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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. The Senate will be led in prayer by the Senate Chaplain, Dr. Lloyd John Ogilvie.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, whom to know is life's ultimate purpose, whom to serve is our deepest joy, and whom to trust is our only lasting peace, we commit to You the work of this Senate. You have made praise the secret of opening our minds and hearts to You, the key to unlocking the mysteries of Your will, and the source of turning difficulties into opportunities. When we praise You for even life's tight places and trying people, we are strangely liberated. You have made praise the highest form of commitment of our needs.

So we begin this week with praise to You for the blessings we could neither deserve or earn and for the problems in which You will reveal Your supernatural guidance and power.

We dedicate this week to be one in which we constantly give You praise in all things, especially the perplexities that force us to seek You and Your limitless grace. In Your Holy Name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader is recognized.

ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION ACT—MOTION TO PROCEED

Mr. DOLE. Mr. President, it will be my intention momentarily to move to proceed to consideration of S. 395, the Alaska Power Administration bill. I

understand there are objections to proceeding to the bill at this time. Therefore, Members should be aware that rollcall votes are possible this morning and throughout the day.

Mr. President, I move to proceed to consideration of S. 395, Calendar 111, the Alaska Power Administration bill.

The PRESIDING OFFICER (Mr. BROWN). The question is on the motion. Is there objection?

Mrs. MURRAY. I object.

The PRESIDING OFFICER. Objection is heard. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, I do object to moving to this bill at this time, although I understand the underlying bill has much in it that is important. I do not want to keep us from moving toward that. Section 2 of this bill is extremely important, critical. It has been under the jurisdiction of the Banking Committee for the last several years that I know of that I have been here. It has not been debated in that committee and I believe it should go back to that committee to be looked at.

It is an extremely important section that allows the lifting of the ban on oil for Alaska exports. It has tremendous impact to the west coast, and particularly to my State of Washington, as well as Oregon and California, and is a measure that should see much more light of day, particularly in the Banking Committee, before it is debated on this floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. 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. KYL. Mr. President, I ask unanimous consent to proceed as in morning business.

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

VISIT TO THE SENATE BY MEMBERS OF THE SENATE AND HOUSE OF REPRESENTATIVES OF MEXICO

Mr. KYL. Mr. President, I rise to introduce to you and to especially welcome representatives from the Mexican Senate and House of Representatives who met with us in Tucson this last weekend as the delegation of the United States-Mexico Interparliamentary Conference.

It is my honor to present these ladies and gentlemen to you. I ask unanimous consent that each of their names be printed in the proceedings of the U.S. Senate, along with a copy of the joint communique, a communique that came out of that conference.

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

MEXICAN DELEGATION LIST SENATORS

Senador Fernando Ortiz Arana, President (State of Queretaro—PRI).

Senador Jose Murat (State of Oaxaca—PRI).

Senador Guadalupe Gomez Maganda (State of Guerrero—PRI).

Senador Guillermo Hopkins Gamez (State of Sonora—PRI).

Senador Jose Luis Soberanes Reyes (State of Sinaloa—PRI).

Senador Fernando Solana Morales (State of Distrito Federal—PRI).

Senador Eloy Cantu Segovia (State of Nuevo Leon—PRI).

Senador Carlos Sales Gutierrez (State of Campeche—PRI).

Senador Gabriel Jimenez Remus (State of Jalisco—PAN).

Senador Luis Felipe Bravo Mena (State of Mexico—PAN).

Senador Jose Angel Conchello Davila (State of Distrito Federal—PAN).

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



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Senador Jose Ramon Medina Padilla (State of Zacatecas—PAN).

Senador Hector Sanchez Lopez (State of Oaxaca—PRD).

Senador Guillermo Del Rio Ortegon (State of Campeche—PRD).

REPRESENTATIVES

Diputado Augusto Gomez Villanueva, Co-President (State of Aguascalientes—PRI).

Diputado Carlos Aceves Del Olmo (State of Distrito Federal—PRI).

Diputado Samuel Palma Cesar (State of Morelos—PRI).

Diputado Marco Antonio Davila Montesinos (State of Tamaulipas—PRI).

Diputado Victor M. Rubio Y Ragazzoni (State of Distrito Federal—PRI).

Diputado Rosario Guerra Diaz (State of Distrito Federal—PRI).

Diputado Carlos Flores Vizcarra (State of Distrito Federal—PRI).

Diputado Pindaro Uriostegui Miranda (State of Guerrero—PRI).

Diputado Ricardo Garcia Cervantes (State of Baja California—PAN).

Diputado Guillermo Lujan Pena (State of Chihuahua—PAN).

Diputado Miguel Hernandez Labastida (State of Distrito Federal—PAN).

Diputado Alejandro Diaz Perez Duarte (State of Distrito Federal—PAN).

Diputado Jesus Ortega Martinez.

Diputado Pedro Ettiene Llano (PRD).

Diputado Joaquin Vela Gonzalez (State of Aguascaliente—PT).

JOINT COMMUNIQUE, 34TH MEETING OF THE MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP, TUCSON, ARIZONA, MAY 13, 1995

At the conclusion of the 34th Interparliamentary Meeting between the Congresses of the United States of America and Mexico, held from May 12-15, 1995, in the city of Tucson, Arizona, the participating delegations determined by mutual accord to make known the scope of their discussions through this joint communique.

The Delegations recognized that ties between their peoples and governments are based on mutual respect and open communication, which form the foundation of good relations. The Delegations agreed to emphasize the importance of the active role that each Congress must play in strengthening a framework of understanding and joint endeavors. The discussions in Tucson were cordial, comprehensive, and candid, aimed at exchanging views on five principal subjects, expanding mutual understanding, and advancing a positive, practical agenda for improving relations across the board.

NAFTA AND HEMISPHERIC FREE TRADE

The Delegations discussed the expansion of economic relations among Canada, Mexico, and the United States under the North American Free Trade Agreement. The Delegations discussed ideas for the acceleration of tariff phase-out periods and the complete implementation of NAFTA and committed themselves to encourage the timely consideration of initiatives to expand free trade in the Americas.

ECONOMIC STABILIZATION

The Delegations discussed current economic conditions and measures established in Mexico's economic adjustment program and stressed that both countries have an interest in the complete and early recovery of the Mexican economy. In particular, the Delegations recognized that both Congresses will continue to review implementation, within their respective constitutional authorities, of the economic stabilization package being carried out under the "U.S.-Mexico Framework Agreement" and accompanying accords signed on February 21, 1995.

BORDER COOPERATION

The discussions in Tucson provided ample opportunity for the exchange of views on expanding border cooperation, including issues of tourism, customs, safe border crossing, health, and environment. The Delegations committed themselves to following through on initiatives to improve the quality of life of persons who live and work in communities along the 2,000-mile U.S.-Mexico border and to facilitate the growing commerce through regional ports. In addition, problems of port security and border crossings in violation of the law were discussed.

IMMIGRATION

The Delegations recognized the need to respect the fundamental human rights of all persons, as well as the sovereign right of all states to make autonomous decisions regarding domestic social programs and their territorial integrity, in accordance with the constitution of each country. When considering this issue, the Delegations agreed on the importance of utilizing the consultative mechanisms established in the U.S.-Mexico Binational Commission and other appropriate channels.

COMBATTING ILLEGAL DRUGS

In the strongest possible terms, the Delegations agreed that combatting illegal drugs is a priority for both countries. The Delegations acknowledged that current bilateral anti-drug cooperation is unprecedented in its scope and intensity, and that both governments must redouble their efforts and commit the necessary resources in order to strictly apply the law to criminals and to attack the drug problem more effectively in all its manifestations, including production, trafficking, and consumption. The Delegations agreed on the need to strengthen actions to fight organized crime, money-laundering, and corruption through cooperation and with absolute respect for the sovereignty of each country.

FOLLOW-UP MECHANISMS

The Delegations agreed to consider establishing special congressional working groups on bilateral issues, including a process to develop specific recommendations and follow-up actions for future interparliamentary meetings. They also agreed to consider holding a United States-Mexico-Canada Interparliamentary Meeting in the future.

CONCLUSION

The Mexican Delegation expressed its satisfaction for the atmosphere of frank, open, and candid dialogue that prevailed at the discussions in Tucson. The Mexican legislators thanked their U.S. colleagues for their hospitality and extended their best wishes to the people of the United States. The United States Delegation extended their thanks to their Mexican counterparts and best wishes to the Mexican people.

Senator FERNANDO ORTIZ ARANA,
Chairman, Mexican State Delegation.
Deputy AUGUSTO GOMEZ
VILLANUEVA,
*Chairman, Mexican Chamber
of Deputies Delegation.*
Senator JON KYL,
Chairman, U.S. Senate Delegation.
Representative JIM KOLBE,
Chairman, U.S. House Delegation.

Mr. KYL. Mr. President, this conference, which was the 34th meeting of the United States and Mexican parliamentarians, covered a wide range of topics. It focused in two general areas: On the economic and political issues.

On the economic issues, matters that were discussed included the implementation of NAFTA and other hemi-

spheric free-trade issues, the issues regarding economic stabilization for the Mexican economy, border cooperation in a whole variety of different ways, problems relating to immigration and, most important, combating illegal drugs.

I might note just in that regard that the communique notes in the strongest possible terms, the delegates believe that both countries need to work even more closely together to solve this problem that is so critical to both of our countries.

We also included in the communique follow-up mechanisms that would enable us to continue our work together as parliamentarians, including the possibility that we would meet with our Canadian counterparts as well in a three-part kind of meeting.

Mr. President, the key, I think, to this meeting was a recognition that perhaps more than any other time in history, the Congresses of our two countries have changed dramatically. We are aware of the fact that for the first time in 40 years, the Republican Party now controls both Houses of the U.S. Congress, and that is creating great changes in our legislative policy.

By the same token, the Congress in Mexico is undergoing substantial change as well. In addition to the fact that you have four different parties in the Congress, the parliamentarians who met this weekend all noted that the role that the Congress is playing in Mexico is a much more active and robust role than has been true in years past. Therefore, the areas of cooperation between the two Congresses take on an even greater importance as both of our countries face the next few years and going into the next century.

So, Mr. President, it is with a great deal of pride and with a degree of humility that I appear with these members of the House and Senate of Mexico and present them to you and, again, express my very strong sense that this kind of meeting is critical to the future of our two countries which share a 2,000-mile-long border and have a very bright future together. We treat that border as an opportunity, and I think that was the keyword in the entire conference, was the opportunity that is presented by the working together of our two countries.

Mr. President, now we have the privilege of going to the White House and meeting with President Clinton. We know that that meeting will be fruitful as well. I note finally that there were seven Senators from the United States who attended that meeting, as well as both Ambassadors from the United States and Mexico. Therefore, it was a most productive conference.

Thank you, Mr. President.

The PRESIDING OFFICER. The Chamber is honored by the visit of our colleagues and friends. You are most welcome in this Chamber. We appreciate your visit very much.

Mr. KYL. Thank you, Mr. President.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

Mrs. MURRAY. I object.

The PRESIDING OFFICER. Objection is heard.

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

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Minnesota is recognized.

MINNESOTA TAX FREEDOM DAY

Mr. GRAMS. Mr. President, yesterday, on May 14, 1995, Minnesotans marked two annual occasions: one that millions of families look forward to each year, and one that millions of Minnesota taxpayers await with a mixture of anger and frustration.

First and foremost, of course, was Mother's Day, the day we all honor our mothers for the love and support they have given us.

The second, less well-known but equally significant event was Minnesota Tax Freedom Day, the day Minnesotans quit working to pay taxes at the Federal, State, and local levels of government and begin working for themselves. Every dollar my constituents have earned so far this year has gone to pay taxes. For a total of 134 days, Minnesotans have been working for the government; 85 of these days were spent paying off Federal taxes, while the remaining 49 days were spent paying off State and local taxes.

Tax Freedom Day comes much later in the year to Minnesota than it does to the Nation at large, which means Minnesotans spend longer than most Americans working to pay off their tax bills.

For the average American taxpayer, Tax Freedom Day is on May 6, but Minnesotans must work more than a week longer for Uncle Sam and his cousins at the State and local levels.

My constituents are encumbered with the sixth highest tax rate in the country. The only States whose Tax Freedom Days come after Minnesota's are Connecticut and New York, who both mark Tax Freedom Day on May 24; Washington, DC, and New Jersey, on May 18; and Hawaii, on May 17.

For 2 years, the tax load borne by Minnesotans has remained constant, and Tax Freedom Day has fallen on the same day, May 14. But sadly, a lot has changed since President Clinton's 1993 budget package.

In 1993, Tax Freedom Day in Minnesota was May 9. In effect, the tax increases imposed in President Clinton's 1993 budget have forced Minnesotans to work an additional 5 days just to pay off those new taxes.

These 5 days could have been spent on a family vacation, but there is no

time for fun when you are working to pay off the Government's spending splurges.

The average per capita income of Minnesota is \$24,403, 36.6 percent of which goes to pay taxes.

Translated into dollar terms, the average annual tax bill for every Minnesota taxpayer this year will be \$8,926, or over one-third of their hard-earned income.

Americans face a veritable cornucopia of tax burdens in their day-to-day lives, overflowing with the income taxes and payroll taxes which represent the largest component of the average American's tax bill.

In addition to these more visible taxes, the cost of nearly all goods and services are inflated by sales and excise taxes. There are property taxes, estate and other business taxes, and let us not forget the corporate income taxes which are passed along to consumers and employees in the form of higher prices and lower wages.

The perverse thing about our current progressive income tax system is that as national income increases, the tax burden increases along with it, more than proportionally. As a result, economic contractions tend to reduce American's tax burden while economic expansions tend to increase it.

It makes no sense that taxpayers should be penalized for robust economic growth by extracting more money from their paychecks.

This is why I support tax cuts—real tax cuts—that help American families keep more of what they earn. The \$500 per child tax credit goes a long way toward that end. Middle-class families could save more, or they could spend more—they would be given the freedom to do whatever they want with their money because it belongs to them.

We may never see Tax Freedom Day coincide with New Year's Day or even Valentine's Day, but let us face it: We are about to begin debate on a new budget resolution, one that can counteract the onerous effects of Clinton's package of tax hikes 2 years ago. Let us not miss this opportunity to offer tax relief to America's families. Let us ensure that Tax Freedom Day comes a lot earlier next year than it did last year.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT—S. 395

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that at 12 o'clock noon the Senate turn to the consideration of calendar 101, S. 395 re-

garding the Alaska Power Administration.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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.

The Senator from South Dakota is recognized.

THE BUDGET

Mr. PRESSLER. Mr. President, there has been much discussion about the budget of the United States that will be brought to this floor by Senator DOMENICI and the Budget Committee soon. I believe strongly we must do something in this country or Medicare will go broke and our country will go broke. That is the alternative on one side. The alternative on the other side is to do something about it.

Those are two rather grim alternatives. Because if we continue down the road with a \$4.8 trillion debt in a \$6.9 trillion economy, our money will soon become worthless. We are already seeing signs of this: the decline in the value of the dollar, particularly the unexplained collapse of the dollar against the yen and against the German mark. So something is wrong in our economy. In fact, I predict that at some point in the next 5 or 10 years we will have a cataclysmic event, economically speaking, in our country if we do not do something now about the Federal deficit.

We also have learned that Medicare will go broke by the year 2002 unless something is done. I have been a champion of senior citizens. I would ask our senior citizens, would we rather have a Medicare system that is broke, or would we rather have one that is solvent even though we may have to make certain changes? So that is where we stand as a country, basically, with this budget coming to the floor. It is a historic turning point in our country's history. We have to make a decision as to whether or not we are going to face up to the facts.

We had a debate on this Senate floor about the balanced budget amendment recently. The Democrats pointed out that our side of the aisle had no plan. They said, what is your plan to balance the budget? We do have a plan. It is the Domenici plan that will come to this floor. It has a lot of cuts; some cuts I do not personally agree with, but I am going to support the Domenici budget plan, generally speaking, because in part it is the only game in town.

The Democrats do not have a plan. Yet, they are criticizing our plan. That is unfortunate. The Democrats have

the White House. They are supposed to provide leadership in this area also. But they do not want to. So it is our burden in the Republican majority to provide commonsense leadership, to take the hits, to make the tough votes.

Mr. President, one of the newspapers in South Dakota this morning reported that the Federal Government—the Treasury—released how much my State would suffer if some of the budget cuts were made. I say to my fellow South Dakotans, that is the oldest trick in the book by the Federal bureaucracy. They release how much people are going to suffer, and how much money is going to be lost. They do not say that they might have to reduce the number of bureaucrats in Washington or at the Denver regional headquarters. They do not say that they are counting as part of the budget impact the elimination of bureaucrats and regulators whose work may involve South Dakota, but actually live in Washington, DC, or Denver. They merely say, “Your State is going to be hurt this much,” and, “Senator, if you vote to cut us, you are hurting your State.” Those numbers that are released in such a timely fashion show how skillful the Federal bureaucracy is at trying to protect themselves by politically hurting Senators and Congressmen who vote for cuts in the budget.

So I urge all South Dakotans, and all Americans, to take a close look at exactly what they are talking about.

In conclusion, Mr. President, on the budget, we face a very painful choice. On the one hand, we can go broke as a nation and see the value of the dollar decline and leave a great debt for future generations. We also can keep spending in Medicare at the same level without making changes and have it go broke by the year 2002.

On the other hand, we can take a responsible course. We can follow the outline of PETE DOMENICI's budget, which he is bringing to this floor.

The Republicans in the Senate have a plan. The Democrats do not. They are criticizing our plan. That is fine. We will take the criticism. But I want to say to the people in my State and to this country that I hope they give us the understanding and the credit for taking leadership, for taking the tough votes we will soon take, because the other side is merely throwing rocks at us as we are trying to climb up the hill.

Let us remember that our country is at a historic point. We could choose to go bankrupt, with a \$4 trillion debt this year. With many programs such as Medicare going broke, we can keep doing what we are doing, and if so, it is going to lead to a cataclysmic event. Or we can take some tough medicine, and take some tough votes.

In the next 6 months, I believe that I will be casting the toughest votes of my Senate career. I ask for the understanding of my constituents because it is not easy. I would rather be voting to give everybody everything. It must have been fun to be a Senator in the

1960's, when you could vote for amendments without having any budget offset. Now, with every amendment we have, if we add something to the budget, we have to say where we are taking it from. We have to state under the budget rules what this is going to do to the Federal budget.

So the whole tone of the next 6 months in this Chamber is going to be a very difficult one. We are going to see Senators struggle in their votes. It is going to be easier to demagog and to say let us wait until next year, or delay it 3 or 5 years. But the time has come to stand up and be counted. I believe that we can do a great deal for the future of the United States if we do so.

Mr. President, I yield the floor.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

ORDER OF PROCEDURE

Mr. BRYAN. Mr. President, I ask unanimous consent to speak for a period not to exceed 10 minutes as if in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BRYAN. Mr. President, I thank the Chair.

PRAIRIE ISLAND DRY CASK

Mr. BRYAN. Mr. President, I would like to bring to the attention of my colleagues a little noticed, but I think significant, event that occurred last week.

Last Thursday, Northern States Power transferred spent nuclear fuel from its reactor pool at Prairie Island into a new dry storage cask located at the reactor site.

Prairie Island, near Red Wing, MN, is the location of two of Northern States Power's three nuclear power reactors.

Licensed to operate starting in 1973 and 1974 respectively, Prairie Island 1 and Prairie Island 2 share a spent fuel storage pool.

Today, 20 years into the 40-year licensed life of the reactors, the pool is filling up.

Northern States Power needed to find more storage for the waste generated at Prairie Island. Fortunately, licensed technology, dry cask storage, was available which would allow the utility to move the oldest spent fuel assemblies out of the pool.

NSP proposed to locate the casks at the reactor site.

Thursday's announcement of final NRC approval to load the casks is the final chapter in a prolonged political and public relations effort by NSP to resolve until the year 2002 its Prairie Island waste problem.

The public outcry that erupted after NSP proposed to expand on-site storage is every utility executive's nightmare, and led to the perception of the Prairie Island situation as the poster child of

the nuclear power industry's current propaganda campaign for interim storage of high-level nuclear waste in Nevada.

In spite of the obvious solution available to NSP, on-site dry casks, the Prairie Island situation has, for several years now, been held up as the prime example of why Congress must immediately reopen the Nuclear Waste Policy Act to speed up progress on moving high-level nuclear waste to Nevada.

Twenty percent of the Nation's electricity power supply, we have been told, is at risk if Congress does not act soon.

Reactors will shut down, cities will go dark, and electricity rates will skyrocket, if Congress does not take the waste off the hands of the utilities soon—according to the nuclear power industry. The nuclear power industry's shameless campaign to get the Federal Government to take responsibility for its waste is not new.

In 1980, at the same time Congress was considering options for the permanent disposal of high-level waste, the nuclear power industry was pushing for away-from-reactor storage, or AFR.

Without a Federal AFR facility, according to the industry, reactors would begin closing by 1983.

Of course, no Federal AFR was built, and no reactors closed for lack of storage.

Besides creating the misleading impression of a crisis, of impending doom, the nuclear power propaganda campaign has always sought to create the impression that there is only one solution, one option for avoiding the supposedly catastrophic consequences of reactor shutdowns: move the high-level nuclear waste to Nevada. That is the only proposal that is offered.

First, we as a State were targeted for a permanent repository.

That program is an acknowledged failure.

Now we are targeted for interim storage.

For the nuclear power industry, that means 100 years, subject to renewal. That amounts to de facto permanent storage.

According to the nuclear power industry, interim storage in Nevada is the only salvation for the future of nuclear power.

Nevadans have made it crystal clear that we want no part of the nuclear power industry's solution to its waste problem. Nuclear waste is not welcome in Nevada.

Nevertheless, the nuclear power industry, and its surrogate for this matter, the Department of Energy, has been relentless in its efforts to force Nevadans to bear the health and safety risks of solving a problem we had no role in creating.

Mr. President, there are solutions to the nuclear waste storage problem that do not include Nevada. Last weeks events at Prairie Island make that abundantly clear.

For all their propaganda, and all their complaining to Congress, the nuclear utilities find a way to handle their waste, and keep reactors open and running.

The CEO of Northern States Power, John Howard, has said "Resolution of interim storage for spent nuclear fuel from our country's commercial power plants has reached crisis proportions."

Mr. Howard's assessment—that interim storage of nuclear waste is an impending crisis, and, thus, Congress must act to move this waste to Nevada as soon as possible—is a common theme in the nuclear power industry.

As the Prairie Island situation demonstrates, however, the crisis scenario is simply not true from a technical or scientific perspective.

Of course, I do not expect many of my colleagues will hear much about the resolution of the supposed crisis at Prairie Island.

The resolution of the Prairie Island waste situation simply does not track with the contrived crisis scenario developed by the nuclear power industry and its lobbyists.

To admit that nuclear utilities can find ways to take care of their own waste would shatter the carefully constructed fiction that interim storage in Nevada is the only possible alternative to shutting down the reactors.

It should be acknowledged that Northern States Power paid a price for the approval of additional storage at Prairie Island.

The debate over increased storage was intense, and many are still not happy.

NSP was forced to make concessions, such as building more renewable energy sources.

Other utilities are not anxious to go through what NSP went through.

The unfortunate fact for nuclear utilities is that nuclear power, and nuclear waste, are not popular.

The public relations and political problems associated with expanding storage capacity at reactors is an inescapable cost of nuclear power.

Northern States Power also paid a financial price for expanding storage at Prairie Island.

As other utilities do the same, especially after the 1998 goal for operation of a permanent repository included in the 1982 Nuclear Waste Policy Act, some action ought to be taken to provide some relief to the ratepayers who have paid in the first instance into the nuclear waste fund and who are not receiving the storage at that fund which they contemplated would be operational by the year 1998.

I might say parenthetically, as the distinguished occupant of the chair knows, under no scenario, under absolutely none, will a facility be opened by the year 1998.

So I believe as a matter of fairness that ratepayers are entitled to some relief in terms of payment into the nuclear waste fund.

I have reintroduced in this Congress, as I have on previous occasions, legisla-

tion which this year bears the number of S. 429 which will provide a credit against nuclear waste fund contributions for utilities forced to build on-site storage after 1998.

Under S. 429, ratepayers will not be financially penalized for the misguided and mismanaged efforts of the nuclear power industry and the Department of Energy to build a permanent repository in Nevada.

I urge my colleagues to reject the nuclear power industry's newest assault on the people of Nevada, and support S. 429.

I yield the floor.

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

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

The bill clerk proceeded to call the roll.

Mr. COCHRAN. 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. COCHRAN. Mr. President, I understand there are two bills due their second reading.

MEASURE PLACED ON THE CALENDAR—S. 761

The PRESIDING OFFICER. The clerk will read the first bill by title.

The assistant legislative clerk read as follows:

A bill (S. 761) to improve the ability of the United States to respond to the international terrorist threat.

Mr. COCHRAN. Mr. President, I object to further proceedings on this matter at this time.

The PRESIDING OFFICER. That bill will be placed on the calendar.

MEASURE PLACED ON THE CALENDAR—S. 790

The PRESIDING OFFICER. The clerk will report the second bill by title.

The assistant legislative clerk read as follows:

A bill (S. 790) to provide for the modification or elimination of Federal reporting requirements.

Mr. COCHRAN. Mr. President, I object to further proceedings on this matter at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

DISASTERS

Mr. COCHRAN. Mr. President, last Friday, President Clinton declared a major disaster for the State of Mississippi, due to damage resulting from severe storms, flooding, and related problems, weather problems that occurred on May 8 and during the days following. This declaration is deeply appreciated by the people of Mississippi and the State of Mississippi be-

cause very severe damage has occurred in our State as all of us know who had an opportunity to watch television and read about the devastating floods that occurred all across the gulf coast, from New Orleans to Mobile and beyond. Included in this area of severe weather damage was my State of Mississippi. All of the coast counties and some of those counties that are more inland received severe damage.

This declaration makes it possible now for the Federal Emergency Management Agency, led by James Lee Witt, to provide private, individual assistance to those disaster victims who qualify under Federal legislation. The letter also states that additional public assistance may be added at a later date.

It is my understanding that the Governor's office and his staff are working with Federal agents at this time in Mississippi, to try to ensure that all possible assistance, emergency and otherwise, is made available to these disaster victims. I commend the Governor and his staff for the fine work they are doing.

Mr. President, I ask unanimous consent a copy of the President's letter to our Governor, Kirk Fordice, be printed at this point in the RECORD.

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

THE WHITE HOUSE,
Washington, May 12, 1995.

Hon. KIRK FORDICE,
Governor of Mississippi,
State Capitol, Jackson, MS.

DEAR GOVERNOR FORDICE: As requested, I have declared a major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act) for the State of Mississippi due to damage resulting from severe storms, tornadoes, and flooding on May 8, 1995, and continuing. I have authorized Federal relief and recovery assistance in the affected area.

Individual Assistance will be provided. Public Assistance may be added at a later date, if warranted. Consistent with the requirement that Federal assistance be supplemental, any Federal funds provided under the Stafford Act for Public Assistance will be limited to 75 percent of the total eligible costs in the designated areas.

The Federal Emergency Management Agency (FEMA) will coordinate Federal assistance efforts and designate specific areas eligible for such assistance. The Federal Coordinating Officer will be Mr. Michael J. Polny of FEMA. He will consult with you and assist in the execution of the FEMA-State Disaster Assistance Agreement governing the expenditure of Federal funds.

Sincerely,

BILL CLINTON.

Mr. COCHRAN. Mr. President, this also brings to mind legislation that I introduced recently to bring under the purview of the Public Safety Officers Benefits Act the employees of FEMA, the Federal Emergency Management Agency, as well as employees of State and local emergency management and civil defense agencies.

Senators may not realize this, but State and local police officers, firefighters, State and local rescue squads

and ambulance crews, Federal law enforcement officers and firefighters, are all covered under the Public Safety Officers Benefits Act, which provides death benefits and permanent disability benefits for those who are injured with some traumatic injury while in the line of duty.

Excluded under this act are those who work for civil defense agencies and the employees of the Federal Emergency Management Agency. This had been brought to my attention a few years ago, and during the confirmation hearings in our Governmental Affairs Committee of James Lee Witt, the current FEMA Director, I asked him his reaction to legislation that would expand coverage of this act and his responses were very favorable.

I introduced the legislation. It was not adopted in the last Congress, but I have recently reintroduced the bill and it is now pending in the Senate as S. 791. I hope Senators will take a look at this bill and consider cosponsoring the legislation, or supporting its passage.

I am today sending a letter to all Senators, inviting their attention to this legislation and the circumstances of it. The enactment of this bill will provide these civil defense employees and emergency management employees with the same kind of assurance that others who are similarly employed will have, should death or disabling injury result from the performance of their duty. Their families would receive survivor benefits, and they could be made eligible for disability benefits.

Mr. President, I ask unanimous consent a copy of my "Dear Colleague" letter to which I have referred be printed at this point in the RECORD.

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

U.S. SENATE,

Washington, DC, May 15, 1995.

DEAR COLLEAGUE: I recently introduced S. 791, a bill to extend coverage under the Public Safety Officers Benefits Act to employees of the Federal Emergency Management Agency (FEMA) and employees of State and local emergency management and civil defense agencies.

The Public Safety Officers Benefits Act provides benefits to the eligible survivors of a public safety officer whose death is the direct result of a traumatic injury sustained in the line of duty. The Act also provides benefits to those officers who are permanently and totally disabled as the direct result of a catastrophic personal injury sustained in the line of duty.

The Act now covers State and local law enforcement officers and fire fighters, Federal law enforcement officers and fire fighters, and Federal, State, and local rescue squads and ambulance crews. However, an employee of a State or local emergency management or civil defense agency, or an employee of FEMA who is killed or permanently disabled performing his or her duty in responding to a disaster is not covered under the Act.

Enactment of S. 791 will remedy this situation by extending the Act to those employees. This will ensure that the survivors and family members of an employee killed in the line of duty will receive benefits and that an employee permanently and totally disabled as a result of injury sustained in the line of

duty will also receive disability benefits of the Act.

During his confirmation hearing in the last Congress, FEMA Director James Lee Witt said that emergency management and civil defense employees put their lives on the line just about every time they respond to an event. Enactment of this legislation will provide them with some assurance that, should death or disabling injury result from the performance of their duty, their families will receive survivor benefits or they will receive disability benefits.

If you would like to cosponsor this bill, please have your staff contact Michael Loesch at 4-7412.

Sincerely,

THAD COCHRAN,
U.S. Senator.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 395, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 395) to authorize and direct the Secretary of Energy to sell the Alaska Power Marketing Administration, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 395

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

[TITLE I

[SECTION 101. SHORT TITLE.

[This title may be cited as the "Alaska Power Administration Sale Act".

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

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

[(b) The Secretary of Energy is authorized and directed to sell the Eklutna Hydroelectric Project (referred to in this Act as "Eklutna") to the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this Act as "Eklutna Purchasers"), in accordance with the terms of this Act and the August 2, 1989,

Eklutna Purchase Agreement, as amended, between the Department of Energy and the Eklutna Purchasers.

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

[(d) The Secretary of Energy shall deposit sale proceeds in the Treasury of the United States to the credit of miscellaneous receipts.

[(e) There are authorized to be appropriated such sums as may be necessary to prepare or acquire Eklutna and Snettisham assets for sale and conveyance. Such preparations and acquisitions shall provide sufficient title to ensure the beneficial use, enjoyment, and occupancy to the purchasers of the asset to be sold.

[SEC. 103. EXEMPTION.

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

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

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

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

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

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

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

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

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

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

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

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

[(3) Fee title to lands at Anchorage Substation shall be transferred to Eklutna Purchasers at no additional cost if the Secretary

of the Interior determines that pending claims to, and selection of, those lands are invalid or relinquished.

[(4) With respect only to approximately eight hundred and fifty-three acres of Eklutna lands identified in paragraphs 1. a., b., and c. of exhibit A of the Eklutna Purchase Agreement, the State of Alaska may select, and the Secretary of the Interior shall convey, to the State, improved lands under the selection entitlements in section 6(a) of the Act of July 7, 1958 (Public Law 85-508), and the North Anchorage Land Agreement of January 31, 1983. The conveyance is subject to the rights-of-way provided to the Eklutna Purchasers under paragraph (1).

[(d) With respect to the approximately two thousand six hundred and seventy-one acres of Snettisham lands identified in paragraphs 1. a. and b. of Exhibit A of the Snettisham Purchase Agreement, the State of Alaska may select, and the Secretary of the Interior shall convey to the State, improved lands under the selection entitlement in section 6(a) of the Act of July 7, 1958 (Public Law 85-508).

[(e) Not later than one year after both of the sales authorized in section 2 have occurred, as measured by the transaction dates stipulated in the purchase agreements, the Secretary of Energy shall—

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

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

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

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

[(g) Section 204 of the Flood Control Act of 1962 (Public Law 87-874; 76 Stat. 1193) is repealed effective on the date, as determined by the Secretary of Energy, when all Snettisham assets have been conveyed to the State of Alaska.

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

[(1) in paragraph (1)—

[(A) by striking out subparagraph (C); and

[(B) by redesignating subparagraphs (D), (E) and (F) as subparagraphs (C), (D), and (E) respectively;

[(2) in paragraph (2), by striking out “the Bonneville Power Administration, and the Alaska Power Administration” and inserting in lieu thereof “and the Bonneville Power Administration”.

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

[(j) The sales of Eklutna and Snettisham under this Act are not considered a disposal of Federal surplus property under the following provisions of section 203 of the Federal Property and Administration Services Act of 1949 (40 U.S.C. 484) and section 13 of the Surplus Property Act of 1944 (50 U.S.C. app. 1622).]

TITLE I

SECTION 101. SHORT TITLE.

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

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

(a) The Secretary of Energy is authorized and directed to sell the Snettisham Hydroelectric Project (referred to in this Act as “Snettisham”) to the State of Alaska in accordance with the terms of this Act and the February 10, 1989, Snettisham Purchase Agreement, as amended,

between the Alaska Power Administration of the United States Department of Energy and the Alaska Power Authority and the Authority successors.

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

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

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

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

SEC. 103. EXEMPTION AND OTHER PROVISIONS.

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

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

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

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

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

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

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

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

(A) at no cost to the Eklutna Purchasers;

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) in paragraph (1)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E) respectively; and

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

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

(j) The sales of Eklutna and Snettisham under this title are not considered disposal of Federal surplus property under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) or the Act of October 3, 1994, popularly referred to as the “Surplus Property Act of 1944” (50 U.S.C. App. 1622).

TITLE II

SEC. 201. SHORT TITLE

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

SEC. 202. TAPS ACT AMENDMENTS.

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

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

“(1) Subject to paragraphs (2) and (3), notwithstanding any other provision of law (including any regulation), any oil transported by pipeline over a right-of-way granted pursuant to this section may be exported.

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

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

SEC. 203. SECURITY OF SUPPLY.

Section 410 of the Trans-Alaska Pipeline Authorization Act (87 Stat. 594) is amended to read as follows: “The Congress reaffirms that the crude oil on the North Slope of Alaska is an important part of the Nation’s oil resources, and that the benefits of such crude oil should be equitably shared, directly or indirectly, by all regions of the country. The President shall use any authority he may have to ensure an equitable allocation of available North Slope and other crude oil resources and petroleum products among all regions and all of the several States.”.

SEC. 204. ANNUAL REPORT.

Section 103(f) of the Energy Policy and Conservation Act (42 U.S.C. 6212(f)) is amended by adding at the end thereof the following: “In the first quarter report for each new calendar year, the President shall indicate whether independent refiners in Petroleum Administration District 5 have been unable to secure adequate supplies of crude oil as a result of exports of Alaskan North Slope crude oil in the prior calendar year and shall make such recommendations to the Congress as may be appropriate.”.

SEC. 205. GAO REPORT.

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

SEC. 206. EFFECTIVE DATE.

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

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, the Senator from Washington and I have been in discussion. It is my understanding that the Senator from Washington has agreed to taking up the debate on the bill at this time.

I ask the Chair for unanimous consent that the committee amendment be

adopted and considered to be the original text for further amendment.

The PRESIDING OFFICER. Is there objection?

Mrs. MURRAY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MURKOWSKI. Mr. President, in view of the objection, it would be my intent to announce to the body that I would move to table. I want to accommodate my friend from Washington, but I will suggest that at 2:30 I will move to table the committee amendment at that hour.

Mr. President, let me begin with my opening statement relative to S. 395.

Mr. President, on February 13, the senior Senator, Senator STEVENS, and I introduced Senate bill 395. Title I of this bill provides for the sale of the Alaska Power Administration—known as the APA—the assets of that and the termination of the Alaska Power Administration once the sale occurs.

Further, title II would allow exports of Alaska’s North Slope oil, referred to as ANS crude oil, when carried only on U.S.-flag vessels. It is my understanding that Senator FEINSTEIN and Senator KYL later cosponsored S. 395.

On March 1 the committee heard testimony from the administration, from the Lieutenant Governor of Alaska, the State of California, the California independent producers, maritime labor, and other proponents of Senate bill 395. The administration testified in support of lifting the Alaska North Slope crude oil export ban, and they indicated that the bill should be amended to provide for an appropriate environmental review to allow the Secretary of Commerce to prevent anticompetitive behavior by exporters and to establish a licensing system. And then on March 15, after agreeing to work with the administration on these concerns prior to bringing the bill to the floor, the committee adopted Senate bill 395 by an overwhelming vote. The vote on that was 14 to 4. So it was truly bipartisan support relative to the merits of S. 395.

Further, Mr. President, Senator JOHNSTON and I were pleased to offer a committee substitute. We propose that now as in the original bill. Title I would provide for the sale of the assets of the Alaska Power Administration and title II would authorize exports of Alaska North Slope crude carried on American flag vessels with changes to satisfy some Members and administration concerns.

Title I of S. 395 provides for the sale of the Alaska Power Administration’s assets and the termination of the Alaska Power Administration once the sale is completed.

Further, I am pleased to state that the Department of Energy has testified in support of the Alaska Power Administration’s asset sale and agency termination.

In addition, on April 7, 1995, the administration submitted legislation to Congress substantially similar to title I of S. 395. The transmittal letter says:

This legislation, which is proposed in the President’s FY 1996 budget, is part of the administration’s ongoing effort to reinvent the Federal Government.

The Alaska Power Administration is quite unique among the Federal power marketing administrations. First, unlike the other Federal power marketing administrations, the Alaska Power Administration owns its power-generating facilities, which consist of two hydroelectric projects.

Second, these single-purpose hydroelectric projects were not built as a result of the water resource management plan as is the case or was the case with most other Federal hydroelectric dams. Instead, they were built to promote economic development and the establishment of essential industries.

Third, the Alaska Power Administration operates entirely in one State, the State of Alaska.

Fourth, the Alaska Power Administration was never intended to remain indefinitely under Government control. That is specifically recognized in the Eklutna national project authorizing legislation. The Alaska Power Administration owns two hydroelectric projects, one near Juneau at Snettisham and the other near Anchorage at Eklutna. Snettisham is a 78-megawatt project located 45 miles from Juneau to the south. It has been Juneau’s main power supply since 1975, accounting for up to 80 percent of its electric power. Eklutna is a 30-megawatt project located 34 miles northeast of Anchorage. It has served the Anchorage and Matanuska valleys since about 1955 and accounts for 5 percent of its electric power supply.

The Alaska Power Administration’s assets will be sold pursuant to the 1989 purchase agreement between the Department of Energy and the purchasers. Snettisham will be sold to the State of Alaska. Eklutna will be sold jointly to the municipality of Anchorage, Chugach Electric Association, and the Matanuska Electric Association.

For both, the sale price is determined under an agreed upon formula. It is the net present value of the remaining debt service payments that the Treasury would receive if the Federal Government had retained ownership of the two projects. The proceeds from the sale are currently estimated to be about \$85 million. However, the actual sales price will vary with the interest rate at the time of purchase.

S. 395, in a separate formula agreement, provided for the full protection of the fish and wildlife in the area. The purchasers, the State of Alaska, the U.S. Department of Commerce, U.S. Marine Fisheries, and the U.S. Department of the Interior, have jointly entered into a formal binding agreement providing for postsale protection, mitigation and enhancement of fish and wildlife resources affected by Eklutna and Snettisham. The agreement makes that legally enforceable.

As a result of the formal agreement, the Department of Energy, the Department of the Interior, and the Department of Commerce will all argue that the two hydroelectric projects warrant exemption from FERC licensing under the Federal Power Act. The August 7, 1991 purchase agreement states in part that

The National Marine Fisheries Service, the U.S. Fish and Wildlife Service, and the State agree that the following mechanism to develop and implement measures to protect and mitigate damages, to enhance fish and wildlife, including related spawning grounds and habitat, obviate the Eklutna purchaser and the EAE to obtain licenses.

This agreed upon exemption from the Federal Power Act's requirements to obtain a FERC license will save the purchasers and their customers as much as \$1 million in licensing costs for each project plus thousands of dollars in annual fees.

The Alaska Power Administration has 34 people located in my State of Alaska. The purchasers of the two projects have pledged to hire as many of these as possible. For those who do not receive offers of employment, the Department of Energy has pledged that it will offer employment to any remaining Alaska Power Administration employees although the DOE jobs are expected to be in other States.

Let me turn to title II, Mr. President, the Trans-Alaska Pipeline Amendment Act of 1995.

Title II of S. 395 would at long last allow exports of Alaska's North Slope crude oil when carried on U.S.-flag vessels. This legislation will finally allow my State to market its major product in the global marketplace and let the marketplace determine its ultimate usage. The export restrictions were first enacted shortly after the commencement of the 1973 Arab-Israeli war and the first Arab oil boycott. At that time, many people believed that the enactment of the export restrictions would enhance our Nation's energy security. Indeed, following the major oil shock of 1979, Congress effectively imposed a ban on exports.

Well, Mr. President, much has changed since then. In part, due to conservation efforts and shift to other fuel sources, total U.S. petroleum demand in 1993 actually was lower than in 1978. However, in the last 2 years, our consumption of oil has significantly increased and our productive capacity has declined. Our dependence on foreign oil sources has now gone up. We now produce almost 3 billion barrels a day less than we did in 1973. Employment in the oil and gas production industry has fallen by more than 400,000 jobs since 1982. Production on the North Slope has now entered a period of sustained decline. Throughput in the Trans-Alaska pipeline has dropped from 2.2 million barrels a day in 1989 to about 1.5 million barrels a day currently. In California, small independent producers have been forced to abandon wells or defer further invest-

ments to increase production. By precluding the market from operating normally, the export ban has had the unintended effect of discouraging, discouraging, Mr. President, oil production in California and Alaska. Lifting the ban on Alaska North Slope crude oil exports is the first step, the first step toward stopping the decline of this Nation's oil production. ANS oil exports will increase our oil production capacity by opening new reserves to production. This is oil production that our country can count on if it needs it. With an efficient market brought about by exports, we would not have this increased production and resultant increase in energy security. With this market distortion eliminated, producers will make substantial investments, will make investments in California, they will make investments on the marginal field on the North Slope that will lead to additional production. Every barrel of additional oil produced in California and on the North Slope is one less that would have to be imported from the Mideast or elsewhere in the world.

In an effort to quantify the likely production response and to evaluate benefits and costs of Alaska oil exports, the Department of Energy has concluded a very comprehensive study last year on the matter. In its June 1994 report, the department concluded "Alaska oil exports would boost production in Alaska as well as California by approximately 100,000 to 110,000 barrels per day by the end of the century." The study also concluded ANS exports could create up to 25,000 jobs. These are new jobs that will be created in California and to a lesser degree Alaska. Now, Mr. President, some Senators have expressed concern that lifting the ANS oil export ban will jeopardize the supply of ANS crude on the west coast. This is just simply not the case. Washington and California are and will remain the natural markets for ANS crude. Washington and California ports are the closest to Alaska and the ANS crude will continue to be supplied to those refineries. The economics simply dictate that as the closest point from Alaska and the closest point to significant distribution capability because of the populations in those areas near those west coast refineries.

Furthermore, the only major refinery that opposes lifting the ban is one that has a 5-year contract with British Petroleum to keep their refinery supplied. It is my understanding there is still approximately 4 years left on that contract, so there is no immediate suggestion that this or any other refinery is about to have its operation jeopardized by this action.

Further, the lifting of the oil export ban would relieve pressure that forces some of the ANS crude oil down to Panama, where it is unloaded, transported across Panama via a pipeline, and then reloaded onto vessels to take it to the gulf coast. It simply makes no economic sense to handle the oil that

many times and transport it that long distance. That oil is the oil we are talking about, the available oil from 75,000 to 200,000 barrels a day that would be exported. The market in our opinion should determine the price and destination of the ANS crude oil.

Mr. President, there has been a long concern in the domestic maritime community that lifting this ban would force the scrapping of the independent tanker fleet—these are U.S.-flag vessels that make up the significant portion of the U.S. maritime fleet under the American flag—and this lifting of the ban would destroy employment opportunities for merchant mariners who remain a vital contributor to our national security.

In recognition of this concern, the proposed legislation before this body would require, and I emphasize require, the use of U.S.-flag vessels to carry the available oil that would be exported. This is not the first time the law was changed. Some would suggest that this is an issue of precedent, but it is not. The law was changed to allow the export of ANS crude oil in 1988 when Congress passed legislation to implement the United States-Canadian Free-Trade Agreement.

It agreed at that time to allow the 50,000 barrels a day of ANS crude to be exported to and subject to the oil being carried on Jones Act, that is U.S.-flag, vessels.

Mr. President, we have been trying to lift the oil export ban for some time. In the past, maritime unions opposed our efforts because they believed it would increase job losses in that industry. Last year, the maritime unions came to the realization that their unions were facing virtual extinction if Alaska oil production continued to decline; in other words, there would be no oil to haul and, as a consequence, no ships to man. So they initiated support for lifting the ban to help both Alaska and California production if—and I want to emphasize this—if it were transported on U.S.-flag vessels with U.S. crews.

