veto regulations—an opportunity, I might add, that is now being reviewed by the courts and may be denied us.

Yet there is no opportunity to take positive congressional action to designate a sanctuary and thereby insure that a sanctuary is necessary and desirable and that it could not be modified by the next bureaucrat to come along.

In passing this bill, the House Merchant Marine and Fisheries Committee ignored the testimony of every major fishing industry group in the United States. This is the same committee that found that the development of our fishing industry is a national priority. Yet, this committee responded to the requests of the marine sanctuary program people who want nothing more than another entrenched bureaucracy so they can keep spending the public's money.

Let me give you an example that was published in the Washington Post of June 10. According to the Post, a sanctuary is being established near Assateague Island, in spite of opposition from local governments, fishermen who use the area, and oil companies that have valid leases which will be worthless once the sanctuary is established. The senior program analyst from the Department of Commerce who was interviewed on this matter dismisses the oppostion by saying that "the local folks are misinformed." He also admits that the sanctuary could stop commercial fishing and that the pipeline which is soon to be put in place to bring oil to shore would probably be incompatible with the sanctuary.

Mr. Speaker, what sort of priority are we establishing in this country? Here is an appointed bureaucrat dismissing the valid concerns of American citizens as uninformed while doing what is necessary to destroy the economic livelihood of an area that is not too rich to begin with. I ask the Members of this body: Do you want to see the bureaucracy decide what is best for the people of the United States? Do you want this to happen in your area, without even the benefit of congressional review? Why are we ignoring our responsibilities as Members of this body?

If you vote for this bill, you might as well resign your office and go home. Your constituents will not need you anymore, all they have to do is fight the executive branch and you certainly are not helping them do it. If we vote for this bill, we might as well abolish the Congress, because we will have taken the first step toward destroying the system of checks and balances that were set in place by our Constitution.

Mr. Speaker, I think that this bill should be buried so deeply that it will never be able to come up for air. I urge a "No" vote on H.R. 2062.

Mr. JONES of North Carolina. Mr. Speaker, in reply to the gentleman from Alaska, I am a little disappointed that he does not have more faith in the Committee on Merchant Marine and Fisheries. We have 45 days to veto and review these propositions.

I assure the gentleman that we will be very zealous in our duties and responsibilities in that area, if that helps to any degree.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FORSYTHE. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Speaker, I rise in support of H.R. 2062 and I would also like to associate myself with the remarks made by my colleagues. H.R. 2062 is the result of a truly bipartisan effort to report a bill that addresses the concerns of interested parties and provides a concise statement of congressional intent for the national marine sanctuary program.

H.R. 2062 reauthorizes the national marine sanctuary program at the level the administration supports for fiscal year 1984. The bill reauthorizes the program for 3 years: Fiscal year 1984—$2.261 million; fiscal year 1985—$2.5 million; and fiscal year 1986—$2.75 million. It also codifies the recently implemented marine sanctuaries program development plan.

I think the issues surrounding the national marine sanctuary program, brought out before the committee necessitated a change in the law. Numerous parties expressed concerns that the current law does not provide the program with adequate congressional direction. This program has caused interest groups to go on the defensive, based upon a perception of another unnecessary Federal tier of management and regulation.

H.R. 2062 addresses the aforementioned concerns in the following ways: First, in order for the Secretary to designate discrete areas of the marine environment as a national marine sanctuary and promulgate regulations implementing the designation the Secretary must determine—(a) the area is of special national significance due to its resource or human-use values; (b) existing State and Federal authorities are inadequate to insure coordinated and comprehensive conservation and management of the area, including provisions for resource protection, scientific research and public education, and that designation of such area as a national marine sanctuary will facilitate these objectives; (c) the area is of a size and nature which will permit comprehensive and coordinated conservation and management; second, it requires that the Secretary of Commerce consult with Congress, the Secretaries of the appropriate Federal agencies, appropriate officials of any State that will be affected by the National marine sanctuary, and the appropriate officials of any regional fishery management council and other interested persons; third, it increases the congressional oversight and review of the program and specific proposed sites by a 45-day congressional review period prior to final sanctuary designation; and fourth, the Secretary must provide the appropriate regional fishery management council with the opportunity to draft regulations for fishing within the U.S. fishery conservation zone needed to implement the proposed designation with the stipulation that the draft regulations will fulfill the purposes and policies of the marine sanctuary program and the goals and objectives of the proposed designation.

H.R. 2062 will give the marine sanctuaries program focus and definition which has been lacking in the past. It also allows for more public input in the site designation process. I would strongly urge my colleagues to support the passage of this legislation.

Mr. Speaker, I think those concerns expressed by the gentleman from Alaska are legitimate concerns and were the reasons why the committee

changed the legislation this time. We had problems in the preceding years.

□ 1315

I think some so-called bureaucrats did get a little off base, and so we tightened this up so that the committee and the Representatives from those States will have a lot to say.

Now, we only have six of these around the entire coast of America. We are going to go very slow, and I think that the Congress is going to have a chance to monitor this program, see how it works. After the hearing, and talking to these people, I am convinced that they are going to go slow and that we in Congress are going to have a lot of input. If we do not like what they are going to do, why, we can veto what they have done.

I would agree with the gentleman. We will watch closely, and we will certainly listen to his concerns. If there is any sanctuary that is put on the list that the gentleman is opposed to, I can tell the gentleman that the committee is going to be very hard about having this approved.

The gentleman has to remember that the one he suggested is 1 of 29 that were just put on the list to look at.

So I think we have tightened this up, and I think we have now finally gotten a balance.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Can we use an analogy: Let us say that the island we speak of, that I mentioned in my statement, the Department decides to go forth with and make it a sanctuary. What can this committee do?

Mr. PRITCHARD. Well, it is my understanding that when a sanctuary—even under the old bill—was being considered for Alaska, one call from one of the Representatives of Alaska immediately had that sanctuary scratched. I know the great power of this gentleman from Alaska and how much respect those people over in the Bureau have for this gentleman, and I can assure the gentleman that if his influence is not enough, well, my meager influence will be added to the gentleman's. And maybe between the two, we will not have to worry about this.

Mr. YOUNG of Alaska. My point is, let us take this island as an example. Now, we have the Department of Commerce saying the local folks are misinformed. Let us say, for instance, that maybe the Repesentative outside of that area decides that this is the best special interest group to make it a marine sanctuary. Without any hearings, this can occur; can it not?

Mr. PRITCHARD. Well, I believe they have to have hearings, and I believe they have to consult with Congress. I would just assure this gentleman that Senator TRIBLE calls, Senator WARNER calls, or the Congressman from that area, we have had assurances that within the next 2 years they are going to go very slow and very careful. Now, if they do not, well, I will be joining with the gentleman to make sure that we veto any of the actions they take.

Mr. YOUNG of Alaska. Well, all I can say is, it is the only time that we as a committee or this Congress have allowed the bureaucracy to establish the areas of wilderness or parks without actions of the Congress.

Now, our sanctuary is a marine park. If we have any other actions, if one man decides that is to be a marine sanctuary, he is the one to make that decision without any public input, without any action on the floor of the House, without any congressional voting, without any Presidential signing. I do not believe that is the appropriate way to create marine sanctuaries, because there are conflicting uses of these areas, and those uses should be heard from, not just through the Department itself, but in a congressional committee. And that is my argument.

I do not know, and I said in the committee before, what is the big rush to give the bureaucracy the authority which the Congress should hold in its hands which we are charged with as we are elected. I have never understood why this bill is such an important factor. If we want resource sancturaries, then let us act on it, as we should, but not have an agency decide what is and what is not a sanctuary.

Mr. PRITCHARD. Well, let me just say this to the gentleman: It is very hard for this Congress to make all of the decisions. The gentleman and I certainly would not want to have Congress making all of the decisions on oil leases and when the bureaucracy allows certain companies to go out and buy oil rights out there. We cannot run all of those things through. But in this case, we have a lot of power and a lot of influence, and we have been assured we are going to have this influence. All I say is that if the gentleman has any wilderness area as sanctuary in Alaska, that you have a question, why, you talk to myself—the gentleman will not need to, because of his influence—but if the gentleman feels a little short of influence, why, talk to the other Members. I know the ranking minority member will also support the gentleman, and we will make sure that his views are given strong, strong support.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thoroughly agree with what my colleague, the gentleman from Alaska, has said during the past 12 years. But the thing that we are doing now is to close down some of this awesome power that he claims that the bureaucracy has gained, and that was done in 1972 with the original enactment. There were problems, and that is why we are here today with an amendment that does not, no, go as far as bring every designation to a natural resolution in the Congress, but it does provide for a review period for Congress, and it does provide that the Congress can act if it sees fit to prevent the designation going forward.

Now, it does mean that the Congress has to initiate that action instead of the bureaucracy trying to find a way to get it through Congress, which makes it somewhat less automatic as my colleagues might wish. But I think it is much stronger than we have had in the past; so truly I hope my friend does rest a little bit easier. I assure him that I do not think he is going to get many resignations over his proposition he has put to us today.

I hope that the House will support this legislation.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. JONES) that the House suspend the rules and pass the bill, H.R. 2062, as amended.

The question was taken.

Mr. YOUNG of Alaska. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

HEALTH PROMOTION EXTENSION

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2712) to extend title XVII of the Public Health Service Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2712

A bill to extend title XVII of the Public Health Service Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1701(b) of the Public Health Service Act (42 U.S.C. 300u(b)) is amended by striking out "and" after "1981," and by inserting before the period a comma and the following: "$8,000,000 for the fiscal year ending September 30, 1984, and $9,000,000 for the fiscal year ending September 30, 1985, and $10,000,000 for the fiscal year ending September 30, 1986".

SEC. 2. Section 329(d)(2) of the Public Health Service Act (42 U.S.C. 247(d)(2)) is amended by inserting before the semicolon the following: "and the costs of repaying loans made by the Farmer's Home Administration for buildings".

SEC. 3. Section 2(b) of the Alcohol and Drug Abuse Amendments of 1983 (97 Stat. 181) is amended—

(1) by striking out "210" in paragraph (2) and inserting in lieu thereof "201"; and

(2) by striking out "201, 301" in paragraph (13) and inserting in lieu thereof "301, 201".

The SPEAKER pro tempore. Is a second demanded?

Mr. WHITTAKER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore (Mr. JONES of North Carolina). Without objection, a second will be considered as ordered.

There is no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. WAXMAN) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. WHITTAKER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill is a simple extension of the authorities of the Public Health Service Act that provide for health promotion and disease prevention activities within the Department of Health and Human Services. It is virtually identical to a bill that was passed by this House last year, but not acted upon by the Senate.

The health promotion program of HHS provides the public, educators, and professionals with information that allows them to understand and use the principles of public health. Such use is vital as the public health problems of the eighties increasingly include those chronic problems and conditions for which health information, education, and promotion are important—and sometimes the only—types of prevention available to society. This authority provides the Secretary with a specific vehicle to foster more effective strategies and methods for use by the many public and private sector groups that sponsor health promotion programs.

This reauthorization enjoys strong bipartisan support. The administration supports the program and the bill was voted out of the Health Subcommittee and the full Commerce Committee by voice votes.

I urge my colleagues to support the legislation.

Mr. WHITTAKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2712, a bill which provides for a simple extension through fiscal year 1986 of the health information and health promotion programs authorized under title 17 of the Public Health Service Act. These education, information, and promotion activities form the cornerstone of the Department of Health and Human Services prevention initiative.

The authorization levels in the bill are $8 million for fiscal year 1984, $9 million for fiscal year 1985, and $10 million for fiscal year 1986. During subcommittee markup, a technical amendment was offered to allow migrant health centers to repay loans made by the Farmers Home Administration (FmHA) for the construction of new buildings. A similar amendment to allow community health centers this option was made part of the Orphan Drug Act of 1982.

The bill as amended received bipartisan support and was reported by the Committee on Energy and Commerce by voice vote on May 10, 1983.

The bill being considered today also includes a technical amendment for purposes of correcting several typographical errors in Public Law 98-24, the Alcohol and Drug Abuse Amendments of 1983.

This bill is noncontroversial and should be adopted under suspension of the rules. I therefore urge my colleagues to support this legislation, and further request the House to suspend the rules and pass H.R. 2712.

Mr. WAXMAN. Mr. Speaker. I yield such time as he may require to the delegate from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 2712, to extend through fiscal year 1986, the authorization of the health information and health promotion programs under title XVII of the Public Health Service Act.

Nothing is more true than the old adage that "one ounce of prevention is worth a pound of cure." Individuals who are better informed about health and healthy lifestyles are more likely to make responsible choices about their own health care and health habits.

The health information and health promotion programs authorized under title XVII of the Public Health Service Act are very important for Puerto Rico and the States toward achieving their goals of providing the public, educators, and professionals with information that will allow them to understand and use the principles of public health.

These programs enable the Secretary of HHS, among others, to formulate national goals, with respect to health information and health promotion, preventive health services, and education in the appropriate uses of health care; to undertake and support necessary activities and programs to incorporate appropriate health education components into all aspects of education and health care; to increase the application and use of health knowledge by the general population in its pattern of daily living; and to foster the exchange of information respecting research, demonstration, and training program in health information and health promotion. Also, it creates an office within the Department of HHS of Health Information and Health Promotion to coordinate all activities within the Department and similar activities of organizations in the private sector which relate to health information and health promotion; and to establish a national information clearinghouse to facilitate the exchange of information on health promotion.

Keeping our people informed, and promoting better health habits is one step forward toward achieving the goal of a healthy society. I urge all my colleagues to support H.R. 2712.

● Mr. DINGELL. Mr. Speaker, today the House is considering legislation to provide for a simple extension through fiscal year 1986 of the Health Information and Health Promotion programs authorized under title XVII of the Public Health Service Act. I enthusiastically support H.R. 2712.

The legislation is needed to maintain and expand activities that are an essential part of a national prevention strategy. The quality of health in the United States is more likely to be improved when individuals are better informed about health and healthy lifestyles. Informed individuals are more likely to make responsible choices about their own health care and health habits.

The Health Information and Health Promotion programs and grants provided by this bill will prevent illness by educating the public in the appropriate use of health care. The cost-benefit ratios of such services are anti-inflationary because the alternative is more costly therapy and institutional care.

Accordingly, I urge my colleagues to approve H.R. 2712.●

Mr. WAXMAN. Mr. Speaker, I urge my colleagues to support this legislation, and I yield back the balance of my time.

Mr. WHITTAKER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill, H.R. 2712, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PUBLIC HEALTH EMERGENCIES

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2713) to amend the Public Health Service Act to authorize appropriations to be made available to the Secretary of Health and Human Services for research for the cause, treat-

ment, and prevention of public health emergencies, as amended.

The Clerk read as follows:

H.R. 2713

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Public Health Service Act is amended by inserting after section 318 the following new section:

"PUBLIC HEALTH EMERGENCIES

"SEC. 319. (a) If the Secretary determines, after consultation with the Director of the National Institutes of Health, the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, the Commissioner of the Food and Drug Administration, or the Director of the Centers for Disease Control, that—

"(1) a disease or disorder presents a public health emergency, or

"(2) a public health emergency otherwise exists and the Secretary has the authority to take action with respect to such emergency,

the Secretary, acting through such Director, Administrator, or Commissioner, may take such action as may be appropriate to respond to the public health emergency, including making grants and entering into contracts and conducting and supporting investigations into the cause, treatment, or prevention of a disease or disorder described in paragraph (1).

"(b)(1) There is established in the Treasury a fund designated the 'Public Health Emergency Fund' to be available to the Secretary without fiscal year limitation to carry out subsection (a). There is authorized to be appropriated to the fund $30,000,000 for fiscal year 1984. For fiscal year 1985 and each fiscal year thereafter there is authorized to be appropriated to the fund such sums as may be necessary to have $30,000,000 in the fund at the beginning of such fiscal year.

"(2) The Secretary shall report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate not later than ninety days after the end of a fiscal year—

"(A) on the expenditures made from the Public Health Emergency Fund in such fiscal year; and

"(B) describing such public health emergency for which the expenditures were made and the activities undertaken with respect to each emergency which were conducted or supported by expenditures from the Fund.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion. The gentleman from California (Mr. WAXMAN) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. WHITTAKER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill creates a fund for use in the event of public health emergencies. A number of such emergencies have occurred recently.

The Tylenol episode frightened the country for weeks and cost the Federal Government millions of dollars.

The outbreak of the new acquired immune deficiency syndrome (AIDS) has been described by one public health official as the most significant epidemic since polio. Another says since smallpox.

The Food and Drug Administration has recently had to carry out three of the largest recalls of lethally contaminated food in history: botulistic salmon, poison mushrooms, and badly formulated infant formula.

No matter how well the executive or legislative branches may organize themselves, no one can plan a year in advance for such problems.

The fund created by this bill is to be available to the Secretary of HHS for use in investigating the cause, treatment, or prevention of the causes of health emergencies. The fund is initially authorized for $30 million in fiscal 1984 and for such sums as necessary to replenish the fund to that level at the beginning of each succeeding fiscal year.

The bill enjoys strong bipartisan support. It was passed by the Subcommittee on Health by a vote of 17 to 1 and by the full Commerce Committee by voice vote.

I urge my colleagues to support the legislation.

□ 1330

Mr. WHITTAKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2713, legislation which provides the Secretary of the Department of Health and Human Services a permanent revolving fund to respond quickly and responsively to public health emergencies.

H.R. 2713 creates a public health emergency fund to provide for research and investigations into the cause, treatment, and prevention of diseases or conditions which the Secretary has determined presents a public health emergency. It is intended that these funds will be used by the National Institutes of Health, the Alcohol, Drug Abuse, and Mental Health Administration, the Food and Drug Administration and the Centers for Disease Control in carrying out their responsibilities under the Public Health Service Act.

Funding is at a level of $30 million and whatever appropriations are necessary to bring the fund to a level of $30 million at the beginning of each fiscal year. The bill also requires that the Secretary report yearly to the Committee on Energy and Commerce on the expenditures made from the fund for activities undertaken in response to public health emergencies.

This legislation does not represent a new proposal for the Public Health Service. A similar request was made in 1982, by then Secretary of Health and Human Services, Richard Schweiker. At that time, he requested $20 million for this purpose and in testimony before our committee stated that:

> In the past, public health service efforts were hampered by complex financing mechanisms that delay the actual provision of services and the obligation of funds. The establishment of an emergencies response fund would enable the Department to respond quickly and effectively.

Recent public health emergencies have been as large and even larger than those experienced in 1981 and 1982. The outbreak of acquired immune deficiency syndrome (AIDS) and the Tylenol tampering incident are only current examples of public emergencies which could benefit from assistance provided through this fund.

On May 12, 1983, the Committee on Energy and Commerce reported H.R. 2713 with amendment by voice vote. I believe the bill should be treated favorably under suspension of the rules and urge my colleagues to support this very important and needed piece of legislation.

Therefore, Mr. Speaker, I ask the House to suspend the rules and pass H.R. 2713.

Mr. WAXMAN. Mr. Speaker, it is my pleasure to yield such time as he may consume to the distinguished gentleman from Puerto Rico for such comments as he wishes to make.

Mr. CORRADA. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of H.R. 2713, to amend the Public Health Service Act to authorize appropriations to be made available to the Secretary of Health and Human Services for research for the cause, treatment, and prevention of public health emergencies.

Under the Public Health Service Act, the Department of Health and Human Services have a constant responsibility to protect the public health generally and to provide prompt and effective assistance to States and to Federal agencies in emergency situations that pose a threat to the public health.

In the past few years unknown diseases have broken out in epidemic proportions which has called upon the Public Health Service to respond quickly. These unexpected health crises are in some instances so frequent, great, or serious that contingency funds are exhausted thus forcing the Public Health Service to divert funds from other existing activities.

This bill will enable the Department of Health and Human Services to better protect the health and well-being of all the residents living in Puerto Rico as well as in the Nation from these threats to the public health by creating a permanent revolving fund for use by the Secretary of HHS in responding effectively to these emergencies without deferring other also important activities.

The speed and comprehensiveness of the initial response to health emergencies is critical to insure the well-being of our citizens. Needless death, disability, and illness can be averted by immediate action. I urge all my colleagues to support this bill.

Mr. WHITTAKER. Mr. Speaker, I yield such time as he may consume to my friend and colleague, the gentleman from Utah (Mr. NIELSON).

Mr. NIELSON of Utah. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of this bill. When H.R. 2713 first came to the Energy and Commerce Committee, the Health and Environment Subcommittee, I opposed it because I felt it would open up an avenue which was not a proper avenue. In close cooperation with the gentleman from California, Mr. WAXMAN, the chairman, we devised a means of a revolving fund which I approve of. I think it is a very good piece of legislation, and very responsible.

I would have preferred a slightly smaller number as far as the cap is concerned, but as long as they report each year to the Energy and Commerce Committee and have to justify the expenditures thoroughly, I believe we have adequate supervision of the fund.

I, therefore, rise in support of this bill.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. WHITTAKER. I would be happy to yield to my colleague, the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from Utah (Mr. NIELSON) for his contributions to this legislation. He brought to our attention a number of points that we wanted to make sure were pinned down in creating a revolving fund, but he, in doing so, played a very constructive role in giving us what Secretary Schweiker thought was needed by the Department of Health and Human Services so that we could respond in an appropriate and quick manner to any public health emergency.

I want to thank him and commend him for his activities in our subcommittee.

● Mr. GREEN. Mr. Speaker, I am pleased to have the opportunity to speak today in behalf of H.R. 2713, which would establish a public health emergency fund. This bill would help us respond adequately to those public health emergencies which we cannot predict. In the past few years unknown diseases, such as AIDS (acquired immune deficiency syndrome), have broken out in epidemic proportions, lethally contaminated foods and drugs have been recalled and previously controlled illnesses have reappeared. H.R. 2713 would give the Secretary of Health and Human Services the discretion to respond through the Food and Drug Administration (FDA), the Centers for Disease Control (CDC), the National Institutes of Health (NIH), or the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA). As a cosponsor of this bill, I am asking you to lend your support to this vital measure. It is only through legislation such as this that we can begin to insure sufficient funds to provide the much needed health services necessary during these crises situations.

As you are well aware, those of us supporting additional fiscal year 1983 funds for AIDS, were not recently successful in including an amendment designating and extra $12 million in the fiscal year 1983 supplemental appropriations bill for combative research. It is now our opportunity to help secure an appropriate level of fiscal year 1984 funds for this epidemic and others that we may have to face during the upcoming year.●

● Mr. DINGELL. Mr. Speaker, today the House is considering legislation to authorize appropriations for a permanent revolving fund to be used by the Secretary of Health and Human Services in responding to public health emergencies.

Recent reductions in the size and flexibility of Federal health services and grant programs have posed a threat to the public health. It has been more difficult for Federal agencies to respond quickly to unanticipated public health crises without the diversion of funds from important ongoing activities.

The Public Health Service has a responsibility to protect the public health and to provide prompt assistance in emergency situations such as the "Tylenol scare," the acquired immune deficiency syndrome (AIDS) epidemic, or the rabies outbreak in wild animals that now threatens human population centers.

We cannot plan a year in advance for contaminants, epidemics, or emergencies. We must be in a position to effectively respond to these crises. Accordingly, I urge my colleagues to approve H.R. 2713.●

Mr. WHITTAKER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. JONES of North Carolina). The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill, H.R. 2713, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

EMERGENCY FOOD ASSISTANCE AND COMMODITY DISTRIBUTION ACT OF 1983

The SPEAKER pro tempore. Pursuant to House Resolution 207, and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1590.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1590) to provide emergency food assistance to low-income and unemployed persons and to improve the commodity distribution program, with Mr. BENNETT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. PANETTA) will be recognized for 30 minutes, and the gentleman from Missouri (Mr. EMERSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, H.R. 1590, the Emergency Food Assistance and Commodity Distribution Act of 1983 is an important part of a continuing effort to provide relief to families and individuals who have been hard hit by the recent recession. It would continue and expand upon a program enacted in the jobs bill, Public Law 98-8, to require the Secretary of Agriculture to distribute surplus Government-owned commodities to those who need, and other deserving recipients.

It would provide a limited amount of administrative funding to effectively achieve these purposes and would establish priorities for receipt of commodities and administrative funding among eligible recipient organizations.

The primary emphasis of this bill is to provide emergency assistance to those in need. Organizations serving emergency needs would receive priority treatment in the receipt of both the surplus commodities and administrative funding. There is ample evidence that such organizations around the country are in dire need of both.

The Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, which I chair, has held bipartisan field hearings around the country on the issue of hunger. While it is impossible for me to convey to you today all that we have seen, felt, and heard, I can tell you that this country faces a very serious problem with regard to hunger. Everywhere we went, whether it was Cleveland, Ohio, Birmingham, Ala., or Los Angeles, Calif., we heard the same story. The use of soup kitchens, food pantries,

and hunger centers is up dramatically in the past 2 years; in some areas by 400 and 500 percent.

□ 1340

The current array of Federal, State, and local programs are simply not meeting the need, and private, voluntary efforts, as commendable as those efforts are—and we saw some extremely encouraging efforts by a number of voluntary operations—are taxed beyond their capacity to respond.

I would like to give the Members some indication of the evidence we were able to find during the hearings. In Cleveland, for example, where they were serving in 1 month last year some 17,000 people, today they are serving 50,000 people per month in their soup kitchens. Maj. John Paul Kelly of the Salvation Army there testified that they could double their efforts in Cleveland today and still not meet the needs.

In Birmingham we received testimony from doctors who testified that the incidence of anemia in children excluded from certain programs was 20 percent. Anemia has terrible consequences, not only in terms of children but also in terms of pregnant women who could experience low birthweight infants or infant mortality.

In Los Angeles, another group serving meals to the impoverished, testified again that a year ago they were serving about 17,000 and this year in the same month they are serving 40,000.

Cheese lines, as we know, have extended for 2 and 3 miles and have sometimes lasted almost 8 hours per day. Some groups now are frustrated in their efforts, and 43 agencies, for example, in Cincinnati are quitting for lack of administrative funding.

So, clearly the need is there and I would recommend to the Members that on June 6, 1983, I included in the RECORD a summary of those hearings and would ask the Members to take a look at the full details that are outlined in that summary.

Only last week the Conference of Mayors issued a finding and study entitled, "Hunger in American Cities," in which their conclusion was that hunger is on the increase in the country. The New York Times reported only within the last few weeks that reports have indicated that the use of soup kitchens had doubled in the country recently.

So the point is this: We are dealing with a serious and growing problem of hunger in the United States. It is a national shame. There is no excuse in this country for one man or woman or child to be hungry.

H.R. 1590 is an attempt to provide some assistance for this problem. It would not solve the problem of hunger in America, but it would help. Most witnesses made clear that the commodities could be well utilized if made available.

By the passage of this bill, Congress will be making the judgment that it is better to provide food for those who need it than to pay considerable costs to store food and run the risk of losing it to spoilage. This legislation is needed to assure that the Secretary will distribute all available commodities, once all other foreign and domestic commitments are met, to those who need and request them, and that adequate administrative funding will be provided.

Up to now the commodity distribution program has been largely limited to dairy products and has been marked by inefficient and sometimes haphazard administration. H.R. 1590 should result in a more orderly and predictable program for States and localities. In addition to increasing the levels of cheese and butter distribution, it will make available for distribution wheat, rice, honey, nonfat dry milk, and other commodities that may be found in surplus in the next 2 years.

I would emphasize that H.R. 1590 strengthens the existing law in terms of requiring the Secretary to operate a surplus commodity distribution program. Unless specifically committed for use elsewhere, these surplus commodities are to be made available to the organizations made eligible by this bill. In my view, the Secretary has not fully utilized the discretion he now has. This bill would mandate that those surpluses be distributed.

While H.R. 1590 would afford the Secretary with some discretion to accommodate other foreign and domestic commitments, I want to make clear that this flexibility is not to be used as an excuse to curtail or avoid domestic commodity distribution. Once specific and reasonable commitments for utilization of surplus commodities have been met, the Secretary would be mandated to provide all available commodities to needy and deserving Americans.

As the principal sponsor of H.R. 1590, I have worked closely with the ranking minority member, the gentleman from Missouri (Mr. EMERSON) in developing this legislation, and I thank him for the work and the cooperation that he has provided, and I thank as well the chairman of the committee for the assistance that he has provided.

In addition, the chairman of the Committee on Education and Labor, and the chairman of the Committee on Foreign Affairs have indicated their support for H.R. 1590 if some noncontroversial amendments addressing their concerns can be offered and adopted on the floor. Both of these amendments, which will be offered by the committee chairman, the gentleman from Texas (Mr. DE LA GARZA) are consistent with the intent of H.R. 1590, and I hope that they will be accepted.

The amendment that Chairman DE LA GARZA will offer on behalf of the Education and Labor Committee would clarify how administrative funding should be utilized. Basically, it states that once certain operating expenses of local emergency feeding centers have been satisfied, the remaining Federal administrative funds should be generally applied by the State to the costs of delivering commodities to emergency and nonemergency recipient organizations alike. The State should not unfairly concentrate its Federal funding on one category of organization ahead of the other. In addition, the amendment makes clear that if sufficient commodities are available and emergency needs have been satisfied, commodities must be delivered to nonemergency organizations.

The amendment that Chairman DE LA GARZA will offer on behalf of the Foreign Affairs Committee would add another protection for the food security wheat reserve. Under the amendment, if any portion of this reserve is utilized for domestic purposes, and corporation stocks are not available for replenishment, replenishment of that amount would occur through purchases with Commodity Credit Corporation funds (without prior appropriation) if an international emergency should deplete whatever grain is left in the reserve. In other words, replenishment of the amount distributed in the United States would be guaranteed, without the need for specific appropriations, if an international emergency requires the use of the entire reserve.

I would add that this amendment comes on top of several other provisions already in H.R. 1590 that are designed to assure replenishment of the food security wheat reserve, if it is utilized. I would stress that use of the reserve is left wholly to the Secretary's discretion. It is to be utilized only if domestic circumstances warrant its use. Only a small portion of the reserve, less than one-thirteenth, could be made available domestically. And if the reserve is utilized, any wheat acquired by CCC thereafter would be applied to replenishing the reserve ahead of any other purpose.

I know that there is a lot of public concern that has been registered with Members of Congress with regard to the use of the wheat reserve. Most of this was in reaction to the bill prior to major improvements made at the committee level. I want to assure my colleagues that virtually all of the religious and antihunger groups concerned with this issue have now indicated their support for this bill in its current form. While many still prefer that the reserve not be utilized at all, they have accepted the committee's

view that a limited amount of the reserve should be made available, if necessary, to feed needy Americans.

Mr. Chairman, the challenge of hunger in America is real. There is no excuse, as I stated, for one man or woman or child to go hungry in a nation as prosperous as ours. Our responsibility, indeed our duty, is to insure that this does not happen. H.R. 1590 is a step in the direction of trying to end hunger in this land. Surely we can do no less.

Mr. Chairman, I urge the Members of the House to approve H.R. 1590.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am pleased to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I certainly support the legislation, but I want to call the attention of the House to one thing. We waived, for the purpose of these private organizations, the provisions of 7 U.S.C. 2013b, but really we ought to, I think, eliminate the section completely.

