that profit in order to make my business go and to create new jobs, to have new markets, to do more. I have felt, personally, the effects of Federal laws and regulations. I did not like it when I was in business and I surely do not like it now. I think it is high time that the Congress experience firsthand the consequences of the laws it passes.

Lincoln spoke of government of the people, by the people, for the people. If we in Congress continue passing laws by which we need not abide, we will not be living up to Lincoln's expectation nor that of the American people today.

As was made clear at the polls in November of last year, the voters believe that Congress has given itself special treatment. Members of Congress seem to be insensitive to the actual impact and costs that we impose on the people who are trying to make this economy go.

Mr. President, we must pass the Congressional Accountability Act. We must let the people know that we in Congress are their representatives. That we are not going to be part of a government which just extends privilege to a very few and rests its heavy hand on the rest.

By applying the same rules to ourselves that we do to the rest of the country, Congress will better understand the pain of unfunded mandates. Congress will be forced to comply with the thousands of regulations regarding Government workplace safety and recordkeeping. Congress will be forced to experience the financial burden and the nuisance value of some of the laws that have been passed through the years in this Hall. Members of Congress will be made to ask themselves, how is this law going to affect me? Imagine what this will do to the content of the bills that come hereafter.

I hope that Congress will show that we did make a difference in November of last year by voting for the Congressional Accountability Act. I am going to try to vote to reduce the number of unwanted, unneeded, and downright destructive laws in the future because I think when Congress starts thinking about what impact this is going to have on the way we are doing business right here, maybe we will take a different approach. Once we have a taste of the bitter medicine we are putting out, maybe we can rewrite the prescription.

We have an opportunity to put Congress back in touch with what this country truly needs. Less regulation, fewer laws, and less overall Federal meddling.

So I ask my colleagues in the Senate to do what I think should be the very first order of business when we have this breath of fresh air that has gone across our country, and when the people have spoken, that we say to the people ''message received,'' and vote for S. 2, the Congressional Accountability Act that will make Congress understand and live with the laws that everybody else in America has been living with for year after year, day after day, month after month, and maybe, just maybe, it will affect the overall output of this body.

Thank you, Mr. President.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative proceeded to call the roll.

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

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

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–5. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 92–1; to the Committee on Appropriations.

EC–6. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 92–13; to the Committee on Appropriations.

EC–7. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 92–83; to the Committee on Appropriations.

EC–8. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 94–06; to the Committee on Appropriations.

EC–9. A communication from the Attorney General, transmitting, pursuant to law, the report of a violation of the Antideficiency Act relative to the Fees and Expenses of Witnesses Appropriation for fiscal year 1986; to the Committee on Appropriations.

EC–10. A communication from the Architect of the Capitol, transmitting, pursuant to law, the report of expenditures for the period April 1, 1994 through September 30, 1994; to the Committee on Appropriations.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Finance:

Robert E. Rubin, of New York, to be Secretary of the Treasury.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. AKAKA:

S. 186. A bill to amend the Energy Policy and Conservation Act with respect to purchases from the Strategic Petroleum Reserve by entities in the insular areas of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MCCAIN (for himself and Mr. BRYAN):

S. 187. A bill to provide for the safety of journeymen boxers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 188. A bill to establish the Great Falls Historic District in the State of New Jersey, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. EXON:

S. 189. A bill to amend the Congressional Budget Act of 1974 to provide that any concurrent resolution on the budget that contains reconciliation directives shall include a directive with respect to the statutory limit on the public debt, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. PRESSLER (for himself and Mrs. KASSEBAUM):

S. 190. A bill to amend the Fair Labor Standards Act of 1938 to exempt employees who perform certain court reporting duties from the compensatory time requirements applicable to certain public agencies, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. EXON:

S.J. Res. 14. A joint resolution proposing an amendment to the Constitution relating to Federal budget procedures; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PACKWOOD:

S. Res. 36. An original resolution authorizing expenditures by the Committee on Finance; from the Committee on Finance; to the Committee on Rules and Administration.

S. Res. 37. A resolution designating February 2, 1995, and February 1, 1996, as ''National Women and Girls in Sports Day''; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. AKAKA:

S. 186. A bill to amend the Energy Policy and Conservation Act with respect to purchases from the Strategic Petroleum Reserve by entities in the insular areas of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

THE EMERGENCY PETROLEUM SUPPLY ACT

• Mr. AKAKA. Mr. President, today I am introducing the Emergency Petroleum Supply Act, a bill to ensure that Hawaii has access to the strategic petroleum reserve during an oil supply disruption. The Emergency Petroleum Supply Act would guarantee Hawaii oil—at a fair price—and give tankers bound for Hawaii priority loading during an emergency.

This legislation passed the Senate in each of the previous two Congresses. During the 104th Congress, I will aggressively work to see this legislation enacted into law.

The objective of my bill can be summed up in one word: access. Because of its tremendous distance from the gulf coast, Hawaii needs guaranteed access to the strategic petroleum reserve [SPR], as well as priority access to the SPR loading docks.

My bill addresses both these concerns. First, it provides a mechanism to guarantee an award of SPR oil. Hawaii's energy companies would be able to submit binding offers for a fixed quantity of oil at a price equal to the average of all successful bids. This concept is modeled after the Federal Government's method of selling Treasury bills. It would give Hawaii ready access to emergency oil supplies at a price that is fair to the Government. Without this bill, Hawaii's energy companies, and the population they serve, face the risk that their bid for SPR oil would be rejected and that oil inventories would run dry.

The second component of my bill addresses the problem of delay. The Emergency Petroleum Supply Act grants ships delivering petroleum to Hawaii expedited access to SPR loading docks. It would be a terrible misfortune if deliveries to Hawaii were delayed because the tanker scheduled to carry emergency supplies was moored in the Gulf of Mexico, waiting in line for access to the SPR loading docks.

As any grade-school geography student can tell you, Hawaii is a long way from the Gulf of Mexico, especially when you have to transit the Panama Canal. The distance between the SPR loading docks and Honolulu, by way of the canal, is 7,000 miles—more than one-quarter of the distance around the globe.

But distance alone is not the issue. When you add together the time between the decision to draw down the reserve and the time for oil from the reserve to actually reach our shores, the seriousness of the problem emerges. It takes time to solicit and accept bids for SPR oil, time to locate and position tankers, time for tankers to wait in line to gain access to SPR loading docks, and more time to transit the canal to Hawaii. Obviously, Hawaii is at the end of a very, very long supply line. People overlook the fact that insular areas have a limited supply of petroleum products on hand at any one time. While Hawaii waited for emergency supplies to arrive, oil inventories could run dry and our economy could grind to a halt.

Last year, the Department of Energy asked Hawaii's East-West Center to study this problem. The East-West Center report concluded that my SPR access measure ''is an excellent proposal which would greatly reassure the islands that their basic needs would be maintained.'' I ask that a summary of the report be placed in the RECORD following my remarks. I will also place a copy of Energy Secretary O'Leary's letter in support of the Emergency Petroleum Supply Act in the record following my remarks.

The East-West Center report provides strong justification for granting Hawaii special access to SPR oil during an energy emergency. The report found that a major oil supply disruption would have a much more severe impact on the Pacific islands than on the rest of the United States. Although all of Asia would experience inflation and recession, the small economies of the insular areas would be virtually unprotected from volatile economic forces. While the rest of the United States does not have to rely on ocean transport from other nations for essential goods and services, the economies of Hawaii and the Pacific islands are heavily dependent on ocean-borne trade and foreign visitors.

The need for this provision is further justified by a December 1993 Department of Energy/State of Hawaii analysis of Hawaii's energy security which found the following:

Hawaii depends on imported oil for over 92% of its energy. This makes Hawaii the most vulnerable state in the Nation to the disruption of its economy and way of life in the event of a disruption of the world oil market or rapid oil price increases.

Currently, 40% of Hawaii's oil comes from Alaska and the remainder from the Asia-Pacific region. The export capabilities of these domestic and foreign sources of supply are projected to decline by approximately 50 percent by the year 2000. This will likely increase Hawaii's dependence on oil the reserves of the politically unstable Middle East.