Mr. President, this current ban no longer makes economic sense. For far too long, it has hurt the citizens of my State. It has severely damaged the California oil and gas industry and has precluded the market from functioning normally. In other words, you have a free market out there. It should function as a free market. If this ban is left in place any longer, there is no question that it will further discourage energy production. It will destroy jobs in California, or the prospects for jobs, as well as in my State of Alaska, and it will ultimately be the end of our seafaring mariners, the independent U.S. tanker fleet and, as a consequence, the shipbuilding sector of our Nation because, under the current law, these vessels are required to be built in U.S. shipyards. And, clearly, if there is no oil to haul, you are not going to need any ships, regardless of the mandate that they be U.S. vessels with U.S. crews.

I am sure we are going to hear from some of our colleagues today expressing concerns that prices will go up, gas prices, gasoline prices, on the west coast, if exports of ANS oil are authorized.

Well, Mr. President, there is no indication that this is the case. The Department of Energy carefully studied this issue and concluded that consumers would not see a discernible increase in the price at the gas pump. The DOE showed that west coast refineries enjoy the widest refiner gross profit margins in the country. Some would ask: Why? Well, we will get into that later on in the debate, I am sure.

In other words, the west coast refineries have been able to buy crude oil for less per barrel than anywhere else in the country because of the proximity of the refiners to the origin of the oil in Alaska, yet they are selling the gasoline or other refined products for more than anywhere else in the country.

In 1993, the refiners' gross margin on the west coast was more than \$4 higher than the U.S. average, according to the Department of Energy. Wholesale gasoline prices in California are consistently 3 or 4 cents higher than in New York, despite the fact that California refiners are purchasing cheaper crude than the foreign crude oil shipped into the east coast. One wonders why.

Another concern we will probably hear today is ANS oil exports will create environmental hazards, including increased chances of oil spills. However, the DOE study has taken that into consideration and found that exports of Alaskan oil will actually decrease tanker traffic in U.S. waters. And this is the simple reality. Furthermore, any tankers exporting ANS oil exported from Alaska will proceed some 200 miles off our coast and stay 200 miles or more off our coast while proceeding overseas. In other words, this oil, a small amount, in excess, will move from the Port of Valdez and go straight across the ocean, we assume, to refiners in perhaps Japan, Korea, and Taiwan, as opposed to this oil going down to the west coast of Alaska, the west coast of British Columbia, the west coast of the State of Washington, the State of California, and Oregon, as well.

So to suggest that there is an increase in environmental hazards of oil spills is simply not true because we are simply not moving this oil down the west coast. It is much safer, as a matter of fact, to transport it across the ocean than down the west coast of the United States.

It is interesting to point out, Mr. President, that this oil, this excess oil, would ordinarily have gone all the way down the west coast beyond California and into the pipeline at the Pacific isthmus in Panama, where it would have been unloaded, gone across Panama in the pipeline, and then again reloaded on smaller United States-flag vessels to be delivered to the refineries

in the gulf coast. The economics of this double handling is the reason this is no longer a viable alternative and why we have this excess oil on the west coast.

Now there are other concerns that exporting ANS crude will decrease work for the U.S. shipyards. However, in my opinion, it will have the reverse effect, simply because more tankers will be needed to trade, it will be necessary to bring a few more ships out. The lay-up fleet will provide significantly more jobs in the maritime market. The reason for that is you are moving the oil further and when you move it further, it takes more time and, as a consequence, you need more ships.

Now, the question that somehow this will result in tankers being repaired overseas if the ban is lifted, I think bears some examination. Because if Alaska crude oil production continues to decline, in part because of the depressed prices caused by the export ban, there will be more tankers put in lay-up and unavailable for repair. And I would further advise the Chair that, as far as the threat of tankers being lifted overseas, there is a 50-percent surcharge that must be paid to the U.S. Government for tankers that are lifted in foreign yards.

So, Mr. President, the reality is that it simply makes no sense to continue this ban at this time. And the lifting of the ban will, in my opinion, increase jobs, certainly increase domestic oil production without any cost to the country. It will be of great benefit to the country.

Mr. President, I would like to refer a little bit to a little of the history relative to this matter and try and put into perspective the situation in the State of Alaska as it exists today.

We are all aware that Alaska was a pretty good bargain when we purchased it from Russia and we paid a favorable price for it.

But, you know, we are a little unique in having come into the Nation of States in 1959. We have a population of some 560,000 people spread out over a vast area roughly one-fifth the size of the United States. Until a few years ago, we had four time zones in our State; now we have three, simply to make it simpler living in Alaska. We have some 33,000 miles of coastline.

We have a unique ownership of our land. We have 365 million acres. But if you look at the ownership of that land, you find that the Federal Government still owns over 65 percent of that land. Our State of Alaska, the State government itself, has about 28 percent. The native people, the aboriginal people of our State, have some 12 percent, and the private ownership in our State is somewhere in the area of 3 to 4 percent.

Our State has been producing nearly 25 percent of the Nation's total crude oil for the last 16 or 17 years. That production was as high as 2 million barrels a day. Now it is about 1.6 million barrels a day.

Coming into the Union in 1959 with the State of Hawaii, while we had ca-

maraderie and a friendship, we in many ways did not have much in common. We were a large land mass federally owned; Hawaii, a much smaller island land area.

We were separated by the Nation of Canada from the continental United States and, as a consequence, as we began to develop, a rather curious set of circumstances came about. We found ourselves subject to pretty much the whims of the Federal Government with regard to development, because the wealth and resources of our State, unlike many other States, were not controlled by private individuals or private groups in residence. We found ourselves subject to outside ownership and outside control.

So, as we look at Alaska today, we really have to look at what constitutes the ownership of our resources, what contributes to our economy, where they are domiciled, where our jobs come from in relationship to the development of those resources.

As we look at who owns Alaska today, setting aside the 65-percent Federal Government ownership, and identify our industries, we first look at our oil industry and find that our oil industry, which is such a significant factor, is not an Alaska-based industry. It is based in Texas, it is based in California, it is based in England, as a consequence of large international companies and not independents domiciled in our State.

Our second-largest industry, fishing, for all practical purposes, is controlled by interests out of the State of Washington, primarily in Seattle, and Japan, where a large percentage of the ownership is concentrated. Very little of our fishing industry, as far as the processing is concerned, is domiciled with ownership in our State. We have a significant number of fishing vessels in our State, but many of the fishing vessels that fish in our State are domiciled in other States.

Timber, which is our third-largest industry, is primarily controlled by the Japanese and interests in the State of Oregon and, to a lesser degree, in the State of Washington.

Mining, which is a tremendous resource potential for Alaska, is primarily situated in British Columbia, in England, and in Utah.

Our airlines, Mr. President, our largest carrier, Alaska Airlines, is domiciled in the Washington State area in Seattle. We are serviced by Delta, Northwest, United. As a consequence, the point I am making is virtually everything that comes in or goes out of Alaska goes through the State of Washington. Even our shipping, and virtually everything we use in our State, comes through the State of Washington. Sea-Land is associated in the Seattle area, yet it is a New Jersey corporation. Tote, which is a carrier that brings two to three ships a week in Alaska, is also domiciled in the State of Washington. Previous to that,

the State was dependent on transportation by Alaska Steamship Co.

Some of the more senior Members will undoubtedly recall the ongoing debate that occurred for many years between the late Senator Gruening and the Alaska Steamship Co. which he claimed had a vice grip on Alaska, its transportation system and, as a consequence, controlled, to some degree, the level of Alaska development.

As we look at everything we consume in Alaska—virtually everything—our foodstuffs, our beverages, our mattresses, our light bulbs, our toilet paper, everything comes up through the State of Washington.

We find many of our oil rigs or activities on the North Slope relative to oil and gas production are fabricated in the State of Louisiana and brought up. We have our own transportation system, a ferry system, which sails out of Bellingham, WA, to Alaska. It has been estimated that as much as 20 percent of all the economic activity in the State of Washington is directly associated with activities in Alaska. So one can say anything that happens in Alaska stimulating the economy also has a multiplying factor on the State of Washington. Even our oil tankers that haul oil go to shipyards, not in Alaska, but shipyards in Portland and San Diego, and those ships are not crewed with Alaskan crews, but rely on crews supplied from Washington, Oregon, and California.

Our cruise ships that come up to our State during the summer months sail out of Vancouver, BC, where they are supplied and crewed. They are owned by Florida and British interests.

So as we look at Alaska coming into the Union after all the rest of the States have established their land patterns, and so forth, we found that we had a rather curious set of circumstances. We have the reality that we are dependent, in a sense, for supply by our States to the south. The benefits are primarily concentrated in the State of Washington.

I think perhaps a little further history is appropriate as we look back on how some of these policies developed, and it is fair to say that back in the twenties there was a fear from the State of Washington, the Seattle area, that perhaps Vancouver, BC, or Prince Rupert, BC, might begin to supply the frontier country of Alaska. To ensure this profitable business activity generated through the State of Washington was not lost, there was an action by the Washington State delegation. That delegation was basically responsible for getting the Jones Act passed.

This was a rather interesting piece of legislation that said that goods and services that moved between two U.S. ports had to go in U.S. vessels with U.S. crews, built in U.S. shipyards. This action basically eliminated the British Columbia supplying Alaska goods originating in the United States and carrying them to ports in Alaska.

The question is, Who was Jones? You may have guessed it. He was a U.S.

Senator from the State of Washington. He served in this body 23 years, from 1909 to 1932. Some would say, why, he was doing his job, as some of the opponents today of this legislation can certainly justify, but we have to question, if you will, in Alaska that we were theoretically at that time denied an opportunity to let the market dictate the transportation modes to our State.

I wonder how the Senator from Alaska would be treated today if I were up here suggesting Washington and Oregon not be allowed to export their timber products to the markets of the world or that Boeing would not be allowed to sell their airplanes outside the United States or perhaps people in the State of Washington have to eat all their own delicious apples. This is a part of the issue as some of us in Alaska see it.

Our Washington State opponents say oil export of Alaska's surplus oil that has been on the west coast, formerly went through the Panama Canal, would harm Washington State because the excess oil on the west coast would not make it favorable for one of their major independent refiners in that area to be able to buy this oil at perhaps a favorable price that is pending.

They say the refinery jobs are threatened. I really think this argument has no foundation in reality. As I stated earlier, this refinery in question has 5-year contracts and 4 years remaining with British Petroleum to supply the amount of oil that it needs to that refinery. Perhaps we will get into refinery returns a little later in the debate. But it is fair to say the consumers of Washington State are not benefiting by the abnormally high rate of return on investment in comparison to the refining industry as a whole in this area.

In other words, the profits are not necessarily passed on to the consumer. That is really a case for the Washington delegation to address. But it certainly appears that way from the information supplied us by the Department of Energy, which I will make a part of the RECORD at a later date.

Further production of Alaska oil will always find its natural markets in the nearest area where there is a refining concentration simply because of the costs of transportation; and that equates to the existing refineries on the west coast, which are the closest source of Alaskan oil.

Oregon's opposition is a little different. Washington State does not have, as I understand it, shipyards with the capacity of lifting many of the larger U.S.-flag tankers. Several years ago, the Portland area, on the basis of the assumption that there would be perhaps more oil produced in Alaska, floated a public bond issue and bought a large dry dock from the Columbia River and solicited business of hauling out and dry-docking Alaskan tankers that were in the Alaskan trade as well as other commercial shipping.

As we look at the merits of the volume of oil, a quarter of all U.S. production, except a small amount, goes to the Virgin Islands—I might add, in for-

eign vessels—that is exempt, and it goes in in these U.S. tankers moved down from Alaska to ports in Washington, California, and Panama. The Oregon delegation fears that some of this excess oil that used to move through the Panama Canal, now with the proposed legislation that would allow it to move into foreign markets, the free market, even though it would still have to move in U.S. ships with U.S. crews, these ships might be dry-docked in foreign shipyards, even though there is a more, I think, protective piece of legislation in place that addresses this. As I have said before, this requires U.S. owners to pay a 50-percent penalty to the U.S. Government on top of the foreign shipyard bill.

So what we have here is understandable sensitivity. But not much is said by our Oregon neighbors as to where their shipyard was built. It was built in Japan. That is obviously a question that they saw fit to purchase that yard there rather than build it in the United States. Unfortunately, that shipyard has had its ups and downs. It has been out of work from time to time. And in making some inquiries, we found that most of the tanker traffic that used to be repaired in Portland is now being repaired in San Diego because we can only assume that yard appears to be more competitive, even though, at our urging, the tanker industry has contracted for the repair of two tankers in the Portland yard recently, and we will continue to support that yard as much as possible.

I hope that we can address the concerns of the Oregon delegation because we are quite sensitive to the fact that they floated a bond issue and those bonds are still being retired, and without an adequate volume of business, the ability to retire those bonds is questionable. So we want to assist in every way possible, and we are working with the Oregon delegation at this time to try to work out some accord.

I do not want to mislead the President about the real issue. There is an effort to stop Alaska from exporting its excess oil, and I wanted the RECORD to reflect on the real story and the reasons why.

Now, the issue of why excess oil on the west coast needs relief now deserves a brief, expanded explanation. When we were at an all-time high of our production—some 2 million barrels a day—we simply had to move this excess oil because the west coast refineries could not consume it; the markets were not big enough. So a pipeline was built, and it was very interesting. I went down for the opening of it. It was built by the Government of Panama in partnership with Northfield Industries, which is an east coast firm, and Chicago Bridge & Iron. It was built to move the excess oil, so the oil would go down from Valdez to the Pacific isthmus in U.S.-flag vessels, unloaded, and moved in the pipeline. I might add,

that pipeline was simply a cat trail in the jungle, and the pipe, for the most part, was on the surface. But it did the job.

In any event, once the oil was unloaded, the Pacific isthmus went through the pipeline, reloaded on U.S. small ships and was taken into the Houston refineries in the Gulf of Mexico. Well, as one can easily ascertain, the economics of that double handling is no longer efficient. As a consequence, they can bring in oil in the gulf and Houston refineries from South and Central America, offshore Louisiana, and Mexico as well, so they are not interested in taking the volumes of the United States oil which is no longer competitive in that market. That is the reason we have this excess on the west coast today.

Now, letting the Pacific rim market absorb the excess oil also deserves a brief explanation. First of all, we are not talking about very much oil. The excess is estimated to be somewhere between 75,000 to 200,000 barrels per day. The rest of our 1.6 million acres is consumed on the west coast refineries and will continue to be. So if one looks at the economics of this excess oil, it is a pretty tough set of facts, because it will have to compete on some rather difficult terms. I ask the Chair to just compare the costs of marketplaces such as Korea, Japan, and Taiwan, to take the oil from Alaska, shipped in United States-crewed tankers that operate at obviously much higher costs, when those same countries can bring in oil much cheaper in foreign tankers than they can bring in oil from the Mideast.

So there you have an analysis of the economics associated with the merits of getting some of this excess oil off the west coast. But the real concern is the stimulation of oil production in California and bringing on the small producers that have been down for some time. And once this excess is removed, you have the capability of this relatively large volume of small producers being able to bring their oil in because of the close proximity and reduced transportation costs associated with bringing that oil into the California refiners.

So there you have the real issue before this debate. Alaskans, of course, are sensitive to the significance of sovereignty as it applies to what a State produces in the free market system, having the capability of making a determination of just where those resources will be utilized.

Furthermore, Mr. President, I have some more detail that I would like to present to substantiate our concerns over this legislation. I think the best way to do it is to go into some detail relative to the background associated with the support for this legislation.

Last year, for the first time, imports met more than half of our domestic consumption because the domestic production has drastically declined. By precluding the market from operating,

the export ban has had an unintended effect of discouraging further energy production.

With this market disorientation eliminated, producers would make substantial investments in California and the North Slope that would lead to additional production.

Every barrel of additional oil produced in California and on the North Slope is one less than would have to be imported from the Middle East or elsewhere in the world. As I have said before, Mr. President, Washington and California are the natural markets for crude. Washington and California ports are closest to Alaska, and the ANS crude will continue to be supplied to their refiners.

It simply no longer makes economic sense to handle the oil as many times and transport it the long distance that has previously been the disposition of that oil on the west coast of the United States. That is the oil that we are talking about. That is the excess.

Let me refer to a report from the Department of Energy that addresses this issue. Lifting the Alaska crude oil export ban would, one, add as much as \$180 million in tax revenue to the U.S. Treasury by the year 2000. It would allow California to earn as much as \$230 million during the same period. It would increase U.S. employment, U.S. jobs, by some 11,000 to 16,000 jobs by 1995 and 25,000 new jobs by the year 2000. It would preserve as many as 3,300 maritime jobs. It would increase American oil production by as much as 110,000 barrels a day by the year 2000. It would add 200 to 400 million barrels to Alaska's oil reserve.

Now, Mr. President, these are not figures that have been put together by the Senator from Alaska. These are figures released by the Department of Energy.

Mr. President, as we address further consideration of the issues covering Alaska's oil export, I think we have to again rely on the credibility of the information. I was very pleased that the Department of Energy did such an exhaustive study relative to this issue, before the administration took a position.

I am pleased to say that the President of the United States supports this legislation because this legislation is good for America. It is good for America because it decreases our dependence on foreign imports. By so doing, we basically keep our dollars home and keep our jobs home.

As a consequence, Mr. President, we find that this report by the Department of Energy, in substantiating our efforts, keeps America in a position of ensuring that we can, through the incentives offered by this legislation, keep our production again flowing from marginal wells that previously have not been capable of being competitive in the marketplace.

I am told that several fields in Alaska adjacent to Prudhoe Bay that are currently marginal at this time would be brought into production. When one

begins to add up all the benefits of this, why, clearly, it benefits the maritime industry as well.

As a consequence, Mr. President, I note that the maritime unions, without exception, support this legislation. As a consequence, they are urging Members to evaluate the merits of the legislation before this body.

I have already addressed at some length the issue of increased oil production. I want to talk very briefly now as to the position of the administration in supporting the lifting of the North Slope crude oil export ban. Inasmuch as their indication that the bill, as proposed, should be amended to provide for an appropriate environmental review, now the question of an environmental review would be to allow the Secretary of Commerce to address anticompetitive behavior by exporters, and to establish a licensing system of some kind.

We have addressed those concerns in the committee amendment. Before making his national interest determination, the President would be required, under this legislation, to complete an appropriate environmental review.

In making his national interest determination, the President could impose conditions other than a volume limitation. The Secretary of Commerce then would be required to issue any rules necessary to implement the President's affirmative national interest determination within some 30 days.

If the Secretary later found that anticompetitive activity by an exporter had caused sustained material oil shortages or sustained prices significantly above the world level, and that the shortages or high prices caused sustained material job losses, he could recommend appropriate action by the President against the exporter, including modifications of the authority to export.

Under Senate bill 395, the President would retain his authority to later block exports in an emergency. In addition, Israel and other countries, pursuant to an international oil sharing plan, would be exempted from the United States flag requirement. The compromise also would retain a requirement of an annual report by the President on the ability of the refiners to acquire crude oil, and a GAO report assessing the impact of ANS exports on consumers, independent refiners, shipbuilders, and ship repair yards.

Now, Mr. President, let me be specific on some of the principal benefits. The principal benefit, of course, is increased oil production. The Department of Energy, as I have stated, projects Alaska and California production will increase by 100,000 to 110,000 barrels per day by the end of the decade. Thus, by the end of this decade, exports would stimulate an additional 36.5 million to 40 million barrels per year.

And it would create energy sector jobs. Specifically, some 25,000 jobs on

the west coast, as well as an undetermined number in Alaska. Revenues for the Federal Government, according to the Congressional Budget Office scoring, raising \$55 million to \$59 million over 5 years. It would raise State revenues.

Using different assumptions, the Department of Energy concluded that the ANS exports would generate up to \$1.8 billion in revenues for California and Alaska by the end of the decade.

It would decrease net import dependence. It would reduce, as I stated, tanker movements by stimulating onshore production in California. Enactment of the bill would actually reduce tanker movements off the California coast, and it would preserve repair opportunities by helping preserve the independent fleet that otherwise would be laid up for scrap.

The bill would provide shipyard repair work for shipyards in Portland, California, and others, that would be lost with the death of the fleet.

So, the importance of continued production from Alaska is absolutely vital to the continuity of America's merchant marine. And the fact that this legislation would provide relief for the excess oil speaks for itself.

Let me now draw your attention to some charts that I think explain this in detail, so we will have a little better understanding of just what the issues are before us. This is the area in Alaska. I wonder if I could have the staff provide me with a pointer, if there might be one available at this time, so I can continue my presentation? I think it will be a little more beneficial to have it.

What we have here is a chart that depicts in detail the disposition of Alaska's north shore crude oil.

Let me give this to my associate over here and perhaps he can point out where the oil begins, the production area in Prudhoe Bay, which went into production in the 1970's. An 800-mile pipeline was built across the breadth of Alaska. At that time that pipeline was one of the engineering wonders of the world. It was first estimated to cost somewhere in the area of \$900 million. By the time it was completed, it was somewhere in the area of \$7 to \$8 billion. There are numerous pump stations along the 800 miles of pipeline. The terminus is the Port of Valdez, and that port handles 25 percent of the total crude oil that is produced in the United States.

Let us look at the destination of this oil. Alaska, my State, consumes 70,000 barrels a day in three relatively small refineries. That oil is used in our State for jet fuel, for heating oil, diesel, gasoline, and other purposes.

Then, first of all we ship from Valdez to our neighboring State of Hawaii directly, in U.S.-flag vessels, some 60,000 barrels per day. That is utilized in the refinery outside of Honolulu.

The second route is a rather curious one. This was by congressional action, where we authorized a small amount of

oil to go in foreign-flag vessels to the Virgin Islands, to the refinery at St. Croix, that is the Amerada Hess refinery in the Virgin Islands which is currently under U.S. flag, obviously, but is not considered a U.S. port in the interpretation of the Jones Act. Some 90,000 barrels of oil go that great distance around Cape Horn, the southern point of land of South America.

Then we go to the next half circle. This is the oil we are talking about allowing free market flow, to be exported. This is oil that moves down to Panama. The reason it moves to Panama is, simply, these tankers cannot go through the Panama Canal, so they built a pipeline across Panama, and it goes to the gulf coast.

As a consequence of developments in Colombia, which is down below, developments in Venezuela and other areas, including Mexico, the economics of moving this Alaskan oil this great distance, unloading it, moving it across the pipeline and loading it again, and taking it into the gulf coast, when other oil is available, as I have stated, from Central America, South America, and Mexico to the gulf coast—it is simply no longer competitive. So we have this excess of some 75,000 to 200,000 barrels a day.

Let us look at where this oil goes, remaining, in the larger areas. The State of Washington receives some 440,000 barrels per day from Alaska. A good portion of Washington—I would say somewhere in the area of 95 percent of Washington's consumption is Alaskan oil—as it should be because of the proximity.

The rest of the west coast, down in California where we have, in the San Francisco area and Los Angeles area, large accumulations of refined product. I am told California is currently consuming about 770,000 thousand barrels a day. I am very pleased to note the Senator from California, Senator FEINSTEIN, is with me on this legislation to allow this export, because she and other Californians recognize the significant impact of relieving this excess, what it would do to stimulate the small operators, and for the creation of new jobs.

So that is where the oil goes. I just want to make one more point. As Alaska oil declines, the obvious alternative is for these areas to look toward imported oil. That imported oil would not be in U.S.-flag vessels. It would come in, in foreign vessels, as some of it currently does to California and, to a smaller extent, the State of Washington. So that is where the oil goes. It goes in U.S.-flag vessels.

What we are talking about, if this legislation is approved by this body, and we do move that surplus out, is a chart very similar to the this one, although you will note there is no oil moving through the Panama Canal. We should have included the Virgin Islands as continuing to receive their oil, which they will.

But the point is the west coast—Washington, Oregon, California—clear-

ly are going to receive the same amount of oil. Hawaii will receive the same amount of oil. And this excess that previously went down here is going to be available in the Pacific rim. We have no idea what the dictate will be, other than it will have to go in U.S.-flag vessels and we have reason to believe that those countries have an interest in this oil because of its viscosity and it will be acceptable in the marketplace.

Mr. FRIST assumed the chair.

Mr. MURKOWSKI. Let us see what we have next. These are some rather interesting charts. I talked some time ago about refined gasolines and the price relative to the east coast and west coast. Of course, the east coast is dependent on oil coming in from various places around the world. Virtually no Alaskan oil comes on the east coast. It is oil that comes from Central America, Venezuela, the Mideast, and other places. What we have is the average wholesale price of unleaded regular gas from California versus New York.

We notice in 1985, California was slightly higher than New York; in 1986 the margin was again substantially higher, 4 cents a gallon; in 1987 it equalized; in 1988 it equalized. Then, in 1989 we found that New York was higher. In 1990 we found New York was higher. In 1991 we found New York was higher.

One would expect the east coast to have higher costs simply because of longer transportation to market, bringing that oil in through the Mideast and other areas.

Then, in 1992 we saw a rather curious change. In 1992, we saw New York at 66 and California at 69.

When I say California, I am talking about the entire west coast average as opposed to a specific State. When we are talking about New York, we are talking about the entire east coast.

In 1993, we saw a differential gain where it was more expensive on the west coast than on the east coast. In 1994, again we saw 57 compared to 60.

So the point is that California was higher in the wholesale price of unleaded regular gasoline. When one considers that we have had a surplus of oil on the west coast, during that time that we have close proximity from the standpoint of Alaskan oil coming down to the refiners, one may begin to question why that is the case.

This chart attempts to compare—unfortunately, we could not get more current figures than 1993—the refiner growth margins in 1992 dollars per barrel. This chart was a consequence of information that was provided us by the Department of Energy. It lists PADD V average, which are the distributors of the west coast U.S. refiners. It shows their growth margins vis-a-vis the U.S. average. As one can see, the west coast gross profit margin per refiner is rather interesting in comparison to the rest of the country. I have no hesitation to

point out that the business community is entitled to what the traffic will bear. But it is interesting to see comparisons of one part of the country vis-a-vis another.

This chart actually belonged to the one earlier when we were comparing New York and California or the east coast vis-a-vis the west coast. But as you can see, the spread lengthened over here in 1992 when California wholesale price exceeded that of the east coast price. Maybe we will have a chart that will give us a little further explanation.

I would like to defer a little bit to address a concern that we have in Alaska. It is evident as we address future years. Clearly, you can see the projections of Alaskan North Slope production. We are here in 1995, and we are somewhere around 1.6 million barrels per day. That production, if you will look at the light gray, continues to decline. So this shows how, if we can significantly reduce the decline in the Trans-Alaska Pipeline oil production, the pipeline will be economically viable for a longer period of time. That is what we are talking about here, trying to bring this margin of reserves on line and provide more jobs and import less oil, all of which I think everyone would agree makes good sense and is in the national interest of our Nation.

We have had discussions that would suggest that Alaska North Slope exports will increase consumer prices at the gas pump. The reality dictates otherwise. The Department of Energy I think carefully studied the issue and found that the consumers would not see any discernible increase in the price at the gas pump. The Department of Energy showed that the west coast refiners, as I have shown on the chart—this is the Department of Energy talking—enjoyed the widest refiner growth margin in the country. West coast refiners are buying crude oil for less per barrel than anywhere in the country. Yet, they are selling their gasoline and other refined products for more than anywhere else in the country. Wholesale gasoline prices, as I have said, in California are consistently 3 or 4 cents higher than in New York.

Some say that energy production will not go up, that Alaska North Slope exports will not increase oil production in California and Alaska. Again, I would defer to the Department of Energy report which carefully studied the issue and concluded that oil production would increase by 100,000 to 110,000 barrels per day by the end of the decade. Both California independents and British Petroleum testified on March 1 that they expect substantial production increases in California and Alaska.

Some believe that there will be an increase in oil spills if ANS crude is exported. The reality is that the DOE carefully studied the issue and found that the exports will actually reduce tanker traffic in U.S. waters, especially in California as a result of the increased on-shore production.

Furthermore, any tankers exporting ANS oil exported from Alaska will proceed as I have said to cross the ocean and not along the shore.

Mr. President, I think the Senator from Alaska—I would be happy to yield to the Senator from Alaska, if I may retain my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mrs. MURRAY. Mr. President, parliamentary inquiry: Does that take a unanimous-consent?

Mr. STEVENS. Will the Senator use the microphone, please, so we might hear what she is saying?

The PRESIDING OFFICER. Unanimous consent is required.

Is there objection?

Mrs. MURRAY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Alaska has the floor.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I thank the President.

I am saddened to see the opposition that is coming to the proposal to deal with the distribution of Alaska's oil in the fashion that we are facing right now. I am one of the few Senators who was here at the time the original Mondale amendment passed that restricts the export of Alaskan oil. I remember commenting on it at the time that I did not think we would ever sell Alaskan oil to Japan. At that time, we were working on a theory that would have established a crude stream internationally so that Alaskan oil would not be sold to Japan but it would be delivered to Japan, the Saudi Arabian oil would not be sold to our east coast but it would be delivered to our east coast, that we would reduce the transportation distance for tankers on the oceans of the world by establishing a crude stream theory, that the crude oil would be delivered to the closest port where it could be utilized, and the sales would take place through arrangements that were made throughout the world with accommodation being made to every producer for the savings on transportation. We were never allowed to establish that concept for a lot of reasons.

Just as we still have in place in Alaska the Jones Act that restricts transportation to Alaska of all goods and services from Seattle and other places in American-built ships, we are the only place in the United States where the export of oil is prohibited, and it is only prohibited really as far as the oil that is transported in the Alaskan oil pipeline. I have always said it was unconstitutional. I would invite anyone to read the Constitution. It is not constitutional to require that the products

of one State be exported only through the ports of another State, and that is exactly what happens to Alaskan oil. Alaskan oil goes to the west coast; it goes to Washington; it goes to Oregon and California, and it is refined there and then the products are exported. They do not consume our oil. It is amazing to see this kind of reaction. I wonder what would happen if we said that the corn produced in Iowa can only be exported through a Chicago exporter. This is the same kind of restriction. It makes no sense.

Interestingly enough, the author of the amendment that originally led to this prohibition is now the United States Ambassador to Japan, and he is seeking the removal of the prohibition, as I understand it. We come to the time now where the question is whether there can be an exception made for the export of Alaskan oil in U.S.-made vessels, U.S.-manned vessels, entirely in accordance with the current situation, and have some of the surplus oil that has been developed on the west coast be exported.

At the time we passed this amendment, the projections were that what was then known as district 5, the west coast, would be short of oil during this period. To the contrary, because of other imports that are coming into the west coast, there is a surplus of oil in southern California and along the west coast in general. It now appears it would be to the best advantage of our Nation if there is this authority to export a portion of the oil that comes through the oil pipeline.

Mind you, Mr. President, that will not apply to any oil discovered in Alaska that is now transported through the Trans-Alaska oil pipeline. It was one of the conditions we had to agree to at the time we got the Trans-Alaska Pipeline, authorized by one vote, I might add. It was the vote of the then Vice President which broke the tie that developed when we considered the Alaskan oil pipeline amendment to the Right-of-Way Act, when that act was originally passed.

I find myself in the strange position of wondering why, after so many years, we still have this opposition to Alaskan oil production. It is a strange thing that the area of the country that has benefited most, more than Alaska has ever benefited—Seattle, WA, and Washington State have benefited more from Alaskan oil production than we have in terms of jobs and in terms of basic income—it does seem to me it is an odd thing that there is opposition to having it go where market forces would take it. I wish we could go back to the concept of the crude stream that we were working on at that time. It still makes no sense to me to see Middle Eastern oil go around the horn or through other mechanisms to get to the Far East, travel all that distance on the oceans by tanker, and have Alaskan oil reverse that and go down the west coast and through the pipeline

and up into the east coast of the United States.

That is the system which was brought about by the Mondale amendment that prohibited the export of oil from the United States that had been transported by the Trans-Alaska oil pipeline. I do think it is time we recognize that is an unconstitutional restriction on the export of oil from Alaska only, and remove the obstruction to the export of that amount that would be exported in American-flag vessels.

Now, Alaskans do support the concept of American-flag vessels. That is, we like the idea that the American-flag vessels are the vessels that come to the Prince William Sound to receive Alaska's oil for transport. This is a period of time, I think, when we have to recognize that the maldistribution has led to a strange pricing system on the west coast and clearly it will be in the best interests of the United States if we modify this law now.

I was most pleased to see the vote on this bill, the amendment to this bill, as it came from the Energy Committee, and I congratulate my colleague and good friend, Senator MURKOWSKI, for the work he has done in shepherding this amendment through the committee and to the floor. This was really the subject of the bill that Senator MURKOWSKI and I introduced. S. 395 was introduced in February of this year, and the bill has, for all intents and purposes, been added to the bill which deals with the subject of the Alaska Power Administration sale. This is an amendment that I think is timely, as I said. We are now in a situation where the pricing of oil is changing drastically. I am sure we have all read the forecasts that are coming now. There is no question that the concepts of the projections that were made in the 1960's when we considered this Alaska oil pipeline originally have not now been proven accurate.

I do believe that conditions have changed. They have really improved to a great extent. In 1978, world crude reserves were estimated to be 649 billion barrels. But last year, the reserves that had been proven reached 1,009 billion barrels. That is a 55-percent increase in the world's known reserves of oil.

As a consequence, prices have reflected that increase in reserves. The oil price has dropped. If you put it on a deflator basis and carry it through from the times we were debating this basic Mondale amendment, oil prices are substantially lower than they were then, even at today's nominal values.

I do believe the Senate ought to take note that even the Washington Post reported last year gasoline has never been cheaper than it has this year compared with what people pay for other goods and services. In other words, the distribution system for oil has changed with the discovery of reservoirs for production of oil throughout the world. We have maintained a protection against a sudden shortage or stoppage

such as we had at the time we had the Arab oil embargo. We now have a strategic petroleum reserve that has about 600 million barrels of oil. We have other reserves under the control of the Federal Government. There is no reason for us to have a prohibition against the export of Alaskan oil based upon a worldwide shortage of reserves.

That is also what was talked about back at the time the Mondale amendment was approved. We thought we were running out of oil and oil was so finite it would not meet the demand of the industrial economies over the period ahead, so there was a necessity, they felt, to maintain the oil to be produced from Alaska's North Slope for U.S. markets.

Those U.S. markets have been satisfied now, many of them, for years, from oil from outside the United States at a much lower price than any oil is produced in the United States. And that is why we are buying it from overseas.

I do not support the concept that we should not have a basic oil and gas industry in this country to produce oil and to meet our needs. I do think we should do everything we can to stimulate that industry so it has the productive capability to meet our needs and to continue, along with the strategic petroleum reserve, to meet our needs even in times of crisis or embargoes against our purchase from offshore.

There is no question that the production of Alaskan oil has changed the overall structure of oil pricing for the great benefit of the United States, as a matter of fact. We have had considerable impact on the pricing from abroad, and I think that will continue.

This is not a bill to bring about the total export of all production of Alaskan oil. It is to allow exports on the basis of them being transported out of the United States by American-flag vessels at considerable cost difference to the prices paid for transportation by foreign producers of oil that are bringing oil into the United States.

I think that at this time right now, when we need to spur the creation of jobs in the United States, this is a good way to do it. If Congress approves this oil export legislation, we believe it will spur the creation of new jobs, spur energy production, and raise revenues for both the Federal and local governments.

Small, independent, and other oil producers, maritime labor, and independent tanker owners hope Congress will enact this bill as quickly as possible, because they have told us just that. It will create jobs. It will give an incentive to additional energy production and raise Federal and State revenues and enhance our basic economic security.

I think that energy security is a subject we ought to explore sometime. This is part of that concept of spurring the economy to go further into exploration and discovery of oil. In particular, I think it will spur the restoration of the stripper oil wells in the

southwestern part of the United States. The Department of Energy has concluded that if we do export a portion of Alaskan oil, it would result in a substantial net increase in U.S. employment, stimulating about 25,000 new jobs by the end of the decade.

As we review this bill, I hope people from throughout the country will understand that approving it will mean that Congress has taken action to preserve the independent tanker fleet and to maintain the thousands of skilled maritime industry jobs that will be required as we go into this new phase of distribution of Alaskan oil, and it will be done at no cost to the taxpayers. This is a segment of the American merchant marine. They face a bleak future unless there is a stimulus to export some of this oil. The Alaska North Slope exports will help solidify the demand for this tanker fleet.

The act of Congress making these exports possible, the Department of Energy has concluded, would raise royalty revenues for the Federal Government and tax and royalty revenues for the States of Alaska and California. Federal revenues are projected to increase by \$99 billion to \$180 billion in terms of 1992 dollars between 1994 and the year 2000. The Congressional Budget Office [CBO], has told us that this legislation will raise a net revenue of \$55 million. It is a revenue-sound proposal.

By lifting this ban, Congress will, as I said, restore demand in California and in the Southwest region of the United States. The Department of Energy projects that oil production will increase by at least 100,000 barrels per day by the end of the decade in that part of the country. That is because the independents face a squeeze in terms of the price, due to the fact that there was an excessive amount of oil in southern California, in particular. And the stripper wells, the small producing wells, have gone out of production.

We believe that, by giving an incentive to produce, it will bring these new jobs and will give us the chance to have a signal from Washington that we believe enhanced drilling activity should take place in that part of the country and create new jobs in the area.

There is very little, if any, impact of this proposal on the east coast or the gulf coast of the United States. The oil has been going through the Panama Canal pipeline, the oil that would be exported, and there, too, the markets that the Alaskan oil goes to now have a surplus of oil due to the increase of imports in the United States from the Middle East and other parts of the world.

My point, Mr. President, is that this is a different oil world than we had when we considered the Alaska oil pipeline amendments in the 1970's. There is a much greater reserve of oil worldwide, a proven reserve, and there

is a much different distribution pattern. The effect of the current distribution pattern is we have created surpluses on the west coast where, at the time, we had projected that there would have been a shortage if it were not possible to limit Alaska's oil production to distribution to south 48 demand only.

The administration has supported this bill. The Senate Energy and Natural Resources Committee is in support of this legislation. I think we should act on it as soon as possible.

The difficulty that I have, really, with the bill is it should have happened a long time ago. We have tried at times to remove this prohibition. As the Senate knows, over the years, we had a series of votes on the subject, and always the opposition came from the same source.

I hope that the Senate now, with new information, with support of the Energy Department, with the administration's overall support of the legislation, with the concept of American industry now understanding what it means to them—we now have support from the west coast industries; we have support from the independent tanker operators; we have support from the maritime unions; we have support from the maritime industry in general; and we certainly have support from people who understand what this will mean in terms of restoring jobs along the west coast, as I said, an estimated 25,000 jobs—will support this legislation.

This bill also has the sale of the regional Power Marketing Administration, as originally proposed, strangely enough, about the same period of time that the Alaskan oil pipeline amendments were adopted, as offered by Senator Mondale, which restricted the export of oil transported through the pipeline. The administration at that time recommended that the Alaska power authority be sold.

We still are working toward getting that approved. The sale of these assets will generate between \$1.6 and \$4.9 billion in terms of the Department's sale of the regional power marketing administrations. We now have Alaska's marketing agency, a portion of a national plan, and I am hopeful that the Congress will approve the national plan, which will go ahead with the recommendations I originally made to the Senate in behalf of the administration in 1973.

I think that this will reduce, by the way, the responsibilities of the Department of Energy. There will be a substantial reduction in cost to the taxpayers to maintain these regional power marketing administrations, and it makes sense for us to do this now, to take advantage of the circumstances that exist throughout our country and take the Federal Government out of the business of running regional power marketing administrations.

On permitting export of Alaskan crude, there has been this glut that has been created on the west coast. It

keeps the crude oil price artificially low. It has meant, as I said, the small stripper wells, even some of the medium-sized operators, have gone out of business. They have had no incentive to develop new reserves or to really reach out in wildcat areas of great promise.

We believe the Mondale amendment has brought about a dependence upon the southwestern area of the United States on cheap oil that comes about because of the cost of transporting that oil beyond California down to Panama through the Panama Canal pipeline, onto another tanker and taken up to a market someplace in the south 48 States in the eastern part of our country.

The result of that long trip for the Alaskan oil to reach a market, under the prohibition against export, cannot be sold except in the United States, is that the sales have been taking place in California far below the market price of oil. It has established, as I said, a glut of oil on the west coast. It has kept the prices there so low that they have lost their own industry. We now feel that the California people understand that the result has not been good for that State nor for the Nation. We need the ability to produce from the areas that have capability of producing oil in times of crisis when there is a stoppage, when there is a shortage, and this bill before us now will give us that incentive.

The Department study that was released in June 1994—I am sure my colleague has talked about it already—has indicated that this will be the case. It has been tested in many places. I do not see anyone discounting the study that was made by the Department of Energy that led to the conclusion that it was in the national interest to pass this bill. There are a few local spots where there is a willingness to prevent the enactment of legislation in the national interest because of some special or private interest on their part. That was an interest that was created, in my judgment, by an unconstitutional provision to begin with, one that should be eliminated. If I had my way it would be a bill to eliminate it altogether.

But this legislation will give authority to export under specific conditions. It is a concept that would be consistent with the American merchant marine concept of requiring that our oil be exported in American-flag, American-crewed, American-built vessels. I do believe there is a great benefit to the American people as a whole. It is a step that should have been taken a long time ago.

It is an interesting thing, I think, to go back and examine some of the history of Alaska's oil industry, Mr. President. When we were seeking statehood, there were a great many people who opposed statehood for Alaska because they said such a vast area could not afford self-government. And so a series of people made suggestions as to how we might be able to finance our

own future, and one of them was to increase the amount of land that Alaska received as compared to other States.

The State received from the Federal domain section 16 and 34 out of every township. They had to wait until those townships were surveyed, and we find the strange situation that California still is waiting for a substantial amount of its land, and Utah also and Nevada, because the lands have never been surveyed. When we looked at the situation for Alaska, when we realized people were willing to allow Alaska to have a greater land grant, and we did obtain a greater land grant, Mr. President. Congress approved the transfer of 103.5 million acres to Alaska out of our 375 million acres. What we did, however, is we permitted Alaska to select its land from vacant, unappropriated, unreserved lands, and the net result was that we had the opportunity to decide the lands we wanted for our future.

The difficulty developed in what we call (D)(2), section 17(D)(2) of the Alaska Statehood Act required us to have a study of the portions of our State that should be set aside in the national interest. We then proceeded to produce what is known to us as ANILCA, Alaska National Interest Lands Conservation Act.

That lands act restricted our right to the lands we could have and required a substantial portion of Alaska to be set aside in national withdrawals and no longer available to us for selection.

In the process, unfortunately, we have gone back to, again, a real delay factor in the surveying of lands that we have selected. The last time I had an estimate, it would be 2050 before all of the lands we have selected are surveyed and the native lands, Congress subsequently passed an act which confers on Alaska Natives a substantial amount of land, almost 45 million acres of land, in satisfaction of claims against the United States for the taking of their lands at the time Alaska was acquired from Russia.

The reason I mention these delays, Mr. President, is that we have a series of sedimentary basins in Alaska that are capable of producing oil or gas. Only three of them have been drilled so far. I believe there are 17 of them—I think 15 of them are onshore—that are capable, these areas are capable of producing oil and gas. This bill before us has nothing to do with additional exploration or use of Federal lands, but if you just look at the lands that the State of Alaska has, the lands that the native people have a right to under legislation that has been passed by Congress previously, the great difficulty that we have is establishing a mechanism for transport of that oil to market, and beyond that establishing a demand for it.

As long as there is a surplus of oil on the west coast, I do not perceive that there will be a demand for development of the oil and gas capability of the State of Alaska lands or Alaska Native

lands. But I do believe that if we can have a bill such as this passed and have that glut be removed and restore the incentive to the industry to explore for and develop oil in the promising areas of the west that are not on Federal lands, they are not in any way restricted by Federal Government policy, then I think we will have a different future for our State.

That was the intent of the people who brought about the amendments to the Alaska Statehood Act to increase the amount of land to be given to our State. I think that our State, in surveying the lands that we would select, tried to select the lands that had potential resource value.

However, that resource value is really not predictable now because of this glut of oil. No one really wants to put money into developing oil and gas opportunities on Alaska State or Native lands so long as there is an existing restriction on the export of oil produced in those slopes.

Incidentally, that oil is produced from State lands. Many people think the oil is from Federal lands. The State of Alaska owns the land from which the Prudhoe Bay oil field is produced. We view it as an unconstitutional restriction on our State's powers to have this restriction against the export of oil produced from lands owned by the State of Alaska.

Again, one of the things that makes us so interested in this legislation is the future viability of the lands that we own. Those lands are valuable for oil and gas, and I do believe we will see the day, when this bill passes, that the independent oil industry will come to Alaska and start inventorying these potentials because of the fact that there will be a potential increase in demand for the oil and gas from our State.

We are in a very strange circumstance here, apparently, and that is that we want to try to get this bill to a vote. I, particularly, very much would like to see that.

Mr. President, I am having a little discussion with staff as to the accuracy of a comment I made. My memory is that it was the Mondale amendment. My staff says the amendment that was finally enacted by the Congress at the time was the Jackson amendment—the amendment that was finally adopted by the Senate in July 1973. They are right. But I am also right that it was Senator Mondale that raised the subject. I had a debate at length with him at the time, and his amendment was subsequently modified by the former Senator from Washington. It was the Jackson amendment that finally passed. The initiative for the restriction on the export of Alaskan oil originated with Senator Mondale. I have, since that time, called it the Mondale amendment. If I have offended anyone by having so referred to it, I am sorry about that. But there is no question that we discussed at length with Senator Mondale the proposal to restrict

the export of oil. I do recall at the time that in order to offset Senator Mondale's proposal, I introduced an amendment which would have prohibited the export of oil from any State in the Union, which I think would be within the constitutional powers of Congress. I did not pursue that, and although Senator Jackson opposed the basic Alaska pipeline amendment, he was the one that did offer the amendment that was adopted. It was the amendment that currently is in the law as far as the exporting of Alaskan oil. I hope those on my staff are satisfied.

I see my colleague is back. I might say to him, Mr. President, that I do hope that the bill will pass. And as I have said in the Senator's absence, I believe as chairman of the Energy Committee, you have done a great service for the country, for California, and for our State in bringing this subject to the floor in a positive way. I hope other Members of the Senate will address the report he has presented and show the support that we have for the concept now. I do hope that there is an overwhelming vote in support of the bill that we have before us to bring about both the sale of the power administration, as well as to enable the export of Alaskan oil under the circumstances described in the bill.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska [Mr. MURKOWSKI], is recognized.