What that section does, it prohibits a county from having both direct distribution and food stamps, and what has happened is that in every county, when they went to food stamps, there were a lot of people—and they were the ones who were most deserving really—who refused to take food stamps, and because they cannot distribute some milk or some cheese directly, those people have in effect been excluded from these programs.

I just think that we ought to abolish that section and permit a county to do that if they want to. It has no adverse effect at all upon their getting food stamps if they want to do it, but some people do not want to take food stamps. So we ought to abolish that section.

I remember when this was done in 1964, the grocers were the biggest lobbyists for it. But some of these people could take some cheese or some dried milk, and also there are some people who go to the welfare department and they do not want to be on welfare, but they have got to go on welfare to qualify for food stamps. They do not want to do that.

Mr. Chairman, we ought to abolish that section for the counties as well as the private organizations.

Mr. PANETTA. Mr. Chairman, I agree with the gentleman from Iowa (Mr. SMITH). We try to take this one step at a time, and hopefully this bill is a step in the right direction.

Mr. Chairman, I yield back the balance of my time.

Mr. EMERSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 1590, a bill that will take the surplus commodities being stored by the Federal Government and distribute them to people in need of food assistance.

It makes sense to me that surplus commodities held by the Government should be shared with needy people. The lengthy recession and unemployment have caused suffering—no one disputes this. There are positive signs that the economy is turning around—but while this occurs there are people in need. There are Federal food assistance programs designed to help people in need by providing food stamps, school lunches, and other food benefits. These programs subsidize in whole or in part over 95 million meals per day for needy people.

However, at this time it appears that the need for food exceeds the benefits provided under Federal programs. At the same time the Federal Government is storing surplus commodities. That is why, in my mind, if the need for food is present and surpluses are available—distribution should be made to help families who are in need.

There is a second part to any food distribution program—payment of the actual costs of distributing the surplus commodities. I am a firm believer in using the private sector and volunteers whenever possible. The surplus dairy distribution program is a good example of the use of volunteers in Government programs. Individuals and organizations have volunteered their time, trucks, and warehouses to assist in distributing surplus commodities.

However, the subcommittee members have received testimony from both State and local government officials and private groups involved in surplus food distribution that volunteers are not as readily available now and that the agencies either have been or will be charged for transportation, handling, and storage of the surplus commodities.

One of our witnesses was the secretary of agriculture from a Midwestern State. He described their surplus dairy distribution program and stated that the success of the program depended on the cooperation of many community organizations. He mentioned their successful volunteer organization and that his State had not been charged by any warehouse for storage and handling costs involved in their first two distributions. However, in their most recent distribution of surplus dairy products, storage and handling charges have begun to be assessed.

I hope organizations continue to volunteer their services in commodity distribution programs. However, just as this State secretary of agriculture described—volunteers do not last forever and at some point States will be charged for transportation and storage costs.

The primary purposes of H.R. 1590 are:

To continue the surplus commodity distribution program, as contained in the jobs bill, for 2 years.

To require the Secretary to distribute surplus commodities, in excess of domestic or foreign commitments.

To provide reimbursement for actual administrative costs of transporting, handling and storing surplus commodities at the State or local level. Administrative cost reimbursement cannot exceed $50 million.

To require commodities to be processed into forms suitable for home or institutional use.

To permit the Secretary to borrow wheat, in conjunction with any amount borrowed under the jobs bill, from the food security wheat reserve, not to exceed 300,000 metric tons. Replenishment is required by December 31, 1984, and forfeitures are to be used first to replenish the reserve.

At a time when our country is struggling to get back on its economic feet, I believe we should make every effort to help our needy and jobless. This legislation would provide for processing surplus farm commodities into food products, pay for transportation to eligible agencies which will distribute the food, and reimburse the States for the administrative costs involved.

In addition to helping the needy, this program will aid farmers by decreasing the surpluses which have depressed farm prices and it will also reduce the Government costs for storing these surpluses.

I urge Members to support this bill.

□ 1350

Mr. Chairman, I reserve the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the committee, the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Chairman, I want to first commend the gentleman from California, the chairman of the subcommittee, and the gentleman from Missouri, the ranking minority member, for the diligence and the good job they have done in bringing this legislation to the floor. As all of us know, we face a very difficult situation throughout our country for many reasons, but one of the prime factors is that we have people who do not have an adequate diet, more so than the ordinary, and this legislation was artfully crafted to provide safeguards and to provide the necessary input within the limits of the budget and within the limits of available commodities, and I am satisfied that they have done that and it deserves the support of the House and the membership at large to enact this legislation.

Mr. Chairman, I rise today in support of H.R. 1590, the Emergency Food Assistance and Commodity Distribution Act of 1983.

This bill has a simple purpose. It directs the Secretary of Agriculture to use surplus food commodities in Government stocks to feed the hungry among us—particularly the unemployed and needy who are served on an emergency basis by organizations such as food banks and soup kitchens. It also will make food available to aid other more traditional feeding programs—the child nutrition and elderly Americans programs, for example. But its primary emphasis is to furnish food assistance to those who are largely bypassed or shortchanged by the ongoing Federal programs. It will also fill what has been a crucial gap in efforts to aid the needy by supplying some funding to get the commodities into the hands of individuals who need them most.

The recently enacted jobs bill recognized the needs of many for emergency food assistance. It established a program to meet those needs and provide some fund for food distribution. But the program expires on the coming September 30. H.R. 1590 would continue a similar program for 2 more years, through September 30, 1985.

The Subcommittee on Marketing, Consumer Relations, and Nutrition, under the able leadership of Chairmen LEON PANETTA and BILL EMERSON, the ranking minority member, held a series of hearings in Washington and in various other locations to ascertain the facts about hunger in this country. The testimony of witness after witness illustrated the tremendous increase in the numbers of those seeking emergency food aid from soup kitchens, food banks and similar organizations. Despite heroic efforts by volunteers, the problems of these organizations in arranging for the handling, storage and distribution of donated foods, on a shoestring were repeatedly stressed. It is these conditions that H.R. 1590 is designed to address.

The bill authorizes no new commodity acquisition program. It focuses on using commodities already acquired under the price support programs but which exceed quantities needed to meet domestic and foreign commitments of the Commodity Credit Corporation. These commitments of the Commodity Credit Corporation. These commitments include the Secretary's domestic payment-in-kind program for foreign assistance and market development. Stocks exceeding such needs must be made available to feed the hungry and other deserving recipients.

In this regard, the bill was revised during committee consideration to give the Secretary some additional flexibility in determining the amount of commodities which will be necessary to meet domestic and foreign commitments of the Commodity Credit Corporation. But it is the committee's clear intent that any Corporation stocks which are not committed must be made available for purposes of H.R. 1590. It is expected that ample stocks of dairy products will be available for distribution. Large quantities of other commodities, such as honey and rice should also be available. The so-called PIK program has reduced the Corporation's stocks of most grains, and may deplete its wheat stocks. Because flour is highly desirable for feeding programs, H.R. 1590 permits the Secretary to use up to a total of 300,000 metric tons of wheat from the food security wheat reserve for domestic program purposes, both under the jobs bill and H.R. 1590. The 4 million metric ton reserve was established in 1980 to insure that wheat would be available for humanitarian purposes abroad in the event of any shortage of U.S. stocks.

Use of the reserve for domestic food programs has been the subject of some controversy. H.R. 1590 specifies that the total quantity of reserve wheat that may be used under both its program and the jobs bill food distribution program is 300,000 metric tons. I would note that the jobs bill itself allows use of 300,000 metric tons of reserve grain for this purpose. Therefore, H.R. 1590 does not increase the quantity that may be drawn down from the reserve for domestic purposes. Further, the bill provides for replenishing the reserve to the extent that any wheat is used for domestic programs.

To resolve concerns raised by the Committee on Foreign Affairs, I shall offer an amendment that would require the Secretary to use Corporation funds, without prior appropriation, to purchase wheat sufficient to replenish any quantities from the reserve used for domestic programs if Corporation stocks are not sufficient for that purpose, but only if the entire reserve is depleted for foreign food assistance activities. I would point out that, to this date, no wheat has been drawn from the reserve for its original, designated purpose. Both committees are in agreement that this amendment will adequately address an issue in which the Committee on Foreign Affairs has an appropriate jurisdictional interest.

The bill also makes available up to $50 million in Corporation funds annually to cover costs of distributing commodities, with a cap on the amount to be made available to any State equal to 5 percent of the value of commodities distributed by the Secretary to the State. The Corporation will, at its expense, initially process the commodities and deliver them to State agencies which will, as has been the case in the past, carry out the program within the States. The $50 million in Corporation funds under the bill are earmarked first for the local distribution costs of food banks and other emergency feeding organizations. Then the remaining funds are available for costs of the State agencies in handling the commodities and distributing them to the organizations that will get them to the individual recipients. It is anticipated that significant amounts of funds will be available for this latter purpose.

The Committee on Education and Labor has communicated concerns regarding the possible impact of H.R. 1590 on the ongoing, more traditional food programs such as the child nutrition and older Americans programs which fall within its jurisdiction. In response, the bill was amended in committee to insure that the traditional programs will retain their historical share of donated bonus commodities. And I shall offer an amendment to H.R. 1590 that will insure that administrative funding made available to the State agencies, over and above that needed for local distribution costs of emergency food aid organizations, will be utilized by State agencies to cover costs of distributing the food to emergency and traditional distribution organizations alike on a nonpreferential basis. I would like to add that the Committee on Education and Labor has reported by a 27-to-2 vote, H.R. 1513, which was jointly referred to our committee. In many respects its provisions and objectives parallel those of H.R. 1590. We have enjoyed the cooperation of the Committee on Education and Labor in fashioning a measure to meet our jointly perceived needs.

The bill also directs the Secretary to carry out a complementary program under which commodities available under the bill are to be made available to private companies for further processing into end food products—processing of flour into pasta, for example. The food products then would be made available to eligible distribution organizations for use in their programs. The expense of the additional processing would be borne by the recipient organizations, except that up to $10 million in Corporation funds would be available annually to cover the final processing costs of food to be distributed by emergency-type organizations. The committee believes that this approach offers great promise for the effective use of initially processed Corporation stocks by the ultimate recipients. The bill contains various safeguards to protect this aspect of the program from abuse. The Secretary is directed to carry out the program to insure the Secretary's intent to do so is not again frustrated by other sources within the administration.

It would be appropriate to add that nothing in the bill diminishes or otherwise adversely affects other food donation programs mandated by law; it complements and supplements such programs. And the legislation will expire in 2 years, so that the consider-

ation of its future need can be weighed in conjunction with related programs of the 1981 farm bill which will also expire in 1985.

So that the Members will have an overview of all major provisions of the bill, let me summarize them. H.R. 1590, as reported, would——

First. Direct the Secretary of Agriculture to distribute commodities owned by the Commodity Credit Corporation (the Corporation) that exceed quantities needed for the Corporation's domestic and foreign commitments to food banks, soup kitchens and like organizations that provide food on an emergency basis to the needy and unemployed and to other organizations which traditionally have operated non-emergency-feeding programs.

Second. Permit the Secretary to distribute any Corporation-owned commodities to emergency feeding organizations ahead of other commitments.

Third. If wheat in Corporation stocks is not adequate for the purpose, permit use of not to exceed a total of 300,000 metric tons of wheat from the food security wheat reserve for use in food programs under the act and under the recently enacted jobs bill (Public Law 98-8); generally require replenishment of the reserve by December 31, 1984; and provide for priority use of wheat acquired by the Corporation after use of reserve wheat for domestic feeding purposes to replenish the reserve.

Fourth. Require the Secretary to publish advance notice of estimated amounts and types of commodities that will be available for program purposes during each fiscal year, together with estimated amounts and types of commodities to be in Corporation inventories during each fiscal year and the anticipated disposition thereof. This is essential to permit State agencies and recipient organizations to plan their activities in a reasonable and business-like fashion.

Fifth. Provide that State agencies that have customarily administered food distribution programs will be responsible for distributing the donated commodities to eligible organizations within the States, but that the Secretary will distribute such commodities directly to eligible organizations if States are prohibited from doing so.

Sixth. If adequate commodities are not available for needs of all eligible organizations, give preference to needs of emergency feeding organizations, but other eligible organizations will, to the extent practicable, receive a share of any donated commodity equivalent to their share of that commodity distributed under existing law in fiscal year 1983.

Seventh. Direct the Secretary to use Corporation funds to pay for processing and packaging of commodities into forms suitable for home or institutional use—in-kind payments are authorized, except that wheat from the Reserve may not be used for such payments—and transporting commodities to State agencies.

Eighth. Direct the Secretary to use Corporation funds not to exceed $50 million annually to pay costs of State agencies—but not to exceed 5 percent of the value of commodities distributed to any State agency—in distributing commodities to eligible organizations and to pay costs of emergency organizations in distributing commodities to the needy locally. Again, if funds for distribution are not adequate for costs of distribution to all organizations, preference is to be given to distribution costs of emergency organizations.

Ninth. Prohibit State agencies from passing on any distribution costs to emergency organizations but permit passing on such costs to other eligible organizations to the extent such costs are not reimbursed by the Secretary.

Tenth. Direct the Secretary to distribute initially processed commodities to private companies for further processing into end food products for use by eligible organizations. The expense of such additional processing would be borne by such organizations, except that Corporation funds not to exceed $10 million annually are to be made available for costs of such processing for emergency organizations.

Eleventh. Apply provisions of criminal law in other statutes pertaining to misuse of donated commodities to commodities donated under the act, require the Secretary to insure that distributed commodities will not displace sales of commodities, and prohibit other possible program abuses.

Twelfth. Make clear that the donation program under the act supplements and complements mandatory Federal, State, and local nutrition programs and permit the program to be carried out in areas where the food stamp program is operating.

Thirteenth. Prohibit commodities donated under the act from being considered income or resources under Federal, State, or local law.

Fourteenth. Provide that the donation program established by the act will be effective on October 1, 1983, and expire on September 30, 1985.

Fifteenth. Require the Secretary to continue to maintain the nutrition data base of the Department of Agriculture, and to carry out certain nutrition surveillance of various groups.

The economic recession we are experiencing has fallen with particular harshness on some of our people. Recovery is coming awfully slowly to them. The press of the hungry on food banks, soup kitchens, and like emergency organizations, illustrates this point all too well. While many hunger, Government warehouses bulge with surpluses of some commodities. The Committee on Agriculture, on a broad, bipartisan basis, has concluded that, to the extent that there are not other legitimate commitments for these surpluses, the most worthy use for them is to feed the hungry in this country. It likewise concluded that modest funding is essential to move food from government stocks, through established State and private channels, to individuals in need. H.R. 1590 is the produce of that conclusion. I am confident that the House of Representatives will enthusiastically join our committee in this emergency effort to meet the ancient injunction—"If they are hungry, feed them."

Mr. DASCHLE. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from South Dakota.

Mr. DASCHLE. Mr. Chairman, I rise to engage in a colloquy on behalf of myself and the gentleman from New York (Mr. GILMAN) and with the chairman of the subcommittee, the gentleman from California.

Will the chairman of the committee afford the House his views with respect to the use of wheat in the international wheat reserve for the purposes called for in this legislation?

Mr. DE LA GARZA. Mr. Chairman, as the gentleman from South Dakota is aware, the legislation before us provides discretionary authority to the Secretary of Agriculture to use up to a total of 300,000 tons of wheat now in the international wheat reserve and it will allow them to use if for domestic feeding purposes, as authorized in the jobs bill and H.R. 1590.

The international wheat reserve was established by legislation in 1980 to provide a backdrop to international food aid assistance programs of the U.S. Government in the event that supplies of wheat are insufficient to fully meet the food aid obligations of the United States.

I might also tell the gentleman, the reserve was originally intended only for use overseas and provision was made to insure that the wheat would not be available for use domestically.

In providing authority to the Secretary to make use of a small portion of the reserve for the domestic feeding purposes laid down in H.R. 1590, the committee is responding to an emergency need that exists today here in the United States. It is not the intent of the legislation to in any way undermine the original purposes of the reserve.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PANETTA. Mr. Chairman, I yield the chairman 2 additional minutes.

Mr. DE LA GARZA. Allow me to reaffirm for the gentleman my strong commitment to maintaining the integrity of the reserve as established in the 1980 act. Were it not for the ex-

traordinary circumstances that confront us today, I believe that resort to the reserve would not be merited at this time. However, under the circumstances, the committee felt it appropriate to allow some discretion to the Secretary to make use of some modest amount of the reserve for short-term domestic feeding purposes.

Let me reemphasize that in so doing, the committee does not intend to undercut the reserve. My amendment to the bill illustrates that. Replenishment of wheat used from the reserve for domestic purposes will be automatic in the event that disasters overseas require full utilization of the 6 million tons earmarked for such purposes in the 1980 act, and I will actively support an appropriation to replenish the reserve, if that is required.

Mr. DASCHLE. Well, I thank the gentleman very much.

If the gentleman from California would respond as well to the intent of the legislation with regard to the food reserve, beyond that authorized by H.R. 1590 and the 1980 act.

Mr. PANETTA. I thank the gentleman. I am very well aware how many Members feel about the use of the reserve in this instance. In this regard, let me reassure the gentleman that I view the authority to use the reserve for the purposes contained in H.R. 1590 as a short-term option only. I do not regard it as a permanent change in policy on the part of the House with respect to use of the reserve. As one who has been involved with the legislation which established the reserve, I can assure the gentleman that I remain strongly committed to the reserve. For that reason, I strongly support the amendment of the chairman of the committee on behalf of the Foreign Affairs Committee, which strengthens the replenishment features of the legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PANETTA. Mr. Chairman, I yield myself 30 more seconds.

In supporting the concept of using a small quantity of the reserve for the purposes laid down in H.R. 1590, I do not intend to promote and would not support using the reserve for other purposes, other than those contained in H.R. 1590 and the 1980 act.

Mr. DASCHLE. I thank the gentleman from California. I certainly thank the chairman of the committee for his reassurance on the issue.

I rise in support of H.R. 1590, and would like to commend Mr. PANETTA for his efforts, as evidenced by this bill, to alleviate hunger in the United States. I will focus my remarks, however, on one troubling aspect of the legislation—the authority of the Secretary of Agriculture to use 300,000 tons of wheat from the wheat food security reserve for domestic purposes.

While I appreciate and will support the committee amendment to be offered tomorrow which will strengthen the replenishment provision of the international reserve, I am still concerned over what I feel is an unwise authority for the domestic use of this reserve. There are three main reasons why I do not think this use of the reserve is warranted:

First, when the wheat food security reserve was established in 1980, it was done with assurance to farmers—assurances written into the 1980 law—that the grain would be used solely for international famine purposes and would be isolated from the commercial market. This isolation was to insure that the reserve would not be a depressant on domestic wheat prices. By tapping the reserve for domestic uses, we are breaking a promise to farmers and are supporting the argument of those people who prefer that we have no international food reserve.

Second, tapping the wheat food security reserve is not necessary to meet domestic hunger needs. There is plenty of wheat in this country—the carryover stocks as of June 1, 1983, in the farmer-owned reserve is 950 million bushels, 270 million bushels in CCC stocks, and 330 million bushels in free stocks, making a 1.55-billion bushel wheat carryover. And the June 1, 1984, projections of carryover of wheat stocks are 620 million bushels in the farmer-owned reserve, 147 million bushels in CCC stocks, and 779 million bushels in free stocks, for a total of 1.5 billion bushels of wheat.

We should purchase grain directly from American farmers instead of taking it from the international reserve; it would be good for our farm economy and might also cost less than replenishing the reserve at a future date.

Third, to use the wheat food security reserve for other than international purposes is a violation of our commitment to the international community. The 4 million metric tons of wheat in the international reserve is not, by the way, "surplus" grain. It is committed grain—a reserve that exists because we made an international commitment to maintain this reserve. We encourage nations, through our food and development aid policies to establish food reserves, and we should not by our actions undermine our own policies.

In addition to H.R. 1590, a similar Senate bill, S. 17, allows the Secretary to use 500,000 tons of wheat from the wheat food security reserve for domestic purposes. And S. 822 would use 1.5 million tons of wheat from the reserve for export PIK purposes. It may be that if any of these bills are signed into law, that the Secretary will choose to not use his authority to draw from the international reserve for domestic food program. I would like to place in the CONGRESSIONAL RECORD a letter from the Department of Agriculture indicating their opposition to the use of the international reserve for domestic and export PIK purposes.

We have the capability to meet our domestic food needs while at the same time maintaining the wheat food security reserve solely for international famine situations, and it is to that end that I will continue my efforts.

Mr. Chairman, I include the following letter:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., May 24, 1983.

Hon. TOM DASCHLE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DASCHLE: This is in response to your letter of April 19, in which you raised a number of questions regarding H.R. 1590 and the uses of the Food Security Wheat Reserve (FSWR).

The Department does not support H.R. 1590. The Department already has sufficient authority to distribute stocks of commodities owned by the Commodity Credit Corporation (CCC). This bill perpetuates the myth that the CCC owns large quantities of surplus commodities which it is not distributing to needy Americans when, in fact, the only significant amounts of commodities in uncommitted inventory are dairy products. We have been conducting a special donations program for dairy products since December 1981.

Under current law, the Food Security Wheat Reserve of four million metric tons is meant to provide wheat solely for emergency humanitarian needs in developing countries. The primary purpose of the FSWR is to make wheat available for P.L. 480 when domesitc supplies are so limited that the P.L. 480 availability criteria cannot be met. In addition, up to 300,000 metric tons may be released to provide urgent humanitarian relief under Title II of P.L. 480 in any country suffering a major disaster, when needs are exceptional and unanticipated.

Since 1980, when the FSWR legislation was enacted, it has not been necessary to tap the reserve. However, the need for an emergency reserve might arise at any time. Although we do not expect domestic wheat supplies to fall below the P.L. 480 availability criteira in FY 1984 or FY 1985, severe damage to our wheat crop cannot be predicted. Similarly, individual countries' disasters cannot be predicted.

We do not feel that the use of wheat in the FSWR for domestic donations is in accord with the intent of reserve. The U.S. has long been the leader in establishing grain reserves, and has urged other nations, both importers and exporters, to join us in providing for a measure of food security. Our credibility in this area could be severely damaged if the reserve is easily tapped for other purposes, such as domestic donations or PIK.

Another concern is that the FSWR is now effectively isolated from the commercial market. However, under the provisions of H.R. 1590, up to 300,000 metric tons of wheat could be added to commerical supplies. The distibution of significant amounts of flour to domestic outlets would result in substantial displacement of commerical sales, injuring American businesses and increasing the likelihood of acquisition of wheat by the CCC.

Thank you for the opportunity to comment on these issues.

Sincerely,

RICHARD E. LYNG,
Deputy Secretary.

Mr. EMERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. GUNDERSON).

Mr. GUNDERSON. Mr. Chairman, I rise in strong support of H.R. 1590, the Emergency Food Assistance and Commodity Distribution Act of 1983, and wish to commend the gentleman from California (Mr. PANETTA) and the gentleman from Missouri (Mr. EMERSON) for their diligent work in getting this important legislation to the House floor at this time.

Perhaps the greatest paradox that we face in this country today is that in a land of plenty where the Federal Government hold millions of pounds of surplus corn, wheat, rice, cheese, and nonfat dry milk, we have thousands of people who go hungry daily.

Now, we could stand here today, as we have in the past, and debate whose fault it is that there are people in our country without enough to eat. Similarly, we could debate, as we have in the past, why we have surplus agricultural production and depressed commodity prices. But, quite frankly, those words alone do nothing to remedy either problem.

H.R. 1590, on the other hand, represents an important positive attempt at solving, or at least easing, both problems in the short run.

As many of my colleagues know, in the past 18 months the Secretary of Agriculture has sought, on a smaller scale, to distribute a portion of the cheese and butter USDA has in storage to the hungry of our country through the States. In that time, almost 400 million pounds of surplus CCC cheese and butter have been ordered and distributed by the States.

Yet, as of May 27, 791 million pounds of cheese, 469 million pounds of butter, and 1.2 billion pounds of nonfat dry milk remain in Government storage. These dairy products are estimated to cost some $70 million to store in fiscal year 1983 alone.

This initial USDA distribution program has taught us two valuable lessons. First of all, any program must have a coordinated and reliable distribution system. And, second, participating States and agencies need to be reimbursed for their transportation, storage and other distribution costs.

As LaVerne Ausman, our secretary of agriculture from Wisconsin, pointed out so well in subcommittee hearings—without these guarantees, any distribution program will soon fail as participating States and agencies are financially forced to drop out. And, the facts are that the savings in storage costs can be used to finance the distribution.

I should also note that, as important as this legislation is, it is essential that it be properly drafted so that it will not prevent the Secretary from meeting his other obligations and commitments such as the Public Law 480 and PIK programs, respectively.

Actually, H.R. 1590 is the third commodity distribution bill I have been associated with since the beginning of the year. On February 7, I was an original cosponsor of H.R. 1299. And on March 10, I participated in the markup of H.R. 1513 in the Education and Labor Committee. All three bills differ somewhat in their approach to surplus commodity distribution.

Yet, the amended version of H.R. 1590 that we have before us today is a well-reasoned blend of the various approaches. It not only provides a coordinated distribution system and reimburses the expenses of States and participating agencies up to 5 percent of the value of the commodities, but does so in a way that does not impair the Secretary's ability to meet his other statutory obligations and commitments. I, therefore, urge my colleagues to join me in supporting H.R. 1590.

□ 1400

Mr. PANETTA. Mr. Chairman, I yield 1½ minutes to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, I should point out that in the debate in our Agriculture Committee I had proposed an amendment which would have limited the amount of total wheat that could be withdrawn from the reserve for any purposes whatsoever.

It appears to me that through the colloquys that have been exchanged certainly I understand that it is very clear that wheat will not be removed for any purpose other than what is specifically named in this bill without complete authorization from the Congress.

I would ask the chairman of the subcommittee if I am correct in that understanding.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from California.

Mr. PANETTA. That is clearly correct.

I wanted to point out also in the report language that we state that—

> The committee emphasizes that use of the reserve for these purposes should in no way be viewed as a precedent to tap the reserve for other purposes. The Committee foresees authorizing no additional use for the reserve beyond that which is authorized in this bill.

Mr. BEDELL. I should say that the gentleman from Iowa has serious concerns from several angles. First of all, if you establish a reserve to be there, to help for a world food problem, then I would be greatly concerned that we raid that reserve for other purposes, and particularly get concerned at this time of low wheat prices that we would not go out and buy wheat that we need for these other purposes.

The second problem that I have is that very possibly what we are doing is taking this from the reserve at a time of low prices. We will have to come back when prices are higher to replenish it, which is certainly not advisable for the taxpayers of the country.

Third, from the point of view of farmers, if this reserve is not set aside separately, and it can be used for domestic purposes, then I think we lose a large part of the purpose of the reserve as insulating farmers.

I support the legislation, but I would hope it will be clear that it will not be used for other purposes.

Although I support H.R. 1590 as a necessary and timely response to the nutrition needs of those not touched by economic recovery, I am concerned by that provision in the bill authorizing the Secretary of Agriculture to tap the emergency food security reserve in order to provide wheat to the needy.

Nevertheless, I recognize that this provision is required if we realistically hope to get this food program off the ground this year.

However, my concern about drawing from the reserve at this time stems from the distributing precedent that we are setting by this action.

First, I am troubled by the fact that we are drawing down an emergency food reserve during a period marked by record wheat production and a record wheat surplus. The conventional wisdom since Biblical times has been that you add to your emergency reserves during times of plenty, and draw from these stocks during periods of famine. The provision for tapping the reserve included in H.R. 1590, which will also mandate replenishing the reserve later—possibly during a period of widespread shortage and higher prices—stands this logic on its head.

Second, I would have preferred to see a supplemental appropriation request for this year which would have allowed the Secretary of Agriculture to go into the open market to purchase wheat directly from farmers. Farmers hold almost all of the wheat surplus right now, and they are still plagued by low prices for this commodity. Open market purchases would have provided the wheat required for humanitarian assistance in our country, while providing higher prices for farmers.

Third, farmers agreed to support the creation of the emergency food reserve largely because of the promise made to them that it would not be used, in any way, to provide wheat to the domestic market. I believe that many farmers will view our action today as breaking faith with that commitment,

and this could frustrate our future attempts to maintain this type of reserve.

Finally, I would hope that our approving a new use for this reserve will not give rise to demands for tapping the reserve to fulfill other needs, such as supplying wheat for the domestic PIK program or an export PIK effort. I am pleased that the gentleman from South Dakota (Mr. DASCHLE) has clarified the administration's firm opposition to tapping the reserve for anything other than its originally intended purpose, and I also appreciate the assurances from the sponsors of this bill that they will oppose any efforts to authorize still other uses for the reserve.

Mr. PANETTA. Mr. Chairman, I yield 1 minute to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I want to compliment the committee for reporting out this vital legislation. In my district, the Sixth District of Washington, we have 12.8 percent unemployment. Needy people are desperate to receive surplus commodities.

One of the great problems in getting those commodities has been the lack of funds for distribution. I think the committee has recognized that requirement in this legislation.

We as Americans cannot stand by and watch our fellow citizens go without food. We hear too much today about malnutrition amongst the children, the poor, and the elderly.

Mr. Chairman, I would like to heartily endorse the passage of H.R. 1590, the Emergency Food Assistance and Commodity Distribution Act of 1983. This bill addresses what I believe is an urgent need in my congressional district in Washington State, as well as in cities around the country. The sustained high unemployment rate over the past 2 years has increased the number of individuals and families in our country who are not living on an adequate diet, who literally worry where their next meal will come from.

The Federal Government has responded by making surplus foodstocks available to the hungry in our Nation, through local foodbanks and voluntary organizations. But what we have seen, in the last year particularly, is that we have stretched the limits of these organizations by not providing the necessary resources for storage and distribution. I was shocked one day last fall to see hundreds of people waiting in a line in the city of Tacoma, Wash., all because the only available truck bringing surplus milk, butter, and cheese had broken down.

Private organizations have donated storage space and have supplied voluntary labor, but there is never enough of either to make the distribution of surplus food as smooth and orderly as we would like to see it. I am pleased that H.R. 1590 provides—in fact, it mandates—that funds will be available to cover the costs of emergency organizations in distributing commodities to the needy. The bill will also add stability to the surplus commodity distribution program, because it mandates that the Secretary of Agriculture should publish each year in advance the notice of estimated amounts and the types of commodities which will be distributed.

Though H.R. 1590 will not solve the problem of hunger in our Nation, I urge its passage because it provides extremely critical reinforcement to our surplus commodity program, and to those individuals and organizations involved in distributing those commodities to the growing numbers of hungry people in America today.

Mr. PANETTA. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California (Mr. BROWN).

Mr. BROWN of California. Mr. Chairman, before we vote on H.R. 1590, the Emergency Food Assistance and Commodity Distribution Act of 1983, I would like to express my support for this initiative, created to assist those so harshly affected by the downturn in our economy. There is no question that we have a hunger problem in our Nation. H.R. 1590 takes a step in addressing some of the malnutrition and hunger issues facing our constituents today. I have continuously supported efforts to relieve the suffering of the elderly, the poor, and the disadvantaged. These groups are most in need of and will most benefit from the emergency food distribution programs set out in this legislation.

