

a tax cut. I would like to see everybody pay far less taxes than they now pay. But the first obligation, I think, for our country, is to balance the Federal budget.

I give credit to the budget resolution and those who framed it because it includes some recommendations that I support. There is a part of the budget recommendation that comes to the floor of the Senate that I think makes eminent good sense, and I support it. I say congratulations. I sent 800 billion dollars' worth of spending cut recommendations to the Budget Committee. I believe in this. We need to balance the Federal budget, and not with smoke and mirrors but with real spending cuts in real ways. And, yes, also in some areas with real revenue. But I believe in some areas you must balance the Federal budget.

I do not believe, however, with the kind of deficits we have, the way to start balancing the Federal budget is to first start talking about tax cuts. I understand the Senate budget resolution does not specifically prescribe tax cuts, but I also understand it specifically sets aside \$170 billion to be sent to the Finance Committee specifically for cuts. So this budget resolution, like the House resolution, will accomplish the same things. It will cut taxes. And it will pay for that tax cut by providing less for Medicare, by cutting the earned-income tax credit and therefore raising taxes on low-income working families, and by slashing spending for education, especially the education money available to help young people go to college.

I think those priorities are wrong. There must be spending cuts in a whole range of areas. Will we have to limit the rate of growth in Medicare and Medicaid? Yes, I believe we will, in the context of reforming the whole health care system in some reasonable way, without limiting people's choice. But the fact is you cannot continue seeing skyrocketing health care costs across the country without some interruption. The Federal budget cannot stand that, the family budget cannot stand that, nor can a business budget stand that. So we must respond to that problem.

But we ought not, under any condition, decide to take several hundreds of billions of dollars out of Medicare and Medicaid, both of them, and do that at least in part so we can give a very big tax cut to some of the wealthiest Americans. That makes no sense at all.

I would say, on the issue of education, to the extent anything is important in our country, we must decide as a country to invest so our kids can go to school. Investing in education for our children is an investment in this country's future. It yields dividends of enormous importance to the future of this country.

So, when we decide we are going to make a trade here and we are going to do classic trickle-down economics, and that means we do not have enough money to provide for financial help for

somebody going to college, that is a trade that in my judgment injures our country's economy.

Some people say this is new, that this is reform. This is not new. There is nothing new about this. This is 15 years old and it is 50 years old. It is: run an election, win, write a contract, give tax breaks for the rich, and have the rest of us pay for it somehow, with less medical care and less help for their kids to go to school and higher taxes for the working poor. That is not new. That is Herbert Hoover.

We have been through this before. Trickle-down economics—that is the notion where you pour the money in at the top somehow and, if you make the top generous enough or affluent enough, somehow it all trickles down and rains on everybody else in America.

Another Member who served in this body many, many years ago described trickle-down economics. He said it is the concept that if you feed the horse some hay, sometime down the road the sparrows will have something to eat—trickle-down economics. That is not a notion that I think makes sense for the economy engine of this country. Our goal is not to make the comfortable more comfortable. It is to provide working people in this country with something to make a good living: jobs, opportunities, education. That is what drives the American economy. It is not trickle-down economics, it is percolate-up economics.

I think what we ought to do when we bring this budget resolution to the floor of the Senate, I would like to see on a bipartisan basis for all of us to do something very serious and very quickly. I would like to see us decide immediately. The first test is to decide to balance the budget using spending cuts. Do that. Debate about the priorities, what are the values here, what are the things we hold dear, what should we invest in, what about our children—go through that debate. Set the tax cuts aside and say, let us not do tax cuts. Let us just deep six all that stuff. And then let us do honest, real spending cuts and balance the Federal budget.

Then, when we have done that, we have rolled up our sleeves and done the honest work, then we can turn to the other issues. But I think it is wrong to engage in a political exercise and balance the budget by beginning with a very large tax cut for the affluent, which means we must take more from Medicare for the elderly, more from programs to help those who want to go to school, more from the working poor by scaling back the earned-income tax credit, and so on. That, in my judgment, is not the right way for this country to proceed.

I noted some columnists have said the Democrats in the Chamber do not seem to be as ambitious in dealing with the budget deficit as some others. I do not think we need to take great instruction from columnists about our interest in deficit reduction. Those of

us who, in 1993, voted on the floor of this Senate for \$500 billion of deficit reduction, some of which was very unpopular, all of which was pretty controversial—those of us who were willing to do that without any help at all, not even one accidental vote from the other side of the aisle, do not need lectures about deficit reduction.

I believe in deficit reduction. I am glad I voted for it in 1993. I will vote for much more deficit reduction offered by either side of the aisle. If it is responsible cutting of what represents excesses in the Federal budget, count me in and sign me up because I am willing to do it.

Also, as I said, I sent \$800 billion in deficit reduction recommendations to the Budget Committee, mostly spending cuts, some additional revenue increases, saying: Here is a jump start on how we ought to do this.

Much of that is in the mark that will come to the floor by Senator DOMENICI. And I will support those portions of the budget. But I do believe the broader priorities, especially the priorities these days in something called the Contract With America, are priorities that I do not share. We must, it seems to me, understand how to provide decent health care for our elderly in this country and we must understand and make a commitment to provide health care for those in America who are disadvantaged and who are poor.

That is not something we ought to debate much about. Yes, we can debate about how to control costs or how to bring down the rate of increase. But we ought not trade off the health care needs of the elderly or the health care needs of the American poor with tax cuts for the most affluent Americans. That is not a trade that makes sense for this country.