Mr. MURKOWSKI. I thank my senior colleague from Alaska regarding his comments on this very vital issue, which is important not only to our State but to the Nation as well.

Mr. THOMAS. Will the Senator yield for a question?

Mr. MURKOWSKI. I am happy to yield without losing my right to the floor.

Mr. THOMAS. I have a couple of questions that refer to both aspects of the bill.

First, the power marketing agency. It is my understanding that there is a uniqueness to this power marketing agency; for example, the Western Area Power Administration that is in the West, in that instance, it serves a number of States and different municipalities in a great many uses. It also does not have the generating facility but simply the distribution facility. So it is my understanding that in this bill the Alaska Power Authority is substantially different in composition, is that correct?

Mr. MURKOWSKI. The Senator from Wyoming is correct. These two power marketing associations are separate. They are not connected. The distance between Snettisham and Juneau and Anchorage is 600, 700 miles, so they are not dependent on one another. The provision for the sale—unlike other Federal marketing administrations, the Alaska Power Administration owns its power-generating facilities and hydroelectric projects. It was never con-

templated that these two relatively small projects remain under Federal determination. It was the considered opinion that once they were up and operating, the contribution to utilize the tremendous hydro potential, even though it is a very small percentage, that they be disposed of, and as a consequence, we have been working with the administration in the State of Alaska to achieve this. We feel that the support base is there and, of course, the fact that the Department of Energy and the administration support this, I think, is evidence that we have a constructive proposal here.

Mr. THOMAS. I thank the Senator. With respect to the oil export portion, I recall the hearings that we had in the Energy Committee. I ask the Senator if it is not true that we had substantial testimony, not only from Members of Congress from the California delegation, but also representatives of the private sector that dealt with this whole business of seeking to develop and encourage the domestic oil market, as is the case in Wyoming. We have been very much affected by that. There have been nearly half a million jobs lost in the domestic oil industry over the past 10 years. We now have, of course, the highest imports that we have had for a very long time—the highest ever, I believe. And the testimony, as I recall, was that the opportunity to export some of the oil from Alaska would strengthen the domestic oil industry, which would result, I think, in more jobs not only in Alaska but perhaps in other parts of the country as well.

There was testimony about the assistance to the oil production aspect to the California economy, as well, of course, as providing an opportunity to strengthen the domestic industry as a matter of national security. That seemed to me to be the tenor of the testimony. I ask the Senator if that is the impression that he had?

Mr. MURKOWSKI. Mr. President, yes, the Senator from Wyoming is correct. As I recall specifically, the Department recommended in their Department of Energy report to the U.S. Treasury that by the year 2000 that would be approximately \$180 million in tax revenue to the Treasury and there would be an increase of employment by some 11,000 to 16,000 U.S. jobs immediately, and by the year 2000, 25,000 jobs.

I think that was evident in the base of support that was evident when the vote came out of the committee, 14 to 4. The Senator from Wyoming will recall, Senator DOMENICI, Senator NICKLES, Senator CRAIG, Senator THOMAS, Senator KYL, Senator GRAHAM, Senator JEFFORDS, Senator BURNS, Senator CAMPBELL, Senator JOHNSTON, Senator FORD, Senator BRADLEY, and Senator BINGAMAN voted to vote out of committee the issue of the oil export relief, as well as the proposal on the Alaska power authority. I think the jobs issue was well covered in that report.

Mr. President, I would like to refer to an article that appeared on February 22, and it appeared in the *Seattle Times*. I think it was an editorial or an op-ed. It was a column, in any event. It suggests a number of reasons why it might not be in the national interest to continue the restrictions on the export of Alaska's North Slope crude oil.

I feel that the facts as confirmed by the U.S. Department of Energy report, the General Accounting Office, and other objective sources show that the export of ANS crude oil on what has been agreed upon, that is U.S.-flagged and U.S.-crewed vessels would, indeed, create jobs, increase our energy production, and as a consequence our national security, and increase Federal and State revenues.

Now, in that particular column there was a reference to the Senator from Washington that suggested that exports would "not meet the statutory test designed to protect broader national interests." Further, exports would "seriously hurt consumers, jobs, and the environment in our own State."

Again, I would refer to the comprehensive June 1994 study by the Department of Energy which concluded that exporting ANS crude oil on U.S.-flagged vessels would, one, again add as much as \$180 million in tax revenue to the U.S. Treasury by the year 2000; two, increase U.S. employment by 11,000 to 16,000 jobs immediately and by 25,000 jobs by the year 2000; third, preserve as many as 3,300 maritime jobs; fourth, increase American oil production by as much as 110,000 barrels a day by the year 2000; fifth, probably decrease crude oil tanker movement in U.S. waters; six, have minimal or non-existent effect on prices to consumers, since the benefit of the current subsidy to west coast refiners from exports is not shared with consumers of refined products.

Now, the statement in the article indicated and was referenced to the Senator from Washington that "over the years Alaska North Slope crude oil has fueled Washington State. Ninety percent of our crude oil comes from the North Slope and our refineries are operating at 90 percent capacity. Today this secure supply of oil faces a threat."

The fact is, if exports are permitted, the Pacific Northwest will continue to be the closest market for ANS crude. Given the low cost of transporting oil to Puget Sound, there is no economic reason why any oil now going there be in jeopardy.

Even the Coalition To Keep Alaskan Oil, which is a rather interesting organization—it is an oil refinery-sponsored group, just a few refineries are supporting it now—is opposed to exports. They admitted in a paper last year that if exports were permitted, only the ANS crude oil surplus to the west coast requirements would be exported.

Excess west coast oil formerly went to Panama and was transported across

the isthmus for transfer to smaller United States tankers that moved the oil to gulf coast refineries. That process, which involved dual handling of the oil, is now prohibitively expensive given the low world price of oil.

Now, the article further attributes to the Senator from Washington that the North Slope has given us a reliable oil supply. Carried aboard U.S.-flagged vessels, the ships employ Washingtonians as crew members, and "the tankers, that transport Alaska oil are repaired in the Pacific Northwest. If export restrictions are lifted, this work will go overseas. We could lose 5,000 jobs within our own region and \$160 million in annual employment income. This is more than half of the maritime industry's total west coast employment."

That is not the case. The fact is that exports will aid substantially the maritime industry, and all North Slope crude oil would continue to be carried aboard U.S.-flagged vessels with American crews. Labor leaders representing 50,000 members have written the President supporting exports, stating that "ANS exports will create jobs, help maintain our merchant marine and encourage energy production."

Estimates of job losses are completely unsupported. Further, most of the U.S.-flagged tankers are lifted for repairs in yards currently in San Diego and, to some extent, Portland. The Portland shipyard being built in Japan and floated to Portland, portions of that yard have been facing financial problems.

I understand there is a competitive posture between Portland and San Diego. We have encouraged that consideration be given to the Portland bids. As a consequence, it is my understanding that there are two ships that are currently under contract to be repaired in the Portland yard.

Further, the article attributes the Senator from Washington saying,

More than 2,000 jobs at refineries, and Anacortes, Bellingham, and Takoma would be lost. Ninety percent of Alaskan oil is consumed by west coast refiners, and these refiners go into refineries as attributed to the Atlantic Richfield Company, Texaco Company, and Shell, plus independents such as Tosco and a smaller refinery, Summit Oil. Six of these refineries are in our State, the State of Washington, competing against foreign barges willing to pay premium prices. Industry experts predict our refineries will shut down or be forced to pay a premium price to keep their Alaskan supply or to purchase substitute foreign crude.

That argument just is not based on fact. The facts, the hard, cold facts, are that two of the refineries mentioned support exports—that is ARCO and British Petroleum—and we have evidence of that, which will be entered into the RECORD. And for Texaco, which has not taken a position on the issue, supply will be sure. In fact Tosco, one of the refineries, has a supply agreement with British Petroleum that offers, in Tosco's own words, "a reliable, economic supply of Alaska North Slope

crude oil for the next 5 years," although it is my understanding there are some 4 years to go on that contractual agreement. Foreign buyers have no reason to pay premium prices for Alaska crude, because they can get their crude oil elsewhere. As stated above, even export opponents have admitted at world prices for Alaska crude oil now going to Puget Sound, it will not be exported.

Some independent refiners have opposed exports because the market distortion created by the current restrictions allow these refiners to enjoy, according to the Department of Energy, "the largest gross refining margins in the world."

No credible evidence supports the assertion that, "If forced to compete in a world market like everyone else in the United States, any refiner would have to lay off workers."

Again, I remind my colleagues, one refiner in question, Tosco, already has a long-term contractual supply.

Further attributed to the article, the Senator from Washington states:

Tosco alone has predicted a \$1 per gallon increase if exports are permitted.

The fact is, the Department of Energy has concluded that the "economic benefits of export could be achieved without increasing prices either in California or in the Nation as a whole, and that the current subsidy to west coast refiners from exports is not shared with consumers of refined products."

The refiner, Tosco, in their 1994 quarterly report to the U.S. Securities and Exchange Commission stated that:

At the Ferndale refinery in Washington, refining margins average \$4.66 per barrel; retail margins continue to be strong, averaging 11 cents per gallon on sales of some 2.4 million gallons per day.

Tosco, of course, may be worried about losing this price advantage, but that will not hurt consumers or the national interest. It will continue to allow this firm to reap profits, which they are entitled to. But they are certainly not passing on any savings to the consumer.

It is kind of interesting to note why Washington State has some of the highest gasoline prices in the country while the refiners, including Tosco, have the highest profit margins between the price paid for crude oil and the amount at which they sell their refined product or gasoline. In the sense these refiners are closest to the point of the Alaska oil coming down from Valdez, these refiners are those that have the shortest shipping distance; as a consequence, the least transportation costs. But one might conclude the consumers in the State of Washington are certainly not recipients of the transportation advantage that is enjoyed by the geographic location of the proximity of the refiners to the Alaska oil supply at Valdez.

Further reference in the article by the Senator from Washington:

Since the Arab oil embargoes of the seventies, our reliance on foreign oil has not diminished and the arguments for retaining [that is, the oil export restrictions] remain strong.

The fact is that exporting Alaska's North Slope—ANS—crude would increase U.S. energy security by stimulating additional production, estimated by the Department of Energy at 100,000 to 110,000 barrels per day. This will reduce U.S. net oil imports.

The United States has already removed restrictions in place in the 1970's on petroleum product exports and on the price and allocation of oil, thus improving the efficiency of the market. Exports from every State other than Alaska are allowed if certain regulatory requirements are met. The effective ban on ANS exports is unique and discriminatory.

Further, the article makes reference to comments from the Senator from Washington:

With 99 percent of Alaska's crude coming through Puget Sound and 94 percent of this carried on U.S. tankers, foreign replacement oil would not only be more costly, but would be carried on more environmentally risky tankers. The U.S. Coast Guard rates as high-risk one-half of the current foreign tanker fleet that carries crude oil through Puget Sound.

The fact is, there is simply no basis to assert that the Pacific Northwest will need to import oil to replace ANS crude for the reasons already listed, or that foreign-flag tankers in Puget Sound waters are environmentally risky.

In fact, the Department of Energy has concluded that exports would "probably decrease crude oil tanker movement in U.S. waters." Further, virtually all the oil coming into Vancouver, BC, comes in through the Straits of San Juan, adjacent to the State of Washington and British Columbia, and it comes in foreign tankers. So there is a high concentration of foreign tanker activity already coming into the San Juan area, and some of its goes into Puget Sound as well.

Another contention is that British Petroleum Corp. would also save money by having its tankers built and repaired in foreign countries. The fact is that British Petroleum uses and would continue to use U.S.-flag, U.S.-built, U.S.-crewed tankers to carry Alaska crude because, Mr. President, they are a foreign corporation and cannot own U.S. vessels. It would make no economic sense for British Petroleum, or any other exporter, to reflag foreign-built tonnage to carry Alaska crude, when abundant U.S.-flag, foreign-built tonnage is already in existence in the trade.

The ban on the exports of Alaska North Slope crude oil simply makes no sense. Reality dictates that it creates an inefficient market that breeds extraordinary returns for a few special interests. And some of these, unfortunately, do not seem to be inclined to pass the benefits along to the consumers. Meanwhile, maritime and oil

industry jobs would be lost to this destructive trade restriction.

I am sure the Senator from Washington does not begrudge the fact that Alaska might benefit from lifting the ban, any more than the fact that Alaskans recognize activity in Alaska is very beneficial to the State of Washington. I would again suggest, even on this issue, what is good for Alaska is good for the State of Washington.

Our States are too close and too intertwined to believe that restrictions on each other's commerce will be good for one at the expense of the other.

Mr. President, there are some other items that I want to bring to your attention; that is, some of the charges relative to what the passage of this legislation would do.

Some have made the argument that as part of the original deal in 1973 to authorize construction of the pipeline, Congress saw fit to ban the ANS exports. Again, I think it is important to note that is not totally accurate. Congress did not ban exports in 1973. Instead, for the first time, it restricted all domestically produced crude oil, including ANS oil, to the same general export restrictions. At the committee's hearing on March 1, Senator STEVENS, one of the few Senators still sitting in this body today who actually cast a vote in 1973, confirmed that there had been no such deal.

Mr. President, there is a question of increased foreign oil reliance. The argument is made that by exporting ANS oil, we will increase our dependence on the Mideast and other foreign sources of oil. The reply to that is quite simple. The Department of Energy concluded that enactment of the legislation will decrease our net dependence on imports by spurring additional domestic energy production.

We have heard the concern expressed from time to time about the potential that refinery workers would lose their jobs because refiners would have to pay more for crude oil. Yet, again in response, the Department of Energy concluded that independent refiners on the west coast have such high gross operating margins that they will be able to absorb any increased crude oil acquisition costs without significant job losses. And as the chart that I previously showed, based on the figures at hand, clearly there is justification to understand that is indeed the case.

There is a question of lost work to foreign yards that would provide repairs. The argument has been made that once exports are authorized, the tankers in the Alaska oil grid will all be repaired in those subsidized foreign shipyards permitting domestic ship repair yards to be no longer economic.

Tankers in the Alaskan oil trade are free to go abroad for repairs today. They rarely do, however, because foreign repairs are subject to a 50-percent ad valorem duty. One might wonder about some of our restrictive and protectionist types of legislation. This is one of them. A recent court decision,

the Texaco Marine decision, will ensure that U.S. Customs will aggressively enforce collection of that 50-percent duty, as they should. Some suggested that customs is not doing it adequately. I certainly see no reason why customs should not actively enforce the law.

Furthermore, every tanker that is scrapped as a result of the declining ANS production is one less tanker that will ever come in for need of repair. By spurring energy production, the bill will actually increase repair opportunities for U.S. shipyards. As long as U.S. shipyards, such as the Port of Portland, San Diego, and others, remain competitive, they should expect to do most of the repair work on the fleet simply because the vessels are traversing the waters of the west coast.

An argument has been made that ANS exports will destroy the shipbuilding sector opportunity to build 1,200 to 1,500 120,000-dead-weight-ton tankers over the next 5 years. After this charge was made at the committees hearings, the leading trade association for the tanker industry advised us that not one of its members had a vessel under construction and not one planned any new building with so many vessels sitting.

Furthermore, there have been suggestions that there has been some violation of GATT or OECD. The argument has been made that the U.S.-flag requirement is an unprecedented extension of cargo preference and violates our international obligation under GATT and GATT's standstill agreement and the OECD code. The reply to that is that the U.S. Trade Representative formally advised the committee that the U.S.-flag requirement did not violate our internal obligations. In adopting the United States-Canada Free-Trade Agreement, Congress specifically required the use of so-called Jones Act vessels to carry Alaska oil exports to Canada. No foreign government currently complained at that time.

There has been some concern that the U.S.-flag requirement violates the Treaty of Friendship. That is the FCN, commerce and navigation with many nations. The reply to that is that just this past week the administration testified again that the U.S.-flag requirement does not violate any of our international obligations. The FCN treaties permit measures in furtherance of our national security such as preserving a militarily useful tanker fleet.

California offshore production. There has been an argument that exports will encourage or increase pressure for California offshore production. I reply to that that the Department of Energy concluded that the California offshore production will not increase because State moratoriums are effectively in place. They simply block any further development. At the committee's March 1 hearing the witnesses representing the State of California especially rejected the argument saying

that the moratoriums in effect ban further offshore development.

Mr. President, let me enter into the RECORD at this time a letter from our U.S. Trade Representative, Mr. Kantor, to Senator BENNETT JOHNSTON, dated March 9, 1995.

DEAR SENATOR JOHNSTON: This replies to your letter of March 2, 1995, requesting information on the implications of cargo preference provisions of Senate bill 395 on our obligations under the World Trade Organization and the Organization of Economic Cooperation and Development, OECD.

Specifically, you asked if the legislation violates any trade agreements, the potential legal and practical affects of a challenge as well as its effect on the ongoing negotiations on maritime in Geneva.

As to WTO violation, I can state categorically that Senate bill 395, as currently drafted, does not present a legal problem.

Further, we do not believe that the legislation will violate our obligations under the OECD's code of liberalization of current invisible operations or its companion common principles of shipping policy. However, the OECD does not have a mechanism for the settlement of disputes and its associations and the rights of retaliation.

While parties to the OECD are obligated to defend practices that are not consistent with the codes, the OECD process does not contain a dispute mechanism with possible retaliation rights. The OECD shipbuilding agreement, by contrast, does contain specific dispute settlement mechanisms although the agreement does not address flag or crew issues.

Your letter requests guidance on the implications of Senate bill 395 on the GATT's ministerial decision on negotiations of maritime transport service . . . which is the document that guides the current negotiations on maritime and the WTO. The maritime decision contains a political commitment by each participant not to adopt restrictive measures that would improve its "negotiating position" during the negotiations which expire in 1996.

This political commitment is generally referred to as a "peace clause." Actions inconsistent with the "peace clause" or any other aspect of the maritime decision cannot give rise to a dispute under the WTO since such decisions are not legally binding obligations.

There are, of course, potential implications for violating the "peace clause" by adopting new restrictive measures during the course of the negotiations. These implications could include changes in the willingness of other parties to negotiate seriously to remove maritime restrictions that might lead to certain parties simply abandoning the negotiating table. But the maritime decision does not provide the opportunity for retaliation.

Our view is that the U.S.-flag preference provisions of Senate bill 395 do not measurably increase the level of preference for U.S.-flag carriers and actually present opportunities for foreign flag vessels to carry more oil to the United States in light of the potentially new market opportunities resulting from enactment of S. 395. Thus, it would be very difficult for foreign parties to make a credible case that the U.S. has "improved its negotiating position" as a result of S. 395.

For reasons I have explained, we are certain that the U.S.-flag preference does not present legal problems for us under the WTO. However, in the event any U.S. measure were found to violate our obligations, WTO does not have authority to require alterations to affect statutes. That remains the sovereign decision of the country affected by an adverse panel ruling. A losing party in such a

dispute may alter its law to conform to its WTO obligations to pay compensation or accept retaliation by the prevailing party.

Finally, we agree with you that it would not be appropriate to include a requirement that ANS export in U.S.-built vessels.

I trust this information is of assistance to you. Please do not hesitate to contact me.

Sincerely,

MICKEY KANTOR.

VOTE ON MOTION TO TABLE COMMITTEE AMENDMENT BEGINNING ON PAGE 1, LINE 3

Mr. MURKOWSKI. Mr. President, the hour of 2:30 has come, and I would move to table the first committee amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Texas [Mr. GRAMM], the Senator from Texas [Mrs. HUTCHISON], the Senator from Oklahoma [Mr. INHOFE], the Senator from Vermont [Mr. JEFFORDS], and the Senator from Pennsylvania [Mr. SPECTER] are necessarily absent.

Mr. FORD. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from New Jersey [Mr. BRADLEY], the Senator from Nebraska [Mr. EXON], the Senator from Massachusetts [Mr. KERRY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Georgia [Mr. NUNN], and the Senator from Minnesota [Mr. WELLSTONE] are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. WELLSTONE] would vote "yea."

The PRESIDING OFFICER (Mr. KYL). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 80, nays 6, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—80

Abraham	Frist	McCain
Akaka	Glenn	McConnell
Ashcroft	Gorton	Mikulski
Bennett	Graham	Moynihan
Bingaman	Grams	Murkowski
Bond	Grassley	Nickles
Breaux	Gregg	Packwood
Brown	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Hatfield	Pryor
Burns	Heflin	Reid
Campbell	Helms	Robb
Chafee	Hollings	Rockefeller
Coats	Inouye	Roth
Cochran	Johnston	Santorum
Cohen	Kassebaum	Sarbanes
Conrad	Kempthorne	Shelby
Coverdell	Kennedy	Simon
Craig	Kerrey	Simpson
Daschle	Kohl	Smith
DeWine	Kyl	Snowe
Dodd	Leahy	Stevens
Dole	Levin	Thomas
Domenici	Lieberman	Thompson
Dorgan	Lott	Thurmond
Feinstein	Lugar	Warner
Ford	Mack	

NAYS—6

Biden	Byrd	Feingold
Boxer	D'Amato	Murray

NOT VOTING—14

Baucus	Hutchison	Moseley-Braun
Bradley	Inhofe	Nunn
Exon	Jeffords	Specter
Faircloth	Kerry	Wellstone
Gramm	Lautenberg	

So the motion to table the amendment was agreed to.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

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

COMMITTEE AMENDMENT ON PAGE 17, LINE 10

The PRESIDING OFFICER. The question now before the Senate is the second committee amendment.

Mr. MURKOWSKI. Mr. President, we have had an extended discussion on the matter of the sale of the Alaska Power Marketing Association, as well as the proposal to allow the export of surplus oil on the west coast of the United States.

During the course of the day, the Senate came in at 9:30 a.m. and a proposal was to take up the bill. There was an objection to moving to the bill from my friend from the State of Washington. As a consequence, from approximately 9:30 a.m. until noon, the Senator from Washington had a quorum call in effect, and I had hoped that we could hear the particular position of the Senator from the State of Washington.

Unfortunately, that was not the case. There was an agreement to move to the bill at 12 o'clock, and it is now 3 o'clock. The amendment that we just tabled is significant and I think was an expression of the attitude of the Senate towards this. Mr. President, furthermore, the majority leader tried to accommodate Members.

Mr. President, in view of some of the changes—

Mr. BOND. Will the Senator yield?

Mr. MURKOWSKI. Yes.

Mr. BOND. Mr. President, may I address a question to the manager and sponsor of this legislation? The Banking Committee's Subcommittee on International Finance has jurisdiction which looks remarkably as though it may be appropriate to this measure.

While I am in general support of the position of my distinguished friend from Alaska, I would like to have an explanation for this body as to the jurisdiction and what he feels is the appropriate committee referral. Might I ask that question of the Senator from Alaska?

Mr. MURKOWSKI. Mr. President, I will be happy to respond. It is my understanding the Senator from Missouri

is a subcommittee chairman of the Banking Committee. The question of jurisdiction has been addressed by him in the subcommittee context, and I wonder, for the RECORD, if he could give us some background with regard to the manner in which they have studied that.

Is it not, indeed, the fact that that particular jurisdiction under the Banking Committee, as well as other prohibitions on the export of Alaska oil, such as the Mineral Leasing Act, the Export Administration Act, and others, were presented in such a way, once the proposal was made with the substantiation falling to include the sale of the two generating plants in Alaska, that the Chair ruled that it was appropriate that it be under the jurisdiction of the Energy and Natural Resources Committee, and it is my understanding that ruling of the Chair still stands.

I ask the Chair if there is any reference to anything to the contrary to that?

I am sorry; I guess the Chair was preoccupied. But the issue that we have before us is the jurisdiction potentially of the Banking Committee, and the Alaska oil export ban is not in the jurisdiction of the Senate Banking Committee because the Alaska oil export originated in the Trans-Alaska Pipeline Authorization Act, the bill that is strictly within the jurisdiction of the Energy Committee.

The Energy Policy and Conservation Act, which is EPCA, includes a provision that generally restricts crude oil exports. This bill is also within the jurisdiction of the Energy Committee. The bill was introduced but did not reference the Export Administration Act.

Furthermore, the Export Administration Act expired, so it no longer governs the export of Alaskan crude oil. And that is the understanding of the Senator from Alaska with regard to the jurisdiction of this matter before the Senate being referred to the Energy and Natural Resources Committee.

Mr. BOND. Mr. President, let me thank the Senator from Alaska. We will have further discussions on that. I appreciate the discussion he has conducted and the ruling of the Chair. I think we are going to do some further investigation of that matter. At this point, I appreciate very much his stating his views. We will continue to review that and work at the staff level to assure there is no problem.

Mrs. FEINSTEIN. Mr. President, I wonder if the Senator from Alaska will yield for a question.

Mr. MURKOWSKI. The Senator is happy to yield for a question from the Senator from California.

Mrs. FEINSTEIN. I want to commend the two Senators from Alaska for their work on this measure. I also want to thank them for seeking my support. Early on in the discussions, because of concerns, I took the time to discuss this with virtually all of the parties involved. In a meeting in my office in

September of last year, one of those parties was British Petroleum. British Petroleum would be a major supplier or purveyor of Alaskan crude.

One of the concerns that I had was that we not create jobs somewhere else and take jobs from our people, specifically the merchant marine. The two authors have been good enough to see to it that the legislation reflects that the oil must be transported on American-flag and American-crewed vessels and has secured that as a part of the legislation. There is another part to this, and that is American-built vessels. But because of a GATT problem, it is not possible to put this in the legislation.

In September, I received a letter and I would like to quickly read this letter and ask the Senator directly the question. The letter is addressed to me and it says:

Further to discussions with you held September 30, 1994, if the ban on Alaska exports is lifted, BP will commit now and in the future to use only U.S.-built, U.S.-flag, U.S.-crewed ships for such exports. We will supplement or replace ships required to transport Alaskan crude oil with the U.S.-built ships as existing ships are phased out under the provisions in the Oil Pollution Act of 1990.

I hope that this commitment satisfies your request that Alaska oil exports be carried on U.S.-built, U.S.-flag ships, manned by U.S. crews.

Yours, sincerely,

STEVEN BENZ,

President,

BP Oil Shipping Company, USA.

My question to the Senator from Alaska is: Is this agreement still in effect?

Mr. MURKOWSKI. In response to the Senator from California, it is my understanding, Mr. President, that indeed it is still in effect. I should point out, however, as I know the Senator from California is aware, British Petroleum, being a foreign corporation, cannot own U.S.-flag, U.S.-documented vessels. So British Petroleum contracts with private U.S. owners that own the U.S. vessels. It is my understanding that since they basically—in the sense of having a long-term charter agreement—have dictated this position that they will move BP's oil and, for that matter, all the other oil that would flow between Alaska and any other American port in a U.S.-flag vessel. But BP itself is precluded by our maritime laws from owning the vessel outright.

Mrs. FEINSTEIN. I appreciate that, Mr. President. It is very important to me that this U.S.-flag and crewed and, to the extent we can, built ships be used. I take this commitment from BP, however they are going to do it, that the oil that they transport will be in U.S.-flagged, crewed, and built vessels. I thank them for that.

I ask unanimous consent to have this letter printed in the RECORD.

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

BP OIL, INC.,

Cleveland, OH, September 30, 1994.

Hon. DIANNE FEINSTEIN,
U.S. Senate, Washington, DC.

DEAR SENATOR FEINSTEIN: Further to discussions with you held September 30, 1994, if the ban on Alaska exports is lifted, BP will commit now and in the future to use only U.S.-built, U.S.-flag, U.S.-crewed ships for such exports. We will supplement or replace ships required to transport Alaskan crude oil with U.S.-built ships as existing ships are phased out under the provisions in the Oil Pollution Act of 1990.

I hope that this commitment satisfies your request that Alaska oil exports be carried on U.S.-built, U.S.-flag ships, manned by U.S. crews.

Yours sincerely,

STEVEN BENZ,

President, BP Oil Shipping
Co., USA.

Mrs. FEINSTEIN. I would like to ask the Senator from Alaska another question. It is essentially about jobs. After looking at this very carefully and talking with independent oil producers and the Department of Energy, I believe that this legislation will, as the Senators from Alaska have stated on the floor earlier, be helpful in producing jobs in the State of California.

The Department of Energy has some very generous estimates in their report. I am not sure I believe the totality of this, but suffice it to say that they predict 5,000 to 15,000 new jobs very quickly and as many as 10,000 to 25,000 jobs by the decade end, most of which they identify as taking place in Kern County, CA.

I ask the Senator from Alaska if he concurs with this energy observation and would he agree that this would be job-producing for the State of California?

Mr. MURKOWSKI. Mr. President, in reply to the Senator, it is my understanding that the Department of Energy has done an exhaustive analysis and agrees that significant job creation would be initiated primarily as a consequence of small, independent stripper producers that currently are having a difficult time maintaining production because of the excess oil on the west coast that would be removed if indeed this legislation becomes law, and that would stimulate production, investment and, of course, initiate numerous new jobs. And the proximity of that oil to the California refiners is such that it would reduce transportation costs as opposed to bringing the oil down—I am not suggesting that California production would increase to the point where it would replace Alaska oil, but it would stimulate that margin of production and cannot compete with the excess oil that is on the west coast today.

I am very pleased that my friend from California recognizes that the mix of utilization of oil in the California refineries is both Alaskan as well as Californian, as well as some imported oil. But there is no question about the merits of the job creation and margin and operations coming back on line. I think that is why this legislation was so unanimously supported by the California independent

oil producers, who have worked very hard on this legislation.

Mrs. FEINSTEIN. I thank the Senator. I have one last question, and I would like to place a statement in the RECORD. One of the refineries is located right in my area and, of course, that is Tosco in the San Francisco Bay area. Among the parties that I discussed this with, Tosco was one of them. It is clear that they had some reservations about the legislation. I did discuss this with the Senator from Alaska, and I know he mentioned this earlier on the floor. I would like him, if he would, to repeat it. It is my understanding that Tosco has been assured reasonable supplies of oil even with this agreement in place. I would very much welcome the Senator's response to this in the affirmative or negative, whichever it may be.

Mr. MURKOWSKI. Mr. President, responding to my colleague from California, with regard to Tosco, I am referring to the 1993 PADD IV refinery slate, which is the latest one I have indicating the origin of oil from the Tosco refinery at Martinez, CA, which is, I think, the question posed by the Senator from California.

The capacity of that refinery is 148,000 barrels a day. That 148,000 comes from the following origins: 56,000 barrels a day comes down from my State of Alaska; 75,000 barrels a day of that refinery's capacity comes from California, that is produced locally in California; 18,000 barrels a day of that refinery's utilization is imported oil.

So a little more, 75,000 California, 56,000 from Alaska, 18,000 are imported, and there is another Tosco refinery, Ferndale, which is, I think, of interest to the Senator from Washington. The Ferndale refinery capacity is about 89,000, currently operating at 71,000; 64,000 come down from Alaska, 7,000 are imported—none comes from California, which I am sure is not a surprise.

The point of the question of my friends from California, Washington and California, are certainly the natural markets for ANS crude. Washington and California ports are closest to Alaska as the origin of crude oil, and the ANS will continue to supply those refineries simply because of the proximity and the lower transportation costs.

Mrs. FEINSTEIN. I thank the Senator.

It is also my understanding, Senator, that this bill specifies that the President shall determine on an annual basis whether independent refiners in the Western United States are able to secure adequate supplies of crude, and if not, he can so indicate and make further recommendations to the Congress; is this not correct?

Mr. MURKOWSKI. The Senator from California is absolutely correct. That is in the bill.

Mrs. FEINSTEIN. I thank the Senator. I yield the floor.

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

The PRESIDING OFFICER. The pending business is the second committee amendment.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent to adopt the pending amendment.

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

The committee amendment on page 13, line 10 was agreed to.

AMENDMENT NO. 1078

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI], proposes an amendment numbered 1078.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent further reading be dispensed with.

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

The amendment is as follows:

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

TITLE II

SEC. 201. SHORT TITLE.

This Title may be cited as "Trans-Alaska Pipeline Amendment Act of 1995".

SEC. 202. TAPS ACT AMENDMENTS.

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

(f) EXPORTS OF ALASKAN NORTH SLOPE OIL.—

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

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

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

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

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

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

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

(5) If the Secretary of Commerce finds that anticompetitive activity by a person exporting crude oil under authority of this subsection has caused sustained material crude oil supply shortages or sustained crude oil prices significantly above world market levels and further finds that these supply shortages or price increases have caused sustained material adverse employment effects in the United States, the Secretary of Commerce may recommend to the President appropriate action against such person, which may include modification of the authorization to export crude oil.

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

SEC. 203. ANNUAL REPORT.

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

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

SEC. 204. GAO REPORT.

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

SEC. 205. EFFECTIVE DATE.

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

Mr. MURKOWSKI. Mr. President, this is an act entitled Trans-Alaska Pipeline Authorization Act, as amended (43 U.S.C. 1652), is amended with the new subsection, "Exports of Alaskan North Slope Oil."

I believe the Chair has the amendment.

What we have attempted to do here by this amendment, as reported by the committee, S. 395 would immediately authorize ANS exports carried in U.S.-flagged vessels.

When the administration testified in support of lifting the Alaska North

Slope crude oil export ban, they indicated the bill should be amended, one, to provide appropriate environmental review; and second, to allow the Secretary of Commerce to recommend action against anticompetitive behavior by exporters, and to establish a licensing system.

Mr. President, if no one seeks recognition, I propose the question be put to the floor.

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

The PRESIDING OFFICER. Is there an objection?

Mr. MURKOWSKI. I do not believe a quorum call is in order.

Mrs. BOXER. Mr. President, I asked for a quorum call.

Mr. SARBANES addressed the chair.

The PRESIDING OFFICER. The Senator from Alaska had the floor.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. Reserving the right to object, will the Presiding Officer please tell me what the pending business is.

The PRESIDING OFFICER. The pending business is the amendment offered by the Senator from Alaska.

Mr. MURKOWSKI. I call for the question.

The PRESIDING OFFICER. The question is on the amendment.

Mrs. BOXER. Mr. President, I cannot hear the Senator from Alaska.

Mr. MURKOWSKI. The Senator from Alaska calls for the question.

Mr. SARBANES addressed the chair.

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. SARBANES. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The parliamentary situation is the amendment of the Senator from Alaska is on the floor.

Mr. SARBANES. Pending?

The PRESIDING OFFICER. It is pending and open for debate.

Mr. MURKOWSKI. Mr. President, I would like to try to reach a conclusion, as I know my colleagues would, relative to this matter. We have had an opportunity coming in at 9:30 this morning whereby we were in a quorum call until 12 noon, and the Senator from Washington had asked that we be placed in that quorum until such time and she was graciously kind to advise me that we could go on the bill at 12 noon.

Since the quorum call was placed by the Senator from Washington, I anticipated she would have an opportunity to speak at that time on the merits of the bill or the motion to proceed. I did not attempt to call off the quorum and she did not choose to speak.

In all fairness, since that time I have held the floor, along with my senior Senator, Senator STEVENS. In order to try and resolve this, I had hoped we could get a vote on the question—get the vote today and resolve this matter. It is of great interest to my State, and I know it is of great interest to the State of Alaska, to my colleague, Sen-

ator JOHNSTON, as well as Senator STEVENS, because we anticipate attaching as part of this Senator JOHNSTON's interest in deep water drilling.

Last week, the majority tried to accommodate Members by offering to bring this bill up at 1 p.m. today, but it is my understanding, and I would be happy to be corrected, that there was an objection from the Senator from Washington. So we had to come in at 9:30 a.m. to work out a motion to proceed.

As I indicated initially, the Senator from Washington would not allow any agreement on getting to the bill. Then the Senator from Washington agreed to letting the bill come up at 12 noon. Then again at noon, unfortunately, the Senator from Washington objected to the first committee amendment being adopted. The Senator also let it be known that if we put in a quorum call she would object to dispensing with it, and as a consequence, she did. And that, I believe, was when Senator GRAMS wished to make a statement as if in morning business.

We were then forced to hold the floor—I was somewhat reluctant, and I am sure somewhat repetitious in doing so—so we could get a vote at 2:30. Now we still have objections and it is my understanding now that the objection has been dropped on the second committee amendment.

I would like to—perhaps we would find it expedient—without losing my right to the floor, to ask the Chair whether the Senator from Washington would inform the Senate what her intentions might be on the legislation that is pending? Specifically, I ask, does the Senator plan to offer any amendments? If so, could she inform us what those amendments might be so we can review them?

Mrs. MURRAY. Mr. President, I will be happy to respond to the questions of the Senator from Alaska. I did come to the floor this morning at 9:30 and did object to the motion to proceed. We then did work out an agreement that the bill would begin to be debated at noon.

At that time, I was here on the floor and ready to debate and was not able to say anything until the 2:30 rollcall vote. Since that time, obviously, there has been an exchange among several Senators.

I do have a statement I want to make. I do have a great deal of information I want to submit for the RECORD, and I want to be able to bring my side out on this argument. I know there are a number of other Senators who also wish to present their points of view on this. The Senator from California, Senator BOXER, does, and I know the Senator from Oregon, Senator HATFIELD, has a statement. Several other Senators have indicated to me that they would like the opportunity to debate this bill.

I also have been told there are a number of amendments that people wish to bring forward on this bill.

Mr. MURKOWSKI. If I may respond? I am quite aware there are at least two Senators who are on the floor now. I am most willing and anxious to hear from them, as well as to hear from the Senator from Washington.

So the Senator is not indicating one way or another whether there are amendments which she may be offering that we could review during the time under which she and others may speak.

I wondered if she has amendments, if the Senator from Washington has amendments?

Mr. FORD. Mr. President, point of information.

Mr. MURKOWSKI. Sure.

Mr. FORD. Parliamentary inquiry?

The PRESIDING OFFICER. Does the Senator from Alaska yield for that purpose?

Mr. MURKOWSKI. I am happy to yield without losing my right to the floor.

Mr. FORD. Does the Senator from Washington retain her own right to make her own statement and to offer all amendments without trying to reveal that in advance, and not being able to get the floor?

Mr. MURKOWSKI. If I may respond?

Mr. FORD. I asked the Chair a question.

The PRESIDING OFFICER. Senators may make any statement when they have the floor.

Mr. FORD. So it is not a requirement, then, that she reveal what amendments she would like to have entered? She may have a dozen and reduce it to six?

The PRESIDING OFFICER. A Senator may make any statements when that Senator has the floor.

Mr. MURKOWSKI. I thank my friend from Kentucky. My purpose in making the inquiry was simply to try to determine whether the Senator from Washington would require the Senator to invoke cloture on the measure.

Mr. FORD. That is your prerogative. That is your prerogative.

Mr. MURKOWSKI. Does the Senator care to indicate that? It would be appreciated, simply from the standpoint of expediting the process.

If not, that is certainly the right of the Senator from Washington.

Mrs. MURRAY. Is the Senator from Alaska asking me that question?

The PRESIDING OFFICER. Does the Senator from Alaska yield to the Senator from Washington?

Mr. MURKOWSKI. No. I respectfully ask my friend from Washington if it is anticipated that the Senator from Washington would require the Senate to invoke cloture on this measure. Might that be her intention?

Mrs. MURRAY. Let me just respond. Again, I was here at 9:30 this morning to object to proceeding to the bill because of the jurisdictional questions I had about whether the bill should have gone to Banking, which I sit on, which does oversee the Export Administration Act. It did not go through that committee, and that is why I voiced those objections.

I then later agreed to go at noon. But I have not had an opportunity to speak to the bill. I intend to do that. I know other Senators do.

I also know there are amendments out there. I cannot give a specific number, or any time, and it will be up to the Senator from Alaska what he determines to do in terms of cloture.

Mr. MURKOWSKI. Evidently, it is understood—I certainly anticipated the Senator from Washington, inasmuch as she initiated the quorum call this morning, I assumed she would speak during that time until noon. But that is her right and I respect that right.

I look forward to hearing her statement and that of my other colleagues at this time.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. MURKOWSKI. The Senator yields the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I thank my colleagues. I do know Senator HATFIELD from Oregon is going to return to the floor and wants to make a statement, and I will speak until he does get here.

Mr. President, I do rise today to oppose S. 395, which is a bill that, in part, allows the export of Alaskan North Slope crude oil. This issue, at first glance, may appear very simple. Lifting the ban on North Slope oil exports would increase sales and enhance revenues for many Alaskans. However, that additional income for a few of our citizens must be weighed against the concerns of the rest of the Nation.

Job loss, price increases, dependence on foreign oil, and increased environmental risks are all issues that Congress must review—must review—before placing the needs of one State above the concerns of many.

When Congress agreed to develop Alaska's North Slope—ANS—crude oil resources 20 years ago, it prohibited exports of this oil unless the President and Congress find that exports serve national economic and energy security, and other interests. Those conditions were a direct response to the economic chaos and long gas lines created by the Arab oil embargoes of the 1970's.

Since then, our reliance on foreign oil has not diminished. The arguments for retaining the restrictions remain strong. Over the years, Alaska North Slope crude oil has fueled the west coast. Mr. President, 90 percent—90 percent—of Washington State's crude oil comes from the North Slope, and our refineries are operating at 90 percent capacity. The existence of export restrictions has created an extensive transportation, refining, and shipyard infrastructure in our region.

The North Slope has given us a reliable oil supply, carried aboard U.S.-flag vessels. Ships employ Washingtonians in crew and support positions, as well as in ports and ship repair yards.

Today, this secure supply of oil faces a very serious threat. The State of

Alaska and British Petroleum, the principal producer of ANS crude, are mounting a major effort to permit ANS exports. They want to remove the statutory restrictions. Removal of these restrictions will enrich both the State of Alaska's coffers and BP's pockets. But it would seriously hurt consumers, jobs, and the environment in this region.

The tankers that transport Alaska oil are repaired on the west coast. If export restrictions are lifted, this work will go overseas. We could lose 5,000 jobs within our own region, and \$160 million in annual employment income. This is more than half of the marine industry's total west coast employment.

For shipyards, Alaska's crude oil exports would result in the loss of \$270 million a year. More than 2,000 jobs at refineries in my State would be lost.

In addition, the Pacific Northwest would forego most of the \$93 million in annual Federal, State, and local tax payments made by these works and facilities. Mr. President, 90 percent of Alaskan oil is consumed by west coast refineries owned by Atlantic Richfield, Texaco, and Shell, plus independents such as Tosco and U.S. Oil.

Six of these refineries are in my home State of Washington. Competing against foreign buyers willing to pay premium prices, industry experts predict our refineries either will shut down or be forced to pay a premium price to keep their Alaskan supply, or to purchase substitute foreign crude.

Major oil companies may be able to absorb much of the price increase. But the independents, that own 25 percent of the processing capacity in the Pacific Northwest, will not. They cannot compete with the majors by selling their petroleum products at higher prices. As many as 2,500 people could lose their jobs along with the losses of \$100 million in annual payroll income and \$500 million in annual tax payments.

My concern for our environment makes the case for export restrictions even more compelling. Congress opened Alaska's North Slope for development only after it imposed strict conditions to protect that region's fragile environment. Moreover, Washington State and other west coast States also enacted laws and regulations to assure the transportation and processing of this oil is done in a manner that will not injure our environment.

With 99 percent of Alaska crude coming through Puget Sound and 94 percent of this carried on U.S. tankers, foreign replacement oil would not only be more costly but would be carried on more environmentally risky tankers. The U.S. Coast Guard rates as high-risk one-half of the current foreign tanker fleet that carries crude through Puget Sound.

Our coastal waters would face an added threat: Increased pollution risks from offshore transfers of crude oil from large foreign tankers to smaller

ships that can actually deliver the oil to our six refineries.

Exporting ANS crude on less expensive foreign vessels would lower transportation costs for British Petroleum and raise their profits. It would also raise revenue for the State of Alaska because the State's ANS royalty payment is based on the wellhead price, minus transportation costs. BP would also save money by having its tankers built and repaired in foreign countries. In short, North Slope's oil exports would benefit British Petroleum and increase the Treasury of the State of Alaska, but they are clearly not in the interest of the people I represent.

Moreover, I do not believe exports would meet the statutory tests designed to protect broader national interests. When I weigh the benefits to Alaska and BP against these very serious risks, exports make little sense to me. For the sake of our workers and their families, our environment and our energy security, I urge my colleagues to listen and oppose this bill and any other efforts to lift the export restrictions.

Mr. President, I want to read into the RECORD some of the editorials that have been written in the last several months regarding this bill and the lifting of the Alaska oil ban. The first one comes in the Seattle Times, and it is dated March 3 of this year, 1995.

KEEP ALASKA OIL BAN

The export ban on Alaskan crude oil has served this country well as a domestic source of valuable petroleum. Contrary to the Clinton administration's desires, this is not the time to overturn the ban, nor the time to imply that over-dependence on foreign oil supplies is over.

Oil from the North Slope of Alaska was drilled, pumped and shipped south as part of a massive enterprise intended to tap into a huge domestic reserve. The 800-mile Alyeska pipeline delivers oil to the port of Valdez, Alaska, but it came at enormous cost and large environmental and cultural questions. The most immediate beneficiaries are the residents of Alaska, who receive yearly Permanent Fund checks for the treasure they are sharing with the rest of the country.

Alaska's representatives are all in favor of ending the ban—probably because higher prices could give their state \$1.6 billion more in royalties in just four more years. But while Alaskans rightly share in the profits from oil, those North Slope holes have since the beginning been considered a national resource.

Although nothing in the Alaskan oil equation has changed, the political requirements of Southern California have apparently been heard in the Clinton White House.

California refineries are full of Alaskan oil; exporting the oil to its likely buyer, Japan, would stimulate California's own oil fields. Although Department of Energy officials testified motorists would see very little price change at the pump, the very premise of stimulating one region's fields by exporting oil from another region has inherent price risks.

There is something smelly about a plan that sends Alaskan oil abroad when the resource should be carefully used at home. The only reason the U.S. imports foreign oil is to meet domestic consumption. Depleting our own resources because some refineries have too much oil goes against the original argument for opening the fields.

