continue to contain all provisions mandated by section 233 and other provisions that I deem appropriate to carry out the provisions of section 233(c)(4).

I also transmit for the information of the Congress a report prepared by the Social Security Administration explaining the key points of the Supplementary Agreement, along with a paragraph-by-paragraph explanation of the effect of the amendments on the Agreement. Annexed to this report is the report required by section 233(e)(1) of the Social Security Act on the effect of the Agreement on income and expenditures of the U.S. Social Security program and the number of individuals affected by the Agreement. The Department of State and the Social Security Administration have recommended the Supplementary Agreement and related documents to me.

I commend the United States-Austria Social Security Agreement and related Agreement and related documents to the Congress.

WILLIAM, J. CLINTON.

THE WHITE HOUSE, *May 17, 1996*.

MESSAGES FROM THE HOUSE

At 11:30 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3230. An act to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 178. Concurrent resolution establishing the congressional budget for the U.S. Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002.

MEASURES PLACED ON THE CALENDAR

The following measure was ordered placed on the calendar:

H.R. 3230. An act to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The following measure was read and placed on the calendar:

H. Con. Res. 178. Concurrent resolution establishing the congressional budget for the U.S. Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2655. A communication from the Director of the Office of Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a final rule concerning the apportionment of reserve to certain target species in the Bering Sea and Aleutian Islands management area received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2656. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a final rule concerning the closing of the directed fishery for Pacific cod by vessels using trawl gear in the Bering Sea and Aleutian Islands management area received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2657. A communication from the Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule concerning the adjustment at the beginning date of the annual closure of the shrimp fishery in the exclusive economic zone off Texas received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2658. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a final rule concerning directed fishing for species that comprise the shallow-water species fishery by vessels using trawl gear in the Gulf of Alaska (GOA), except for vessels fishing for pollock using pelagic trawl gear in those portions of the GOA open to directed fishing for pollock received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2659. A communication from the Managing Director, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of the Amateur Service Rules to Implement a Vanity Call Sign System'' received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2660. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of eight final rules entitled ''Airworthiness Directives; The New Piper Aircraft'' (RIN 2120–AA64) received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2661. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule entitled ''Cargo Preference: Available U.S. Flag Commercial Vessels'' (RIN 2133–AB25) received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services, without amendment:

S. 1777. An original bill to authorize appropriations for fiscal year 1997 for certain activities of the Department of Energy, and for other purposes.

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. MURKOWSKI:

S. 1771. A bill to amend the Consolidated Omnibus Reconciliation Act of 1985 to clarify that the fee for providing customs services in connection with passengers arriving on commercial vessels making a single voyage may be collected only one time from each passenger, and for other purposes; to the Committee on Finance.

By Mr. SHELBY:

S. 1772. A bill to amend the Internal Revenue Code of 1986 to clarify that the Secretary of the Treasury shall make certain determinations relating to what gas will be treated as a qualified fuel for purposes of the credit for fuels from nonconventional sources; to the Committee on Finance.

S. 1773. A bill to amend the Internal Revenue Code of 1986 to make a technical correction in the application of the minimum tax to the nonconventional fuels credit; to the Committee on Finance.

By Mr. McCAIN:

S. 1774. A bill to enhance the enforceability of airport revenue diversion provisions under chapter 471 of title 49, United States Code, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BREAUX:

S. 1775. A bill to extend the exemption for certain unliquidated vessel repair entries, and for other purposes; to the Committee on Finance.

By Mr. INHOFE (for himself, Mr. ABRAHAM, Mr. ASHCROFT, Mr. BROWN, Mr. COVERDELL, Mr. FAIRCLOTH, Mr. GRAMS, Mr. KYL, Mr. SANTORUM, Mr. SMITH, Mr. THOMAS, and Mr. THOMPSON):

S. 1776. A bill to amend title 5, United States Code, to impose certain limitations relating to participation by a Member of Congress in the Civil Service Retirement System or the Federal Employees' Retirement System; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S. 1777. An original bill to authorize appropriations for fiscal year 1997 for certain activities of the Department of Energy, and for other purposes; from the Committee on Armed Services; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MURKOWSKI:

S. 1771. A bill to amend the Consolidated Omnibus Reconciliation Act of 1985 to clarify that the fee for providing customs services in connection with passengers arriving on commercial vessels making a single voyage may be collected only one time for each passenger, and for other purposes; to the Committee on Finance.

CUSTOMS SERVICE PASSENGER FEE

Mr. MURKOWSKI. Mr. President, when Congress passed the North American Free-Trade Agreement [NAFTA] it imposed a $6.50 fee for the arrival of each passenger aboard a commercial vessel or aircraft coming in from outside the customs territory of the United States. NAFTA also imposed a $6.50 fee on passengers arriving in the United States from The Caribbean, Mexico, and Canada.