Hawaii is also vulnerable to possible supply disruptions in the event of a crisis. The long distance from the U.S. Strategic Petroleum Reserve in Louisiana and Texas, combined with a declining number of U.S.-flag tankers capable of transiting the Panama Canal, make timely emergency deliveries problematic.

Other studies have consistently verified Hawaii's energy vulnerability and its need for special access to the SPR. An analysis by Mr. Bruce Wilson, an accomplished oil economist, determined that the delivery of SPR oil to Hawaii from the Gulf of Mexico would take as long as 53 days. That exceeds the state's average commercial working inventory by 23 days. As Mr. Wilson's research demonstrates, an oil supply disruption is Hawaii's greatest nightmare.

Opponents of the Emergency Petroleum Supply Act insist that market forces will ensure that Hawaii and the territories receive the oil they need during an energy emergency. Unfortunately, these are the same market forces that cause Hawaii's consumers to pay 50 percent more for a gallon of gasoline than consumers pay on the mainland. And when a crisis hits, our energy prices could easily double or triple.

Hawaii may be the 50th State, but we deserve the same degree of energy security that the rest of the Nation enjoys. It's simply a matter of equity. Hawaii's tax dollars help fill and maintain the reserve; Hawaii should enjoy the energy security the SPR is designed to provide.

My bill will safeguard Hawaii from the harsh economic consequences of an oil emergency. The Emergency Petroleum Supply Act is not only good energy policy, it's good economic policy for Hawaii.

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

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

S. 186

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Emergency Petroleum Supply Act''.

SEC. 2. PURCHASES FROM THE STRATEGIC PETROLEUM RESERVE BY ENTITIES IN THE INSULAR AREAS OF THE UNITED STATES.

(a) GENERAL PROVISIONS.—Section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241) is amended by adding at the end the following new subsection:

''(j)(1) With respect to each offering of a quantity of petroleum product during a drawdown of the Strategic Petroleum Reserve:

''(A) the State of Hawaii, in addition to having the opportunity to submit a competitive bid, may—

''(i) submit a binding offer, and shall on submission of the offer, be entitled to purchase a category of petroleum product specified in a notice of sale at a price equal to the volumetrically weighted average of the successful bids made for the remaining quantity of petroleum product within the category that is the subject of the offering; and

''(ii) submit one or more alternative offers, for other categories of petroleum product, that will be binding in the event that no price competitive contract is awarded for the category of petroleum product on which a binding offer is submitted under clause (i); and

''(B) at the request of the Governor of the State of Hawaii, petroleum product purchased by the State of Hawaii at a competitive sale or through a binding offer shall have first preference in scheduling for lifting.

''(2)(A) In administering this subsection, and with respect to each offering, the Secretary may impose the limitation described in subparagraph (B) or (C) that results in the purchase of the lesser quantity of petroleum product.

''(B) The Secretary may limit the quantity of petroleum product that the State of Hawaii may purchase through binding offer at any one offering to one-twelfth of the total quantity of imports of petroleum product brought into the State during the previous year (or other period determined by the Secretary to be representative).

* * * * *

''(3) Notwithstanding any limitation imposed under paragraph (2), in administering this subsection, and with respect to each offering, the Secretary shall, at the request of the Governor of the State of Hawaii, or an eligible entity certified under paragraph (6), adjust the quantity to be sold to the State of Hawaii as follows:

''(A) The Secretary shall adjust upward to the next whole number increment of a full tanker load if the quantity to be sold is—

''(i) less than one full tanker load; or

''(ii) greater than or equal to 50 percent of a full tanker load more than a whole number increment of a full tanker load.

''(B) The Secretary shall adjust downward to the next whole number increment of a full tanker load if the quantity to be sold is less than 50 percent of a full tanker load more than a whole number increment of a full tanker load.

''(4) The State of Hawaii may enter into an exchange or a processing agreement that requires delivery to other locations, so long as petroleum product of similar value or quantity is delivered to the State of Hawaii.

* * * * *

''(6)(A) Notwithstanding the foregoing, and subject to subparagraphs (B) and (C), if the Governor of the State of Hawaii certifies the Secretary that the State has entered into an agreement with an eligible entity to effectuate the purposes of this Act, such eligible entity may act on behalf of the State of Hawaii for purposes of this subsection.

''(B) The Governor of the State of Hawaii shall not certify more than one eligible entity under this paragraph for each notice of sale.

''(C) If the secretary has notified the Governor of the State of Hawaii that a company has been barred from bidding (either prior to, or at the time that a notice of sale is issued), the Governor shall not certify such company under the paragraph.

''(7) As used in this subsection—

''(A) the term 'binding offer' means a bid submitted by the State of Hawaii for an assured award of a specific quantity of petroleum product, with a price to be calculated pursuant to this Act, that obligates the offeror to take title to the petroleum product;

''(B) the term 'category of petroleum product' means a master line item within a notice of sale;

''(C) the term 'eligible entity' means an entity that owns or controls a refinery that is located within the State of Hawaii;

''(D) the term 'full tanker load' means a tanker of approximately 700,000 barrels of capacity, or such lesser tanker capacity as may be designated by the State of Hawaii;

''(E) the term 'offering' means a solicitation for bids for a quantity or quantities of petroleum product from the Strategic Petroleum Reserve as specified in the notice of sale; and

''(F) the term 'notice of sale' means the document that announces—

''(i) the sale of Strategic Petroleum Reserve products;

''(ii) the quantity, characteristics, and location of the petroleum product being sold;

''(iii) the delivery period for the sale; and

''(iv) the procedures for submitting offers.''.

(b) EFFECTIVE DATE.—The amendment made by that final regulations are promulgated pursuant to section 3, whichever is sooner.

SEC. 3. REGULATIONS.

(a) IN GENERAL.—The Secretary shall promulgate such regulations as are necessary to carry out the amendment made by section 2.

(b) ADMINISTRATIVE PROCEDURE.—Regulations issued to carry out this section, and the amendment made by section 2, shall not be subject to—

(1) section 523 of the Energy Policy and Conservation Act (42 U.S.C. 6393); or

(2) section 501 of the Department of Energy Organization Act (42 U.S.C. 7191).

THE SECRETARY OF ENERGY,
Washington, DC, July 27, 1994.

Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is to provide you with Department of Energy views on S. , the ''Emergency Petroleum Supply Act,'' introduced by Senator Akaka.

S. , would amend the Energy Policy and Conservation Act to give certain preferences to the State of Hawaii and several other insular territories and possessions of the United States in the event of a drawdown and sale from the Strategic Petroleum Reserve.

The Department has worked closely with Senator Akaka's staff to understand the concerns of the State and the intent of the legislation, and to help make the bill technically sound. Based upon these discussions, a number of changes to the bill have been made. As redrafted, the legislation would apply solely to Hawaii. It would allow the State, or a company with a refinery on Hawaii with which Hawaii has a contract, to submit a bid for Strategic Petroleum Reserve petroleum product that is assured of receiving an award at the average price paid for the same product by other successful bidders. The bill also would provide that Hawaii be given first priority for scheduling deliveries of oil that is purchased from the Strategic Petroleum Reserve.

The State of Hawaii always has believed that it is more vulnerable to oil supply disruptions than the mainland due to its high level of dependence on oil in general and its distance from sources of supply and from the Strategic Petroleum Reserve. The provisions of this bill that would assure Hawaii of supply and allow for timely delivery will satisfy the State that it is receiving protection for Hawaii commensurate with that offered to the U.S. mainland by the Strategic Petroleum Reserve. At the same time, the Department is satisfied that it will receive full market value for the oil that it sells to Hawaii, that the quantity directed to Hawaii will not materially reduce the volume available to other locations, and that the process of making the award and delivering the oil will not be an unreasonable administrative burden.

For these reasons, the Department of Energy supports the amendment offered by Senator Akaka during the Committee's consideration of S. 2251, to amend and extend the Energy Policy and Conservation Act.

The Office of Management and Budget advises that from the standpoint of the Administration's program, there is no objection to the submission of this report for the consideration of the Committee.

Sincerely,

HAZEL R. O'LEARY.