I hope in the coming week, when we resolve this budget issue, that we will on a bipartisan basis decide, in a serious, sober, thoughtful, reflective way, to honestly cut Federal spending where we are spending too much; honestly put this country back on track toward a balanced budget, and do that first by spending cuts and not talk about, again, tax cuts for the most affluent Americans.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 1106 TO AMENDMENT NO. 1104

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

The PRESIDING OFFICER. Does the Senator from Washington intend to amend the Murkowski amendment?

Mr. MURKOWSKI. I believe it is the intention of the Senator from Washington to propose an amendment to the Murkowski amendment. Is that the intention of the Senator from Washington?

Mrs. MURRAY. That is correct.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Washington [Mrs. MURRAY] proposes an amendment numbered 1106 to Murkowski amendment No. 1104.

Mrs. MURRAY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the pending amendment add the following new section:

Title VI of the Oil Pollution Act of 1990 (Pub. L. 101-380; 104 Stat. 554) is amended by adding at the end thereof the following new section:

"SEC. 6005. TOWING VESSEL REQUIRED.

"(a) IN GENERAL.—In addition to the requirements for response plans for vessels established in section 311(j) of the Federal Water Pollution Control Act, as amended by this Act, a response plan for a vessel operating within the boundaries of the Olympic Coast National Marine Sanctuary or the Strait of Juan de Fuca shall provide for a towing vessel to be able to provide assistance to such vessel within six hours of a request for assistance. The towing vessel shall be capable of—

"(1) towing the vessel to which the response plan applies;

"(2) initial firefighting and oilspill response efforts; and

"(3) coordinating with other vessels and responsible authorities to coordinate oilspill response, firefighting, and marine salvage efforts.

"(b) EFFECTIVE DATE.—The Secretary of Transportation shall promulgate a final rule to implement this section by September 1, 1995."

Mrs. MURRAY. Mr. President, I thank the Chair.

We have been working this afternoon with the Senators from Alaska on the bill before us. One of our main concerns has been the environmental issues in Puget Sound in my home State of Washington.

I appreciate all of the work that the Senator from Alaska has done in helping to meet one of our concerns on this bill.

The amendment in front of us requires that a vessel be in Puget Sound that is paid for by the industry so we can assure that the vessels which come into Puget Sound are escorted through the Straits of Juan de Fuca.

I thank the Senator from Alaska and his committee for all their work on this and urge its adoption.

Mr. MURKOWSKI. May I respond, Mr. President?

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I appreciate the cooperative effort as evidenced by the Senator from Washington. It has been a pleasure working with her staff, and we do accept the amendment.

I think it is a tribute to the Senator from the State of Washington for addressing obviously an environmental need, and I feel confident that her contribution by this amendment will ensure a greater degree of safety associated with the movement of oil from my State to her refinery. As a consequence, we are pleased to accept the amendment.

Mrs. MURRAY. One of my main concerns is vessel safety. I want to make certain all vessels transporting oil through the strait of Juan de Fuca or Olympic Coast Marine Sanctuary are properly escorted.

Under my amendment, the Oil Pollution Control Act would be modified to require response plans for such vessels to provide emergency response within at least 6 hours. This would be a vast improvement over the status quo.

However, my State including the Office of Marine Safety, conservation groups, and the Makah Indian nation, would like to see an even shorter response time.

It is my understanding that under this amendment, the State and other parties would have the flexibility to negotiate an arrangement that would ensure a response time of 4 hours or fewer. Specifically, the State would be able to arrange stationing an emergency response tug boat at Neah Bay.

If the State, tribe, and tanker operators agree, the Coast Guard under my amendment, should modify the response plans accordingly.

Does the chairman concur in this interpretation?

Mr. MURKOWSKI. Yes, I have reviewed the language and agree.

The PRESIDING OFFICER. Are there others who want to be heard? If not, the question is on agreeing to the amendment No. 1106.

So the amendment (No. 1106) was agreed to.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote.

Mrs. MURRAY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 1107 TO AMENDMENT NO. 1104

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mrs. MURRAY] proposes an amendment numbered 1107 to amendment No. 1104.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 2, of the pending amendment, insert after line 12 the following:

(C) shall consider after consultation with the Attorney General and Secretary of Commerce whether anticompetitive activity by a person exporting crude oil under authority of this subsection is likely to cause sustained material crude oil supply shortages or sustained crude oil prices significantly above world market levels for independent refiners that would cause sustained material adverse employment effects in the United States.

On page 3, insert after line 12 after the word "implementation;": "including any licensing requirements and conditions,".

On page 4, line 2, after "President" insert "who may take".

On page 4, line 3, after "modification" insert "or revocation".

Mrs. MURRAY. Mr. President, as you know, I have very strong reservations about the exports of Alaskan North Slope oil. I am concerned about jobs in my State, the price of oil to consumers across our Nation, and the environmental impact lifting this ban may produce. However, after a day of negotiation, I am pleased to offer several amendments en bloc to the bill that the chairman has agreed to. These en bloc amendments will ensure a full review of export impacts.

They mandate that the President, along with the Attorney General and the Department of Commerce, will review environmental impacts, consumer price increases, and anticompetitive practices that would hurt independent refineries and shipyards who employ thousands in my region.

I believe we have come far to negotiate this agreement that now speaks first for the people of the Pacific Northwest before the exporting of this oil begins.