The language of the NAFTA implementing language relating to this fee was drafted inappropriately with the result that the Customs Service claims authority to collect the fee each time a cruise ship enters a port during the course of a single journey. I believe this interpretation was never intended by the drafters of NAFTA and the legislation I am introducing today would correct this error.

The Customs Service interpretation is particularly harmful to one of Alaska's most important industries—tourism. Many visitors to my State often book cruises that visit some of the most scenic places in the world. For example, during the course of an Alaska voyage, a vessel may call in Ketchikan, Juneau, Valdez, Seward, and Sitka, and may sail outside the customs territory of the United States between each of these Alaska ports. Even though this a single continuous journey, under the Customs Service interpretation, the fee would have to be collected three, four, or even five times. This was not Congress' intent.

My legislation makes clear that the passenger fee can only be imposed a single time when a cruise ship is traveling in and out of U.S. waters on its way along a journey as I described earlier. So long as the ship does not make a stop at a foreign port, there is no reason to burden passengers with this fee.

I ask unanimous consent that the text of my bill be included in the RECORD.

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

S. 1771

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

SECTION 1. FEES FOR CERTAIN CUSTOMS SERVICES.

(A) IN GENERAL.—Section 13031(a)(5) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(5)) is amended—

(1) in subparagraph (A), by inserting ''a place'' after ''aircraft from''; and

(2) in subparagraph (B), by striking ''subsection (b)(1)(A)'' and inserting ''subsection (b)(1)(A)(i)''.

(b) LIMITATION ON FEES.—Section 13031(b)(1) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(1)) is amended to read as follows:

''(b) LIMITATIONS ON FEES.—(1)(A) No fee may be charged under subsection (a) of this section for customs services provided in connection with—

''(i) the arrival of any passenger whose journey—

''(I) originated in—

''(aa) Canada,

''(bb) Mexico,

''(cc) a territory or possession of the United States, or

''(dd) any adjacent island (within the meaning of section 101(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(5))), or

''(II) originated in the United States and was limited to—

''(aa) Canada,

''(bb) Mexico,

''(cc) territories and possessions of the United States, and

''(dd) such adjacent islands;

''(ii) the arrival of any railroad car the journey of which originates and terminates in the same country, but only if no passengers board or disembark from the train and no cargo is loaded or unloaded from such car while the car is within any country other than the country in which such car originates and terminates;

''(iii) the arrival of any ferry; or

''(iv) the arrival of any passenger on board a commercial vessel traveling only between ports which are within the customs territory of the United States.

''(B) The exemption provided for in subparagraph (A) shall not apply in the case of the arrival of any passenger on board a commercial vessel whose journey originates and terminates at the same place in the United States if there are no intervening stops.

''(C) The exemption provided for in subparagraph (A)(i) shall not apply to fiscal years 1994, 1995, 1996, and 1997.''.

(c) FEE ASSESSED ONLY ONCE.—Section 13031(b)(40 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(4)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by striking ''No fee'' and inserting ''(A) No fee''; and

(3) by adding at the end the following new subparagraph:

''(B) In the case of a commercial vessel making a single voyage involving 2 or more United States ports with respect to which the passengers would otherwise be charged a fee pursuant to subsection (a)(5), such fee shall be charged only 1 time for each passenger.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 521 of the North American Free Trade Agreement Implementation Act.

By Mr. MCCAIN:

S. 1774. A bill to enhance the enforceability of airport revenue diversion provisions under chapter 471 of title 49, United States Code, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE AIRPORT REVENUE PROTECTION ACT OF 1996

Mr. MCCAIN. Mr. President, I rise today to introduce legislation that I believe will end, once and for all, the illegal diversion of airport revenues. The Airport Revenue Protection Act of 1996 is intended to make it absolutely clear to everyone, which includes airports, local governments, airport sponsors, the Department of Transportation, the Federal Aviation Administration, air carriers, and the traveling public, that Federal laws prohibiting revenue diversion from our Nation's airports will be strengthened and enforced. Airport sponsors, however, will continue to have access to judicial review of Department of Transportation decisions on revenue diversion.

For many years, our Nation's airports have prospered and grown substantially under an innovative funding mechanism by which airport users, including airlines, their customers, and others who do business on airports, finance nearly all airport needs. This funding comes primarily from landing fees, rental charges, concession revenues, and passenger facility charges. Virtually no public funds are used to operate this country's airports. Moreover, local tax revenues do not support our national system of airports.

To the extent that Federal money is used for airports, it comes from grants paid out of the user-funded aviation trust fund. Because it is tremendously important the Federal grant money to airports is used only for airport purposes, Congress has had a longstanding policy that diversion of airport revenues for any nonairport purposes is illegal. In fact, several times, Congress has acted to strengthen Federal laws prohibiting revenue diversion.

