In form, a model for air-transport liberalization is the GATT: a multilateral, uniform, global agreement. In substance, the global air agreement should provide ''open skies.'' An example of this open arrangement is the U.S.-Netherlands agreement. It allows Dutch air service full access into any U.S. city, with reciprocal rights for U.S. carriers.

Transforming a complicated web in international protectionism can't be done without leadership at the highest level. While I will use the chairmanship of the Senate Commerce, Science and Transportation Committee as a ''bully pulpit'' for reform, it is imperative that the cause have leadership from world heads of state.

I urge President Clinton to put world aviation reform on the agenda for the next Group of Seven Summit of the major industrialized nations. With attention at this level, we can get done what needs to be done.

TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT

The Senate continued with the consideration of the bill.

Mr. PRESSLER. I hope Senators will come to the floor and use their time on the telecommunications bill.

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. LIEBERMAN. 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 President, I ask unanimous consent that the order for the quorum call be rescinded.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. 1298

Mr. LIEBERMAN. Mr. President, I thank the Chair.

Last night I called up amendment No. 1298. I would like to proceed for the half-hour allocated under the unanimous consent agreement.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for up to 15 minutes, under the previous order.

Mr. LIEBERMAN. Mr. President, this amendment aims to maintain protection for the millions of cable consumers around America who, for the last 2 years, faced with cable systems that they enjoy, that they need, that they want to purchase, but faced with only one choice of a cable system in all but 50 of the more than 10,000 cable markets in America, are about to lose their consumer protection if the bill, as drafted and before the Senate, S. 652, passes.

I just think that would be a shame. In a way, an outrage, because of the way in which the cable consumer protections that were enacted in 1992, and were in effect for less than 2 years, have benefited consumers, and not hurt the cable industry.

Think about it, Mr. President. We are talking here about monopolies that exist in more than 10,000 markets in America. Only 50 have effective competition according to the FCC, and yet we will remove a consumer protection regulation that exists in the current system that has dropped rates cumulatively 11 percent, that has seen continued good health in the cable industry.

What is the rationale for this? The rationale seems to be in this overall reform of telecommunications, surprisingly, this termination of these consumer protection regulations that have just existed for a couple of years and worked so well.

Apparently, the argument by the cable industry has been they need to have rates deregulated. They need to take the cap off. They need to be free of any rule of reason, without competition, without regulation, because they need to go to the capital markets to raise capital so they can be ready to compete with the telephone companies direct broadcast satellites that are coming in.

Mr. President, the facts I showed last night show that not only have the cable companies continued to make money, with an operating margin industrywide of 20 percent—the highest of any element of the telecommunications industry—but their capital expenditures have continued to go up. In 1993, almost $3 billion; in 1994, $3.7 billion. Plenty of opportunity under regulation to raise money.

Perhaps as significant, take a look at what the market says. This is a bill that is procompetitive. It is market-oriented. Let me show the chart that talks about the cable index stocks.

We believe in markets. That is what this bill is all about. The blue line is an index of cable industry stocks. Look what happened in 1993 after regulation goes on: It shoots up, comes down, stays high, much higher than the S&P Standard 500 stock index. This is a measure of the market. Investors say the regulation that we put on was reasonable. It did not make them feel that these stocks were a bad investment. In fact, they continue to raise over the average stocks in the market.

I ask here, with this amendment, why are we doing this? On the face of it, respectfully, I would say it looks like the cable industry has used this overall reform of telecommunications to basically jump on or jump in to hide in a kind of Trojan horse of telecommunications reform, and put inside that horse an opportunity to raise rates.

I will say the system created in this bill is complicated. The bottom line is simple: Rates to most cable consumers in America are going to rise; by one estimate, $5 a month for a service that a lot of people consider to be a necessary, basic source of information, recreation, entertainment, even shopping, now, in their lives.

If the amendment I propose passes, I am convinced that rates will remain stable, the cable industry will continue to be competitive, and the rates will remain regulated only until there is competition. Part of what is happening here is the hope being raised of immediate competition in the cable business.