I thank the chairman for his work in moving toward this amendment.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, it is my understanding we had an opportunity to review the amendment and, indeed, the amendment is in order, as suggested by the Senator from Washington. I am well aware of her concern for her own economic activity associated with Alaskan oil.

We find the amendment satisfactory. I am pleased to accept it at this time. It does meet with satisfaction the terms and conditions which we agreed to mutually.

The PRESIDING OFFICER. Are there other Senators who want to be heard concerning this amendment? If not, the question is on agreeing to the amendment No. 1107 to amendment No. 1104.

The amendment (No. 1107) was agreed to.

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

Mrs. MURRAY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. MURRAY. Mr. President, I thank the Chair and the chairman of the committee who has worked diligently with me this afternoon. One of my main concerns regarding this proposal to export ANS relates to the supply of Alaskan crude to the Tosco refinery at Ferndale. As I understand it, Tosco has 3 years and 8 months remaining on a supply agreement with BP. I want assurance that BP will honor the contract.

I have asked BP to provide me with that assurance, and today I received a letter from the president of BP Oil Shipping Co., Steve Benz, promising to honor the existing contract with Tosco's refinery at Ferndale.

Mr. President, I ask unanimous consent to print a copy of the letter in the RECORD.

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

BP AMERICA, INC.,
May 16, 1995.

Hon. PATTY MURRAY,
U.S. Senate, Russell Senate Office Building,
Washington, DC.

DEAR SENATOR MURRAY: I am sensitive to your concerns regarding the supply agreement for Alaska North Slope crude oil that BP has with the TOSCO refinery at Ferndale, Washington. While we are under a strict confidentiality agreement with respect to the details of that arrangement, I want to give you my assurance that BP will fully honor the terms and conditions of our current supply agreement with TOSCO for the Ferndale, Washington refinery. This guarantees that BP will be a supplier of Alaska North Slope crude oil to the TOSCO Ferndale refinery through 1998.

I hope that this letter satisfies any remaining concerns you may have regarding security of supply to TOSCO.

Sincerely,

STEVE BENZ,
President, BP Oil Shipping.

Mrs. MURRAY. Mr. President, I also ask the distinguished chairman of the Energy Committee if he can also assure me that he will do everything in his power to assure that adequate supplies of Alaskan North Slope crude continue to be made available to the Tosco refinery.

Mr. MURKOWSKI. Mr. President, I fully understand and appreciate the concern of the Senator from Washington in this area. I can assure you, based on information that I have from British Petroleum and others, a security of supply to the Northwest independent refiners will not be a problem.

I can assure the Senator, if there are supply disruptions, I will personally work with her and other Members of the Washington delegation to address that problem to the very best of my ability.

Mrs. MURRAY. Mr. President, I thank the Senator from Alaska and would just like to notify him that I am

working on one more statement for the RECORD, a few more words to say, and I appreciate all of the work and help he has been in working toward this agreement.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Oregon.

Mrs. MURRAY. I withhold that request.

Mr. HATFIELD. Mr. President, I just would like to express my gratitude to the chairman of the committee, the Senator from Alaska [Mr. MURKOWSKI]. I suppose Mr. MURKOWSKI's diligence and perseverance again proves the old adage that, if you stick with a problem or an issue, you get it resolved with patience and forbearance. Certainly, the Senator has demonstrated both those qualities.

I also want to express my appreciation for the staff. I do not know an issue I have dealt with for a period of time that has not incorporated more staff than this one, and they have all been most cooperative. Staff of committee, personal office staff people, staff of my colleagues, like the Senator from Washington State—all of the staff—really, again, demonstrated the superiority of our professional staff people, both in the offices and on the committees as well.

So I would like to thank the Senator for his cooperation in resolving one of my problems.

Mr. MURKOWSKI. If I can respond to my friend from Oregon, his particular reference to patience is one that I have had an opportunity to observe, as the Senator from Oregon has displayed this as chairman of the Appropriations Committee, both as ranking member and as chairman, for as long as I have been in this body, some 15 years. And he has accumulated an extraordinary ability in negotiation, using both his historical interest of this body as well as a history of many of our Presidents and his patience and oftentimes humor in moving along problems and has led me to view him with admiration and respect. I am particularly appreciative of his comments today.

Mr. President, I am not sure. If I may make an inquiry of the Senator from Washington, is it her intention to make another statement, or are we perhaps waiting? I did not hear the last reference.

Mrs. MURRAY. I am waiting to clear a colloquy with the Senator's staff which should be done very shortly.

Mr. MURKOWSKI. 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. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I wonder whether I might ask my colleague from Alaska a question. I am assuming that my colleague intends to go to a vote very soon, is that correct?

Mr. MURKOWSKI. The Senator from Minnesota is correct. I anticipate that we are within 3 or 4 minutes of calling for third reading and a recorded vote.

Mr. WELLSTONE. I wonder whether I could simply take a minute to speak before the final vote. My colleague has the floor, so I will wait until he is done.

Mr. MURKOWSKI. I am sure it will be more than a minute or a couple of minutes, but I will yield for that purpose.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I just had a chance to come to the floor now, and I had anticipated that this debate could go on through tomorrow. I understand that, for a variety of different reasons, we are going to go to final vote. I want to go on record—and I will have a more complete statement—I believe that this piece of legislation is misguided. I am in profound disagreement with it. The particular problem I have is that now when we open up the exporting of the oil, I think we get back to all of the ways in which we as a nation still are so dependent upon the imports.