ENERGY VULNERABILITY ASSESSMENT FOR THE U.S. PACIFIC ISLANDS, THE EAST/WEST CENTER, APRIL 1994

OIL SUPPLY DISRUPTION SCENARIOS FOR THE PACIFIC ISLANDS

The following sections describe the potential oil supply disruptions scenarios provided by the USDOE for this report, the likely impacts of these supply disruptions on the island economies, and selected response issues. The discussions parallel those in chapters 4 to 7, which also discuss vulnerability response options for the individual island entities. The response issues which are discussed below reflect the larger economies of scale which can be gained by linking Guam, the CNMI, Palau, and American Samoa. Hawaii and the Federated States of Micronesia and the Republic of the Marshall Islands should also be included in any regional groupings because they are also part of the same oil supply system. Unfortunately, the terms of reference for this report did not allow for assessment of these island entities.

Three oil supply disruption scenarios for the Pacific islands are discussed below and evaluated with respect to their potential impacts. Figures 2.16, 2.17, and 2.18 provide the basis for the assessment. The three scenarios are all estimated to last six months and include:

Scenario I: Major disruption caused by major political turmoil affecting Middle Eastern and Asian producers with a net loss of 4.5 MMBD (9.0 MMBD production loss minus 4.5 MMBD drawdown of global strategic petroleum reserve).

Scenario II: Medium-scale disruption caused by simultaneous upheaval in West African and Latin American producers with a net loss 4.5 MMBD (production loss of 6.0 MMBD minus SPR drawdown of 1.5 MMBD).

Scenario III: Minor disruption based on limited upheaval in the Middle East with a loss of 2.0 MMBD (production loss of 4.3 MMBD minus production increase by other countries of 2.3 MMBD).

Before discussing the specific scenarios, several historical reference points should be noted. First, the Asian market is a net importer of oil sourced largely from the Middle East. Second, during previous oil crises, Asian producers such as Indonesia and Malaysia have not diverted supplies. Instead, Asian producers have generally given preference to traditional markets, including Singapore, for their products. Third, most Asian refineries such as those in Singapore are configured to process Middle Eastern crudes and are not as well adapted to refining the lighter, sweeter West African crudes and the heavier, more sour Latin American crudes. In other words, Asia's refining capacity is geared towards supplies from the Middle East, and substitutes are not readily available or easily incorporated. The scenarios are discussed below beginning in reverse order.

Scenario III: Minor Disruption

Under Scenario III, there would be no redirection of Asian oil supplies. Impact on U.S. West Coast supplies would be negligible. However, there would be a drop of 10 percent in supplies for Singapore (approximately 100 to 150 MBD), and a similar reduction in Australia and New Zealand crude imports. The result is an anticipated shortfall of approximately 10 percent for the Pacific islands region.

The effects of this 10 percent shortfall are considered minimal. Oil price rises would be very modest and there should be no appreciable negative secondary effects for the islands region such as a major decline in tourism.

No official response measures would need to be instituted. However, it is recommended that monitoring of supplies and prices should be carried out. It is also recommended that utilities, the oil industry, and governments promote energy conservation programs, including voluntary measures by the population to reduce consumption of electricity and gasoline.

Scenario II: Medium Disruption

Although the volume of oil lost to the market is considerable (4.5 MMBD), because the West African and Latin American producers are linked to other markets, the Asia-Pacific region would be only slightly affected. There would be some redirection of Middle Eastern supplies, but it is anticipated that the net effect would lead to only a 10 percent decrease in supplies for Singapore, Australia and New Zealand. Similarly, the effect on the U.S. West Coast would be minimal.

The results and response measures for Scenario II are identical to those described above for Scenario III.

Scenario I: Major Disruption

A global net loss of 4.5 MMBD based on major political upheaval in the Middle East and Asia and includes a total loss of 2.5 MMBD from Asia oil producers would affect various Pacific Rim markets very differently. The direct impact on U.S. West Coast supplies would be fairly limited (e.g., 5 percent or less) because imports have only a small role in that market. The direct and indirect effects on supplies to Australia and New Zealand should be relatively modest, approximating a 10 percent decline. The Singapore refiners, however, would be severely affected.

In this scenario, Singapore would experience a 30 percent loss in Asian supplies. The cutback in Middle Eastern production would result in additional 20 percent decrease. The combined loss of 50 percent would greatly affect the islands region both directly and indirectly.

Directly, the islands region would lose at least 50 percent of its supplies from Singapore. Australia would be able to provide some additional supplies, but it would also have to compensate for its own loss of supplies. The net loss to the islands region could well be in the range of 25 to 50 percent.

A secondary impact would be significant price hikes. Under Scenario I, spot prices on the Singapore market would soar. Price doubling and even tripling would be likely outcomes. In the 1979/80 period, the crisis centered on Iran led to an additional 20 percent increase in prices. The short-term consequences of the 1979 oil price rise lead to inflation rates of 7.5 percent in Japan, 11 percent in Australia, 15 percent in Fiji and nearly 30 percent in Tonga and Vanuatu. In other words, inflation rates in some of the islands nearly doubled. If the 1979 experience is applied, it would be reasonable to anticipate a near doubling of inflation rates for Guam, the CNMI and Palau.

Compounding the direct supply and price effects of Scenario I, the political complications of the oil supply disruption have to be considered. Following the onset of the recent Persian Gulf War, the Iraqi President threatened to attack U.S. territory and economic interests throughout the world, and there had been several reports of terrorist activity by Iraqis in Asia which heightened concern. As a result, Guam, the CNMI, and Hawaii experienced a downturn in tourism immediately following the outbreak of the 1991 Gulf War because tourists were frightened to fly to U.S. territory. Whether fact or only perception, people reduce their international travel even to relatively ''safe'' destinations during crisis periods: if there is political upheaval in a major Middle Eastern or Asian nation, international business and tourist travel will be restricted in order to reduce the vulnerability to terrorist attacks.

Interestingly, the number of tourists to Guam and the CNMI began to revive soon after the Gulf War and by early 1992 tourist arrivals were at record levels. However, in September 1992, Typhoon Omar struck Guam and the CNMI and was followed by several other typhoons. The result was a drop of nearly 45 percent in the level of Guam's tourist arrivals, a loss of 1,500 jobs, and a substantial decline in tax revenues, all of which have been greatly compounded by the continuing slump in the Japanese economy.

These effects would probably be similar to the effects of an oil supply disruption under Scenario I. Although difficult to predict with any level of certainty, tourist arrivals could fall sharply (by as much as 50 percent) if a political upheaval in Asia elevated fears of international terrorist activity and/or resulted in higher travel costs. The near-term effects would be a loss of jobs by roughly 5 percent and a fall in tax revenues by a similar level. However, if a recession were to follow, and this would be a likely outcome, then the downturn would be much more severe and could easily double the effects of the crisis.

With Scenario I, it is very likely that in addition to oil supply shortfalls, oil price increases, inflation, and reduced levels of international tourism resulting from the political upheaval causing the oil supply disruption, a recessionary period in the major economies would ensue. The effects of a major recession would again greatly affect the island economies through reduced levels of tourism and reduced demand for their exports, mainly fresh and canned seafoods. As an example, the 1973/74 oil price rise led to global recession, including a severe downturn in Australia which greatly reduced the levels of Australian tourists to Fiji. In other words, a severe oil supply disruption creates downstream effects which are not felt for several months yet may continue for several years.

Two key questions emerge under Scenario I. The first is whether the islands would experience more severe impacts than the rest of the United States. Although all of Asia would experience inflation and recession, the islands' small open economies would be virtually unprotected from the global market: nearly all food and all medicine are imported. The economies are nearly totally dependent on off-island trade and international tourism; with the exception of Hawaii, the rest of the United States does not have to rely on ocean transport and other nations for essential goods and services. In sum, there would be no territory of the United States more severely affected by a major Asian oil supply disruption than the Pacific islands.