Shipping Alaska's oil abroad carries a new set of environmental questions for the Pacific Northwest as new maritime routes would be opened. That's not the most serious question about dropping the oil ban, but simply another in the long list of unnecessary actions that would result from a misguided White House political strategy.

In addition, the Portland Oregonian, on February 26, 1995, printed this editorial:

[From the Portland Oregonian, Feb. 26, 1995]
KEEP ALASKA'S OIL HERE—LIFTING BAN ON OIL EXPORTS WOULD RAISE PRICES HERE, HURT PORT'S SHIP BUSINESS, INCREASE U.S. DEPENDENCY ON FOREIGN OIL

Congress should sink a bill to remove the 21-year-old ban on exporting Alaskan North Slope crude oil.

Instead of lifting the ban, Congress should support legislation introduced by Northwest Sons, Patty Murray, D-Wash., and Mark O. Hatfield, R-Ore., to extend the export restrictions in the Export Administration Act.

Removing the restrictions that limit the sale of Alaska's oil to domestic markets is being promoted with wildly optimistic promises. Proponents include BP America, Alaska's largest oil producer, independent West Coast oil producers, five maritime unions, the U.S. Department of Energy and the states of Alaska and California.

They say lifting the ban on Alaskan oil exports would stimulate production of at least 100,000 barrels of oil per day and create up to 25,000 jobs, primarily in Alaska and California, while not causing an increase in the cost of motor fuel prices on the West Coast.

Those projections are very questionable. An Energy Department study completed last summer suggested that lifting the ban would create 11,000 to 16,000 jobs (not 25,000). That study also ignored potential job losses in the West Coast ship-supply industry. And it didn't address the potential threat to the economic vitality of the nation's domestic tanker fleet.

Here's a more realistic appraisal of the likely outcome of lifting the ban on exports of Alaskan oil:

West coast gasoline prices would rise. The ban has depressed West Coast crude oil prices by an estimated \$2 a barrel because Alaska oil is forced onto a surplus market here.

West Coast oil refiners have enjoyed the world's largest gross margins because of the Alaskan crude's low price. If that oil is withdrawn and exported, don't expect the refiners to swallow their increased costs for replacement crude. They'll surely pass it on to motorists. If the total cost were passed through, it could result in a 7-cent-a-gallon increase at the pump.

Ship repair and maintenance work at the Port of Portland will all but disappear. Proponents of lifting the oil-export ban say it would stimulate shipyard work on the West Coast. Not so, say Port of Portland officials. They say their contractors believe the lifting the ban would kill the shipyard business. Alaska tankers account for about 70 percent of the work now, but Port of Portland officials believe that tanker operators would do most of their maintenance work in Japan and Korea once the ban was lifted.

U.S. dependency on foreign oil would increase markedly, because replacement of much of the Alaskan North Slope crude oil would come from overseas producers.

This comes at a time when U.S. dependency on foreign sources of oil is at an all-time high. About half of the U.S. daily consumption of 17.7 million barrels of oil comes from foreign sources. That's substantially greater dependency than this nation endured before the 1973 oil embargo or during the

Persian Gulf War. And government officials predict that imports will represent 59 percent of consumption by 2010.

Lifting the ban on exporting Alaskan crude would add to this dependency and make the nation even more vulnerable to international disruptions.

The gain in maritime jobs is not worth the cost to this nation's security and the adverse effect that foreign-oil dependency has had on foreign policy.

Hatfield and Murray need other Northwest members of Congress to rally behind their leadership on Alaskan oil policy.

Finally, I will read an editorial from The Bellingham Herald called: "Our View."

[From the Bellingham Herald, Mar. 19, 1995]
OUR VIEW—DON'T EXPORT NORTH SLOPE CRUDE OIL

Energy: Using the domestic oil ourselves reduces dependency on foreign supplies, protects jobs.

U.S. Sen. Frank Murkowski, R-Alaska, has introduced a bill to lift the export ban on crude oil from Alaska's North Slope oil fields. Sen. Patty Murray, D-Wash., has introduced a rival bill that would continue the ban.

Murray's bill better protects the best interests, not only of Whatcom County and other regions on the Pacific Northwest where North Slope oil creates thousands of jobs, but of the nation.

It makes little sense to propose exporting more domestic oil when we already depend so heavily on imported oil to meet needs and demands at home.

Murkowski maintains that lifting the ban would net Alaska an additional \$700 million from increased oil sales and create as many as 25,000 new jobs there by 2000.

Murray claims that it would cost about 2,000 refinery and ship-repair jobs in Washington, Oregon and California.

Competing regional interests aside, Congress should look at what's in the nation's best interest.

If the export ban were lifted, foreign vessels could be used to transport the crude oil to other nations. That might pose additional environmental risks as well as eliminate American jobs.

Nations such as China are developing industrial and technological-based economies and need more oil. The pressure to cash in on supplying it is intense. Just last week, the Clinton administration had to pressure Conoco to abandon a plan to help Iran develop two large offshore oil fields.

Best that we stay focused on what's in our nation's best interest regarding North Slope crude oil and use it ourselves.

Mr. President, I think all three of those editorials very clearly point out that it is in the Nation's best interests to defeat the proposal that is before the Senate now. It is in the Nation's best interest to do so.

I am going to respond to some of the points that were made by my colleague, Senator MURKOWSKI, earlier particularly because he mentioned some with which I have to disagree.

He mentioned that the unions support the bill as he has presented it.

I would like to read for the Senate who opposes the bill the Senator from Alaska has presented to us:

Communication Workers of America; Industrial Union Department, AFL-CIO; Inland Boatmen's International Union; Longshoremen's and Warehousemen's Union, International; Na-

tional Farmers Organization; National Farmers Union; Oil, Chemical and Atomic Workers; Steelworkers of America, United; Sailors' Union of the Pacific; United Auto Workers; Citizen Action; Consumer Energy Council of America; American Independent Refiners Association; Huntway Refining Co.; Indian Powerine LP; Kern Oil & Refining; Pacific Refining Co.; Tosco Refining Co.; U.S. Oil & Refining; Western Independent Refiners Association; WITCO Refining Corp.; Atlantic Marine; CBI Industries, Inc.; Celeron Corp.; COSCOL Marine Co.; Pacific-Texas Pipeline Co.; Penn-Attransco.

The list goes on opposing this bill: Avondale Industries; Dillingham Ship Repair; National Steel & Shipbuilding Co.; Northville Industries; Port of Astoria, OR; Port of Portland, OR; Shipbuilders Council of America.

Mr. President, these are just a few of the people, including labor unions, who stand strong in opposition to lifting the ban on Alaskan oil. I think some of the unions that have written to me have very clearly defined why they oppose this bill. I again do this because I heard my colleague from Alaska say that unions support this legislation.

Let me read one from the International Association of Machinists and Aerospace Workers written to Mr. Robert Georgine, president of AFL-CIO.

DEAR MR. GEORGINE: I understand that an amendment may be offered * * * to the maritime reform bill that would eliminate restrictions on the export of Alaska oil. We are told Senator Stevens is planning to offer the change when the Senate Commerce Committee takes up the measure.

Our organization strongly opposes this amendment. Exporting Alaska crude oil across the Pacific would place 500 to 800 jobs at the Portland Ship Yard at extreme risk because the ships used to export the oil would be repaired in foreign ship yards, rather than here at home as they are today. The jobs of more local subcontractors also would be threatened as well as several thousand refinery jobs on the West Coast.

The proponents of exporting Alaskan oil are the State of Alaska, which stands to gain increased severance tax revenues from these exports, and British Petroleum, the major producer of Alaskan North Slope oil. The losers in this proposal are U.S. workers, U.S. energy security, and U.S. business.

As you know, the restrictions on the export of this oil have enjoyed strong bipartisan support over the past 20 years. The last time an effort was made to remove the export ban, the effort lost on a 70 to 20 vote.

We strongly oppose this amendment and urge you to do whatever you can to assure that it is not added to the maritime reform bill.

Mr. President, I have a number of letters from other unions: Sailors Union of the Pacific, Boydco Oil & Atomic Workers, Metal Trade Union, and their message is one and the same, that union members stand strongly in opposition to the legislation that is in front of us.

Another point that my colleague from Alaska made was that the Department of Energy study supported his language in this bill. I want all of my

colleagues to understand that the Department of Energy study addressed the concerns of Alaska and California.

I, too, read that report in its entirety, and it does not address the issues that are important to Washington State, to Oregon, and indeed to the rest of the Nation. It is written in perspective as to what will be good for Alaska and California. I think it is very important to point out that the Clinton administration is not in support as was earlier indicated by my colleague from Alaska. The Clinton administration is not in support as the language stands in front of us right now. They believe that several important concerns need to be addressed, including job protection and environmental issues, before they are willing to endorse it, despite the DOE study. So I remind my colleagues this is not supported by the Clinton administration at this time. They have said that they have very serious concerns and are not supporting it as it is presently drafted.

I also would like to point out the environmental concerns because I can speak for the jobs in my State, and certainly the Senator from Oregon, Senator HATFIELD, will speak in terms of jobs from Portland. But the issue that has not been spoken to here is the issue of environmental concern.

I heard my colleague from Alaska say earlier this morning that this bill in front of us is the first step in increasing domestic oil production. I fear, and I feel many of my colleagues fear, that the second step will be lifting the ban on oil drilling off the coast of Alaska, in the Arctic National Wildlife Refuge. ANWR has been a debate on this floor for many years. Allowing oil drilling there has been debated and defeated many times. Many of us fear that this is, as my colleague from Alaska said, the first step, and the second step will be drilling off the Arctic National Wildlife Refuge. And I know most of my colleagues do not want to see that occur. I think that is a real concern particularly since the budget that was passed out of the Budget Committee last week has an assumption in it that in order to get to the balanced budget one of the things we are going to do is allow oil drilling off Alaska. That is how we are going to balance the budget.

So it is a very real concern. We do not need to pass the first step here in this legislation and pass the second step in the Budget Committee, and I will oppose that as adamantly as I oppose the bill in front of us.

I do want to read to this body a letter from the Wilderness Society, Sierra Club, Friends of the Earth, Natural Resources Defense Council, Alaska Wilderness League, and the American Oceans Campaign, because I think it very clearly states for all of us what our environmental concerns should be.

This was written last year, June 23, 1994.

DEAR SENATOR: The Senate will soon be asked to consider an amendment to the Ex-

port Administration Act to end the ban on the export of North Slope Alaskan crude oil. We urge you to oppose lifting the export ban for the following environmental reasons:

Ending the oil export ban would increase development pressure for sensitive areas like the Arctic National Wildlife Refuge. It is also likely to increase pressure for oil development in fragile areas off the shores of Alaska and California. The expanded development pressure would result from expanded markets, increases in the wellhead price of oil per barrel, and faster depletion of North Slope fields. It is a serious concern that lifting the ban could give nations like Japan a vested interest in our natural resource decisions in Alaska. As long as sensitive areas like the Arctic Refuge and sensitive areas offshore California and Alaska are still not permanently protected from oil and gas development, lifting the export ban is a dangerous idea.

Ending the ban is nonsense energy policy. It would be a dramatic reversal of a national policy we thought Congress had long ago resolved. Lifting the oil export ban is inconsistent with any attempt at conservation of domestic oil for domestic use.

No environmental analysis has been done on ending the ban. Lifting the ban would open the door to tankers nearly twice as large. More traffic in Prince William Sound would pose greater risks from spills. Changed tanker routes would make Kodiak Island and the fisheries of the Bering Sea more vulnerable to chronic and disastrous spills.

Ending the oil export ban could increase the flow through the aging and poorly-maintained Trans-Alaska Pipeline. A major audit recently conducted by the Bureau of Land Management said that the pipeline system poses imminent threats to public and worker safety and the environment. Until the government ensures that the more than 10,000 safety problems with the pipeline are repaired, and that the ballast water treatment and air pollution problems at the Valdez marine terminal are resolved, the Congress should not take actions that could increase the environmental and safety risks.

Lifting the oil export ban would increase oil imports into the United States. Because refineries aren't set up to refine the heavier oil produced in California, the Alaska shortfall would be made up by imports which more closely match the Alaska oil density. This means that more foreign-flagged tankers, with less stringent manning standards than U.S. flagged tankers, would be calling on West Coast ports. Because increased imports would be necessary to replace the oil that could now be exported to the Far East, our trade balance would not improve and at the same time we would have less control over our U.S. domestic oil supplies.

Ending the oil export ban breaks the promise Congress made to the American People over 20 years ago. At that time, Congress sacrificed Arctic wilderness and put Prince William Sound at risk of tanker spills, but said that the North Slope oil was only to go to U.S. markets. In 1973, Vice President Spiro Agnew went to the Senate floor to cast the tie-breaking vote which ended the intense debate over approval of the Trans-Alaska Pipeline. The oil export ban was a crucial part of the deal Congress brokered. Congress chose to override pending legal challenges to the pipeline, proclaiming the environmental impact statement to be adequate even though the major issue of risks to the marine environment from tankers was poorly considered.

If Congress breaks the deal now and lifts the oil export ban, foreign oil companies like British Petroleum would reap the largest benefits, and the American consumers would be the biggest losers. It would be ironic for

Congress to unravel this deal at the same time as Alaskan jurors found Exxon reckless and as 10,000 fishermen and Native residents finally have their day in court.

We urge you to oppose lifting the ban on exports of North Slope crude oil.

Again, that is signed by the Wilderness Society, National Resources Defense Council, Friends of the Earth, Sierra Club, Alaska Wilderness League, and American Oceans Campaign.

I think this letter very clearly points out to all of us that this is a major step and can put a lot of us at risk and our environment at risk that many of us care about.

It is not a step that should be taken willy-nilly on a Monday, when people are not prepared to think about the long-term, serious consequences. That is why I came to the floor this morning at 9:30 to protest moving to this bill, because it has not gone through the Banking Committee where the Export Administration Act has had jurisdiction over this for a long time.

I do believe we have to look much more carefully at all of the conditions that are put forth in this and all of the consequences that many of us will have to suffer for a long time to come if the Senate, in its haste to get legislation passed, does so without considering the consequences to many of us.

Mr. President, I would also like to read into the RECORD a statement by the Wilderness Society and the Alaska Wilderness League that I think points to what the environmental impacts of ending the ban on Alaska North Slope crude oil exports will cause.

"The Department of Energy's claims about environmental impacts are misleading," which refers back to the DOE study.

DOE hastily included 2 pages of "environmental implications" in its report on the economics of ending the oil export ban which were not supported by any analysis or factual substantiation. The Administration has failed to carry out comprehensive environmental analysis required by the National Environmental Policy Act.

Ending the oil export ban would increase development pressure for sensitive areas like the Arctic National Wildlife Refuge. It is also likely to increase pressure for oil development in fragile areas off the shores of Alaska and California. If the 20-year export ban is lifted, its effects will be long lasting. Expanded development pressure as projected by DOE would result in faster depletion of domestic oil resources. It is naive at best to believe that the oil industry won't battle to gain access to these "off-limits" areas when economic and political factors are right. As long as these sensitive areas are still not permanently protected from oil and gas development, lifting the export ban is a dangerous idea.

Environmental and safety problems plaguing the Trans-Alaska Pipeline System (TAPS) should be fixed before considering lifting the ban. It is true that the same old TAPS infrastructure will continue to be used for exported oil, and increased flow due to the new markets would increase the risks. According to a major audit recently done for the Bureau of Land Management, "the pipeline system poses imminent threats to public and worker safety and the environment." More than 10,000 problems were identified,

including "massive violations of the National Electrical Code." The ballast water treatment plant at the Valdez terminal is currently inadequate to handle large volumes of the ballast water which must be removed from cargo tanks before they are filled with oil, and bigger tankers may call at the port if the ban is lifted.

The oil industry should not be rewarded with higher profits from shipping North Slope oil at the same time it is requesting exemptions from environmental laws. Alyeska, which runs the pipeline for British Petroleum and the other oil company owners, has for years avoided limiting air pollution caused by fumes that are released during tanker loading and recently requested a 12-year delay in meeting air pollution standards for the nation's largest tanker terminal at Valdez. Already, air emissions account annually for over 45,000 tons of pollutants such as cancer-causing benzene, and the terminal is the largest source of volatile organic compounds in the nation.

Exports will expose new areas of U.S. coastlines in Alaska to increased risk of oil spills. Changed tanker routes would put Kodiak Island, the Aleutian chain, and the rich fisheries of the Bering Sea at greatly increased risk of chronic and disastrous oil spills. Tankers would still travel through Prince William Sound, placing it at high risk from new spills even as this area still suffers from the effects of the Exxon Valdez. Dumping of the segregated ballast water picked up from foreign ports could introduce exotic organisms that have serious environmental consequences. Lifting the ban would open the door to tankers twice as large.

Serious risks to California's coastal environment have been ignored. Increased imports to California replacing North Slope crude shipments would involve much larger foreign tankers. Because of port and draft restrictions at the refineries, there would be increased risks of oil spills because there would need to be lightering, the transfer of oil from the larger tankers to smaller vessels which bring it into port, and therefore an increased number of times cargo is offloaded. The lightering would be conducted by foreign vessels which are less fully exposed to liability claims under OPA-90 than U.S. companies. Increased refining of California heavy crude would result in increased foreign tanker traffic in California waters to export the byproducts such as residual oil which would be produced in excess of California demand.

Lifting the ban will not help the U.S. meet its commitments to reduce Greenhouse Gas emissions. DOE states thermal enhanced oil recovery in California would increase such emissions, but dismisses the amounts as trivial. However, DOE energy policy should be to achieve further reductions, not to justify increases, in order to fulfill U.S. obligations under the U.N. Framework Convention on Climate Change and to achieve President Clinton's goals in the Climate Action Plan to reduce emissions to 1990 levels by the year 2000.

Mr. President, these are just some of the environmental concerns that we have before us, but they seriously point out the questions that all of us should be asking and have answers to before this ban on oil is lifted from Alaska's North Slope.

Certainly I heard my colleague from Alaska speak this morning about a DOE report and referred to it a number of times as what the basis should be that we vote on, the current amendment before us.

As I indicated earlier, the administration is not supportive of the lan-

guage as we currently see it before us on the floor because they do have concerns still about jobs and environmental impact. But I want to read to this body a letter from someone who agrees with me on the DOE report. He happens to be a former adviser to the Governor of Alaska. So he is from that region; he is a former adviser to the Governor.

His name is Richard Fineberg, and he lives in Alaska. He says:

Re Exporting Alaska North Slope Crude Oil.

DEAR SECRETARY O'LEARY: I read with great interest and disappointment your department's report, "Exporting Alaska North Slope Crude Oil." As a former advisor to the Governor of Alaska on oil and gas issues who subsequently prepared several reports for the Alaska State Legislature on North Slope economic issues, I had hoped that your report would answer many important questions about Alaskan oil development. I was disappointed because the report's conclusions appear to be critically dependent on buried, dubious or false assumptions that undercut the validity of the report's conclusions.

Again, I remind the body I am reading from a letter of Richard Fineberg, who is former adviser to the Governor of Alaska. These are his words, not mine:

... dubious or false assumptions that undercut the validity of the report's conclusions. For example:

The report asserts that Alaska would gain \$700 million to \$1.6 billion in revenues between 1994 and 2000 if the ban were lifted, and that under low-price scenarios most of that gain would come in 1994-96. Having prepared numerous reports on North Slope profits, production prospects and Alaska revenues since leaving my position in the governor's office in 1989, I must say that these poorly explained estimates appear to be highly implausible. Moreover, 1994 is nearly two-thirds over and if the ban were lifted, ANS sellers and refiners would then require some time to revise contracts, arrange shipments and reconfigure their refinery outputs. With most of 1994 gone, how much of this theoretical amount remains to be captured and how much is already lost to history? I cannot make that calculation because I read the report from cover to cover but could never discover the bases for the \$700 to \$1.6 billion estimate.

Again, this is someone who is an expert on Alaskan export of oil.

He goes on to say:

Although there is a known, fixed relationship between federal income taxes and state revenues on ANS production at the DOE study prices, the DOE report inexplicably estimates federal gains to be well outside that predictable range, at \$99 to \$188 million. This leads me to believe the DOE report either omitted federal income taxes or did not account for them correctly. In either event, it would appear that producer gains (and, consequently, jobs) may have been over-stated because federal tax effects were not considered, and that federal gains may have been understated. This is precisely the kind of ambiguity that would lead a careful reader to view with great skepticism the conclusions of the DOE report.

Regarding incremental North Slope production that might result from lifting the ban, your authors note that "If exports of ANS crude oil raise crude oil prices or save on costs of shipping and handling, the resulting revenues may be invested in oil produc-

tion-related projects in the geographical areas where the new profits are made. This is particularly true for small companies, but less so for the major integrated companies." (Report, page E-1.) In a footnote, the report states that "The large ANS producers made it clear in our interviews that they . . . would not necessarily reinvest in Alaska the incremental revenues made as a result of exporting ANS oil." The same section presents increased production rates resulting from the "reasonable" assumption "that all incremental revenues for the remaining producers' share is invested in ANS crude production activities that add to reserves" (major producers Arco and Exxon—45% of ANS production—are factored out because their oil is transferred rather than sold, leaving BP as the remaining major producer). Because major producer BP owns 91% of the remaining production, by its own terms the report's key assumption on reinvestment is clearly not reasonable.

The report notes that data "imply that reserve additions in the range of 200 to 400 million barrels could be produced by the investment resulting from exports of . . . ANS crude. Buy comparison, [c]urrent reserves at Endicott and Point McIntyre, major secondary fields on the North Slope, are 262 and 356 million barrels respectively." (Report, at p. 12 and p. 50). For some reason, the report makes no reference to the largest major secondary field on the North Slope, Kuparuk, whose remaining reserves are three times that of the two fields named in the report. Is there a reason for this? The report's second Kuparuk omission referred the reader again to Appendix E—the same place at which the dubious assumptions noted above are supposed to be demonstrated; nothing in that appendix told me whether Kuparuk was included or excluded from your analysis, or why it was omitted from the text.

I am limiting myself here to clearly demonstrable examples because time is short; some in your department seem to be rushing toward a decision on BP's behalf. I write, therefore, to make sure that you are aware that the DOE report released June 30 appears to be laced with significant technical defects. These shortcomings make it difficult for me to accept the conclusions one must adopt to assume the economic benefits your report claims the United States will realize from lifting the ban. The reader is asked to believe that California refinery acquisition costs can go up without affecting consumer gasoline prices, and that ANS will realize a premium in Japan because its product slate matches Japan's needs. While I am not prepared to state that such heroic assumptions are invalid, it is my opinion that this report fails to demonstrate them. These assumptions are contradicted by the Coalition to Keep Alaska Oil's June 1994 report, "Consequences of Exporting Alaska North Slope Crude Oil." I do not presume to know who is correct. But I must tell you that the latter report is strikingly accurate in those areas with which I am familiar. More important, the challenging report is much less dependent on the kind of Herculean and undocumented assumptions required to reach the conclusions in the DOE report.

I will continue reading and remind my colleagues that I am reading from a letter directly about the DOE's study that has been referenced throughout speech of the Senator from Alaska and kept referring to it. I wanted someone who is an expert from Alaska to respond to that. I will read the last of this letter:

The latter report also sets up the background of raising environmental concerns

that are casually dismissed by the DOE report: In particular, California supply ports, pipelines, refinery storage facilities and refinery operations appear to be at risk. And, as my colleague Dr. Riki Ott of Cordova, Alaska, has previously advised you, the DOE report also dismisses serious environmental concerns in Alaska concerning the integrity of the Alaska pipeline and marine transportation delivery system. As a long-time Alaskan, I share Dr. Ott's interests in the environmental issues the DOE report fails to address. But it is the manifest shortcomings in the DOE economic analysis that lead me to ask you to base your decision on better data than the report you released June 30.

In sum, I do not believe your department's report provides sound bases for its fundamental conclusions and recommendations. In view of the undiscussed problems associated with lifting the export ban and the absence of convincing support for taking this action, I oppose lifting the ban at this time and request that you address the implications of the DOE report's serious defects before making your decision.

It is signed Richard Fineberg.

Again, I would like my colleagues to know that the arguments in favor of lifting the ban have referenced a report from DOE that I have just read a letter from, an expert from Alaska who says that a lot of the assumptions are incorrect. In addition, the Clinton administration itself does not support the language that is in front of us because it still does not address many of their environmental and job issues.

I also heard my colleague from Alaska speak about the jobs that would be brought if this legislation is passed. I believe he referenced the number 25,000. From the perspective of the State of Washington, we have many people employed in our independent refineries. I know Senator HATFIELD from Oregon will be out here in a few minutes to talk about jobs in his State of Oregon. But while he is on his way, I want to share with my colleagues an article called "Alaskan Oil Exports Will Eliminate U.S. Shipyard Jobs."

There has been some question on whether or not jobs would be eliminated in the United States if this oil ban is lifted. I want to read this study to you by the Portland shipyard Port of Portland:

The recommendation of the Department of Energy study on Alaskan—to lift the twenty-year-old restriction on the exports of that would eliminate hundreds of shipyard jobs. First, it will cause a severe reduction in the U.S. flag tanker fleet. DOE—

This refers back to the report.

assumes that exported oil will be carried on Jones Act ships, but Senators proposing that the ban be lifted would only require that the oil be carried on U.S. flagships, not on Jones Act ships. This means they need not be repaired in U.S. yards. This means lost of jobs in our shipyards here in the United States.

Mr. President, I note the presence of my colleague, Senator HATFIELD, on the floor. He is a cosponsor of legislation I introduced earlier. I will yield the floor at this time for him to make his remarks.

Mr. HATFIELD. Mr. President, I thank my colleague from Washington State, Senator MURRAY.

Mr. President, first of all, I want to say we have collaborated on this as between Washington State and Oregon, on the basis of the impact it has on the Northwest, outside of Alaska. I am happy to say, too, that we have been working with Senator MURKOWSKI's staff and we are hoping that we can resolve the problem we have as it impacts upon the Port of Portland. I will address that at a later moment.

First of all, I would like to distinguish between title I of this bill and title II. Title I of this bill provides for the sale of the Alaska Power Administration. I support the sale of the Alaska Power Administration, but I do have strong objections to provisions in this bill which seek to alter, in a fundamental way, a longstanding agreement relating to the Alaskan North Slope crude oil.

Mr. President, for over 20 years, Congress has maintained a ban on the export of crude oil from the North Slope of Alaska transported via the Trans-Alaska Pipeline. This agreement, which is based primarily on national energy security, has given rise to many investments and business expectations. The legislation now before the Senate, sponsored by my good friend from Alaska, the distinguished chairman of the Energy and Natural Resources Committee, would lift this export limitation, thus allowing unlimited export of oil from Alaska.

While I understand and respect the motives of the Senator from Alaska, I must oppose his efforts in this case. I believe it is indisputably in the national interest to maintain our precious remaining supplies of crude oil for domestic use only. To export our Alaska reserves, which account for a quarter of current U.S. consumption, at a time when our reliance on unstable supplies of foreign oil is again in excess of 50 percent, would be damaging to the already fragile energy security situation of the United States.

Again, I want to emphasize that over 50 percent of our consumption is dependent upon foreign imports, and from a very fragile part of the world, geopolitically speaking—the Mideast.

I have long supported the restricting of Alaska North Slope production for domestic use only. Beginning in 1979, I sponsored legislation in several sessions of Congress to extend these restrictions. Each time this issue has come before Congress, these restrictions have been extended with strong bipartisan support. In fact, each time Congress has strengthened the restrictions with respect to Alaska and has added similar restrictions to the export of oil produced in any part of the United States, including offshore oil and oil contained in the strategic petroleum reserve.

I am also aware that sectors of the refining and maritime industries have made substantial investments based on the assurances of Congress that this ban would remain in effect. It would be manifestly unfair to upset these reasonable expectations at this stage.

I should also point out, in order to complete the legislative picture, that Senate bill 414, which I have sponsored with Senator MURRAY, is currently pending before the Banking Committee. Our bill would extend the current export restrictions and is therefore directly contrary to the provisions in the bill presently before the Senate. The Senator from Alaska also has a bill, Senate bill 70, which would also lift the export restriction, and it is also pending before the Banking Committee. I am troubled that the Senator from New York, the distinguished chairman of the Banking Committee, is not present to express his views on these matters before his committee.

In 1973, shortly after the beginning of the Arab-Israeli war and the first oil embargo, Congress adopted the Trans-Alaska Pipeline Authorization Act. And this legislation authorized a construction of a pipeline to move oil from lands belonging to the State of Alaska on the North Slope to a Port at Valdez. The act also amended the Mineral Leasing Act to put in place an export restriction on all oil carried over Federal rights-of-way. Under this provision, exports were only if the President determined exports would be in the national interest, would not diminish the total quantity or quality of oil in the United States and would be done under the licensing provisions of the Export Administration Act of 1969.

A second major oil shock took place in 1979. At that time, in section 7(d) of the Export Administration Act, Congress effectively banned oil exports from the Alaskan North Slope. Congress further tightened section 7(d) in 1985. No rollcall votes have taken place in the Senate since 1984, when this body tabled an amendment offered by my friend from Alaska, Mr. MURKOWSKI, which would have allowed a limited amount of exports at 200,000 barrels per day on U.S. vessels, and the amendment was tabled on a vote of 70-20.

Since the first Alaska oil export restrictions were enacted in 1973, they have provided enduring benefits for our Nation. I speak as someone who has been in the Senate since this ban was put in place and has watched it function. As a result of this policy, we now have an efficient transportation infrastructure to move crude oil from Alaska to the lower 48 States and Hawaii. In addition, these restrictions have helped limit our reliance on OPEC and unstable Persian Gulf oil supplies. They have also allowed us to enhance our domestic merchant marine that continues to help supply the essential oil requirements of our domestic economy and our military.

I have also been in this body long enough to learn quite a few history lessons. And it troubles me that despite two major oil crises and the Persian Gulf war, we continue to senselessly rely on foreign oil as a major energy

source. U.S. oil imports now exceed half of our daily oil requirement. Government and private estimates now predict that by the year 2010, foreign oil imports will exceed 60 percent. I consider these levels to be worthy of serious concern. The Clinton administration appears to be aware of the gravity of the situation, but I have not been impressed with the administration's proposals designed to address this growing problem.

It is my belief that permitting the export of any Alaskan North Slope crude would only exacerbate our already serious problem of reliance on foreign oil. By allowing the export of Alaskan oil to Japan and other Pacific rim countries, we would further increase our dependency on Middle Eastern oil, something I strongly believe—and history supports my belief—puts the lives of United States troops at risk. Exporting this oil could have the effect of increasing consumer petroleum costs on the west coast and threatening the vitality of our domestic tanker fleet. Moreover, Alaskan oil exports would cause job losses in the maritime and related ship-supply industries on the west coast. I see no sound policy reason for the Nation to accept these costs.

Our ability to withstand future energy crises will certainly be tested if we fail to take the appropriate steps now to protect our own energy resources. Keeping this important domestic energy source for domestic use only will affirm the policy of keeping this country on the right path toward energy security.

During the 1973 trans-Alaska pipeline authorization debate, and during the numerous debates on exports since the ban was originally put in place, a fundamental issue for me and a majority of Senators has been this Nation's energy security. The Senate spent weeks debating the merits of allowing the construction of the trans-Alaska pipeline and one of the primary concerns and points of debate was how this precious domestic supply was to be used to improve the energy security of the United States.

Remarks at the time by Senator Taft give a sense of the direction of the debate.

It has been stated several times that oil from the Alaskan North Slope will not be shipped to the Midwest. It has also been stated—and feared by many—that a surplus of crude oil on our west coast will result in the export of this fuel to other countries. It is understandable that Americans would question this action when we are so desperately in need of oil in this country. It is also essential that we not be forced to rely too heavily upon oil from Middle Eastern nations who have stated their intentions to play politics with oil to influence foreign politics.

Recall that in 1973, we were in the midst of an oil embargo and our heavy reliance on foreign oil turned very quickly into an economic crisis and a national security emergency. So I think it is fair to say that the Members of the Senate at that time were very

much aware of the dangers of too great a reliance on foreign sources of oil. The Members of the Senate at that time knew, better than probably any other class of Senators since the attack on Pearl Harbor, that oil is an important national, as well as natural, resource. Because of its ability to influence the events of nations, oil differs fundamentally from more benign, local commodities.

In 1973, the Senate was very much divided over whether to allow the construction of the trans-Alaska pipeline, and I recall Vice President Agnew casting the tie-breaking vote on final passage. However, the Senate was very clear about one thing: If approval was to be given for the pipeline, any oil transported through that pipeline was to be for domestic consumption only. The oil was not to be sold to foreign countries. The oil was to enhance the energy security of this Nation by reducing our reliance on foreign imports.

It is clear that we have yet to learn our lesson. This fact is illustrated well by the national oil consumption and supply figures released each year by the American Petroleum Institute. API's reports over the past decade show that domestic oil production has continued to decline, while domestic oil demand has continued to increase by thousands of barrels of oil a day.

In 1970, U.S. crude oil production hit its all time peak of 9.6 million barrels per day. By 1973, the year of the Arab oil embargo, United States production had fallen to 9.2 million barrels per day. Today, the United States produces about 6.6 million barrels per day, a 28-percent decline since 1973 and a 31-percent decline since 1970. Less crude oil is produced by the United States today than was produced 40 years ago in 1955.

According to projections by DOE's Energy Information Administration, U.S. crude production will continue to decline over the next decade, to 5.4 million barrels per day by the year 2000, 5.2 million barrels per day by the year 2005. The Department of Energy reports that the United States produced 5.2 million barrels per day in 1950. To add some perspective to that number, in 1950, there were 40 million cars on America's highways; today there are 143 million.

This widening gap between domestic production and demand is being filled by an increasing stream of foreign oil imports. In fact, in 1991, the same year this Nation sent its young men and women to war in the Persian Gulf to protect an unstable supply of foreign oil, imports accounted to approximately 45.6 percent of America's domestic oil consumption. That event should have shaken this Nation into a renewed commitment to energy conservation and convinced us to reduce our dangerous reliance on foreign oil. However, our reliance on foreign oil imports has increased from 45.6 percent at the time of the Persian Gulf war to approximately 54 percent today. Experts predict a steady increase, ap-

proaching 60 percent, in the coming years.

This significant reliance on foreign sources of oil merits our serious concern and our most thoughtful judgment. Shipping domestic supplies to foreign markets in order to stimulate otherwise marginal U.S. production is not, in my view, a prudent way for us to address the long-term energy security of this Nation. Promoters of the trans-Alaska pipeline disavowed any desire to ever export oil from the pipeline, and if my memory serves me correctly, the senior Senator from Alaska sponsored an amendment to outlaw exports.

In 1973, those arguing that we should export our domestic oil supplies did not prevail because exporting our domestic supplies was not in the national interest. Those arguing for exports are no more persuasive today. Exporting our finite domestic oil supplies is not a prudent method of decreasing our reliance on foreign oil. It was not prudent in 1973. It is not prudent today. It is reverse logic of a very dangerous sort.

By the passage of the 1992 National Energy Act, we now have many of the tools necessary to establish a sound national energy policy. But make no mistake: We have a long way to go to achieve energy independence and energy security in this country. We must commit ourselves to partnership, to consensus and to cooperation if we are to move our Nation into the role of world leader on numerous energy fronts, including in reducing fossil fuel use and increasing renewable energy technology.

Maintaining the current requirement that Alaskan North Slope crude oil is to be used for domestic purposes only is a vital part a rational energy policy for this country.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. 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. HATFIELD. Mr. President, I have tried to outline my position in a general sense and then, in the historic context, the development of this legislation.

I would like to turn now from the general to the specific. The Senator from California, a while ago on the floor, was raising the questions about the impact upon jobs and upon the local economy—in California and other west coast cities. I would like to further that discourse by referring to my own State of Oregon, and its relationship to Washington State, because the Port of Portland serves both sides of the Columbia River and the employees of the Port of Portland, many of them, traverse the bridge between the two States and their full-time employment

is in the State of Oregon. We have a lot of exchange between Vancouver, WA, and Oregon, the city of Portland.

Based upon the export restriction policy established by Congress in 1973, an infrastructure has been developed to transport, refine, and deliver massive amounts of domestic crude oil to American consumers. In the State of Washington, refineries were built by integrated oil companies and independent refiners to process Alaskan crude. The infrastructure required to receive this type of crude oil and deliver it to marketers was also developed. In my own State of Oregon, facilities were built or expanded to repair the dozens of Jones Act tankers that carry this oil. In the State of California, refineries were built or expanded, a new pipeline from Long Beach to Texas was built, and shipyards were expanded to build and repair tankers in the Alaskan trade. A pipeline was built across Panama to provide for the more efficient transportation to gulf coast ports of Alaskan crude that could not be consumed on the west coast. Jones Act oil tankers were built to transport the oil to end-use markets. Each of these infrastructure investments was encouraged by Congress as part of its central policy objective: increased energy security through the domestic use of this important oil supply.

This relates to another point that I mentioned earlier in my remarks, and upon which I shall now expand. This point is less related to energy policy and more related to fairness.

In direct reliance on this act of Congress that put the export restriction in place, and on the enthusiastic encouragement of the Federal Government, the citizens of Portland, OR, undertook a major investment. They voted to tax themselves \$84 million to fund a major expansion of the Portland Ship Repair Yard. This expansion program included acquisition of the largest floating dry dock on the west coast. This dry dock is specially designed for the large oil tankers that haul oil from the Trans-Alaska Pipeline. These vessels are known as the Alaskan North Slope very large crude carriers [VLCC's].

Of the \$84 million initially borrowed to complete the facility, \$50 million remains to be paid. It is very likely that this facility, which accounts for 500 to 800 family wage jobs, will not continue to be viable if the bill currently before the Senate passes and the export ban is lifted. Exports will provide ship owners with a greater economic incentive to have ships repaired in the low-cost East Asian shipyards.

Mr. President, \$84 million is a great deal of money to taxpayers in Portland. This was not an investment based on a Federal handout, but rather, it was a city of moderate means putting up its own credit and ingenuity on the line to invest in a facility of integral importance to a stated Federal objective. It took a great deal of courage for Portlanders to make that investment. But it was not a blind venture. It was based on a great deal of encouragement

by Federal officials that such a facility was a necessary part of the long-term plan for the Alaska Pipeline trade.

Let me share some of the rhetoric of the time. I believe it is helpful in understanding why the citizens of Portland made this significant investment and why it would be highly unfair to abruptly change the rules at this point.

After it became apparent that the oil would be used for domestic purposes only, proponents of constructing the pipeline made a very strong case for the benefits such a pipeline would have for the U.S. maritime industry, and in particular their expectation that the various components of the maritime industry would play a vital role in accomplishing the broad national objectives that construction of a trans-Alaska pipeline was designed to achieve.

Commerce Secretary Maurice H. Stans was in the forefront of Nixon administration officials in advocating approval of the pipeline. In addressing the Seafarers International Union of North America in June 1973, Secretary Stans said the pipeline would help revive U.S. maritime strength. A trans-Canada pipeline was an option being seriously considered at that time, and Secretary Stans argued to the group that a pipeline across Canada would "eliminate all the great maritime opportunities that the Alaska line would provide." The Seafarers agreed and approved resolutions endorsing the trans-Alaska route and another resolution re-endorsing the Jones Act.

Andrew Gibson, Assistant Secretary of Commerce for Maritime Affairs, visited Portland, OR, in May 1973, and made the following remarks to the Propeller Club, a group of maritime interests:

We have estimated that with the completion of the Alaska Pipeline, a fleet of approximately 30 new U.S. tankers would be added to the American merchant marine to transport the oil from southern Alaska to the West Coast. The construction of these vessels at an estimated cost of \$1 billion would give an added stimulus to our shipbuilding industry and would provide approximately 48,000 man-years of work in the U.S. shipyards and allied industries. Manning and maintaining these vessels would create many additional permanent maritime jobs, while the estimated annual operating and maintenance cost of \$30 million would provide added employment in the related service industries.

The debates in Congress added further substance to the understanding that the maritime industry was being called upon to play an important role in the success of the trans-Alaska pipeline. The assumption that this supply was for domestic use only is pervasive. Congressman YOUNG made the case in the House:

In the maritime industry, 35 tankers will be employed in the fleet required for transporting the oil to the west coast ports. Twenty-seven of these ships remain to be constructed. It has been estimated by the Maritime Administration that the construction of these ships will create 73,500 man-years of labor in shipyards and supporting industries. Maintenance of the fleet will generate 770 permanent jobs in the Nation's shipyards.

In the Senate, Senator STEVENS made a similar statement:

The trans-Alaska pipeline will particularly aid several vital American industries which are currently depressed. For example, the American maritime and shipbuilding industry will be helped greatly. Alaskan oil must be carried in American-bottom ships under the Jones Act. At least 27 new tankers must be constructed; 73,480 man-years of shipyard employment will be created; 3,800 permanent jobs will be created to run and maintain this new, modern tanker fleet. This will result in more than \$1.0 billion for America's shipbuilding industry. This is an industry that has, for some time, been at a competitive disadvantage because of lower costs from foreign competition.

As I read these statements, I can well understand why the citizens of Portland believed they were being given assurances that there would be continuity if they stepped forward to participate in this new venture of national importance. To now lift the export restriction and ask the taxpayers of Portland to take a \$50 million loss on a shipyard that is now of questionable utility is imposing a great unfairness. This is an unfairness that I cannot allow.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BREAUX. 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. BREAUX. Mr. President, I inquire of the chair and also the floor managers. What is the pending business of the Senate? I would like to make some comments on bill S. 395.

The PRESIDING OFFICER. The pending question is the Murkowski amendment 1078 to S. 395.

Mr. BREAUX. Mr. President, is it in order for me to engage in debate on the pending legislation at the present time?

The PRESIDING OFFICER. It is.

Mr. BREAUX. Mr. President, with that understanding, I would like to make some comments on S. 395.

Mr. President, I rise in support of the provision included in S. 395 which would lift the ban on the export of the Alaskan North Slope crude oil so long as such oil is carried on U.S.-flag vessels.

This amendment would reduce our trade imbalance and raise \$99 to \$180 million in revenues for the U.S. Treasury. It would also create an additional 10,000 to 25,000 new jobs and would certainly spur domestic energy production.

In 1973, Mr. President, shortly after the first Arab oil boycott, Congress adopted this ban, and since then the domestic and world energy markets have dramatically and significantly changed. Today, the export ban diminishes our energy security because it artificially depresses wellhead prices on

the west coast, making it uneconomic for domestic oil producers to invest in marginal operations.

Mr. President, a Department of Energy study confirms that lifting the ban on Alaskan crude oil would improve domestic energy security by encouraging domestic exploration activities. DOE estimates that domestic production will increase between 100,000 and 110,000 barrels a day if the ban is lifted.

In addition to increasing domestic production, this bill will also help to stabilize the decline in the size and vitality of the domestic merchant marine.

By authorizing the exports of Alaskan oil on U.S.-flag vessels, we can help preserve a vital element of our domestic merchant marine, and we can do so without subsidies from the American taxpayer and without measurably increasing any risk to the environment.

Mr. President, in 1990, Congress overwhelmingly supported enactment of the Oil Pollution Act. That legislation ultimately will require all oceangoing tankers plying our waters to be built or rebuilt with a double hull. It already ensures that American flag and foreign flag tankers will continue to be subject to the same strict safety requirements. And since December 28 of last year, it has imposed substantial financial responsibility requirements for all tankers entering U.S. waters.

Last year, the Department of Energy conducted an extensive study of the likely effects, including likely environmental implications, of changing the current law. The Department, and I quote:

Found no plausible evidence of any direct negative environmental impact from lifting the ANS export ban.

By and large, Mr. President, the same U.S.-built, U.S.-owned, and U.S.-crewed vessels that carry Alaskan oil to market today will continue to carry the crude to market tomorrow with a change in policy. The same skilled merchant mariners will continue to man the vessels. Current Department of Defense and Department of Transportation projections indicate that we are facing a critical shortage of trained mariners capable of manning the ready reserve force. This bill will help ensure that we will continue to have a reservoir of capably trained mariners sufficient to man our reserve fleet in time of national emergency. And our Nation will continue to have access to a fleet of environmentally safe and militarily useful vessels that otherwise are destined to be converted into razor blades.

By enacting this bipartisan legislation, we can help ensure the continued existence of the largest segment of our domestic merchant marine. Let us demonstrate again that we can work together to help promote our energy security, our national security, and at the same time preserve jobs.

Mr. President and my colleagues, I will just add a couple of remarks and

point out that again this ban was enacted at a time when this country literally was on its knees from the standpoint of energy requirements. The Middle Eastern oil nations had banded together to form cartels which restricted amounts of oil being exported to the United States in particular.

We all remember the long lines that occurred in the 1970's when people had to wait in line to buy gasoline for their automobiles and vehicles. Everyone in America wanted Congress to do something about it. One of the things that we did was to say, all right, we are not going to allow any of the Alaska North Slope oil exported to other countries. We are going to keep it right here.

Mr. President, I think we probably acted with some degree of haste in taking that action and in thinking that by doing so we were somehow going to increase the domestic production. I think in reality we should all understand that oil is a commodity which can be traded all over the world; that, indeed, many ships that are plying the oceans filled with oil are sent to different ports in the middle of a voyage depending on the need because the price is better in one area or the need is greater in another area or for whatever economic determination that is made.

So the point is that oil is traded on the world market according to need and price. If we can, indeed, take some of the crude oil in Alaska and sell it at a better price in overseas markets, we should be allowed to do that. The price return will allow greater domestic production in areas of the United States where that production can occur.

I am a Senator from the State of Louisiana. I have nothing to do with oil, of course, that is produced in Alaska. But I think this is good policy for my State, for the State of Alaska, and indeed for all of the States in the United States. I think it will increase production, and it will not do damage to any part of our Nation. It is good economic energy policy for the future of our country.

Mr. President and my colleagues, I hope we would move on this. It should be relatively noncontroversial. I know some Members have legitimate concerns, and they will be heard, but I think we should move forward, debate the issue, vote on this legislation, and ultimately we should adopt it as good energy policy.

Having said that, Mr. President, seeing no one else seeking recognition at the moment, I would suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been noted. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DEWINE. Mr. President, I further ask unanimous consent to proceed as if in morning business.

