

certain types of electric power generators. In 1992, the Energy Policy Act gave additional exemptions to certain other types of electric power generators. The SEC is loosening its restrictions on non-utility activities as much as it can within the bounds of PUHCA. And the Congress is currently considering PUHCA exemptions to allow registered electric utilities to enter the telecommunications business, just the same as non-registered utilities.

These are all Band-Aid fixes to PUHCA; they help, but they do not address the fundamental problem. The need to legislatively reform PUHCA was recognized by the SEC's July 1995 report "The Regulation of Public-Utility Holding Companies." This legislation is based on its recommendations to Congress.

Complete reform of PUHCA is needed, and it is justified. It is time to streamline and modernize the act. It is for these reasons that I am cosponsoring Senator D'AMATO's legislation.

Mr. President, there may be some who will try to use this legislation as a vehicle to restructure the electric utility industry, possibly to impose retail wheeling or to federally preempt State public utility commissions. I will strenuously resist any such effort. I have received assurances that Senator D'AMATO is of like mind.

This is not the time nor the place to make these kinds of changes. Retail wheeling and other competitive issues are not directly related to PUHCA reform. Moreover, retail wheeling and other Federal Power Act matters are entirely within the jurisdiction of the Committee on Energy and Natural Resources, not the Committee on Banking, Housing and Urban Affairs, to which this legislation will be referred. Electric utility issues are very complex, and they are very significant not only to consumers but also to this Nation's competitiveness and economic well being. These kinds of changes cannot, and will not be made without careful and complete consideration by the Committee on Energy and Natural Resources of all aspects of the issues and questions they raise.

Mr. JOHNSTON. Mr. President, I am pleased today to join my colleagues in introducing the Public Utility Holding Company Act of 1995. This is the first step in changing a law of which I have urged reform for many years. The purpose of this bill is to bring into the 1990's a 60-year-old, now-antiquated law: the Public Utility Holding Company Act of 1935 [PUHCA]. Our goal is to do away with burdensome and duplicative regulation, which stifles our Nation's economic well-being, and yet still provide adequate protection for electricity consumers. In this regard, this bill effectively implements the recommendations of Securities and Exchange Commission Chairman Arthur Levitt.

At the time of its enactment in 1935, PUHCA was clearly necessary. The aim of this New Deal era law was to eradi-

cate the abuses of large, monopolistic public utility holding companies. The holding company structure permitted such companies to deceive investors and obstruct State utility regulation. Importantly, in 1935, Federal regulation of holding companies was nonexistent.

Times have clearly changed. State regulators have the authority to protect retail ratepayers from monopolistic prices, and the Federal Energy Regulatory Commission [FERC] has similar authority with respect to wholesale ratepayers. This proposed bill does away with unnecessary regulation of public utility holding companies by the Securities and Exchange Commission, but augments the authorities of State and Federal utility regulators to do their jobs better.

Times have clearly changed. State regulators have the authority to protect retail ratepayers from monopolistic prices, and the Federal Energy Regulatory Commission [FERC] has similar authority with respect to wholesale ratepayers. This proposed bill does away with unnecessary regulation of public utility holding companies by the Securities and Exchange Commission, but augments the authorities of State and Federal utility regulators to do their jobs better. Specifically, the bill gives FERC and the States augmented authority to review the books, records, and accounts of companies within holding company systems. The bill also gives FERC and State public utility commissions the ability to examine so-called affiliated transactions, that is, the authority to determine whether a public utility company may recover in rates any costs of an activity performed by an associate company, or any costs of goods or services acquired by public utilities from their associate companies.

Although I support the goals of this bill, I wish to make one point clear. I understand that, in a letter to Senator D'AMATO, the Federal Energy Regulatory Commission has raised several concerns regarding the specific provisions of any proposed bill which would reform PUHCA. I am in receipt of FERC's letter to Senator D'AMATO, and am committed to working with the Banking Committee to achieve a resolution of any outstanding issues. Although I believe the bill introduced today goes a long way toward achieving reform of PUHCA, I believe a number of issues must be resolved, particularly, the way in which FERC will carry out its new authorities under the bill as proposed with respect to holding companies which were formerly exempt from PUHCA.