The second question is how to respond with short-term measures to meet basic demands for petroleum. Oil price and supply monitoring and voluntary conservation programs would be insufficient responses to a disruption of this magnitude. With respect to the oil supply, the U.S. West Coast could divert some of its supplies to the islands. The Australian arrangement for the South Pacific islands may provide a useful guide. In the event of an oil supply disruption which results in a net market loss of crude oil or petroleum products of 7 percent of the total International Energy Agency (IEA) market, the IEA member may elect to activate the Emergency Oil Sharing System, the objective of which is to ensure fair sharing of available supplies among the IEA group of countries (the OECD minus France). As a member of the IEA, Australia is committed to take certain demand restraint measures should the IEA Emergency Oil Sharing Scheme go into effect. The demand restraint is measured as a percentage decrease in total consumption, including traditional exports. This means that if a 10 percent demand restraint measure is instituted, then Australia has to cut its combined own consumption and traditional exports by 10 percent.

The Australian arrangement covers the independent island nations sourced from Australia. It does not cover American Samoa or any of the North Pacific nations and territories sourced via Guam, including the Federated States of Micronesia and the Republic of the Marshall Islands. These nations and territories either have to secure emergency supplies via Singapore or from a nontraditional supplier, the United States.

The United States via its military infrastructure has considerable levels of stocks in the Asia-Pacific region as well as the shipping capacity to deliver supplies. However, as Figure 3.2 shows, the military is cutting back on its commercially leased storage capacity and is also shutting down some of its own storage facilities in certain locations.

Another potential source of crude petroleum is Papua New Guinea whose oil production is now at 135,000 b/d. Currently refined throughout the Asia Pacific region, this crude resource could provide a substantial margin of safety for the Pacific islands. A 30,000 b/d refinery has been approved by the government and could be operating in 1996.

Through the supply capacities of the oil companies operating in the region, other regional suppliers, and the U.S. government (Strategic Petroleum Reserve and the military), the Pacific islands should be able to receive emergency supplies. It is possible that some type of formal assurance to the island governments is required. Currently being considered for legislation in the U.S. Congress is a proposal which would guarantee the U.S. Pacific islands including Hawaii a percentage drawdown of the national SPR if emergency measures were placed in effect. This guarantee would ensure access to oil supplies for the islands. Market prices would have to be paid, but basic services could be maintained. Not guaranteed is transport for the oil supplies. However, preliminary indications are that tankers could be acquired, albeit at market rates which would be high during crisis periods. This is an excellent proposal which would greatly reassure the islands that their basic needs would be maintained.

THE ECONOMIC EFFECTS OF OIL SUPPLY DISRUPTIONS

In addition to the issue of continued access to oil supplies, the economic impacts of a major oil market disruption can be devastating. The most harmful economic repercussions of Scenario I are: inflation, recessions in major markets, and a simple reluctance of potential tourists to travel because of a perceived vulnerability to terrorist acts stemming from the political upheaval which caused the oil supply disruption. The initial loss of jobs and economic activity could be further worsened by the likely occurrence of a subsequent regional or global recession. The longer the recession, the greater the negative impacts, including increased loss of jobs and tax revenues. Small open economies such as the U.S. Pacific islands are especially vulnerable. Would the United States provide any type of assistance to the Pacific islands to compensate for the downstream effects of an oil supply disruption? Are they eligible for emergency aid? This is a complicated issue and cannot be resolved in this discussion. Suffice it to say that it would probably be more useful and more important for the island economies to have a buffer against recessions than an SPR established on Guam or in American Samoa.

Discussed below are some of the likely identifiable impacts of an oil supply disruption on the island economies. Data have been drawn from a range of sources. Published data from government and private sector sources have been referenced, and estimates generated as part of the energy vulnerability assessment are appropriately noted. Assessing impacts on the islands in the year 2000 based on current economic growth projections is an order of magnitude exercise. However, the best available data have been utilized and the estimates can and should be revised when more data become available. The section discusses the effects of an oil supply disruption on the value of petroleum imports, GDP, inflation, employment, and government revenues.

Oil Shocks and the Value of Petroleum Imports

Table 3.10 shows the impact of petroleum price increases and growth in the volume of petroleum imports. The first column shows projected rates of price increases for petroleum products under low price, base price and high price scenarios. The second column

shows the most recent value figure for imported petroleum products. The value figure shown in the second column corresponds to a volume figure which is then multiplied by the demand growth scenarios in the third column (e.g., low, medium and high growth in demand for petroleum products) and the three price scenarios to indicate the estimated value of petroleum imports in the years 1995 and 2000. High, medium and low demand growth scenarios were available only for Guam and the CNMI. In addition, among the different scenarios for both 1995 and 2000, there is a scenario which doubles prices for the medium demand growth case. This doubling of prices is a result of a petroleum price increase associated with Oil Supply Disruption Scenario I, a loss of 4.5 MMBD caused by political turmoil in the Middle East and Asia. The price doubling is an estimated price increase which reflects short-term market responses, similar to those following the Iraqi invasion of Kuwait and the 1979/80 oil price increase.

The demand growth (1.2 percent per year) and a base case petroleum price increase (3.9 percent per year) result in a doubling in the value of petroleum imports for American Samoa between 1990 and 2000. The values of Guam's, the CNMI's, and Palau's petroleum imports more than double by the year 2000. The effect of a high oil price and high demand growth is a seven-fold increase in the value of the CNMI's petroleum imports. Although this may seem unlikely, demand increased by 21 percent between 1991 and 1992, and the planned expansion to the power sector indicates that growth will remain high.

Table 3.10 only assumes the indicated growth rates, which is to say that other variables such as the impact of demand-side management programs and other efficiency and conservation activities have not been factored into the analysis because data are not available. The estimates also do not reflect the impact of higher petroleum prices on consumption. For example, when gasoline prices rise, theory suggests that people will drive less. However, the experience during the recent Persian Gulf War indicates that island consumers did not curtail their driving or use of electricity when prices increased. Thus, it has been assumed that consumption rates will not be significantly affected by price increases, a very tenuous assumption.

The result of an oil price shock following political upheaval in the Middle East and Asia is a doubling of the values for petroleum imports. For comparative purposes, in 1990, American Samoa imported goods valued at $360 million and exported items worth $306 million. Under a high oil price scenario generated by an oil shock in the year 2000, the value of petroleum imports increases to $175 million. Guam, which had imports valued at $385 million in 1988 and exports valued at $85 million in 1991, would have petroleum imports valued at $742 million under a high oil price and high demand growth scenario. Similarly, the CNMI, with imports at $392 million and exports at $255 million in 1991, would have petroleum imports valued at $503 million under the high oil price/high demand growth scenario. Palau, with imports valued at $25 million and exports at $600 thousand in 1989, would have petroleum imports valued at $37 million under a high oil price and demand growth scenario in the year 2000.

Given the above projected effects of an oil price shock, it is doubtful that any of the economies would be able to sustain the projected rates of growth. The cost of petroleum imports would require the use of public and private sector surpluses simply to maintain existing standards of living. Even if the oil price shock were short-lived, it is likely that the effects would have substantial repercussions on economic activity for an extended period of time. These will be discussed in subsequent sections.●

By Mr. MCCAIN (for himself and Mr. BRYAN):

S. 187. A bill to provide for the safety of journeymen boxers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE PROFESSIONAL BOXER SAFETY ACT

● Mr. MCCAIN. Mr. President, I am pleased today to introduce the Professional Boxing Safety Act, a bill to make the professional boxing industry safer for boxers across America. This bill is identical to the version of this bill that was favorably reported out of the Senate's Commerce Committee as S. 1991 on September 23, 1994. I am also very pleased that Senator RICHARD BRYAN is the prime cosponsor of this legislation, as he was last year. The professional boxing industry is obviously of tremendous importance to the residents of Nevada, and he has been a strong force behind this bills success.

I have been an avid boxing fan for over 40 years. Boxing can be one of the most exciting and impressive tests of coverage and athletic skill that exist in the world of sport. To this very day, boxing is viewed by many disadvantaged, yet determined young men as their best and only chance to rise above bleak circumstances that most of their fellow citizens could not even comprehend.