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

MORE POLICE ON THE STREETS

Mr. DEWINE. Mr. President, I rise this afternoon to continue my discussion of the crime bill that I intend to introduce this Wednesday.

As I previously pointed out, there are really two basic questions that we need to address in the area of crime whenever we try to determine whether a crime bill is good or whether it is not good, whether it does the job or whether it does not do the job.

The first question is: What is the proper role of the Federal Government in fighting crime in this country? The second is: What really works in law enforcement? What matters? What does not matter?

Last Wednesday, I discussed these issues with specific reference to crimefighting technology. The conclusion I reached was that we have an outstanding technology base in this country that does a great deal and will continue to do a great deal to help us catch criminals.

Technology, Mr. President, does in fact matter. But we need the Federal Government to be more proactive, more proactive in getting the States on line with this technology. Having a terrific national criminal record system or a huge DNA database or an automated fingerprint system or huge DNA database for convicted sex offenders in Washington, DC, is great; it is nice. But it will not do much good if the police officer in Hamilton, OH, or Middletown, OH, or Cleveland, OH, cannot tap into it, cannot put the information in, and cannot get the information back out.

My legislation would bring these local police departments on line. It would help them to contribute to and benefit from the emerging nationwide crimefighting database.

On this past Thursday, I discussed what we have to do to get armed career criminals off the streets, those who terrorize us, terrorize their fellow citizens with a gun. I talked about a program called Project Triggerlock that targeted gun criminals for Federal prosecution. My legislation would bring back Project Triggerlock and toughen the laws on gun crimes in many other significant ways. We have to get these armed criminals off the streets.

On Friday, I talked about the long neglected needs of crime victims. In too many ways, our legal system treats criminals like victims and victims like criminals. We have to stop that. My legislation contains a number of provisions that would make the system much more receptive to the rights and the needs of crime victims.

Today, I would like to turn to another item. I would like to talk about

what we can do to put more police officers on the street, and to put more police officers into our highest crime areas. Make no mistake, the evidence is clear, putting a police officer on a street corner in a dangerous neighborhood will reduce crime. We are looking for what really works, and putting police officers on the streets is a proven strategy that works. It is a plain fact, if you put a police officer on the street, crime will go down.

The President is right in this respect, and he is to be commended for understanding that there is, in fact, a direct or actually inverse relationship between the number of law enforcement officers who are deployed correctly in the neighborhood and the amount of crime that exists in that neighborhood.

That is why the President last year asked for \$8.8 billion in Federal funding for police officers. We do need more police; he is correct. Police officers deployed correctly matter. They do make a difference.

But, Mr. President, I believe that we can improve on President Clinton's plan, and there are three major shortcomings I believe that exist in the President's plan that we ought to address in the Senate. Let me list them:

First, the administration's plan spreads the \$8.8 billion far too thin. It does not target the funding for police officers to the most crime-ridden areas where the funding is most needed. Instead, it spends money on extra police officers even—even—in extremely low-crime areas. That just does not make sense.

Second, the administration is not paying for the full cost of the extra police officers. The Clinton proposal pays for only 75 percent of the police officers and asks local communities to come up with the remaining 25 percent.

Third, the Clinton plan provides the money for only—only, Mr. President—3 years.

I think that these problems I have just listed with the Clinton administration proposal can be fixed fairly easily. As part of the comprehensive crime legislation I intend to introduce on Wednesday, I will be including my proposals on how we should fix these problems, and here is what I propose:

First, I propose to pay for the police officers and to pay for them in full, 100 percent. Under my proposal, we will send \$5 billion over a period of time to the local communities for new police officers. Those police officers will be fully funded 100 percent, not just 75 percent, as envisioned in the Clinton plan.

Second, we will fund these police officers for 5 years; 5 years, not 3 years, as envisioned by the Clinton proposal.

Third, and probably most significant, my proposal will target these funds where they are needed the most. Under the Clinton plan, really crime-threatened communities are deprived of the full contingent of police officers they really need. For example, under the administration proposal, a high-crime

community, such as Chicago, has received 300 police officers so far, and those 300 are not even fully funded. They are funded at 75 percent. My legislation would put 2,100 new police officers on the streets of Chicago and would pay for them in full.

I can cite example after example. Let me just give one from my home State. Youngstown, OH, is another city with a very serious crime problem. Under the Clinton plan, it has received a total of 10 new police officers. I think, however, to make a real difference in a crime area, we need to do better than that. Under the formula that is contained in the bill that I will introduce on Wednesday, there would be a total of 58 new police officers on the streets of Youngstown. We would go from 10 under the Clinton plan to 58 under my plan, and the way we are able to do that is because we are targeting the money to go to the areas where the crime is the worst. It only makes sense that when we are dealing with scarce Federal dollars, those Federal dollars should be targeted specifically to the areas where our citizens are most in danger.

My proposal would put the dollars for police officers where police officers are needed the most. We are targeting the 250 most crime-infested cities in America. We will succeed in getting those police officers on the street. In a community brutalized by rampant crime, the police officer is truly an ambassador of law and order. The police officer is a living, breathing confirmation of America's resolve to defend civilization from those who want to turn our country into a wasteland of stealing, raping, and killing.

The police officer is a soldier of justice, and like any other soldier, the police officer, to be most effective, needs to be sent where the enemy is. The enemy is anyone who does a drive-by shooting or rapes someone or commits any other kind of brutal act.

Mr. President, anyone who watches TV or reads the papers knows where the enemy really is. My bill would make sure that the police officers are deployed where they are needed the most. My bill would pay for them in full.

This is what it will take. This is what it will take if we are serious about taking back our streets.

The American people are, quite frankly, losing patience with violent crime. They are losing patience with the syndrome that my distinguished colleague, the senior Senator from New York, calls defining deviancy down.

There is a consensus out here, Mr. President, that we will not allow our country to become a place where violent crime is considered normal. I think that putting these police officers on the street—and paying for them in full—will be a major symbol of our national resolve.

My legislation, Mr. President, would spend \$5 billion on these police officers, target them where they are needed the

most, and pay for these police officers in full.

The Clinton administration plan included \$8.8 billion as partial payment for police officers, with their deployment of police officers being spread throughout the country and spread among many, many areas where crime is not that serious.

Tomorrow, Mr. President, I will discuss what we can do with this extra \$3.8 billion, and specifically how we can use block grants to give local communities the flexibility they need to use that \$3.8 billion as effectively as possible. And then on Wednesday of this week, Mr. President, I will be introducing my comprehensive crime bill.

Mr. President, I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

TERMINATION OF THE HELIUM AND OTHER PROGRAMS

Mr. FEINGOLD. Mr. President, I want to take a few moments to praise both the House and Senate Budget Committees for including in their budget assumptions termination of a relatively small program, the helium reserve program. The Budget Committee materials assume a \$27 million savings over 5 years from termination of the helium reserve program.

As the budget debate unfolds in the House and Senate in the coming week, there will certainly be considerable debate over programs of enormous magnitude—programs with budget outlays in the billions, not millions. Although the Budget Committee materials assume a \$27 million savings from termination of the helium reserve program, the actual savings will be significantly higher as the Federal Government sells off the existing helium reserve over a period of time that will not disrupt the private helium market, as well as terminates the program itself. The Federal Government is currently stockpiling enough helium to meet its needs for the next 80 to 100 years. In order to make sure that the taxpayers get a fair price for this helium, the reserve needs to be sold over a period of time to make sure that we do not inadvertently cause the entire market price for helium to fall needlessly. CBO has estimated that we can, at current market prices, eventually recover between \$1 and \$1.6 billion by this sale.

It is not just the current \$27 million in savings but a long-term savings by in effect privatizing this area of our Government.

I introduced legislation, S. 45, to terminate this program on the first day of the 104th Congress. I am pleased to report that this legislation has gained bipartisan support and that it has been cosponsored by the Senator from Iowa [Mr. HARKIN], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], the Senator from Nevada [Mr. REID], the Senator from Arizona [Mr. KYL], the Senator from Arkansas [Mr. BUMPERS], the

Senator from Colorado [Mr. CAMPBELL], and the Senator from South Dakota [Mr. DASCHLE]. On May 1, 1995, the Senator from Wyoming [Mr. THOMAS], introduced similar legislation to terminate the program, joined by the Senator from Idaho [Mr. CRAIG], the Senator from Minnesota [Mr. GRAMS], the Senator from North Carolina [Mr. HELMS], the Senator from Virginia [Mr. WARNER], and the Senator from Alaska [Mr. MURKOWSKI]. Thus, 15 Members of the Senate, 8 Republicans and 7 Democrats have sponsored legislation to terminate the program. Moreover, President Clinton on January 24, highlighted termination of the helium program in his State of the Union Address as an example of the kind of Federal spending that could no longer be justified.

Mr. President, I have previously spoken on the Senate floor about why termination of the helium reserve program is particularly appropriate today in light of the growth of a private helium industry which can more than adequately supply the needs of the Federal Government for this product.

The helium reserve program, like many programs which are the target of today's deficit reduction efforts, began decades ago when there was a reason for the Federal Government to become involved in this area. In the case of helium, the program dates back to the time of President Woodrow Wilson. The Helium Act of 1925 was enacted at a time when observation balloons were thought to have strategic merit. It was expanded under the Eisenhower administration when blimps were being used to spot enemy submarines in the Atlantic and to meet the needs of the fledgling space program. Since that time, however, a private domestic helium industry has developed and as of 1995, 90 percent of the helium produced in this country does come from private operations.

Now, Mr. President, it is time to terminate the Federal helium program. With the kind of bipartisan support that is now behind this effort, this would seem like a relatively easy task to accomplish during this budget cycle.

I hope it will be, but I am not overly confident, given the history of this program and similar programs. Even with the endorsement of both Budget Committees, bipartisan support in Congress, and the backing of the administration, terminating any Federal program, large or small, is never easy.

The helium reserve program was targeted for termination by the Reagan administration, by the Bush administration, and now the Clinton administration. Nonetheless, it survived. The Washington Post, in an article published February 7, 1995, entitled "Odorless, Colorless—and Hard To Kill" outlined the history of efforts to terminate the helium program and describe it as a "tale of yet another federal government program that has had more than nine lives." Perhaps 1995 will be the year that these efforts succeed. I

certainly intend to work to see that happens.

But I think we need to look at the survival of these kinds of programs in a broader context.

In the last Congress, we terminated another program, the wool and mohair subsidy program, that was started in 1954 when wool was considered to be a strategic material. The program lived on and on long after the original purpose had ended.

Unfortunately, even though this was a relatively small but important piece in the President's overall \$500 billion deficit reduction plan, I have just learned that there may be yet another attempt to try and revive this program now that we finally finished it off. I certainly hope that does not happen.

I have 2,000-3,000 sheep growers in Wisconsin who did not like it when I introduced legislation in the last Congress to terminate this program, but I also know that many of them recognized that it was difficult to continue that subsidy in light of our deficit problems. I also worked with this industry to get legislation enacted during the 103d Congress to enable them, working together, to set up a producer-funded promotion board to help increase sales in the marketplace for their product. I believe that it is very important as we terminate Federal spending programs that we do it in a way that is sensitive to the needs of the communities and individuals who have been dependent to some degree on continuation of these programs.

So that process appeared to have worked. We cut the subsidy, but we worked together to find a way to, through producer supported programs, promote the product. They made them less dependent on the Federal Government and yet we were able to move forward for their product. But we have to end many of these programs if we are going to make meaningful progress in reducing the deficit and achieving a balanced budget.

Mr. President, as one former President once said, "Not all spending initiatives were designed to be immortal." At least I hope they were not. Yet, we have all learned in one way or another how difficult it is to terminate a Federal spending program.

I recall during the last Congress a debate over whether a NASA program originally entitled SETI—Search for Extraterrestrial Intelligence—which had been terminated had been revived under a new name. That is another demonstration of how difficult it is to actually end any Federal program. I recently had an interesting experience in attempting to terminate a program in my own State—Project ELF, a cold war relic that I believe no longer serves any significant strategic purpose.

The Senate recently voted unanimously to terminate Project ELF as part of the DOD rescission bill. The program survived, somehow, in conference, however, on the grounds that some new purpose justified its continu-

ation. I am not satisfied that there is a meaningful reason for continuing to spend millions of dollars each year—in this case, about \$16 million each year—on this program.

I am just going to have to continue my efforts to try to eliminate that, although I thought we finally had it in the Senate.

During the debate over the balanced budget amendment, I discovered that another program that is high on many deficit-reduction lists, the Tennessee Valley Authority, was going to receive special protection.

The Senate committee report on the balanced budget amendment created what could be called constitutional pork by singling out TVA as a program that would somehow not be affected by the proposed amendment, while everything else would be. I add that the House Budget Committee has assumed termination of TVA as part of its budget resolution.

I believe this is the direction we should be headed with regard to the program which has a long and significant history, going back to 1933 when it was first created. Mr. President, 60 years later we have to question whether the Federal Government should continue to operate and fund this particular program.

In this regard, I have introduced legislation, S. 43, to phase out funding for TVA and thereby reduce the deficit by about \$600 million over 5 years. I know that this legislation and termination of Federal funding for TVA will again be strongly opposed by those who benefit from the program, and this, too, will be a hard fight.

Mr. President, I mention these various programs that in total amount come to millions—not billions—each year because I think they illustrate one of the problems that confronts Congress as we attempt to reduce the Federal deficit. The cumulative total spending on so many of these smaller programs does add up to significant budget cost. Each one standing alone may not be an overwhelming burden on the taxpayers, but taken together, they are a major part of the problem.

Yet, Mr. President, my experience in the past 2 years has indicated that it takes almost as much effort to rein in spending on these relatively small programs as it does to tackle the big-ticket programs. The advocates for the smaller programs work just as hard to preserve them, and they are often quite effective in those efforts.

Mr. President, I think we all know that reducing the Federal deficit and achieving a balanced budget will take a great deal of discipline and hard work. I am delighted that both of the Budget Committees have identified the Helium Reserve Program as being appropriate for termination in this budget cycle, and I am prepared to work with other Members of the Senate again on a bipartisan basis to enact legislation that closes down this outdated program in a manner that will help reduce the Federal deficit.

Mr. President, I realize there is a lot of partisan rhetoric that goes with any budget resolution. This one is no exception. I want to again take this opportunity, as I did Friday with regard to appropriate Medicare cuts, to signal my desire to work with the majority party to find the cuts that will actually lead to that balanced budget by the year 2002 and to make sure as we do it that we look at both the small and the big programs so we balance the budget not only for the year 2002, but that we can achieve a virtually permanent practice that is not existent here, which is to have a permanent commitment to have a balanced Federal budget into the future. I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators in accordance with the provisions of rule XXII of the Standing Rules of the Senate do hereby move to bring to a close debate on Calendar No. 101, S. 395, Alaska Power Administration bill.

Frank H. Murkowski, Hank Brown, Jon Kyl, Conrad Burns, Thad Cochran, Larry Pressler, Pete V. Domenici, Strom Thurmond, Ted Stevens, Trent Lott, Rod Grams, Dirk Kempthorne, Craig Thomas, Bill Frist, Dan Coats, Orrin Hatch.

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

NATIONAL LAW ENFORCEMENT OFFICERS MEMORIAL, 1995

Mr. D'AMATO. Mr. President, I rise today to honor the men and women who gave their lives so that we may be protected.

Aware of the dangers that face them everyday, law enforcement officers carry out their duties to protect the lives of others. Too often, their own lives are lost. Unfortunately, this year, 298 additional names will be carved into the National Law Enforcement Officers Memorial, here in Washington, DC. It is only fitting that on this day I pay tribute to several New York law

enforcement officers who died in the line of duty.

On March 15, 1994, Officer Sean McDonald was brutally slain while on duty in the 44th Precinct in New York. His murder occurred as he attempted to save two people from a robbery attempt. In a few short moments, while a series of gunshots, these ruthless cowards stole the life of a dedicated police officer, husband and father.

In a similar incident on May 20 of 1994, a perpetrator fatally shot Investigator Ricky J. Parisian, a devoted officer in Oneonta, NY. Investigator Parisian's life was abruptly ended when the robber he was struggling with shot him. He was 34 years old.

Several other names will also be added to the memorial. The names to be added include law enforcement officers who were also killed in the line of duty in 1994. These officers include: Police Officer Nicholas DeMutis of the New York City Police Department who was killed on January 25th, Police Officer Jose Perez of the New York City Police Department who was killed on April 27, Police Officer John J. Venus of the Suffolk County Police Department who was killed on November 20, and Police Officer Raymond R. Cannon, Jr., of the New York City Police Department who was killed in December 1994.

The memorial will also hold the names of officers who died in the line of duty before 1994 but were not listed until this year, including: Police Officer John Cahill of the Haverstraw Village Police Department, Police Officer Francis J. Donato, Jr., of the New York State Park Police, Police Officer John Bauer of the Cheektowaga Police Department, and Sgt. David C. Pettigrew of the Freeport Police Department.

On this day of remembrance, I would like to recognize the heroic service of officers across the United States who risk their lives each and every day, in every city, county, and State in this country, so that we may live in safety.

The National Law Enforcement Officers Memorial was dedicated in 1991 and presently holds 1,293 names. This memorial is a way to express our Nation's appreciation of law enforcement officers and their efforts to fight crime and protect our families.

This year's memorial observation is also an opportunity for this Congress to renew our pledge to make our communities safer. By passing legislation that will require tougher sentences for convicted criminals, this Congress can do its part. If law enforcement officers can patrol our streets, risking their lives, then the least we can do is make sure that these criminals are not back on the streets before they have fully served their time.

HONORING DANIEL S. MOHAN, HERO OF THE YEAR

Mr. ASHCROFT. Mr. President, today I rise to honor a Missourian who has distinguished himself through his

bravery beyond the call of duty and earned the National Association of Letter Carriers' Central Region Hero of the Year Award. Daniel S. Mohan is a letter carrier from St. Claire, MO, who took actions well beyond trudging through rain, sleet, snow, and dark of night to complete his appointed rounds.

Daniel Mohan was driving on his postal route in St. Claire when he heard shots. Soon after, a woman ran screaming from her house and fell wounded on her driveway, the victim of three gunshot wounds, including one to the face. Mr. Mohan raced from his truck and pulled the victim to safety behind his postal vehicle located across the street as her assailant was coming out of the house in pursuit. Daniel's presence at the scene discouraged the gunman who returned to the house and surrendered to authorities soon after. The victim of the shooting was later treated at a local hospital's intensive care unit, and continues to undergo reconstructive surgery. But as Tom Yoder, Police Chief of Saint Claire acknowledged, this woman would not be alive if not for the valiant efforts of Daniel Mohan.

For his efforts, Daniel Mohan has been honored by the National Association of Letter Carriers as its Central Region Hero of the Year. In a time when we hear of events of violence going on in public view without a single person acting to stop egregious actions, Daniel Mohan's bravery and self-sacrifice is truly a model to be followed.

Edmund Burke said, "The only thing necessary for the triumph of evil is for good men to do nothing." Mr. President, it is my hope that the heroic actions of this Missourian would become the norm, not the exception when we speak of how we as Americans should act toward our neighbors.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, more than 3 years ago I began making daily reports to the Senate making a matter of record the exact Federal debt as of close of business the previous day. In the instances of my Monday reports, the information related to the close of business the previous Friday.

As of the close of business Friday, May 12, the exact Federal debt stood at \$4,859,130,274.89, meaning that on a per capita basis, every man, woman, and child in America owes \$18,445.34 as his or her share of the Federal debt.

It is important to note, Mr. President, that the United States had an opportunity to begin controlling the Federal debt by implementing a balanced budget amendment to the U.S. Constitution. Unfortunately, the Senate did not succeed in its first opportunity to control this debt—but there will be another chance during the 104th Congress.

POST-CLOSURE OF MILITARY
BASES

Mr. PRYOR. Mr. President, on March 16, 1995, the Defense Base Closure and Realignment Commission conducted a hearing to explore the Federal Government's response to the economic trauma of military base closings. This hearing on so-called post-closure matters was extremely useful in assessing the challenges facing communities that will lose a base this year, and I applaud the Commission's able Chairman, former U.S. Senator Alan Dixon, for his leadership in this regard.

At the request of Chairman Dixon, I am submitting into the CONGRESSIONAL RECORD various documents outlining the positions of several community organizations concerning recommended improvements to the process of closing and redeveloping military bases.

Mr. President, I ask unanimous consent that information supplied by the U.S. Conference of Mayors, the National Association of Installation Developers, the National Association of Counties, and others, along with a copy of my statement at the March 16 hearing, be printed in the RECORD.

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

STATEMENT OF SENATOR DAVID PRYOR BEFORE THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION, MARCH 16, 1995

Mr. Chairman and distinguished members of this Commission, I appreciate the opportunity to testify before the 1995 Base Closure Commission on the important subject of redeveloping closed military installations.

First, I applaud this Commission and its Chairman for having the vision and courage to address an issue that previous Commissions declined to confront; the issue of helping local communities rebound from the economic trauma of losing a military base.

By also focusing on so-called post-closure matters, some may feel that this Commission is straying too far from its nest. I, however, disagree with this notion. This Commission can fulfill its base closure responsibilities while at the same time, fulfilling its moral responsibilities by recommending ways to assist those who will be devastated by your actions and findings.

Distinguished Commissioners, we are about to complete our fourth and final base closure round. We have learned many lessons from the first three. The most obvious lesson is that base closings hurt.

Mr. Chairman, like yourself, I am personally aware of the pain caused by base closure announcements. The 1991 Commission closed Eaker Air Force Base, a B-52 SAC base located in Mississippi County, Arkansas. They also took away a majority of the work at Ft. Chaffee near Ft. Smith, Arkansas. Now this Commission must determine whether to close Ft. Chaffee, as the Army has recommended, and whether to close Red River Army Depot, located in the town of Texarkana on the Arkansas-Texas border.

For many cities where military bases are located, the military is the largest employer and the loss of a base can cause an economic tailspin. Such would be the case at Red River Army Depot, which accounts for 10 percent of the local economy in Texarkana.

To be certain, base closings are painful.

The first three base closure rounds have also taught us that the task of replacing lost military jobs through the civilian redevelop-

ment of closing bases is difficult, costly, and often slow in producing good results.

However, finding a new use for an old base is a worthwhile endeavor, and like it or not, it is an effort that involves the federal government.

Since we began closing obsolete military installations in 1988, we have struggled over the appropriate role of the federal government in the closure, cleanup, and redevelopment of these bases.

I must admit that our original approach to post-closure matters failed miserably. In the 1988 and 1991 base closure rounds, the federal government, including this very commission, took a "hands-off" approach. The results were disastrous.

Job creation was virtually non-existent. Closure costs skyrocketed. Communities threw up their hands in frustration over the government's refusal to provide help when help was needed. When this process began in the late 1980's, the federal government was the primary obstacle to a quick recovery, due to our hands-off approach.

I believe that instead of standing in the way of progress, government should form partnerships with local communities and work together with shared resources and know-how to replace lost military jobs.

We should not turn a cold shoulder to the people who helped us win the Cold War. Base closure communities deserve much more than a simple "thank you".

Fortunately, on July 2, 1993, President Clinton announced that the federal government would reverse its policy and begin pursuing partnerships with communities.

The President's five-point plan for helping communities included giving them greater access to base property, fast-track environmental cleanup, transition coordinators at every base to help cut through the red tape, larger federal grants for economic development, and bolder job retraining and transition services for those who lose their jobs.

After the five-point plan was offered, it became clear that several changes in law would be necessary to fulfill the President's vision. As a result, the Senate Democratic Task Force on Defense Reinvestment, which I chaired, developed the necessary legislation during the summer of 1993.

The resulting legislation, commonly referred to as the Pryor Amendment, was accepted as an amendment to H.R. 2401, the Fiscal Year 1994 Department of Defense Authorization Act, and signed into law by the President later that year.

The Pryor Amendment ratified the President's five-point plan by making major changes to the base closure laws that would provide communities with desperately needed assistance. A summary of this legislation will be submitted for the record with my prepared remarks.

The primary contribution of the Pryor Amendment is its recognition that the land and property on closing bases can be a catalyst for future development and economic growth. Our legislation gives the Secretary of Defense authority to transfer or lease base properties to communities below fair market value or, in some cases, for free.

Communities nationwide are currently using this legislation to enhance their chances for economic revival. Just last week, the U.S. Air Force recently conveyed 600 acres of land at Norton Air Force Base in San Bernardino, California at a reduced price. This land transfer will create 1,000 jobs immediately due to expansions in local manufacturing. I am also aware that the government of Taiwan wants to open a foreign trade center at Norton, creating almost 4,000 new American jobs.

I am pleased that communities like Norton are taking advantage of the government's re-

newed willingness to help beat swords into plowshares.

In 1994, our Senate task force was successful in passing legislation in Congress to exempt closed military bases from the Stewart B. McKinney Homeless Assistance Act.

The task force had been notified that some homeless assistance groups were trying to acquire base property through the McKinney Act even though local communities had already agreed to using the property for other purposes.

This disruption was truly counter-productive and an unintended consequence of the McKinney Act.

Due primarily to the leadership of Senator Nunn and Senator Feinstein, we formed a consensus for passing legislation to exempt closed bases from the McKinney Act. Our bill, the Base Closure Community Redevelopment and Homelessness Assistance Act of 1994, established a new process for addressing local homeless needs in a way that is supportive of local redevelopment efforts.

I am proud to say that this legislation was supported by base closure community groups and homeless assistance groups, Democrats and Republicans. It was signed into law by the President late last year.

Each of these initiatives—the President's five-point plan for increased federal funds and assistance, the Pryor Amendment, and the McKinney Act exemption—represent a decisive shift in the government's response to base closings.

The good news for communities that will lose bases in this round is that the federal government is now ready and willing to help you beat swords into plowshares. We are much better prepared now to meet these challenges than we were in 1988 when the base closure process began. I applaud the Clinton Administration for its vision in this regard.

At the request of this commission, I have devised a few brief recommendations for communities that lose a base in this round.

First, begin planning early for the future. Communities that have found the most success are those that embarked on an early, aggressive effort to find civilian uses for their base.

For example, when England Air Force Base in Alexandria, Louisiana was recommended for closure in 1991, the community formed two committees. One led the fight to keep the base open, the other committee, which operated largely in secret, was laying the foundation for bringing in new business.

To date, England has created almost 1,000 new jobs on base, due mostly to the J.B. Hunt trucking company's decision to train truck drivers on the old runways.

I encourage local communities to follow England's example. If any of the towns with bases on the 1995 list chose to begin planning early, Congress has given the Department of Defense the authority to provide grants for such purposes. Also, last year Congress passed legislation prohibiting this commission from penalizing towns that chose to begin planning for redevelopment even as they are fighting to keep their bases open.

I also encourage communities to speak with one voice. Each of the federal programs I have outlined are designed to help communities help themselves, but it is difficult to help communities that are not unified.

For example, George Air Force Base in Southern California was closed in 1988 and immediately thereafter two nearby cities engaged in a power struggle over who was entitled to federal aid and future revenue from the base. A legal battle ensued and the matter was fought in the courts for almost five years. Businesses interested in locating on base went elsewhere. Today there is little to show for their efforts at George except missed opportunities and lost hope.

The government can do little to help communities unless they speak with one voice.

I have also been asked to make recommendations to this Commission on ways to improve the government's response to base closings.

First, the federal government should continue vigorously pursuing partnerships with local communities.

Every government employee, top to bottom, must be fully committed to forming successful partnerships.

While I am convinced that the top levels of government are committed, I question whether this cooperative spirit is alive at the working level.

Although we have made substantial improvements, local communities are still frustrated by the service they often receive.

Every day, government officials and community leaders must choose between working together hand-in-hand or engaging in hand-to-hand combat. I believe this Commission could explore ways to improve the cooperative spirit. Let me suggest a few.

First, find ways to remove the "government knows best" mentality. In most cases, government attorneys and government bureaucrats are making key decisions on private sector development issues with little or no consultation with local experts who know their region best. We must remember that communities are in the best position to inform us of responsible ways for government to contribute.

Second, the Commission could explore ways to make government more nimble, capable of making decisions quicker and delivering services more rapidly.

The interim leasing process exemplifies the dangers of moving too slowly. Currently, the military services are taking about 6 months to complete a lease agreement. This is entirely too long. Without a lease, businesses interested in locating on base go elsewhere. We should explore ways to speed up the leasing process and the delivery of other important services.

One suggestion for making government more nimble is to empower the workers in the field. Give them more flexibility and greater authority to make decisions on the spot.

The commission could explore this and other ways for speeding up decisions and results.

Finally, we must not undo the tremendous progress we have worked so hard to achieve. Specifically, I urge this Commission to caution Congress against cutting funds for base closure assistance programs, especially environmental cleanup, planning grants, and EDA grants for infrastructure improvements.

Although Congress has provided the necessary funds in recent years, this year these monies are at risk.

If Congress cuts base closure assistance funds, communities would experience paralysis. Economic development would suffer and the cost of closing bases would skyrocket. Such funding cuts would be counterproductive, and I hope this commission will see the merits of fully funding these base closure assistance programs.

Again, I applaud Chairman Dixon and this commission for accepting its moral responsibility and exploring ways to help communities rebound from the economic pain of base closures. I thank the commission for the opportunity to give testimony at today's hearing.

THE U.S. CONFERENCE OF MAYORS,
Washington, DC, February 27, 1995.

Hon. WILLIAM J. CLINTON,
President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: With the pending BRAC 1995 process, meeting the challenge of

defense conversion is a high priority for the nation. While we recognize the administration's need to downsize the Department of Defense's base structure, arming cities with the tools they need to combat the negative impact of this downsizing is equally important.

In 1993, you announced a five-point plan to ease the impact of military base closings on local communities. Following your announcement, the United States Conference of Mayors began a series of steps to assist communities responding to the challenges of a military base closures. These steps included appointing a Mayors' Task Force on Military Base Closings and Economic Adjustments, and holding two national meetings to help solicit ideas to improve the process and ease the difficult transition following a military base closing.

Copies of our recommendations are being delivered today to the BRAC Commission, to all members of your Cabinet, and to the leadership in both the House and Senate. These recommendations are being released today to coincide with the list of base closings which is expected to be released tomorrow.

As co-chairs of the Mayors' Military Base Closing and Economic Adjustments Task Force, which represents mayors of cities that are currently trying to convert former defense facilities to private uses, we would like to demonstrate that defense conversion can happen. However, in the absence of the reforms we have proposed, we are concerned that successful conversion will never truly be achieved. It is our hope that you will actively support these recommendations, which are necessary to ensure that "defense conversion" is no longer a buzz word, but a reality.

Respectfully,

SUSAN GOLDING,
Mayor, San Diego,
Task Force Co-chair.
EDWARD RENDELL,
Mayor, Philadelphia,
Task Force Co-chair.

A NATIONAL ACTION PLAN ON MILITARY BASE CLOSINGS

RECOMMENDATIONS FROM THE MAYORS' TASK FORCE ON MILITARY BASE CLOSINGS AND ECONOMIC ADJUSTMENTS TO THE PRESIDENT OF THE UNITED STATES AND THE 104TH CONGRESS

Foreword

At the U.S. Conference of Mayors Annual Meetings in Portland, Oregon, June 11, 1995, the Conference adopted two resolutions regarding military base closings. Following our Annual Meeting, Conference of Mayors President, Knoxville Mayor Victor Ashe, appointed a Task Force for Military Base Closings and Economic Adjustments. Mayors Susan Golding of San Diego and Edward Rendell of Philadelphia were appointed co-chairs of this Task Force.

With the help of a grant from the Economic Development Administration of the U.S. Department of Commerce, the Conference of Mayors held two meetings to assist mayors in preparing for the next round of base closings scheduled to be announced in February 1995. Approximately 150 communities were represented at the two meetings. The first was held in San Diego on December 8-9, 1994 and the second was held in Washington on January 24, 1995 in conjunction with the conference of Mayors Winter Meeting.

The attached recommendations are an outgrowth of those meetings, as are the quotes that appear in the margins.

On behalf of our officers, members, and staff; we think those mayors and city representatives who attended the two meetings, and especially appreciate the tremendous as-

sistance given to us by the Economic Development Administration and the Office of Economic Adjustment at the U.S. Department of Defense. Without their help, this historic Conference initiative would not have gone forward.

In addition, I would like to thank our co-chairs, Mayors Golding and Rendell, for their outstanding leadership on the Task Force.

We also recognize Mayor Jerry Abramson of Louisville, past president of the Conference of Mayors, for making this issue of base closing a priority for the mayors last year, as well as current President Victor Ashe who recognized the importance of this issue and kept military base closings a top priority for the mayors, even though he had no military bases in his community.

Michael Kaiser, our Conference Staff Director, deserves special thanks for his determination and hard work in following through to make our first past-Cold War initiative on base closings and economic adjustments a success for our members as we confront the challenges of economic conversion in the year ahead.

J. THOMAS COCHRAN,
Executive Director.

RESOLUTION ON BASE CLOSINGS

Whereas, the United States Conference of Mayors has formed a military base closing and economic adjustment task force, and

Whereas, this task force has held two meetings in San Diego, California and Washington, DC to help mayors effectively deal with the consequences of military base closings, and

Whereas, mayors attended these two task force meetings in San Diego December 8-9, 1994 and in Washington January 24, 1995 in conjunction with the Conference of Mayors Winter Meeting, Now, therefore, be it

Resolved, mayors call for several actions necessary to ease the impact of base closings on various communities to return the land to economically productive civilian use, including:

Providing and continuing federal funding for communities affected by defense downsizing, including, but not limited to, the support of the Economic Development Administration (EDA) and the Office of Economic Adjustment (OEA);

Streamlining the process for transfer and clean-up of military facilities scheduled for closure; and

Securing local control of decision-making relating to infrastructure and resources; be it further

Resolved, The United States Conference of Mayors will issue a formal report to the White House and Congress prior to the next round of base closings scheduled to begin March 1st to address these actions.

RECOMMENDATIONS FROM THE MAYORS' TASK FORCE ON MILITARY BASE CLOSINGS AND ECONOMIC ADJUSTMENTS

RECOMMENDATION 1: SPEED AND IMPROVE FUNDING FOR AFFECTED COMMUNITIES

Mayors ask that the federal government respond to a base closing as the would to any natural disaster. Mayors call for federal agencies to respond as quickly as FEMA (Federal Emergency Management Agency) to assist communities affected by base closings. Financial and technical support should be given immediately upon designation of a base closing. This impact aid should be awarded without excessive paperwork or time delays.

RECOMMENDATION 2: ELIMINATE HUD APPROVAL OF LOCAL COMPLIANCE WITH THE MCKINNEY ACT (I.E., THE BASE CLOSURE COMMUNITY REDEVELOPMENT AND HOMELESS ASSISTANCE ACT OF 1994)

Under the Base Closure Community Redevelopment and Homeless Assistance Act, cities must work with homeless assistance providers and local redevelopment authorities to develop a local reuse plan for surplus federal properties. The Department of Housing and Urban Development (HUD) must then approve the plan, and the Development of Defense (DOD) then acts in accordance with HUD approval. Mayors believe that the requirements of this statute, particularly the requirement of HUD approval, essentially represents another unfunded federal mandate. How facilities are reused should be entirely a local decision.

RECOMMENDATION 3: STREAMLINE THE PROCESS FOR TRANSFERRING TITLE AND CONTROL OF MILITARY BASE PROPERTY TO LOCAL GOVERNMENTS

As a result of the President's five-point plan and emphasis on community input, there have been tremendous improvements in the property transfer process. However, much more needs to be done.

Because existing efforts have not been effective, mayors call for the President to appoint an official Ombudsman at the National Economic Council in the White House, who can respond in a timely fashion, impose coordination and communications between federal agencies, and cut the red tape to facilitate property transfer and economic development of military bases.

Additionally, mayors call for a revision clause for properties considered for public benefit. In many cases, the property was given freely by the local community to the federal government when the bases were first built. This property therefore should be given back to the local community, not sold back.

RECOMMENDATION 4: DEFINE WHAT CONSTITUTES A "REUSE PLAN"

There are different points of view among federal agencies about what constitutes a reuse plan. For example, current law requires that a reuse plan be completed within nine months. But this time is not sufficient if the definition of a reuse plan includes environmental impact studies and related documentation.

The law should recognize the variety and differences among military bases. A standard nine month period may be appropriate for smaller bases, but it is not enough time for larger bases where multiple jurisdictions are involved or where environmental contaminants are more difficult to identify. A range therefore (e.g., 6-12 months) should be considered rather than a standard nine months for all bases.

RECOMMENDATION 5: QUALIFY MILITARY BASES FOR AUTOMATIC CONSIDERATION AS ENTERPRISE ZONES

If bases were automatically designated as "Enterprise Zones," it would give cities many advantages to undertake economic development projects. For example, special enterprise zone designation for military bases would allow communities to use tax credits for hiring out-of-work federal employees.

RECOMMENDATION 6: ELIMINATE THE REQUIREMENT THAT MILITARY BASE CONVERSIONS COMPLY WITH DUPLICATIVE STATE AND FEDERAL ENVIRONMENTAL REGULATIONS

Mayors call for better coordination between state and federal governments to eliminate the needless duplication of efforts required for environmental compliance. The cost and time involved in trying to comply

with both federal and state regulations are enormous. Many of these regulations are duplicative. The federal government should agree to find compliance with state regulations that are substantially equivalent, provided that the state agrees to meet federal timetables and provide a single point of contact.

RECOMMENDATION 7: CLARIFY NATIVE AMERICAN PARTICIPATION IN THE REUSE PLAN

The law remains unclear regarding which entities of the federal government have the authority to make claims on behalf of Native American Tribes. Some communities have spent months on reuse plans, only to have them stopped at the last minute by claims from the Department of Interior. Mayors call for better coordination among the armed services and the Bureau of Indian Affairs (BIA) within the Department of Interior to clarify the rights of Native Americans with regard to military bases.

RECOMMENDATION 8: EXEMPTION/EXTENSION OF MILITARY BASE CONVERSION FROM UNIFORM BUILDING CODES, UNIFORM FIRE CODES AND THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

Although all mayors feel compliance with federal and local laws is important, immediate compliance with many federal building codes is simply impossible. Most military properties are not up to code. Unless the federal government is willing to pay to bring these properties up to code, mayors ask that the time for compliance be lengthened, or that compliance be left to the discretion of the local governments which are responsible for enforcing these codes.

RECOMMENDATION 9: CLARIFY OWNERSHIP RIGHTS TO AIR EMISSION CREDITS UPON CLOSURE OF A MILITARY BASE

All air emission credits should be classified as a local asset under the law, especially in those cities where strict air emission limits exist. The federal government should provide for prompt transfer of any credits formerly used by the military in connection with base property.

RECOMMENDATION 10: REQUIRE THE FEDERAL GOVERNMENT TO PAY FOR THE REMOVAL OF FUNCTIONALLY AND ECONOMICALLY OBSOLETE STRUCTURES AND FIXTURES ON CLOSED MILITARY BASES

As noted in Recommendation #8, many buildings on military bases do not meet building codes. In many cases it would cost more to fix us these buildings than it would to tear them down. Mayors ask that the federal government provide the funding to remove all obsolete structures and fixtures from closed military bases. Further, that these anticipated costs be considered among the criteria used by the Base Realignment and Closure Commission (BRAC) to determine whether or not a particular base should be closed.

RECOMMENDATION 11: ENACT LEGISLATION TO PERMIT DUAL USE OF BASES

Although the law makes reference to dual use capability (i.e., military and civilian use of base properties simultaneously), the reality is that dual use is largely left to the discretion of the local base commander. Mayors call for clarification and consistency from the Department of Defense to permit dual use activities on all military bases and that a prescribed method be established for communities to actively present a dual use plan for those facilities considered to be surplus by the military.

RECOMMENDATION 12: EDUCATE BOND RATERS AND INSURERS REGARDING THE ACTUAL IMPACT OF CLOSED MILITARY BASES ON BOND RATINGS

There is a deep lack of understanding among bond raters and insurers with regard

to the impact of base closings on local communities. Although this is not a federal concern, the mayors would like the federal government to be aware that they plan to send a delegation to Wall Street to meet with bond raters and insurers to help reduce the misunderstandings that result in lower bond ratings and difficulties for cities to obtain the necessary insurance coverage following a base closing.

RECOMMENDATION 13: OPEN THE FEDERAL APPRAISAL PROCESS

Many communities have had the experience of not knowing how the federal appraisal of base properties was made, and have had no chance to react to it, challenge it, or offer an appraisal of their own. Since the property appraisal process has a tremendous impact on the local community, this process needs to include more local involvement. More importantly, this process needs to emphasize the exchange of properties for local conversion to promote private sector participation (i.e., in cases where the local government retains ownership and then leases these properties to the private sector).

RECOMMENDATION 14: PRESERVE FINANCIAL AND TECHNICAL SUPPORT FOR COMMUNITIES AFFECTED BY PREVIOUS BASE CLOSURE PROCESSES (1988, 1991, 1993)

Mayors unanimously support the involvement of the Economic Development Administration (EDA) at the U.S. Department of Commerce and the Office of Economic Adjustment (OEA) at the U.S. Department of Defense in assisting those communities affected by military base closings and defense industry downsizing. The mayors call for the continued support of these agencies and for increased funding, commensurate with the impact of the 1995 BRAC round, and any subsequent rounds.

Additionally, mayors call for special consideration to be given to those communities hard hit by previous BRAC rounds and ask that the 1995 BRAC decisions take into account the cumulative economic impact on these communities. Whenever possible, the federal government should consider relocating other federal agencies/programs to these affected communities.

RECOMMENDATION 15: CLARIFICATION OF THE DEFINITION OF MILITARY BASES

Military bases should be clearly defined under the law (i.e., what constitutes a military reservation for the purposes of BRAC). In addition, mayors ask that GOCO (Government Owned Contract Operated), munitions and other defense related facilities be considered for inclusion under the BRAC law, should the BRAC law be extended beyond 1995. (Note: Currently these properties are evaluated under GSA and other federal rules and regulations.)

RECOMMENDATION 16: MAKE FURTHER REVISIONS/REVIEW OF THE PRYOR AMENDMENTS

The local reuse authority should have the right to reserve—prior to any non-Department of Defense screening—all or part of a base for an economic development conveyance application. This application could occur prior to or during the planning process, but should not have to wait until the plan is completed.

RECOMMENDATION 17: ADDRESS HAZARDOUS WASTE CLEANUP OF BASES

There is no question that the federal government is responsible and liable for cleanup of military bases. However, it is clear that the federal government greatly underestimated the cost of cleanup. Since communities cannot develop sites until they are cleaned up, it is recommended that the Federal government either allocate more money for cleanup or change the regulations for

military bases. The federal government must adhere to a timetable for clean up, just as it imposes timetables on local governments and private contractors. Furthermore, communities in all states should be allowed to separate clean parcels of land from dirty parcels to allow economic development plans to move forward.

RECOMMENDATION 18: GIVE CONSIDERATION TO LOCAL JOB CREATION

Many of the jobs created by a base closure are in the area of environmental cleanup, base security, utility improvements, and the demolition of buildings. Priority should be given to local residents for these jobs/contracts. Also, special job training should be made available locally to ensure that federal employees who served the nation so well for so many years receive every possible opportunity we can give them, especially since many of these people are just a few years away from receiving retirement benefits.

RECOMMENDATION 19: PRIORITY FOR PUBLIC BENEFIT TRANSFER

Every piece of property should be considered for Public Benefit Transfer/Economic Development Conveyance (EDC) before the federal government begins selling to the highest bidder. As soon as a piece of property is identified for an EDC, a community should be allowed to approach local financial lending institutions to give interested parties quick access to these properties.

RECOMMENDATION 20: PROVIDE TITLE INSURANCE FOR FEDERAL PROPERTY

Mayors recommend that the federal government provide title insurance for all federal properties. Given the hazards and unknowns about federal properties, particularly from an environmental point of view, it is not going to do a city any good to have title to these properties, and then attempt to turn around and convey them—whether that be to a non-profit or private outfit—only to find out that they cannot get the title insured.

THE AMERICAN COUNTY PLATFORM AND RESOLUTIONS 1994–1995—COMMUNITY AND ECONOMIC DEVELOPMENT

(From the NACO National Association of Counties)

2.5 CHALLENGES AND LOCAL IMPACTS OF BASE CLOSURE

The adverse economic impacts of military base closures are devastating for small or rural communities and metropolitan areas. Base activities of ten play a dominant role in local and regional economies. Many communities have witnessed the departure of ten to 30 percent of their population as a result of a base closure. Economic downturns and slow economic growth over the past several years have hurt the ability of large and small communities to adjust to base closures, particularly when they must grapple with the cumulative effects of cuts in other federal programs. For an impacted community of any size, the transition of a closing military base to civilian use is a long, difficult and costly process.

Job Loss. The most immediate impact felt by a base closure community is the loss of both military and civilian jobs at the base, followed by secondary jobs, particularly retail and service positions in the surrounding community. These job losses then lead to population loss as people leave the area in search of new jobs. The Department of Defense (DoD) often does not allow local businesses to provide environmental testing and cleanup services that would create jobs in communities in which bases are closed.

Eroding Tax Base. Local sales and income tax revenues decline as population and in-

comes drop, and the decline in real estate values reduces property tax revenues. This erosion of the tax base reduces the ability of local governments to provide needed services—job training, job search assistance, health services, substance abuse counseling, domestic violence prevention, and possibly welfare assistance—just as the need for them increases.

Increased Local Government Costs. Local governments can incur substantial long-term costs as a result of a base closure within their jurisdiction. These costs include maintenance of roads, buildings and other infrastructure and provisions for police and fire protection on the base. These services may be provided by a caretaker force until the base property is transferred, but the local government will have to provide services to the area after transfer. It is important for local governments/reuse entities to have the opportunity to provide caretaker services which would provide continuity and enhance transition to reuse. Large portions of base property are often available for public benefit transfer for aviation, education, health care, public recreation and historic preservation. Organizations that receive base property for these purposes are typically tax-exempt and pay no property taxes to offset the costs of local government services.