However, H.R. 1590 goes beyond the distribution of commodities, referred to as a band-aid approach to helping the Nation's hungry. It includes a more permanent provision designed to increase the monitoring and assessment of national hunger. It directs the USDA to continue conducting, at intervals between its periodic nationwide food consumption surveys, surveillance of nutritionally vulnerable groups. The USDA would measure changes in their dietary or nutritional status, focusing particular attention on socioeconomic factors, and the participation of individuals in food assistance programs. These data could provide information concerning: the impact of changes in the economy on the food consumption intakes of specific groups at high nutritional risk; the impact of changes in food assistance programs on food intakes or nutritional status of program recipients or nonrecipients; and the impact of changes in food consumption patterns on the agricultural economy.

As I have stated in the past, it is critical that we continue research on all aspects of nutrition related problems. While much basic knowledge still remains to be gathered about human nutrition and the effects of diet on health, we also need the tools and information to best apply the nutrition knowledge we do have. These proposed consumption surveys along with the national nutrition monitoring system would provide important direction to Congress in establishing food and nutrition policies. Without the early warning signals to identify real and potential nutrition problems and an assessment of the effectiveness of past programs, Congress cannot expect to be productive and accurate in allocating resources and designing programs to increase health and disease prevention.

In an effort to more completely assess the nutritional problems of my congressional district, I recently held a "nutritional needs conference" in Riverside, Calif. This conference was held specifically for those involved in nutrition related programs: food banks, nutritionists, gardening programs, educators, local politicians and many others. Our goal was to bring together representatives from many organizations to improve communication and develop an information exchange network, both among those providing nutrition services and between this group and myself. The response was astounding. It was very apparent that the need for help is great. Group after group reported increased demand for food and the frustration at not having the necessary resources to fulfill this need. As a result, a coalition is being formed which will continue assessing the needs of the community and organize further meetings and educational programs. The commodities made available through H.R. 1590 will greatly facilitate the ability and effectiveness of this effort.

Many opinions will be expressed concerning the need for the Emergency Food Assistance and Commodity Distribution Act of 1983. I have added to the discussion two perspectives: the recently mentioned need for the commodities from community organizations in my district, and the need for Congress to have access to comprehensive nutritional status statistics. I wholeheartedly join the gentleman from California in urging Congress to pass this legislation.

Mr. PANETTA. Mr. Chairman, I yield 1 minute to the gentleman from Illinois, Mr. DURBIN.

Mr. DURBIN. Mr. Chairman, I commend the gentleman from California, Mr. PANETTA, the gentleman from Missouri, Mr. EMERSON, and Chairman DE LA GARZA and the Agriculture Committee for addressing an issue which I think is very critical at this point in our Nation's history.

We in Congress are inundated with statistics and reports on the problems in our economy. But I would encourage not only those who are Members

of Congress but anyone within the sound of my voice to go out one day to a distribution center and see the people who are receiving the cheese and butter.

I did this several months ago in my hometown of Springfield, Ill. and found elderly people standing in the cold rain for 3 hours to receive a 5-pound box of cheese. If that is so necessary and essential to them that they would make that sacrifice, I think it is incumbent upon us to make certain that the largesse of our country is available to our citizens.

The cost of the program, which is entailed in the portion for storage and distribution, is $50 million.

If there is some objection to this figure I might add that I think that it will be an inadequate amount. More funds will be necessary to make certain that we do distribute this food and surplus commodities in an efficient fashion.

I might also say that charity must begin at home, too. I do not oppose foreign assistance. I think it is an important part of our country. But let us make certain through this effort today, as we consider legislation to give hundreds of millions of dollars to other countries, that we expend those funds necessary to make sure that needy American citizens, unemployed, and those looking for help, are taken care of with our largesse.

□ 1410

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the gentleman from New York, Mr. McHugh.

Mr. McHUGH. I thank the gentleman from California for yielding.

Mr. Chairman, I rise in support of H.R. 1590 and would like to take this opportunity to commend Mr. Panetta and the other members of the Agriculture Committee for their efforts to address the growing incidence of hunger in America.

Clearly, this is an increasingly serious problem for many individuals and families. Thus, I think it is appropriate to provide for the distribution of greater quantities of Government-owned surplus food commodities to help alleviate the very real suffering that many Americans are experiencing.

At the same time, I am concerned about the provisions of H.R. 1590 relating to the food security reserve. Because I believe that many of our colleagues share this concern, Mr. Chairman, I would like to address my remarks to this issue.

Six years ago, on September 12, 1977, I introduced legislation to establish a food security reserve, the need for which had been demonstrated during the world food crisis of 1973 and 1974. At that time, as I am sure many of our colleagues recall, there had been a rather substantial drop in the amount of U.S. food assistance provided under our food-for-peace—Public Law 480—program, a drop that contributed significantly to hunger and suffering in the developing nations.

At the time I introduced this legislation, it seemed to me that we should take steps to prevent a reoccurrence of this problem. However, there was considerable concern that a reserve would overhang domestic markets and thus tend to dampen the prices that U.S. farmers receive for their labors.

As a result, the struggle to establish the food security reserve was not easy. Only after several attempts and only after insulating the reserve from domestic markets was such legislation, introduced by Mr. Gilman and myself, finally authorized by the Congress in 1980.

As one of the original sponsors of this measure, I am concerned about the precedent set by H.R. 1590. As you know, Mr. Chairman, this legislation would allow 300,000 metric tons of the reserve, which was originally designated for famine relief abroad, to be used to dispose of surplus wheat stocks currently in hand.

Although one would like to believe that the problems that led us to establish the reserve in the first place have been resolved, they have not. Because of various restrictions in Public Law 480, the amount of commodities available for food assistance after other claims have been satisfied is always going to be more limited during times of tight supply. Moreover, additional purchases in the market to meet those food emergencies will always be difficult at such times, both because such purchases tend to contribute to inflationary pressures and because they would undoubtedly increase Federal budget outlays.

Thus, I am concerned about the precedent that we are setting by drawing down the reserve for domestic commodity distribution. Doing so undermines the pledges that we made to wheatgrowers to insulate the reserve from domestic markets and weakens our capacity to respond to food emergencies abroad.

Having said this, it should also be noted that H.R. 1590 does include a provision to replenish the reserve no later than December 31, 1984, a good provision that permits me to support the bill despite my reservations. However, I do hope that this will be the only instance in which the committee authorizes use of the reserve for purposes other than those originally intended.

I also hope that members of the committee will support my efforts in the future to insure that any funds needed to replenish the reserve will be forthcoming.

Mr. PANETTA. I thank the gentleman from New York.

Mr. Chairman, I yield 2 minutes to the gentleman from Ohio, Mr. Seiberling.

Mr. SEIBERLING. Thank you.

Mr. Chairman, I rise to commend Chairman de la Garza and Chairman Panetta and the members of their committee for the work they have done to improve the commodity distribution system and to address the staggering hunger problem we have in this country.

There are literally hundreds of people in my own district who would be starving today if it were not for this program and many like it. I am sure that is true in other parts of the country. I think this would be an appropriate time to share with you my concern about a related problem, the devastating impact on the Ohio commodity distribution program by recent administration changes including the imposition of quotas on butter and cheese distribution within the State. According to the State of Ohio commodity distribution director, the State was receiving until May as much cheese and butter as it could distribute through the State's excellent system of food banks, pantries, and other distribution centers. The monthly average for cheese distribution was 100 truckloads. Monthly average for butter was something over 20 truckloads. Now, however, that State has learned that the Department of Agriculture is permitting only 30 truckloads of cheese and 13 truckloads of butter per month at least until the end of September.

Under the jobs bill authorization 16 truckloads of grain and dried milk will also be shipped. But this addition simply cannot make up for the cutback of more than 70 truckloads per month. So far, two distribution centers in my district have learned that they will not receive the commodities they expected to during May and June. Doubtless several others will be faced with a cutoff as well. It makes you wonder what kind of Scrooge is calling the shots for the administration on this program. It is my hope that the Agriculture Committee will closely monitor administration action on this new quota system and work to restore States like Ohio which was extremely active in the prior distribution system and which has an enormous number of needy to provide for and that they be restored to previous distribution levels.

Mr. PANETTA. Mr. Chairman, I yield 1½ minutes to the gentleman from Puerto Rico, Mr. Corrada.

Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 1590, the Emergency Food Assistance and Commodity Distribution Act of 1983.

I would like to commend my colleague Leon Panetta, chairman of the Subcommittee on Domestic Marketing, Consumer Relations and Nutri-

tion, House Committee on Agriculture, for reporting this bill, and for the efforts of his subcommittee in responding to a national problem.

H.R. 1590 is a bill which, simply put, will help make available to needy Americans the surplus abundance of American agriculture production.

It builds on the provisions contained in the recently passed emergency jobs stimulus to free up larger portions of foods and commodities in storage, under the supervision of the U.S. Department of Agriculture for those in need of supplementary food in the United States and Puerto Rico.

In doing so, this bill will complement the principal feeding programs of the U.S. Government such as the Federal food stamp program, the school lunch program, the women, infant and children (WIC) program, and other feeding programs. All of them are designed to combat hunger and malnutrition in this great Nation; all have a specific purpose to provide assistance, where necessary, to special groups of recipients.

Mr. Chairman, in the relatively short period of time that Congressman LEON PANETTA has chaired the House Agriculture Subcommittee charged with the responsibility for combating hunger in America, he has brought to this task interest, dedication, and insight.

H.R. 1590 has the support, too, of many minority members of the House Agriculture Committee including Mr. EMERSON who, in a truly bipartisan manner, recognize that it makes commonsense to utilize the good will and dedication of nonprofit organizations, church groups and feeding centers in making available our surplus commodities to the needy in America.

In the case of Puerto Rico, our island government is making a good faith effort to utilize those commodities that fit the dietary needs of our populace. Although not all of the commodities made available for governmental and nonprofit use can be used—due to shipping and some storage problems, we are making every effort to utilize the provisions of the emergency jobs stimulus legislation and we believe H.R. 1590 is a relatively inexpensive way to help emergency feeding organizations, and to reach individuals and families not covered by the food stamp program or, in the case of Puerto Rico, our block grant nutritional assistance plan.

H.R. 1590 merits all of our support. The members of the committee are to be commended for this responsive and responsible effort in attacking a national problem that is in increasing evidence, that of hunger in our society; and in bringing this bill to the floor.

● Ms. KAPTUR. Mr. Chairman, I rise in support of H.R. 1590, the Emergency Food Assistance and Commodity Distribution Act of 1983. As one of the original cosponsors of H.R. 1590, I congratulate Mr. PANETTA on his leadership in introducing this legislation and helping it move expeditiously.

Passage of H.R. 1590 is a crucial first step toward meeting the growing problem of hunger across the United States. As we all know, however, this legislation is not a substitute for the food stamp and child nutrition programs, but only a small and temporary supplement to them.

The demand for emergency food assistance in my district in the Toledo, Ohio area is staggering. I know also that my district is not unique in this respect. Other areas across this land of agricultural abundance have been equally hard hit by adverse economic conditions. It is our responsibility in Congress to address this genuine need by establishing an effective program to move surplus commodities held by the Commodity Credit Corporation of the Federal Government to those in our society who are going hungry.

My district comprises 100 percent of Lucas County, 53 percent of Fulton County, and 21 percent of Wood County, counties in northwestern Ohio. There are currently only two programs in these counties which distribute surplus cheese and butter to my constituents, and these programs do not even begin to meet the acute demand.

But quite frankly, there is only so much that one can do with cheese and butter. Anything we can do to expand the program to include additional commodities is long overdue. I might add that many weekends, embarrassed people in my district, humbly ask me if I know where they might get one meal of meat, it has been so long since they have had any.

The largest distribution program in my district, run by the National Association for Human Development, is located in my major county, Lucas County, and was serving a total of about 20,000 families a month. The association receives two truckloads of butter and cheese each month, which it then distributes to churches, which then divide it among the families. The need has been increasing greatly in the past couple of months, so that the association is serving ever growing numbers of people. Unfortunately, figures have not yet been released on how many families are now being served, although some estimate that it may be around 35,000. Still, the need is not even beginning to be met. Some experts estimate that not even half of the qualifying recipient families will receive even a little bit of food. Moreover, our local distribution program needs financial assistance for refrigeration and local distribution. And this, my colleagues, is a description of the largest program in my district. The smaller program in Fulton County, run by the Fulton County Department of Human Services, serves only 1,300 people a month.

It is unconscionable and incomprehensible that Americans are suffering from the kind of hunger that once plagued our society before the advent of Federal nutrition programs. We must put an end to this situation. For hungry people, time is of the essence. We must respond to the call for help immediately.●

● Mr. KILDEE. Mr. Chairman, our Nation still is suffering from a serious recession. Although slightly lower nominal interest rates have helped bring back some home buyers and have helped lift the auto industry from its grave situation of just a few months ago, the recovery—if we can call it that—is moving painfully slow.

The national unemployment rate stands at 10.1 percent of the work force. There are more than 11 million Americans actively searching in vain for employment. The administration's own economic forecast projects unemployment at or near 10 percent for the remainder of this and all of the next fiscal year. Meanwhile, domestic hunger, which we once were committed to ending, is again on the rise.

Already during this session, the House has acted to help the victims of this extended recession.

We have passed a budget resolution which would reduce the Federal budget by over one-half trillion dollars over a 5-year period.

We have passed phase I of our antirecession program, an emergency jobs bill which provides $4.65 billion and should provide direct or indirect employment for 450,000 to 600,000 people.

We have passed an emergency homeowners assistance bill which would make available more than $700 million in loans to unemployed homeowners who, as a result of this prolonged period of economic devastation, are in danger of losing the fruits of their lifetimes of labor to foreclosure.

And we have passed an Emergency Agricultural Credit Act which would provide emergency agricultural credit assistance to farmers who through no fault of their own face a similar fate.

Today the House begins debate on H.R. 1590, the Emergency Food Assistance and Commodity Distribution Act of 1983. This is an integral part of our antirecession package, and I urge the House to enact this legislation.

H.R. 1590 provides for the distribution of excess commodities owned by the Commodity Credit Corporation (CCC) to food banks, soup kitchens, and like organizations that provide food on an emergency basis to the needy and the unemployed; permits the use of the Food Security Wheat Reserve for this purpose if necessary; and provides for the use of CCC funds

to pay for processing, packaging, delivery, and distribution of the commodities to State agencies or social service organizations.

Let me assure my colleagues that the word "emergency" in this bill has not been used capriciously. In the city of Flint, Mich., in my district, Mr. Chairman, the unemployment rate has at times surpassed 25 percent during this recession. The rising demand for emergency food services there has far outstripped the public and private sectors' ability to provide them.

The U.S. Conference of Mayors this past weekend proclaimed domestic hunger to be the most serious crisis facing our Nation's cities. The hunger crisis throughout America is real.

It has been said that John F. Kennedy, while campaigning more than two decades ago for the 1960 Democratic Presidential nomination, was shocked to see so many poor, malnourished, hungry Americans. That perspective, he later said, was what prompted the antihunger programs which were among the highlights of his Presidency.

Today, we need not look far to see the hunger that surrounds us. It is as close to the halls of Congress as the impoverished indigents on the streets and steam grates of our Nation's Capital, and as close to our own homes as the soup kitchens and cheese lines in many of our congressional districts.

I want to commend my colleague, the gentleman from California (Mr. PANETTA), for the tremendous effort he has put into this bill, and I want to commend the members of the subcommittee and the committee: First, for their recognition that once again hunger has become widespread in America, and second, for their resolve to eradicate it. I urge my colleagues to join in this effort by passing this needed legislation.●

● Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 1590, the Emergency Food Assistance and Commodity Distribution Act. I enthusiastically support this legislation because we must address the hunger that haunts our Nation. Even though America's farmers are the most productive in the world and produce great surpluses of food, hunger stalks our land. Many of the casualties and the families of the casualties of our failure to develop ballanced economic programs are today hungry. While, we have all seen the lines at various distribution sites, none can pretend that we are adequately addressing the need for emergency food assistance to the casualties of plant closings, failed businesses, reductions-in-force, and structural unemployment.

Every report I get from the Nation and from the District of Columbia, which I represent, tells me that the number of people needing emergency food relief continues to grow. Just at the time when America's industrial base had started to crumble, Reaganomics cut the support programs that were designed to cushion people during hard times. President Reagan tells us that the recovery is beginning, yet for many American workers whose plants have been shut down and whose unemployment benefits are running out, economic hardship and depression are the reality. This cruel reality is characterized by the desperation that occurs when the food stamps and savings have run out and there is no where else to go. My district office has reported to me illustrative cases involving the trauma of a 25 year old structurally excluded from employment, who, has never had a job to lose and who has not eaten for 2 days, and the situation of a 70-year-old black woman who has toiled 12 hours a day for her whole life, but because of the economic injustices of our society must survive now on the minimum social security benefit of $299 a month. Her cruel reality is that after paying for housing and heat, there is nothing left for food.

This legislation for emergency food relief is needed to address a massive problem in our society and one that we have a moral obligation to remedy immediately. Our private agencies which have been providing emergency services to the victims of our economy are simply being overwhelmed by the intensity and depth of the hunger in our country. This legislation, which will allow us to distribute a wider range of foods to the hungry and will provide assistance to States and localities participating in such programs through the packaging and transportation of these commodities is an idea whose time has come. I urge my colleagues to support this legislation so that those in desperate need can receive the basic nutrition which is a fundamental human right.●

● Mr. ECKART. Mr. Speaker, I rise in support of H.R. 1590, the emergency commodity distribution bill. With unemployment hovering around 20 percent in my district in northeast Ohio, hunger has become more and more of a reality for increasing numbers of people. In a field hearing in northeast Ohio earlier this year, I was appalled to learn that we do not have an adequate safety net to prevent against hunger and malnutrition.

The figure for people showing up to get surplus food and for those resorting to soup kitchens are startling. In Ashtabula, the gentleman who runs the senior citizen center said he gave away 120 5-pound packages of cheese in 20 minutes. When it was all distributed, he was forced to turn away 80 to 100 more seniors who were hoping to get a share. Across the street on the same morning, the Catholic Services Agency distributed 2,300 pounds of cheese in 1½ hours. That works out to 126 pounds a minute. Fortunately, none of the 750 people who turned out for that distribution left emptyhanded. But several of the food bank staffers and community workers have expressed alarm at the rising emotional level as such giveaways, particularly when there is not enough food to distribute.

The more I look at hunger in northeast Ohio, the more concerned I become. Community leaders and hunger project staffers paint a picture of a band-aid approach to nutrition and relative health care. The WIC program Ashtabula is servicing 1,000 people per month. Yet the administrator said that 500 to 1,000 additional women whose health have been identified as being at risk are not being helped. This lack of adequate nutrition is already showing itself in anemia, height and weight development problems, and retardation in children. Babies suffer from what is known as failure to thrive, a bureaucratic way of saying that they do not grow as a result of poor prenatal and nutritional care.

It is important to note that the hunger problem extends beyond our traditional stereotype of the needy person. The people standing in line at the Salvation Army soup kitchen are not homeless derelicts but entire families who have been victimized by unemployment and the sagging economy. The hunger problem also extends to the "working poor," people who are making an effort to support themselves, yet who often cannot afford to eat right.

H.R. 1590 is an innovative, affordable way to address the hunger problem. It is an emminently reasonable approach because it is actually easier and less expensive for the Federal Government to distribute surplus foods than it is to store them. As a cosponsor of this proposal, I will do everything possible to urge the U.S. Department of Agriculture to carefully target this bill when it becomes law. I applaud the House's action on H.R. 1590 and hope to see the Senate soon pass a companion proposal.●

Mr. EMERSON. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. PANETTA. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BEDELL) having assumed the chair, Mr. BENNETT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1590) to provide emer-

gency food assistance to low-income and unemployed persons and to improve the commodity distribution program, had come to no resolution thereon.

GENERAL LEAVE

Mr. PANETTA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just debated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK
Washington, D.C. June 10, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I am writing to inform you, pursuant to ¶2 of House Rule L (50), that I have received a subpoena for original records in my possession in the case of *United States* v. *George V. Hansen*, Cr. No. 83-75, pending in the United States District Court for the District of Columbia.

In consultation with counsel, I will make the necessary determinations pursuant to ¶3 of the Rule and communicate them to you.

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, U.S. House of Representatives.

□ 1420

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. FIELDS) is recognized for 5 minutes.

● Mr. FIELDS. Mr. Speaker, during the legislative day, Friday, June 3, 1983, I was in Austin, Tex., testifying before the Texas State District Court, Judge Joe Hart presiding. Mr. Speaker, this hearing had been postponed and rescheduled over a period of 8 months. I was a party to the appeal which involved the proposed Atascocita landfill in Humble, Tex.

If I were present on Friday, June 3, 1983, I would have cast the following votes:

Recorded vote No. 156, "Yes."
Recorded vote No. 157, "Yes."
Recorded vote No. 158, "Yes."
Recorded vote No. 159, "Yes."
Recorded vote No. 160, "Yes."●

THE DANGERS OF PROTECTIONISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 20 minutes.

● Mr. FRENZEL. Mr. Speaker, this morning's Post carried a splendid article by U.S. Trade Representative Bill Brock on the dangers of protectionism. The Post also ran an editorial supporting Ambassador Brock's point of view.

The Brock article is noteworthy because its principal thesis is one that has been largely ignored in discussions of specific protectionist measures. His point is that increased protectionism insures lower productivity. The result is fewer jobs, less innovation, and more inflation.

Protectionist proposals are always intended to save industries which, for whatever reason, are not now competitive. Those proposals inevitably escalate the noncompetitiveness of the protected domestic industry.

Not every protectionist measure is another Smoot-Hawley. Nor will every one instantly convert the domestic industry into a buggy whip maker. Nevertheless each protectionist action reduces productivity by subsidizing the protected industry.

The subsidy comes out of the hides of the industry's consumers and out of the hides of the job losers in export industries which suffer retaliation.

In the protection of a noncompetitive environment, domestic industry will simply become less competitive and less productive. An insulated economy leads to an isolated society. Every society which has tried to keep the world out has worsened the lot of its citizens.

As the U.S. Trade Representative writes, "To acknowledge that we are all sinners does not justify economic suicide." Are we so afraid of competition that we will impose stagnation and hopelessness on our children? I commend the Brock article and the Post editorial which follow, and I invite the attention of my colleagues to both of them.

[The Washington Post, Monday, June 13, 1983]

NO, LET US PRAISE FREE TRADE

(By William E. Brock)

During the past year, I have noticed the appearance of several commentaries that challenge the precepts of free trade and make protectionism appear as a logical instrument of bringing order out of economic chaos. One recent effort, "Let Us Now Praise Trade Protectionism" by Wolfgang Hager, appeared in The Post's Outlook section May 15.

The basic assumption of the article is that the continuation of free-trade policies in industrialized countries will leave us nothing more than a few high-tech and service-industry jobs. Heavy industrial sectors will be lost to Third World countries, because the labor differential will leave us forever noncompetitive.

This has been a particularly fashionable argument, especially during a period of economic downturn when the immediate problems of foreign competition seem infinite. But Hager boldly concludes that protectionism is something more than the politically expedient statements made by some presidential candidates—that it is a necessity based on the evolution of the world economy. There are a number of reasons why these conclusions are poorly founded, but perhaps the most important one is that increased protection ensures substantially lower levels of productivity. The result: fewer jobs, less innovation and more inflation. Hardly a logical set of goals.

It is simplistic—and false—to assume that, because of the worldwide availability of state-of-the-art capital equipment, the industrialized countries will never have the chance to make up the labor differential enjoyed by the developing countries. There are many other factors that enter into the competitiveness of national industry, including capital intensity, management competence and creativity, worker training and productivity, the quality of national infrastructure of roads, communication and distribution systems, adequate and flexible financial systems, the willingness of entrepreneurs to take risks, the level of savings, investments and incentives, and the economic environment provided by the government.

In truth, automation and technology, more than imports, may well continue to result in fewer people employed in specific heavy industries, but workers will produce more in a cleaner and safer work place while earning better pay. Can we fairly stop that process? We certainly have fewer people on the farm than we did 50 years ago, yet we produce far more products with lower prices, higher profits and better quality. Would anyone seriously suggest our diet would improve with a return to horse and harness? The same is true today in the plant. If we have the foresight to invest the necessary physical and human capital in our industries, as we must, we can remain competitive.

In fact, the key is productivity. Protection is the worst remedy for a lack of productivity. Modern technology is making possible incredible improvements and success will go to those countries that have the foresight to build an economic and political system with the incentives to invest in both new technology and better education. Protection removes those incentives and provides an illusion of security while, in reality, the competitive gap becomes larger and larger.

A protected national market will ultimately guarantee non-competitiveness in the global market, and that's the only market that can provide the necessary economies of scale for many industries. To remain competitive in the world market, you have to compete, not hide behind import barriers.

Hager's advocacy of increased protection of industrial-country markets from the flood of goods and services originating in the developing world is particularly disturbing. These are not just friends, they are the largest and fastest growing market for our manufactured exports. We sell more to the developing countries than to Japan and the European Community combined. It is inconceivable that we might continue to create jobs here through our exports if we don't buy their products.

Far tighter controls on less-developed countries' exports to the industrial world would be even more absurd right now in light of the significant debt problems facing many developing countries. Rather, industrial countries need to maintain and increase the access of developing-country exports to their markets. If not, the refusal to buy our goods and, ultimately, the inability to pay their debts won't be simply an emo-

tional response; it will be an economically mandated reality. The stability, and perhaps survival, of our world financial and economic system is threatened by such protectionist rationalization.

But Hager has a plan that purportedly will satisfy Third World foreign exchange needs and stabilize markets generally. All we have to do is enter into a series of understandings that will alter the "terms" of trade, which includes the notion that importing countries will be willing to accept an increase in price overall, perhaps through high tariffs that we would then rebate to them as foreign aid. So, to solve our problem, all we have to do is reduce competition here at home, pay higher prices for that which we import (presumable only those products not available domestically) and snuggle up under the warm blanket of an all-wise and all-caring government. Precedent for this is cited in Eastern Bloc trade, among others. Is massive bureaucracy to be our role model?

The article reminds us again that a significant percentage of world trade is "managed" anyway with the proliferation of textile quotas, agricultural subsidies and steel arrangements. But to acknowledge that we are all sinners does not justify economic suicide. The important thing is to acknowledge protection and to establish policies that discourage its proliferation and lead to its removal.

Then we can take an honest look at remedies and ask the real questions: How good is our educational system, and what are we doing to make it the best in the world? How good is our system, and can we remold it to increase savings, incentives and investment? How competitive are our management and labor practices, and can we shape up our R&D? How strong is our self-confidence, and what do we need to do to compete? Or, alternatively, how desperate are we for security, and what degree of stagnation and hopelessness will we impose on our children to achieve it?

[Washington Post editorial, June 13, 1983]

A DUBIOUS CASE OF PROTECTION

Rapid economic growth is disruptive, uncomfortable and sometimes frightening. Its benefits are great, but it forces people to live differently and earn their living differently from the way they are accustomed to doing. Nothing pushes growth faster than foreign trade, and the United States is now in the process of coming to terms with the enormous expansion of trade in the 1970s. The political reaction is expressed in the rising campaign for protection against imports.

Several weeks ago, this newspaper published a vigorous defense of protectionism by Wolfgang Hager, a visiting professor at Georgetown University. Today, on the opposite page, we offer a rebuttal by William E. Brock, the U.S. trade representative.

The case for protectionism comes down to wages. It argues that there's an endless supply of low-wage labor in the world that threatens to destroy the high-wage economics. But the actual experience of the past four decades, with decreasing trade barriers and rising prosperity, suggests precisely the opposite.

The protectionist position argues that in the postwar years the Atlantic countries with their high standards of living had a sort of self-protective monopoly that has now been broken by Latin American and Asian industry. In response, it's useful to recall that in the 1950s industrial wages in West Germany and France were as far below the American level as wages in Brazil and Mexico are today. As trade expanded across the Atlantic in the 1960s, according to protectionist theory, American wages should have dropped under competitive pressure. In fact, they kept rising steadily, while European wages soared and are now—allowing for the swings in exchange rates—in the same range as they are here.

Japan's wages are about half the American average. But wages in Brazil are less than half as high as Japan's. Both have automobile industries. Why isn't Brazil the stronger competitor?

A long recession and a strong dollar are currently giving the protectionist cause a plausibility that it doesn't deserve. The main reason for this country's poor trade performance at the moment is a huge budget deficit that keeps interest rates high, in turn lifting the dollar's exchange rate and making it harder to sell American goods abroad. The 1930s demonstrated more than adequately that pulling up the drawbridge won't remedy mistakes in domestic economic policy. Mr. Brock does an important service by reminding the country of the real sources of its competitive strength.●

EMPLOYED INVENTOR'S RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 10 minutes.

● Mr. KASTENMEIER. Mr. Speaker, today I am introducing two bills to address the problems of employed inventors. As we approach the 200th anniversary of our Constitution we should take stock of the principles it sets forth. For example, on the economic sphere our Constitution authorizes the Congress to: "promote the progress of science and the useful arts, by securing to authors and inventors the exclusive right to their respective writings and discoveries."

A central question facing us is whether the current patent system is working to achieve that constitutional goal. In the past two decades we have seen a dramatic shift in the patent process. In 1970 only 25 percent of the total patents granted were given to the residents of foreign nations, today that rate has increased to nearly 40 percent. More significantly, the percentage of patents granted to individuals has declined to about one-sixth of the total.

Under current patent practice five-sixths of all patents vest—from the moment of issuance—in a corporate assignee. Thus, in many ways the patent system has become more an investors law than one that serves inventors. There probably are valid economic reasons for the dramatic growth of corporate patents, such as economies of scale and expanding research and development budgets. These facts alone do not, however, reveal the whole picture.

If our country hopes to maintain its preeminent position in the world economic picture we must do more to foster individual inventiveness. Second, we must foster a marketplace atmosphere that encourages inventions to rapidly be brought to the market. Finally, we must balance the interests of personal autonomy and creativity with the economic realities of the modern corporate state.

The bills I am introducing today both relate to the rights of employed inventors. The first bill sets standards for the preemployment assignment of patent agreements. The bill excludes from preinvention assignment agreements inventions that do not arise directly out of the employee's employment situation. Thus, the individual employee/inventor retains rights with respect to the patentability of products which are conceived separate from the work place. This bill would make a uniform rule for all the States and, thus, replace several underinclusive and inconsistent State law provisions.[1]

The second bill being introduced today creates a comprehensive Federal system for determining the ownership of the amount of compensation to be paid for inventions made by employed inventors. This proposal originated in a measure passed by the House in the 96th Congress, H.R. 6933. As with the predecessor bill—which was limited to Federal employees—this bill provides a comprehensive scheme for the division of rights between employees and employers. The primary difference between this bill and the first measure is that this bill provides for compensation of employees who create an invention on the job. Under the bill a service invention would grant an employee an opportunity to negotiate with the employer for a fair reward. The basic premise behind this bill is to encourage the entry of new ideas in the marketplace. In this regard I note with interest that two of our leading competitors in the world, Japan and West Germany, both have similar protections for employed inventors.