It is these men—some still teenagers, others who are in their forties and are at the end of a long career marked by much punishment and little reward—who are the object of this proposal. As a Senator, my legislative objective regarding professional boxing revolves around my desire to see that the exploitation of this group of brave but highly vulnerable athletes in our society is brought to an end. The Professional Boxing Safety Act will help accomplish this goal.

The physical and economic exploitation I speak of is very familiar to people involved in the professional boxing industry, though it does not often come to mind of the general public. Many Americans may think of boxing only if a local hometown hero emerges, or perhaps when they read about the huge, multimillion dollar purses that are being battled for by today's greatest champions.

Big pay days and widespread public acclaim, however, are never attained by the overwhelming majority of boxers. A large segment of professional boxers in America never make more than a $100 a night. Unfortunately, in State after State in our country, in gyms and arenas both large and small, there are many boxers who are being led into the ring to absorb more punishment shortly after they have been knocked out, battered, or when they are in need of medical attention. These unknown boxers often continue to fight long after their skills have eroded to the point where they cannot safely compete. The symptoms of the debilitating illnesses they are at risk for may not surface for years, so these men answer the bell, endure another defeat, and trudge on to the next town. As one journeyman boxer said, they exist in the sport solely as ''A body for better men to beat on.''

The problems in professional boxing that the Professional Boxing Safety Act will address are as follows: First, we need to immediately shut down the dangerous and disturbing boxing shows that occur in the States that have no regulatory authority to oversee them These bootleg shows feature boxers who have no business being in the ring due to injury, advancing age, or lack of skills. Journeymen boxers routinely find themselves overmatched against a promising young prospect in need of an easy victory to boost his ranking, and their health and welfare is of small concern to unscrupulous promoters. This bill would require that all professional boxing shoes in the United States be held under the oversight of State boxing officials.

Second, we need to ensure that no boxer fights in one State while they are under suspension in another. Unfortunately, it is commonplace for boxers in the United States to travel to another State when they are supposed to be serving a mandatory injury recuperation period, or to avoid a requirement for medical treatment. Some resort to using aliases or distorting their career records when presenting themselves to State officials. To put an end to these practices, the Professional Boxing Safety Act would require all State boxing commissions to issue an identification card to professional boxers in their State, and to honor all medically related suspensions of other State commissions.

Finally, this legislation will strengthen the system by which State boxing officials share information on professional boxers and other industry personnel in order to prevent fraudulent and unsafe bouts, and to ensure that illegal and unethical practices in the sport are properly punished. The Professional Boxing Safety Act would require that State boxing officials promptly report the results of all shows held in their jurisdiction to the boxing registries that serve the industry. This will provide accurate and reliable information on boxers from around the world to State boxing officials, and make it easier for them to evaluate the career records and conduct of the boxers, managers, and promoters who come to their State.

I would also like to emphasize what this legislation does not do. The Professional Boxing Safety Act creates no new Federal boxing authority to regulate the sport; it mandates no burdensome regulations upon our already under budgeted State commissions; it fosters no unnecessary Federal intrusion into legitimate business practices, and it requires no Federal funds and imposes no new tax on boxing events across the country.

The Professional Boxing Safety would be an effective and practical step for the Congress to take in addressing legitimate health and safety issues in the sport, and virtually everyone in the industry that I've discussed this proposal with seems to agree. I'm very pleased that last year the Association of Boxing Commissions, the national boxing organization which represents 35 State commissions across America, endorsed this bill, as did over 20 individual State boxing commissions and several major sanctioning bodies who wrote to me in support of it.

This bill was developed with the advice and counsel of the most experienced and knowledgeable people in the industry, and I'm confident Senator Bryan and I have put forward an innovative and realistic measure to make professional boxing a safer, better, and more honorable sport. I look forward to its prompt passage by the Senate's Commerce Committee, and to its consideration by the full Senate sometime this year.●

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 188. A bill to establish the Great Falls Historic District in the State of New Jersey, and for other purposes; to the Committee on Energy and Natural Resources.

THE GREAT FALLS PRESERVATION AND REDEVELOPMENT ACT

● Mr. LAUTENBERG. Mr. President, I am pleased to introduce the Great Falls Preservation and Redevelopment Act, legislation that recognizes the historic significance of the Great Falls area of Paterson, NJ. I am delighted that, once again, my senior colleague from New Jersey, Senator BRADLEY, joins me as a cosponsor.

Mr. President, this bill was broadly supported in the last Congress. The House of Representatives passed the bill by a vote of 280 to 130. After years of opposition, the administration lent its support. The Senate Energy and Natural Resources Committee approved the bill in September, but time ran out before the Senate could act. Today I reintroduce the draft that achieved this support, and I ask my colleagues to join once again in supporting the bill.

I'm proud to say I was born in Paterson. My father worked in the mills, and I experienced firsthand the historic importance of industry in the city.

Paterson is known as America's first industrialized city. Alexander Hamilton played a role here when, in 1791 he chose the area around the Great Falls for his laboratory and to establish the Society for the Establishment of Useful Manufactures. Textiles held special significance; Paterson was once called Silk City as the center of the textile industry.

While rich in history, the area is also blessed by great natural beauty and splendor. It is an oasis of beauty in an urban environment. Its resources offer not just educational and cultural opportunities, but economic and recreational ones as well.

The Federal Government acknowledged all this by designating the area a national historic landmark, a formal recognition by the National Park Service.

Mr. President, the roots and contributions of this area run deep. New industries were responsible for thriving businesses, tight knit families and for many of the residents, the first homes of immigrants, who arrived in the United States through nearby Ellis Island.

Many of the industries from Great Falls have moved elsewhere. But we are left with an area whose significance is great for people like me.

I find a source of inspiration in remembering my father in those thriving mills of Paterson, so I look at Paterson, and the Great Falls area, as a reminder of who I am. We must value our personal and collective histories, because they connect us to our families and to each other.

Paterson is not alone in this story. New Jersey is rich in industrial, urban history. New Jersey played a major role in the industrial revolution.

I sought to highlight this role when I secured funds in the fiscal year 1992 Interior appropriations bill to establish the urban history initiative in three cities in New Jersey. Paterson is one of those cities.

Paterson's urban history program is in its early stages. The cooperative agreement was recently signed and things are moving. This infusion of funds has succeeded in initiating Paterson's historic revitalization.

But this bill formalizes the current partnership among the city, its residents and the Federal Government. It establishes the Great Falls Historic District and provides a long-term Federal presence in the area. The resources of Great Falls are just beginning to be tapped; we need this bill to give the resources the focus they deserve. Such historical recognition provides important educational, economic, and cultural benefits. Its value is immeasurable.

The Secretary of the Interior will enter into cooperative agreements with nonprofits, property owners, State and local governments to assist in interpreting and preserving the historical significance and contributions of the Great Falls to the city, to industry, and to our heritage.

Mr. President, this bill does not impose Federal Government's heavy hand on the residents and businesses. The city doesn't want that, and neither does the Park Service.

Instead, the bill initiates and facilitates cooperative agreements among interested parties. The Secretary will determine properties of historical or cultural significance, and provide technical assistance, interpret, restore, or improve these properties. This historic and cultural recognition leads to economic revitalization in the area.

Mr. President, this bill is the culmination of years of effort to determine the correct Federal role in highlighting this important area. The bill does not designate a new unit of the National Park Service—it already is designated a unit—and it will not require additional Park Service personnel. The bill reflects the current budgetary climate by limiting Federal investment in capital projects, planning, and technical assistance. It also requires non-Federal matching funds and the authority to spend funds expires after 5 years.

This bill, when enacted, will play an important part in advancing the historic revival of Paterson and of the Great Falls. In turn, it will boost the economic vitality of the region while restoring the importance of our industrial heritage for our children. I look forward to watching this bill become reality.