I worry about this being essentially the first step toward opening up oil drilling at Arctic National Wildlife Refuge. I want to simply say that I think, for some very basic important environmental reasons, this piece of legislation is mistaken. I also have some concerns about the basic environmental safety reasons that have to do with the shipping of this oil across the sea. I do not know exactly what protection has been built in. All in all, I think it is a mistake. I have to say to you, Mr. President, that my only regret is that I was at another meeting dealing with a piece of legislation that I have been working on for a couple of years.

So I was not able to be here during some of the debate and now do not really have time to lay out on the floor a full statement or be involved in a full debate.

I hope colleagues will vote against this. I hope colleagues will vote against this, I think, on very solid environmental grounds. I hope colleagues will vote against this understanding that I think this is the first step toward opening up ANWR. We went through this last Congress. It was very contentious. Maybe it was the Congress before, when I first came to the Senate. We actually had a filibuster against oil drilling in the Arctic National Wildlife Refuge. I think that is where we are heading with this legislation. I think it is part of the effort to get there.

I have appreciation for my colleague from Alaska on a personal level. I know him to be incredibly hard working, and he cares fiercely about his State. I am in profound disagreement with this. I hope we will have some strong "no" votes.

I yield the floor.

Mr. MURKOWSKI. 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.

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.

Mr. MURKOWSKI. Mr. President, it is my intent to advise Senators that we will be calling for a rollcall vote and I will be calling for third reading.

I do want to thank my friend from the State of Washington, Senator MURRAY, for her concern over the aspects affecting her State with regard to the oil that comes down from my State of Alaska.

I also want to thank Senator BOXER for her questions and concerns reflected in colloquy.

I want to thank my senior colleague, Senator JOHNSTON for his contribution and concern, and particularly with reference to the inclusion of deep water royalty, which is part of this legislation which I think will benefit—certainly lessening our dependence on imported oil and, as a consequence, relieve substantially our balance of payments by developing our own domestic supply which is so well supported in the Gulf of Mexico and the State of Louisiana and others.

I want to thank my senior colleague, Senator STEVENS. Certainly Senator HATFIELD has been most cooperative. I am also very sensitive to his concern regarding his shipyard, as well as concern for the shipyards in California. Senator FEINSTEIN has also been very cooperative.

I want to recognize the staff of Senator JOHNSTON, our own staff, Gregg Renkes, Andrew Lundquist, Gary Ellsworth, Jim Beirne, Howard Useem, Mike Poling, and others.

If I may just for a moment reflect on a little bit of how I look at this legislation as an Alaskan and how my constituents view it. I think it marks another advance in the policies made by the Federal Government to Alaska when we accepted the statehood compact back in 1959. Thirty-six years is a long time to wait for the action that is about to be taken today. I think it is certainly historically significant for Alaska, if this legislation carries.

We have done some significant things. We have authorized the sale of the Alaska Power Administration, the Eklutna hydro project, to the municipality of Anchorage. That has been 40 years in the making. It was first proposed back in 1955. It has been 7 years under the stewardship of Senator STEVENS and myself.

The sale of the Snettisham hydro project to the State of Alaska, and the Alaska Power Administration, of course, is also authorized. That has been pending for over 10 years.

It is my hope, Mr. President, that my colleagues will join me in acting favor-

ably on this bill. This action by the Senate, if it is passed, will ultimately—assuming that it receives the support of the House of Representatives—allow the export of Alaskan oil.

That is the oil that is excess currently on the west coast, oil that used to go through the Panama Canal. This action, I might add, is supported by the administration and the President and with the concurrence of this body and, hopefully, the House of Representatives.

Now for the very first time Alaskan oil can look forward to a truly free market. While perhaps we Alaskans are still not free from the Federal yoke, some of the load has been lifted from the shoulders of Alaska, if this passes today. And perhaps this marks a favorable sign for the time.

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

The amendment (No. 1104) was agreed to.

Mr. HATFIELD. Mr. President, the Senate is now considering an amendment to provide for payment of a certain sum generated by this legislation to retire the debt incurred by citizens of the city of Portland, OR, to construct the largest floating drydock on the west coast. On June 1, 1977, Portland taxpayers financed this investment based in large part on the commitment made to keep this Alaska North Slope oil supply for domestic production oil only.

Alaska oil exploration and the congressional commitment to the prohibition on the export of Alaska North Slope crude oil were crucial factors in Portland's decision to expand its publicly owned maritime repair facility. No drydocks on the west coast were large enough to handle the new Alaskan oil ships either in operation or under construction. Unless this infrastructure deficiency was remedied, these vessels would have had to be repaired in foreign shipyards and U.S. jobs would be lost.

Based on the Federal assurances that this oil was for domestic use only and the encouragement by Federal officials for Portland to step forward to be part of the infrastructure team required to move this oil from the end of the Trans-Alaskan Pipeline to the lower 48 States, local voters in Portland strongly supported the expansion of the Portland Ship Repair Yard to accommodate these very large oil carrying vessels and approved an \$84 million bond measure. My amendment is intended to cover the remaining debt on these bonds dated June 1, 1977. After that significant investment, drydock 4 came on line, adding a vital component to the stated Federal plan for transporting Alaskan oil to domestic markets. Maintaining a ban on the export of this production was an integral part of the agreement to allow construction of the Trans-Alaska Pipeline, and the citizens of Portland reasonably relied upon this agreement.