In 1984 when Congress last deregulated cable, and the consumers paid deeply out of their pockets for the ensuing years, until 1992 when we put regulation back on, the hope was raised that direct broadcast satellites were going to provide enormous competition for cable television.

Today, 11 years after 1984 when that argument was made, less than 1 percent of cable consumers, multichannel service consumers, get their television from direct broadcast satellites.

Telephone companies are authorized by the legislation before us to come into the cable business. I hope they do and I hope they do rapidly. When they are providing competition, the regulation will go off. But I am not so sure any of us can say that is going to happen next year or 3 years from now or 5 years from now or, in some cases, 10 years from now.

What this bill, without the amendment I am proposing, will do in that interim, it will simply take off the protection for consumers.

Incidentally, it substitutes, in place of that protection, a very ornate, complicated standard that there is no regulation unless the cable system charges substantially higher than the per channel average nationally on June 1, 1995. That is very complicated and actually shows you do not need regulation to have regulation. You can have all the problems of regulation through legislation.

My alternative here is simple and market oriented. It says a cable company will be subject to regulation if it charges substantially more than the national average in markets that are competitive. So my standard is not what the average is on June 1, 1995, or, as the bill suggests, what it will be 2 years from now after cable rates are raised. Then we are going to have substantially higher charges than the average 2 years later. My basis is what the market says where there is competition. As competition spreads throughout America, that standard will change and the consumers will benefit.

I want to respond to just a few comments that were made against the amendment last night as I wait for some of my colleagues who want to speak on this to come to the floor. There was some reference to the special status of smaller cable companies. I want to stress that no small cable company will be affected under my amendment. We are exempting any cable company that has less than 35,000 customers or any multiservice operator—that is, any company that owns more than one cable system—that has less than 400,000 customers. I am not interested in regulating these small, mom and pop cable operators. They are already economically responsible and I believe accountable to their communities, and therefore they are exempt from regulation.

Last night my friend and colleague from South Dakota suggested that cable revenues have remained flat for the first time in 1994. In fact, the cable

act resulted in over $800 million in decreases in equipment charges and over $400 million in decreases for consumers in service charges. The fact that revenues—even taking this view that they remained flat indicates that the cable industry is thriving and is a highly profitable industry, even under regulation. Again, there is a 20-percent operating margin, the highest in the telecommunications business in 1993, and the stock market indicates continued consumer confidence in the business. All of that under regulation.

The distinguished chairman of the committee mentioned that public debt offerings dropped under regulation. Respectfully, I claim the opposite. Debt financing for the cable industry climbed from $6.9 billion in 1993 to $10.8 billion in 1994, an almost $4 billion increase, continuing a pattern of steady growth in debt financing since 1991, uninterrupted by the very reasonable regulation that we put on in 1992 on a bipartisan basis.

As for investments and access to capital, the major cable companies are consolidating and buying up other monopolies right and left and they are spending a lot of money doing so. For example, in February 1995, Time Warner offered $2.7 billion for Cablevision Industries systems. In January 1995, Time Warner offered $2.24 billion for Houston Industries cable systems. In January 1995, Intermedia Partners, TCI, and others offered $2.3 billion for Viacom's cable system. And the list goes on.

I am not saying this is wrong. I am happy about it. What I am pointing out here is that the cable industry, under the very reasonable consumer protection regulations that we have had on for the last 2 years, has been a healthy industry with lots of capital to invest. There is no reason to believe that will not continue to be the case under the amendment that I put forth. Let us remember, the great fear here of the cable industry is competition from the telephone companies—and they are regulated.

Often cited are the companies that are selling out these systems, these cable systems. But I want to say those who are selling are doing so at a very healthy profit.