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

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

S. 188

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Great Falls Preservation and Redevelopment Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Great Falls Historic District in the State of New Jersey is an area of historical significance as an early site of planned industrial development, and has remained largely intact, including architecturally significant structures;

(2) the Great Falls Historic District is listed on the National Register of Historic Places and has been designated a National Historic Landmark;

(3) the Great Falls Historic District is situated within a one-half hour's drive from New York City and a 2 hour's drive from Philadelphia, Hartford, New Haven, and Wilmington;

(4) the District was developed by the Society of Useful Manufactures, an organization whose leaders included a number of historically renowned individuals, including Alexander Hamilton; and

(5) the Great Falls Historic District has been the subject of a number of studies that have shown that the District possesses a combination of historic significance and natural beauty worthy of and uniquely situated for preservation and redevelopment.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to preserve and interpret, for the educational and inspirational benefit of the public, the contribution to our national heritage of certain historic and cultural lands and edifices of the Great Falls Historic District, with emphasis on harnessing this unique urban environment for its educational and recreational value; and

(2) to enhance economic and cultural redevelopment within the District.

SEC. 4. DEFINITIONS.

In this Act:

(1) DISTRICT.—The term ''District'' means the Great Falls Historic District established by section 5.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

SEC. 5. GREAT FALLS HISTORIC DISTRICT.

(a) ESTABLISHMENT.—There is established the Great Falls Historic District in the city of Paterson, in Passaic County, New Jersey.

(b) BOUNDARIES.—The boundaries of the District shall be the boundaries specified for the Great Falls Historic District listed on the National Register of Historic Places.

SEC. 6. DEVELOPMENT PLAN.

(a) GRANTS AND COOPERATIVE AGREEMENTS.—The Secretary may make grants and enter into cooperative agreements with the State of New Jersey, local governments, and private nonprofit entities under which the Secretary agrees to pay not more than 50 percent of the costs of—

(1) preparation of a plan for the development of historic, architectural, natural, cultural, and interpretive resources within the District; and

(2) implementation of projects approved by the Secretary under the development plan.

(b) CONTENTS OF PLAN.—The development plan shall include—

(1) an evaluation of—

(A) the physical condition of historic and architectural resources; and

(B) the environmental and flood hazard conditions within the District; and

(2) recommendations for—

(A) rehabilitating, reconstructing, and adaptively reusing the historic and architectural resources;

(B) preserving viewsheds, focal points, and streetscapes;

(C) establishing gateways to the District;

(D) establishing and maintaining parks and public spaces;

(E) developing public parking areas;

(F) improving pedestrian and vehicular circulation within the District;

(G) improving security within the District, with an emphasis on preserving historically significant structures from arson; and

(H) establishing a visitors' center.

SEC. 7. RESTORATION, PRESERVATION, AND INTERPRETATION OF PROPERTIES.

(a) COOPERATIVE AGREEMENTS.—The Secretary may enter into cooperative agreements with the owners of properties within the District that the Secretary determines to be of historical or cultural significance, under which the Secretary may—

(1) pay not more than 50 percent of the cost of restoring and improving the properties;

(2) provide technical assistance with respect to the preservation and interpretation of the properties; and

(3) mark and provide interpretation of the properties.

(b) PROVISIONS.—A cooperative agreement under subsection (a) shall provide that—

(1) the Secretary shall have the right of access at reasonable times to public portions of the property for interpretive and other purposes;

(2) no change or alteration may be made in the property except with the agreement of the property owner, the Secretary, and any Federal agency that may have regulatory jurisdiction over the property; and

(3) if at any time the property is converted, used, or disposed of in a manner that is contrary to the purposes of this Act, as determined by the Secretary, the property owner shall be liable to the Secretary for the greater of—

(A) the amount of assistance provided by the Secretary for the property; or

(B) the portion of the increased value of the property that is attributable to that assistance, determined as of the date of the conversion, use, or disposal.

(c) APPLICATIONS.—

(1) IN GENERAL.—A property owner that desires to enter into a cooperative agreement under subsection (a) shall submit to the Secretary an application describing how the project proposed to be funded will further the purposes of the District.

(2) CONSIDERATION.—In making such funds available under this section, the Secretary shall give consideration to projects that provide a greater leverage of Federal funds.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary to carry out this Act—

(1) $250,000 for grants and cooperative agreements for the development plan under section 6; and

(2) $50,000 for the provision of technical assistance and $3,000,000 for the provision of other assistance under cooperative agreements under section 7.●

By Mr. EXON:

S. 189. A bill to amend the Congressional Budget Act of 1974 to provide that any concurrent resolution on the budget that contains reconciliation directives shall include a directive with respect to the statutory limit on the public debt, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee have 30 days to report or be discharged.

THE DEBT CEILING REFORM ACT

Mr. EXON. Mr. President, I rise today to introduce the final two pieces of legislation that I believe are the building blocks for a sound and responsible Federal budget.

For too long, Congress has been building castles in the sky. We owe our children and grandchildren a secure financial future. But that future is flimsily constructed on deficit spending and deficit in the form of mounting debt.

It's High Noon on fiscal responsibility and the American people have asked us to rise to the occasion. And these are the weapons we will take to the showdown.

The first piece of legislation I offer today is a Balanced Budget Amendment to the Constitution.

When I was Governor of Nebraska, I had the benefit of such a mechanism. It forced budgetary discipline and kept my State fiscally sound.

We should be able to deal with the deficit without a balanced budget amendment. But all evidence runs to the contrary.

The statutory remedies have failed. They are riddled with back doors and loopholes. We have also proven ourselves incapable of controlling wasteful spending. The deficit numbers speak for themselves.

We need this amendment to force responsibility upon the Federal Government. We need a bold approach—a new approach—to end the dangerous habit of deficit spending. This amendment is our best chance, perhaps our only chance, to turn back the tide of red ink that threatens to engulf us.

A balanced budget amendment does not spare us from the difficult, hard choices. And that is why I cosponsored last week S. 14, the Legislative Line-Item Veto Act.

Pork has become Congress' scarlet letter. Once again, Congress should demonstrate the type of self-restraint and sacrifice that would put this wasteful practice to an end. But I am a realist. While some Members would voluntarily refrain from pork barrel spending, others would continue with business as usual. Business as usual does not pass muster with the American people.

Ideally, I would have offered a bill granting The President a constitutional line-item veto. As Governor of Nebraska, I also had a similar line-item veto and it was an invaluable tool to curb spending by my State legislature. However, those of us who have championed the line-item veto have always come away empty-handed.

The obvious solution—the bipartisan solution—is to grant the President the authority to force Congress to vote on specific funding included in the appropriations bills.

Congressional Members are less likely to pile on the pork if they know that they might have to defend each item on its own merits.

Some might ask: ''what's the urgency? And that brings me to the second bill I am introducing today.

Our Federal debt now tops a whopping $4.7 trillion and we are on schedule to reach the current debt ceiling of $4.9 trillion in September or October of this year. Too many Americans still confuse the annual deficit with our national debt. Even if we accomplish our goal of a balanced budget by 2002, we will still have a $5.5 trillion albatross hanging around our necks.

Obviously, we are living beyond our means. When we raise our debt ceiling for more than we need in the coming year, we perpetuate that practice and risk plunging our Nation into financial ruin.

My bill attempts to bring some sanity and control to this practice. it requires our budget resolution to state how much we intend to raise the debt ceiling each year. And any bill that would raise the debt ceiling to exceed the amount stated in the budget resolution would be subject to a budget point of order and a rollcall vote to waive that point of order.

I have long believed that our Federal Government should balance its budget each year. The facts are, however, that we have not done so since 1969. During the 1980's and now the 1990's, we have become so accustomed to operating in the red that we look upon a $200 billion deficit as great progress. I, for one, take cold comfort in a $200 billion deficit.

Our Federal debt now tops $4.7 trillion and we are on schedule to reach the current debt ceiling of about $4.9 trillion in September or October of this year.

We have now reached a point where we barely lift a finger to balance our budget. The much heralded Kerrey-Danforth Commission on Entitlement Reform attempted to forge an agreement upon lowering the deficit to a

proportion of our total economy. It failed to even reach even that modest goal.

What is even more discouraging and disenchanting is that Congress often fails to limit its deficit spending to the levels that are projected in our annual budgets. We no longer decide upon how much we are going to borrow and to limit ourselves to that amount over the coming year.

Mr. President, if Congress cannot balance its budget, we should at least not give ourselves a blank check to borrow beyond our means. Yet that is exactly what we do when we raise our debt ceiling more than we need to for the coming year.