The bill before us today would reverse this 22-year-old commitment, to the great detriment of the substantial investments made by the citizens of Portland, OR. If the damaging impact on the Portland Ship Repair Yard of exporting Trans-Alaska Pipeline crude oil has not been made perfectly clear prior to this date, I would like to share with my colleagues an article that appeared in the Portland Oregonian today. The article reports that Todd Pacific Shipyards Corp. has withdrawn its application to become the sole contractor at the Portland Ship Repair Yard. One of the primary concerns noted by Todd in announcing its withdrawal was congressional action to lift the Alaska oil export ban.

My amendment seeks to address the unfairness lifting the ban would impose on the taxpayers of Portland. The amendment would require payments from the naval petroleum reserve, a primary beneficiary of the increased revenues that the Congressional Budget Office has judged will result from this legislation. These payments would go toward retirement of the \$50 million in outstanding bonded debt incurred by the taxpayers of Portland to acquire Drydock No. 4. An additional \$10 million would be made available to improve the shipyard to meet the new market conditions in the maritime industry that will result from the repeal of this longstanding export ban. This amendment is consistent with the pay-as-you-go budget rules currently in force.

This amendment will keep faith with the citizens of Portland in the face of this dramatic change in Federal policy to allow Alaskan oil exports. I thank the Senator from Alaska and others for working with me to achieve this important provision to ensure the taxpayers of Portland are treated fairly.

Mrs. BOXER. Mr. President, section 202 of the substitute amendment to S. 395 requires that the administration complete an appropriate environmental review. Does this mean that National Environmental Policy Act applies to this bill.

Mr. MURKOWSKI. Yes, the Senator is correct, the National Environmental Policy Act applies to this bill.

Section 202 specifically provides that the President "shall conduct and complete an appropriate environmental review" of a proposed exportation.

In addition he must consider appropriate measures to mitigate any potential adverse effect on the environment.

There is no waiver, repeal, or change to any Federal, State, or local environmental law, rule or regulation, including the National Environmental Policy Act.

There will be full compliance with all applicable environmental provisions.

Mrs. BOXER. Another matter that concerns me is the recent audit that was performed on the Trans-Alaska Pipeline by BLM that raised several concerns about maintenance and management of the pipeline. Is the Bureau

of Land Management in fact following through with the oversight of the repairs and maintenance of TAPS, and as the chairman of the Energy Committee, how are you going to ensure that in fact the concerns raised by the audit in fact will be addressed.

Mr. MURKOWSKI. In testimony before the House Subcommittee on Oversight and Investigations, on November 10, 1993, the chief executives representing the three major owners of the Trans-Alaska Pipeline System [TAPS] made specific commitments to correct the problems identified by the various audits of TAPS. Richard Olver of BP stated, "... I commit to you today to provide the necessary human resources that are required to put this plan into place and to back that up about [sic] all the necessary and appropriate financial resources."

The owners have reaffirmed this commitment on several occasions as demonstrated by the number of human and financial resources they have provided Alyeska since those hearings. This commitment was reaffirmed again in meetings that Alyeska and the TAPS owners had just last week with various Congressmen, Senators, and staff in Washington, DC.

The most apparent example of the owners commitment is the \$220 million spent to address audit findings in 1994 with an additional \$80 million being spent on findings this year. By the end of 1995, 85 to 90 percent of the audit findings will have been addressed. By December 1996 all but a handful of the audit items will have been resolved. Plans are in hand to address outstanding long lead issues, that is, control systems.

Furthermore BLM has continual and direct oversight of TAPS as a condition of the right-of-way. BLM can in fact shut down the pipeline if the oil producers violate the right-of-way agreement and the violations lead to an imminent threat to the Trans-Alaska Pipeline.

When these repairs required by the audit are completed at the end of 1996, as the chairman of the Energy and Natural Resources, I will request the BLM to report to the Senate Energy and Natural Resources Committee on whether the concerns raised by the audit have been adequately addressed.

Mr. DOLE. Mr. President, I would like to commend the Senators from Alaska, Senator MURKOWSKI and Senator STEVENS for their work on the bill before us today. This bill accomplishes many good things for the State of Alaska and is the culmination of years of work by both these Senators on behalf of their State.

I am pleased, after many years of effort, that the restrictions on the export of Alaskan oil will be lifted. This legislation represents an effort to provide for new economic opportunities for the people of Alaska. New job opportunities will be created which will strengthen industries directly and indirectly related to this effort. The bill also provides for a review of the effects

of the export sales on consumers, shippers, and other domestic oil producers. We need to continue to look for ways to assist domestic oil production and ensure that our efforts for production only work to benefit consumers and our domestic industry. This legislation shows what can be accomplished when individuals share common goals for a strong economy.

In addition, authorization for the sale of the Alaskan Power Administration is a positive step forward for the State of Alaska. I believe there is a need to continue to look at opportunities such as this, where Federal Government activities can be better accomplished on the State, local, or private level.

I am pleased to join with my colleagues in support of this legislation.

KEEPING THE ALASKAN NORTH SLOPE OIL BAN—
U.S. DEPENDENCE ON FOREIGN OIL

Mr. D'AMATO. Mr. President, I have the greatest respect for the Senator from Alaska and I honor his diligent effort to do what is in the best interests of his great State. I must however oppose this legislation for the reason that I strongly believe it would be damaging to U.S. jobs and national security.

Mr. President, 22 years ago, the Trans-Alaska Pipeline Authorization Act of 1973 permitted the building of a pipeline from the North Slope producing fields to Valdez. Through an amendment to section 28 of the Mineral Leasing Act, Congress placed strict prohibitions on exporting Alaskan oil due to the energy crisis.