Recently, however, Congress was informed that there is a disturbing trend of unlawful airport revenue diversion by local governments. The last round of audits, conducted by the inspector general's office of the Department of Transportation, found that more than $170 million was diverted by at least 23 of our Nation's airports from 1992 through 1995. These audits show that far too many local governments are attempting to solve their fiscal problems by taking money away from their airports, and using it for nonairport purposes. It also appears that when cities or counties control airports, politics, on all levels, is more likely to play a major role in encouraging revenue diversion.

The blatant disregard by airport sponsors of the intent of Federal laws prohibiting revenue diversion, particularly by cities such as Los Angeles, is reprehensible and must be addressed. Congress can no longer stand by and watch as air travelers' hard-earned money is used wrongfully to pay a city's nonairport bills.

This legislation specifically acts on many of the recommendations of the Department of Transportation's inspector general to address the problem of revenue diversion. First, the bill would expand the prohibition on the use of airport revenues to cover revenues from airports that are the subject of any form of Federal assistance or that operate under a federally issued airport operating certificate. In addition, annual airport audits must certify to DOT and FAA that any airport funds transferred to airport sponsors are carried out in accordance with Federal laws and regulations on revenue diversion. The DOT inspector general would then certify that the audit complies with Federal law.

If, as a result of such an audit, it is determined that illegal revenue diversion has occurred, DOT, acting through FAA, must access a penalty against the offending airport sponsor for the amount of the illegal diversion plus interest, or withhold the illegally diverted amount from Federal funds that the sponsor expected to receive from the Federal Government. If an airport sponsor does not pay the assessed penalty, and withholding does not cover the amount owed, DOT, acting through the FAA, must file a civil suit to recover the illegally diverted funds and any accumulated interest. Private citizens also are given the ability to file such suits.

The legislation also sets up a process to ensure that any recovered airport revenue is returned to the airport from which funds were illegally diverted. In addition, the legislation protects whistleblowers and establishes a means for them to receive payment when it is determined that an airport sponsor has illegally diverted airport revenue. Finally, to ensure that all airports are treated equally, this bill would eliminate 10 years from the date of enactment, the grandfather provisions that currently permit revenue diversion at some airports.

Mr. President, this bill is intended to send the strong message that no one can get away with ignoring Federal laws prohibiting airport revenue diversion. It is not directed at activity relating to any specific airport, but instead attempts to create a clear and fair means of ensuring that airport money is spent on airport purposes only. I am confident that this legislation will reverse the alarming trend of illegal airport revenue diversion.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

AIRPORT REVENUE PROTECTION ACT OF 1996—SUMMARY OF LEGISLATION

PURPOSES

This legislation is intended to reverse the alarming trend of illegal diversion of airport revenues, and ensure that airport revenues are used only for airport capital and operating costs. Congress has long believed that airport users should not be burdened with any type of hidden taxation for local services. This bill would leave no doubt that airport sponsors, such as city and county governments, cannot put their local budgetary burdens on airport users.

In specific, the legislation bolsters efforts to stop revenue diversion by expanding the prohibition on revenue diversion to cover more instances of diversion. It also would establish clear penalties and stronger mechanisms to enforce federal laws prohibiting revenue diversion. In addition, the bill imposes additional reporting requirements so that illegal revenue diversion can be easily identified and verified. Finally, it would provide important protections for whistleblowers.

SPECIFIC PROVISIONS

Restriction on use of airport revenues (Sec. 4)

This bill would expand the prohibition on use of airport revenues beyond project grant recipients to cover local taxes on aviation fuel and revenues at airports that receive any form of federal assistance or operate under a federal-issued airport operating certificate. Certain airports would be permitted to divert revenue, however, under ''grandfather'' provisions in the bill similar to provisions in existing law. The bill does not affect airports that have been grandfathered in existing law. Under current law, recipients of federal airport grants must provide assurances that airport revenues will not be diverted for non-airport purposes.

Audits of airport funding activities (Sec. 5)

In the bill, this review would provide assurances that any funds transferred to airport sponsors (such as local governments) were not illegally diverted. The DOT Inspector General would certify that the review meets the requirements of this section. Current law requires recipients of airport project grants to conduct annual audits. This bill would require DOT, acting through the FAA, to promulgate regulations requiring grant recipients, as part of these annual audits, to provide a review and opinion concerning airport funding activities.

Recovery of Illegally Diverted Funds (Secs. 5, 8)

Administrative action: Within 180 days after an audit or any other report identifying an illegal diversion of airport revenues is issued, DOT/FAA, would: (1) make a final determination whether the illegal diversion occurred; (2) provide written notice to the airport and sponsor of that termination and the sponsor's obligation to reimburse the airport; (3) assess an administrative penalty against the airport sponsor in an amount equal to the amount illegally diverted plus interest, or withhold this same amount from federal funds intended for that airport sponsor.