Substandard Buildings and Infrastructure. Many buildings and much of the physical infrastructure, such as streets and utility lines, on military bases do not meet the requirements of the uniform building, electrical and other codes that set the national standard for what is required for civilian use. Unless the federal government assures that transferred facilities are in good working order and comply with applicable federal, state and local codes, including the Americans with Disabilities Act, local governments will face burdensome maintenance and renovation costs as they assume jurisdiction over closed bases.

Declining Real Estate Values. In response to the loss of job opportunities and the drop in population, real estate values decline, particularly in residential real estate. There often is a sudden surplus of housing and a deficit of people who want to live in the area. This decline in real estate values can be exacerbated by the presence of vacant military housing on the base which is perceived as adding to the supply of housing. The value of commercial and industrial real estate also declines. Building space on the base may represent more than a ten year supply for the local community. Owners have less incentive to invest in their property as real estate values decrease. As a result, local governments will likely encounter new hazards throughout their community from under maintained and abandoned property.

Adverse Impact on Local Banks. Often large numbers of small multi-family units exist around military bases. When the military withdraws, the units are empty, and owners cannot pay their mortgages. Local banks have indicated a willingness to restructure loans. However, examiners from the Comptroller of the Currency will reclassify these loans as non-performing. Regulatory relief is needed during the transitional period to allow an orderly restructuring of these loans.

Strong, proactive support from the President is vitally needed to assist in conversion and reuse efforts. Active leadership on the part of the Secretary of Defense and the service secretaries is critical. The administration needs to look for ways to expedite reuse, reduce delays, and cut costs to closure communities.

2.5.1 Federal Oversight of Base Closures—Efficient conversion of closed bases to productive civilian uses will require the coordi-

nated efforts of several departments of the federal government. Conflicting missions within DoD and among other federal departments and agencies have slowed the base reuse process and added to the difficulties reuse communities face. Congress and DoD have made unrealistic estimates of the profits that the federal government will receive from reuse of closed installations. As a result, the conversion process is delayed, because base commanders are often forced to make economically unrealistic demands in the sale or lease of base facilities.

An Assistant Secretary of Defense should be appointed in DoD whose primary responsibilities are to ensure rapid conversion of facilities and economic development which enhance local economies and the nation's development as a whole. This senior official must have the authority and responsibility to administer base closure activities for the three branches of the military and coordinate actions taken by federal departments and agencies which impact conversions. It is critical that this person have the confidence and support of the president. This official should foster an intergovernmental partnership through continuing dialogue with the affected communities.

A new working group should be formed or modification made in the membership of the Economic Adjustment Commission to meet with the Office of Economic Adjustment. Counties, redevelopment districts, states and cities should have representatives on this working group, and pertinent federal departments and agencies should participate. These include Labor, Commerce, Treasury, Health and Human Service, the Office of Management and Budget, Housing and Urban Development, the Environmental Protection Agency and Small Business Administration.

The base closure commission should have greater geographic representation and representatives from local government.

The Secretary of Defense should provide clear orders to all commanders on installations designated for closure that their primary mission shall be facilitating swift civilian reuse of the installation while minimizing adverse impacts on the community in which the facility is located.

2.5.2 Economic Adjustment Assistance—To maximize the fiscal benefit of base closure, the federal government must assist in the rehabilitation of substandard base facilities and provide creative financing terms to purchasers or developers of closed bases. In addition, DoD must recognize that many facilities, such as airfields, will lose substantial value if they are used and unmaintained or if key equipment is taken from the facility for use elsewhere.

Economic adjustment assistance, from the Officer of Economic Adjustment or the President's Economic Adjustment Committee, is absolutely necessary. Such funding should not be limited to reuse planning, but should also be available for special projects on a discretionary basis and for preparing strategic marketing plans, including development, printing and distribution of marketing materials. Funds currently available for planning are inadequate. The cost of preparing general and specific land use plans, while different throughout the United States, exceeds, in every instance, the amount of funds available for reuse planning from the Office of Economic Adjustment.

"Bridge funding" to enable communities to assume responsibility for large airfields and other military facilities with civilian uses should continue for several years after closure, until the facilities can begin to generate revenue. To preserve taxpayers' investment in these assets, facilities should be maintained, and equipment that is essential for their functioning should remain intact

for long-term economic development following conversion.

To assist with economic stimulus, the federal government (and state governments) should enter into joint marketing agreements with local governments to promote development of these properties.

Continued support for projects related to base closure through the Economic Development Administration remains important. Affected local governments should be eligible for federal dollars which can be used for local priorities, including making loans or grants to businesses that utilize former bases. Any loan repayments should go into a revolving loan fund for use by local governments in financing additional conversion activities.

DoD must explore alternative methods to finance the transfer of bases out of federal ownership and the development of new, productive uses on the property. Financing often can be provided without expense to the federal government merely by extending the time period during which an installment purchase of a facility must be paid. Coordinating the disposition and reuse plans with funding available through other federal departments, such as Labor and Transportation, will allow the federal government to obtain a greater overall, long term value for closed bases while mitigating adverse local impacts.

Legislation is needed to allow economic development activities to qualify as a public benefit transfer. The cost of appraisals should qualify for these funds.

The federal statute which prohibits those who acquire federal property from disposing of it at a profit should be modified, possibly with the federal government sharing a portion of the profit.

Allow local reuse authorities to issue tax-exempt industrial development bonds, to serve as business incentives and provide financial support to local closure authorities during the conversion phase.

Closing military bases should be made foreign trade zones and federal enterprise zones with the associated tax advantages and investment credits to enable them to attract private investment. Distressed base closure communities should not have to compete for zone designation with other distressed communities. If authorizing legislation limits the number of zones, then base closure sites should be designated in addition to designations for other areas.

Any national infrastructure financing programs should set aside funds for infrastructure improvements on former military installations. Bases slated for closure often have substandard and poorly maintained streets, sewers and other utility systems. Infrastructure improvement costs can create insurmountable obstacles to reuse of bases. Conversely, without infrastructure improvements, the federal government will face increasingly costly maintenance costs after base closure.

Local contractors should have preference in providing environmental remediation. Local government/reuse entities should have preference in providing interim management and caretaker services.

2.5.3 Property Transfer—It is imperative to design and implement a review and transfer process that is consistent among the operating branches within DoD. This needs to be responsive to community reuse objectives and provide prompt transfer of property to accomplish early economic recovery.

There has been only one transfer of a major base property pursuant to the 1988 or 1991 base closure laws, out of 200 eligible properties. Only interim leases have been approved, most of which have been limited to one year, and all of which can be canceled with a 30 day notice. This has been one of the

greatest obstacles to local planning and development. It is difficult to recruit private businesses to locate on a base when the local governing entity can only offer a one year lease.

The pace at which leases are approved is too slow. There have been instances where lease applications have been delayed for more than nine months. DoD should process interim lease applications within 60 days as required by law.

DoD should act swiftly to implement PL 102-426. This bill requires prompt identification and transfer of uncontaminated parcels of base property. "Parcelization" of bases with contamination on them has been held up by the Superfund law which forbids the transfer of federal property on the Superfund list until the contamination has been remediated. The law clarifies that uncontaminated parcels of bases on the Superfund list may be transferred before cleanup of contaminated parcels has been completed.

Negotiated sales of base property should require congressional review only if valued at \$1 million or more. Current law requires congressional review for sales worth \$100,000 or more.

The McKinney Homeless Assistance Act requires that all federal property, including closing bases, be made available to providers for the homeless. The enormous number and size of public properties on bases were not envisioned when this act was drafted. In order to eliminate any possibility of delay to reuse efforts which result from the ongoing nature of making federal property available to the homeless, legislation should be introduced which limits the screening period for McKinney Act uses on closed bases to the same screening period as federal agencies.

Key "person property" items such as machinery, equipment, and rolling stock should also be made available to assist in local economic recovery.

DoD should reexamine the policy which precludes the demolition of buildings prior to transferring bases. Many buildings are unusable because, for example, they contain asbestos, or do not comply with the Americans with Disabilities Act and state and local building codes.

Interim agreements should give local governments preference in exercising police powers and rendering caretaker services. The federal government should reimburse local governments for maintenance costs.

2.5.4. Indemnification—The threat of catastrophic liability for environmental contamination has seriously dampened efforts to attract private businesses to locate on closed military bases, and directly threatens local governments with potential liability. Reuse of facilities will often require public and private financing for infrastructure, buildings and business operations. Local governments and businesses will not find lenders willing to invest in construction of new facilities on closed bases unless lenders are assured that the federal government will be responsible for damages arising from toxic contamination caused by DoD. Indemnification is a waiver of sovereign immunity that places the federal government in the same position as any other owner of contaminated property. By waiving its sovereign immunity rights, the federal government will enhance the value of its property by making new investment possible.

DoD should expeditiously develop policy or regulations to permit interim leasing without demanding waiver of rights to indemnification against environmental liability.

2.5.5. Environmental Cleanup—Environmental contamination on bases must be cleaned to a standard that not only protects human health, but also permit reuse of the

facility in accordance with locally generated, legally defensible land use plans without the local agencies or private sector having to incur additional cleanup costs in order to reuse the facility. Local jurisdictions must have the opportunity to be active participants in all phases of environmental cleanup, including evaluation of site conditions and selection and implementation of remediation programs. The timetable for environmental impact statements, parcelization, and prioritization should be coordinated with civilian reuse plans.

Federal cleanup programs should provide training and employment of local residents to help mitigate the loss of jobs caused by base closure. Use of local contractors should improve compliance with local and state as well as federal standards. Funding for environmental cleanup at closing bases should continue at levels that support timely transfer and conversion.

2.5.6 Fair Market Value—Legislation is needed to enable DoD to transfer closing base property to local interests at no cost, reduced cost, or through flexible payment methods according to local conditions. Congress and DoD have made unrealistic estimates for profits the federal government will receive from reuse of closed installations. As a result, the conversion process is delayed, because base commanders are often forced to make economically unrealistic demands in the sale or lease of base facilities.

Currently, leases and sales of base property are required to be at "fair market value" even in cases where the purchasing community provided the original land to the military at no cost. This requirement hurts the ability of communities to attract new private sector jobs and investments and increases the financial burden on the base closure community.

The time period over which local governments must amortize loans to purchase these facilities is too short. Flexible payment methods could include installation sales with payment commencing after reuse operations have begun to show a positive cash flow. Alternatively, a Federal Finance Bank could be authorized to purchase federally guaranteed bonds to be issued by communities for local acquisition of closing base facilities with minimal down payments and at low interest rates.

The basis of market value is reuse. Highest and best reuse must be physically possible, appropriately supported, financially feasible, produce the highest monetary return or serve a public or institutional purpose. The appraisal of military bases is complex and challenging. The above definition of highest and best use allows considerable flexibility. A preappraisal agreement between the parties of negotiation would bridge a communication gap in the appraisal process. Areas of agreement may be (1) reuse assumptions, (2) existing physical conditions (including infrastructure), (3) community building code standards required for reuse, and (4) conversion funding resources. Properly communicated, realistic professional differences of opinion can bring about positive insight and assist in identifying the best alternatives and resolving issues. On the other hand, values based on limited knowledge, unrealistic assumptions, or simply widely different reuse considerations can cause communication gaps and negotiation roadblocks. A professional appraisal report that appropriately and realistically addresses existing physical, functional and market conditions and recognizes the gap (costs) between these existing

conditions and the ultimate reuse is a valuable resource to assist in disposition/acquisition negotiations. To understand an appraiser's opinion of value, all premises, assumptions, and projections that directed the appraiser should be stated.

The appraisal process tends to inflate the value of sites by failing to consider certain factors. For example, the fair market value of an interim lease will go down after the base closes and the available supply of building space skyrockets. The federal government, however, uses the pre closure figure for the value. The government also should consider the cost of holding and maintaining real estate when evaluating the present value of base property. For example, if a base could be sold today for \$1.5 million, or four years from now for \$10 million, which is the better deal for the federal government if the annual caretaker cost of the property is \$2.5 million? A discounted cash flow analysis should be used.

Local entities and the military should do joint appraisals. At a minimum the federal government should share appraisal instructions with localities so there is a common basis in assigning value to the cost of such things as asbestos removal and correcting building code violations. Appraisers should be instructed to value land based on uses that are consistent with locally developed land use plans even if the appraiser concludes that such use is not technically "higher and best use". As background, the "higher and best use" standard is appropriate in circumstances in which land use plans have not been modified for a long time and the appraiser concludes that there is a realistic chance of obtaining local government approval of more intensive uses of the site. Local government will be involved in the reuse plans of any closed base and they will rezone the base in the context of an overall strategy to mitigate the adverse impact of the closure. It is inappropriate, in that context, for an appraiser to step in and suggest that the community or a business cooperating with the community pay a higher price because the appraiser believes that there are other uses to which the land could be put.

2.5.7 Job Retraining—The Economic Dislocation and Worker Adjustment Act (EDWAA) administered under Title III of the Job Training Partnership Act currently serves displaced workers including those displaced due to defense downsizing. JTPA programs should continue to be utilized as the framework of any new comprehensive retraining program for dislocated workers.

The current EDWAA program would be greatly enhanced by making several changes at the state and federal level:

The administration should continue to target discretionary job training funds to those areas in which military bases have been closed or are in the process of closure.

The current application process for receiving these funds should be streamlined. Eliminating the lengthy delays in this process would increase the ability of local service providers to administer this program to dislocated military and civilian personnel on a timely basis.

Local entities should be given increased flexibility in the types of retraining programs they deem appropriate to operate and be able to bypass the current maze of approvals necessary at the state and federal level.

[From the National Commission for Economic Conversion & Disarmament]
COMMISSION CALLS FOR MORE BASE CLOSURES AND ADVANCE PLANNING IN CURRENT ROUND A SMALLER FOURTH ROUND?

On January 24, Defense Secretary William Perry announced that the next and fourth

round of base closings "will not be as large as the last one." This represents a sharp change from previous plans to make the next round larger than the previous three combined.

Secretary Perry claims the closure process is being slowed by the rising costs of base closure and the current shortage of funds. Yet "postponing closures only means the likelihood of greater closure costs in the future," said ECD Executive Director Greg Bischak, Ph.D., "and the delay of savings that could be realized from these closures."

Driving the base closure process is the goal of saving money while bringing the base structure in line with the Administration's force structure plans. These intentions have come up against the political pressures provided by the '96 elections as well as short-term budgetary pressures—because it takes money to make money through the base closure process. Yet "closing fewer bases now will only exacerbate the current mismatch between an extravagant base structure and a smaller force structure," said Dr. Bischak. "The far-flung base structure of the Armed Services is still not scaled to the reduced threats of the post-Cold War world. The taxpayer still pays too much and more downsizing needs to be done."

FORCE STRUCTURE REDUCTIONS SHOULD SHAPE CURRENT ROUND

In the last three rounds of base closures, over 70 major bases were selected for closure. The majority of the 20 bases targeted for closure in 1988 in the first round were Army bases. During the 1990 round the Air Force closed 13 and the Navy nine major installations. In the 1993 round the Navy was targeted for the bulk of the closures.

Planned reductions in the 1995 round will likely focus on downsizing bases home to heavy armor, bomber wings, Air National Guard tactical air wings and Navy air maintenance depots and ship repair facilities. A number of DoD laboratories sited on bases may be affected by the base closure round.

"Additional force structure reductions are also possible without compromising this nation's security," said Dr. Bischak. This would permit additional base closures, for additional savings. According to Commission estimates, over \$3.5 billion could be saved from the defense budget on an annual basis by closing unneeded additional bases.

ADVANCE PLANNING IS NEEDED

Efforts to keep bases off the final list constitute the predominant strategy of communities facing possible closure. According to Bischak, "In past base closure rounds, a 'Save the Base' impulse led communities across the nation to spend millions of dollars to save bases while not spending a dime on promoting conversion." In the last round of closures, Charleston, South Carolina spent over a million dollars to protect five installations, but managed to save only the local Navy hospital. California mounted a full-court press costing the state millions of dollars. Already this year San Antonio has commitments worth \$250,000 to save Brooks Air Force Lab, Kelly Air Force Base and other local facilities. Oklahoma has raised \$200,000 to save Tinker Air Force Base and Utah has already spent \$300,000 to protect Hill Air Force Base and plans to spend another \$300,000 before the final decision is made.

A Commission report by Catherine Hill with James Raffel, "Military Base Closures in the 1990s: Lessons for Redevelopment," concludes from a review of past base closure experiences that communities doing the most advance planning reap the greatest returns in jobs and economic opportunity. Those communities on the hit list in this round of closures should take advantage of protection offered by the FY95 Defense Au-

thorization Act which allows communities to do advance planning without prejudicing them for closure in the decision-making process.

BASE CLOSURE CONVERSION-RELATED PROGRAMS

(Dollars in millions)

Department	Fiscal year—		Change	Percent
	1995 appro.	1996 request		
Defense Department:				
Military Personnel Assistance	\$985	\$1,146	\$161	16
Community Assistance (OEA) ¹	39	59	20	51
Base Closure Implementation	2,809	3,897	1,088	39
Environmental Restoration	2,298	2,087	-211	-9
Commerce Department:				
EDA Defense Conversion	120	120
Labor Department:				
Dislocated Defense Worker Assistance ²	178	178
Grand total	6,429	7,487	1,058	16

¹ Does not include JROTC or National Guard youth programs.

² Numbers based on White House, National Economic Council estimates of dollars going to defense workers from general dislocated workers assistance funds (Title III, JTPA; FY95 appropriation for this program was \$1.3 billion; FY96 request is \$1.4 billion).

BASE CLOSURE CONVERSION-RELATED FUNDING

In addition to legal protection for advance planning, funds are available for communities affected by proposed base closures that wish to pursue planning for economic development, worker retraining, and facility conversion. DoD was appropriated \$2.8 billion for base closure implementation for FY95. The \$2.3 billion appropriated for environmental restoration of Defense Department facilities may be the most important investment, because toxic contamination remains the greatest obstacle to base redevelopment. According to Bischak, "Up-front investments are required to enable rapid and environmentally responsible economic development."

In addition, the assistance provided by the Defense Department's Office of Economic Adjustment (OEA) is invaluable in providing technical assistance and grants to communities seeking to do advance planning. The implementation of communities' conversion planning is made possible by grants from the Economic Development Administration within the Commerce Department. These grants provide substantial funds for a range of services including: infrastructure development, technology initiatives, revolving loan funds and other economic development strategies. These funds are of vital importance because they leverage private sector and local public sector dollars for targeted investments to alleviate the sudden economic dislocation caused by base closures.

Funds from the Labor Department's Dislocated Worker Program and the Defense Department's Military Personnel Transition Assistance Program round out the palette of available assistance for communities and workers facing base closures. Both defense industry workers and employees of closed bases are eligible for assistance under the \$178 million going to dislocated defense worker retraining, and active duty personnel and civilian base employees are eligible for military transition assistance.

SUCCESSFUL CONVERSION MODELS

Communities at risk should look to successful models of conversion for instruction and encouragement. Both past and current bases possess assets of considerable potential use to the surrounding communities. Reuse is largely conditioned by the nature of the facilities on the base. Such facilities may include airfields, hospitals, or clinics, child care facilities, stores, theaters, recreational facilities and housing. Successful base reuse usually results from a community's ability to identify the comparative advantages of its regional economy and connect its base redevelopment effort to them.

Urban base reuse is generally easier than rural base reuse given a city's economic diversification and demand for the real estate and services that a redeveloped base might provide. As an example, the transformation of McCoy Air Force Base in Orlando into an air cargo transport hub brought about the employment of 6,000 people, easily compensating for the loss of 395 jobs.

Rural base reuse can also be successful given the proper planning. Presque Isle, closed in 1961, was located in an isolated rural location. However, the local leadership was able to transform the base into an economically diverse center by planning strategically, inviting outside companies to the site and prorating rent to the number of new jobs created. 1,302 jobs were created with new industrial tenants including Indian Head Plywood, Arrostook Shoe Company, International Paper, Converse Rubber Company, Northeast Publishing and a vocational training school.

Industrial parks are a popular option for base reuse. However, communities should be conscious of the wide variety of other possible projects. Air Force bases and naval air stations remain clear candidates for new municipal or regional airports and air cargo hubs. Redevelopment of former bases as schools has been a successful model with 47 bases closed in the 1960s and 1970s now having schools on them. And while using bases for low-income and homeless housing does not raise money through sale, it does achieve other important national objectives while allowing local governments to acquire the property at little or no cost. Other government uses are also possible, including administrative facilities, hospitals, postal distribution centers and offices, rehabilitation centers and prisons. Often, bases are large enough to accommodate public services and private developments under a "mixed-use" strategy.

INGREDIENTS OF SUCCESSFUL BASE CONVERSION

(1) Advance Planning; Communities should take full advantage of the protection provided by the law as well as the assistance provided by the Office of Economic Adjustment in the Defense Department to plan for base reuse before a closure occurs. They must evaluate the comparative advantages of alternative civilian purposes and the means of linking these economic development strategies with retraining options.

(2) The programs responsible for funding advance planning, economic development and retraining must all be funded sufficiently to provide adequate resources to support the base closure process.

(3) These programs, spread out over the Departments of Defense, Commerce and Labor, must be coordinated so that they can deliver comprehensive services efficiently.

(4) Cleanup funding should come from the DoD budget to discourage further pollution. The *Federal Facilities Compliance Act* and the federal agreements signed by the DoD, the EPA and State governments give State officials authority to enforce hazardous waste laws by levying fines and exacting other penalties on the Federal Government for lack of compliance with environmental regulations. Governor Pete Wilson of California recognized this right in a recent letter to Defense Secretary Perry stating, "California expects DOD to comply with the federal/state cleanup agreements it has signed at California military bases. DOD is contractually obligated to seek sufficient funding to permit environmental work to proceed according to the schedule contained in those agreements. California will not hesitate to assert its right under those agreements to seek fines, penalties and judicial orders compelling DOD to conduct required environmental work."

(5) There are many stakeholders in base reuse development. Local, state and federal government officials, private developers, universities, and local citizens and citizens groups all have a valuable role to play. No single party should be excluded or allowed to dominate the process. An active government role is essential to ensure that in instances where reuse is feasible, conversion plans carefully weigh the interests of private developers and the community's social and economic needs.

Since the bases are government property, the opportunity to use these former bases for public purposes should not be overlooked. A concerted planning effort, informed by an understanding of the differences among bases, is essential. With federal leadership and local activism, the downsizing of the military base structure could produce a host of assets to spur new economic development in communities across the nation.

IS AMERICA GOING TO LEAD?

Mr. LEAHY. Mr. President, there is an important question hanging over us like Damocles' sword today. It will loom over us as we consider the budget. It will confront us directly as we debate the reorganization of our foreign affairs agencies. The question is, Is America going to lead?

This is not a question that keeps people awake at night anymore. After all, people ask, we won the cold war, did we not? There is no longer any real threat to America's security, is there?

Mr. President, there have been few times in history when the United States can less afford to be complacent. The world today is anything but a predictable, peaceful place. While we are fortunate that the military threat to our security has receded, it is more true today than ever that American prosperity is linked to conditions in the rest of the world.

Millions of American jobs depend upon persuading other countries to open their borders of U.S. exports, and helping them raise their incomes so they can afford to buy our exports. Ensuring that we have clean air and clean water depends upon international action to protect the environment. Keeping Americans healthy depends on joint action to fight the spread of infectious diseases in other countries. Imagine if we are unable to contain the recent outbreak of a deadly virus in Zaire—very quickly you would see Senators clamoring for more aid to stop it from reaching our shores.

Stemming the flow of illegal immigrants and refugees to the United States depends on promoting democracy and economic development in the countries from which the refugees are fleeing. These are just a few examples of why we continue to have an enormous stake in what happens in the rest of the world.

Fortunately, the United States, the only remaining superpower with the largest economy and the most powerful military, can influence what happens in the rest of the world.

But influence is not automatic. It requires effort. And it costs money.

Perhaps most important, the United States needs to maintain its leadership in and its financial contributions to the international organizations that make critical contributions to promoting peace, trade, and economic development. Organizations like the United Nations, the World Trade Organization, the International Monetary Fund, and the World Bank, to name a few. These organizations are the glue that holds our international system together. They may not always act in precisely the way we would like, but they are dedicated to spreading the values that Americans hold dear—freedom, democracy, free enterprise, and competition.

The American people also want to help alleviate the suffering of people facing starvation or other calamities, like refugees fleeing genocide in Rwanda, or the hundreds of thousands of victims of landmines.

Finally Mr. President, the polls show that most Americans believe we should help developing countries and countries making the transition from communism to democracy and market economies. It is through this aid that we fight poverty, that we stabilize population growth, that we educate people who have never known anything except tyranny in the basics of representative government, and that we encourage countries to open their economies to trade and competition.

We do these things because it is in our national interest. Yet, in the rush to reduce Federal spending some are dismissing spending on international affairs as a luxury we cannot afford, or even a waste.

The United States cannot pay these costs alone, but no one is asking us to. The United States now ranks 21st among donors in the percentage of national income that it devotes to development assistance. Twenty-first. Right behind Ireland. We aren't even the largest donor in terms of dollar amount anymore. Japan, which has a keen sense of what is in its national interest, has passed us.

Six years ago, when I became chairman of the Foreign Operations Subcommittee, the foreign operations budget was \$14.6 billion. We cut that budget by 6.5 percent, not even taking into account inflation—while the remainder of the discretionary spending in the Federal budget increased by 4.8 percent. Those cuts were a calculated response to the end of the cold war. Foreign aid today is substantially less than it was during the Reagan and Bush administrations. Our entire foreign aid program, including funding for the Exim Bank and foreign military financing and other activities that have as much to do with promoting U.S. exports as with helping other countries, today accounts for less than 1 percent of the total Federal budget.

We must recognize that there is a limit to how far we can cut our budget for international affairs, and still maintain our leadership position in the world. Just when many people thought

U.S. influence was reaching new heights, we are seeing the ability of the United States to influence world events eroding.

This budget proposal amounts to a classic example of penny-wise and pound-foolish. Our allies are scratching their heads, wondering why the United States, with the opportunity to exercise influence in the world more cheaply than ever before, is turning its back and walking away. We are inviting whoever else wants to—friend or foe—to step into the vacuum and pursue their interests at our expense.

Mr. President, the United States stands as a beacon of liberty and hope for people throughout the world. But we should be more than a beacon. A beacon is passive. We should be proactive, reaching out to defend our interests, and to help our less-fortunate neighbors. We should continue to invest in the world. We should continue to lead.

Mr. President, I want to say a few words about Republican proposals to reform the U.S. foreign affairs agencies. Senator HELMS, the chairman of the Senate Foreign Relations Committee, has launched a broad proposal to reform foreign policymaking in the Federal Government. This proposal includes provisions for completely restructuring the way we administer our foreign aid programs. Senator HELMS asserts that U.S. foreign policymaking has become so decentralized that it no longer serves the national interest. He proposes to merge most foreign affairs functions into the Department of State.

As the former chairman and now ranking Democrat on the Foreign Operations Subcommittee, I have had some opportunity to be involved in the U.S. Government's conduct of foreign policy, and I have some thoughts about Senator HELMS' proposal.

While I have long advocated better coordination among the executive branch agencies in foreign policymaking, I believe Senator HELMS' proposal would result in U.S. national interests being less well, not better, served.

Why is the Foreign Agricultural Service administered by the Department of Agriculture and not by the State Department? Because farmers know they can count on USDA to represent their interests better than the Department of State and all experiences have proven that.

Why, 15 years ago, did we take the commercial function away from the State Department and create a Foreign Commercial Service in the Department of Commerce? It was because State had for years neglected export promotion, sacrificed export interests to its foreign policy priorities, and treated its commercial officers as second-class employees. It was because the American business community was clamoring for something better.

The reason we have separate foreign service bureaucracies is that many of

our foreign policy interests are actually domestic policy interests that are best pursued abroad by technical experts from domestic policy agencies, not by foreign policy generalists from the State Department. I do not know about North Carolina farmers, but I can tell you that Vermont farmers are not at all anxious to see the State Department expand its influence over U.S. foreign agricultural policy. They fear that shifting power from domestic agencies to the State Department will not strengthen representation of United States interests in United States policy but rather will strengthen representation of French interests and Argentine interests and Russian interests.

Let me focus on the specific question of restructuring America's foreign assistance program. I have been advocating reform of our foreign aid program ever since the fall of the Berlin Wall, so I welcome this opportunity for discussion of this issue.

Senator HELMS says that our foreign aid program should further our national interests. I absolutely agree.

But I do not agree with his definition of the problem. The problem is not that the Agency for International Development is ignoring America's national interests. The problem is that since 1961 when the Foreign Assistance Act was enacted, much of our foreign aid was allocated to winning allies in the fight against communism. Billions went to right-wing dictatorships with little or no commitment to democracy or improving the living conditions of their people, or even allowing business competition. Much of that aid failed by the standards we apply today. But it is unfair and disingenuous to judge AID's effectiveness today against the failures of the past, when our goals were fundamentally different.

AID needs a new legislative mandate. We need to get rid of cold war priorities and replace them with priorities for the 21st century.

The Secretary of State has full authority under statute to give policy direction to AID, and the State Department influences AID's activities every day. If AID's projects deviate from State Department policy, it is not because AID is out of control, it is because the people at State are not paying enough attention to what AID is proposing to do.

Senator HELMS also does not give sufficient credit to the Clinton administration for its efforts to improve AID performance. Over the past 2 years, we have seen dramatic progress at the Agency for International Development and the Treasury and State Departments in redefining our foreign aid priorities and focusing resources where they can achieve the most in advancing U.S. interests abroad, in spite of the constraints of an obsolete Foreign Assistance Act.

AID Administrator Brian Atwood has made extensive changes at AID. He initiated an agency-wide streamlining ef-

fort that has resulted in the closure of 27 missions and a reduction of 1,200 staff. He is installing state-of-the-art data processing systems that link headquarters in Washington with project officers in the field in real time. This will ensure that information available at one end of the management pipeline is also available at the other, increasing efficiency and improving decisionmaking.

Mr. Atwood has decentralized decisionmaking so that people closest to problems have a full opportunity to design solutions. AID is improving its performance because, for the first time since the mid-1980's, it has hands-on leadership that is committed to making our foreign aid programs effective.

Can AID improve its management performance further? Yes. But would the State Department do better? I doubt it. I believe that abolishing AID and asking regional Assistant Secretaries at the State Department to manage its functions would be a serious mistake. These Assistant Secretaries are chosen for their expertise in broad foreign policy. Many do not have experience managing money and programs. And they are overworked now trying to deal with the daily emergencies and complexities of our political relationships with countries in their regions.

Even former Secretary of State Lawrence Eagleburger, a Republican, expressed doubt about this proposal in his testimony before the Foreign Relations Committee on March 23. "The State Department is not well suited, either by historical experience or current bureaucratic culture, to assume many of these new responsibilities," Secretary Eagleburger said. And he was trying to be supportive of the Helms proposal.

I would put the matter a little less delicately: The State Department's specialty is making policy; it has never and probably never will manage programs well. Secretary Eagleburger offered the hope that, with very careful selection of Under Secretaries, it might do better. I am reluctant to trade a bureaucracy that is doing reasonably well and getting better at delivering foreign aid for one that has no competence on the outside chance that it might get better. If we disperse responsibility for foreign aid among Assistant Secretaries of State, I bet that we will start hearing more stories about misguided and failed projects, not fewer, and more questions about why we have foreign aid, not fewer.

AID today is performing a wide array of tasks that enjoy overwhelming support among the American people.

Every year, AID manages programs worth \$1 billion aimed at protecting the Earth's environment. Does protecting the Earth's forests, oceans, and atmosphere matter to us? Does it further our foreign policy interests? A century from now we are not going to have any foreign policy if we do not join with

other countries today to protect the environment.

Every year, AID manages hundreds of millions of dollars in international health programs. Is this money wasted? We might as well ask whether AIDS and tuberculosis are infectious.

Every year, AID commits a large part of its budget to promoting free markets and democratic development in countries where the United States has important interests. This is not diplomacy. It is hands-on assistance that requires people with special expertise on the ground who can get the job done. Working with foreign governments and private organizations on the nuts and bolts of solving real problems. That is what AID does.

Mr. President, we have a strong need to rewrite the Foreign Assistance Act to redefine the framework for foreign aid. AID can continue to downsize and improve its efficiency. But we should not abolish an agency that is aggressively adapting itself to the changed world we live in and to the shrinking foreign aid budget.

OREGON RECIPIENTS OF OUTSTANDING COMMUNITY INVESTMENT AWARDS

Mr. HATFIELD. Mr. President, as Congress begins the difficult task of confronting our Federal deficit and addressing the needs of our less-developed communities, we must focus on innovative ideas to meet these needs. Bureaucracy has often failed to provide successful solutions, making the formation of public-private partnerships necessary to jointly aid neighborhoods. Successful community development must be locally specialized. Attempts by Congress to write a Federal prescription for our Nation's underdeveloped communities will not succeed unless these strategies are sensitive to the diverse needs of those localities.

One organization is making a difference in developing communities by providing localized, market-guided assistance. The Social Compact is a coalition of hundreds of leaders from the financial services and community development industries who have combined their forces to strengthen America's at-risk neighborhoods, both urban and rural. Firmly grounded in John Locke's thesis of a covenant between members of society and the community from which one has prospered, emphasizing commonalities rather than accentuating differences, the Social Compact advocates a voluntary call to action, mobilizing institutions to invest their unique capabilities in neighborhood self-empowerment partnerships.

The Social Compact each year recognizes participating partnerships for their achievements in community development. I am pleased to announce that two partnerships in Oregon, the Portland Community Reinvestment Initiatives partnered with the U.S. Bank of Oregon, and the Northeast

Community Development Corp. partnered with First Interstate Bank of Oregon, each received the Social Compact's 1995 Outstanding Community Investment Award.

Portland Community Reinvestment Initiatives and U.S. Bank of Oregon were recognized for their efforts in reclaiming 350 properties located in some of Portland's most vulnerable areas. This pioneering response to an unprecedented affordable housing crisis in northeast Portland has given residents the opportunity to become homeowners and improve the supply of quality, affordable rental properties as a permanent community asset. Portland Community Reinvestment Initiatives was created by the city of Portland in an effort to provide a long-term remedy for large scale foreclosures facing northeast Portland. U.S. Bank of Oregon stepped forward with a pioneering financing solution. The outcome of this teamwork resulted in one-third of the homes being purchased by lower-income families and the remaining units are being rehabilitated into affordable rentals.

The Northeast Community Development Corp. and First Interstate Bank of Oregon were recognized for developing a comprehensive program to provide the opportunity for homeownership for 250 Portland families, reclaiming 4 vulnerable inner northeast Portland neighborhoods. Initially funded by a Federal Nehemiah Housing Opportunity grant, the Northeast Community Development Corp. original aim was to construct and renovate 250 single-family homes that would later provide first-time home ownership opportunities for lower and moderate-income families.

First Interstate took the lead in the project by providing construction financing, grant funding, and a line of credit for the development of the first five demonstration homes. First Interstate provided additional assistance by organizing a consortium of six local leaders to commit \$1.9 million in construction financing and first-time homebuyer programs for potential borrowers. As a result of this private-public teamwork, property values are rising in targeted areas, crime is decreasing, and residents have a renewed sense of pride in their neighborhood.

The ethic of civic responsibility and the spirit of community are fundamental principles which have guided our country's evolution. The award recipients from Oregon are stellar examples of these virtues in our modern times. They should serve as reminders of what can be accomplished when government acts locally in a creative alliance with the private sector.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer 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 at the end of the Senate proceedings.)

MEASURES PLACED ON THE CALENDAR

The following measures were read the second time and placed on the calendar:

S. 761. A bill to improve the ability of the United States to respond to the international terrorist threat.

S. 790. A bill to provide for the modification or elimination of Federal reporting requirements.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 625. A bill to amend the Land Remote Sensing Policy Act of 1992 (Rept. No. 104-81).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Con. Res. 13. An original concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 (Rept. No. 104-82).

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. COCHRAN:

S. 800. A bill to provide for hearing care services by audiologists to Federal civilian employees; to the Committee on Governmental Affairs.

By Mr. HELMS:

S. 801. A bill to extend the deadline under the Federal Power Act applicable to the construction of two hydroelectric projects in North Carolina, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HOLLINGS:

S. 802. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel ROYAL AFFAIRE; to the Committee on Commerce, Science, and Transportation.

By Mr. McCAIN:

S. 803. A bill to amend the Defense Base Closure and Realignment Act of 1990 in order to revise the process for disposal of property located at installations closed under that Act pursuant to the 1995 base closure round; to the Committee on Armed Services.

By Mr. BRADLEY:

S. 804. A bill to amend the Internal Revenue Code of 1986 to increase the excise taxes on tobacco products, and to use a portion of the resulting revenues to fund a trust fund for tobacco diversification, and for other purposes; to the Committee on Finance.

By Mr. SIMPSON:

S. 805. A bill to improve the rural electrification programs under the Rural Electrification Act of 1936, to improve Federal rural development programs administered by the Department of Agriculture, to provide for exclusive State jurisdiction over retail electric service areas, to prohibit certain practices in the restraint of trade, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COCHRAN:

S. 800. A bill to provide for hearing care services by audiologists to Federal civilian employees; to the Committee on Governmental Affairs.

THE HEARING CARE FOR FEDERAL EMPLOYEES ACT

Mr. COCHRAN. Mr. President, today I am introducing legislation to include audiology services in the Federal Employee Health Benefits Program [FEHBP].

This bill would amend the statute governing the Federal Employees Health Benefits Program by requiring FEHBP insurance carriers to guarantee direct access to, and reimbursement for, audiologist-provided hearing care services when hearing care is covered under a FEHBP plan.

The statute governing FEHBP, title 5, United States Code, section 8902(k)(1), allows direct access to services provided by optometrists, clinical psychologists and nurse midwives, yet fails to allow direct access to services provided by audiologists in FEHBP plans covering hearing care services.

The legislation I am introducing today would remedy this situation by permitting direct access to audiology services in FEHBP plans covering hearing care services. This measure will not increase health care costs since it would not mandate any new insurance benefits. On the contrary, the bill should reduce costs of hearing care by facilitating direct access to health care providers who are uniquely qualified to diagnose the extent and causes of hearing impairment.

I hope my colleagues will carefully consider this legislation and join me in support of its enactment.

By Mr. HOLLINGS:

S. 802. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Royal Affaire*; to the Committee on Commerce, Science, and Transportation.

TRADING PRIVILEGES LEGISLATION

• Mr. HOLLINGS. Mr. President, I am introducing a bill today to direct the vessel *Royal Affaire*, official No. 649292, to be accorded coastwise trading privileges and to be issued a certificate of documentation under section 12103 of title 46, United States Code.

The *Royal Affaire* was constructed in Auckland, New Zealand, in 1980. The vessel, a sailboat, is 76.3 feet in length,

20.3 feet in breadth, and 8.8 feet in depth and is self-propelled.

The vessel was purchased by Homer C. Burrous of Charleston, SC, in 1989 for approximately \$900,000, with the intention of chartering the vessel for cruises in and out of St. Thomas and other foreign ports in the Caribbean. Since purchasing the vessel in 1989, the owner has had the vessel refitted in a U.S. shipyard at a cost of over \$800,000. Mr. Burrous would like to utilize the vessel to conduct coastal cruises. However, because the vessel was built in New Zealand, it does not meet the requirements for a coastwise license endorsement in the United States.

The owner of the *Royal Affaire* is seeking a waiver of the existing law because he wishes to use the vessel for coastal cruises. His desired intentions for the vessel's use will not adversely affect the coastwise trade in U.S. waters. If he is granted this waiver, it is his intention to comply fully with U.S. documentation and safety requirements. The purpose of the legislation I am introducing is to allow the *Royal Affaire* to engage in the coastwise trade and fisheries of the United States.●

By Mr. MCCAIN:

S. 803. A bill to amend the Defense Base Closure and Realignment Act of 1990 in order to revise the process for disposal of property located at installations closed under that act pursuant to the 1995 base closure round; to the Committee on Armed Services.

THE BASE TRANSITION ACCELERATION ACT

• Mr. MCCAIN. Mr. President, today I am introducing legislation that will finally ensure that fairness and discipline are exercised during the conveyance and land transfer portion of the 1995 BRAC round. The Base Transition Acceleration Act will do three things: eliminate the ability of special interests, under the existing process, to impose endless delays and reap unfair benefits; appropriately place control of the redevelopment process in the hands of the communities affected by the BRAC; and speed the economic recovery of those communities adversely impacted by the closing of a military installation in their midst.

Mr. President, the end of the cold war provided a unique opportunity for this Nation to safely down-size our Armed Forces. Doing so required the execution of a two-phase plan; first, reduce the numbers of military personnel; and then, slash infrastructure to a level appropriate for the new size of the force. Toward that end, since 1986 we have reduced our military force structure by nearly 40 percent. Infrastructure, however, has been trimmed by only about 15 percent.

We asked the services to reduce their numbers, they succeeded. We attempted to create an apolitical mechanism through which excess infrastructure might be designated for closure; we failed, failed for two reasons—Government redtape and interference from special interest groups.

Since 1988, a new Federal bureaucracy has grown up around the base closure process. Interagency squabbles and turf battles among DOD, EPA, Interior, HHS, GSA, and many other entities have caused excessive delays in Federal screening, issuance of conflicting and unhelpful regulations, and inordinately intrusive review of redevelopment proposals. The result has been increased costs to the Federal Government and communities alike—including costs to DOD to maintain idle military facilities in caretaker status.

The Base Transition Acceleration Act legislation eliminates this excessive Federal regulation. The legislation strictly limits the timeframe for Federal property screening and empowers a single agency, DOD, to quickly and effectively manage the process. At the same time, it removes the Federal Government from the process of formulating redevelopment plans and places that responsibility within the purview of the communities themselves.

Unfortunately, the problems associated with the BRAC process are not limited to those created between the Federal agencies. Each additional hand that enters the process brings further complication and added time. With every new round of the BRAC, more new hands enter the process. A cottage industry of consultants has evolved and flourished since 1988 when the first round of base closures were ordered. Special interests are inserting themselves with increasing frequency into the military property disposal process.

Each of these competing interests has sought the assistance of their elected representatives or their sponsor agency, and in most cases received it. The result should come as a surprise to on one; this ostensibly apolitical process has become excessively politicized. This proposed legislation takes great strides to correct this problem and to restore fairness to the community redevelopment process.

Over the past year or so, I, along with most other Members of the Senate, have talked extensively with constituents who are deeply troubled by the current round of base closing deliberations. Their anxiety is certainly not difficult to understand. The reasons for their concern are, however, dramatically different from those expressed in earlier rounds.

During the first three rounds, community concerns tended to center around the simple question of whether a base in their community would be ordered closed. This time, the issues are far more complex. Not only do our constituents ask whether the base will close, they now ask other, more difficult questions. They want to know how to avoid a prolonged transition period. They want to know whether to hire consultants. They want to know how to handle special interest groups. They want to know how to deal with the bloated base closure bureaucracy. Most of all, they want to know when

they will be able to get their lives back on track.

These questions represent valid concerns—concerns based in horrific example after horrific example of costly and lengthy legal and political battles among Federal, State, and local governments, special interest groups, and community members.

Mr. President, the simple fact remains—until a reuse decision is made and property is conveyed to the new owners for redevelopment, the affected community suffers economically and emotionally.

This legislation is simple and straightforward. It will significantly reduce the need for communities to employ expensive consulting firms because it will eliminate the redtape of excessive regulations for closing military bases. It will allow DOD to quickly realize the savings from relinquishing excess military infrastructure. And most importantly, it will relieve the economic stress on local communities and allow them to quickly redevelop these former bases in the manner best suited to the community's needs.●

By Mr. BRADLEY:

S. 804. A bill to amend the Internal Revenue Code of 1986 to increase the excise taxes and tobacco products, and to use a portion of the resulting revenues to fund a trust fund for tobacco diversification, and for other purposes; to the Committee on Finance.

THE TOBACCO CONSUMPTION REDUCTION AND HEALTH IMPROVEMENT ACT OF 1995

Mr. BRADLEY. Mr. President, I came to the floor this afternoon to submit a revised version of my bill to increase the Federal excise tax on tobacco products. My original bill would take the current tax level for all types of tobacco products and multiply it by 5.167. This would raise the tax on a pack of cigarettes from 24 cents a pack to \$1.24 a pack. My revised bill goes one step further to help Americans—particularly children and teenagers—achieve a tobacco-free future.

Mr. President, I have been on this floor many times talking about the dangers of tobacco use. I have repeatedly stated that tobacco use kills well over 400,000 Americans every year—more than alcohol, heroin, crack, automobile and airplane accidents, homicides, suicides, and AIDS combined. And I have sought to bring attention to the fact that each year a growing number of teenagers start smoking, despite the fact that selling cigarettes to minors is illegal. Virtually all new users of tobacco are teenagers or younger, and every 30 seconds a child in the United States smokes for the first time.

Yet there is another aspect of the tobacco story which has not received much attention on the floor of this body. Generally, when people think about the dangers of tobacco use, they think about cigarettes. They think about the lung cancer, the emphysema,

and the heart disease which cigarettes cause in those who use them. And they realize that these health impacts are not limited to those who actually smoke the cigarettes. Rather, environmental tobacco smoke—smoke from other people's cigarettes—causes tens of thousands of deaths each year.

But as grave as the impacts of cigarette smoking are, they are only part of the story of the death and destruction which tobacco products wreak on our society. There is another, less well-known yet still devastating side to the tobacco story. And that is the tale of smokeless tobacco products.

The use of smokeless tobacco—namely snuff and chew—is skyrocketing in the United States. Between 1986 and 1990, sales of snuff grew by close to 50 percent. This increase follows several decades of decline in sales and use. Part of this increase can be attributed to increased social pressures placed on smokers, due largely to concerns about second-hand smoke. And part of it has been fueled by perception that smokeless products are a safe alternative to smoking.

But the belief that snuff and chew are safe is absolutely false. Let me state this very clearly: smokeless tobacco can kill you. It kills in different ways than cigarettes do, but it kills nonetheless. Smokeless tobacco causes mouth cancer. It causes gum cancer. It causes throat cancer. These are just a few of the oral problems smokeless tobacco can cause. And the threat of developing these diseases, and of dying of them, is very real. Long-term snuff users are 50 times more likely to develop gum cancer and four times more likely to develop mouth cancer than nonusers. Nearly 30,000 new cases of oral cancer are diagnosed each year in the United States. Half of those people are dead within 5 years.

