Mr. President, in the Missile Defense Act of 1991, the Congress urged the President to pursue discussions with the parties to the ABM Treaty to clarify the demarcation line between theater missile defenses and antiballistic missile defenses for the purposes of the ABM Treaty. Those negotiations should have been undertaken for the sole purpose of making clear that theater missile defense systems were not limited by the ABM Treaty.

Unfortunately, those negotiations are seriously off-track. Recently, I joined with a number of Senators in sending two letters to President Clinton expressing our concern that the administration had indicated a willingness to accept significant performance limitations on our theater missile defense systems, and urging a suspension of those negotiations. Despite these clear expressions of congressional concern, subsequent meetings that I and other Republican Senators have had with high level administration officials in recent weeks have confirmed that the administration is intent on concluding an agreement with the Russians that would limit the great technological potential of the United States to develop and deploy the most effective theater missile defense system we can build. Who is willing to stand up and say we owe less to our armed forces?

In addition, it has become clear to be that the administration does not contemplate submitting any such ''demarcation agreement'' to the Senate for advice and consent, as required by legislation which I sponsored to last year's Defense authorization bill. I am troubled that the Senate will not be allowed a role in an international agreement that will impose major new limitations and obligations on the United States.

It is time for the Congress to act to ensure the development of the most capable, cost-effective theater missile defense architecture to protect our forward-deployed forces.

Therefore, I am submitting this amendment today, together with my cosponsors, to prohibit the obligation or expenditure of any funds by any official of the Federal Government for the purpose of applying the ABM Treaty, or any limitation or obligation under that Treaty, to the research, development, testing or deployment of a theater missile defense system, upgrade or component. The standard which we have used in this legislation to defined the demarcation between antiballistic missile defenses which are limited by the ABM Treaty, and theater missile defenses which are limited by the ABM Treaty, and theater missile defenses which are not, is similar to the one used by the administration at the beginning of the demarcation negotiations—that is, a missile defense system which is covered by the ABM Treaty is defined as a missile defense system which has been field-tested against a ballistic missile which, in that test, exceeded: First, a range of more than 3,500 kilometers, or second a maximum velocity of more than 5 kilometers per second. Put simply, if a missile defense system has not field-tested in an ABM mode—and therefore has not demonstrated a field-tested capability to counter intercontinental ballistic missiles—it should not be limited in any by the ABM Treaty.

In addition, this amendment declares that it is the policy of the United States that ''advanced theater missile defenses should be developed and deployed as soon as possible in order to provide protection for United States military forces deployed in foreign theaters of operation and for allied forces participating in operations with those United States forces.''

I don't know of anyone who would disagree with that goal. We should proceed expeditiously with this important mission, and remove the ''handcuffs''' from our theater missile defense efforts. We should not permit the Russians to hold a veto over theater missile defense systems which are vitally needed by our armed forces.

Mr. President, I want to make clear that this amendment, narrowly drawn to the immediate issue of theater missile defenses, should in no way be interpreted as implying any lessening of the commitment of the co-sponsors to a national missile defense. Indeed, section 4 of the amendment states that,

Congress also hereby affirms its commitment to ultimately provide the United States with the capability to defend the people and territory of the United States from attack by ballistic missiles.

In this amendment we have dealt in more detail with theater missile defense systems because it is those systems which are in a more advanced stage of development, and which are currently being jeopardized by limitations which the administration may soon sign up to with the Russians.

We are also not attempting with this legislation to either reaffirm or reject the ABM Treaty. That is a debate for another day.

I urge my colleagues to support this important piece of legislation.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT

GORTON AMENDMENTS NOS. 569–571

Mr. GORTON proposed three amendments to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

AMENDMENT NO. 569

On page 17 of Amendment 420, strike lines 14 through 17.

AMENDMENT NO. 570

On page 26, after line 2, insert the following:

''This section shall only apply to permits that were not extended or replaced with a new term grazing permit solely because the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws has not been completed and also shall include permits that expired in 1994 and in 1955 before the date of enactment of this Act.''

AMENDMENT NO. 571

On page 23, strike lines 17–18 and insert in lieu thereof the following:

''Of the available balances under this heading, $3,000,000 are rescinded.''

MURKOWSKI AMENDMENT NO. 572

Mr. GORTON (for Mr. MURKOWSKI) proposed an amendment to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 20, between lines 13 and 14, insert the following:

DEPARTMENTAL OFFICES

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–332 for the Office of Aircraft Services, $150,000 of the amount available for administrative costs are rescinded, and in expending other amounts made available, the Director of the Office of Aircraft Services shall, to the extent practicable, provide aircraft services through contracting.