ADDITIONAL COSPONSORS

S. 358

At the request of Mr. HEFLIN, the names of the Senator from North Dakota [Mr. DORGAN], the Senator from Arkansas [Mr. PRYOR], and the Senator from Mississippi [Mr. COCHRAN] were

added as cosponsors of S. 358, a bill to amend the Internal Revenue Code of 1986 to provide for an excise tax exemption for certain emergency medical transportation by air ambulance.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 607

At the request of Mr. WARNER, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 607, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify the liability of certain recycling transactions, and for other purposes.

S. 881

At the request of Mr. PRYOR, the name of the Senator from Hawaii [Mr. INOUE] was added as a cosponsor of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 1086

At the request of Mr. DOLE, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 1086, a bill to amend the Internal Revenue Code of 1986 to allow a family owned business exclusion from the gross estate subject to estate tax, and for other purposes.

S. 1108

At the request of Mr. SMITH, the names of the Senator from Colorado [Mr. BROWN] and the Senator from Arizona [Mr. KYL] were added as cosponsors of S. 1108, a bill to amend the Internal Revenue Code of 1986 to allow individuals to designate that up to 10 percent of their income tax liability be used to reduce the national debt, and to require spending reductions equal to the amounts so designated.

S. 1170

At the request of Mr. PRESSLER, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 1170, a bill to limit the applicability of the generation-skipping transfer tax.

S. 1178

At the request of Mr. CHAFEE, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 1178, a bill to amend title XVIII of the Social Security Act to provide for coverage of colorectal screening under part B of the medicare program.

S. 1271

At the request of Mr. CRAIG, the name of the Senator from Missouri

[Mr. BOND] was added as a cosponsor of S. 1271, a bill to amend the Nuclear Waste Policy Act of 1982.

S. 1274

At the request of Mr. LOTT, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1274, a bill to amend the Solid Waste Disposal Act to improve management of remediation waste, and for other purposes.

S. 1276

At the request of Mr. GRASSLEY, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1276, a bill to permit agricultural producers to enter into market transition contracts and receive loans, to require a pilot revenue insurance program, and for other purposes.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the names of the Senator from Maine [Ms. SNOWE] and the Senator from Missouri [Mr. BOND] were added as cosponsors of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1996, as "National Family Week," and for other purposes.

AMENDMENT NO. 2815

At the request of Mr. BIDEN the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of amendment No. 2815 proposed to H.R. 2076, a bill making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

AMENDMENT NO. 2818

At the request of Mr. BIDEN the name of the Senator from Nevada [Mr. BRYAN] was withdrawn as a cosponsor of amendment No. 2818 proposed to H.R. 2076, a bill making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

SENATE CONCURRENT RESOLUTION NO. 30—RELATIVE TO MEXICO

Mr. HELMS (for himself, Mrs. FEINSTEIN, Mr. GRASSLEY, and Ms. SNOWE) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 30

Whereas the United States and Mexico share a 2,000-mile border and economic relations between the two nations are increasing;

Whereas Mexican President Ernesto Zedillo has stated his commitment to "create a nation of law," combat drug trafficking, investigate political assassinations, and punish official malfeasance;

Whereas President Zedillo's appointed an opposition party member, Antonio Lozano, as Attorney General, the first opposition member in the Cabinet;

Whereas the Government of Mexico has taken steps to end impunity by arresting Raul Salinas, the brother of former President Carlos Salinas, for his involvement in

the murder of Jose Francisco Ruiz Massieu, and by requesting the extradition of Mario Ruiz Massieu, former Deputy Attorney General, for his alleged tampering with evidence in the investigation into the murder of his brother and for accepting money from drug traffickers;

Whereas the investigations of the assassinations of the Cardinal Posadas, PRI presidential candidate Luis Donaldo Colosio, and PRI General Secretary Jose Francisco Ruiz Massieu remain unresolved;

Whereas elements of Mexico's bureaucracy are engaged in drug-related and other corruption, including collaborating with drug traffickers who pay for protection, allowing the drug trade to proliferate and threatening United States and Mexican security;

Whereas Mexico is both a major transit point for drugs produced in South America and elsewhere, and a production source of much of the marijuana and heroin shipped into the United States;

Whereas increased drug enforcement efforts in the southeastern United States have achieved some positive results;

Whereas drug smuggling activity has increased along the U.S.-Mexican border;

Whereas, despite President Zedillo's initial efforts, actions by the Government of Mexico have not pursued aggressively President Zedillo's public commitments to eliminate impunity for former and current government officials: Now, therefore be it *Resolved by the Senate (the House of Representatives concurring)*, That

(a) the Congress recognizes the initial steps taken by the Mexican Government of President Ernesto Zedillo to investigate drug-related and other corruption in Mexico.