Mr. President, in 1992, this Senate addressed the Nation's overreliance on foreign oil and voted 94 to 4 to reduce the Nation's dependence on imported oil in order to provide for the energy security of the Nation. I have always opposed lifting the Alaskan North Slope [ANS] oil export ban for two reasons: national energy security and the protection of U.S. jobs.

Mr. President, since 1973 when the ban was enacted, things have dramatically changed—for the worse in terms of our energy dependence. The situation is not improving. During the early 1970's, the United States imported roughly 22 percent of our total oil consumption; in 1990, imported oil accounted for 39 percent of our oil consumption. The Energy Information Administration recently forecasted that our dependence on foreign oil will exceed 60 percent by the year 2010. Considering the current situation in the Middle East, specifically with regard to Iran, our Nation's continued reliance on foreign oil constitutes a serious threat to our national security as well as to our economy.

Mr. President, Iran is a terrorist regime intent on aggression in the gulf. In the past few weeks reports have surfaced suggesting that the regime is stationing more troops, Hawk missiles, and chemical weapons in the Straits of Hormuz. Mr. President, this represents a major threat to the flow of oil to the West. It is clear to all, that the disruption

of the flow of oil could be devastating.

It is because of the nature of the Iranian threat that I introduced two pieces of legislation, S. 277 and S. 630, which effectively place a total United States trade embargo on Iran, in the case of the first bill, and a global embargo in the second bill. The President's recent Executive order effectively implements my first bill and is a positive step toward cutting off Iran, but we have more to do.

When we conduct business with Iran, we are subsidizing Iran's terrorist activities with hard currency. Because of this, we have to cut off our purchases of Iranian crude. Because of the nature of the Iranian, Iraqi, and Libyan regimes, we are currently closed out of 10 percent of the world's oil production by Iran, Iraq, and Libya. Iran's actions in the Middle East may result in a further reduction in our access to oil from this region. The volatile Middle East situation only makes our country's supply of domestically produced oil more essential.

Mr. President, not only is our heavy dependence on foreign oil dangerous but it also damages our economy. Boone Pickens, president of Mesa, Inc., of Dallas, TX, testified before the Committee on Foreign Relations, on March 27, 1995, that,

The two oil shocks of the 1970's reduced U.S. gross national product by 3.5 percent, increased unemployment by 2 percent, increased interest rates by 2-3 percent, and added 3 percent to the general rate of inflation.

He added that,

Taken together, the combined impact of these effects on the U.S. economy in the decade following the 1973 Arab oil boycott totaled \$1.5 trillion!

Mr. President, lifting the ANS oil export ban would not only export oil, it would also export U.S. jobs. Current statutory restrictions on oil exports result in the employment of U.S.-built, U.S.-manned vessels—that is Jones Act tankers—to transport most ANS crude. Under U.S. law, Jones Act tankers must be built in the United States and manned with American crews. However, if ANS exports were allowed, the oil would probably be transported to the Far East on U.S.-flag, non-Jones Act ships. U.S.-flag vessels can be foreign-built and transferred to U.S. registry. Foreign subsidies make it cheaper to build ships abroad than in U.S. yards with American workers.

The consequences of Alaska oil exports to the Jones Act tanker fleet would be devastating. ANS exports would result in approximately 20 Jones Act tankers being scrapped and roughly 651 seagoing jobs lost. Against this structural collapse, there would be a modest offset of about 225 new American seagoing jobs on six foreign-built very large crude carriers operating under the U.S. flag from Alaska to Japan in export service.

The most significant development in the likely ANS export proposal would

be the ability to transport Alaska oil on foreign built tankers. This change would accomplish a longstanding objective of North Slope producers who want to avoid replacing their Jones Act fleets in the United States due to the higher costs of domestic construction. If such export authority were granted, ever-increasing volumes of Alaska oil would be carried to the Far East on foreign built bottoms, thereby eliminating the need to construct replacement tonnage in U.S. yards. Prospective employment losses resulting from ANS exports are estimated to be 7,500 U.S. shipbuilding and allied industry jobs.

Mr. President, exporting ANS crude oil would also be catastrophic to the west coast ship repair business. Negative consequences are certain to result because foreign sales of Alaska oil will: First, reduce the overall size of the ANS fleet as well as the number of vessels that must be repaired; and second, make it economically attractive for all U.S. tankships employed in Alaska oil service to have repairs done in less expensive yards located in the Far East.

A study concluded that removing the statutory restrictions on the export of Alaska North Slope crude oil will cause the loss of 10,000 U.S. jobs in the maritime shipyard sector alone. Thus, exporting ANS crude will result in measurable harm to this important sector at the very time domestic shipyards are attempting to make the difficult transit from Navy to commercial construction.

The U.S. ban on ANS oil exports was done to ease the country's dependence on foreign oil. Today, however, the United States is more dependent on foreign oil than in 1973. Lifting this ban would only serve to increase our vulnerability to blackmail by Iran, who could use oil to hold the United States and the world hostage. Moreover, the United States can ill-afford to ship United States produced oil elsewhere when we are trying to compensate for the loss of Iranian, Iraqi, and Libyan oil. Lifting the ban would export thousands of jobs to foreign countries. It is imperative that we keep the ban on ANS oil exports for the sake of U.S. jobs and our national security.

For these reasons, I must respectfully disagree with the honorable Senator from Alaska and oppose his legislation, S. 395.