One other argument that arises again is that competition is just around the corner. As I have indicated, I hope so. I hope competition is around the corner. I hope we can get the regulation out of here. But right now, to receive a direct broadcast satellite system, a consumer has to invest about $700 to buy the equipment and then pay a monthly charge at least as large as the current cable bills. At the moment, again, less than 0.5 percent of subscribers are choosing this DBS satellite. As my friend and colleague from South Dakota points out, at the current rate of subscription, in 5 years there will be 5 million subscribers to DBS. Mr. President, 5 million subscribers is only 8 percent of the current subscribers to cable. And 8 percent, in my opinion, is not effective competition in any market, certainly not under the bill, not under the law as it stands now.

As for the telephone companies, they are only doing experiments in some markets. It will take time before they are active competitors. If any competitor surprises us and gets to the market more rapidly, hallelujah, that is great news. All the regulation I am advocating will go away once competition hits the market. That is what this amendment is about. Let us let competition work for the consumer and for the industry.

Mr. President, I understood Senator LEAHY was going to come to the floor to speak to the amendment. Not seeing him on the floor, I reserve whatever time I have remaining and yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. LIEBERMAN. Mr. President, seeing no one seeking recognition, 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. SIMON. 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. 1283, AS MODIFIED

Mr. SIMON. Mr. President, I call up my amendment No. 1283.

The PRESIDING OFFICER. The amendment of the Senator from Illinois, No. 1283, has already been called up.

Mr. SIMON. Mr. President, I have not had a chance to talk to Senator PRESSLER or Senator HOLLINGS. But I would be willing to have a 20-minute time agreement, 10 minutes on my side and 10 minutes on the other side. I am not sure that anyone is going to speak in opposition. I would welcome no one speaking in opposition. But I do believe that at least one Member on the other side wants to vote against it.

The PRESIDING OFFICER. The Chair informs the Senator from Illinois that, under the previous order, time is limited to 30 minutes on first-degree amendments.

Mr. SIMON. I am willing to reduce that to 20 minutes.

Mr. PRESSLER. That is the best music I have heard this morning.

The PRESIDING OFFICER. The Senator is willing to either use or yield back whatever time he does not wish to use.

Mr. SIMON. Mr. President, let me outline what the situation is right now. We now have under the FCC rule a limit of 20 FM stations and 20 AM stations that may be owned by any one entity. The Dole amendment takes the cap off that completely. The most that is owned by any one entity right now is Infinity. They own 27 stations. CBS owns 26.

Under the bill as it is right now, anyone—the Dan Coats Co.—can theoretically own every radio station in the United States. Obviously, I do not think that would happen. But I think diversity in this field is extremely important.

My amendment raises that cap of 20 and 20 to 50 and 50 so that there could be 100 stations owned by any one entity. That is a 150-percent increase over where we are right now.

I think that is reasonable. I just think it is not in the public interest to have a concentration. Economic concentration generally is not good, but particularly in the media I think there are dangers to the future of our country.

Bill Ryan of the Washington Post and Newsweek wrote in Broadcast and Cable of May 27, and said,

> The whole world is trying to emulate the local system of broadcasting that we have in this country, and here we are creating a structure that will abolish it or put it in the hands of a very, very few. I think it is unsound.

Let me add that my friends in Infinity and CBS both have no objection to this amendment—the people who own the largest numbers right now. The National Association of Broadcasters do. Let me just say candidly that I worked with Senator STROM THURMOND and a few others here in trying to negotiate with them some kind of limitation or sensible packaging on liquor advertising on radio. They resisted any change. Here again, they want to have it all. I have been in this business of politics long enough so that when you have leadership at the National Association of Broadcasters that is so narrow minded that it wants to have it all, the pendulum is going to swing from one extreme to another. They are making a great mistake. I have yet to talk to a single radio station owner who does not think this is a sensible amendment.

I hope that my friends on the floor of the Senate and the House would vote for this amendment.

Mr. President, I reserve the remainder of my time.

Mr. President, I question the presence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMON. 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. SIMON. Mr. President, I ask unanimous consent to speak as if morning business for 2 minutes.

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

THANKS TO THE PAGES, AND OTHERS

Mr. SIMON. Mr. President, I just learned talking to the pages they are going to be leaving tomorrow. One of the things that we do around here is we