(b) It is the sense of the Congress that—

(1) the President of the United States should encourage and support President Zedillo's efforts to create an independent Mexican judicial body to evaluate the financial holdings of former and present Mexican officials;

(2) the President of the United States should encourage and support President Zedillo's efforts to investigate to the fullest extent possible corruption and economic malfeasance in an effort to bring about a true democracy in Mexico;

(3) the United States Congress should pursue efforts to strengthen relations with the Mexican Congress;

(4) the Attorney General of the United States should pursue greater cooperation with the Mexican Government to investigate cross-border corruption and to provide protection for those willing to come forward

(5) the President of the United States and senior United States officials should encourage and support efforts by President Zedillo to investigate vigorously the killings of Cardinal Juan Posadas in May 1993, PRI presidential candidate Luis Donaldo Colosio in March 1994, and PRI Secretary General Jose Francisco Ruiz Massieu in September 1994;

(6) the Government of Mexico should replace and prosecute corrupt regional police commanders;

(7) the Mexican people have the support of the United States in efforts to eliminate illegal drug trafficking on both sides of the United States-Mexico border; and

(8) the interdiction of illegal narcotics should be a top priority for the United States in its management of the U.S.-Mexican border.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

Mr. HELMS. Mr. President, the American people have an enormous stake in Mexico—a neighboring coun-

try with which the United States shares a 2000-mile border and which is a significant trading partner. Many of Mexico's problems have become our problems, especially drug trafficking fueled by incredible corruption which touches every community in America.

On August 8, the Senate Foreign Relations Committee conducted a hearing on the magnitude of the illegal Mexican drug trade and its affect on United States-Mexican relations. It was startling to hear both United States officials and Mexican experts describe the spreading tentacles of drug trafficking and drug-related corruption threatening to engulf the 10-month presidency of Ernesto Zedillo. The hearing, however, was not limited to the bad news; the witnesses offered several initiatives that could be helpful to President Zedillo and the Mexican people in confronting the drug lords.

This hearing prompted Senator FEINSTEIN and me, working with Senator GRASSLEY as chairman of the Senate Drug Enforcement Caucus, to prepare a resolution I now send to the desk for first reading and appropriate referral.

The enormity of the problem confronting Mexico is such that the Mexican Government's own National Institute for Combating Drugs concluded recently that the increasing power of the drug kingpins could ultimately make Mexico "ungovernable."

All too often, Mr. President, these evil traffickers are aided and abetted by unscrupulous Mexican Government and law enforcement officials. For example, it has been reported that the leader of the so-called gulf cartel, Juan Garcia Abrego—who also has become a fixture on the FBI's most wanted list—bribes senior Mexican Government officials to the tune of \$50 million a month in running his operations.

While United States officials were heaping praise upon former Mexican president Salinas' commitment to fighting drugs, Mr. Salinas' senior drug enforcement officials were on the traffickers' payroll. Two of his three drug enforcement directors have been charged with accepting bribes from drug traffickers. Salinas' Deputy Attorney General, Mario Ruiz Massieu, kept millions of dollars in U.S. bank accounts which the U.S. district attorney for southern Texas alleges are payoffs from drug traffickers.

And in another disturbing revelation, in May, Mexican newspapers published transcripts of phone conversations involving Marcella Bodenstadt, identified as a Garcia Abrego associate and the wife of a cartel money-launderer, and Salinas' Minister of the Presidency, with whom she was having an affair. The Minister of the Presidency, who managed the national security and intelligence apparatus for the Salinas government, claims he knew nothing about Ms. Bodenstadt's drug connections.

This concurrent resolution recognizes that President Zedillo inherited the governmental structure influenced