My bill attempts to bring some sanity and controls to this practice. It requires our budget resolution to state how much we intend to raise the debt ceiling each year. To enforce that goal, any bill that would cause the debt ceiling to exceed the amount stated in the budget resolution would be subject to a budget point of order and a rollcall vote to waive that point of order.

In previous years, I have proposed that the point of order be waived with 60 votes in the U.S. Senate. This bill will require only a majority vote. Yet, I believe it will do the job of highlighting this issue and alerting the American people to Congress' failure to live within its budget.

I can well understand the reluctance of my colleagues to make raising the debt ceiling any more difficult than it is now. I am convinced, however, that we simply must change our process to insure some honesty and credibility in our Federal budget process.

Doing so will be of paramount importance over the coming year as leaders from both political parties are promising tax break after tax break. This is an all too familiar scenario, an all too deplorable scenario. Tax breaks and spending cuts are promised yet only the tax breaks are delivered. The result was that our deficits climbed out of sight and had no resemblance to what we said they were going to be.

Keeping some limits on our debt ceiling will go a long way in keeping everyone on both sides of the aisle honest. Let us force ourselves to do what we say we are going to do, and not, with a wink and a nod, simply hide our failure to do so.

I have always believed that fiscal responsibility is a partnership between the Federal Governmental and the States. However, we are not living up to our side of the bargain.

Washington passes mandates and regulations, and then drops them like a foundling on the doorstep of the States, forcing them to dig deep into their own pockets to pay for compliance. This cost shifting is killing the States.

This game of budget tag has to end. And under the bipartisan legislation I cosponsored last week, it will. This fourth bill—the last building block—requires the Federal Government to provide direct spending for these mandates. If it cannot, the mandate requirements are scaled back to the amount of money appropriated.

Others have proposed a more radical approach; names, ''no money, no mandates backstop.'' But I would caution my friends not to be headstrong. Their treatment would not only swell the ranks of the Federal bureaucracy, it could ignite a firestorm of law suits that would rage throughout the Nation.

Ours is the right approach. Ours is the fair and reasonable approach that will get the job done.

The $4.7 trillion debt was not built up overnight, and it will not be resolved overnight. However, we can no longer afford to sit back. As Gen. Dwight David Eisenhower said when ordering the D-day invasion, ''OK, let's go!''

By Mr. PRESSLER (for himself and Mrs. KASSEBAUM):

S. 190. A bill to amend the Fair Labor Standards Act of 1938 to exempt employees who perform certain court reporting duties from the compensatory time requirements applicable to certain public agencies, and for other purposes; to the Committee on Labor and Human Resources.

COURT REPORTER FAIR LABOR AMENDMENTS

Mr. PRESSLER. Mr. President, today I am introducing the Court Reporter Fair Labor Amendments of 1995. I originally introduced this bill last November, during the special GATT session. As I said then, the American people sent a strong, clear signal on November 8: they want less Government and they want it now. My bill would keep the Federal Government from intruding into an area it has no business being in, and where its protections are unwanted by everyone concerned.

Specifically, my bill would exempt State and local courts reporters from the compensatory time requirements of the Fair Labor Standards Act [FLSA] when they perform private transcription work outside of normal working hours or regular working days. A recent interpretation of the U.S. Labor Department threatens to radically change the way court reporters have been paid for many years. This bill would keep undisturbed current pay arrangements between State and local reporters and their court employers.

I am pleased my friend from Kansas, Senator KASSEBAUM, the new chairman of the Labor and Human Resources Committee, is cosponsoring this legislation. She has always been a strong proponent of limited government. We both realize the public demand for less government has never been greater.

Mr. President, let me explain the situation which brought about the need for this legislation. For years, official State and local court reporters have enjoyed a unique status among government workers. In most States, they are treated as both government employees and independent contractors, depending on the nature of the work. While performing their primary duties of recording and reading back court proceedings, reporters are considered employees of the court. As such, they are typically compensated with an annual salary and benefits.

However, in addition to these in-court duties, most jurisdictions also require official court reporters to prepare and certify transcripts of their stenographic records for private attorneys, litigants, and others. The reporter and his or her assistants prepare and deliver transcripts using their own equipment, without any supervision by the court. The reporter then bills the attorney or other client directly and collects a per page fee set by law or court rule. The transcription fees earned are usually twice the amount, or more, than those earned during an hour of salaried work for the court. Indeed, it is possible for a court reporter to earn more from private transcription work than from his or her annual court salary.

When preparing transcripts for a private fee, the court reporter is clearly acting as an independent operator, as has been specifically determined by the Internal Revenue Service. For taxation purposes, transcription fee income is treated as separate and apart from reporters' annual court salaries. In fact, in my home State of South Dakota, court reporters are required to collect and pay sales tax on this income. They also file self-employment income forms with the Internal Revenue Service.

The transcription services provided by court reporters are invaluable to private parties. Attorneys are able to obtain a highly accurate recording of court proceedings quickly and reliably. Court reporters are small businessmen and businesswomen performing a cost effective and timely service. There may be many flaws in our system of justice, but our system of court reporting is not among them.

As I stated earlier, everyone is happy with the current situation. It has developed over many years. All interested parties—court reporters, judges, and private attorneys—are very satisfied with the present arrangement.

Everyone was happy, that is, until the U.S. Department of Labor inserted itself into this situation. Last fall, the Wage and Hour Division of the Labor Division took the position that official court reporters in Oregon are still acting as employees of the court, for purposes of FLSA, when they prepare transcripts for attorneys, litigants, and other parties. Similar letters have been received regarding official court reporters in Indiana and North Carolina. Official court reporters in the vast majority of States operate in circumstances similar to these three States.

The DOL's interpretation would require State and local courts to pay court reporters one and one-half times their regular rate of pay for all transcription work performed during overtime hours in a given week. The Labor

Department's position also exposes State and local courts to potentially enormous liability costs from court reporters suing for overtime back-pay. If a suit is successful, the court would owe the reporter at least 2 years worth of overtime back-pay. The amount would be doubled if the court could not demonstrate that it was acting in good faith and could go back 3 years if the violation were deemed willful.

If allowed to stand, the impact of the Labor Department's position of the court reporting system would be dramatic. State and local courts would face increased salary budgets and liability exposure. Court reporters facing budgetary cutbacks could lose a significant part of their income and, in some cases, their jobs. Private parties would lose the productivity and efficiency of the current method of transcription. The decision would have adversely affected all interested parties. As you might imagine, no one involved in the court reporting system is happy with DOL's position.

Faced with exposure to millions of dollars of liability nationwide, some courts have already implemented changes. Beginning this month, the South Dakota Court System imposed a new system of pay for transcription on their court reporters. Court salary budgets have also been tightened. State court judges must avoid using their reporters too much, to keep overtime down. Court administrators have been burdened with additional administrative duties and headaches. Private attorneys are concerned they can no longer rely on speedy transcriptions at a reasonable price. No one is happy with the changes.

So why are these changes being considered? Because the U.S. Department of Labor says so. After all these years, the Department has suddenly decided that the Fair Labor Standards Act applies in a situation never contemplated by Congress. What fantastic benefits will result from this governmental meddling? None.

I have a solution, however: Don't fix what is not broken. Keep the Federal Government out of the situation.

The bill I am introducing today would allow official court reporters an exemption from the Fair Labor Standards Act while they are performing transcription duties for a private party, provided there is an understanding between the court reporters and their State or local court employer. The bill also would bar lawsuits by court reporters for overtime back pay.

Note that only State and local court reporters would be affected. That is because Federal court reporters already enjoy a complete exemption from FLSA. State and local court reporters deserve similar treatment. Passage of my bill would allow all official court reporters—Federal State, and local court reporters—to perform their work in the same way.

The Fair Labor Standard Act is designed to protect workers from abusive employers. In this situation, however, the very workers who would receive the so-called protections of the Federal Government, don't want them. Official court reporters would be greatly harmed if the helping hand of the Federal Government takes them under its wing. They don't want, or need, to be taken care of, especially by Washington. That is why the National Court Reporter Association strongly supports this bill.