Civil action: –If, within 180 days from the date when the airport and sponsor are notified of DOT/FAA's determination of illegal revenue diversion, the sponsor does not pay the administrative penalty and interest, DOT/FAA must initiate a civil action to recover the illegally diverted funds. A private citizen also may bring a civil action (i.e., a *qui tam* action) for such violations of revenue diversion laws.

Statue of Limitations: The bill establishes a 6-year statute of limitations for any action to recover illegally diverted airport funds. In specific, this provision requires an airport or any other person to bring an action to recover illegally diverted funds within 6 years from the date that the diversion took place. Thus, the bill precludes any effort by an airport sponsor to recover illegally diverted airport funds more than 6 years after it occurs.

Reimbursement of Diverted Funds to Airport: The bill sets up a process to ensure that any recovered airport funds are returned to the airport from which the funds were illegally diverted. The illegally diverted funds would first have to be reimbursed to DOT/FAA by the sponsor. The funds would be placed in the Airport and Airway Trust Fund. DOT/FAA must then, as soon as practicable, reimburse the airport from which the revenue was illegally diverted, in an amount equal to that collected from the sponsor, including interest paid.

Valid Payment by Airport to Airport Sponsor (Sec. 5)

If DOT/FAA determines, during an audit or other review, that an airport owes funds to an airport sponsor, interest should be assessed on that amount from the date of DOT/FAA's determination. Any request by an airport sponsor for reimbursement of funds from an airport must be made within 6 years from the date the expense is incurred. An airport sponsor (such as a local government), therefore, could not seek to recover funds from an airport for an expense (such as police and fire services) dating back more than 6 years.

Revision of DOT/FAA Revenue Diversion Polices and Procedures (Sec. 5)

Within 90 days after enactment, DOT/FAA must revise its policies and procedures ensuring enforcement against illegal diversion of airport revenue, to take into account changes from this legislation.

Elimination of ''Grandfather'' Provisions (Sec. 6)

This bill would prohibit diversion from an airport covered by the grandfather provision when either: (1) the debt obligations are retired or refinanced, or (2) 10 years after enactment of this legislation, whichever is earlier. To ensure that all airports are covered by the same prohibitions on revenue diversion, this legislation would eliminate ''grandfather'' provisions in existing law that permit some airport sponsors to divert revenue. Currently, an airport sponsor can legally divert revenue if such diversion was specifically permitted before September 2, 1982, in a law controlling financing by the airport owner or operator, or a covenant or assurance in a debt obligation issued by that date.

Elimination of Provisions Relating to Hawaii (Sec. 6)

Specifically, this legislation would prohibit diversion from an airport in Hawaii covered by current exemptions when either: (1) the debt obligations are retired or financed, or (2) 10 years after enactment of this measure, whichever is earlier. Current law provides several exemptions permitting legal use in Hawaii of airport revenues for certain non-airport purposes. Similar to the elimination of ''grandfather'' provisions, this bill also would eliminate provisions in current law that accord special treatment to airport sponsors in Hawaii.

Whistleblower Protection (Sec. 7)

Petition Process: Within 180 days after enactment of this legislation, DOT/FAA must establish a process enabling private citizens (or other parties, but not DOT/FAA employees) to petition DOT/FAA for review of possible illegal revenue diversion from an airport. DOT/FAA must evaluate any petition asserting diversion of $10,000 or more, within 30 days after such petition is made. If a petition asserts illegal diversion of less than $10,000, then DOT/FAA have discretion whether to evaluate such a petition. DOT/FAA reviews a petition, and finds that illegal diversion has occurred, DOT/FAA must take action to recover the funds and provide reimbursement to the airport.

Confidentiality of Petitioner's Identity: The petitioner's identity would remain confidential, unless the petitioner provided consent to disclose it.

Payment to Petitioner: When DOT/FAA recovers illegally diverted funds, DOT/FAA must take action to make a payment to the petitioner, in accordance with procedures established by DOT/FAA. DOT/FAA may require the sponsor to make a payment for petitioner and transfer that payment from the Airport and Airway Trust Fund.

ADDITIONAL COSPONSORS

S. 673

At the request of Mrs. KASSEBAUM, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 673, a bill to establish a youth development grant program, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 1491

At the request of Mr. GRAMS, the names of the Senator from Wisconsin [Mr. KOHL], the Senator from Kentucky [Mr. FORD], and the Senator from Virginia [Mr. ROBB] were added as cosponsors of S. 1491, a bill to reform antimicrobial pesticide registration, and for other purposes.