In closing, I wish to stress my hope these bills will stimulate new ideas in the area of patent policy development. As a recent series of articles in the Washington Post highlighted, the challenge of industrial innovation is crucial for all of us. Perhaps through the introduction of these bills, and the surfacing of the concerns of employed inventors, we will stimulate the reindustrialization of America.●

INTRODUCTION OF CLEAN WATER ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

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[1] Calif. Code, Labor sec. 2870 et seq; Minn. Stat. Ann. sec. 181.78; Wash. Ann. 49.44.140.

● Mr. HOWARD. Mr. Speaker, I am introducing in the House today a bill to reauthorize the Clean Water Act for 5 years.

The Clean Water Act, which was first passed by the Congress in 1972 as the Federal Water Pollution Control Act, has been a major force in our Nation during the past decade in cleaning up polluted waters and preventing further deterioration.

It is a never-ending source of pleasure to me that fishermen from my home district at the New Jersey shore tell me that fish have begun to return to the Navesink and Shrewsbury Rivers after an absence of some years. With this bill, I intend to keep this Nation moving in that direction.

However, it is also a source of sadness to me that this administration is less than enthusiastic in enforcing the Clean Water Act and, in some cases, clearly opposing the intent of Congress. In those cases, a strengthening of the act is necessary to keep enforcement on the right track.

Let me explain the major provisions of my legislation. First, in the extremely vital area of sewage treatment plant construction, I propose funding increases over the $2.4 billion annual limit set by the President in 1981. I am proposing $4 billion for fiscal year 1984, $4.5 billion for fiscal year 1985 and $5 billion for fiscal year 1986, 1987 and 1988.

I propose a 3-year deadline for industry to comply with Environmental Protection Administration regulations on best available technology and best conventional technology.

I am also proposing to severely limit the ability of EPA to grant waivers for municipal treatment plants to discharge into the ocean. I intend to close the loophole that EPA officials say requires them to consider applications for waivers in already polluted waters of the New York area.

In a provision resulting from EPA's proposal to alter the water quality standards regulations, I propose to restrict the ability of States to downgrade the designated use for a body of water. Because of the restrictive regulations issued by the administration, I am proposing to set standards for the issuing of wetlands dredge and fill permits and to set procedures for appeals.

I am also proposing two new programs. First, my bill directs EPA to clean up the Nation's toxic hot spots within 5½ years of enactment. Second, a management program for the Nation's bays and estuaries is proposed.

Although there is no such provision in the bill, it is my hope in the coming weeks to focus on the extremely complicated problem of nonpoint source pollution. Along with other members of the Committee on Public Works and Transportation, I will be working to develop a proposal that can reduce nonpoint source pollution as effectively as the Clean Water Act has dealt with point sources.

This bill, I believe, represents a major step in moving the Nation back in the direction it was headed before the years when budget slashing and concern by enforcement officials for the profits of polluters took precedence over the public health and clean water. I hope my colleagues will join me in this effort to renew the Nation's struggle for clean water.●

THE CLEAN AIR ACT

(Mr. WAXMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. WAXMAN. Mr. Speaker, during the debate concerning the Dannemeyer amendment to the HUD-Independent Agencies appropriations bill (H.R. 3133), there were some questions raised about whether the amendment substantively changed the Clean Air Act. At that time I indicated that I supported the amendment because it did not change existing law. It merely made Congress intention clear when it enacted this section. Sanctions do not apply for failure to attain air quality standards by the deadline specified in the act. But sanctions are available if a State fails to submit an adequate plan or fails to implement that plan.

Perhaps the best example of the congressional reasoning behind this interpretation of the law would be the wisdom of cutting off air pollution control grants. If a State has failed to submit an adequate plan for meeting air quality standards or failed to implement that plan, then it might make sense to cut off its Federal funding. But if a State has implemented an approved EPA plan in good faith, but failed to meet the standards by the applicable date, a cutoff of air pollution control funds would virtually guarantee that the standards would not be achieved. Congress never intended this nonsensical result when it enacted the sanction provisions of the Clean Air Act.

During the debate, I mentioned that this view of the law is backed by the National Governors Association, the U.S. Conference of Mayors, the National League of Cities, and the National Clean Air Coalition; which includes the Sierra Club, the Natural Resources Defense Council, and the League of Women Voters.

Mr. Speaker, I would like to include in the RECORD at this point relevant excerpts from the statements of these organizations:

NATIONAL GOVERNORS' ASSOCIATION, COMMITTEE ON ENERGY AND ENVIRONMENT,

Washington, D.C. April 15, 1983.

Re Docket No. A-83-01

Mr. WILLIAM RUCKELSHAUS,

Administrator-Designate, EPA,

Washington, D.C.

DEAR MR. RUCKELSHAUS: The National Governors' Association strongly urges the Environmental Protection Agency to reconsider the approaches outlined in the Federal Register on February 3, 1983, concerning Clean Air Act sanctions. On that date, the Administrator proposed to find the implementation plans for certain areas inadequate to comply with the provisions of Part D of the Act, proposed disapproval of some plans required to be submitted as a condition for an extension of the deadline to 1987 for the pollutants carbon monoxide of ozone, proposed a construction moratorium, and suggested the intent to impose funding sanctions. The Governors believe that the approach described in the February 3 Federal Register notice is environmentally counter-productive and exceeds the Agency's legal authority. As a matter of law and policy, the Agency should:

(1) withdraw the proposal to find certain SIP's inadequate based solely upon a failure to attain the national ambient air quality standards by December 31, 1982, allowing such states an opportunity to revise their SIP's;

(2) allow states which are alleged to have failed to submit an approvable "extension SIP" demonstrating compliance by 1987 an adequate oppportunity to revise their plans before any final determination of inadequacy; and

(3) withdraw the proposal for construction moratoria in connection with failures to attain the standards by 1982 and withhold any proposal of funding sanctions as inappropriate until the legal irregularities in the agency's approach have been corrected and the final status of SIP's has been determined.

The Governors are convinced that the states and the EPA must work closely together as partners in order to solve our environmental problems. Unfortunately, the conflicting signals emanating from the EPA over the Clean Air Act in recent years have seriously jeopardized that partnership. To register their concerns over this matter, the Governors on the NGA Energy and Environment Committee, which I chair, overwhelmingly approved a resolution on the sanctions issue, by a vote of 20-1, which I have attached. The Governors' concerns include the following:

Failure to Obtain the Standards by December 31, 1982 (AD FRL 2294-7). The EPA has proposed a finding that 75 counties have failed to comply with the requirements of the Act, based solely upon their failure to attain the air quality standards by the statutory deadline. However, the Act does not authorize or require the imposition of a construction ban or funding sanctions based on this failure alone. Section 110(a)(2)(I) bars new construction unless the state has an approved plan which "meets the requirements of Part D." Section 172(a)(1) in Part D in turn requires that a plan "provide for" attainment by Decmeber 31, 1982. The ban is tied exclusively, therefore, to what the plan provides for, not to the plan's ultimate effectiveness. Legislative history supports this interpretation of Section 172(a)(11) and 110(a)(2)(I). Accordingly, a state which has submitted and implemented an EPA approved SIP has satisfied its obligation under

the law, notwithstanding a failure to attain the standards. For areas which have implemented an approved SIP but not attained the standards by the statutory deadline, the appropriated remedy, under Section 110(a)(2)(H), is for the EPA to require a SIP revision.

The Federal Register notice also solicits comments on the conditions in which certain highway and EPA funds may be withheld from states under Section 176 and Section 316 (sewer grants) as the result of a finding that an area has not attained the standards. The language of these sections is specifically keyed to the submission and implementation of an air quality plan, not to attainment of the standards. EPA does not, then, have the legal authority to restrict federal funds to states based solely on the failure to attain the air quality standards by December 31, 1982.

Disapproval of July 1, 1982 SIP Revisions (AD FRL 2294-6). The EPA has proposed disapproval of seventeen "extension SIP's" and suggested that a restriction of certain federal funds may be one consequence of final disapproval. While the Clean Air Act provides in some cases for the imposition of a construction ban where state plans have been rejected by the EPA, the Act does not authorize or require a restriction of federal funds for the failure to submit an approvable SIP, except in narrowly defined circumstances. Specifically, Section 176(a)(3) provides that certain funds may be restricted only if a state has failed to submit an adequate plan and is not making "reasonable efforts toward submitting such an implementation plan." The clear statutory direction to EPA is to notify the states of disapproval and allow states a reasonable additional length of time to remedy the plan's deficiencies. Following the 1979 deadline on SIP submissions, the Agency allowed states an additional one and a half years to submit and revise plans before restricting funds, despite the existence on non-conforming plans in a number of states. To propose sanctions without first allowing states to revise their plans would be inconsistent with the law and that precedent.

I would also like to point out that where states do not submit a plan or plan revisions, Section 110(c) of the Act requires the EPA to promulgate a federal plan demonstrating attainment of the standards by 1987.

Since a construction ban may be environmentally counter-productive if the replacement of old industrial plant and equipment with new or modernized stock is delayed, I also urge you to use the discretion provided in the Act before imposing any construction ban on the states.

I hope that the EPA will reconsider its proposed course on clean air sanctions, and stand ready to work with you in solving the problems we face in a manner consistent with the letter and spirit of the law. If I may answer any questions regarding this matter, please don't hesitate to call me.

Sincerely,

Governor JOHN D. ROCKEFELLER IV,
Chairman.

BACKGROUND ON CLEAN AIR ACT SANCTIONS

(Prepared by the National Clean Air Coalition)

In 1977, the Congress set December 31, 1982, as the deadline for reducing pollution [1] to healthy levels in our cities, and required communities to develop plans to meet that deadline. Extensions to 1977 were available for cities with the worst auto-related pollution problems.[2]

Under the Clean Air Act, communities which refuse to adopt or carry out their plans are subject to penalties. In these areas EPA must deny construction permits for major new projects which would add to unhealthy pollution levels. The permit restrictions can be lifted if the areas agree to comply with the law.

In recent months EPA Administrator Anne Gorsuch has discussed these restrictions on a number of occasions, referring to them as a "construction ban." Her comments have left the impression that: The Act absolutely requires imposition of a "construction ban" in all areas which do not meet air quality standards by December 31, 1982; the "construction ban" is a blanket "no growth" penalty with immediate and widespread impact.

In fact, the Clean Air Act does not specifically call for the sanctions in areas which are carrying out approved clean air plans but have failed to meet air quality standards. EPA, in a newly adopted policy, has chosen to interpret the law to apply to these areas. Mrs. Gorsuch claims that the law "forces" her to impose sanctions on these areas. In fact, she has chosen to interpret the law to produce that result.

The law clearly does call for a limited restriction on construction in the second group of areas which EPA is threatening—areas which have not adopted or carried out air quality plans. However, far from being a broad ban on all construction, the sanction is actually a quite narrow restriction on selected new source permits which takes effect gradually over a period of months or years.

The limitations on the permit restrictions are several:

(1) They apply only to major new sources, which add more than 100 tons of new pollution.

(2) They are pollutant specific. They restrict only major new sources of a pollutant which is already a health problem in the community. Sources of sulfur dioxide, for example, are not affected in a community with an ozone problem.

(3) They are area specific. Major new sources of even these problem pollutants can be built in one part of town if the site is chosen carefully so as not to add to unhealthy pollution levels in another part of town.

(4) Their impact is gradual. EPA must institute a formal rulemaking before imposing any permit restrictions, giving communities time to improve their performance. The law also "grandfathers" all construction projects which apply for a permit before the rulemaking process is complete. So even if EPA goes forward, projects scheduled to be built over the next several years could proceed if applications are filed before EPA issues a final notice (some time next year, at the earliest).

OTHER SANCTIONS

EPA also has authority under certain circumstances to withhold federal grants to states for clean air administration and highway construction.

EPA can withhold highway money only if the Administrator determines that a state is not making "reasonable efforts" to submit an acceptable clean air plan. The definition of "reasonable" is left up to EPA. As the attached staff memo from the Senate Environment Committee describes, the legislative history of the Act makes it clear that a state which has made a good faith attempt to develop a plan is not to be subject to these sanctions.

Highway projects for safety, mass transit, or projects necessary for air quality benefits are explicitly exempt by law from withholding. EPA also exempts administrative grants needed to revise clean air plans.

EPA also must cut off air quality planning grants in areas that are not carrying out their plans. This sanction is not triggered by the 1982 deadline. Exemptions for many grants would be authorized under the interpretation previously applied by EPA to grant restrictions triggered by the failure to submit a plan.

Finally, EPA has complete discretionary authority to cut off sewage treatment grants if a state fails to make "reasonable efforts." EPA regulations exempt projects needed for public health.

COMMENTS OF THE NATIONAL ASSOCIATION OF COUNTIES AND THE U.S. CONFERENCE OF MAYORS ON EPA'S PROPOSAL TO INSTITUTE SANCTIONS UNDER THE CLEAN AIR ACT (48 FED. REG. 4972 ET SEQ.)

The National Association of Counties ("NACo") and the United States Conference of Mayors ("Conference") submit these comments on EPA's proposed rulemaking to designate some 213 counties as not in compliance with Part D of the Clean Air Act. The Agency has stated that a determination of noncompliance would automatically subject these counties, which include virtually every major metropolitan area in the country, to sanctions under that statute.[1] Sanctions could include a ban on construction or modification of new major stationary sources of air pollutants as well as cut-offs of Department of Transportation highway construction grants and grants by EPA to administer Clean Air Act programs.

The Conference is the official organization of the approximately 800 cities with populations of 30,000 or more. Its principal role is to develop policy on legislative and regulatory action potentially affecting the nation's larger cities. NACo serves as the national spokesman for county government in the United States. Representing more than 2,059 of the nation's 3,106 counties, NACo acts as a liaison with other levels of government, develops research and information programs to improve county government, and seeks to further public understanding of the role of counties in the federal system.

NACo and the Conference believe that the inflexible imposition of sanctions as proposed by the Agency is illegal and unsound environmental policy. We therefore urge EPA to withdraw the proposed rulemaking and to modify its sanctions policy in accord-

[1] The pollutants in question are nitrogen oxides, sulfure dioxide, particulate matter ("total suspended particulate" or TSP), ozone and carbon monoxide.

[2] Deadline extensions to 1987 were available for ozone and carbon monoxide if communities adopted special measures like inspection and maintenance programs to help them meet the cleanup target. EPA has approved extensions for 196 areas.

[1] EPA proposes to designate as many as 144 counties as not in compliance with the act for failing to achieve in fact the primary national ambient air quality standards by Dec. 31, 1982. An additional 69 counties may be subject to a similar designation for failure to comply with other requirements of the act. For example, EPA has proposed to disapprove of certain State implementation plan revisions seeking extension of the deadline for attainment of the standards for carbon monoxide and ozone until Dec. 31, 1987.

ance with the directives of the Clean Air Act.

* * * * *

SUMMARY

As more fully discussed below, NACo and the Conference submit that EPA lacks authority under the Clean Air Act to impose sanctions for failure to achieve in fact the primary NAAQS by December 31, 1982. The statute links the imposition of sanctions to the submission and enforcement of a revised SIP, not achievement of the standards by the December 1982 deadline. Similarly, the Agency's contention that failure to attain the primary NAAQS may subject a nonattainment area to transportation and other funding restrictions strains the plain meaning of the statutory language and must be rejected.

There also are compelling equitable considerations that foreclose the Agency from imposing sanctions inflexibly. In many cases, states have conscientiously complied with provisions of a revised SIP, which EPA approved as "meeting the requirements of Part D," but which did not achieve the desired results by December 31, 1982. The statute contemplates that approval of a revised SIP only represents a good faith judgment on the part of EPA and a state of what the SIP was likely to accomplish. It is therefore unfair to impose sanctions on cities and counties when, despite compliance with the SIP, that judgment proves erroneous.

Furthermore, sanctions are not warranted when EPA has caused or contributed to the noncompliance. For example, EPA repeatedly has stated its intention to modify the standard for particulates and, while considering various alternatives, authorized states to defer implementation of measures designed to achieve compliance with the current standard by the statutory deadline. The Agency's delay in promulgating a new standard also has precluded demonstration of attainment under a revised particulate standard. Under these circumstances, EPA is barred from imposing sanctions.

The statute does not direct the automatic imposition of sanctions. To the contrary, even for nonattainment areas arguably subject to these coercive measures, EPA is required to comply with its obligations under Section 110 of the Act before instituting any of the sanctions. These statutory provisions, not the moratorium on construction or restrictions on funding, provide adequate remedies to address the passing of the statutory deadline.

Finally, the public health objectives of the statute would be better served if sanctions are not rigidly imposed. The statute requires that construction of new sources reduce total emissions. Thus, the lawful operation of new major sources actually will improve air quality. EPA should encourage, not preclude, the replacement of older units with new, efficient plants that will reduce total emissions.

I. EPA lacks authority under the Clean Air Act to impose sanctions for failure to achieve the primary NAAQS by December 31, 1982

The Clean Air Act does not allow EPA to impose sanctions on nonattainment areas that failed to achieve the primary NAAQS by December 31, 1982. It would have been easy for Congress to have provided for the automatic imposition sanctions upon failure to meet a deadline, but Congress chose not to do so. Rather, the language authorizing sanctions links them to the submission and implementation of revised SIPs, not the deadlines by which the plan's objectives are to be achieved.

For example, the Agency's authority to impose sanctions is not triggered at all unless a "plan" fails to meet the requirements of Part D, Section 110(a)(I). Similarly, Section 172(a)(2)(1) explicitly conditions construction or modification of any new major stationary source on a state's establishing the required "provisions of an applicable implementation plan," not compliance with the statutory deadlines. Section 173(4) provides that a state may issue permits to construct or operate a new source if "the applicable implementation plan is being carried out for the nonattainment area. . . . "[2] This statutory language demonstrates that the failure to meet Clean Air Act deadlines for compliance with the primary NAAQS has no bearing whatsoever on the imposition of sanctions. Accordingly, states which have timely submitted a revised SIP to EPA and either have received or are awaiting approval from the Agency cannot be subject to sanctions.

* * * * *

CONCLUSION

For the foregoing reasons, the National Association of Counties and the United States Conference of Mayors urge the Environmental Protection Agency to withdraw the proposed rulemaking and modify its sanctions policy in accordance with the statutory directives of the Clean Air Act and the policy underlying the statute.

COMMENTS SUBMITTED ON BEHALF OF THE NATIONAL LEAGUE OF CITIES AND CERTAIN OF ITS MEMBER CITIES

The following comments are submitted on behalf of the National League of Cities (the "League") and certain of its member cities,[1] in response to a series of notices of proposed action published in the Federal Register on February 3, 1983. The comments are addressed to certain generic legal and policy issues raised by EPA's notices. As such, they are intended to supplement comments which member cities are filing on their own behalf, which address issues specific to each city in greater detail.

I. INTRODUCTION

The League is the oldest, largest and most representative organization serving the nation's cities. Its membership includes more than 1100 direct member cities of all sizes, including virtually all of the nation's largest cities and 48 state municipal leagues. Through the direct membership and participation of the state leagues, the League speaks for more than 15,000 cities.

The proposals contained in the February 3, 1983 Federal Register are a matter of grave concern to the League and the cities for whom it speaks. In its notices, EPA proposes to impose sanctions against areas which allegedly have failed to comply with applicable Clean Air Act requirements. These sanctions, which would apply over large portions of the country,[3] would include bans on construction or modification of certain major industrial sources of pollution, and cut-offs of certain federal grants, including certain highway construction grants, and grants by EPA to administer Clean Air Act programs.[4]

If these sanctions are imposed, they could have a crippling effect on efforts to reduce unemployment and stimulate economic growth. Since many of the sanctions would be concentrated in urban areas, the adverse impact on the League and its members would be particularly severe. Important highway construction projects would have to be cancelled or delayed, and essential industrial plant renovation and expansion would be needlessly barred, at a time when the economy is just beginning to recover from the worst recession in years.

The League and its members strongly support the objectives of the Clean Air Act. Further, as an organization, the League explicitly endorses the concept of deadlines, and believes that there are circumstances in which the use of sanctions is appropriate to ensure that Clean Air Act requirements are met. For example, imposition of sanctions might be appropriate when a state (1) refuses to submit its state implementation plan ("SIP") by the required statutory deadline; (2) refuses to make a good faith effort to implement its SIP; or (3) refuses to revise its SIP in a timely manner after having been notified by EPA that its SIP is deficient.

For the reasons set forth below, however, the League believes that the use of sanctions proposed on February 3, 1983 is illegal, unwarranted, and unwise. Accordingly, the League urges the new Administrator to (1) withdraw the Agency's February 3, 1983 notices of proposed rulemaking; and (2) thoroughly reevaluate the Agency's policy with regard to sanctions, in order to identify those limited circumstances in which imposition of sanctions may be lawful and appropriate under the Act.

II. FRAMEWORK FOR ANALYSIS

Before turning to the specific legal issues raised by EPA's notices, it is important to note that there are a number of legal and policy considerations of a general nature which strongly support a restrictive view of the circumstances in which sanctions should be imposed:

1. The evidence to support EPA's current interpretation of the statute is weak. The Act does not contain any provision which explicitly imposes sanctions as a result of a failure to achieve attainment as of December 31, 1982, even though it would have been a comparatively easy matter for Congress to write such a provision into the law if it intended such a result. Instead, even under the Agency's interpretation of the Act, the significance of failing to achieve attainment on or before December 31, 1982, is indirect.[5]

Further, despite the potentially grave consequences of EPA's proposed sanctions, the Agency has failed to point to any evidence in the legislative history to demonstrate that Congress anticipated that severe sanctions would be imposed for failure to meet the December 31, 1982 deadline.[6]

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A. Analysis of Requirements Applicable to States Which EPA Alleges Have Failed to Meet the December 31, 1982 Attainment Deadline.

EPA alleges that portions of 28 states have failed to meet the December 31, 1982 attainment deadline for SO_2, particulate matter and NO_x (and, in a small number of cases, ozone and carbon monoxide).[15] In each affected area, EPA proposed to impose

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[2] The conference report on the 1977 amendments, in discussing part D, confirms that the imposition of sanctions is contingent on the submission of a revised SIP, not compliance with the statutory deadlines: "As a condition for permitting major new sources to locate in a nonattainment area, States are required to have approved revised implementation plans." H.R. Rep. No. 564, 95th Cong., 1st Sess. 157 (1977).

immediately a ban on construction or modification of all major sources of the pollutant (or pollutants) for which the area is non-attainment. In addition, for auto-related pollutants, the notice also contemplates that EPA will seek to impose a cut-off on certain DOT and EPA grants at a soon-to-be-announced date.[16]

The legal justification offered for this proposal is deceptively simple, albeit misplaced. The key to EPA's position is the assertion that in every instance in which an area has failed to achieve attainment by the applicable December 31, 1982 deadline, the applicable SIP has necessarily failed "to provide for attainment" for purposes of § 172(a)(1) of the Act, and the SIP must be disapproved. As a result, EPA claims, in every such state, sanctions immediately must be imposed.[17]

EPA's contention raises somewhat different issues as it applies to the construction ban and to the cut-off of EPA and DOT grants.

1. *Issues Relating to the Construction Ban.*

The fallacies in EPA's arguments with regard to the circumstances in which the construction ban should be imposed are both narrow and broad:

a. Even under EPA's result-oriented interpretation of Part D, the fact that an area is unable to demonstrate attainment does not mean that its SIP must be disapproved.

It is important to recognize that, even under EPA's narrow, result-oriented interpretation of § 172(a)(1), the fact that an area is unable to demonstrate attainment does not necessarily mean that its plan must be disapproved. Instead, there are any number of reasons why an area might not be able to demonstrate attainment, even if its plan is adequate in every respect. For example: (1) air quality control measures may have only recently been implemented, and may not yet be reflected in available air quality data, most of which is at least 1 to 1½ years out of date;[18] (2) any exceedances which may have been observed may be attributable to violations by individual sources which may not previously have been detected by the state, or which the state may be in the process of correcting; (3) exceedances may be attributable to unusual meteorological conditions, which the state is not required to take into account in its plan, or to other special circumstances (e.g., a breakdown in pollution control equipment) which are not likely to recur; (4) exceedances may be attributable to delayed compliance orders,[19] or to orders issued under §§ 113(e) or 119 of the Act (both of which allow states to exclude certain emissions in determining whether their plans meet the requirements of the Act[20]; and (5) exceedances may be attributable to inadequate emission limitations on out-of-state sources or failure of such sources to adhere to their emission limitations.[21] (EPA's notices recognize the potential significance of interstate sources of pollution, but limit consideration of such sources to states which have failed to achieve the NAAQS for ozone. No reason is given for refusing to take into account the potential contribution of interstate sources with respect to other pollutants.)

In every instance, the conclusion to be reached is the same: because of the factor listed, ambient air concentration levels may exceeded the NAAQS. But this does not necessarily mean that the state's plan is deficient in any respect.

At a minimum, therefore, prior to disapproving any previously-approved state implementation plan, EPA should be requried to identify the particular respects in which it alleges that the previously approved plan is deficient, and give the states an opportunity to demonstrate (1) that the failure to achieve attainment is attributable to an excusable cause; or (2) alternatively, revise its plan (as discussed further below).

IV. CONCLUSIONS

For the reasons set forth above, the League urges the new Administrator to withdraw EPA's February 3, 1983 notices of proposed rulemaking, and thoroughly reevaluate the Agency's policy towards sanctions.

FOOTNOTES

[1] The cities joining in these comments are: Seattle, Wash.; St. Paul, Minn.; Cleveland, Ohio; Los Angeles, Calif.; Fort Worth, Tex.; Minneapolis, Minn.; Louisville, Ky.; Anaheim, Calif.; Indianapolis, Ind.; and Philadelphia, Pa.

Each of these cities is a target of one or more of EPA's proposed sanctions.

[3] The proposed sanctions would apply in 34 states, including each of the eight largest states in the country. See 48 Fed. Reg. at 5005-5021 and 5029. A total of 11 states (including California, New York, Texas, Pennsylvania and Illinois) would be subject to sanctions both for failing to meet the December 31, 1982 deadline and for failing to submit adequate state implementation plans ("SIPS") for ozone and/or carbon monoxide. Seventeen additional states would be subject to sanctions solely for failing to meet the December 31, 1982 deadlines, and six states would be subject to sanctions solely for failure to submit adequate ozone and/or carbon monoxide SIPs.

Virtually every major metropolitan area in the U.S. would be affected by the proposal.

[4] In addition, EPA contends that it has discretion to cut off certain sewage treatment grants under sec. 316(b) of the Act. See 48 Fed. Reg. at 4975.

[5] See 48 Fed. Reg. at 4977-78. By contrast, the Act specifically contemplates that sanctions would be imposed in certain areas as of July 1, 1979, as a result of failure to submit adequate SIPs by that date. See secs. 110(1)(2)(I) and 172(a)(1). The Agency previously found that imposition of sanctions as of July 1, 1979 was "automatic and mandatory," 44 Fed. Reg. 38471 (July 2, 1979)—a conclusion it implicity concedes does not apply to the sanctions proposed on February 3rd.

The Act explicitly contemplates that some of the SIPs required to be submitted prior to July 1, 1979 ultimately will prove to be deficient, and will have to be revised. See sec. 110(a)(2)(H)(ii). Notably, however, there is no explicit indication in the statute that Congress intended to impose sanctions during the period in which a previously approved plan is being revised.

[6] While the legislative history expressly contemplates that sanctions will be imposed as a result of the failure to submit plans by certain statutorily-prescribed deadlines, it contains no support for the view that the failure to achieve attainment automatically requires that sanctions be invoked.

[15] See note 1 supra.

[16] As the notice explains, the auto-related pollutants generally are considered to be ozone, CO and NOx. EPA also takes the position that in certain extreme cases, total suspended particulates will be considered auto-related pollutants as well—a position for which EPA cites no precedent, and which represents, at best, a strained interpretation of the Act, underscoring the Agency's apparent intention to impose sanctions in a needlessly far-reaching manner.

[17] In addition, for a number of such areas, EPA offers a second justification for the cut-off—viz., that the states allegedly have failed to comply with conditions set forth in their SIPs. EPA alleges that the failure to satisfy such conditions offers a second grounds for disapproving such SIPs, and thus for imposing sanctions.

EPA's second justification is subject to several of the same general failings as the first, but raises some new issues, discussed infra.

[18] This would be a particularly important consideration where the alleged non-attainment is based upon the failure to demonstrate compliance with annual average standards.

[19] Under sec. 113(d), there are a few limited circumstances in which states may properly issue delayed compliance orders which extend past December 31, 1982.

[20] In its notice of proposed rulemaking, EPA acknowledges the special issues posed by secs. 113(e) and 119, but takes the position that, even when the Agency previously has approved the State's plan, the burden is on the state to demonstrate that, but for orders issued under these two sections, attainment would be achieved.

None of the other special factors mentioned previously in the text are acknowledged in the notices.

[21] The first of these possible interstate problems is recognized in sec. 126(b) of the Act.●

GEORGE F. KENNAN ADVISES HOW TO IMPROVE UNITED STATES-SOVIET RELATIONS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, George F. Kennan, one of America's most distinguished citizens recently delivered a major address on United States-Soviet relations. Mr. Kennan is, of course, most famous as the originator of the "containment policy" for blocking Soviet expansionism following World War II. This policy led to the adoption of the Marshall plan, followed by NATO and other successful cooperative undertakings among the countries of the free world. He also served as U.S. Ambassador to the Soviet Union.

Speaking in Washington on May 17 to the American Committee on East-West Accord, Mr. Kennan expressed grave concern over the deterioration of relations between the two superpowers. Pointing to the decline in civility and privacy of communication between the two governments, the rise in antagonism, and the almost total militarization of public discussion on United States-Soviet relations, he observed that these are "the familiar characteristics, the unfailing characteristics, of a march toward war—that, and nothing else."

Mr. Kennan went on to make a powerful case that this state of affairs is really unnecessary and that it stems, in part, from a grotesque caricature of the Soviet regime in the minds of many in leadership positions in our own country. This caricature, as he describes it, stems from the view, which he believes to be erroneous, that there is no way the Soviets can be reasoned with other than intimidation by superior military force. Certainly, one has only to look back to the debate on the nuclear freeze resolution or the ongoing debate on the MX missile to see that just such a caricature seems to permeate the expressions of many of our colleagues in the House, not to mention President Reagan and his principal advisors.

As a former Ambassador to the Soviet Union and a U.S. Foreign Service career officer, George Kennan himself has had a lifetime of experience in coping with the Soviets. He

does not minimize the difficulties of doing so. But in his speech, he stressed that these difficulties are actually less acute than they were many years ago and that they are counterbalanced by a number of more encouraging factors. Of these, he says:

* * * The most important consists of the many persuasive indications that that leadership, however complicated may be its relations with the West, does not want a major war—that it has a serious and primary interest in avoiding such a war, and will, given a chance, go quite far together with us to avoid it.