STEVENS AMENDMENT NO. 573

Mr. GORTON (for Mr. STEVENS) proposed an amendment to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On Page 81 after line 18, add a new section as follows:

SEC. .(a.) As provided in subsection (b), an Environmental Impact Statement prepared pursuant to the National Environmental Policy Act or a subsistence evaluation prepared pursuant to the Alaska National Interest Lands Conservation Act for a timber sale or offering to one party shall be deemed sufficient if the Forest Service sells the timber to an alternate buyer.

(b.) The provision of this section shall apply to the timber specified in the Final Supplement to 1981–86 and 1986–90 Operating Period EIS (''1989 SEIS''), November, 1989, in the North and East Kuiu Final Environmental Impact Statement, January 1993; in the Southeast Chichagof Project Area Final Environmental Impact Statement, September 1992; and in the Kelp Bay Environmental Impact Statement, February 1992, and supplemental evaluations related thereto.

HOLLINGS (AND OTHERS) AMENDMENT NO. 574

Mr. HOLLINGS (for himself, Mr. THURMOND, Mr. BINGAMAN, Mr. BREAUX, Mr. GLENN, Mr. GRAHAM, Mr. LEAHY, Mr. LEVIN, Mr. KOHL, Mr. LIEBERMAN, Mr. KENNEDY, Mr. KERRY, Mrs. MURRAY, Mr. PELL, Mr. ROCKEFELLER, Mr. SARBANES, and Mr. ROBB) proposed an amendment to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 9 of the substitute amendment, strike line 1 through line 23 and insert the following:

INDUSTRIAL TECHNOLOGY SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $3,100,000 are rescinded.

CONSTRUCTION OF RESEARCH FACILITIES

(RESCISSION)

Of the unobligated balances available under this heading, $30,000,000 are rescinded.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $25,100,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $13,000,000 are rescinded.

GOES SATELLITE CONTINGENCY FUND

(RESCISSION)

Of the unobligated balances available under this heading, $2,500,000 are rescinded.

PRIVATIZATION ARRANGEMENTS ACT OF 1995

KEMPTHORNE (AND OTHERS) AMENDMENT NO. 575

(Ordered referred to the Committee on Armed Services.)

Mr. KEMPTHORNE (for himself, Mr. BROWN, Mr. DODD, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by them to the bill (S. 570) to authorize the Secretary of Energy to enter into privatization arrangements for activities carried out in connection with defense nuclear facilities, and for other purposes; as follows:

At the end of the bill add the following:

SEC. 3. DEFENSE EXPORT LOAN GUARANTEES.

(a) ESTABLISHMENT OF PROGRAM.—

(1) AUTHORITY.—Chapter 148 of title 10, United States Code, is amended by adding at the end the following new subchapter:

''SUBCHAPTER VI—DEFENSE EXPORT LOAN GUARANTEES

''§ 2540. Establishment of loan guarantee program

''(a) ESTABLISHMENT.—In order to meet the national security objectives in section 2501(a) of this title, the Secretary of Defense shall establish a program under which the Secretary may issue guarantees assuring a lender against losses of principal or interest, or both principal and interest, arising out of the financing of the sale or long-term lease of defense articles, defense services, or design and construction services to a country referred to in subsection (b).

''(b) COVERED COUNTRIES.—The authority under subsection (a) applies with respect to the following countries:

''(1) A member nation of the North Atlantic Treaty Organization (NATO).

''(2) A country designated as of March 31, 1995, as a major non-NATO ally pursuant to section 2350a(i)(3) of this title.

''(3) A country in Central Europe that, as determined by the Secretary of State—

''(A) has changed its form of national government from a nondemocratic form of government to a democratic form of government since October 1, 1989; or

''(B) is in the processing of changing its form of national government from a nondemocratic form of government to a democratic form of government.

''(4) A country that was a member nation of the Asia Pacific Economic Cooperation (APEC) as of October 31, 1993.

''(c) AUTHORITY SUBJECT TO PROVISIONS OF APPROPRIATIONS.—The Secretary may guarantee a loan under this subchapter only as provided in appropriations Acts.

''§ 2540a. Transferability

''A guarantee issued under this subchapter shall be fully and freely transferable.