Mr. WELLSTONE. Mr. President, I rise today to express my concern—my profound concern and disquiet—about what appears to be a campaign to rush a bill through the Senate, and by so doing deprive this body—and the American people—of a full and sober accounting of what this bill would do.

Of course, I am referring to Senate bill 395, the Alaska Power Administration Asset Sale and Termination Act. And right there in the title—"Asset Sale"—we have what this bill is all about. Let me be blunt; this bill is

about one thing: Selling off as much of America's strategic natural resources as fast as we can in the interest of chasing a quick buck.

I understand there are important issues in this bill that deserve discussion—and I have been prepared to have that discussion here on the Senate floor. It should be a complete and thorough discussion and clearly we are not in a position to do that now.

Mr. President, the Senate is about to begin work on one of the most critically important tasks that it has—that is the debate over the budget. The Sunday talk shows and newspaper opinion columns recently have been filled with news about the budget—the programs that may get cut, the poor and underserved who will suffer under those cuts, how much the rich would get even richer under certain tax-cut proposals. I am reasonably sure that all my colleagues, like myself, are spending most of their time these days in preparation for the budget debate—and well they should.

That is precisely why, Mr. President, I am puzzled—and troubled—that the majority leader should at this particular moment have brought Senate bill 395 up for consideration. It is not like the Senate has not been working steadily—for example, as soon as we finished up what was a rigorous debate on product liability reform, we turned to the important matter of interstate waste disposal which we have just reached agreement on. And it's not as if this bill were one that could be easily or quickly disposed of—for it should not.

Mr. President, I may wonder out loud about the timing of bringing this bill up at this time. With the media and most Member's attention focused on more important matters—the Nation's budget—is now the time to move on a bill that will send American oil overseas? Because that is exactly what this bill will do—by lifting the long held ban on exporting Alaskan oil, it will allow the oil companies to take American oil and sell it to the highest bidder overseas.

Is now the time to move on a bill that will increase pressure to open up one of the only remaining pristine wilderness areas in the United States—the Arctic National Wildlife Refuge—to big oil and gas drilling? Because that is exactly what this bill will do—it will deplete our national oil reserves by sending American oil to other countries, and increase the pressure to open up the ANWR. The distinguished Senator from Alaska and bill author Senator MURKOWSKI admitted as much when he told the Anchorage Daily News on February 20 of this year that if we do not open up the ANWR, "the oil on the West Coast is going to come from Colombia and it is going to come in on foreign vessels." And even yesterday on the floor, my distinguished colleague again said that lifting the export ban will increase pressure to open up new potential fields for drilling.

Mr. President, is now the time to move on a bill that could make the United States even more dependent on foreign oil? At time when this country is importing record amounts of oil, is now the time to move on a bill that would likely increase our oil imports? Does that sound like a long-term strategy to make the United States more secure, more prepared, more energy-independent? I do not think so.

Mr. President, what is being asked for here is a special exemption just for the state of Alaska. By law, no State—let me repeat, no State—may export oil unless it is found to be in the national interest to do so. Is exporting Alaskan oil in the Nation's best interest? On this matter I prefer to recall the words of my distinguished colleague, the senior Senator from Alaska [Mr. STEVENS]. In response to a question, Senator STEVENS on the floor of this body on July 12, 1973, said: "I will assure the Senator from New Hampshire that so long as I am in the Senate, I will oppose the sale of Alaska's oil to Japan." The position of the distinguished Senator from Alaska was correct then, and it is correct now.

Mrs. FEINSTEIN. Mr. President, I rise to speak in support of S. 395, title II, which would allow for the first time the export of Alaska North Slope crude oil to foreign markets.

Mr. President, I have struggled long and hard over this bill. Constituents from my State have mixed views on the benefits of exporting ANS crude oil abroad.

After discussing this bill with all affected parties and weighing the pros and cons, I am convinced that this legislation, as now drafted, satisfies the problems that have been identified and, on balance, presents a win-win solution.

Let me briefly go over the concerns I have had, including the possible impacts on jobs, on crude oil supplies for the west coast, and on the environment.

JOBS

First, for this legislation to be a success, it must not eliminate jobs in one place while adding them somewhere else. That is why I support its requirement that any ANS crude exported abroad must be carried in American-flagged and American-crewed ships. Otherwise, crude oil that now comes to American refineries in American ships would instead be going to overseas refineries in foreign ships.

But I am also concerned that the ships carrying this crude be built in American yards. While I understand why such a requirement cannot be included in this bill, I have received assurances from BP America, the company that is most likely to be exporting the crude overseas, that it is committed to building any new ships needed for this trade in American yards. I received the following letter from BP America on this issue:

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.-flagged, 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 Company, USA.
OIL SUPPLIES

Second, the loss of ANS crude oil supplies from the west coast of the United States must not create a situation where gasoline prices at the pump go up in our western States, or where our western refineries that now depend on this crude oil supply must close their doors because they are unable to replace it at a reasonable cost.

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. If not, he is to make recommendations to Congress. Further, the bill requires that the GAO conduct a broader assessment of the impacts of the export of ANS crude after 5 years, including gasoline prices at the pump, and make any recommendations necessary.

ENVIRONMENTAL IMPACT

Third, I have been concerned that passage of this legislation could increase pressure for drilling in the Arctic National Wildlife Refuge and off the west coast of the United States. The administration has assured me that it will oppose such drilling, and that this is an issue that is totally separate from whether or not ANS crude should be exported.