Kennan further elaborates on the Soviet leadership as follows:

They constitute the government of a great country. They have direct responsibilities for the shaping of the society and economic life of that country. It is from the successful development of this society and this economy, that they derive their strength. They cannot play fast and loose with either * * *. There is no single consideration—there are a thousand considerations, and these quite aside from any so-called military deterrence—which would serve to dissuade these men from any thought that their interests could be served by opening the Pandora's box of another world war. The view that sees them as so totally independent, so wholly on top of all their other problems, and so madly riveted to dreams of world conquest, that it is exlusively by the interposition of an overwhelming opposing military force that they could be dissuaded from striking out in any and all directions with acts of aggression or intimidation—this view, which incidentally, seemed to me to permeate every page of the recent report of the President's commission on strategic missilry—is, if you will forgive my language, simply childish—inexcusably childish—unworthy of people charged with the responsibility of conducting the affairs of a great power in an endangered world. Surely we can do better than this * * *.

Kennan does not merely criticize the negativism of current approaches to our relations with the Soviet Union. He points out that both countries not only have a common interest in preserving world peace but they face a number of problems and challenges in which mutual collaboration can produce positive dividends of great value to both countries and, indeed, to many others. In fact, he believes that unless we address dimensions of the United States-Soviet relationship other than just the military ones, the arms control talks are unlikely to have an adequate and enduring success.

However, Kennan is quite clearly not following the approach of those who would establish "linkage" between Soviet conduct in other matters, such as human rights in the Soviet Union, as a prerequisite to reaching agreement on arms control. Some of his remarks on this point are worthy of emphasis:

* * * if what we are talking about are the inter-relationships of governments, a choice must be made between the interests of democratization in Russia and the interests of world peace * * *. Democracy is a matter of tradition, of custom, of what people are used to and expect. It is something that can not be suddenly grafted onto an unprepared people—particularly not from outside, and not by precept and preaching and pressure rather than example. It is not a concept familiar to the mass of the Soviet people; and whoever subordinates the interests of world peace to the chimera of an early democratization of Russia will assuredly sacrifice the first of those values without promoting the second.

Indeed, many experts, including Mr. Kennan, believe that human rights in the Soviet Union would be best advanced as a result of the lessening of tensions that will flow from successful arms control agreements and increases in cultural, commercial, and other contacts between the two countries at all levels.

Mr. Speaker, it is fortunate that at this critical time we again have the benefit of the experience and wisdom of George Kennan. I hope we heed it while there is still time. To that end, I am including the full copyrighted text of his address immediately following these remarks:

THE STATE OF UNITED STATES-SOVIET RELATIONS

I am moved to recall that it is just two years since I last spoke publicly in this city. The occasion then was the conferring of the Albert Einstein Peace Prize, and the subject treated was the nuclear arms race.

What I should like to talk about today is the Soviet-American relationship in its wider, and primarily, non-military aspect.

As we all know, Soviet-American relations, in consequence of a process of deterioration that has been several years in the making, are today in what can only be called a dreadful and dangerous condition. Civility and privacy of communication between the two governments seem largely to have broken down. Reactions on both sides to statements and actions of the other side have been allowed to become permeated with antagonism, suspicion, and cynicism. Public discussion of the relations between the two countries has become almost totally militarized, in this country at least—militarized to a point where the casual reader or listener could only conclude that some sort of military showdown was the only possible outcome—the only conceivable denouement—of their various differences—the only one worth considering and discussing.

I wonder whether anyone can mistake, or doubt, the ominous meaning of such a state of affairs? These phenomena—the ones I have just described—occurring in the relations between two highly-armed great powers, are the familiar characteristics, the unfailing characteristics, of a march toward war—that, and nothing else.

I don't think I have to point out the immensity of the danger this spells. The danger would be intolerable even if the two countries were armed only with what are called conventional weapons. The history of the past century has shown that the damages produced by armed conflict between highly industrialized great powers in the modern age, even without the use of nuclear armaments, are so terrible that it is doubtful whether Western civilization could survive another such catastrophe. But this danger is multipled many times over by the nature of the weapons the two countries hold in their hands. While either of these two factors—the nature of the weaponry or the state of the political relations—would be a danger in itself, the two in combination present a shadow greater than any that has ever darkened the future of western civilization. I fail to see how anyone could be complacent about it.

There are two questions to which I should like to address myself in these few moments we have together. The first would be: is this state of the Soviet-American relationship really necessary and unavoidable from the standpoint of the American policymaker—is there no way we could avoid it, no way we could cope with it, other than by a continuing and intensified weapons race of indefinite duration? And the second question is: if this is not the case, what is there that we could do about it?

There are those in this city who would argue, I know, that this situation flows automatically from the nature of the regime that confronts us in Moscow and is therefore unavoidable. And to support that view they would point to a given image of that regime. It is an image, I suspect, very largely of their own creation and cultivation. We are all familiar with it. It is an image of unmitigated darkness—the image of a group of men already dominating and misruling a large part of the world and motivated only by a relentless determination to bring still further peoples under their domination.

No rational motivation is suggested, by those who cultivate this image, for so unbounded and unquenchable a thirst for power. The bearers of it, we are allowed to conclude, were simply born this way—the products, presumably, of some sort of a negative genetic miracle; but in any case, being born this way and unable to help themselves, there is no way they could be reasoned with—so the thesis goes—no basis on which they could usefully be approached—no language they could be expected to understand—other than that of intimidation by superior military force. Only by the spectre of such a force—an overwhelmingly superior nuclear force, in particular—could these men be "deterred," as the phrase goes, from committing all sorts of acts of aggression or intimidation with a view to subjugating other peoples and eventually to conquering the world. There are allegedly no other inhibitions, no other considerations, no other interests, that could be expected to restrain them from such behavior.

Well, this image, if applied 30 to 40 years ago to the regime of Joseph Stalin, might not have been so far from reality, but as applied to the Soviet leadership of the year 1983 it is grotesquely overdrawn, a caricature rather than a reflection of what really exists, one which is highly misleading and pernicious as a foundation for national policy, and one which is deeply and needlessly offensive to the people in question.

The Soviet regime was born in the agony of the First World War, and it has always reflected something of the profound estrangement of Russia from the Western world which that agony, and the resulting Russian Revolution, brought about. It is not surprising, then, that it has always been marked by a whole series of characteristics that complicate its relationship to the Western powers. Some of these were inherited from the tsarist empire of earlier centuries. Some betray, although in a much modified form, the militant ideological antagonism towards non-Communist countries that was so prominent a feature of the early revolutionary period. There are traces, too, unfortunately (also, thank God, now greatly

modified) of the baleful influence once exerted on the Soviet regime by the years of Stalinist horror. But whatever their origins, these characteristics do exist; and I do not know anyone familiar with that government who would deny this.

I hope our friends from the East who, I am glad to see, are here today, will not take it amiss if I mention some of these complicating factors. In doing so, I am not unmindful of the fact that the American political system is also not invariably the easiest one in the world for foreigners to deal with.

Be that as it may, the Soviet regime has, for example, a relatively high general sense of insecurity, a marked sensitivity to conditions in border regions, a tendency to overdo in the peacetime cultivation of military strength, and above all, a positively neurotic passion for secrecy.

And as one of the consequences of this passion for secrecy, it has what seems to be a veritable obsession with espionage, in both the offensive and the defensive senses—an obsession that often gets in the way of normal and relaxed relations with other countries.

Soviet negotiating techniques often appear, particularly for those not familiar with them, to be stiff, jerky, secretive, unpredictable, and above all, lacking in that useful lubrication that comes from informal personal association and exchanges among negotiations.

And then there are, too, specific Soviet policies that grate severely on Western sensibilities. The Soviet leaders do indeed make efforts to gain influence and authority among the regimes and peoples of the Third World; and while the methods they employ do not seem to me to differ very greatly from those of other great powers, including ourselves, and while their efforts in this direction have not met, generally speaking, with any great measure of success, I understand that these practices arouse alarm and indignation in large sections of our official community.

And then, of course, there is the fact that these Soviet leaders insist on maintaining a monopoly of political power in their own country and proceed harshly against those who appear to challenge or threaten that monopoly or even try to liberalize the political system; beyond which, they unquestionably use their military hegemony to support and to maintain in power in Eastern Europe regimes similarly inspired and similarly resistant—or almost as resistrant—to liberalizing tendencies. All this, admittedly, is a constant thorn in the flesh of much Western opinion.

And finally, while we are speaking of the difficulties, let us not forget the phenomenon, familiar, I think, to all foreign representatives and observers in Russia, of the curious dual personality which the Soviet regime presents to the Foreign representative: the facade, that is, composed of people—often amiable and charming people—authorized to associate and and communicate with the outside world; but also, behind that facade, never visible but always perceptible—the other, inner, conspiratorial personality, of whose inscrutable attitudes and intentions the foreigner is never quite sure, and which for that every reason probably incurs more suspicion than it deserves.

Now these, and others I could name, are formidable difficulties. Of course, they limit the relationship. And of course, they have to be taken into consideration by Western policymakers.

But there are certain things I should like to say about them.

First, most of them are not new. Some have been there since the very outset of the Soviet-American relationship. All of us who have served in Moscow have had to contend with them. We were taught, in fact, to regard them as part of the problem. And General Marshall, I recall, used to say to us: "Don't fight the problem."

Secondly, most of these difficulties are actually less acute than they were many years ago. Perhaps with patience and understanding, they can become even less pronounced in future years.

And thirdly, those negative factors are counterbalanced by a number of more encouraging ones relating to both the psychology and the situation of the Soviet leadership.

Of these latter, the most important consists of the many persuasive indications that that leadership, however, complicated may be its relations with the West, does not want a major war—that it has a serious and primary interest in avoiding such a war, and will, given a chance, go quite far together with us to avoid it.

By an "interest" I do not mean an abstract devotion to the principle of peace as a moral ideal. I mean a consciousness on the part of these men that certain things they most deeply care about would not be served by another great war. I cannot take time here to elaborate on this point. I believe that anyone who tries to put himself in the position of the Soviet leaders will at once see the force of it. Even if they should be as evilly motivated as they are sometimes perceived to be, these men are not free agents, wholly detached from the manifold complexities and contradictions that go, invariably, with the exercise of great power. They constitute the government of a great country. They have a direct responsibility for the shaping of the society and economic life of that country. It is from the successful development of this society and this economy, that they derive their strength. They cannot play fast and loose with either. Beyond which, they live and operate in a highly complicated international environment. There is no single consideration—there are a thousand considerations, and these quite aside from any so-called military "deterrence"—which would serve to dissuade these men from any thought that their interests could be served by opening the Pandora's box of another world war. The view that sees them as so totally independent, so wholly on top of all their other problems, and so madly rivetted to dreams of world conquest, that it is exclusively by the interposition of an overwhelming opposing military force that they could be dissuaded from striking out in any and all directions with acts of aggression or intimidation—this view, which incidentally, seemed to me to permeate every page of the recent report of the President's commission on strategic missilry—is, if you will forgive my language simply childish—inexcusably childish—unworthy of people charged with the responsibility for conducting the affairs of a great power in an endangered world. Surely we can do better than this in penetrating, with our imaginations and our powers of analysis, the true complexity of the forces that come to bear on the decisions of another great government, and in forming a realistic idea of the motivation of its conduct. And surely, if we were to make this effort, what we would then see would be more reassuring than what, in the absence of it, we are led by our fears to assume.

And the area of common interest between the Soviet Union and ourselves is not limited to the need of both these peoples to see world peace preserved. Both are great industrial powers. As such, they have a growing number of common problems. Prominent among these are the environmental ones. Both of these countries occupy major portions of the environmentally-endangered northern hemisphere. The Soviet leaders are no less aware than we are of the extent to which this hemisphere, even if it should escape nuclear disaster, would still be threatened by environmental pollution and deterioration. They know that these problems will not be mastered just by measures taken within any single country—that their solution will require international collaboration.

And the environmental questions are only examples of the many problems and challenges that all the great industrial societies of this planet, including the U.S. and the U.S.S.R., have in common. And these problems—the familiar problems of the technological revolution that is coming to envelope us all—are the ones that unite—the ones on which we can collaborate—and they are the problems of the future. The others—the ones flowing from the ideological conflicts of earlier decades—are the problems of the past.

These, then, are some of the pros and cons of the Soviet-American relationship, as I see them; and if these pros and cons are stacked up against each other, what you get is naturally a mixed pattern, embracing serious differences of outlook and interest, but also embracing positive possibilities that are more than negligible. It is a pattern which of course leaves no room for exaggerated hopes, or for fulsome and hypocritical pretences to a friendship which does not, and cannot, fully exist. But it also affords no justification for some of the extremes of pessimism that we see around us today—no justification for the conclusion that it is only by some ultimate military showdown that our various differences can be resolved—and no justification for the overdrawn image of the Soviet leadership to which I have just pointed. We Americans lived for more than a century at peace with the empire of the Tsars. Despite the addition of several seriously complicating factors during the present century, we have lived for some six and a half decades at peace with the Soviet Union. And I can see, in this mixed pattern I have just been talking about, nothing to suggest that these two countries should not be able to continue to live at peace with each other for an indefinite number of decades into the future.

This cannot, of course, be assured by the state of relations we have before us today. While the true pattern of our respective interests does not, as I have just said, suggest that the prospects for a peaceful development of Soviet-American relations are not hopeless, they could easily become just that if we are unable to rise above some of the morbid nuclear preoccupations that now seem to possess us—if we are unable to see the positive possibilities behind the negative military ones, and unable to give to those positive ones a chance to breathe and to realize themselves.

I recognize the fundamental importance of the outstanding questions of arms control. I know that they represent the greatest and most urgent single problem we have before us in our relations with the Soviet

Union. I know that without progress in this respect there can be little hope of a peaceful future. But I would like the words I am speaking here today to serve as a reminder that there are other dimensions to the Soviet-American relationship than just the military ones; and that not only are these other dimensions of sufficient importance to warrant attention in their own right but that unless they, too, can be recognized, and cultivated, and their favorable possibilities taken advantage of, then the arms talks themselves are unlikely to have any adequate and enduring success. These two aspects of the relationship are complementary; and progress in the one is indispensable to progress in the other.

My plea, therefore, would be that we see what we can do to place this relationship as a whole on a sounder, more reassuring, and less frightening basis. I recognize that, as of today, things are badly fouled up, and that any effort to straighten them out is unavoidably going to take time. There are even those who believe that nothing that could be done from the American side over the next year and a half would suffice to restore the atmosphere necessary to permit such an effort to go forward. I cannot share that extreme pessimism. Of course the process will take time. But precisely because this is so, it is never too early to begin it; and there is nothing to prevent us from considering the sort of agenda that would be necessary to create a more normal state of affairs.

What might such an agenda look like?

Well, some of it flows, by implication, from what I have already said. We could try, first of all, to restore the full confidentiality and the civility of communication between our two governments. And we could cease treating the Soviet Union as though we were, out of one pocket, at peace with it, and out of the other—at war. We could lift the heavy dead hand off Soviet-American trade and permit that normal and useful branch of human activity to proceed in response to its own economic requirements. We have no need to be trying to set back the economy, or depress the living standards, of another great people; not is it in keeping with the American tradition to be engaged in such an effort.

We could take a much bolder, more hopeful and promising stance in matters of arms control; and when I say that, I am not talking about unilateral disarmament. We could acknowledge—and it is high time we did so—that the nuclear weapon is a useless one, which could not conceivably be used without inviting catastrophe upon the people whose government intitiated its use, along with untold millions of people elsewhere. Recognizing this, we could reject all dreams of nuclear superiority and see what we could do about reducing the existing nuclear arsenals, with a view to their eventual total elimination. A number of approaches have been suggested: the freeze, deep cuts, the so-called "build-down," a comprehensive test ban treaty, and others. These are not alternatives. They are complementary. Any or all of them would be useful. But to get on with them, I believe that we would have to learn to treat the problem as a whole in our negotiations with the Russians—not in a series of fragmentized technical talks—and to treat it at the senior political level, as it should be treated.

And then, turning to the more positive and hopeful possibilities, we could set out to take advantage of those areas where the peaceful interests of the two powers do coincide and where possibilities for collaboration do exist. What have we to lose? If my memory is correct, we once had some twenty-two separate agreements for collaboration and personnel exchanges in a whole series of cultural and scientific fields. A number of these proved fruitful; some, I understand, did not. I hold no brief for the retention of those that did not. But most of them, including certain of the useful ones, have been allowed to lapse. These could be restored, and others, I am sure, could be added. There are many possibilities in the scientific field—possibilities for collaboration on environmental problems, and the study of the Arctic and Antarctic, on oceanographic research, on public health, on nuclear fusion. The entire great area of the uses of outer space—this vast common umbrella which protects every man, woman and child on this planet—ought to be not only demilitarized but genuinely internationalized; and these two great countries ought to be taking a major, if not exclusive, collaborative part in that internationalization, instead of speculating how they might exploit this medium to the detriment of the other party—and perhaps to the detriment of humanity as a whole.

There are those who will say: yes, we once had such agreements, but we did not get as much information out of them as the Russians did. To which I can only say: if this—the acquisition of military intelligence—is the only reason one can see for entering into agreements with another country, then they had better be omitted altogether. But if we are prepared to place our hopes in their long-term effects—their effects in bringing people together in a collaborative relationship and helping them to see each other and each other's society as human beings and not as some species of demon—then I am sure we will find that many of these arrangements provide more hopeful perspective than the most ambitious of our efforts to learn how to destroy each other.

These collaborative arrangements require, as a rule, formalized agreements; and there will be some who will question whether we can trust the Soviet government to live up to such agreements when it makes them. Whenever I hear this question asked, I am surprised; for we now have six and a half decades of experience to go on and the answer provided by this experience is reasonably clear. You *can* conclude useful agreements with the Soviet side; they *will* respect them—one the condition, however, that the terms be clear and specific, not general; that as little as possible be left to interpretation; that questions of motivation and particularly professions of lofty principle be left aside; and finally, that the other contracting party show a serious and continued interest in their observance.

And then, while we are on the question of the objections that will be raised to what I have suggested, there is one more I must face: and that is the question of "human rights."

I am afraid that my answer to this question must be brief, and to many—unwelcome. Of course our sympathies are engaged for people who fall afoul of any great political police system; and I see no need to conceal it. But if what we are talking about are the inter-relationships of governments, a choice must be made between the interests of democratization in Russia and the interests of world peace; and in the fact of this choice there can be, as I see it, only one answer. Democracy is a matter of tradition, of custom, of what people are used to and expect. It is something that can not be suddenly grafted onto an unprepared people—particularly not from outside, and not by precept and preaching and pressure rather than example. It is not a concept familiar to the mass of the Soviet people; and whoever subordinates the interests of world peace to the chimera of an early demonstration of Russia will assuredly sacrifice the first of those values without promoting the second. By the nature of things, democratization must wait; world peace can not. If what we want to achieve is a liberalization of the political regime prevailing in the Soviet Union, then it is to example rather than to precept that we must look; and we could start by tackling, with far greater resolution and courage than we have shown to date, some of the glaring deficiencies in our own society.

These, then, are some of the directions in which we could move and in which I should like to see us move. We have, I reiterate, so little to lose. At the end of our present path of unlimited military confrontation lies no visible destination but failure and horror. There are no alternatives to this path that would not be preferable to it. What is needed here is only the will—the courage, the boldness, the affirmation of life—to break out of the evil spell that has been cast upon us, to declare our independence of the nightmares of nuclear danger, and to turn our minds and hearts to better things.

Permit me now, if you will, one personal word in conclusion. These observations flow from an involvement on my part with Soviet-American relations that goes back, I believe, over a longer span of years than that of anyone now in public life on either side. In the course of these years (and there are actually fifty-five of them) I have seen this relationship in some of its better times: particularly at the time of the establishment of diplomatic relations just a half-century ago—and again during our association with the Soviet Union in the waging of the Second World War. I have also seen it in some of the most bitter and disheartening moments it has known—have not only seen it in such moments but have felt some of their effects upon my own person. Precisely for this reason, I think I know as much as anyone about the difficulties the relationship involves. Yet at no time in the course of these fifty-five years have I ever lost my confidence in the constructive possibilities of the relationship. For all their historical and ideological differences, these two peoples—the Russians and the Americans—complement each other; they need each other; they can enrich each other; together, granted the requisite insight and restraint, they can do more than any other two powers to assure world peace. For this reason, the rest of the world, too, needs their forebearance with each other and their peaceful collaboration. Their allies need it. And they themselves need it—and can have it if they want it.

I wish I could convey something of this confidence to those around me in this city. I know that if this could be done, we would go forward without hesitation to face the challenges this view presents, and to shoulder, soberly but cheerfully, the burdens it implies.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special

orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LEWIS of Florida) to revise and extend their remarks and include extraneous material:)

Mr. FIELDS, for 5 minutes, today.

Mr. FRENZEL, for 20 minutes, today.

(The following Members (at the request of Mr. SEIBERLING) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. KASTENMEIER, for 10 minutes, today.

Mr. HOWARD, for 5 minutes, today.

Mr. HERTEL of Michigan, for 60 minutes, June 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. NIELSON of Utah, and to include extraneous matter, notwithstanding the fact that it exceeds 2 pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,208.

Mr. DE LA GARZA, following statement of chairman of full committee, Mr. JONES of North Carolina.

Mr. WAXMAN, and to include extraneous matter, notwithstanding the fact that it exceeds 2 pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,449.

Mr. SEIBERLING, and to include therein extraneous material, notwithstanding the fact that it exceeds 2 pages of the RECORD and is estimated by the Public Printer to cost $1,328.

(The following Members (at the request of Mr. LEWIS of Florida) and to include extraneous matter:)

Mr. MCDADE.

Mr. KEMP.

Mr. NIELSON of Utah.

Mr. GINGRICH.

Mr. HILLIS.

Mr. LUJAN.

Mr. WOLF.

Mrs. JOHNSON.

(The following Members (at the request of Mr. SEIBERLING) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. MARKEY in four instances.

Mr. RODINO.

Mr. LANTOS.

Mr. SMITH of Florida.

Mr. RICHARDSON in two instances.

Mr. KOSTMAYER.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 42. Joint resolution designating Alaska Statehood Day, January 3, 1984; and

S.J. Res. 75. Joint resolution to provide for the designation of June 12 through 18, 1983, as "National Scleroderma Week."

ENROLLED JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker.

H.J. Res. 201. Joint resolution designating June 14, 1983, as "Baltic Freedom Day."

ADJOURNMENT

Mr. SEIBERLING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 22 minutes p.m.) the House adjourned until tomorrow Tuesday, June 14, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1343. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of June 1, 1983, pursuant to section 1014(e) of Public Law 93-344 [H. Doc. No. 98-68]; to the Committee on Appropriations and ordered to be printed.

1344. A letter from the District of Columbia Auditor, transmitting a report entitled "Capital Improvements Program Borrowing," pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

1345. A letter from the District of Columbia Auditor, transmitting a report entitled, "Allegations Regarding Ticket Fixing and Improper Release from Impoundment by the Department of Transportation Officials," pursuant to section 455(d) of Public Law 93-198; to the Committee on the District of Columbia.

1346. A letter from the Assistant Secretary for Legislative and Intergovernmental Affairs, Department of State, transmitting notice of a proposed license for the export of major defense equipment sold commercially under a contract to the Government of Thailand (Transmittal No. MC-14-13), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1347. A letter from the Office of the Special Counsel, U.S. Merit Systems Protection Board, transmitting the annual report of activities of that office for the calendar year 1982, pursuant to 5 U.S.C. 1206(m); to the Committee on Post Office and Civil Service.

1348. A letter from the Joint Chairman of the Acid Precipitation Task Force, transmitting the annual report of the national acid precipitation assessment program for fiscal year 1982, pursuant to section 704(e) of Public Law 96-294; jointly, to the Committees on Energy and Commerce and Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERKINS: Committee on Education and Labor. H.R. 2498. A bill to establish a Congressional Advisory Commission on Boxing; with amendments (Rept. No. 98-188, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 3103. A bill to increase the amount authorized to be expended for emergency relief under title 23, United States Code, in fiscal year 1983 from $100,000,000 to $250,000,000, and for other purposes; with an amendment (Rept. No. 98-240). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X, the following action was taken by the Speaker:

The Committee on Appropriations discharged from the further consideration of the bill H.R. 2899; referred to the Union Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GUNDERSON (for himself, Mr. PERKINS, Mr. GOODLING, Mrs. ROUKEMA, and Mr. BARTLETT):

H.R. 3280. A bill to amend the Vocational Education Act of 1963 regarding high technology equipment and training; to the Committee on Education and Labor.

H.R. 3281. A bill to amend the Vocational Education Act of 1963 regarding communications and telecommunications equipment and utilization; to the Committee on Education and Labor.

By Mr. HOWARD:

H.R. 3282. A bill to amend the Federal Water Pollution Control Act to provide for the renewal of the quality of the Nation's waters, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JENKINS:

H.R. 3283. A bill to amend the Internal Revenue Code of 1954 to extend for 5 years the period for which the energy investment credit is allowable with respect to certain long-term projects, and for other purposes; to the Committee on Ways and Means.

By Mr. JENKINS (for himself and Mr. HANCE):

H.R. 3284. A bill to amend the Internal Revenue Code of 1954 to allow an amortization deduction for bus operating rights

based on a 60-month period; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 3285. A bill to create a comprehensive Federal system for determining the ownership of and amount of compensation to be paid for inventions made by employed persons; to the Committee on the Judiciary.

H.R. 3286. A bill to amend title 35, United States Code, to set Federal standards for permissible employee preinvention, and for other purposes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. VENTO introduced a bill (H.R. 3287) for the relief of Maria Elena Rodriguez-Huitzil and Maria Leticia Rodriguez-Huitzil; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

[Omitted from the record of June 9, 1983]

H.R. 2818: Mr. LAGOMARSINO, Mr. SUNIA, and Mr. MCGRATH.

[Submitted June 13, 1983]

H.R. 210: Mr. ZABLOCKI.

H.R. 622: Mr. ANDERSON, Mr. FROST, Mr. LEVIN of Michigan, Mr. RAHALL, and Mr. TORRICELLI.

H.R. 800: Mr. GINGRICH, Mr. TORRES, Mr. MINISH, Mr. HUGHES, Mr. PEPPER, and Mr. SCHUMER.

H.R. 1092: Mr. BONKER.

H.R. 1543: Mr. RATCHFORD.

H.R. 1797: Mr. CARPER, Mr. VANDERGRIFF, Mr. MILLER of California, and Mr. ANNUNZIO.

H.R. 2053: Mr. CHAPPELL, Mr. FASCELL, Mr. RITTER, and Mr. WEISS.

H.R. 2193: Mr. YOUNG of Florida.

H.R. 2236: Mr. LANTOS and Mr. LEVIN of Michigan.

H.R. 2582: Mr. MORRISON of Connecticut.

H.J. Res. 59: Mr. BARTLETT.

H. Con. Res. 9: Mr. SHANNON.

H. Con. Res. 126: Mr. PRITCHARD, Mr. FISH, Mr. LEWIS of California, Mr. DANIEL, Mr. HUTTO, Mr. BONER of Tennessee, Mr. LANTOS, Mr. JONES of Tennessee, Mr. BONKER, Mr. VANDER JAGT, Mr. FAZIO, Mr. FOGLIETTA, Mr. FOLEY, Mr. FORD of Michigan, Mr. SMITH of Florida, Mr. WHITEHURST, Mr. CORCORAN, Mr. WINN, Mr. GORE, Mr. MRAZEK, Mr. KOLTER, Mr. ANDERSON, Mr. OBEY, Mr. HANSEN of Idaho, Mr. SHANNON, Mr. LELAND, Mr. MAZZOLI, Mr. FRANK, Mr. DICKS, Mr. PERKINS, Mr. TAUKE, Mr. HARKIN, Mr. FORSYTHE, Mr. SENSENBRENNER, Mr. KILDEE, Mr. BRYANT, Mr. MICHEL, Mr. NICHOLS, Mr. SCHEUER, Mr. SOLOMON, Mr. WON PAT, Mr. TALLON, Mr. BENNETT, Mr. YATES, Mr. PATTERSON, Mr. OWENS, Mr. ORTIZ, Mr. MORRISON of Connecticut, Mr. MARTINEZ, Mr. MATSUI, Mrs. SCHROEDER, Mr. WILLIAMS of Montana, Mr. SMITH of New Jersey, Mr. SNYDER, Mr. STANGELAND, Mr. STENHOLM, Mr. STOKES, Mr. SUNIA, Mr. AKAKA, Mr. ALEXANDER, Mr. ANDREWS of North Carolina, Mr. BARNES, Mr. CORRADA, Mr. DASCHLE, Mr. DE LUGO, Mr. DOWDY of Mississippi, Mr. DWYER of New Jersey, Mr. ANNUNZIO, Mr. KAZEN, Mr. DERRICK, Mr. ADDABBO, Mr. TOWNS, Mr. ANDREWS of Texas, Mr. BARNARD, Mr. BEDELL, Mr. BIAGGI, Mr. BOLAND, Mr. THOMAS of Georgia, Mr. HARRISON, Mr. OBERSTAR, Mr. WHITTAKER, Mr. GONZALEZ, Mr. FASCELL, Mr. EVANS of Illinois, Mr. LIVINGSTON, Mr. HATCHER, Mr. SUNDQUIST, Mr. SAM B. HALL, JR., Mr. MARTIN of New York, Mr. DAUB, Mr. WHITLEY, Mr. GRADISON, Mr. JACOBS, Mr. STRATTON, Mr. MCCURDY, Mr. TORRES, Mr. JENKINS, Mr. PASHAYAN, Mr. BREAUX, Mr. BROWN of California, Mr. FORD of Tennessee, Mr. HERTEL of Michigan, Mr. OLIN, Mr. LONG of Louisiana, Mr. PANETTA, Mr. BEILENSON, Mr. PRICE, Mr. GARCIA, Mr. MYERS, Mr. ERDREICH, Mr. ROE, Mr. TOWNS, Mr. KOSTMAYER, Ms. KAPTUR, Mr. FRENZEL, and Mr. FAUNTROY.

H. Res. 33: Mr. BERMAN.

H. Res. 191: Mr. MINETA, Mr. KILDEE, Mr. RAHALL, Mr. YOUNG of Alaska, Mr. HILER, Mr. VANDERGRIFF, Mr. SUNIA, and Mr. BARNES.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

119. By the SPEAKER: Petition of the town board, town of Boston, Erie County, N.Y., relative to the diversion of Great Lakes water; to the Committee on Public Works and Transportation.

120. Also, petition of the town board, town of Boston, Erie County, N.Y., relative to the Great Lakes Environmental Research Laboratory and the Large Lakes Research Station, N.Y.; to the Committee on Science and Technology.

121. By Mr. JONES of North Carolina: Petition of Central Florida Regional Planning Council, Bartow, Fla., relative to the proposed amendments to the Outer Continental Shelf Lands Act Amendments and the Coastal Zone Management Act, H.R. 5; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2969

By Mr. DICKS:

—On page 8, line 22, strike the period and insert the following; "until the Secretary of the Army provides certification to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives that a second course for the production of the M-1 tank engine is affordable and is cost competitive with the existing contract, and that such action is in the interest of national defense to meet surge and mobilization requirements in case of a national emergency."