Smokeless tobacco products are also highly addictive. A typical dose of snuff contains two to three times as much nicotine, the addictive substance in tobacco, as a single cigarette. Because of these health risks, snuff is banned in a growing number of countries, including the United Kingdom, France, Spain, Belgium, Holland, Germany, Denmark, Australia, and New Zealand.

Despite these health risks, the use of smokeless tobacco is skyrocketing in the United States. So who are these new smokeless users—those individuals who are heading down a path of addiction, cancer, and death? For the most part, they are children. The average age of new smokeless users is 9½ years old. Two-thirds of smokeless users start their habit before they are even 12 years old. It is now estimated that 3 million Americans under age 21 use smokeless tobacco, including 1 out of every 5 high school males.

Why is this happening? A large part of the explanation lies in the tobacco companies' aggressive marketing toward youth. But another part of the explanation is the cost of smokeless to-

bacco relative to cigarettes. Despite its dangers, smokeless tobacco is taxed at only about one-tenth the rate of cigarettes, making it a cheap alternative to cigarettes. And since kids are the most price-sensitive of all tobacco users, it is not surprising that they are turning to smokeless tobacco in ever growing numbers.

My bill proposes to remove this price incentive for kids and adults to use smokeless tobacco. It does this by setting the Federal excise tax on tins of snuff and pouches of chew at the exact same dollar amount as on a pack of cigarettes. This means that the Federal taxes on these smokeless products will increase from their current level of less than 3 cents per container to \$1.24 per container. In the previous version of my bill, I would have increased the tax on smokeless products by a factor of 5. While this is a significant increase, it is not enough to eliminate the incentive for cigarette smokers to switch rather than quit, or to discourage kids from ever starting the tobacco habit.

Mr. President, I have spoken earlier this session about the many benefits which would be achieved by increasing the Federal tobacco tax. It will save billions of dollars in health care costs, not only for the Federal Government but for private insurers and citizens across the country. It will save countless lives. It will decrease unnecessary suffering. And it will discourage millions of children and teenagers from ever becoming addicted to tobacco.

These changes to my earlier bill will make these benefits even more pronounced. Smokeless tobacco must no longer be seen as a safe and cheap alternative to cigarettes. Raising the excise tax will discourage children and teenagers from ever starting to use smokeless tobacco, and it will discourage adults from considering smokeless as a safe alternative to quitting tobacco use entirely.

Mr. President, my tobacco tax bill, and the changes I am adding to it, are good health policy. They are good economic policy. And they are key to helping our children and teenagers achieve a tobacco-free future. I urge my colleagues to join me in support of this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 804

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tobacco Consumption Reduction and Health Improvement Act of 1995".

SEC. 2. INCREASE IN TAXES ON TOBACCO PRODUCTS.

(a) IN GENERAL.—

(1) CIGARS.—Subsection (a) of section 5701 of the Internal Revenue Code of 1986 (relating to rate of tax on cigars) is amended—

(A) by striking "\$1.125 cents per thousand (93.75 cents per thousand on cigars removed

during 1991 and 1992)" in paragraph (1) and inserting "\$5.8125 per thousand"; and

(B) by striking paragraph (2) and inserting the following new paragraph:

"(2) LARGE CIGARS.—On cigars weighing more than 3 pounds per thousand, a tax equal to 65.875 percent of the price for which sold but not more than \$155 per thousand."

(2) CIGARETTES.—Subsection (b) of section 5701 of such Code (relating to rate of tax on cigarettes) is amended—

(A) by striking "\$12 per thousand (\$10 per thousand on cigarettes removed during 1991 and 1992)" in paragraph (1) and inserting "\$62 per thousand"; and

(B) by striking "\$25.20 per thousand (\$21 per thousand on cigarettes removed during 1991 and 1992)" in paragraph (2) and inserting "\$130.20 per thousand".

(3) CIGARETTE PAPERS.—Subsection (c) of section 5701 of such Code (relating to rate of tax on cigarette papers) is amended by striking "0.75 cent (0.625 cent on cigarette papers removed during 1991 or 1992)" and inserting "3.875 cents".

(4) CIGARETTE TUBES.—Subsection (d) of section 5701 of such Code (relating to rate of tax on cigarette tubes) is amended by striking "1.5 cents (1.25 cents on cigarette tubes removed during 1991 or 1992)" and inserting "7.75 cents".

(5) SNUFF.—Paragraph (1) of section 5701(e) of such Code (relating to rate of tax on smokeless tobacco) is amended by striking "36 cents (30 cents on snuff removed during 1991 or 1992)" and inserting "\$16.53".

(6) CHEWING TOBACCO.—Paragraph (2) of section 5701(e) of such Code is amended by striking "12 cents (10 cents on chewing tobacco removed during 1991 or 1992)" and inserting "\$6.61".

(7) PIPE TOBACCO.—Subsection (f) of section 5701 of such Code (relating to rate of tax on pipe tobacco) is amended by striking "67.5 cents (56.25 cents on chewing tobacco removed during 1991 or 1992)" and inserting "\$3.4875".

(8) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, and pipe tobacco removed after December 31, 1995.

(b) IMPOSITION OF EXCISE TAX ON MANUFACTURE OR IMPORTATION OF ROLL-YOUR-OWN TOBACCO.—

(1) IN GENERAL.—Section 5701 of the Internal Revenue Code of 1986 (relating to rate of tax) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) ROLL-YOUR-OWN TOBACCO.—On roll-your-own tobacco, manufactured in or imported into the United States, there shall be imposed a tax of \$20.67 per pound (and a proportionate tax at the like rate on all fractional parts of a pound)."

(2) ROLL-YOUR-OWN TOBACCO.—Section 5702 of such Code (relating to definitions) is amended by adding at the end the following new subsection:

"(p) ROLL-YOUR-OWN TOBACCO.—The term 'roll-your-own tobacco' means any tobacco which, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes."

(3) TECHNICAL AMENDMENTS.—

(A) Subsection (c) of section 5702 of such Code is amended by striking "and pipe tobacco" and inserting "pipe tobacco, and roll-your-own tobacco".

(B) Subsection (d) of section 5702 of such Code is amended—

(i) in the material preceding paragraph (1), by striking "or pipe tobacco" and inserting "pipe tobacco, or roll-your-own tobacco", and

(ii) by striking paragraph (1) and inserting the following new paragraph:

"(1) a person who produces cigars, cigarettes, smokeless tobacco, pipe tobacco, or roll-your-own tobacco solely for the person's own personal consumption or use, and".

(C) The chapter heading for chapter 52 of such Code is amended to read as follows:

"CHAPTER 52—TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES".

(D) The table of chapters for subtitle E of such Code is amended by striking the item relating to chapter 52 and inserting the following new item:

"CHAPTER 52. Tobacco products and cigarette papers and tubes."

(4) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to roll-your-own tobacco removed (as defined in section 5702(p) of the Internal Revenue Code of 1986, as added by this subsection) after December 31, 1995.

(B) TRANSITIONAL RULE.—Any person who—
(i) on the date of the enactment of this Act is engaged in business as a manufacturer of roll-your-own tobacco or as an importer of tobacco products or cigarette papers and tubes, and

(ii) before January 1, 1996, submits an application under subchapter B of chapter 52 of such Code to engage in such business, may, notwithstanding such subchapter B, continue to engage in such business pending final action on such application. Pending such final action, all provisions of such chapter 52 shall apply to such applicant in the same manner and to the same extent as if such applicant were a holder of a permit under such chapter 52 to engage in such business.

(c) FLOOR STOCKS.—

(1) IMPOSITION OF TAX.—On cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, pipe tobacco, and roll-your-own tobacco manufactured in or imported into the United States which is removed before January 1, 1996, and held on such date for sale by any person, there shall be imposed the following taxes:

(A) SMALL CIGARS.—On cigars, weighing not more than 3 pounds per thousand, \$4.6875 per thousand.

(B) LARGE CIGARS.—On cigars, weighing more than 3 pounds per thousand, a tax equal to 53.125 percent of the price for which sold, but not more than \$125 per thousand.

(C) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, \$50 per thousand.

(D) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, \$105 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each ¾ inches, or fraction thereof, of the length of each as one cigarette.

(E) CIGARETTE PAPERS.—On cigarette papers, 3.125 cents for each 50 papers or fractional part thereof; except that, if cigarette papers measure more than 6½ inches in length, they shall be taxable at the rate prescribed, counting each ¾ inches, or fraction thereof, of the length of each as one cigarette paper.

(F) CIGARETTE TUBES.—On cigarette tubes, 6.25 cents for each 50 tubes or fractional part thereof; except that, if cigarette tubes measure more than 6½ inches in length, they shall be taxable at the rate prescribed, counting each ¾ inches, or fraction thereof, of the length of each as one cigarette tube.

(G) SNUFF.—On snuff, \$16.17 per pound and a proportionate tax at the like rate on all fractional parts of a pound.

(H) CHEWING TOBACCO.—On chewing tobacco, \$6.49 per pound and a proportionate tax at the like rate on all fractional parts of a pound.

(I) PIPE TOBACCO.—On pipe tobacco, \$2.8125 per pound and a proportionate tax at the like rate on all fractional parts of a pound.

(J) ROLL-YOUR-OWN TOBACCO.—On roll-your-own tobacco, \$20.67 per pound and a proportionate tax at the like rate on all fractional parts of a pound.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, pipe tobacco, and roll-your-own tobacco on January 1, 1996, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1986 and shall be due and payable on February 15, 1996, in the same manner as the tax imposed under such section is payable with respect to cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, pipe tobacco, and roll-your-own tobacco removed on January 1, 1996.

(3) DEFINITIONS.—For purposes of this subsection, the terms "cigar", "cigarette", "cigarette paper", "cigarette tubes", "snuff", "chewing tobacco", "pipe tobacco", and "roll-your-own tobacco" shall have the meaning given to such terms by subsections (a), (b), (e), and (g), paragraphs (2) and (3) of subsection (n), and subsections (o) and (p) of section 5702 of the Internal Revenue Code of 1986, respectively.

(4) EXCEPTION FOR RETAIL STOCKS.—The taxes imposed by paragraph (1) shall not apply to cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, pipe tobacco, and roll-your-own tobacco in retail stocks held on January 1, 1996, at the place where intended to be sold at retail.

(5) FOREIGN TRADE ZONES.—Notwithstanding the Act of June 18, 1934 (19 U.S.C. 81a et seq.) or any other provision of law—

(A) cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, pipe tobacco, and roll-your-own tobacco—

(i) on which taxes imposed by Federal law are determined, or customs duties are liquidated, by a customs officer pursuant to a request made under the first proviso of section 3(a) of the Act of June 18, 1934 (19 U.S.C. 81c(a)) before January 1, 1996, and

(ii) which are entered into the customs territory of the United States on or after January 1, 1996, from a foreign trade zone, and

(B) cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, pipe tobacco, and roll-your-own tobacco which—

(i) are placed under the supervision of a customs officer pursuant to the provisions of the second proviso of section 3(a) of the Act of June 18, 1934 (19 U.S.C. 81c(a)) before January 1, 1996, and

(ii) are entered into the customs territory of the United States on or after January 1, 1996, from a foreign trade zone, shall be subject to the tax imposed by paragraph (1) and such cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, pipe tobacco, and roll-your-own tobacco shall, for purposes of paragraph (1), be treated as being held on January 1, 1996, for sale.

(d) ESTABLISHMENT OF TRUST FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

"SEC. 9512. TOBACCO CONVERSION TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United

States a trust fund to be known as the 'Tobacco Conversion Trust Fund' (hereafter referred to in this section as the 'Trust Fund'), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

“(b) TRANSFERS TO TRUST FUND.—The Secretary shall transfer to the Trust Fund an amount equivalent to 3 percent of the net increase in revenues received in the Treasury attributable to the amendments made to section 5701 by subsections (a) and (b) of section 2 and the provisions contained in section 2(c) of the Tobacco Consumption Reduction and Health Improvement Act of 1995, as estimated by the Secretary.

“(c) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—Amounts in the Trust Fund shall be available to the Secretary of Agriculture, as provided by appropriation Acts, for making expenditures for purposes of—

“(1) providing assistance to farmers in converting from tobacco to other crops and improving the access of such farmers to markets for other crops, and

“(2) providing grants or loans to communities, and persons involved in the production or manufacture of tobacco or tobacco products, to support economic diversification plans that provide economic alternatives to tobacco to such communities and persons.

The assistance referred to in paragraph (1) may include government purchase of tobacco allotments for purposes of retiring such allotments from allotment holders and farmers who choose to terminate their involvement in tobacco production.”

(2) CLERICAL AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end the following new item:

“Sec. 9512. Tobacco Conversion Trust Fund.”

By Mr. SIMPSON:

S. 805. A bill to improve the rural electrification programs under the Rural Electrification Act of 1936, to improve Federal rural development programs administered by the Department of Agriculture, to provide for exclusive State jurisdiction over retail electric service areas, to prohibit certain practices in the restraint of trade, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

RURAL ELECTRIC LEGISLATION

Mr. SIMPSON. Mr. President, today I am introducing legislation that will improve the Nation's Rural Electric Program by putting some common sense back into the way we use taxpayers' money to fund rural electric and rural development loans. The Rural Electrification and Rural Economic Development Improvement Act of 1995 would amend a law that clearly has not evolved in step with the industry.

The fact is, the growth of our Nation's population has greatly changed—and continues to change—the nature of electric service areas. People are moving into previously underpopulated areas and our current statutes do not address that growth. There was once a widespread need for Government incentives in order to provide “affordable” electric service to consumers in many areas, but that need too, has changed.

Many areas of our country which are no longer rural are still being served by Government-subsidized utilities, even

though commercial utilities are willing to provide the service. The result is a current policy which puts the U.S. Government right into the fray. We end up with a policy that subsidizes one competitor over another and we charge the bill to the taxpayers. That terrible market distortion is the product of an outdated rural electric policy that must be changed.

Since I arrived in the Senate in 1978, I have watched the current REA system transfer billions of dollars in interest subsidies from taxpayers to rural electric borrowers. Today, many of those borrowers are perfectly capable of competing in the open-market without Government subsidies.

Certainly not all of the borrowers can compete. There are, indeed, many troubled cooperatives that need assistance. That is why the objective of this bill is to pare down the bloated system so that we can continue to fund hardship loans. Nobody wants to pass legislation that will push electric rates through the roof. I certainly do not, and that will not happen with this bill.

My aim is to get the healthy borrowers “off the dole” so we can focus scarce funds on the hardship cases. That should be very clear from the beginning. I do not propose eliminating the Rural Utilities Service [RUS] or the subsidized loan program. But we should target assistance to the co-ops that really are incapable of providing affordable electric service in an open market. And we should offer healthy borrowers a nonpunitive road to the free market. Indeed, that is something many of them need.

There are a great number of co-ops out there—both distributors and power suppliers—that are locked in to high cost Government loans. On top of that, many of those distributors are stuck with expensive power supply contracts. The co-ops cannot shop around because they are loaded down with Government-financed debt they cannot afford to privatize. So they must continue on—unable to openly compete—forced to purchase more expensive power and to offset it with Government interest subsidies, while their neighbors, the profit-driven corporations, become more efficient and more competitive.

I trust my colleagues will agree that we should make every effort to get the “biggest bang for our buck.” That has been one of the catch phrases of this Congress. And it applies to every Government program, not just the Rural Utilities Service. This week, members of the Budget Committee are confronting the difficult choices essential to balancing the budget by 2002. This means they must identify over \$30 billion in cuts each year, for 7 years, more than 10 times the painful cuts we just passed in the rescissions bill. Everyone had best be prepared to take their lumps as we debate reductions in agricultural research, the arts, education, transportation and a host of other important areas—this electric program should not be exempted.

The overall size of the program is staggering. Current outstanding loans exceed \$20 billion for distribution cooperatives—they call them “discos”—they danced through \$20 billion and over \$40 billion for power supply co-ops—the generation and transmission facilities, or G&T's. This is a behemoth of a Government business. The legislation I am introducing would save taxpayers millions of dollars on interest subsidies alone without repealing the program.

As I say often; borrowers that really need loans should like this bill. Under current law, some of them must wait years to get loans because available funds are allocated on a “first-come, first-served” basis and there is not enough to go around. According to the latest rural electric survey there is a \$405 million loan backlog this year. That will increase to more than \$500 million next year and we still do not allow the RUS to prioritize the money, if you are in the back of the line, you just have to wait.

And please hear this. The system is clogged because any entity that has ever received an REA-approved loan remains eligible for rural electric loans—forever. Hear that. It is a deal. It is “once a borrower always a borrower” and there is no end in sight. Even if a co-op is fully able to obtain market-rate credit elsewhere, it can keep coming right back to suckle at the teat of the Federal treasury's low-interest loan program again and again, even sometimes when they have not paid up on the previous one. That is not appropriate and it is not fair and it is not just. My bill would subject RUS borrowers to the very same “credit elsewhere” test that all other agricultural borrowers must face.

For example, under current law, the Farmer's Home Administration can only give a loan to a farmer who is unable to obtain “reasonable credit elsewhere.” Farmer's Home is “the lender of last resort.” But RUS is instead a “lender of first resort.” If Congress is serious about privatizing unnecessary Government lending, then we must put a realistic means-test on RUS loans.

Some of the co-ops will tell you they already have a means-test, but let me tell you what that is. In 1992, we limited cheap Government financing for the really wealthy co-ops to 70 percent of their total debt-load. That is not a means-test. There is a big difference between 70 percent and a “credit elsewhere” test.

I believe we should retain the current three-tiered financing system that includes hardship loans, direct loans and guaranteed loans. I believe that applicants should only receive such assistance when they cannot get “credit elsewhere.” Then, they can come to the Government either for low-interest hardship loans, “at-cost” direct loans or a Government guarantee of up to 90 percent.

Under my legislation, the RUS would review the borrower's books every 2

years. If a borrower's circumstances have improved they would then be allowed to prepay their Government loans, without penalty, in order to move into the commercial credit market.

The budget savings in the legislation would come from a reduction in interest subsidies and administrative costs. In fiscal year 1995, the 5 percent hardship loan subsidy cost the taxpayers \$10 million, but "municipal rate" direct loans cost over \$46 million. On top of that, we spent \$30 million on administration. Those interest subsidies provided \$74 million in hardship loans and \$536 million in direct loans from the revolving fund.

My proposal would save over \$60 million by using the treasury interest rate for non-hardship direct loans. With direct loans at treasury rate interest, we would save over \$60 million next year. Some of that money would go to increasing the appropriation for hardship loans to \$25 million, which should more than double the availability of truly necessary loans.

The National Rural Electric Cooperative Association—the NRECA—will surely mobilize to fight this bill. Oh, you bet they will. Its representatives will come to the hill saying that this legislation is going to destroy their industry, it will be a tragic portrait right straight out of "The Grapes of Wrath." But I say that this bill will not cause rural America to wither up and die. Those images are an absolute fiction.

The reality is that the REA has accomplished its mission in many areas of our country. Proof of that lies in the simple fact that competition exists for electric service in many co-op territories. I would ask again, why should the Government continue to subsidize electric loans when private industry is ready and willing to provide reasonable service?

The NRECA will also say that their competitors are trying to gobble up their choice customers. I have heard that one. To that, I would suggest that healthy co-ops should take advantage of this bill and privatize their debt. Investors are out there who want to put money into the co-ops because many of them have rapidly growing residential service areas that are a great investment. Those co-ops should be going head-to-head with their competitors on an even playing field.

On the issue of annexation and territorial predation, I believe the leading role should be played by the State public service commissions. When there are difficult—perhaps even ancestral—disputes over territorial rights, State regulatory commissions are far better suited to make appropriate determinations than is the Federal Government. Local decisions should be made at the local level.

The NRECA will also point a finger at tax incentives that are enjoyed by their profit-driven competitors. They will call that an unfair advantage. But these electric co-ops do not pay any

Federal income taxes. They claim they do, indirectly, and that is true. When a cooperative distributes dividends to its members, the members must pay tax on that income. But any "Joe Citizen" who owns stock in a power company must also pay income tax on the dividends.

The argument that investor-owned utilities have an unfair tax advantage is senseless. If the co-ops really want the same tax incentives, then we would have to start taxing them. I do not think they want that.

Another very important part of the bill would improve the delivery of rural development funds, specifically low-interest "water and waste disposal" loans. We want to ensure that priority here is being given to nonprofit organizations whose projects are included in a local, regional, or statewide development plan. This would assist in the coordination of rural development efforts and it is consistent with the desire to eliminate duplicative spending.

Another item that needs correction is a provision that—since 1987—has allowed electric borrowers to invest up to 15 percent of their total plant value in rural development projects without RUS approval—and without regard to their Federal debt status.

The problem with this is that a co-op which is receiving interest subsidies on its Federal debt could actually invest any excess capital—up to 15 percent of its plant value—in "rural development projects." In theory, the taxpayers subsidize the RUS loans so that borrowers can plug low-interest funds into rural development. But a 1992 USDA inspector general's report uncovered a different picture. Of the more than \$8 billion that had been invested by electric borrowers, less than 1 percent actually went to rural development investments.

The inspector general found a disturbing trend in which borrowers took their Government interest subsidies right to "market-rate Wall Street" and invested hundreds of millions of dollars not in rural development, but in mutual funds. My bill would reduce that limitation to 3 percent. I believe excess capital should be used to pay off taxpayer-subsidized debt before it is used to enrich the cooperatives.

Mr. President, I come from a State that has been magnificently served by the REA over the years. One of the first national directors of REA was one J.C. "Kid" Nichols, a Wyoming businessman who was a dear and lifelong friend of mine. He was there when the agency first embarked upon its mission in this country, a mission to bring electricity and lights to rural America. It was a stunning thing to see.

But if we are to better the lot of rural Americans—and we all know that rural America can use some real help—we need to be honest about how far we have come to where we are and how we can change where we are going. And change we must—with responsibility and with courage. The task we face is

great because we have to deal with a massive national debt, an ever-dwindling Federal trough, and the wants of voracious voters.

The rural electric program is a microcosm of everything that is right—and wrong—with our country. On the one hand, the REA wired our homes for sound and light. It surely did that for the folks near my hometown of Cody, WY. And it changed the lives of rural people forever. On the other hand, we have allowed the program to grow so big and so far-reaching that we have lost sight of why it was created in the first place: it was to give rural Americans what the rest of the country had—electric power. Mr. President, that mission has been accomplished and the country has changed. Why does this program plod along—year after year—untouched by all sensibility and reason?

I have often said you show me where we need power lines in rural America today, and I will be right here to appropriate and assist in getting the money to do that in every way, discussing density, discussing all the geographical aspects, all the rest. But I have been watching this issue like a hawk for a lot of years.

I am pleased to offer this bill. I believe that it will save the integrity of the program. I will say it again. Congress must take its deficit cutting task seriously, and this legislation would be an important part of that.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 805

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Electrification and Rural Economic Development Improvement Act of 1995".

SEC. 2. FINDINGS.

Congress finds that—

(1) the Rural Electrification Administration was created to facilitate the electrification of rural America by providing low-interest loans to electric cooperative associations and other entities for the purpose of constructing and improving rural electric systems;

(2) more than 99 percent of the residents in rural areas of the United States now have affordable and reliable electric service;

(3) a large volume of loans, at subsidized interest rates, continue to be made under the Rural Electrification Act of 1936 to electric cooperative borrowers who could obtain financing at reasonable rates and terms from a source other than the Federal Government and these borrowers have become significant and successful participants in an increasingly competitive electric utility industry;

(4) the Federal Government should make electric loans only to entities that cannot otherwise obtain funding at reasonable rates and terms;

(5) the Rural Electrification Act of 1936 authorizes low-interest and zero-interest loans and grants to be made to borrowers under the Act for the purpose of rural economic development;

(6) these rural economic development programs do not provide benefits to most rural Americans since the majority of these residents receive electric utility service from entities that do not receive financing under the Rural Electrification Act of 1936;

(7) borrowers under the Rural Electrification Act of 1936 are directly eligible for some rural development programs under the Consolidated Farm and Rural Development Act of 1972;

(8) the limited funds made available each year for all rural economic development programs should not favor these individuals who reside in rural areas that are served by borrowers under the Rural Electrification Act of 1936; and

(9) borrowers under the Rural Electrification Act of 1936 should not have a competitive advantage in serving customers in rural areas of the United States.

TITLE I—IMPROVEMENTS TO THE RURAL ELECTRIFICATION LOAN PROGRAMS

SEC. 101. REFERENCES TO THE RURAL ELECTRIFICATION ACT OF 1936.

As used in this title, the term "the Act" shall mean "the Rural Electrification Act of 1936" (7 U.S.C. 901 et seq.).

SEC. 102. CONFORMING AMENDMENT.

The Act is amended by striking "TITLE I—RURAL ELECTRIFICATION" immediately prior to section 1 (7 U.S.C. 901).

SEC. 103. OBJECTIVE OF THE ACT; INVESTIGATIONS AND REPORTS.

Effective October 1, 1995, section 2 of the Act (7 U.S.C. 902) is amended to read as follows:

"SEC. 2. OBJECTIVE OF THE ACT; INVESTIGATIONS AND REPORTS.

"(a) The objective of this Act is to authorize and empower the Secretary to make loans for the purposes of (1) furnishing and improving electric energy services in rural areas of the several States and Territories of the United States, (2) assisting rural electric borrowers to implement demand side management practices, energy conservation programs, and on-grid and off-grid renewable energy systems, and (3) furnishing and improving telephone service in such areas.

"(b) The Secretary may make, or cause to be made, studies, investigations, and reports concerning the availability of adequate electric and telephone services in rural areas of the United States and its Territories and to publish and disseminate information with respect thereto."

SEC. 104. APPLICATION OF STATE LAWS OR ORDINANCES CONCERNING ELECTRIC SERVICE.

The Act is amended by adding, after section 2 (7 U.S.C. 902), the following new sections:

"SEC. 2A. STATE REGULATION OF ELECTRIC UTILITY SERVICE.

"Nothing contained in this Act shall be construed to deprive any State commission, board, or other agency of jurisdiction, under any State law, now or hereafter effective, to regulate electric service.

"SEC. 2B. APPLICATION OF STATE LAW.

"(a) Nothing in this Act is intended to prevent a State or political subdivision thereof from enacting and enforcing a law or ordinance concerning the curtailment, limitation, or geographic area of service provided by an electric borrower under this Act if such law or ordinance provides for the just compensation of the borrower for any condemnation, forfeiture, or involuntary sale of a facility, property, right, or franchise of the borrower that secures a loan made under this Act. Any such condemnation, forfeiture, or involuntary sale shall not be construed as interfering with the purposes of this Act.

"(b)(1) Not later than 30 days after a borrower receives such compensation, the Sec-

retary shall require the borrower to use the proceeds of such compensation to prepay, without penalty, all or any portion of the outstanding balance on any loan that was made or guaranteed under this Act for which the Secretary holds a mortgage to, or other security interest in, the facility, property, right, or franchise for which the compensation was provided.

"(2) The Secretary shall also permit the borrower to use any proceeds of such compensation, in excess of the amount needed to prepay a loan under paragraph (1), to prepay, without penalty, all or any portion of any other loan of the borrower made under this Act."

SEC. 105. REPEAL OF AUTHORITY FOR TREASURY LOANS.

Section 3 of the Act (7 U.S.C. 903) is repealed.

SEC. 106. REPEAL OF AUTHORIZATION FOR 2 PERCENT INTEREST RATE ELECTRIC LOANS.

Section 4 of the Act (7 U.S.C. 904) is repealed.

SEC. 107. REPEAL OF AUTHORIZATION FOR 2 PERCENT ELECTRICAL AND PLUMBING EQUIPMENT LOANS.

Section 5 of the Act (7 U.S.C. 905) is repealed.

SEC. 108. AUTHORIZATION OF APPROPRIATIONS; REPEAL OF REQUIREMENT FOR TESTIMONY; FEES FOR NON-FINANCIAL ASSISTANCE AND SERVICES.

Section 6 of the Act (7 U.S.C. 906) is amended to read as follows:

"SEC. 6. AUTHORIZATION OF APPROPRIATIONS; USER FEES FOR NON-FINANCIAL ASSISTANCE AND SERVICES.

"(a)(1) Except as provided for in paragraph (2), there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such funds as necessary for the purpose of administering this Act and for the purpose of making the studies, investigations, publications, and reports provided for in section 2.

"(2) For each of the fiscal years 1996 through 2000, the amount authorized to be appropriated under paragraph (1), or otherwise made available pursuant to this Act, for the purpose of administering the rural electric program, shall not exceed \$15,000,000.

"(b)(1) Effective October 1, 1995, the Secretary shall establish a schedule of fees to be charged for non-financial assistance and services provided by the Secretary to loan applicants, borrowers, and others pursuant to this Act. Such assistance and services shall include, but not be limited to, those relating to accounting, personnel training, engineering, management, auditing, data processing and information system support, duplication of documents, consolidations, and compliance with the provisions of other Federal laws or State laws.

"(2) In establishing the schedule of fees under paragraph (1), the Secretary shall ensure that the amount of each fee shall be sufficient to cover the reasonable cost of the assistance or service provided, as determined by the Secretary.

"(3) The recipient of any non-financial service or assistance provided by the Secretary shall pay to the Secretary the amount of the fee as established in the fee schedule for such service or assistance at such time as the Secretary may require. All fees paid to the Secretary pursuant to this subsection shall be deposited in the Treasury and shall be available to the Secretary, without fiscal year limitation, to pay the cost of providing such non-financial assistance and services pursuant to this Act."

SEC. 109. CONFORMING AMENDMENTS.

Section 7 of the Act (7 U.S.C. 907) is amended by—

(a) in the first sentence, striking out "from the sums authorized in section 3 of this Act", and inserting in lieu thereof "from funds made available for the purposes of this Act"; and

(b) in the second sentence, by striking out "No borrower of funds under sections 4 or 201" and inserting in lieu thereof "No borrower liable for the repayment of any telephone loan made under section 201, and, except as otherwise provided for in section 2B or any other provision of this Act, no borrower who is liable on any rural electric loan made under this Act".

SEC. 110. REPEAL OF OBSOLETE PROVISION RELATING TO TRANSFER OF CERTAIN FUNCTIONS.

(a) Section 8 of the Act (7 U.S.C. 908) is repealed.

(b) Any action made pursuant to section 8 prior to its repeal by subsection (a) shall remain valid and in effect unless otherwise revoked.

SEC. 111. EXPENDITURES FOR PERSONAL SERVICES, SUPPLIES, AND EQUIPMENT.

Section 11 of the Act (7 U.S.C. 911) is amended by adding after "from sums appropriated pursuant to section 6" the following: "or from funds otherwise made available for the purposes of administering this Act".

SEC. 112. PAYMENT DEFERRAL AUTHORITY.

Section 12 of the Act (7 U.S.C. 912) is amended to read as follows:

"SEC. 12. EXTENSION OF TIME FOR REPAYMENT OF LOANS.—The Secretary may extend the payment of interest or principal of any loan made under this Act if the Secretary determines that the borrower is experiencing a financial hardship. Any payment of interest or principal shall not be extended for more than 5 years after the date on which such was originally due, and interest shall accrue on the amount of any such payment at the rate of interest on the underlying loan, which interest shall become due and payable at the same time as the payment for which the extension was made."

SEC. 113. DEFINITION OF RURAL AREA.

Section 13 of the Act (7 U.S.C. 913) is amended by adding at the end thereof the following: "Any determination with respect to whether an area is a rural area, under the preceding sentence, shall be made at the time the application is filed, and, under no circumstances, shall any previous determination that the area was rural for the purposes of this Act be used to make such determination."

SEC. 114. GENERAL PROHIBITIONS; ORIGINATION FEES; USE OF CONSULTANTS.

Section 18 of the Act (7 U.S.C. 918) is amended by—

(a) in subsection (a), striking out "reduce any loan or loan advance" and inserting in lieu thereof "reduce any rural telephone loan or loan advance";

(b) in subsection (b), after "connection with any", inserting "telephone"; and

(c) striking out subsection (c).

SEC. 115. AUTHORIZATION OF LOANS TO RURAL ELECTRIC PROVIDERS.

Effective October 1, 1995, the Act is amended by adding after section 18 (7 U.S.C. 918), a new Title I as follows:

"TITLE I—RURAL ELECTRIFICATION LOANS.

"SEC. 101. LIMITATION ON AUTHORITY TO MAKE, INSURE, AND GUARANTEE ELECTRIC LOANS.—No electric loan shall be made, insured, or guaranteed, under this Act after September 30, 1995, except as authorized in sections 102 and 103.

"SEC. 102. DIRECT ELECTRIC LOANS.—(a) The Secretary is authorized and empowered to make loans to corporations, States, Territories, and subdivisions and agencies thereof,

municipalities, peoples' utility districts, and cooperative, nonprofit, or limited-dividend associations, organized under the laws of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas and for furnishing and improving electric service to persons in rural areas, including assisting electric borrowers to implement demand side management, energy conservation programs, and on-grid and off-grid renewable energy systems.

“(b) Loans made under this section shall be on such terms and conditions relating to the expenditure of the money loaned and the security therefore as the Secretary shall determine.

“(c)(1) The Secretary shall prioritize the making of loans authorized by this section to ensure that eligible applicants with the greatest need for Federal assistance shall have the highest priority for available loan funds.

“(2) In establishing such priorities, the Secretary shall consider the following indicators of need:

“(A) The net income before interest of the applicant;

“(B) The weighted average of per capita personal income for the area served or to be served by the applicant;

“(C) The weighted average unemployment rate of the area served or to be served by the applicant;

“(D) An average annual rate of growth in the total kilowatt hour sales of the applicant during the five year period preceding the date on which the application is made;

“(E) The rate of disparity, measured as the difference between the residential rate of the applicant and the average residential rate in the State for all electric utilities, including utilities that are not borrowers under this Act;

“(F) The rate level, measured by the average revenue per kilowatt hour that is sold by the applicant to residential and farm consumers;

“(G) The cost of power per kilowatt hour purchased or generated by the applicant;

“(H) The total kilowatt hour sales per mile of distribution and transmission line, excluding large commercial and industrial consumers and sales for resale; and

“(I) The value of distribution and transmission plants in service per kilowatt hours of electricity sold.

“(d)(1)(A) The Secretary shall not make any loan under this section if the Secretary determines that the applicant is capable of producing net income before interest of more than 500 percent of the interest requirements on all of the outstanding and proposed loans of the applicant for which the final maturity is greater than one year.

“(B) If the Secretary determines that the applicant is capable of producing net income before interest of more than 200 percent of the interest requirement of all of the outstanding and proposed loans of the applicant for which the final maturity is greater than one year, the Secretary shall require the applicant to secure at least 10 percent of the total financing required for the proposed project with a loan from a commercial, cooperative, or other legally organized non-governmental lending institution, which loan may not be guaranteed under section 103.

“(2) The Secretary shall not make a loan under this section unless the Secretary determines that the applicant is capable of producing income sufficient to repay the loan in accordance to its terms within the agreed time, pay interest on the loan as it becomes due, and repay all other outstanding and proposed indebtedness of the applicant, together

with any interest thereon, as payments become due.

“(3)(A) The Secretary shall not make any loan under this section unless the Secretary determines that the applicant is unable to obtain all or any part of the funds needed by the applicant elsewhere, including from (i) general funds of the applicant that are in excess of an amount needed for a reasonable reserve, or (ii) loans (with or without a guarantee under section 103) from commercial, cooperative, or other legally organized lending institutions at reasonable rates and terms for loans for similar purposes and periods of time.

“(B) The Secretary shall require the applicant to certify in writing that the applicant is unable to obtain sufficient credit elsewhere to finance all or any part of the actual needs of the applicant at reasonable rates and terms, taking into consideration prevailing rates for loans and obligations for similar purposes and periods of time.

“(4) The Secretary shall not make a loan under this section unless the Secretary determines that the security for the loan will be adequate to ensure full payment of the loan.

“(5) The Secretary shall not make any loan under this section unless the applicant has agreed to comply with the requirements of the graduation program established under section 105.

“(6) The Secretary shall not make any loan under this section unless all additional requirements of section 104 have been met.

“(e) The term of each loan made under this section shall be determined by the Secretary and shall not exceed 35 years, or the expected useful life of the assets being financed, whichever is less.

“(f)(1) Except as provided for in paragraph (2), the rate of interest on loans under this section shall be equal to the then current costs of money to the Government of the United States for obligations of comparable maturity.

“(2)(A) If the Secretary determines that the applicant is not capable of producing net income before interest of more than 200 percent of the interest requirements on all of the outstanding and proposed loans of the applicant for which the final maturity is greater than one year, the rate of interest on the loan shall be the rate established under paragraph (1) but not more than 5 percent per year, except as provided under subparagraph (B).

“(B) For any loan whose term is 10 years or more and whose interest rate is limited to 5 percent per year under subparagraph (A), the Secretary shall review the financial status of the borrower every 2 years, and, if the Secretary determines that the borrower is capable of producing net income before interest of more than 200 percent of the interest requirements on all of the outstanding and proposed loans of the applicant for which the final maturity is greater than one year, the 5 percent limitation shall no longer apply to the loan and the rate for the remaining term of the loan shall be the original rate established under paragraph (1).

“(g) The Secretary shall charge a loan origination fee of one percent of the amount of the loan if the Secretary determines that the applicant is capable of producing net income before interest of more than 200 percent of the interest requirements on all of the outstanding and proposed loans of the applicant for which the final maturity is greater than one year.

“(h) The Secretary may provide a borrower the right to make payment in full on a loan made under this section in advance of final maturity on terms consistent with those provided for commercial loans for similar purposes and maturities.

“SEC. 103. GUARANTEES OF ELECTRIC LOANS FROM NON-GOVERNMENTAL SOURCES OF CREDIT' LIEN ACCOMMODATIONS.—(a)(1) To the extent set out in Paragraph (2), the Secretary is authorized and empowered, to guarantee loans that are made by commercial, cooperative, or other legally-organized non-governmental lending institutions to any entity, and for any purpose, described in section 102(a).

“(2) The Secretary shall guarantee only the payment of that portion of the principal of the loan, and that portion of the interest thereon, that the lender requires as a condition for making the loan. The amount of any such guarantee shall not exceed 90 percent of the principal of the loan and the interest thereon.

“(3) The Secretary shall not guarantee any loan to an entity that the Secretary determines is capable of producing income before interest of more than 600 percent of the interest requirements on all of the outstanding and proposed loans of the entity for which the final maturity is greater than one year.

“(4) The Secretary shall impose such fees and charges to cover the administrative expense related to any guarantee made under this section as the Secretary determines reasonable.

“(5) Any contract of guarantee executed by the Secretary under this section shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder of the guarantee had actual knowledge at the time it become a holder.

“(6) The Secretary shall not guarantee any loan under this section unless all additional requirements of section 104 have been met.

“(b) In order to encourage non-governmental lenders to make loans to eligible entities, or to provide a greater portion of the credit needs of an applicant for a loan under section 102, the Secretary is authorized to share the Government's lien on the loan applicant's or borrower's assets or to subordinate the Government's lien on the property to be financed by the lender. The Secretary shall not offer such accommodation or subordination unless the Secretary determines that the security for all loans made or guaranteed under this Act, the payment of which the borrower is liable, will remain reasonably adequate.

“SEC. 104. ADDITIONAL REQUIREMENTS AND PROVISIONS RELATING TO LOANS AND GUARANTEES.—(a) The Secretary shall not make any loan under section 102 or guarantee any loan under section 103—

“(1) if all or any part of the loan to be made or guaranteed will be used to expand the service territory of the applicant or borrower, as the case may be, into an area in which consumers are being served by another utility;

“(2) if the applicant or the borrower, as the case may be, has not agreed to follow generally accepted accounting procedures and management practices;

“(3) if the applicant or borrower, as the case may be, is prohibited by a charter, bylaw, statute, or regulation, or is otherwise prohibited, from disposing of any or all of the property of the applicant or borrower by a vote greater than a majority of the membership of the applicant or borrower voting in person or by proxy; and

“(4) if the applicant or borrower fails to agree to provide to the Secretary a complete and current set of all residential, commercial, or industrial tariffs or rate schedules, power sale agreement, and transmission agreements, and any subsequent changes made thereto, and any additional power sale and transmission agreements entered into by the borrower, during the term of the loan; any such tariffs, schedules, and agreements

provided to the Secretary shall be deemed public information and shall be made available within 10 working days of receipt of a verbal, written or electronically transmitted request reasonably describing the information sought.

“(b) The Secretary shall ensure that funds shall not be advanced under any loan made section 102 or guaranteed under section 103 unless the approval of any State or Federal agency required with respect to the project to be financed by the loan, or its financing, has been obtained and remains in effect.

“(c) If the Secretary determines that the level of general funds of an applicant or borrower is in excess of that needed for a reasonable reserve, the Secretary shall reduce (A) the amount of the loan request in the case of an applicant under section 102, (B) the amount of any advance on a loan made under section 102, or (C) the amount of any guarantee under section 103.

“(d) Loans may be made under section 102, or guaranteed under section 103, only to the extent that electrical service to consumers in rural areas will be provided or improved by the facility being financed.

“SEC. 105. GRADUATION PROGRAM.—(a) The Secretary shall establish a program under which at least once every 2 years each loan made under section 102 shall be reviewed to determine whether the borrower (1) is able to repay all or any part of the loan with general funds in excess of that needed for a reasonable reserve, or (2) may be able to obtain credit from a commercial, cooperative, or other legally organized non-governmental lending institution in an amount sufficient to meet all or any part of the credit needs of the borrower at reasonable rates and terms, taking into consideration prevailing rates for loans and obligations for similar purposes and periods of time.

“(b)(1) To the extent that the Secretary determines that the borrower is able to repay all or any part of the loan from general funds, the borrower shall make payment in full or in part on the loan, without penalty, at such time as the Secretary may require prior to the final maturity date of the loan.

“(2) If the Secretary determines that the borrower may be able to meet all or any part of its credit needs from other lenders, with or without a loan guarantee under section 103, the borrower shall be required to—

“(A) apply for and accept credit from such lenders, and purchase any stock necessary in connection with the loan if the source is a cooperative lending institution; and

“(B) use the proceeds of such credit to make payment, in full or in part, without penalty, on any loan made to the borrower under section 102 at such time as the Secretary may require prior to the final maturity date of such loan.

“SEC. 106. FAILURE TO COMPLY WITH THE ACT.—If a borrower of a loan made under section 102 fails to comply with any provision of this Act, or any agreement between the borrower and the Secretary made pursuant thereto, including, but not limited to, the provisions of section 104(a)(6) and section 105, the amount outstanding on the loan shall become due and payable upon receipt of a written notice of such failure issued by the Secretary to the borrower. Such notice shall be given to the borrower as soon as possible after such failure to comply with the Act occurs.

“SEC. 107. LIMITATION ON AUTHORIZATION FOR APPROPRIATIONS.—In the case of each fiscal year 1996 through 2000, there are authorized to be appropriated to the Secretary for the cost, as defined in Section 502 of the Congressional Budget Act of 1974, of loans made and guaranteed under this title, \$25,000,000.”

SEC. 116. CONFORMING AMENDMENT.

Section 201 of the Act (7 U.S.C. 921) is amended, in the first sentence, by—

(a) striking out “section 3 of”; and

(b) striking out “as are provided in section 4 of this Act” and inserting “as was provided in section 4 of this Act prior to its repeal.”.

SEC. 117. RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND.

Section 301 of the Act (7 U.S.C. 931) is amended by—

(a) redesignating subsection (a) as subsection (b);

(b) adding a new subsection (a) as follows:

“(a) The provisions of this title shall be applicable only to rural electric loans made prior to October 1, 1995, and to rural telephone loans.”; and

(c) in subsection (b), as redesignated,

(1) in paragraph (1), striking out “under sections 4, 5, and 201 of this Act” and inserting in lieu thereof “under sections 4 and 5, prior to their repeal, and section 201 of this Act”;

(2) in paragraph (2), striking out “under sections 4, 5, and 201” and inserting in lieu thereof “under sections 4 and 5, prior to their repeal, and section 201 of this Act”;

(3) in paragraph (3)—

(A) striking out “notwithstanding section 3(a) of title I”; and

(B) striking out “held under titles I and II of this Act” and inserting in lieu thereof “held under sections 2 through 18 of this Act, prior to the amendments made thereto by the “Rural Electrification and Rural Economic Development Improvement Act of 1995, and title II of this Act”.

SEC. 118. CONFORMING AMENDMENTS.

Section 302 of the Act (7 U.S.C. 932) is amended by—

(a) in subsection (a), striking out “under sections 4, 5, and 201 of this Act” and inserting in lieu thereof “under sections 4 and 5, prior to their repeal, and section 201 of this Act”; and

(b) in subsection (b)—

(1) in paragraph (1), striking out “under sections 4, 5, and 201 of this Act” and inserting in lieu thereof “under sections 4 and 5, prior to their repeal, and section 201 of this Act”; and

(2) in paragraph (2), adding after “pursuant to section 3(a) of this Act” the following: “prior to its repeal”.

SEC. 119. COST OF MONEY RATES FOR CERTAIN ELECTRIC BORROWERS.

Section 305(c)(2) of the Act (7 U.S.C. 935(c)(2)) is amended to read as follows:

“(2) COST OF MONEY LOANS.—

“The Secretary shall make insured electric loans, to the extent of qualifying applications, to eligible applicants that do not meet the requirements for hardship loans under paragraph (1) at the rate of interest equal to then current cost of money to the Government of the United States for loans of similar maturity.”.

SEC. 120. LIMITATION OF TERMS OF LOANS.

Section 305(c) of the Act (7 U.S.C. 935(c)) is amended by adding at the end thereof a new paragraph (4) as follows:

“(4) LIMITATION ON TERMS OF LOANS.—

“The term of any loan made under this subsection may not exceed the expected useful life of the assets being financed or 35 years, whichever is less.”.