''§ 2540b. Limitations

''(a) TERMS AND CONDITIONS OF LOAN GUARANTEES.—In issuing a guarantee under this subchapter for a medium-term or long-term loan, the Secretary may not offer terms and conditions more beneficial than those that would be provided to the recipient by the Export-Import Bank of the United States under similar circumstances in conjunction with the provision of guarantees for nondefense articles and services.

''(b) LOSSES ARISING FROM FRAUD OR MISREPRESENTATION.—No payment may be made under a guarantee issued under this subchapter for a loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

''(c) NO RIGHT OF ACCELERATION.—The Secretary of Defense may not accelerate any guaranteed loan or increment, and may not pay any amount, in respect of a guarantee issued under this subchapter, other than in accordance with the original payment terms of the loan.

''§ 2540c. Fees charged and collected

''(a) IN GENERAL.—The Secretary of Defense shall charge a fee (known as 'exposure fee') for each guarantee issued under this subchapter.

''(b) AMOUNT.—To the extent that the cost of the loan guarantees under this subchapter is not otherwise provided for in appropriations Acts, the fee imposed under this section with respect to a loan guarantee shall be fixed in an amount determined by the Secretary to be sufficient to meet potential liabilities of the United States under the loan guarantee.

''(c) PAYMENT TERMS.—The fee for each guarantee shall become due as the guarantee is issued. In the case of a guarantee for a loan which is disbursed incrementally, and for which the guarantee is correspondingly issued incrementally as portions of the loan are disbursed, the fee shall be paid incrementally in proportion to the amount of the guarantee that is issued.

''(d) COLLECTIONS TO BE CREDITED TO REVOLVING FUND.—Fees collected under this section shall be credited to the Defense Export Loan Guarantee Revolving Fund.

''§ 2540d. Defense Export Loan Guarantee Revolving Fund

''(a) ESTABLISHMENT.—There is established on the books of the Treasury a fund to be known as the 'Defense Export Loan Guarantee Revolving Fund'.

''(b) ASSETS OF FUND.—The Fund is composed of sums credited to the Fund under section 2540c(d) of this title and under subsection (c).

''(c) INVESTMENT OF FUNDS.—Amounts in the Fund may be invested in obligations of the United States. Interest and any other receipts derived from such investments shall be credited to the Fund.

''(d) AVAILABILITY OF FUND.—Sums in the Fund shall be available, to the extent provided in appropriations Acts, to pay the cost of loan guarantee obligations under this subchapter.

''§ 2540e. Full faith and credit of the United States

''All guarantees issued under this subchapter shall constitute obligations, in accordance with the terms of those guarantees, of the United States, and the credit of the United States is hereby pledged for the full payment and performance of those obligations.

''§ 2540f. Definitions

''In this subchapter:

''(1) The terms 'defense article', 'defense services', and 'design and construction services' have the meanings given those terms in section 47 of the Arms Export Control Act (22 U.S.C. 2794).

''(2) The term 'cost', with respect to a loan guarantee, has the meaning given that term in section 502 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 661a).''.

(2) CLERICAL AMENDMENT.—The table of subchapters at the beginning of such chapter is amended by adding at the end the following new item:

''VI. Defense Export Loan Guarantees ..... 2540''.

(b) REPORT.—

(1) REQUIREMENT.—Not later than two years after the date of the enactment of this Act, the President shall submit to Congress a report on the loan guarantee program established pursuant to section 2540 of title 10, United States Code, as added by subsection (a).

(2) CONTENT OF REPORT.—The report shall include—

(A) an analysis of the costs and benefits of the loan guarantee program; and

(B) any recommendations for modification of the program that the President considers appropriate, including—

(i) any recommended addition to the list of countries for which a guarantee may be issued under the program; and

(ii) any proposed legislation necessary to authorize a recommended modification.

Mr. KEMPTHORNE. Mr. President, I rise today to submit an amendment to S. 570 to create a defense export loan guarantee program at the Department of Defense. I am pleased that I am joined in this effort by the distinguished Senator from Colorado, my friend, HANK BROWN, and senior and junior Senators from Connecticut, Senators DODD and LIEBERMAN.

As many of my colleagues know, defense exports are currently prohibited from participating in Government financing systems available for the exports of other nondefense products. My amendment would eliminate this discriminatory treatment of legitimate defense exports while preserving all existing export controls. I want to be clear that my colleagues understand this last point: My amendment deals only with legitimate sales that are consistent with every existing export control and license requirement. My amendment also does not propose to sell destabilizing weapons to dangerous