—Strike our sec. 107 (page 8, lines 19-22), and redesignate the following sections accordingly.

EXTENSIONS OF REMARKS

FINANCING DEVELOPMENT IN THE THIRD WORLD

HON. HOWARD C. NIELSON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. NIELSON of Utah. Mr. Speaker, I introduce the following statement in support of section 409 of H.R. 2957:

FINANCING DEVELOPMENT IN THE THIRD WORLD

(Statement by G. F. Joklik, President, Kennecott)

SUMMARY

The economic growth of the Third World depends on financial support from the industrialized nations. Third World growth, in turn, provides expanded markets for the industrialized nations' products. This economic interdependence is jeopardized when the financial resources of the industrialized nations are used to support fundamentally uneconomic Third World development projects. The consequences of such investment practices are to deprive the Third World of some of its best growth potential, penalize economic industries in developed countries and endanger repayment of many of the investments.

The adverse effects of the misallocation of credit are evident in the worldwide copper market. International financial support of Third World subsidized copper production has now become common and has caused an oversupply which has depressed world copper prices to levels below the costs of even the more economic producers. Significant production cutbacks and high unemployment in the United States copper industry have resulted.

At the same time, the economies of some Third World countries have become overdependent on copper production. The need for export earnings has prompted Third World producers to actually increase their copper output during the same period in which United States production has been contracting. In order to achieve these production levels, under adverse market conditions, the Third World government owners have subsidized copper operating losses, while substantially increasing their external borrowing.

The root of the problem is the failure of many lending institutions to consistently apply reasonable standards—standards which are based on project economies and reflect the impact of projects on the economies of the borrowing, as well as the lending, nations. Appropriate standards would assess the intrinsic viability of projects and screen out those which are made to appear viable only by foreign government support of subsidy.

As the largest national contributor to the development of the Third World, the United States is the principal underwriter of foreign subsidized production. Accordingly, the United States should take the lead role in encouraging the widespread adoption of lending standards that will promote the efficient growth of the developing economies of Third World countries. The United States can exert influence on foreign lending standards of government lending agencies and domestic commercial banks, and can encourage official agencies and the commercial banks of other principal lending countries to follow suit. As a major voting and contributing member of the multinational lending organizations, the United States can favorably influence their policies and practices.

Action should be taken now, before economic recovery from the current recession refuels the Third World's rapid growth objectives and pushes Third World development even further ahead of sound planning.

INEFFICIENT DEVELOPMENT

Increasing worldwide economic interdependence links the industrialized nations with the developing countries of the Third World. Industrial socieities rely on the Third World for raw materials and export markets. In 1981, for example, the Third World countries purchased over 36% of the merchandise exports of the United States. A 50% variation in this flow of exports to the Third World amounts to 2% of the total United States GNP—possibly enough to mean the difference between healthy growth in the United States and weak or no growth—the difference between prosperity and stagnation.

At the same time, Third World growth imposes some industrial dislocations on the economies of developed countries. The United States copper industry provides an example. Due to the worldwide recession, the price of copper corrected for inflation, fell in the summer of 1982 to its lowest level since the early 1930's. The worst impact of this market collapse was felt in the United States and Canada. United States copper production dropped by 36% between July 1981 and July 1982, and employment in the copper industry declined by 40%, idling 17,000 workers. The Third World copper producers, by contrast, increased their output of copper by 7% during the same period.

It would be shortsighted for the industrialized nations to protect domestic industries from legitimate Third World competition. In the case of copper mining operations, for example, higher grade orebodies give some Third World producers a competitive edge over domestic producers. Tariffs, import quotas, stockpiles or subsidies may serve as stop-gap measures, but they cannot provide effective protection over the long term. Such measures artificially prolong the life of inefficient domestic industries, thereby weakening the incentive for the industrial economies to adapt in a changing world.

The same logic applies to foreign investments by these industrialized nations. Projects that are not inherently economic should not be supported or undertaken. Again turning to cooper as an example, one can point to several Third World copper mines which are far less efficient than domestic copper mines, but are supported by foreign financing. Uneconomic projects, ultimately consume more resources than they provide, and divert limited financial resources from better alternative uses. Along with their role in financing the development of the Third World, the industrialized nations bear a responsibility to themselves and to the rest of the world not to encourage inefficient development.

The copper industry provides a clear-cut example of inefficient investment in the development of the Third World. The principal Third World copper producers are Zambia and Zaire in Africa and the Latin American nations Chile, Peru, and Mexico. In 1981 these five countries accounted for 42 percent of Free World cooper mine production (Table 1). The United States produced 24 percent.

TABLE 1.—PRINCIPAL THIRD WORLD COPPER PRODUCERS

Country	1981 copper mine production (1,000 tons)	Percent of free world production
Chile	1,192	16.6
Zambia	648	9.0
Zaire	557	7.8
Peru	361	5.0
Mexico	253	3.5
Total	3,011	41.9

Source: World Bureau of Metal Statistics.

Zambia and Zaire are now overly dependent on the copper industry. This relationship is illustrated in Table 2 in which the proportion contributed by copper to the export earnings of the principal Third World producers is listed. Zambia and Zaire head the list: Zambia is dependent on copper for nearly all export earnings and Zaire relies on copper for nearly one-half of export earnings. As a result, the wide fluctuations in the price of copper cause an extremely variable flow of earnings to these countries.

Table 2.—Dependence on copper for foreign revenue in 1981—Copper contribution (percent export earnings)

Country:	*Percent*
Zambia	95
Zaire	47
Chile	43
Peru	16
Mexico	2

Sources: World Bank and International Monetary Fund

This is not to say that the very substantial copper resources of these African countries should have gone undeveloped. Rather, it was the lack of a balanced development program, the overdevelopment of copper to the neglect of other segments of the economy, which was ill-advised.

The aftermath is with us today. To provide export earnings, Third World countries are obliged to continue to produce as much copper as possible, even at those mines which are inefficient and which, under the current depressed market conditions, are incurring large losses; and, in order to subsidize this inefficient production. Third World producers must rely increasingly upon external financing (Table 3). The problem is self-perpetuating and continually, growing.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

TABLE 3.—INCREASE IN EXTERNAL DEBT OF THIRD WORLD COPPER PRODUCERS

	External debt (billions of dollars)		Debt service as a percent of total exports	
	1981	1982	1981	1982
Chile	15.5	20.0	45	156
Zambia	2.0	2.2	36	51
Zaire	4.1	4.5	29	76
Peru	8.3	9.0	58	50
Mexico	65.0	80.0	38	112

Source: Brook Hunt & Associates Ltd.

The degree to which the problem has escalated is further illustrated in Table 4. As a "lender of last resort" the IMF has a strong hand with borrowers who have no alternative source of funds; nevertheless, as the table shows, the amount of IMF borrowings by Third World copper producing countries has been generally increasing in recent years, particularly in 1982.

The heavy dependence of these Third World countries on the copper industry was not inevitable and is not irreversible. Important sectors of their economies are underdeveloped. For example, in Zambia and Zaire commercial agriculture presents an opportunity for diversification. Both countries are increasingly dependent on agricultural imports, yet both have large areas of unused arable land, and a study supported by the World Bank reports that Zambia has an effective comparative advantage in at least three major crops—groundnuts, tobacco and cotton.

TABLE 4.—IFM BORROWINGS BY THIRD WORLD COPPER PRODUCERS [Outstanding balances, millions of dollars]

	1975	1976	1977	1978	1979	1980	1981	Estimated 1982
Chile	387	467	366	348	179	122	49	880
Zambia	89	110	113	318	416	396	729	620
Zaire	86	209	247	260	248	235	345	413
Peru		185	205	334	491	474	388	595
Mexico		371	509	298	136			[1] 1,000

[1] Approved, partly drawn.

Source: IMF International Financial Statistics.

The major copper producing countries in Latin America also have significant diversification opportunities. The timber resources of southern Chile, for example, remain relatively undeveloped. Agricultural export potential in the mid-south of Chile could be developed for markets in the northern hemisphere, where seasons are reversed.

Despite the rational for diversification, and despite the worldwide oversupply of copper, several new copper projects in Third World countries have been slated for development, provided that financing can be arranged. In Table 5 are listed copper projects which could be developed in Chile and Peru, between 1983 and 1990, if financing efforts were successful. The projects are grouped according to the estimated prices necessary to economically justify the projects, based upon a 15 percent before tax return on the capital invested. It is likely that copper prices will temporarily increase, as they have in past cyclical upturns, and move into ranges that are required to provide this return on investment in these properties, but it is not likely that cooper prices will attain such levels on a sustained basis during this decade.

TABLE 5.—PROSPECTIVE COPPER PROJECTS

Production Cost (1982 dollars per pound)	Project (property and country)	Added Capacity [1]
$1.20 to $1.50	Andacollo, Chile	320
	Los Pelambres, Chile	320
	Quebrada Blanca, Chile	320
	Antamina, Peru	320
Above $1.50	Disputada expansion, Chile	320
	Michiquillay, Peru	250

[1] 1,000 tons per year of copper.

Source: Metals & Minerals Research Services, London.

Lenders need to evaluate projects such as these against sound economic standards. Project financing should be contingent on reasonable expectation of a satisfactory return on investment, without the aid of financial or operating subsidies. This criterion would provide an objective basis for screening projects on economic rather than political grounds, for comparing development alternatives and for allocating limited capital resources.

THE LENDERS

The commercial banks of the United States and other industrialized countries provide the largest source of borrowings for principal copper producing countries of the Third World (Table 6). Commercial banks hold approximately 72% of the external debt incurred by these countries. Multinational lending organizations and governments constitute the other major sources of financing.

Table 6.—Structure of external debt of Third World copper producing countries (Chile, Mexico, Peru, Zaire, and Zambia)

	Percent
Commercial banks	72
United States	30
Non-U.S.	42
Multinational lending institutions	13
World Bank & Affiliates	3
Inter-American Development Bank	4
International Monetary Fund	3
Other Multinational Lenders	3
Governments	15
United States	3
Non-U.S. (est.)	12
Total	100

Sources: Federal Reserve Board (Statistical Release E. 16), Bank for International Settlements, U.S. Treasury, World Bank (Annual Reports), Inter-American Development Bank (Annual Reports), IMF *International Financial Statistics*, IFC (Annual Reports), Brook Hunt & Associates, and Organization for Economic Cooperation and Development.

The amount of money that these lenders have invested in copper projects, both directly and indirectly through loans to governments, is set out in Table 7.

The classes of lenders listed in Table 6 pursue different missions and adhere to different charters. Since they are subject to and respond to different motivations and pressures, their lending criteria are not consistent.

Table 7.—Financing of government-owned copper producers

	Billions
Chile—Codelco	$1.9
Zambia—ZCCM	1.0
Zaire—Gecamines	1.1
Mexico—Cananea	0.4
La Caridad	1.3
Peru—Centromin	0.8
Minero Peru	0.6

Source: Individual Company Financial Statements, and Citibank Mining Division.

Commercial banks judge lending opportunities primarily on the basis of the borrower's ability to repay. Although factors such as project economic viability and overall market conditions generally influence their judgment, these may not be the overriding factors when adequate assurance of repayment can be obtained through guarantees or subsidies of a sovereign government.

The incentive to press for thorough project evaluation also may tend to weaken under the pressure of competition for loan business. Banks are at times encouraged by various interested parties to consider preferentially loans that build international business, enhance access to export markets, or maintain supplies of raw materials from the Third World. But, once a lending decision ceases to be firmly grounded in project economics, based on the best information available, the risk of the project is increased. In an economic downturn, the consequences of such risks may impact banks, strain the economics of the industrialized nations, and impede progress of development in the Third World.

Although commercial banks carry the largest share of development financing, the multinational lending institutions are also instrumental in the promotion of Third World economic development, often in consortia with commercial lenders. The International Bank for Reconstruction and Development (World Bank) and its affiliates—the International Development Association (IDA) and the International Finance Corporation (IFC)—finance Third World develop-

ment projects. Following similar objectives, the Inter-American Development Bank (IDB) lends to finance development projects in Latin America. The International Monetary Fund (IMF) also plays an important role in Third World financing, by providing loans to governments during temporary balance of payments crises. Taken together, the policies and practices of these multinational lending organizations can substantially influence the direction of Third World development.

During times of world financial stress, IMF loan conditions tend to be adopted by commercial banks in their own lending to affected countries. Consequently, at times, the IMF can influence Third World access to money out of proportion to its own direct lending ability. In view of this, a strong United States policy stance is appropriate in favor of rigorous IMF loan standards uniformly applied through time.

Direct government lending constitutes the third significant source of financing for Third World development. Debt held by the United States government includes loans by the Export-Import Bank, Commodity Credit Corporation. Overseas Private Investment Corporation, Department of Agriculture (Public Law 480 loans), Department of Defense, and Agency for International Development. The activities of one of these agencies, the Export-Import Bank, deserve further comment.

The Export-Import Bank supplements commercial bank lending to facilitate and aid financing of United States exports. Virtually all the larger Free World countries have similar agencies to aid their exporters. The Bank is supposed to consider the net impact of a loan on the United States economy, but in practice, this effort is subject to interpretation; influence may be brought to bear by companies wishing to make export sales and arguing that Bank disapproval of a loan for capital goods would not stop an ill-conceived project, but merely shift the sales to other countries. To counterbalance such influence, there is a need for strong policy guidance of Export-Import loans.

RECOMMENDATIONS FOR ACTION

As the largest national contributor of project financing for the Third World, the United States has means of encouraging the adoption of a universal lending standard that will promote efficient growth. The degree of influence the United States can bring to bear, and the mechanism for applying this influence, vary according to classes of lending institutions.

Certainly, the United States government can exert influence on the foreign lending policies of United States commercial banks in several ways. Standards can be imposed on United States government lending agencies by direct legislative action. In the case of multinational lending institutions, the United States can guide lending practices through votes on governing boards, and by conditioning future capital subscription on reasonable performance (Table 8). Finally, the United States cannot directly control the lending of either foreign commercial banks or foreign governments, but attempts could be made to influence them through negotiation of international agreements. Thus, by establishing a coherent lending policy for Third World development, and by effectively coordinating the application of this policy among the various sources of development financing, the United States can influence the allocation of capital resources.

TABLE 8.—U.S. SHARE IN MULTINATIONAL LENDING INSTITUTIONS

[In percent]

Lender	Voting share	Capital share
World Bank and affiliates:		
World Bank	21	22.4
International Development Association	19	33.7
International Finance Corporation	29.5	31.7
Inter-American Development Bank	35	35
International Monetary Fund	19.6	19.6

Sources: Federal Reserve Board (Statistical Release E. 16), Bank for International Settlements, U.S. Treasury, World Bank (Annual Reports), Inter-American Development Bank (Annual Reports), IMF International Financial Statistics, IFC (Annual Reports).

Therefore, it is recommended that the United States undertake a coordinated program of action to control and direct foreign lending for Third World development. This program should be based on a two-part project lending standard:

First, and most important, a project evaluation standard which assesses the inherent economic viability of a project, without the influence of host nation guarantees or subsidies, and

Second, a test in which the overall, long-term economic development of the host nation, rather than the economic merit of the project itself, is assessed.

The first part of this two-part standard is amendable to conventional quantitative analysis; the second part can employ quantitative techniques, but will necessarily be more judgemental. Accordingly, the first test should dominate the decision and, if properly applied, free market forces should, in themselves, help assure that the objective of the second test will be met.

The first of the two parts is also, of course, firmly rooted in past practice of private industry. The second part is rather more innovative, although there is some precedent for this general approach in the World Bank's lending practices and Structural-Adjustment lending program, complemented by the IMF conditional loans.

The United States could act to implement this program by pursuing the following:

1. By act of Congress, require United States government lending agencies to adopt a two-part project lending standard as described above.

2. Exert influence upon United States commercial banks to place increased reliance upon the two-part project lending standard.

3. Through diplomatic initiative by the Secretary of the Treasury, attempt to negotiate adoption of the two-part lending standard by official agencies and commercial banks of principal lender countries.

4. By policy statement and action, as a party to the activities of multinational lending agencies, encourage the development of Third World economies in the most efficient manner possible.

Specifically:

(a) Promote, through voting, lending agency policies that further the efficient use of resources in the development of the Third World.

(b) Condition future United States subscriptions of capital on the lending agencies' effectiveness in furthering Third World development along efficient lines, as determined by the Secretary of the Treasury.

Now is the time for the United States to begin a program of action. Although the worldwide recession currently exerts discipline on lenders, inefficient allocation of capital is apt to recur once the recession ends.

Clearly, American industry and employment would benefit from a reduction of subsidized foreign competition, and the Third World countries would benefit from more stable and rational development.●

NUCLEAR DISARMAMOTTA

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. MARKEY. Mr. Speaker, a former resident of Massachusetts, now living in Alaska, has asked me to submit the following statement on nuclear disarmament. Entitled "Nuclear Disarmamotta," this moving statement calls on all citizens of the world to work for peace. I would like to thank Daniel Bloom of Juneau, Alaska, for bringing this fine statement to my attention.

THE NUCLEAR DISARMAMOTTA

(By Daniel Halevi Bloom)

Go placidly amid the scorched cities and the burning bodies and remember what peace there once was on this Earth. As far as possible open up your eyes to the alarming rate of arms buildup and try to think of alternatives, for we pass this way but once. The arms race is becoming absurd if not but statistically insane. We are all sisters and brothers of this fragile planet with its nation-states and their devastating armaments, and nuclear war will only mean one thing: mutually-assured-destruction (MAD). March peacefully in large united groups to protest this insanity and send messages to those who represent you in Congress, Parliament or the Politburo. Write also to your representatives in the United Nations and tell them of your fears and your tremblings. When you see the arms race proliferate, counsel the nations of the world to spend their monies more wisely and for human benefit. Go out among your fellow citizens and cross borders and boundaries to spread the word of disarmament. There is no reason under the sun for nations to frighten other nations and a war will solve nothing although it might end everything. There can be no victor in the holocaust that is so possible.

With your determination and your love of life, strive to convince others of the need for worldwide disarmament and be true to your own convictions and insights. Believe in the future and work for peace. You are not alone.●

PEACE: AMERICAN STYLE

HON. BOB WHITTAKER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. WHITTAKER. Mr. Speaker, will the peaceful pilgrimage of the General Secretary of the Central Committee of the Communist Party of the Soviet Union, Mr. Yuriy Andropov, bring him to Lawrence, Kans.? It just might.

City officials of that progressive community of northeast Kansas feel that a friendly, informal meeting between President Reagan and Soviet leader Yuriy Andropov would be a bold step toward peace. They sent letters to both men, inviting them to bring their peaceful intentions to Lawrence. I have to admit, it is a nice idea. Ronald Reagan's personal magnetism has served us well in the past and a cordial visit in America's heartland might be just what we need to break the deadlocked arms control negotiations at Geneva.

This past week, Soviet General Secretary Andropov, through an official at his Embassy in Washington, called Lawrence Mayor David Longhurst with a gracious message: the Soviet leader is "very much in favor in principal to such a meeting."

In a letter to Mr. Andropov, I encourage him to pursue a "cordial summit" in my home State of Kansas but remind him that he should take his peaceful quest to Geneva, as well. Indeed, we should have reminded that Soviet gentleman of his responsibility for world peace months ago. Instead, many of my colleagues prefer to score political points by criticizing our own President's suspected insincerity on arms control. Perhaps those critics have forgotten that it is the Soviet leaders—not ours—who have posed obstructions to productive arms control negotiations. It is the Soviet military buildup—not ours—which makes these negotiations so urgent. I have not forgotten.

During the congressional debate concerning the MX missile, many of my colleagues publically doubted the administration's commitment to reaching an agreement at Geneva. Newspapers editorialized of how some of my colleagues sold out on MX—they traded the MX missile for lipservice.

Last week, President Reagan, like so many times before, proved his critics wrong when he outlined a number of general proposals which will be presented for consideration at Geneva. These proposals are quite consistent with the recommendations of the President's Commission on Strategic Forces which have won bipartisan congressional support. According to the Washington Post, the unofficial reaction to these proposals by the Soviet Government was negative. Perhaps they might have been less intransigent if they had actually seen the President's package.

It occurs to me that just maybe we had our enemies mixed up during the MX debate. Instead of being tough with the Soviet Union, we railed against the President's intransigence. While the White House was putting together realistic and equitable proposals, Mr. Andropov was looking for public relations gimmicks such as a trip to Lawrence, Kans., stopping just long enough in his quest for peace to reject arms control proposals which he has not seen.

Do we really think that it is more likely that the Soviet leader will work for peace in Lawrence, Kans., when he has passed up the chance at Geneva? I think not.

But, with continued bipartisan support in Congress, a united Western alliance, and a determined President, Soviet negotiators might be pressured by world public opinion into giving our latest proposals a chance. Unfortunately, the Kremlin is not as responsive to public debate as is our Government.

It is quite apparent that the world cannot rely on the Soviet Union to initiate meaningful progress toward a more peaceful world. That task belongs to the people of the United States and their Government. As the MX battle draws to a close, the President can begin anew in his pursuit of realistic arms control, the city officials of a great Kansas community can plan a cordial summit, and the President's critics can get the barricades ready for the next policy battle in the bylanes and bylines of Washington.

It is true, the summiteers in Lawrence may be too idealistic and the pundits in Washington may be too critical. But I personally prefer these shortcomings to the monolithic cynicism of the Soviet Government. Public debate makes us a little noisy; but, I think it makes us a little better.●

IN RECOGNITION OF THE FIRST ANNUAL VERY SPECIAL ARTS FESTIVAL OF SAN MATEO COUNTY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. LANTOS. Mr. Speaker, a few days ago, my district was the site of the First Annual Very Special Arts Festival for San Mateo County. I would like to give special recognition to this first of many such events which will acknowledge the very special artistic talents of our handicapped citizens.

The Very Special Arts Festivals held throughout the country are a valuable product of the National Committee, Arts for the Handicapped, which is our Nation's nonprofit coordinating agency for the development and implementation of arts programs for persons with disabilities. This noncompetitive forum enriches us all as disabled artists are given the opportunity to share their accomplishments and creativity in both the performing and visual arts.

The theme of our unique celebration this year was "Create Together." It involved more than 100 individual artists and performers, including children with disabilities, physically limited adults, and developmentally disabled adults. All participants share a very unique enthusiasm for enjoying to the fullest the beauty and vitality which the arts have to offer.

Mr. Speaker, I am extremely proud to pay tribute today to the contributions of our special individuals and to the numerous local organizations which made this showcase available for the benefit and enlightenment of all our community.●

LAUTENBERG HONORED BY NEW JERSEY REGION OF ZIONIST ORGANIZATION OF AMERICA

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. RODINO. Mr. Speaker, tonight the New Jersey region of the Zionist Organization of America holds its 14th annual awards dinner. It is a great honor to recognize the winner of this year's Louis B. Brandeis Humanitarian Award, Senator FRANK LAUTENBERG.

This prestigious award embodies the principles to which Justice Brandeis dedicated his own life—social justice, freedom, and human rights. Justice Brandeis promoted these ideals in his career on the bench as well as his role as an early supporter of Zionism. Senator LAUTENBERG is a fitting recipient of this award. As an outstanding leader in both the public and private sectors, he had a long history of service in charitable organizations before his election to the Senate. In his short tenure as a Senator, he has already shown himself to be a man of integrity, dedication, and commitment to social justice.

Senator LAUTENBERG has been a good friend and supporter of Israel, and is the founder and chief supporter of the Lautenberg Tumor and Immunology Institute at Hebrew University. The outstanding cancer research performed at this institute bearing his name benefits people all over the world. Tonight Senator LAUTENBERG will be named man of the year, and I can think of no one more deserving of this award.

The organization is also citing Philip A. Campbell, president of New Jersey Bell Telephone and a member of the executive board of the National Conference of Christians and Jews; Sister Rose Thering, an activist in support of Israel and human rights movements worldwide, particularly Soviet Jewry; Rabbi Judah Washer from Bergen County; and Sol Kramer, a leader in the Jewish community from Union County.

Mr. Speaker, it would be impossible to properly pay tribute to the New Jersey region of the Zionist Organization of America without mentioning the outstanding work of Judge Joseph Lerner and his wife Bea Lerner, two very dear friends who I admire greatly. Their constant devotion to social justice and human rights is unmatched. I salute the Lerners, Senator LAUTENBERG, and the other award winners and hope that it will be a memorable occasion for all.●

USAIR ESTABLISHES NEW SERVICE AT DULLES

HON. FRANK R. WOLF

OF VIRGINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. WOLF. Mr. Speaker, on behalf of the citizens of northern Virginia, I want to take this opportunity to express appreciation to USAir and company president Edwin I. Colodny for the airline's decision to establish new service from Dulles International Airport to the airline's major connecting hub at Pittsburgh, Pa., this coming November. I also want to commend the Washington Dulles Task Force and the Federal Aviation Administration (FAA) for their efforts in working with USAir to start this new service. The new flights will allow Dulles travelers to make convenient connections to over 70 cities throughout the USAir system.

The new Pittsburgh flights will be the first USAir service ever at Dulles Airport and will begin in November once hourly slot restrictions at Pittsburgh are lifted. This will permit the airline to schedule Dulles service at the most desired times.

These new flights will continue the trend toward increased air service at Dulles. Since December, direct service has been added to eight other cities. The airport has had increased passenger use for 16 consecutive months. An additional 1,500 passengers a day are using Dulles compared to a year ago, according to FAA officials.

In fact, from November 1982, to May 1983, Dulles' domestic passenger traffic increased on a monthly average by 28 percent over the same period the previous year and the pace of this growth is accelerating. During March, total passenger traffic increased 33 percent over March 1982. Domestic traffic rose 37.7 percent over the same period last year.

Between 1970 and 1980, over 82 percent of the population growth in Washington has occurred in the area most convenient to Dulles. That population growth and the tremendous business growth in the Dulles area are visible signs that thousands of travelers find Dulles to be their most convenient airport.

This is documented by a survey last year of air travelers conducted by the Metropolitan Washington Council of Governments, which revealed that 2 million more passengers would use Dulles if the service were available.

I encourage other airlines to follow USAir's decision to initiate service at Dulles, and join in the effort to make Dulles the hub airport it was intended to be for the Metropolitan Washington area.●

HOW CAN WE BEAT THE UPCOMING INCREASES IN LOCAL PHONE BILLS?

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. MARKEY. Mr. Speaker, I believe that there are many steps that can be taken to reduce the upcoming increases in local phone bills. Over the next few weeks, I hope to detail a few of them in statements in the RECORD.

The first of these measures is the provision of effective competition in the Bell System procurement market. It is one I have been involved with for some time now.

I have always viewed Bell System procurement as a consumers' issue, as well as a question of competition. A major part of our telephone bills goes to cover the cost of local exchange equipment—which amounts to billions of dollars every year. One of the best ways to hold these costs down is to insure that local telephone companies purchase this equipment at the lowest possible price.

Unfortunately, as far as the Bell System goes, we have no way of knowing whether this has ever been the case, and every reason to suspect that it has not. This is because Western Electric has always dominated Bell System procurement and never faced any serious competition from independent equipment manufacturers.

I recognize that divestiture may eventually result in a more competitive Bell market. But divestiture is no panacea; it alone will not necessarily bring the competition needed to offset local rate increases.

In proceedings before Judge Harold Green, the issue of the post-divestiture Central Staff Organization (CSO) has been raised. The prospect that the CSO would act to prevent effective competition in Bell System markets warns us that divestiture per se will not solve the problem of market domination. Judge Green himself has questioned AT&T executives and other concerned parties in the divestiture debate on just this point.

Regardless of what divestiture brings, those concerned about future phone rate increases should look at what is happening in the industry now, under the status quo. Already, Western Electric has moved to penetrate the smaller independent telephone company markets to which its only competitors have generally been confined. If it succeeds in capturing a dominant share of independent sales, there may be no serious competition left to lower equipment prices when Bell markets are finally opened.

What then can we do?

Right now, the Federal Communications Commission (FCC) has before it a proceeding—CC docket 80-53—which investigates Bell System procurement processes. It is the FCC's job to insure that Western Electric does not preempt its existing competition or block new entrants during this crucial transition period, and that independent equipment manufacturers are given immediate and equitable access to Bell System markets.

Three weeks ago, I wrote to FCC Chairman Mark Fowler for the second time, urging expedited consideration of docket 80-53. Chairman Fowler has promised a late summer decision in the docket—a date later than I had hoped, but a date, if adhered to, that will provide for some analysis of the FCC's action before divestiture is completed. I have inserted my letter to Chairman Fowler, and his response, in the RECORD following these remarks.

In conclusion, I urge my colleagues to take an active role in the debate over the upcoming increases in local phone rates. We in Washington can do some things about these increases.

Effective competition in the sale of telephone central office equipment, then, is the first step in the fight to beat the upcoming phone rate increases.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 23, 1983.

Hon. MARK S. FOWLER,
Chairman, Federal Communications Commission, Washington, D.C.

DEAR CHAIRMAN FOWLER: Last December I wrote to you urging the Commission to take prompt action in its Docket 80-53 on Bell System Procurement Practices.

My concern then, as now, is that in the absence of genuine and fair competition, divestiture will not produce any meaningful benefits for American consumers. Specifically, I was worried about press reports that Western Electric was attempting to dominate independent telephone company sales before its grip on Bell System procurement was loosened by divestiture. The practical effect of this marketing strategy would be to deprive consumers of a truly competitive market, as smaller independent equipment makers would be driven out of business and new entrants would be denied a fair opportunity to enter the field.

In your response to my last letter, you seemed to share my concerns. You stated that the Commission shares my "belief that one way to hold down potential telephone rate increases is through vigorous competition among equipment manufacturers." As you know, such potential rate increases have been the subject of great concern in

the Congress, and many of us have urged measures to mitigate the harmful consequences of divestiture. As a result, I was encouraged by your reply and our apparent mutual understanding on this issue.

I was also encouraged by our promise in your letter that the issue would "be given prompt and careful consideration by the Commission." Moreover, in January the Commission invited the public to comment on a "Petition for Expedited Consideration" in CC Docket 80-53. It was my hope, in light of these factors, that the Commission would take prompt action in this docket.

To date, however, such action has not occurred. Divestiture is almost upon us, and many are questioning its merits and the methods of its implementation. Appropriate action by the Commission could do much to address these concerns by ensuring that local phone companies are able to procure high quality network equipment at the lowest possible cost. The best way to achieve that is to provide for vigorous, genuine competition in these markets.

Would you please advise me at your earliest convenience of the status of Docket 80-53 and the timetable for Commission action in this proceeding? I know that many of us in the Congress stand ready to undertake legislative initiatives in this area, if they are necessary.

With best wishes,
Sincerely,

EDWARD J. MARKEY,
Member of Congress.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., June 2, 1983.

Hon. EDWARD J. MARKEY,
U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN MARKEY: This is in reply to your letter of May 23 in which you request both a status report relative to Docket No. 80-53 (Bell System Procurement Practices) and a timetable for Commission action. Your letter also refers to a "Petition for Expedited Consideration" filed by Stromberg-Carlson Corporation on December 15, 1982, which as I indicated in my earlier letter to you, has raised some additional issues for the Commission's consideration.