SEC. 121. ACCOMMODATION AND SUBORDINATION OF LIENS TO ASSIST CERTAIN BORROWERS IN ACQUIRING CREDIT AFTER OCTOBER 1, 1996.

Effective October 1, 1995, section 306 of the Act (7 U.S.C. 936) is amended by—

(a) Adding “(a)” before the first sentence; and

(b) Adding at the end thereof a new subsection (b) as follows:

“(b) In order to assist borrowers with outstanding electric loans made under this Act prior to October 1, 1995, who are not eligible

for loans under section 102 to meet their further credit needs from commercial, cooperative, or other legally organized lending institutions, the Secretary is authorized to share the Government’s lien on the borrower’s assets or to subordinate the Government’s lien on the property to be financed by the lender to the extent that the Secretary determines that the security for all loans of the borrower made or guaranteed under this Act will remain reasonably adequate.”.

SEC. 122. REPEAL OF AUTHORIZATION TO REFINANCE FEDERAL FINANCING BANK LOANS.

Section 306C of the Act (7 U.S.C. 936c) is repealed.

SEC. 123. REPEAL OF REQUIREMENT FOR SPECIAL TREATMENT OF CERTAIN ELECTRIC BORROWERS.

Section 306E of the Act (7 U.S.C. 936e) is repealed.

SEC. 124. REPEAL OF 30 PERCENT LIMITATION ON REQUIRED FINANCING FROM OTHER SOURCES.

Section 307 of the Act (7 U.S.C. 937) is amended by striking out the last sentence thereof.

SEC. 125. REPEAL OF AUTHORIZATION TO REFINANCE CERTAIN RURAL DEVELOPMENT LOANS.

Section 310 of the Act (7 U.S.C. 940) is repealed.

SEC. 126. USE OF FUNDS.

Section 312 of the Act (7 U.S.C. 940b) is repealed.

SEC. 127. REPEAL OF CUSHION OF CREDIT PAYMENTS PROGRAM.

Section 313 of the Act (7 U.S.C. 940c) is repealed.

SEC. 128. REPEAL OF CERTAIN AUTHORIZATIONS FOR APPROPRIATIONS.

Section 314 of the Act (7 U.S.C. 940d) is amended in subsection (b) by—

(a) striking out paragraphs (1) and (2); and

(b) renumbering paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

TITLE II—PRESERVATION OF EXCLUSIVE STATE JURISDICTION OVER RETAIL ELECTRIC SERVICE TERRITORIES.

SEC. 201. AMENDMENT TO THE FEDERAL POWER ACT OF 1935.

Section 201 of the Federal Power Act of 1935 (16 U.S.C. 824) is amended by adding at the end thereof the following new subsection:

“(h) EXCLUSIVE STATE JURISDICTION OVER ALLOCATION OF RETAIL ELECTRIC SERVICE TERRITORIES.—

“Notwithstanding any other provision of law, the regulation and allocation of service territories or service areas to providers of electric service shall be subject only to State law and shall not be subject to the requirements of this Act, or any other provision of Federal law. No Executive agency (as defined in section 105 of title 5, United States Code) shall have authority to preempt or interfere with the operation of any law of a State or a political subdivision of a State relating to a service territory or service area allocation to providers of electric service.”.

TITLE III—IMPROVEMENTS TO THE DELIVERY OF RURAL DEVELOPMENT PROGRAMS

SEC. 301. ELIGIBILITY FOR WATER AND WASTE LOAN AND GRANT PROGRAMS.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by—

(1) in subsection (a) of section 306 (7 U.S.C. 1926(a)), striking out the second sentence; and

(2) in section 365 (7 U.S.C. 2008), striking out subsection (h).

SEC. 302. REGULATIONS UNDER SECTION 370 OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

If the Secretary of Agriculture has not issued final or interim final regulations to ensure compliance with the provisions of section 370(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008e) on or before September 30, 1995, the Secretary shall not make any loan, loan advance, or grant for rural development purposes under any provision of such Act or any loan, loan advance, or grant under any provision of the Rural Electrification Act of 1936 until such regulations are issued.

SEC. 303. ADMINISTRATION OF RURAL DEVELOPMENT PROGRAMS.

The Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1921 et seq.) is amended by adding at the end therefore the following new section:

“SEC. 372. ADMINISTRATION OF RURAL DEVELOPMENT PROGRAMS.

“Notwithstanding any other provision of law, in administering all rural development programs and activities, other than rural development programs relating to rural businesses and industry development, the Secretary shall give priority, in the awarding of all loans and grants (including, but not limited to, grants and loans provided under Title V of the Rural Electrification Act of 1936), to rural development projects that are included in a local, regional, or State-wide development plan and the Secretary shall give the highest priority to public bodies and nonprofit entities that operate on a nonprofit basis.”

SEC. 304. EQUAL ACCESS TO FEDERAL RURAL DEVELOPMENT FUNDS.

Section 502 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa-1) is amended—

(a) in paragraph (1) of subsection (b)—
(1) in the first sentence, by striking out “Borrowers under this Act” and inserting in lieu thereof “Borrowers under this Act and all nonprofit entities”; and
(2) by striking out the second sentence.

(b) in section (b), by adding at the end thereof the following new paragraph:

“(4) PREFERENCE FOR NONPROFIT ENTITIES.—In reviewing applications for assistance, the Secretary shall give the highest priority to those applications and preapplications submitted by nonprofit entities that operate on a nonprofit basis.”; and
(c) in subsection (e), by striking out the second sentence.

SEC. 305. ELIMINATION OF DUPLICATIVE PROGRAMS.

Section 2322 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1926-1) is repealed.

ADDITIONAL COSPONSORS

S. 158

At the request of Mr. BREAU, his name was added as a cosponsor of S. 158, a bill to provide for the energy security of the Nation through encouraging the production of domestic oil and gas resources in deep water on the Outer Continental Shelf in the Gulf of Mexico, and for other purposes.

S. 256

At the request of Mr. DOLE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 494

At the request of Mr. KYL, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 494, a bill to balance the Federal budget by fiscal year 2002 through the establishment of Federal spending limits.

S. 650

At the request of Mr. SHELBY, the names of the Senator from New Hampshire [Mr. GREGG], the Senator from Indiana [Mr. COATS], the Senator from Mississippi [Mr. LOTT], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 650, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

SENATE CONCURRENT RESOLUTION 3

At the request of Mr. SIMON, the names of the Senator from Missouri [Mr. ASHCROFT] and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of Senate Concurrent Resolution 3, a concurrent resolution relative to Taiwan and the United Nations.

AMENDMENTS SUBMITTED

THE ALASKA POWER ADMINISTRATION SALE ACT TRANS-ALASKA PIPELINE AMENDMENT ACT OF 1995

MURKOWSKI AMENDMENT NO. 1078

Mr. MURKOWSKI proposed an amendment to the bill (S. 395) to authorize and direct the Secretary of Energy to sell the Alaska Power Administration, and for other purposes; as follows:

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

TITLE II

SEC. 201. SHORT TITLE.

This Title may be cited as “Trans-Alaska Pipeline Amendment Act of 1995”.

SEC. 202. TAPS ACT AMENDMENTS.

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

(f) EXPORTS OF ALASKAN NORTH SLOPE OIL.—

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

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

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

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

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

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

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

(5) If the Secretary of Commerce finds that anticompetitive activity by a person exporting crude oil under authority of this subsection has caused sustained material crude oil supply shortages or sustained crude oil prices significantly above world market levels and further finds that these supply shortages or price increases have caused sustained material adverse employment effects in the United States, the Secretary of Commerce may recommend to the President appropriate action against such person, which may include modification of the authorization to export crude oil.

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

SEC. 203. ANNUAL REPORT.

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

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

SEC. 204. GAO REPORT.

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

statement of the principal findings of the review and such recommendations for consideration by the Congress as may be appropriate.

SEC. 205. EFFECTIVE DATE.

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

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL
RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce to the information of the Senate and the public two time changes with respect to hearings which have previously been scheduled before the Committee on Energy and Natural Resources.

First, the hearing scheduled on Thursday, May 25, before the full committee regarding S. 638, the Insular Development Act of 1995, will begin at 9:30 a.m. instead of 2 p.m., as previously scheduled.

Second, the hearing scheduled on Thursday, May 25, before the Subcommittee on Forests and Public Land Management regarding property line disputes with the Nez Perce Indian Reservation in Idaho will begin at 2 p.m. instead of 9:30 a.m., as previously scheduled.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON INTERNATIONAL TRADE

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on International Trade of the Committee on Finance be permitted to meet on Monday, May 15, beginning at 2 p.m. in room SD-215, to conduct a hearing on the Caribbean basin initiative.

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

SUBCOMMITTEE ON PERSONNEL AND READINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittees on Personnel and Readiness of the Committee on Armed Services be authorized to meet at 2:30 p.m. on Monday, May 15, 1995, in open session, to receive testimony regarding Department of Defense military family housing issues in review of S. 727, the National Defense Authorization Act for fiscal year 1996, and the future years defense program.

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

SUBCOMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Post Office and Civil Service, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Monday, May 15, 1995, to review Federal pension reform.

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

ADDITIONAL STATEMENTS

IRANIAN NUCLEAR PLANS

• Mr. D'AMATO. Mr. President, I rise today to comment on an interview that appeared in the New York Times, on Sunday, May 14, 1995, entitled, "Iran Says It Plans 10 Nuclear Plants But No Atom Arms."

I must say that the interview is quite candid in as much as we have the Director of Iran's Atomic Energy Organization, Reza Amrollahi, stating that his nation intends to build as many as 10 nuclear reactors throughout the country. What we have is an Iranian official publicly stating the number of reactors Iran wants to build, as well as confirming that Iran is buying two more Chinese reactors, in addition to the Russian reactors they intend to purchase. This is remarkable and scary.

Mr. President, this interview only confirms what I have been saying all along. The terrorist regime in Iran is bent on aggression and will not stop. It is bad enough that they are abusing the human rights of the Iranian people and hijacking their rich history, but they are sacrificing the Iranian people's welfare in return for a headlong drive for nuclear armament. This is all very unfortunate for the abused Iranian people and dangerous for the world. I hope that Iranians remember what their corrupt government did to them.

Mr. President, I ask that the text of the above-mentioned article be printed in the RECORD.

[From the New York Times, May 14, 1995]

**IRAN SAYS IT PLANS 10 NUCLEAR PLANTS BUT
NO ATOM ARMS**

(By Elaine Sciolino)

TEHERAN, IRAN, May 13—Iran's top nuclear official said today that his country intended to build about 10 nuclear power plants in the next two decades, but denied charges by the United States that Iran is trying to develop nuclear weapons.

The official, Reza Amrollahi, also said that last year he signed a formal contract with China for two nuclear power reactors and that Chinese experts had completed a feasibility study and had begun to draw up blueprints and engineering reports for a site in southern Iran.

Iran has already made a "down payment" for the project, which will cost \$800 million to \$900 million and involve training by Chinese experts, said Mr. Amrollahi, director of Iran's Atomic Energy Organization.

Although the United States has doubted that China is capable of building the reactors on its own because the original model included parts from Germany and Japan, Mr. Amrollahi said the Chinese now believed that they had successfully duplicated the technology.

The United States has led a global campaign to prevent Iran from receiving any nuclear technology because of its suspected weapons program. Mr. Amrollahi's statements suggest that the agreement with China is much further along than was previously known, and that Iran is planning a vast long-range nuclear energy program. They seem certain to strengthen the conviction both within the Clinton Administration and Congress that Iran is determined to become a nuclear power.

In addition to its oil reserves Iran has the second largest natural gas reserves in the world, and natural gas is much cheaper to develop than nuclear energy. That makes American officials suspicious that Iran wants nuclear power as part of a weapons program.

In a clear attempt to answer charges that Iran is developing nuclear weapons, Mr. Amrollahi made his remarks in a two-and-a-half-hour interview at his agency's new six-story building. It is part of a sprawling complex in central Teheran that includes a small nuclear research reactor built for Iran by the United States in the late 1960's, when the monarchy was in power and the relationship with Washington was close. Officials offered a brief tour of the complex, including a visit to two radio isotope laboratories for medical research, although they did not allow a tour of the reactor.

"In case we get enough money, in case we have enough trained people, we have a plan to take 20 years to get 20 percent of our energy from nuclear," Mr. Amrollahi said. Asked whether that could mean about 10 reactors, he said, "Something like that."

If Russia completes two reactor projects in Iran, and China builds two, it would mean that the Iranian Government intends to build six more throughout the country.

At the summit meeting in Moscow this week, President Clinton tried without success to persuade President Boris N. Yeltsin to abandon an ambitious nuclear energy project with Iran, arguing that its Islamic Government had embarked on a crash nuclear weapons program and that even peaceful nuclear cooperation was dangerous. Secretary of State Warren Christopher was similarly rebuffed when he made the same point to China's Foreign Minister, Qian Qichen, in New York last month.

Mr. Amrollahi reiterated that Iran had already invested \$6 billion in the project—which is subject to international inspection and safeguards—and wanted to finish it. He said the contract with Moscow consists of a \$780 million deal in which Russia will complete one of two reactors that a German firm was building at the southern port city of Bushehr before the project was halted after the 1979 revolution. If that project goes well, Russia will finish the second reactor.

The United States opposes the project in part because it will give Iran access to expertise, technology and training it would not otherwise have.

Mr. Amrollahi said that 150 Russian nuclear experts were already working at the site and that 500 would eventually be based there; a much smaller number of Iranians will be trained in Russia on how to operate the plant, he added. "Training people is part of that nuclear power plan," he said. "I don't know why they make such a hot fudge of it."

Mr. Amrollahi denied reports that Iran had negotiated—or even discussed—a plan to buy a gas centrifuge from Russia that could have rapidly enriched uranium to bomb-grade quality. "This was a diplomatically made cake," he said of reports from Washington about the existence of a separate, albeit tentative agreement with Russia.

Russia has agreed to supply the enriched uranium needed to operate the plant it will finish, he said. Asked whether Iran was pursuing a program to enrich uranium, at first he said, "Not now," but added quickly: "No. Not forever. Not. No. Not at all."

Asked why Iran simply doesn't use natural gas for fuel, Mr. Amrollahi said, "natural gas is one of the best fuels, and many countries at the moment need it. So we think it is better to sell it." Like many of Iran's nuclear specialists, Mr. Amrollahi has been educated and trained in the West. He holds a master's degree in electrical engineering from the

University of Texas and a doctorate in physics from the University of Paris.

He briefly worked for the Belgian Government in nuclear safety in the 1970's. He has headed Iran's nuclear program for 15 years, and spoke with precision when discussing Iran's official nuclear reactor and research sites in Iran. But the United States and Germany have amassed substantial evidence that Iran is secretly buying components and technology from abroad that they claim are not necessary for nuclear energy development or research and can only be useful in a determined weapons program.

American and German intelligence officials believe that Mr. Amrollahi controls only part of Iran's nuclear program and that Iran has created a parallel program through the military that is largely responsible for purchases of nuclear related items. According to this view, the Defense Ministry Organization inside the Defense Ministry uses front organizations like the Sharif University of Technology in Teheran to help buy nuclear-related equipment.

On the basis of reports by Germany's foreign intelligence agency in 1992 and 1993 that Sharif was involved in secret nuclear activities, Germany began to reject all requests for equipment by the university. Early last year, the German agency said that the university's physics research center was involved in buying technology that could be used in making weapons, including nuclear-related materials.

Mr. Amrollahi strongly denied the claim that he was not fully in charge. "I am responsible for the atomic energy of Iran," he said, "Believe it, we don't have any other institutions or departments that pay attention to nuclear issues."

Mr. Amrollahi also denied reports that Iran secretly has been buying nuclear technology and equipment from abroad, noting that the International Atomic Energy Agency, which is responsible for monitoring nuclear programs around the world, turned up nothing suspicious during a visit to Sharif University.

But the nuclear chief was unfamiliar with intelligence reports about Iran's nuclear-related overtures abroad and asked for copies of news clippings describing the details.

Asked, for example, about a report that Iran tried unsuccessfully to buy cylinders of fluorine for Sharif University in 1991, Mr. Amrollahi said, "Wrong. I deny it totally." Asked about a report that Sharif University approached the German firm Thyssen in 1991 for specialized magnets he replied, "No, we never did."

Asked whether Sharif University tried to buy balancing machines from another German firm in 1991, he replied, "You can go and ask Sharif University."

Asked about a seizure by Italian authorities of high technology ultrasonic equipment that could be used in nuclear reactor testing in the Italian port of Bari last January, he replied, "Believe it, that's wrong, totally."

Asked about an earlier seizure by Italian customs of eight steam condensers destined for Iran in 1993, he said, "I don't know really. I don't know. It's totally wrong."

Mr. Amrollahi also denied a recent charge by Mr. Christopher, based on American intelligence reports, that Iran tried to buy enriched uranium from Kazakhstan in 1992. Other senior American officials in Washington said that Iran sent a purchasing team to Kazakhstan three years ago, but that it came home empty-handed.

The visit contributed to a decision by the Pentagon last year to secretly airlift 500 kilograms of bomb-grade uranium from Kazakhstan's nuclear fabrication plant for safe storage in the United States.

"We didn't send any team," Mr. Amrollahi said. "Definitely not. What is the use of en-

riched uranium for? The Russians do have many, many nuclear weapons but they couldn't use them. I think the bomb age is over. We don't think we need a nuclear weapon."●

TRIBUTE TO DON COLLINS

● Mr. KERRY. Mr. President, it is with great sadness that I note the death of Donald L. Collins after a brief but fierce battle with cancer. At the time of his death last February, Mr. Collins was Deputy Federal Insurance Administrator of the Federal Emergency Management Agency [FEMA] in Washington, DC. That position of leadership capped a remarkable career in Federal service of more than 20 years. It is a genuine honor to commend to my colleagues in the Senate the life and service of Don Collins.

Don had many remarkable achievements in his Federal career that I would like to touch on briefly. But perhaps, for anyone who ever met him, Don Collins' most memorable qualities were his deep, unabashed love for his Catholic faith, his genuine compassion for others, and his quick sense of humor that could disarm and charm any opponent. For Don, there were never any strangers, never any enemies—even after the most heated debate. He was available to everyone, at any time. While Don always assumed the lion's share of the work for every project, he still always had time for everyone on his staff. There was never a closed door to his employees at the Federal Insurance Administration [FIA] or to the public he served. His love and caring were contagious. Don had, in the words of his brother, long arms—always ready to draw people to himself, no matter how different their point of view.

Don loved and respected the law as well—which he demonstrated by always molding policy interpretations for the National Flood Insurance Program [NFIP] to comply with the intentions of Congress for that program. His regard and respect for law were developed early as he worked his way through undergraduate school at Fordham University in New York City and law school at night. He completed his juris doctor at Saint John's University, also in New York. He was admitted to practice in the following courts: the courts of the State of New York, District of Columbia Court of Appeals; U.S. Circuit Court of Appeals, Second Circuit; U.S. District Court of the Eastern District of New York; U.S. District Court for the Southern District of New York; and U.S. Court of Military Appeals (DC).

Marking another dimension of this charming, approachable, funny man were the awards he received to commemorate a textbook Federal career. In 1991, Don Collins received the Presidential Rank Award-Meritorious Executive, Senior Executive Service. That award recognized in part his lasting contributions and service to the Fed-

eral Insurance Administration, especially for his efforts to shape and implement the NFIP program. In that connection, Mr. Collins played a major role in framing the public policy debate about how to reduce the public's losses from floods, which resulted in the enactment of the Flood Disaster Protection Act of 1973. That legislation redirected the Nation toward a more prudent course in flood loss reduction. From 1990 to 1994, he worked closely with the White House and congressional leaders to shape the NFIP Reform Act of 1994 which strengthens the NFIP and provides lenders with the tools needed to comply with legal requirements for flood insurance.

Over the years, Don Collins also helped foster a close working relationship with the insurance industry. His integrity and disarming personality were largely responsible for the good will enjoyed by the program with its industry partners. He developed and administered the entire claims and underwriting systems in support of the NFIP and developed all NFIP policy forms and the agents' manuals. Similarly, he developed all flood insurance regulations and was central to the development of all significant policies governing the NFIP.

In sum, Don Collins was a model Federal executive. More than that, Don Collins was an exemplary person. He was a man of deep faith, a loving husband and father, a person dedicated to his community, and a manager who set the standard for excellence at the Federal Insurance Administration and the National Flood Insurance Program. When my staff and I worked with Don on NFIP legislation over the course of 2 years, his knowledge, diligence, good humor, grace, and personal warmth were always present, and prevented a series of difficult negotiations from becoming unpleasant and onerous. None who worked with him will forget him. Indeed, he will be appreciated and fondly remembered by all.●

THE COLUMBIA GORGE INTERPRETIVE CENTER

● Mr. GORTON. Mr. President, it is my privilege to recognize the grand opening of the Columbia Gorge Interpretive Center in Stevenson, WA on Wednesday, May 17, 1995. The grand opening celebration will start at 10:30 a.m. with the award-winning Stevenson High School Band and choir, and conclude with Nelson Moses of the Wishram Tribe and members of his family giving a native American blessing to the project.

The Interpretive Center is dedicated to preserving the natural and cultural history of the magnificent Columbia River Gorge. Exhibits and displays will educate, entertain and inform adults and children alike. As they tour the center they will see the First Peoples and Harvesting Resources galleries and the multi-media Creation Theatre, which shows the cataclysmic events

that shaped the gorge. They will also learn about the people who built the communities of the gorge—pioneers, missionaries, riverboat captains, soldiers, dam-builders and all the rest—in all, a wonderful cast of characters.

Other exhibits feature natural resources, dams and other developments on the river. This center encourage Washingtonians to consider their role in the stewardship of the mighty Columbia River, one of our great natural wonders.●

THE IMPORTANCE OF THE LEGAL SERVICES CORPORATION

● Mr. SIMON. Mr. President, I am extremely concerned that in the rush to shrink the size of the Federal Government, Congress may eliminate or severely limit the services provided by many important programs. One such program, which gives low-income individuals a fighting chance, is the Legal Services Corporation [LSC]. Established by an act of Congress in 1974, the LSC provides grants to local agencies that in turn offer legal services to the poor. In its 20 plus years in existence, the LSC has provided funding for legal services to tens of thousands of low-income Americans in areas ranging from inner-cities to native American reservations.

The U.S. District Court for the Northern District of Illinois recently issued a resolution supporting the continued funding of the LSC. This resolution is significant because it comes from those who administer justice in our courts, and who have first-hand knowledge of the benefits of legal services. The resolution asserts that the LSC is essential to providing equal opportunities for justice for all Americans.

I applaud the action taken by the justices in the Northern District of Illinois, and ask that the text of the resolution be printed in the RECORD.

The resolution follows:

RESOLUTION

This court, the United States District Court for the Northern District of Illinois, understands that there are proposals before Congress to restrict or eliminate funding for the Legal Services Corporation and to transfer to the states the responsibility for providing legal assistance to low-income persons and families. In Illinois, at least, the likelihood that such assistance would be provided by the state, given its present and prospective fiscal difficulties, is remote, and the restriction or elimination of federal funding would, in all probability, lead to a corresponding restriction or to the elimination of legal assistance. We believe such a decision would have a major adverse impact upon the administration of equal justice.

This court is aware that many low-income persons and families in Illinois have no means to obtain redress except through the five federally-supported legal services programs in this state. The Legal Assistance Foundation of Chicago alone represented over 38,000 low-income persons and families in 1994, primarily by counseling or by work-

ing the matter out with other parties without resort to governmental agencies or to the courts. These matters included resolution of landlord-tenant disputes, the provision of public benefits, providing representation in marriage dissolution matters including assisting in obtaining adequate child support, obtaining orders of protection for victims of domestic violence, enforcing consumer protection laws, assisting in employment and housing discrimination matters, assisting working low-income people in obtaining unemployment insurance benefits, and assisting migrant workers, the disabled and crime victims. In many instances LAFC enlists the aid of private attorneys, who provide services at minimal compensation. Many of these matters involve enforcement of federal law, either constitutional rights or, more commonly, statutes duly enacted by Congress. Their enforcement requires adequate representation, and that representation will not be available without federally supported legal assistance.

Also of particular concern to this court is the Federal Court Prison Litigation Project, through which LAFC provides necessary training and support. Private counsel, through the district's trial bar, accept appointment as counsel in prisoner cases without expectation of compensation. Having counsel is of great benefit not only to the plaintiffs but also to the defendants and the court, as that representation is helpful in separating meritorious claims from non-meritorious claims at an earlier stage and in facilitating orderly progression of the litigation. LAFC provides training, consultation, research assistance and a data and materials bank. We believe that few private counsel would be willing to participate in that program if those services were not available.

Now, therefore, be it *Resolved*, That the United States District Court for the Northern District of Illinois supports the continuation of the federally funded legal services program as essential to the administration of equal justice.●

HONORING MORTON GOULD

● Mr. D'AMATO. Mr. President, I would like to express my sincere congratulations today to a great artist and a great man, Morton Gould. Considering Mr. Gould's numerous lifetime achievements in music, he is well deserving of the high honor that has been presented to him, the 1994 Pulitzer Prize for music composition.

Born in Richmond Hill, NY, on December 10, 1913, Mr. Gould's music career began at age 6 with his first published piece, a waltz, appropriately titled "Just Six." At age 8, Mr. Gould entered the Institute of Musical Arts in New York City on scholarship and continued studying and playing music until his teens. After having to leave school for financial reasons and working for a while as a pianist for vaudeville acts, he landed a job as a pianist for the Radio City Music Hall. By the time he was 21, Mr. Gould was introducing his work through conducting and arranging a weekly series of orchestra radio programs for the Mutual Radio Network.

Mr. Gould's unique blend of music, resonating of jazz, folk, hymns, spirituals, gospel, and Latin-American, re-

flects the lyrical cross-section of America that makes his work so well loved. Some of his more popular works include: "Latin-American Symphonette"; "Spirituals for Orchestra"; "Tap Dance Concerto"; "Jekyll and Hyde Variations"; "American Salute and Derivations for Clarinet and Band" written for the late Benny Goodman. "Pavanne," from Gould's "Second Symphonette" has become one of the most widely performed instrumental standards.

During his distinguished career he has composed works for Broadway musicals, dance, ballet, film, and television. His work has been commissioned by symphony orchestras, the Library of Congress, the Chamber Music Society of Lincoln Center, the New York City Ballet, and the American Ballet Theatre. His compositions have been performed around the world by many great conductors of today as well as those of the past, including the great talents of Arturo Toscanini, Leopold Stokowski, Artur Rodzinski, Dimitri Mitopoulos, and Fritz Reiner.

While Mr. Gould's work has spanned the greater part of this century, he has always managed to remain contemporary. Beginning with LP's, his multitude of works have made their way into each new recording medium, including the new digital recording technology which he was one of the first to use as early as 1978.

As an artist himself, Mr. Gould has long fought to protect the rights of all musical creators. Since 1935, he has been a member of the American Society of Composers, Authors and Publishers, the oldest performing rights organizations in the world. He has also served on the organization's board of directors since 1959 and from 1986-94, he was its president.

His many awards include a Grammy and a number of Grammy nominations; the 1983 Gold Baton Award, presented by the American Symphony Orchestra League; the 1985 Medal of Honor for Music from the National Arts Club; 1986 election to the American Academy of Arts and Letters; and the National Music Council's Golden Eagle Award. And in December 1994, Mr. Gould was presented with a lifetime achievement award by the Kennedy Center.

Last March 10, 11, and 12, Mstislav Rostropovich conducted the National Symphony Orchestra of Washington, DC, in the world premier of Mr. Gould's "Stringmusic," for which he received the Pulitzer Prize. This extraordinary piece was commissioned by the Hechinger Foundation in honor of Mr. Rostropovich's last season as musical director of the National Symphony Orchestra and to honor Mr. Gould's 80th birthday.

As a fellow New Yorker and fellow American, I salute Mr. Gould's accomplishments and contributions through his music which have given so much to us all and forever enriched our lives.●

COMMEMORATING THE ESTABLISHMENT OF THE PADOVANO COLLECTION AT THE UNIVERSITY OF NOTRE DAME

• Mr. BRADLEY. Mr. President, I rise today in recognition of the lifetime achievements of my constituent, Dr. Anthony T. Padovano, who has bequeathed his personal papers to the archives of the Theodore Hesburgh Memorial Library at the University of Notre Dame.

A leader in the post-Vatican-II Catholic reform movement and chairman of the literature program at Ramapo College of New Jersey, Dr. Padovano has dedicated over 30 years to the study and advancement of the Catholic Church. Ordained a Catholic priest in 1959, Dr. Padovano was closely associated with the Vatican II Ecumenical Council which met from 1962 to 1965. During this time, he emerged as an advocate for the ordination of married men and women, more democratic and participatory church discussion, significant church involvement in issues of social justice, and greater interreligious harmony.

Throughout the 1960's and early 1970's, Dr. Padovano authored key letters for the National Council of Catholic Bishops and taught systematic theology at Gregorian University's Seminary until he married in 1974. Unable to remain at the seminary, but still able to follow his religious calling, Dr. Padovano became involved in the founding of Ramapo College and its mission of interdisciplinary learning as a professor of American literature and religious studies.

A professor, award-winning author, and reform leader, Dr. Padovano continues his study of morality and ethics in our society. As founder and president of CORPUS, National Association for a Married Priesthood, and vice president of the International Federation of Married Catholic Priests, Dr. Padovano continues to address the most controversial issues confronting the Catholic Church.

The Padovano collection carries with it 30 years of scholarship, authorship, and independent thought which will guide students of theology, the Catholic Church and its reform movement in their quest for greater understanding. I am honored to pay tribute, on behalf of New Jersey and the Nation, to Dr. Padovano, his scholarship and his generous gift to the University of Notre Dame.●

HONORING DR. JAN MOOR-JANKOWSKI

• Mr. D'AMATO. Mr. President, at this time I would like to pay tribute to an outstanding professor at New York University by the name of Jan Moor-Jankowski. Dr. Moor-Jankowski, a world renowned research physician and trailblazer on scientific first amendment rights, has been unanimously elected to the late Dr. Linus Pauling's

chair at the French National Academy of Medicine, Division of Biologic Sciences.

The origins of the French Academy of Medicine extend to the Royal Academies of the 18th century. The Academy provides a forum for medical debates and advises the French Government on health-related matters. Louis Pasteur was one of its notable members. A limited number of distinguished non-French scientists are elected to provide representation of the worldwide scientific community. An election is for lifetime and only occurs when a chair is vacated.

Election to the Academy is one of France's highest and rarest honors, reserved for the most respected scientist in the world. At the time of his election, Nobel Prize winner Dr. Pauling was virtually a household name thanks to his groundbreaking theories on the effects of vitamins on cancer and other diseases. Like Dr. Pauling, Dr. Moor-Jankowski was chosen from a list of highly regarded candidates as the sole U.S. citizen to be honored with membership on the biological sciences board of the Academy.

For example, this latest award is only the last in a string of scientific honors bestowed on Dr. Moor-Jankowski. In 1994, he was given the William J. Brennan, Jr. Defense of Freedom Award by the Libel Defense Resource Center. In addition, in 1984, Dr. Moor-Jankowski was made a Knight of the French Order "Ordre National de Merite" for World War II resistance and scientific achievements. Other medals and awards from Israel, the U.S.S.R., Italy, and Switzerland have punctuated his career.

Dr. Moor-Jankowski is an alumnus of the Swiss universities of Fribourg and Berne. He began his career at the University of Geneva where his research interests in the study of polymorphic phenotypic expressions of the genetic substrate of man led to his discovery of clinically silent hemophilia B, and of the significant genetic drift of blood group frequencies in the inhabitants of the highest Alpine villages. During subsequent research at Cambridge University, Dr. Moor-Jankowski discovered the polymorphism of allotypes of serum proteins in mice and monkeys.

For the past 30 years, Dr. Moor-Jankowski's laboratory, LEMSIP, has been participating in international collaborative studies leading to the development of the first tests for and vaccines against various forms of infectious hepatitis, and since 1987, in collaboration with Institute Pasteur, Paris, in the development of the first vaccines against AIDS.

He also serves as Director of the World Health Organization Collaborating Center for Hematology of Primate Animals, and is editor-in-chief of the *Journal of Medical Primatology*.

Again I would like to take this time to honor an outstanding New York resident who has devoted his life to enhancing the quality of life in this coun-

try and toward solving world health problems. We wish him continued success in all future endeavors.●

TRIBUTE TO PETE BARBUTTI

• Mr. REID. Mr. President, I rise today to recognize Pete Barbutti, whose talent, warmth, and generosity is deeply admired and appreciated throughout Las Vegas. I rise to pay tribute to Pete, a classic entertainer who helped make Las Vegas the entertainment capital of the world.

Born in Scranton, PA, Pete Barbutti began his entertainment career at the young age of 11. At once, his musical genius on the accordion and percussion was apparent. By high school, it was no wonder he was voted "Most Popular Boy" and "Class Clown" for Pete was truly liked by all.

After serving as assistant conductor in the Army Reserves, Pete brought his musician-comic flair to Las Vegas, where he formed his own group, a music-vocal-comedy quartet called the Millionaires. The group quickly became the favorite of many Las Vegas strip celebrities.

Pete has worked with the best in entertainment including Steve Allen, Nat King Cole, Henry Mancini, and Frank Sinatra. Today, he maintains high visibility by working clubs, conventions, and fairs throughout the United States and Canada, and is famous for his hundreds of appearances on television talk shows. He has received countless awards including Las Vegas Entertainer of the Year and the Artistic Achievement Award from the American Federation of Musicians.

Aside from his performing brilliance, Pete should be recognized for his philanthropic contributions. He played a key role in the success of the Take a Senior to Lunch program and has donated numerous hours helping seniors of the Las Vegas community.

I extend my deepest appreciation to Pete Barbutti for graciously sharing his talent at the 1995 Senior Fair, and for the many smiles he has brought to Nevadans.●

AUTHORITY FOR COMMITTEE TO REPORT

Mr. LOTT. Mr. President, I do have some unanimous consent requests now. I am advised that they have all been provided to the Democratic leadership and have their approval.

I ask unanimous consent that the Budget Committee have until 10 p.m. tonight to file their report to accompany the budget resolution.

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

ORDERS FOR TUESDAY, MAY 16, 1995

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in

recess until the hour of 9:30 a.m. on Tuesday, May 16, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then immediately resume consideration of S. 534, the Solid Waste Disposal Act, under the previous order.

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

Mr. LOTT. Mr. President, I now ask unanimous consent that the Senate stand in recess between the hours of 12:30 and 2:15 for the weekly policy luncheons to meet; further, that notwithstanding the recess of the Senate on Tuesday, all Members have until 2:30 p.m. to file any first-degree amendments to S. 395.

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

PROGRAM

Mr. LOTT. Mr. President, for the information of all Senators, under the agreement reached on Friday of last week the Senate will resume consideration of S. 534, the solid waste disposal bill, at 9:30 tomorrow morning. Senators should be aware that rollcall votes are anticipated as early as 10:30, on or in relation to any of the remaining amendments to the bill.

Following the disposition of the solid waste bill tomorrow, the Senate will resume consideration of S. 395, the Alaska Power Administration bill. A cloture motion was filed on that measure today, so all Members will have until 2:30 p.m. on Tuesday to file any first-degree amendments to the bill.

Rollcall votes can be expected into the evening on Tuesday in order to make progress on S. 395.

Mr. President, I observe no Senators on the floor still wishing recognition but I understand Senator SIMPSON will be arriving shortly. So I ask that no further business come before the Senate other than that of Senator SIMPSON, who will speak as in morning business, I believe, and I ask the Senate stand in recess under the previous order after that statement.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. 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. SIMPSON. Mr. President, are we in a period of morning business at this point?

The PRESIDING OFFICER. The Senator may speak as if in morning business.

Mr. SIMPSON. I will be very short. I understand that you are ready to adjourn for the evening.

(The remarks of Mr. SIMPSON pertaining to the introduction of S. 805 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SIMPSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. 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. DOLE. Mr. President, I ask unanimous consent that I may proceed for not to exceed 5 minutes, notwithstanding the previous order.

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

ANTITERRORISM LEGISLATION

Mr. DOLE. Mr. President, I want to join today with President Clinton and with all of America in honoring the 157 law enforcement officers who were killed last year in the line of duty. These brave men and women paid the ultimate sacrifice so that all Americans may continue to live in freedom and peace Today, and every day, our thoughts and prayers are with the victims and their families.

Unfortunately, President Clinton could not resist the temptation to score some political points when he chose today's memorial ceremony to criticize congressional efforts to enact meaningful antiterrorism legislation. In his remarks, the President claimed he sees "disturbing signs of the old politics of diversion and delay." And just yesterday, the White House Chief of Staff made the untenable statement that antiterrorism legislation is not moving in Congress "because there is this diversion going on to try to create attention on the Waco incident." Mr. Panetta even went so far as to describe as "despicable" the idea that congressional oversight should be brought to bear on the Waco tragedy.

I know there has been a lot of talk recently about paranoia. But, judging by these remarks, it appears that the paranoia bug has infected the White House. Contrary to what President Clinton may believe, there is no hidden conspiracy on the Hill to divert or delay consideration of antiterrorism legislation. And Mr. Panetta may be disappointed to learn that we have not concocted a secret plot to focus attention on Waco as a means of diverting attention from the administration's own antiterrorism plan.

Just look at the record: We have had 3 days of hearings, including hearings on the administration's controversial proposal to amend the Posse Comitatus Act. We have introduced comprehensive legislation that incorporates many of the administration's own antiterrorism proposals. And we continue to press ahead. In fact, my staff has

been meeting regularly, even today, with White House and Justice Department officials to review—and perhaps improve—all of the various antiterrorism proposals that are now on the table.

So, as we move ahead on an ambitious legislative agenda here in the Senate, including an historic plan to balance the Federal budget by the year 2002, I hope the President and his Chief of Staff would show some restraint and patience.

Yes, we will give the administration's proposal every consideration. Yes, we will pass tough antiterrorism legislation. But our resolve to confront the terrorist threat must also be tempered with wisdom and restraint. What we do this year must withstand the test of time. After all, nothing less than our constitutional liberties are at stake.

One would think and hope that the President of the United States would understand this simple, but immensely important, point.

Mr. President, we have indicated to the President we would try to have a bill on his desk by the end of this month. That is still our hope. There have been a lot of delays, but we believe we can meet that challenge.

But I must say, we want to be very careful and not do something based on the emotion of the moment. We want to take a look at this legislation a year from now, 2 years from now, 5 years from now, to make certain we have not trampled on someone's constitutional rights, some group or some individual, down the road.

I think it is very important that we move prudently and we will do that, as we indicated and promised the American people.

I hoped the President would be working with us, instead of taking shots at us based on misinformation. I assume somebody gave him bad information; otherwise, I am certain he would not make a statement like that.

I yield the floor.

RECESS UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until 9:30 a.m., Tuesday, May 16, 1995.

Thereupon, at 6:15 p.m., the Senate recessed until Tuesday, May 16, 1995, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 15, 1995:

FOREIGN SERVICE

THE FOLLOWING-NAMED CAREER MEMBERS OF THE FOREIGN SERVICE OF THE U.S. INFORMATION AGENCY FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE TO THE CLASS STATED, AND FOR THE OTHER APPOINTMENTS INDICATED:
CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR, AND CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

JUDITH A. FUTCH, OF VIRGINIA
 GEORGE ADAMS MOORE, JR., OF MARYLAND

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS ONE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AGENCY FOR INTERNATIONAL DEVELOPMENT

WILLIAM CARROLL CRADDOCK III, OF WASHINGTON
 PATRICK C. FLEURET, OF CALIFORNIA
 SHANE MACCARTHY, OF VIRGINIA
 NIMALKA S. WIJESOORIYA, OF CONNECTICUT

U.S. INFORMATION AGENCY

MARILYN E. HULBERT, OF FLORIDA
 MARY ANNE KRUGER, OF WASHINGTON

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS TWO, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AGENCY FOR INTERNATIONAL DEVELOPMENT

BELINDA K. BARRINGTON, OF ARIZONA
 STEVEN H. BERNSTEIN, OF VIRGINIA
 THOMAS ARTHUR DAILEY, OF CONNECTICUT
 HERBERT D. HAMBY, OF CALIFORNIA
 LINDA LOU KELLEY, OF VIRGINIA
 BOBBIE ELAINE MYERS, OF CALIFORNIA
 LAWRENCE ERLING PAULSON, OF WASHINGTON
 THOMAS HILL PIERCE, OF VIRGINIA
 JOHN R. POWER, OF VIRGINIA
 JOHN THOMAS RIFENBARK, OF MISSOURI
 DEV P. SEN, OF CALIFORNIA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF AGRICULTURE

RICHARD T. DRENNAN, OF MARYLAND
 MARK A. DRIES, OF VIRGINIA
 HUGH J. MAGINNIS, OF FLORIDA
 MELINDA D. SALLYARDS, OF FLORIDA

AGENCY FOR INTERNATIONAL DEVELOPMENT

LISA ROSE FRANCHETT, OF CALIFORNIA
 MICHAEL J. KAISER, OF NEW JERSEY
 KIM MARI KERTSON, OF WASHINGTON
 PETER C. KOECHLEY, OF COLORADO
 JOAN CLAYTON LARCOM, OF CALIFORNIA
 SCOTT S. NICHOLS, OF VIRGINIA
 MARY E. NORRIS, OF OHIO
 JOHN MICHAEL SULLIVAN, OF ILLINOIS
 ALVERA SWEET, OF KANSAS

TUNG THANH TU, OF TEXAS
 JIMMIE O. WHITE, OF CALIFORNIA
 DAVID P. YOUNG, OF VIRGINIA

FOR REAPPOINTMENT IN THE FOREIGN SERVICE AS A FOREIGN SERVICE OFFICER OF CLASS THREE, CONSULAR OFFICER AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

MICHAEL J. HONNOLD, OF CALIFORNIA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

U.S. INFORMATION AGENCY

MARCIA P. BOSSHARDT, OF TEXAS
 MELISSA GARTH FORD, OF CALIFORNIA
 SUSAN HEBBERT-CLEARY, OF NEW YORK
 RICHARD W. HUCKABY, OF SOUTH CAROLINA
 REBECCA J. IDLER, OF CALIFORNIA
 LISA C. KENNEDY, OF CALIFORNIA
 PETER GEORGE PINESS, OF VIRGINIA
 EMILIA A. PUMA, OF CALIFORNIA
 JO DELL SHIELDS, OF PENNSYLVANIA
 KATHERINE VAN DE VATE, OF TENNESSEE
 KAREN L. WILLIAMS, OF MISSOURI

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENT OF STATE, TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

ERIC M. ALEXANDER, OF NEW MEXICO
 KEITH MIMS ANDERTON, OF ALABAMA
 MICHAEL A. BARKIN, OF FLORIDA
 LEONARD E. BOLLEN, JR., OF VIRGINIA
 JAMES A. CAROUSA, OF ARIZONA
 JONATHAN JAMES CARPENTER, OF CALIFORNIA
 BENJAMIN CHANG, OF VIRGINIA
 JINHEE CHOI, OF TEXAS
 GREGORY A. CRAWFORD, OF FLORIDA
 RICHARD DEAN CUMMINS, OF VIRGINIA
 ALANNA CUNNINGHAM, OF NEW YORK
 WILLARD L. ELLEGE, JR., OF FLORIDA
 DORIS A. ELLENBERGER, OF VIRGINIA
 MARK R. EVANS, OF VIRGINIA
 MITCHELL L. FERGUSON, OF CALIFORNIA
 TROY DAMIAN FITRELL, OF THE DISTRICT OF COLUMBIA
 SHAWN ERIC FLATT, OF MISSOURI
 MARTINA FLINTROP, OF VIRGINIA
 MARC FORINO, OF VIRGINIA
 STEVEN B. FOX, OF NEW YORK
 JOSEPH GALLAZZI, OF FLORIDA
 MIGUEL A. GRANADOS, OF VIRGINIA
 KENT M. HARRINGTON, OF VIRGINIA
 NATHAN V. HOLT, JR., OF FLORIDA
 MELISSA ANNE HUDSON, OF TEXAS

SANDRA J. INGRAM, OF OHIO
 BEN E. JOHNSON, OF VIRGINIA
 ISTVAN S. KALNOKY, OF VIRGINIA
 BRIAN J. KELLEY, OF VIRGINIA
 RAYMOND J. KENGOTT, OF FLORIDA
 MICHEL MARY KWIATKOWSKI, OF NEW YORK
 STEPHAN A. LANG, OF MISSOURI
 BENJAMIN WARD MOBLING, OF CONNECTICUT
 ERIC F. MOLLER, OF VIRGINIA
 MARK DAVID MOODY, OF MISSOURI
 STANLEY M. MOSKOWITZ, OF VIRGINIA
 MIREMBE NANTONGO, OF VIRGINIA
 CHERYL L. NORMAN, OF TEXAS
 J. MARTIN O'MEARA, OF VIRGINIA
 GREGORY C. PAYTOSH, OF VIRGINIA
 LINDA M. PERKINS, OF MARYLAND
 JAMES ALLEN PLOTTS, OF CALIFORNIA
 ALEJANDRO M. PUIG, OF PUERTO RICO
 CHRISTOPHER TODD ROBINSON, OF PENNSYLVANIA
 WILLIAM SCOFIELD ROWLAND, OF GEORGIA
 MICHAEL E. SALZMAN, OF VIRGINIA
 DAVID V. SCOTT, OF UTAH
 REBECCA J. SHOLL, OF VIRGINIA
 BRIAN WESLEY SHUKAN, OF MASSACHUSETTS
 DON L. SIMPSON, OF TEXAS
 BARBARA L. SINEGAL, OF VIRGINIA
 KEITH L. STEPP, OF VIRGINIA
 STEVEN W. STORMOEN, OF VIRGINIA
 J. FRANK SUMMERS, OF VIRGINIA
 ANDREW CHESTER WILSON, OF WASHINGTON
 JOY ONA YAMAMOTO, OF CALIFORNIA

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. GEORGE R. CHRISTMAS, 000-00-0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. PAUL K. VAN RIPER, 000-00-0000

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. CHARLES E. WILHELM, 000-00-0000