Mr. President, here is a rare instance where labor and management are in agreement on the best solution regarding a labor issue. Everyone agrees that the current system serves everyone's best interests. When performing transcription services for a private party, court reporters are acting as independent contractors. That is what the IRS considers them. Federal court reporters are treated that way. I can't think of a reason in the world why State and local reporters should be treated any differently. I urge my colleagues to support this bill.

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

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

S. 190

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''The Court Reporter Fair Labor Amendments of 1995''.

SEC. 2. LIMITATION ON COMPENSATORY TIME FOR COURT REPORTERS.

Section 7(o) of the Fair Labor Standards Act of 1938 (29 U.S.C. 207(o)) is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following new paragraph:

(6) A public agency may not be considered to be in violation of subsection (a) with respect to an employee who performs court reporting transcript preparation duties if such public agency and such employee have an understanding that the time spent performing such duties outside of normal working hours or regular working days is not considered as hours or regular working days is not considered as hours worked for the purposes of subsection (a).''.

SEC. 3. EFFECTIVE DATE OF AMENDMENTS.

The amendments made by section 2 shall take effect as if included in the provisions of the Fair Labor Standards Act of 1938 to which such amendments relate, except that such amendments shall not apply to an action—

(1) that was brought in a court involving the application of section 7(a) of such Act to an employee who performed court reporting transcript preparation duties; and

(2) in which a final judgment has been entered on or before the date of enactment of this Act.

By Mr. EXON:

S.J. Res. 14. A joint resolution proposing an amendment to the Constitution relating to Federal Budget Procedures; to the Committee on the Judiciary.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT JOINT RESOLUTION

Mr. EXON. Mr. President, I rise today to introduce legislation proposing a constitutional amendment requiring the President to submit, and the Congress to enact, a balanced Federal budget.

This is not the first time I have introduced such legislation. For years, I have taken a leadership role promoting passage of a balanced budget amendment.

I can think of no greater priority than dealing responsibly with the Federal deficit. A balanced budget amendment underscores my bedrock beliefs in a lean and agile government and living within one's means.

Thirty-seven States have balanced budget provisions. When I was Governor of Nebraska, I had no choice but to balance our State's budget for 8 straight years. I'm not complaining. It forced budgetary discipline and kept my State fiscally sound. It was the right thing to do.

During last year's debate on the balanced budget amendment, I listened with great care and interest to the arguments that we didn't need it.

The critics claimed that self-restraint and legislation could solve the spiralling deficits that have bedeviled us—deficits that trifle with the future and standard of living of our children and grandchildren—deficits that shackle them to a mountain of debt.

The opponents further contended that a balanced budget amendment is no substitute for tough, honest, and effective leadership.

Mr. President, one does not preclude the other. And I might point out that the type of leadership and courage so often extolled on the Senate floor is often in very short supply. There is a lot of breast beating about the deficit, but little will to make the difficult and hard decisions to bring it under control.

Yes, we should be able to deal with deficit without a balanced budget amendment, but the evidence runs to the contrary. All of the statutory remedies have failed. They are riddled with loopholes and back doors which have been exploited to the fullest.

Mr. President, we have also proven ourselves incapable of controlling wasteful spending. The deficit figures speak for themselves. There is still too much business-as-usual around here, and business-as-usual no longer works and will put future generations of Americans in terrible straits.

True, we have made some remarkable headway in reducing the deficit. We turned an important corner by passing the 1993 deficit reduction package and it is performing beyond expectations.

However, the deficits projections for the out-years are not reassuring. Right now, we are enjoying a brief respite from the storm, but is promises to whip back on us in 5 or 6 years. We cannot afford to hide our heads in the sand and hope the problem will go way. It won't.

Let there be no mistake, a balanced budget amendment is no panacea and we will still have to make a lot of hard

choices. But I see no alternative to this amendment. We are out of options. We need the balanced budget amendment to force responsibility upon the Federal Government. We need a bold approach—a new approach—to end the dangerous habit of deficit spending.

This amendment presents our best chance, perhaps our only chance, to turn back the sea of red ink that threatens to engulf us. It's the first step to the establishment of a sound fiscal policy and accountability in the U.S. Congress.

Mr. President, it's time we stopped all the hand wringing over the Federal deficit. It's time we stopped dodging the issue. It's time we showed the courage and leadership demanded of us by the American people. It's time we passed a balanced budget amendment and sent it to the States for ratification. This is the legacy I want to leave our children.

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. KEMPTHORNE, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1, a bill to curb the practice of imposing unfunded Federal mandates on States and local governments; to strengthen the partnership between the Federal Government and State, local and tribal governments; to end the imposition, in the absence of full consideration by Congress, of Federal mandates on State, local, and tribal governments without adequate funding, in a manner that may displace other essential governmental priorities; and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations; and for other purposes.

S. 2

At the request of Mr. CONRAD, his name was added as a cosponsor of S. 2, a bill to make certain laws applicable to the legislative branch of the Federal Government.

S. 3

At the request of Mr. DOLE, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 3, a bill to control crime, and for other purposes.

S. 12

At the request of Mr. BREAUX, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 12, a bill to amend the Internal Revenue Code of 1986 to encourage savings and investment through individual retirement accounts, and for other purposes.

S. 91

At the request of Mr. COVERDELL, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 91, a bill to delay enforcement of the National Voter Registration Act of 1993 until such time as Congress appropriates funds to implement such Act.

S. 98

At the request of Mr. BRADLEY, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 98, a bill to amend the Congressional Budget Act of 1974 to establish a process to identify and control tax expenditures.

S. 111

At the request of Mr. DASCHLE, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 111, a bill to amend the Internal Revenue Code of 1986 to make permanent, and to increase to 100 percent, the deduction of self-employed individuals for health insurance costs.

S. 122

At the request of Mr. MOYNIHAN, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 122, a bill to prohibit the use of certain ammunition, and for other purposes.

S. 124

At the request of Mr. MOYNIHAN, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 124, a bill to amend the Internal Revenue Code of 1986 to increase the tax on handgun ammunition, to impose the special occupational tax and registration requirements on importers and manufacturers of handgun ammunition, and for other purposes.

SENATE RESOLUTION 36—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON FINANCE

Mr. PACKWOOD, from the Committee on Finance, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 36

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and make investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 1995, through February 28, 1996, and March 1, 1996, through February 28, 1997, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or non-reimbursable, basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee for the period March 1, 1995, through February 28, 1996, under this resolution shall not exceed $3,248,413, of which amount not to exceed $30,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the legislative Reorganization Act of 1946, as amended), and not to exceed $10,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(b) For the period March 1, 1996, through February 28, 1997, expenses of the committee under this resolution shall not exceed $3,333,157, of which amount not to exceed $30,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and not to exceed $10,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1996, and February 28, 1997, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees paid at an annual rate, (2) the payment of telecommunications provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, (3) for the payment of stationery supplies purchased through the Keeper of the Stationery, United States Senate, or (4) for payments to the Postmaster, United States Senate, or (5) for the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (6) for the payment of Senate Recording and Photographic Services.

SEC. 5. There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee from March 1, 1995, through February 28, 1996, and March 1, 1996, through February 28, 1997, to be paid from the Appropriations account for ''Expenses of Inquiries and Investigations.''

SENATE RESOLUTION 37—NATIONAL WOMEN AND GIRLS IN SPORTS DAY

Mr. PACKWOOD submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 37

Whereas women's athletics are one of the most effective avenues available for women of the United States to develop self-discipline, initiative, confidence, and leadership skills;

Whereas sports and fitness activities contribute to emotional and physical well-being;

Whereas women need strong bodies as well as strong minds;

Whereas the history of women in sports is rich and long, but there has been little national recognition of the significance of women's athletic achievements;

Whereas the number of women in leadership positions as coaches, officials, and administrators has declined drastically since the passage of title IX of the Education Amendments of 1972;

Whereas there is a need to restore women to leadership positions in athletics to ensure a fair representation of the abilities of women and to provide role models for young female athletes;

Whereas the bonds built between women through athletics help to break down the social barriers of racism and prejudice;