On January 17, 1983, the Commission issued a public notice on the Stromberg-Carlson petition, inviting comments by February 16 and reply comments no later than March 3. Following the filing of the comments, Stromberg-Carlson submitted a motion requesting an extension of time to March 14 to file its reply comments. That motion was granted, and the pleading cycle with respect to the Stromberg-Carlson petition was closed on March 14.

Since that time, the Common Carrier Bureau has been in the process of analyzing the complex issues raised by this latest round of comments, and the proceeding generally. We expect a staff recommendation and action before the Commission on this docket before the end of the summer.

We appreciate your interest in this proceeding and hope that the foregoing has been responsive.

Sincerely,

MARK S. FOWLER,
Chairman.●

TRIBUTE TO CARL ZIKA

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. BERMAN. Mr. Speaker, I would like to take this opportunity to congratulate Carl Zika, the outgoing president of the Van Nuys Jaycees, on completing a year of outstanding service to our community.

Through his work with the jaycees, Carl Zika has helped to provide leadership training programs and has led the jaycees in many worthwhile projects. Much of his effort has gone toward helping the less fortunate individuals among us.

He has given generously of his time to the "Bowl for Breath" to benefit the Cystic Fibrosis Foundation, and played a significant role in benefit events for the Los Angeles Children's Hospital and the Leukemia Society. In addition, he helped to make the holiday season just a little brighter for many children through his work in the "Call Santa" project, which received over 500 phone calls from area children, and serving as Santa Claus at Children's Hospital for the children who had to be hospitalized during the holidays.

Carl Zika has added a great deal to the Van Nuys Jaycees through his dedicated service. I am pleased to be able to commend him for all his fine work, and offer him my personal congratulations and best wishes for the future.●

WHY THE HOUSE SHOULD PASS THE IMF QUOTA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. HAMILTON. Mr. Speaker, I commend to my colleagues the following op-ed piece by Robert Solomon, guest scholar at the Brookings Institution, urging the House of Representatives to pass the IMF quota legislation.

The international debt crisis has by no means been solved. It still overhangs prospects for sustained economic recovery in this country and the health of the global economy. Passage of the IMF quota legislation, which would provide the IMF with adequate resources to continue performing its important role in the months ahead, is a critical component of any strategy to insure that the debt crisis is managed and ultimately solved.

Last week the Senate passed the IMF quota legislation. Action now rests with the House. Mr. Solomon's article offers persuasive arguments why Members should vote positively when the quota legislation reaches the floor. I urge my colleagues to read Mr. Solomon's article before making their decision.

The article follows:

WHY CONGRESS SHOULD PASS IMF QUOTA HIKE

(By Robert Solomon)

It is reported that the legislation authorizing an enlarged U.S. quota in the International Monetary Fund is in trouble in the House of Representatives.

It seems hard to believe, at a time when the fact of international economic interdependence is so widely perceived, that some members of the House do not see the importance to the United States of an actively functioning IMF.

American exports of goods and services have increased, as a proportion of our gross national product, from 5 percent 30 years ago to more than 11 percent now. For many industries and for agriculture, export sales are a mainstay. Our economy and our financial system are inextricably bound up with what happens in the rest of the world.

These linkages have been dramatically demonstrated in the past year when one developing country after another encountered difficulty in servicing its debts. Mexico and Brazil, among other countries, sharply curtailed their imports, even before they approached the IMF. One result was a further decline in U.S. exports, which were already falling because of recession in the other industrial countries and the high value of the dollar.

The debt problem became critical for the world economy when the commercial banks around the world, which had been providing credit on a large scale to the advanced developing countries since the early 1970s, abruptly reduced their lending in mid-1982.

Yet countries with current account deficits cannot be expected to eliminate such deficits overnight. These countries need a continuing inflow of capital, just as the United States depended on borrowing from abroad, especially from England, in the 19th century.

The IMF proved its usefulness by requiring, as a condition for its own loans to the debtor countries, that the commercial banks increase their lending. This was a function that no individual government could have performed.

The Fund's unique role as an international monetary institution gave it the power and influence to see to it that funds continued to flow to the debtor countries. If this had not happened enormous economic and financial disorder would have occurred in the world economy.

How does one demonstrate to recalcitrant members of the House that the functions of the IMF are so important? The very success of the Fund in preventing chaos also deprives us of the evidence to show how crucial the Fund is. If a system of health care prevents disease, doubting Thomases can always point to the absence of disease if they wish to disparage the importance of the health-care system.

While the debt problem is being handled—albeit with uncertainties—it will be with us for a number of years. Economic recovery in the industrial world, not only in the United States but also in Europe and Japan, is a necessary condition for the developing countries to increase their exports and therefore re-establish their ability to finance their

vital import needs and also meet interest payments on their outstanding debts.

Worldwide recovery is far from assured, even though the United States is solidly on an upward growth path. Moreover, interest rates remain high in the industrial countries and this too burdens the balance of payments positions of the developing nations.

Thus there will be a continuing need for the IMF to lend and to use the leverage that its lending potential gives it.

How does one demonstrate to the recalcitrant congressman that the meeting of this need is in the vital interest of the United States?

One points out that American exports and therefore American jobs are at stake. But, we may be told, Brazil and Mexico have reduced their imports and this is hurting the United States. True, but in the absence of the activities of the IMF described above, Brazil and Mexico would have had to slash their imports much more severely.

We may be told that what the IMF is doing is bailing out the banks, which are alleged to have loaned recklessly to the developing countries. This notion has a certain appeal to some American congressmen. But it can be shown to be incorrect.

First of all, the economic performance of the major developing-country borrowers was highly impressive until the last two years when recession and high interest rates in the industrial world hit them hard. The Brazils and Mexicos grew fast and exported successfully throughout the 1970s. They must have been putting the borrowed funds to good use.

Second, the commercial banks are not being bailed out. As has so often been said, they are being bailed in, since the Fund is requiring the banks to increase their exposure to the debtor countries. Not a cent of the money loaned by the IMF is going to repay debt to banks.

What does one say to a congressman who has seen cuts in non-defense federal spending in his district and is therefore reluctant to vote for an increase in funding for the IMF?

One answer is that the Fund quota increase is not in the budget and is therefore not competing with budget dollars that might be spent in his district. A related answer is that whether or not the enlarged IMF quota is authorized, there will continue to be pressure to reduce "out year" budget deficits.

The more basic answer is that an increased U.S. quota in the Fund is not some form of giveaway by the United States. We are joining with the other 150 members of the IMF in assuring that it can continue to perform its vital functions on which all countries are dependent.

The congressman's constituents will be worse off if the Fund is not able to carry out these functions because American exports will be lower, because instability in other countries will harm us, and because a healthy world economy benefits Americans in countless ways.

Write to your congressman!●

A TRIBUTE TO MARTA MONTES

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. SMITH of Florida. Mr. Speaker, today, I rise to give special recognition to a resident of my district. Marta Montes, a native of Esperanza Las Villa, Cuba, is the first Cuban-born naturalized American woman to hold municipal office. Marta is a woman who is unafraid to speak out to correct injustices. Her sense of responsibility and civic mindedness led her to be elected to the City Council of Hialeah Gardens, Fla. by people who recognize her leadership qualities.

Traditionally, Hispanic women have encountered cultural barriers that discouraged them from participating in political matters. Now, Hispanic women, such as Marta Montes, are emerging with a new force to influence their community. Marta has proven to be a leading force in her affiliations with the Pan American Chamber of Commerce, Hialeah Gardens Civic Association, and Hialeah Gardens Business Association.

Marta's example and commitment to Hialeah Gardens is commendable. I find her a constant source of inspiration to the well-being, safety, and security of her neighbors. Marta's roots may be in Cuba, but she has dedicated her efforts and energies to serve the United States. The pride in her origins is redirected to the American dream. A registered nurse by profession, her personal history shows a dedication to humanitiarian causes. I ask that Congress acknowledge with me her achievements on behalf of Hispanic women. Her commitment has made a lasting impression that one will not forget.●

PROBLEMS WITH SOCIAL SECURITY DISABILITY REVIEW PROGRAM

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. MARKEY. Mr. Speaker, I would like to share with my colleagues a personal experience I had with the social security disability determination process. I want to relate this incident for I believe the story is emblematic of the problems confronting many Americans currently labeled disabled by the Social Security Administration.

Just last fall, I received a phone call from a 38-year-old Malden, Mass., man who was concerned about his claim for social security disability benefits. A husband and father of three, this constituent was forced to leave his job in late 1980 after suffering a heart attack. His physician diagnosed the condition to be coronary artery disease and in light of his condition, recommended he not return to work.

Unable to make a living and facing mounting financial pressures, he was left with little choice but to file a claim for social security disability benefits in January 1981. His claim was denied three times. He then requested a hearing, but received no response from the Social Security Administration. In January of this year, another decision was reached: This constituent was determined not disabled due to coronary artery disease, and his claim was denied. Three weeks later, after being determined capable of work and ineligible for disability benefits, he died of coronary failure.

I relate this story to illustrate the tragic circumstances surrounding the social security disability program. The problems with SSD are not confined to first-time claims only. In fact, the injustices are often far greater for SSD recipients who find their benefits terminated after a suspect review. Obviously, those continuing disability investigations are necessary. But no one expected the reviews to be cursory and, in some instances, simply harassing. They have caused a tremendous amount of harm to many and to some, even death. Mr. Speaker, the story I have already related powerfully illustrates this last point.

The problems with the SSD program began with a reform measure mandated by this body. Congress ordered a review of those persons receiving disability benefits every 3 years after hearing GAO testimony indicating that as many as 20 percent of those receiving SSD benefits were medically ineligible. In light of the estimated $2 billion annual loss due to ineligible recipients, the action of Congress was certainly well intentioned.

Unfortunately, Mr. Speaker, like so many programs, the results were far different than the intent of Congress. Since the reviews began in March 1981, disability examiners have ordered 46 percent of those reviewed off the disability rolls. Of those who appealed their denials, 60 percent have had their monthly payments reinstated. Consequently, 60 percent of those people cut off from disability benefits were terminated unjustly and without proper cause. And in my home State of Massachusetts, an even higher percentage, 74 percent, have been reinstated after appealing the initial termination decision. Clearly, Mr. Speaker, severe problems existed in the disability review program.

Finally, after months of public outcry over the inhumane and unjust handling of SSD review cases, Secretary of Health and Human Services Margaret Heckler has issued several

reforms of the disability review process. Secretary Heckler's recent report on needed reforms in the review process are a step in the right direction. Nevertheless, these reforms represent only a slight shift in the administration's attitude toward SSD recipients. Much, much more needs to be done before all affected Americans can feel secure in receiving their disability benefits on an uninterrupted basis.

The revisions contained in Secretary Heckler's June 7 report on the SSD review process are welcome, but long overdue. Since 1981, when the new review rules were first promulgated, I have insisted that substantive changes are needed in the review process. Clearly, Mr. Speaker, Secretary Heckler has issued these regulations in an effort to appease both the public and the elected officials who have voiced their legitimate concerns and complaints. I commend Secretary Heckler for moving forward with these revisions and I hope the Social Security Administration is quick in implementing these changes. Unfortunately, Mr. Speaker, while the revisions are welcome, they are not enough.

Secretary Heckler must be made to understand that the problems with SSD are tremendously more complex, involving many, many more disabled Americans than a perusal of the revisions indicates. Of the changes Secretary Heckler has proposed, the most significant is the moratorium on reviews of the 135,000 persons receiving SSD benefits based on mental impairments classified as "functional psychotic disorders." In addition, the revisions will suspend further reviews of similar cases which are still pending. The moratorium will end once the Social Security Administration has adopted new, acceptable mental standards and procedures for reviewing these types of sensitive cases. At that time, SSA will reevaluate those individuals who may have been unjustly terminated in the past.

This moratorium is significant for it prevents SSA from taking action against mentally ill cases absent acceptable medical standards. The only other change of any importance is the addition of approximately 200,000 SSD recipients in the "permanently disabled" category. This brings the number of cases exempt from review to over 1 million.

I find these developments to be encouraging for it will spare many disabled Americans from emotional and financial suffering. Denied disability income while the long appeal process continues, uncertain as to how they will provide for themselves and their families, many disabled Americans are forced into untenable positions. To the extent these changes save our citizens from these unfortunate circumstances, I find these revisions a most welcome development. Nevertheless, I encourage Secretary Heckler to make additional revisions in order to protect the great number of disabled Americans who are disabled, who have proven to be disabled after appeal, from the ravages of a review process which serves no one.●

NATIONAL SPELLING BEE COMPETITORS

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. RICHARDSON. Mr. Speaker, I had the privilege of meeting one of the many young men and women from all across the country who have come together in Washington this week to compete in the national spelling bee competition sponsored by Scripps-Howard Newspapers. We can all be proud of the accomplishment of these young people have shown in mastering a special educational skill.

Fourteen-year-old Mary Catherine Ward attends Quemado High School in my district. Mary's hard work in preparing for the spelling bee competition was rewarded when she won a competition held in New Mexico involving 129 students from Catron, McKinley, Soccarro, and Bernalillo Counties. Mary is in Washington to compete in the national round of the Scripps-Howard spelling bee competition. She is with her mother, Cathy Ward, who is providing her with encouragement, support, and some last minute coaching.

Mary has aspirations of becoming a doctor in the future and I am confident the hard work and determination that won her a spot in the national spelling bee competition will help set the tone for her to attain her future goals. Mr. Speaker, it is appropriate that all of us in the Congress take note of the accomplishments of the spelling talents of the many young people who have traveled to Washington this week to compete in the national spelling bee competition.●

THATCHER'S VICTORY: HARD LESSONS FOR REAGAN

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. GINGRICH. Mr. Speaker, Stuart Butler recently published a column entitled "Thatcher's Victory: Hard Lessons for Reagan." His analysis should be studied by every advocate of a conservative government.

Mr. Butler clearly and candidly draws the distinction between the aggressive militancy of the British Conservatives under Thatcher and the uncertain, zig-zag approach of Republicans and some conservatives in our own country.

It is well worth examining. Mr. Butler's column follows:

[From the Washington Times, June 10, 1983]

THATCHER'S VICTORY: HARD LESSONS FOR REAGAN

(By Stuart M. Butler)

Margaret Thatcher's crushing win in Britain's general election yesterday has no doubt produced smiles all round at the White House, and even broader grins among GOP strategists planning a Reagan reelection bid. After all, Prime Minister Thatcher was swept back into power while presiding over an unemployment rate of nearly 13 percent and a recovery which is still more a promise than a fact. Most economic forecasters expect Reagan to be in a much better position in the run-up to the 1984 election.

Yet the lessons from Britain are a little more mixed for the president than the landslide result suggests. The campaign was the culmination of shrewd political groundwork laid carefully by the Conservatives during the last four years, aimed both at building support for the government and at defusing damaging issues. Many of the actions of the Reagan administration, on the other hand, seem to have had exactly the opposite effect. Only time will tell if the difference is fatal.

Mrs. Thatcher, of course, did have the help of two factors which are hardly likely to figure in the U.S. presidential election. The afterglow of the victorious Falklands war and an opposition Labor party not only dominated by its left wing, but led disastrously by Michael Foot—who managed to combine a poor campaigning style with a remarkable ignorance of technical issues. As the London Economist remarked in a scathing profile, "Mr. Foot does not know anything about anything . . . He scarcely knows M3 from MX."

But these factors are far from a complete explanation of Thatcher's success. It should be remembered that Winston Churchill (to whom Mrs. Thatcher is often compared these days) led Britain to victory over a much more formidable adversary than Argentina, only to be thrown out of office in the 1945 election. And while the Falklands war gave a boost to the Conservatives, the party's support in the polls began to rise dramatically several months before the war broke out.

Besides, early returns indicate that the Conservatives won the election with a larger share of the total vote than any other victorious party in recent British elections. Thatcher did not win, in other words, simply because anti-Conservative vote was split more evenly than usual between Labor and the third party (this time, a Liberal-Social Democratic Alliance), but because the Tory share held rock-solid.

The Conservative victory appears due instead to deeper influences in the electorate. One of these was the remarkable effectiveness of the Tory campaign in dealing with sensitive issues. The Campaign for Nuclear Disarmament, Britain's freeze movement, was attacked vigorously and methodically for its leadership's ultra-left and Soviet connections. The Conservatives did not allow the radical unilateralists to hide behind a wall of honest, genuinely concerned men and women. The nuclear disarmament issue,

if anything, helped Mrs. Thatcher by enabling her to denounce Labor's embrace of an anti-nuclear policy as both naive and suspect.

The Conservatives also built upon a legislative strategy designed in part to detach urban and black voters from the Labor column. Measures have been taken to improve police relations with minorities (who are mostly first—or second—generation immigrants from the Commonwealth), and a new law has helped to clarify the immigration status of dependents and ease racial tension. So the Conservatives have managed to portray themselves to recent immigrants as the party of integration, based on equality of opportunity rather than on special treatment. One campaign poster featuring a black youth asserts: "Labor says he's black; Tories say he's British."

Like older urban areas in the United States, British cities are in poor shape, but here the Conservatives combined electoral damage control with an effective counterattack. Within a year and a half of Thatcher's taking office, the government showed its commitment to urban job creation by enacting legislation to create 11 urban enterprise zones in key cities (the number was increased to 24 last year). Far more important, however, the Conservatives gave public housing tenants the right to buy their units at substantial discounts. Over half a million might have been sold in this way, turning many traditional Labor voters into homeowners now sympathetic to Tory overtures.

Most critical of all was Thatcher's ability to defuse the issue of unemployment—now running at nearly 13 percent. Pre-election polls showed that about 50 percent of the population rated unemployment as the election's most serious issue. Yet it looks as though the Conservatives may have picked up well over a quarter of the votes of the unemployed—almost half the number going to Labor.

The reason seems to be that the Thatcher government convinced a significant proportion of the unemployed that real, lasting jobs could only come with a healthy and growing economy. The government stood steadfast against "jobs" bills, and refused even to make forecasts about when the unemployment rate would fall. By maintaining this firm stand, the Conservatives were able to argue that they stood for policies aimed at permanent job creation, and to denounce the other parties as favoring short-term relief to buy votes while endangering long-term growth. Tory strategists calculated that this firm approach would win over enough of the unemployed to seriously weaken the opposition parties. And they assumed that a commitment to low inflation and high growth would be a major vote-winner among the majority of voters, who have jobs. It seems they were right on both counts.

These features of the Conservative win should indicate to the White House that a lot of work needs to be done if Ronald Reagan is going to emulate Mrs. Thatcher in 1984. In contrast to his ally, Reagan has almost gone out of his way to alienate the black and urban vote. Administration contortions over civil rights will probably ensure a Democratic shut-out among black electors. And the president's one vote-winning initiative, the enterprise zone proposal, has still to pass the Republican-controlled Senate in this third year of the administration.

The economy still looks good for Reagan in 1984, but the federal deficit may yet be his Achilles heel. The total government deficit in the United States (including state and local deficits, and "off-budget" items) is more than 10 percent of the nation's GNP. Mrs. Thatcher, on the other hand, went into the election with a total deficit of under 3 percent, projected to fall to 2 percent by 1986, and a zero "structural deficit." This was achieved not by massive tax increases on Britain's electors but by tight control over public spending, together with restructuring and "privatization" (that is, the sale) of government-owned industries.

The Conservative strategy, then, was based on a mixture of offense and defense. Potentially damaging issues and voter blocks were defused and courted, while other voters were gained from traditional opponents by innovative policies. The strategy was so successful that bookmakers in London refused to take election bets last week because the odds on a Conservative win were too great. Unless Ronald Reagan learns the real lessons of the British election, that is unlikely to happen here.●

THE DEDICATION OF THE NEW FIRE HOUSE IN WINAMAC IND.

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. HILLIS. Mr. Speaker, last Sunday, I had the pleasure of speaking at the dedication of the new firehouse in the town of Winamac, Ind.

It was a proud day for the citizens of Winamac—a small farming town in Pulaski County that many of you may remember was the site of the Ford Pinto trial a few years ago. The new fire station they dedicated that day was a source of great pride—a symbol of community purpose and unity. The dedication was an important statement that the people of Winamac care about their town and are willing to make personal sacrifices for its betterment.

The new building itself is not large—50 by 105 feet with an attached 1,200-square-foot social room and space for five firefighting vehicles. It is not a flashy building either but it serves Winamac's purpose well, providing a home for the equipment that keeps the city's residents and property safe from fire. This, in itself, would not merit comment in the Halls of Congress if it were not for the fact that the Winamac fire station was built and opened without the expenditure of 1 cent of tax money.

The former Winamac fire station was an old, outdated two-bay gas station that did not provide adequate housing for the department's expensive and vital firefighting equipment.

The volunteer fire department decided a new facility was needed so it went to work, pledging $18,000 in its own fund toward building construction. Then, instead of following the conventional path of seeking Federal and State dollars, the volunteer firemen asked the rest of Winamac to be volunteers and pledge donations to the building fund.

The citizens responded and raised about $40,000—no minor accomplishment considering Winamac is just a small farming town of only 2,370 people.

While the building itself was erected by a professional contractor, Chief Raymond Smith and his 19-man department did all the wiring, heating, plumbing, and decorating themselves saving hundreds of dollars.

The Winamac fire station is an extraordinary example of what a community can accomplish if left, on its own, to solve its own problems. Winamac recognized the need for a new fire station, identified the solution and accomplished the task without relying on Washington's alphabet agencies and the U.S. Treasury's greenbacks.

Indeed, I venture to say, if Winamac had chosen to pursue Federal funds, its building would be merely a dream wrapped in redtape instead of a functional facility that, today, is a source of great community pride.

The building belongs to the people of Winamac but the example they set is something the entire country can share. I congratulate them on their accomplishment and applaud their civic consciousness and independence.●

ACID RAIN

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. MARKEY. Mr. Speaker, 13 years ago our Nation faced the grim prospect of its cities made unlivable by air pollution. Auto emissions and smokestack discharges polluted our cities and created a "dirty soup which made our cities unhealthy places to live. At the time there was little hope of cleaning up the environment. Nevertheless, this pervasive environmental threat has been checked, if not reversed, by the forceful action of the President and Congress in enacting the Clean Air Act.

Today, we face a similarly devastating attack on our environment. It is an environmental attack that kills our Nation's ponds, poisons our waters, and damages our buildings. Today, acid rain is threatening our environment, and the time action has passed. We need action now.

Despite the pressing need for action on acid rain, the Reagan administration consistently has opposed any Federal effort to address the problem. On Wednesday, June 8, however, the administration released a report that challenges this administration's reluctance to take action.

The report places primary blame for the problem of acid rain on manmade pollution, especially pollutants from electric utilities and heavy industries. The administration report also emphasizes the national scope of the problem; acid rain is not simply a regional problem confined to the Midwest and Northeast. And most significantly, the report stresses that 100 percent scientific certainty is so difficult to achieve that it should not be a prerequisite for regulatory action.

This finding is the most important development in the administration's position on acid rain I have witnessed. For too long the Reagan administration has resisted action on acid rain on the ground that there is insufficient evidence on the source of the problem. The President has maintained this position in the face of numerous studies which document the cause of acid rain is pollutants put out by coal-burning utilities and factories. The administration has maintained this position despite a preponderance of evidence showing the source of acid rain.

I am encouraged by this report if in fact it portends a change in the administration's adherence to 100 percent proof of the cause. Unfortunately, we live in an uncertain world and must depend on less than 100 percent evidence in many areas of life. Uncertainty is a basis principle of science. I imagine that one could find studies which show that the link between cigarettes and lung cancer is not complete, or the connection between mining and black lung is uncertain. Nevertheless, we have moved forward in both of these areas to combat the specific problem without having 100 percent certainty. Just because a batter does not understand the physics and aerodynamics behind an incoming pitch does not mean that he cannot hit the pitch. Well, just because we do not have the luxury of 100-percent certainty on the source of acid rain does not mean we should not take action to correct the problem. One hundred percent certainty is a luxury that life rarely gives us. We do have sufficient evidence, however, to take action against the sources of acid rain with the confidence that a preponderance of the evidence gives us. We should take that action now.

Recently, President Reagan asked the Environmental Protection Agency to give top priority to a reassessment of the administration's position on acid rain. Ostensibly, it appears that after 2 years in office, the President has finally felt the political heat and begun to move on acid rain. Unfortunately, these past 2 years, when steps could have been taken to arrest the problem, have been wasted by a President intent on study rather than solution. Each year that goes by without action, environmental damage spreads and the problem becomes harder to control. I hope that the President finally has realized he must seize the opportunity to move forward on acid rain control.

Acid rain, or more precisely acid precipitation since snow and even fog can be contaminated, is caused by the combination of pollutants released by electric utilities and motor vehicles (sulfur dioxide and nitrogen oxides) with oxygen and rainwater to form nitric and sulfuric acid. Recent measurements indicate that rain falling in the Northeast is 10 to 100 times more acidic than normal.

This precipitation, falling into lakes and reservoirs as rain, quickly makes them more acidic. In addition, acid rain leaches minerals and heavy metals from the soil and carries them into the ponds. Acid rain has been tied to high levels of aluminum and mercury in local ponds. As levels of these toxic metals rise, and as the ponds become increasingly acidic, fish and plant life die. Over 180 lakes in the Adirondack region of New York have been classified as dead. Moreover, high levels of mercury, found in some lakes contaminated by acid raid, can be hazardous in drinking water supplies. Finally, the leaching of nutrients from the soil, and the effects of acid rainfall on leaves, may be harmful to trees and crops. Acid rain also damages monuments and other buildings, eating away at our national treasures. In the Northeast alone, acid rain has been estimated to cause over $2.5 billion of damage each year.

I regret to add that such damage could be only the tip of an acid iceberg. Trends over the past 20 years show that the problem of acid rain is both spreading and intensifying. In the mid-1950's, acid rain was confined primarily to the Midwest and Northeast, with rain in other areas of the country virtually normal. By the late 1970's, however, the problem had spread south and west, and in many regions the precipitation is two or three times the acid measure of the 1950's.

The acid rain problem was exacerbated by utilities converting from oil to coal, which contains more sulfur, and from relatively expensive low-sulfur coal to cheaper, higher sulfur coal. These changes were largely the result of a national effort to promote the use of domestic coal rather than imported oil. While technologies exist to burn coal more cleanly, to clean the coal before burning, and to scrub utilities' emissions, all of these would place an expensive burden on an industry already staggering from unexpectedly low growth and soaring nuclear power costs. Indeed, estimates of the cost of retroactively cleaning coal burners run as high as $5 billion a year.

These factors indicate that the problem of acid rain is intimately connected with key elements of national policies, and require truly inventive solutions. Time is running out for the environment. It is time to begin an aggressive search for methods to take the sting out of acid rain.●

A SIGNIFICANT WEEK FOR THE U.S. SPACE PROGRAM

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. LUJAN. Mr. Speaker, this is a very significant week for the U.S. space program.

This morning the Pioneer 10 explorer satellite accomplished something that we earthlings have never done before. This manmade object has left the perimeters of our solar system. It is now traveling into deep outer space. After 11 years and 3.8 billion miles of its journey, it is still performing above any expectations. It will most likely continue its voyage after this planet ceases to exist.

Also this morning, the space shuttle prototype *Enterprise* left Washington, after a visit, to return to Edwards Air Force Base in California. It was received in Washington with a welcome appropriate to a national hero. Its visit demonstrated the tremendous support for this program by the American people.

And Saturday of this week the space shuttle *Challenger* will leave the Cape on another historic trip into space. The five member crew will be highlighted by the fact that it includes America's first woman to travel into space. Astronaut Sally Ride will take her place among our space pioneers.

As the ranking minority member of the Space Science and Applications Subcommittee, I am fortunate to have firsthand involvement in this fascinating program.

Mr. Speaker, this is an important week in our space activities. It demonstrates well that the people of the planet Earth are on the dawn of a new and awesome age.●

HEALTH AND PHYSICAL EDUCATION COURSES SERVE A PURPOSE

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. RICHARDSON. Mr. Speaker, I would like to draw my colleagues attention to an article that recently appeared in the Journal of Physical Education Recreation and Dance. Alliance President Wayne Osness shares his views on a report issued by the President's National Commission on Excel-

lence in Education entitled, "A Nation at Risk: The Imperative for Educational Reform."

President Osness cautions that while changes are needed to turn around the educational decline in recent years in this country that it is important to keep in mind that physical and health education courses do have a role to play in providing our young people with a complete, well-rounded education.

Mr. Speaker, I hope that my colleagues will take the time to read this well-thought-out piece:

ALLIANCE PRESIDENT RESPONDS TO COMMISSION

On April 26th, the White House released a report from the National Commission on Excellence in Education entitled "A Nation at Risk: The Imperative for Educational Reform." The report sounds a warning to educators across the nation: We have let our educational system decline; the results have affected our economy, our industries, our children, and the safety and security of our nation and our future. The message is clear: America cannot afford to continue to tolerate the status quo in education.

The Commission report made public many issues and concerns that educators have been sharing with each other for some time now. From American Alliance members we have often heard: "Some of our majors come to us neither with the rudimentary essentials in math and science, nor the physical skills needed to continue their learning at the college level." "Students seem interested only in getting by, getting the credentials necessary to get a job."

One can argue selected points of the commission's findings, the logic and practicality of their recommendations, or the dirge-like seriousness of their warnings. But what cannot be argued is that this report is long overdue and is very likely to signal a renaissance in education which will precipitate major changes in the very fabric of our educational system—the impact will reach far into the future. We may be on a critical threshold. The possibilities are infinite and exciting.

But there are also some ominous implications. One of the major criticisms the commission levies at the current system is that "Twenty-five percent of the credits earned by general-track high school students are in physical education and health education, work experience outside the school, remedial English and mathematics, and personal service and development courses, such as training for adulthood and marriage . . ."

The commission believes that these courses take time away from math, science, English and social studies courses, thereby contributing to the decline in the overall level of educational achievement of our nation's students.

The American Alliance disagrees with this inference on two counts. First, grouping physical education and health education courses with remedial courses, training for adulthood and experiences which occur outside the school denigrates our professions, which are part of the educational mainstream. The teaching skills, knowledge, and appreciation of movement is an essential part of a complete, well-rounded education. Developing an understanding and awareness of an active lifestyle on an individual and personal level is an integral part of the school curriculum of the future.

Second, the implication that somehow these courses have contributed to a diminished educational performance could not be further from the truth.

Physical education and health education classes are not the cause of the declining level of student achievement; they can and do serve as an impetus for higher achievement. Physical education teaches skills and knowledge which can be used throughout a student's lifetime, resulting in a healthier, more physically fit adult. Increased levels of physical activity bring increased capacity for productivity. A physically active person is a more productive person. A physically active person is tired less often and finds an increased level of energy. Physically active and fit students, therefore, will have more, not less time and energy.

Physical education and health education teach students about healthy diet, good nutrition and how their bodies function. Students who eat right and engage in regular physical activity will be healthier and will be absent from school less often. Students who are knowledgeable about their bodies and who are in good physical condition use less energy to accomplish goals, and maintain an efficiency of movement which can leave more time for learning.