BENEFITS

Now, Mr. President, let me turn to the dramatic benefits the export of ANS crude offers. The current law provides that all ANS crude be shipped to American refineries. This creates an artificial surplus in crude oil supplies on the west coast, which depresses the price that refineries are willing to pay for alternative sources of supply, such as the heavy crude oil pumped in Kern County, CA.

Independent oil producers in Kern County have laid off thousands of workers over the past decade, and shut down many wells. Eliminating the federally mandated oil glut on the west coast will raise the price paid for Kern County crude and make its production viable once again. The Department of Energy estimates that this will generate from 5,000 to 15,000 new jobs very quickly, with as many as 10,000 to 25,000 by decade end, most of which will be in Kern County.

As you know, Mr. President, California still has not joined the rest of the

United States in a full recovery from the recession of 1990. Unemployment has remained particularly high in California's Central Valley, caused in part by dramatic fluctuations in annual rainfall, but also by the steady decline in employment and production in the Kern County fields.

So, in conclusion, Mr. President, I am pleased to state my support for this legislation, which will provide net positive benefits to our merchant marine, our independent oil producers, and the companies pumping ANS crude, while providing protection through periodic evaluation of its impacts for our shipyards and our independent refiners.

Mr. MURKOWSKI. Mr. President, I ask that the bill be read for the third time.

The PRESIDING OFFICER. If there are no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third time and was read the third time.

Mr. MURKOWSKI. Mr. President, I 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 bill having been read the third time, the question is, Shall it pass?

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN] is necessarily absent.

The PRESIDING OFFICER (Mr. DEWINE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 74, nays 25, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—74

Abraham	Ford	McCain
Ashcroft	Frist	McConnell
Baucus	Glenn	Mikulski
Bennett	Gramm	Moynihn
Bingaman	Grams	Murkowski
Bond	Grassley	Nickles
Breaux	Gregg	Nunn
Brown	Hatch	Packwood
Bryan	Heflin	Pell
Burns	Helms	Pressler
Campbell	Hollings	Pryor
Chafee	Hutchison	Robb
Coats	Inhofe	Roth
Cochran	Inouye	Santorum
Cohen	Jeffords	Shelby
Conrad	Johnston	Simpson
Coverdell	Kassebaum	Smith
Craig	Kempthorne	Snowe
Daschle	Kennedy	Specter
DeWine	Kerrey	Stevens
Dole	Kyl	Thomas
Domenici	Leahy	Thompson
Dorgan	Lott	Thurmond
Faircloth	Lugar	Warner
Feinstein	Mack	

NAYS—25

Akaka	Gorton	Moseley-Braun
Boxer	Graham	Murray
Bradley	Harkin	Reid
Bumpers	Hatfield	Rockefeller
Byrd	Kerry	Sarbanes
D'Amato	Kohl	Simon
Dodd	Lautenberg	Wellstone
Exon	Levin	
Feingold	Lieberman	

NOT VOTING—1

Biden

So the bill (S. 395), as amended, was passed, as follows:

(The text of the bill will be printed in a future edition of the RECORD.)

The title was amended so as to read:

To authorize and direct the Secretary of Energy to sell the Alaska Power Administration, and to authorize the export of Alaska North Slope crude oil, and for other purposes.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

MODIFICATION OF AMENDMENT NO. 1105

Mr. MURKOWSKI. Mr. President, I would ask unanimous consent that amendment 1105 previously adopted by the Senate be modified to conform to the language which I now send to the desk.

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

The modification is as follows:

At the end of amendment No. 1104, add the following new section:

SEC. . RETIREMENT OF CERTAIN COSTS INCURRED FOR THE CONSTRUCTION OF NON-FEDERAL PUBLICLY OWNED SHIPYARDS.

(a) IN GENERAL.—The Secretary of Energy shall—

(1) deposit proceeds of sales out of the Naval Petroleum Reserve in a special account in amounts sufficient to make payments under subsections (b) and (c); and

(2) out of the account described in paragraph (1), provide, in accordance with subsections (b) and (c), financial assistance to a port authority that—

(A) manages a non-Federal publicly owned shipyard on the United States west coast that is capable of handling very large crude carrier tankers; and

(B) has obligations outstanding as of May 15, 1995, that were dated as of June 1, 1977, and are related to the acquisition of non-Federal publicly owned dry docks that were originally financed through public bonds.

(b) ACQUISITION AND REFURBISHMENT OF INFRASTRUCTURE.—The Secretary shall provide, for acquisition of infrastructure and refurbishment of existing infrastructure, \$10,000,000 in fiscal year 1996.

(c) RETIREMENT OF OBLIGATIONS.—The Secretary shall provide, for retirement of obligations outstanding as of May 15, 1995, that were dated as of June 1, 1977, and are related to the acquisition of non-Federal publicly owned dry docks that were originally financed through public bonds—

- (1) \$6,000,000 in fiscal year 1996;
- (2) \$13,000,000 in fiscal year 1997;
- (3) \$10,000,000 in fiscal year 1998;
- (4) \$8,000,000 in fiscal year 1999;
- (5) \$6,000,000 in fiscal year 2000;
- (6) \$3,500,000 in fiscal year 2001; and
- (7) \$3,500,000 in fiscal year 2002.

MORNING BUSINESS

Mr. MURKOWSKI. Mr. President, I believe there has been a request for a brief period of morning business. I would so ask unanimous consent that Senators wishing to speak in morning business be allowed to do so.

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