Physical education teaches students how to use their leisure time. Appropriate use of leisure time provides a much needed respite to the rigors of a demanding new educational curriculum, allowing better concentration and increased attention span while on task.

Health education teaches students about the care and maintenance of their bodies. Students who have an awareness of how to maintain and enhance their health, and who can put those practices to use in a concrete and personal way will be healthier children and adults. With the rising costs of medical care, we cannot afford to ignore preventive measures. Healthy students can learn more efficiently and effectively than unhealthy students.

The commission reports that "our society and its educational institutions seem to have lost sight of the . . . high expectations and disciplined effort needed . . ." to attain a quality education. They recommend that colleges and universities "adopt a quality education. They recommend that colleges and universities "adopt more rigorous and measureable standards, higher expectations for academic performance and student conduct. . . ." Physical education teaches these values. Physical education can teach students how to relate to the physical world, the real world in a very basic way. It can teach them how to change their environment by changing themselves. It can teach them how to change, mold, and improve their bodies through discipline, hard work, training, and skill development.

We applaud the commitment to education which resulted in such a comprehensive look at our public educational system at the national level. We urge only that the vision of the future which the commission has glimpsed include physical education and health education as necessary and vital components of our educational system. What kind of a future will we have at the cost of our children's health and development? How can we compete with other nations either in war or peace, either on the real battlefield or the economic front if we cannot come prepared with healthy minds and bodies? The dichotomy between them is false. We live in a physical world. We must continue to relate to it. We must continue to teach children how to use their bodies and their minds, and how to use their minds and bodies together so we will have more whole and healthy students, who are truly prepared to face the future.●

TRIBUTE TO CARL SWANSON

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. KOSTMAYER. Mr. Speaker, on June 4, 1983, Carl Swanson of Levittown, Pa. passed away. Few events in my 5 years of service in the House saddened me as much as this one. Carl was the husband of Marge Swanson who has been a member of my staff since I was first elected to Congress in 1976. The father of Carla, Linda, and Carl, Jr. and a lifelong resident of Bucks County, Carl fought for his country during the Second World War serving 5 years in the U.S. Marine Corps. For the last 30 years he was employed at the U.S. Steel Fairless Works, since the opening of that facility.

Carl was an extraordinarily kind and generous man and his home in Levittown became my second home during my years of travel throughout the Eighth Congressional District. He epitomized all that is good in this country—open and deep love of his family, compassion for those less fortunate than he, devotion and pride in his country.

Carl Swanson left the world a better place than he found it and I join the many people whose lives he touched in honoring his memory today.●

IN SUPPORT OF A STRONGER EPA

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mrs. JOHNSON. Mr. Speaker, I rise in support of the amendment to increase funding for the Environmental Protection Agency (EPA). Review of EPA's budget and performance have made it very clear that that arm of Government needs increased, not reduced, support if its mission is to be accomplished. I am pleased, therefore, to support the amendment offered by my colleague from Colorado that restores much of the muscle that EPA so desperately needs.

With the appointment of William Ruckelshaus, the President has demonstrated his commitment to excellence at EPA and, although I am concerned about the ability of any organization to absorb $220 million more than it requested, I am certain of the Agency's need and confident of the

new Administrator's ability to allocate his budget judiciously.

For too long, the important functions of research and development, enforcement, and grants to States have suffered from severe and inappropriate budget cuts. A 43-percent reduction in research and development funding does not reflect our need as a society to better understand the impact of chemical and hazardous wastes on our environment nor does it provide the information needed to guide the development of new approaches to the safe and effective clean up and disposal of hazardous wastes. We have to this point failed to adequately address the massive clean up problem that must be solved if we are to preserve the well-being of all citizens. In light of that, it is unreasonable to reduce funding for EPA enforcement activities by 31 percent from the fiscal year 1981 level as the proposed budget allows. When new hazardous waste sites are being uncovered every week, our commitment of resources must reflect the new evidence of our Nation's needs.

One of the inadequacies of the enforcement effort that is particularly important to the State of Connecticut and my constituents because it is costing us jobs is the ever-increasing role of interstate enforcement in achieving clean air and water nationwide. Without a stronger commitment to interstate enforcement of clean air and water laws, jobs in complying States like Connecticut will continue to shoulder the heavy capital costs of compliance with clean air and clean water requirements and be underbid by noncomplying producers from surrounding noncomplying States. Many Connecticut jobs are threatened by the failure of surrounding States to comply with national clean water and air standards. This threat to our jobs and industry is very real but the answer is not to step back on our commitment to a quality environment but to force surrounding, polluting States to comply.

The more we learn about the effects of waste disposal on the environment, the more truth we see in the old saying that, "an ounce of prevention is worth a pound of cure." The disparity between the amount of money that would have prevented the hazards of Times Beach, Mo., or Love Canal, N.Y., and the amount of money necessary for cleanup is simply astounding and a tragedy in a world of limited resources.

Mr. Speaker, I strongly urge the new EPA Administrator to use his resources wisely and to realize our national goal of creating and maintaining a clean, safe, and livable country and planet.●

WELL DONE NASA

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. GINGRICH. Mr. Speaker, I am paying tribute to the people at the National Aeronautics and Space Administration for a magnificent achievement. It is a feat which demonstrates America's bold and adventurous spirit.

Today, at approximately 8 a.m. e.d.t., the first unmanned spacecraft departed the solar system. At that time the NASA Pioneer 10 spacecraft crossed the orbit of Neptune, currently the outermost planet of our solar system, at a distance of about 2.8 billion miles from the Sun.

After over 11 years of flawless flight, Pioneer 10 has begun a virtually endless journey into interstellar space. The spacecraft is expected to last for billions of years traveling at a speed of almost three-quarters of a million miles a day. It should outlast the solar system itself, since, in about 5 billion years, the Sun will become a giant red star and engulf the Earth.

The direction and speed of Pioneer 10 were achieved by an ingenious maneuver. The spacecraft was actually thrust into interstellar space by slingshot action due to Jupiter's rotational speed. Their encounter occurred during December 1973.

Pioneer 10 continues to gather detailed scientific information. It relays the information to Earth with only a very small 8-watt radio transmitter which has a power equivalent of a very weak light bulb. When the signal is received by our 210-foot-diameter radio antennas it has weakened to 1 billion-trillionths of a watt.

Pioneer 10 has made a long list of discoveries about Jupiter and the Sun's full range of activity. It is now exploring the outer solar atmosphere and is looking for a possible 10th planet or a large dark star at the outer fringes of the solar system. Such an object has long been suggested by unexplained irregularities in the orbits of Uranus and Neptune.

Pioneer 10 will also search for evidence of cataclysmic collisions between galaxies or two massive black holes. These violent upheavals rattle the entire universe and produce gravity waves having wavelengths of 1 to 3 billion miles.

Pioneer 10's departure from the solar system transcends any previous achievement in planetary exploration. It is an accomplishment of great scientific, technical, and operational skill and human ingenuity.

Well done NASA.●

THE UAW'S CONTRIBUTION TO THE INDUSTRIAL POLICY DEBATE

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. MARKEY. Mr. Speaker, many of us in the Congress are concerned about the lack of a coherent industrial policy in this country. The devastation of Reaganomics has disrupted major sectors of the economy, changes in international trading practices have cost us jobs and business abroad, alternatives to the status quo seem confusing or unpromising.

The debate over industrial policy will surely dominate the legislative and political agendas over the next few years. Worthwhile contributions to this debate can be expected to come from all quarters—most recently, the Democratic Caucus and the high production group both made valuable additions to the discussion.

But there is one report, one viewpoint, of special interest to me. The recent paper by the United Auto Workers, "The UAW Blueprint for a Working America," explains the challenge facing us and offers potential solutions with an eloquence and expertise rarely matched. It contributes greatly to the ongoing efforts to reindustrialize and rebuild America.

I want to congratulate the UAW for its efforts. Special credit should go to those who helped the UAW build this report: Donald Ephlin, Ira Magaziner, Derek Shearer, Lester Thurow, and two good friends, David Smith, and Barry Bluestone. Because of space limitations I cannot have the entire report reprinted here—though I do recommend it highly to my colleagues. What follows, then, is an excerpt from a section of the paper entitled "The Blueprint."

The excerpt follows:

THE UAW BLUEPRINT FOR A WORKING AMERICA

WHY AN INDUSTRIAL POLICY

America needs a new industrial policy because the old economic rules haven't been working. Even business leaders recognize the crisis. Chrysler President Lee Iacocca criticizes "big U.S. companies who should be buying new technologies (but) waste billions of dollars in a frenzy of corporate takeovers."

It is becoming increasingly clear to labor, many political groups, and some business and industrial leaders that the days of free-for-all economic decision-making must give way to a new era of industrial policy development.

We hear from some quarters that the destruction of our basic smokestack industries is actually a good thing—that we'll evolve into an economy based on service work and high technology products.

We fundamentally disagree. The U.S. needs basic heavy industry as well as service

and high technology sectors. In fact, it is our basic industries above all which create markets for the service sector and for high technology products. Auto, for example, accounts for 35 percent of the U.S. market for industrial robots and related technology. These industries are central to the economy because they have linkages to so many sectors and so many jobs. In fact, in many regions, most of the demand for locally-supplied services is generated in the goods-producing industries.

In the past several months dozens of approaches have been put forth for reindustrializing America. Here is ours.

Our Blueprint is based on several key principles:

1. Industrial policy must be coordinated.—Our economy is a collection of linked parts. If any important piece is disturbed, shock waves reverberate throughout the structure, reducing demand and forcing the economy to operate at lower levels of capacity utilization and fewer economies of scale. Cutbacks in auto mean fewer jobs in parts, in service industries, and even in the high-tech sector of consumer electronics.

2. Industrial policy should be bargained. We envision a procedure under which government, labor and management all have a voice in bargaining the direction of our economy and of specific industries. Not only is top-down planning by a private or public elite undemocratic, but experience has shown that it won't work in the U.S.—that workers and communities will strongly resist elitist planning at their expense.

3. There is a legitimate role for government. We expect government to act in the public interest in setting the economic ground rules and in framing national economic policies. We must also expect the government to pursue the public interest in helping to modernize industries and rebuild communities. Government already possesses many of the tools it needs to accomplish these goals, including tax, credit and labor-market programs, but these resources must be coordinated to insure that industrial restructuring proceeds systematically without victimizing workers and communities.

4. Finally, industrial policy must be based on a system of social accounting. No longer should the bottom line be only short-term profit gains. The precondition to efficient planning is to socially account major economic decisions—to measure more widely the return to society of an investment made or not made. The use of this "public balance sheet" approach, by recognizing the links between industries, can increase society's rate of return on private as well as public investment.

When decisions are being debated on whether to close an "unprofitable" plant, for example, we must factor in such things as the cost to society of jobless benefits, other Treasury losses, the destruction of the community's social structure, and the potential viability of alternative products that could be produced there.

STRUCTURE

In order to provide the widest possible input into industrial planning, to guarantee the resources necessary for industrial development, and to hold accountable those charged with implementing industrial policy, we believe there must be a new national coordinating structure established for industrial development.

Such a structure would include:

A National Strategic Planning Board to set overall national economic performance standards and to coordinate sectoral plans developed under its oversight. It would be composed of cabinet-level federal government officials plus representatives from labor, business, public-interest groups, and state and local government. The Board would propose overall national targets on employment, tax and credit policy, etc. and recommend legislation to accomplish its goals. As with all sections of the structure, the Board would be guided by social accounting methods.

A considerable part of the Board's activity would be targeted toward specific industrial sectors in the economy, especially mature industries like auto and steel, which must be restructured to face growing international competition. Even with the benefit of long-term loans, loan guarantees and import relief, however, it must be recognized that these industries may indeed shrink as a proportion of the total economy. But if that is to happen, the Board's role will be to plan the change in an orderly and responsible way and not at the expense of workers.

Growing industries such as computers and telecommunications could receive different types of assistance: for example, government-level negotiations to open up foreign markets, or research-and-development help aimed at commercializing new products and new, cost-cutting technology.

The tools to help startup industries, such as new biotechnology firms, would also be different and might include special grants, loans and equity investments until the new industries gain a solid footing.

The Board's technical and research staff would keep it up to date on industrial input-output data, links between different industrial sectors, and current status of specific industries and businesses. This would help it in developing national strategies that could be presented to Congress, and to provide the framework for specific plans for particular industries.

Backing up the Board would be several other groups, including:

Industry Strategy Committees to develop strategies for the economy's major industries and to present their recommendations to the National Strategic Planning Board. The committees would consist of labor, business, and federal, state and local government representatives. The plans for each industry would be based on social accounting principles: rather than merely aiming at better sector profitability, they would have to describe how to maximize society's total net benefits—jobs and job security, reduced dislocation, increased tax revenues, better and more affordable products, and a cleaner environment. Once a plan won Board approval, it could result in help from a

National Strategic Development Bank empowered to make long-term loans to, or take equity in, companies undergoing restructuring certified by the National Strategic Planning Board. The Bank would feature regional branches and provide credit through different sectoral "windows" according to the needs of those sectors. Bank activities could be funded through the sale of stock and long-term Treasury-guaranteed bonds as well as through investments of employee pension funds. Because the Bank would employ social accounting principles, it would invest in some projects which don't "make money" in a commercial sense but which do produce desirable social returns on investment. Congressional appropriations would help fund these investments in the public interest.

National Civilian Technology Administration, the research-and-development arm of the structure, designed to help tailor assistance to firms, projects, universities or consortia attempting to develop and commercialize new technologies to help make the U.S. economy more competitive and productive. NCTA could also undertake its own research and development efforts. Companies benefiting from NCTA's publicly funded research would be expected to apply those technological benefits in jobs-creating U.S. investment rather than using them for overseas production and profit. Finally, there would be a

Bureau of Conversion Assistance, attached directly to the Board for the purpose of effecting orderly converison through advance notice of plant closings and concerted efforts to prevent closings through the introduction of alternative product lines or production processes.

At this time, the UAW is less concerned with the final configuration of the Board and its related agencies than with the effectiveness and accountability of the structure. We want the Board to possess the necessary tools to act decisively and respond appropriately to the needs of industries and regions, but the Board's power must be carefully balanced against the need to maintain democratic controls over its functions. We clearly do not want an industrial policy agency which can exercise the awesome power of today's Federal Reserve and not be accountable to the public for its decisions.●

MORE ON TIP O'NEILL'S SURTAX ON THE MIDDLE CLASS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1983

● Mr. KEMP. Mr. Speaker, earlier this week I pointed out that the Democratic leadership's proposal to cap this year's tax cut at $700 amounts to a surtax on the middle class. I would like to provide my colleagues with additional information to show this. For example, nearly half of all taxpayers who face a tax increase under this ill-conceived plan are below the $50,000 income level—some, in fact, below $20,000.

Earlier, I pointed out that "the cap proposal would hit the middle class, not the rich. The rich have already received their tax cut." This occurred when the top income tax rate dropped from 70 to 50 percent on January 1, 1982.

And under the cap, families with lower incomes will receive their equal share. But the cap proposal would repeal part of the equal-percentage tax cuts for people in between. Specifically, a $700 cap would hit families with gross incomes as low as $39,250, and individuals with gross incomes as low as $31,150, if they do not itemize deductions. In 1970 dollars, those incomes are barely $15,000 and $12,000, respectively.

To show this, I would like to insert two tables verified by the U.S. Treasury. The tables show the levels of adjusted gross income at which different taxpayers would face a tax increase under the $700 cap proposal.

These estimates use the Treasury's assumption that enacting the $700 cap would require raising marginal income tax rates after 1983: for example, from the 33 to 49 percent range which prevails under current law for joint returns, to a 37 to 50 percent range, at taxable incomes between $35,200 and $162,400. There would be commensurate tax-rate increases for single returns in the appropriate brackets.

The first table applies to one-earner families of four; the second table to single taxpayers. Both tables have a column for taxpayers who do not itemize deductions and a column for those who itemize and have the average level of itemized deductions; namely 23 percent of income—most taxpayers who own a home itemize; most taxpayers who rent do not itemize.

TABLE I.—INCOME LEVELS AT WHICH TAX CAP WOULD AFFECT A FAMILY OF FOUR

Tax cap	Adjusted gross income level	
	Nonitemizers	Itemizers
$700	$39,250	$45,550

TABLE II.—INCOME LEVELS AT WHICH TAX CAP WOULD AFFECT A SINGLE TAXPAYER

Tax Cap	Adjusted gross income level	
	Nonitemizers	Itemizers
$700	$31,150	$37,450

As I pointed out in my earlier remarks, these income levels are rather low for a plan that is supposed to soak the rich: In 1970 dollars, those incomes are barely $15,000 and $12,000, respectively.

According to the Department of Labor's Bureau of Labor Statistics, the Consumer Price Index stood at 295.5 in April (1967=100) compared with an average of 116.3 in 1970. This indicates a 154-percent rise in prices. Therefore, the purchasing power of $39,250 or $31,150 today is equal to $15,448 or $12,260 in 1970 dollars. These are the income levels at which typical nonitemizers would be hit by the $700 cap.

But in fact, not every family or single taxpayer is typical. Indeed, the Treasury estimates that of the 8.1 million taxpayers whose taxes would be raised by the Democratic cap proposal, almost half—I repeat, almost half—would have incomes below $50,000. As a matter of fact, the largest number of such taxpayers is in the $30,000 to $50,000 class. And almost as many taxpayers in the $15,000 to $30,000 range would face a tax increase as in the over $200,000 class.

I would like to insert the Treasury table into the RECORD at this point.

TABLE III.—*Number of taxpayers facing a tax increase if the third year of tax cuts is capped at $700*

[Numbers in thousands]

Income class:	*Taxpayers affected*
0 to 15	
15 to 20	12
20 to 30	142
30 to 50	3,718
50 to 100	3,489
100 to 200	599
200 plus	155
Total	8,115

Source: U.S. Treasury, Office of Tax Analysis.

How can this be, if TIP O'NEILL claims that the cap would only hit those with incomes over $50,000? The reason seems to be that the cap plan hits a disproportionate number of two-income households. In other words, the Democratic plan goes a long way toward reinstituting the marriage penalty—a higher tax burden for being married than for remaining single.

No matter how you look at it, Mr. Speaker, the tax cap is a turkey. It hits the middle class. It hits savings and small business. It is unfair. The only fair tax plan is President Reagan's equal percentage tax-rate reduction for all taxpayers. Congress should leave it in place and get out of the way of the American peoples' desire to work and earn and save.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 14, 1983, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 15

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1286, S. 632, and S. 428, bills to establish a program to conduct research and development studies for improved manufacturing technologies.
SR-253

Labor and Human Resources
To hold hearings on the nomination of Madeleine C. Will, of Maryland, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education.
SD-430

9:30 a.m.

Banking, Housing, and Urban Affairs
Securities Subcommittee
To continue hearings on S. 1174, proposed Public Utility Holding Company Act Amendments.
SD-538

Labor and Human Resources
Business meeting, to mark up S. 564, U.S. Academy of Peace Act, S. 772, Smoking Prevention Health and Education Act, S. 242, Employment Opportunities Act, and S. 724, Public Investment/Jobs Act.
SD-430

10:00 a.m.

Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1984 for the government of the District of Columbia.
SD-192

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Water Resources Subcommittee
To resume hearings on S. 947, authorizing funds for fiscal years 1984 through 1988 for water resources construction projects of the Corps of Engineers, and related measures.
SD-406

Finance
To hold hearings on the Administration's budget proposals for fiscal year 1984 for programs within the committee's jurisdiction.
SD-215

Foreign Relations
To hold hearings to discuss U.S.-Soviet relations.
SD-419

Rules and Administration
Business meeting, to mark up S. Res. 66, to establish regulations needed to implement television and radio coverage of proceedings of the U.S. Senate, and other pending legislative and administrative business.
SR-301

Veterans' Affairs
To hold oversight hearings to examine the health effects of agent orange.
SR-418

Joint Economic
Economic Goals and Intergovernmental Policy Subcommittee
To hold hearings to examine teacher shortages in the math and science fields.
SD-562

10:30 a.m.
Labor and Human Resources
To hold hearings on the nominations of Ford B. Ford, of California, to be Under Secretary of Labor, and John J. O'Donnell, of the District of Columbia, to be Assistant Secretary of Labor for Legislative Affairs.
SD-430

2:00 p.m.
Agriculture, Nutrition, and Forestry
Business meeting, to consider proposed changes in the dairy, tobacco, and target price programs.
SR-328A

Judiciary
To hold hearings on pending nominations.
SD-226

4:00 p.m.
Foreign Relations
Closed briefing on revised START proposals.
S-116, Capitol

JUNE 16

9:15 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 1256, proposed Emergency School Aid Extension Act.
SD-430

9:30 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to consider proposed changes in the dairy, tobacco, and target price programs.
SR-328A

Banking, Housing, and Urban Affairs
To resume oversight hearings on condition, structure, and competition within the domestic financial services industry.
SD-538

Small Business
Business meeting, to consider pending calendar business.
SR-428A

10:00 a.m.
Appropriations
Business meeting, to mark up H.R. 3132, making appropriations for fiscal year 1984 for energy and water development programs.
SD-192.

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on nuclear licensing and regulatory reform.
SD-406

Finance
To continue hearings on the administration's budget proposals for fiscal year 1984 for programs within the committee's jurisdiction.
SD-215

Foreign Relations
To hold hearings on the Executive Council on Foreign Diplomats.
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

Joint Economic
Agriculture and Transportation Subcommittee
To resume hearings to review the administration's perspective on future farm policy, focusing on the economic condition and prospects of agricultural and rural businesses.
SD-124

2:00 p.m.
Environment and Public Works
Environmental Pollution Subcommittee
Business meeting, to mark up S. 431, authorizing funds for fiscal year ending September 30, 1983, through fiscal year 1987 for clean water programs, and S. 432, extending the 1984 compliance date for certain requirements of the Clean Water Act.
SD-406

Foreign Relations
To continue hearings to discuss United States-Soviet relations.
SD-419

Judiciary
Courts Subcommittee
Business meeting, to mark up S. 645, proposed Court Improvements Act.
SD-226

JUNE 17

8:30 a.m.
Finance
Energy and Agricultural Taxation Subcommittee
Taxation and Debt Management Subcommittee
To hold joint hearings on S. 654, to repeal certain IRS Code provisions requiring the apportionment of research and development expenditures made in the United States.
SD-215

9:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings to review those programs administered by the Office of the Secretary of Energy.
SD-342

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 314, proposed In-Flight Medical Emergencies Act.
SR-253

Finance
Energy and Agricultural Taxation Subcommittee
To hold hearings on S. 1396, to extend the availability of energy tax credits for solar, wind, geothermal, and biomass renewable energy resources.
SD-215

JUNE 20

9:30 a.m.
Finance
To hold hearings on S. 19 and S. 888, bills to revise current Federal pension law with respect to the rights and benefits of working and nonworking women.
SD-215

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the geopolitics of strategic and critical minerals.
SD-366

Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings on proposed legislation authorizing funds for refugee assistance.
SD-226

JUNE 21

8:30 a.m.
Small Business
To hold oversight hearings on the Small Business Administration's small business development center program.
SR-428A

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on condition, structure, and competition within the domestic financial services industry.
SD-538

Finance
To continue hearings on S. 19 and S. 888, bills to revise current Federal pension law with respect to the rights and benefits of working and nonworking women.
SD-215

Judiciary
Juvenile Justice Subcommittee
To hold hearings on S. 520, to remove all noncriminal juveniles from secure detention facilities within the United States.
SD-226

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Water Resources Subcommittee
To resume hearings on S. 947, authorizing funds for fiscal years 1984 through 1988 for water resources construction projects of the Corps of Engineers, and related measures.
SD-406

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on the report of the President's Commission on Excellence in Education.
SD-430

JUNE 22

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 1120, to authorize printing of the back side of $1 bills by a method other than the intaglio process.
SD-538

Commerce, Science, and Transportation
To hold hearings on title IV, to provide for increased coordination between Federal, State, and local governments in the transportation of hazardous materials, of S. 1108, proposed Highway Safety Act.
SR-253

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 1306, to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.
SD-226

Labor and Human Resources
Business meeting, to consider pending Calendar business.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending Calendar business.
SD-366

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on environmental research and development programs.
SD-406

Finance
To resume hearings on the administration's budget proposals for fiscal year 1984 for programs within the committee's jurisdiction.
SD-215

Veterans' Affairs
To hold hearings on S. 374, S. 786, and S. 991, bills to establish a presumption of service connection for certain diseases in veterans caused by exposure to agent orange, herbicides, and chemicals during the Vietnam war.
SR-418

2:00 p.m.
Environment and Public Works
Environmental Pollution Subcommittee
Business meeting, to resume markup of S. 431, authorizing funds for fiscal year ending September 30, 1983, and through fiscal year 1987 for clean water programs, and S. 432, extending the 1984 compliance date for certain requirements of the Clean Water Act.
SD-406

Judiciary
To hold hearings on pending nominations.
SD-226

JUNE 23

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1286, S. 632, and S. 428, bills to establish a program to conduct research and development studies for improved manufacturing technologies.
SR-253

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to reconsider pending Calendar business.
SD-538

Governmental Affairs
To hold hearings on operational testing procedures in the Department of Defense.
SD-342

Labor and Human Resources
To hold hearings on the effects of anticancer drugs in the treatment of cancer patients.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending Calendar business.
SD-366

Environment and Public Works
Environment Pollution Subcommittee
Business meeting, to mark up S. 757, authorizing funds for fiscal years 1983 through 1987 for programs of the Solid Waste Disposal Act.
SD-406

Finance
To continue hearings on the administration's budget proposals for fiscal year 1984 for programs within the committee's jurisdiction.
SD-215

Judiciary
Business meeting, on pending Calendar business.
SD-226

10:30 a.m.
Judiciary
Separation of Powers Subcommittee
To hold hearings to examine the legal and constitutional ratification process of the Panama Canal Treaty.
SD-562

JUNE 24

9:30 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold oversight hearings on the budget request for the Energy Information Administration, Department of Energy.
SD-366

Finance
Oversight of the Internal Revenue Service Subcommittee
To hold hearings to review legislative proposals to combat abusive tax shelters, focusing on charitable contribution tax shelters and the ability of the Internal Revenue Service and courts to process large volumes of tax shelter returns.
SD-215

Judiciary
Courts Subcommittee
To hold hearings to discuss the current bankruptcy situation of the Manville Corporation in Denver, Colo.
SD-562

Judiciary
Juvenile Justice Subcommittee
To hold hearings to discuss proposed Federal assistance to State and local law enforcement agencies in handling child serial murders.
SD-226

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
Business meeting, to continue markup of S. 757, authorizing funds for fiscal years 1983 through 1987 for programs of the Solid Waste Disposal Act.
SD-406

JUNE 27

9:00 a.m.
Finance
Estate and Gift Taxation Subcommittee
To hold hearings on proposals providing for transitional rules for estates and gift tax treatment, including S. 953, S. 1180, S. 1210, S. 1250, S. 1251, S. 1252, S. 309, and S. 310, and Senate Resolution 126, expressing the sense of the Senate that the changes in the Federal estate tax laws made by the Economic Recovery Tax Act of 1981 should not be modified.
SD-215

9:30 a.m.
Finance
To resume oversight hearings on condition, structure, and competition within the domestic financial services industry.
SD-538

Judiciary
Constitution Subcommittee
To hold hearings on S. 81 and S. 141, bills to revise current law relating to civil actions for the deprivation of rights.
SD-226

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on airline deregulation.
SR-253

Environment and Public Works
Water Resources Subcommittee
To resume hearings on S. 947, authorizing funds for fiscal years 1984 through 1988 for water resources construction projects of the Corps of Engineers, and related measures.
SD-406

Judiciary
Immigration and Refugee Policy Subcommittee
To resume hearings on proposed authorizations for refugee programs.
SD-226

JUNE 28

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on the International Monetary Fund's gold reserves.
SD-538

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1173, proposed Federal mine safety and health amendments.
SD-430

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue oversight hearings on airline deregulation.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 947, authorizing funds for fiscal years 1984 through 1988 for water resources construction projects of the Corps of Engineers, and relate measures.
SD-406

Finance
To resume hearings on the administration's budget proposals for fiscal year 1984 for programs within the committee's jurisdiction.
SD-215

Labor and Human Resources
Aging Subcommittee
To hold hearings on the impact of crime on the elderly, focusing on victim compensation.
SR-485

2:00 p.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 1090, to establish the Outdoor Recreation Resources Review Commission.
SD-342

JUNE 29

9:30 a.m.
Judiciary
To hold hearings on S. 737, proposed Joint Research and Development Ventures Act.
SD-226

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
To hold hearings on pending legislation.
SD-406

Finance
To continue hearings on the administration's budget proposals for fiscal year 1984 for programs within the committee's jurisdiction.
SD-215

Small Business
Small Business: Family Farm Subcommittee
To hold hearings on the impact of Canadian agricultural imports and their effect on the small business community.
SR-428A

Veterans' Affairs
Business meeting, to mark up S. 1388, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation for surviving spouses and children of veterans, and related measures, and proposed legislation to provide educational assistance for veterans and persons entering the Armed Forces.
SR-418

JUNE 30

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on juvenile offenders of serious and violent crimes.
SD-226

Labor and Human Resources
To hold oversight hearings on the activities of the Equal Employment Opportunity Commission and the administration's equal employment opportunity policy.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
To hold hearings on pending legislation.
SD-406

Finance
Business meeting, to mark up proposed legislation to extend the revenue sharing program for local governments.
SD-215

Judiciary
Administrative Practice and Procedure Subcommittee
To hold oversight hearings on activities of the Office of Administrative Law Judges.
SD-562

JULY 12

10:00 a.m.
Labor and Human Resources
Aging Subcommittee
To hold hearings to examine the use of the judicial system by the elderly.
SD-430

JULY 13

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
To hold hearings on home health care services.
SD-430

JULY 14

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 19, to revise current Federal pension law with respect to the rights and benefits of working and nonworking women, and related measures.
SD-430

10:00 a.m.
Labor and Human Resources
Aging Subcommittee
To hold hearings on future directions in nursing home health care.
SD-430

JULY 19

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on the proposed Alien Education Assistance Act.
SD-430

JULY 20

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JULY 21

9:30 a.m.
Labor and Human Resources
To hold hearings to examine fire safety issues.
SD-430

JULY 25

10:00 a.m.
Energy and Natural Resources
To hold hearings on S. 1132, to establish a maximum ceiling on the annual charge to be fixed by the Federal Energy Regulatory Commission for a licensee's use of a Government dam or other structures owned by the United States.
SD-366

JULY 26

10:00 a.m.
Labor and Human Resources
Aging Subcommittee
To hold hearings on proposed legislation authorizing funds for nutrition programs of the Older Americans Act.
SD-430

JULY 27

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

SEPTEMBER 8

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To resume oversight hearings on the breakdown of the traditional family unit, focusing on the historical perspective and societal implications.
SD-430

SEPTEMBER 15

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To resume oversight hearings on the breakdown of the traditional family unit, focusing on causes and remedies.
SD-430

SEPTEMBER 20

1:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1984 from the American Legion.
SR-325