and tribal governments of $25 million or more a year.

Alaskan Aviation. The bill would provide FAA a new, one-year authorization of $10 million to be spend on improving aviation safety in Alaska. The bill would also direct the Administrator to take Alaska's unique transportation needs into consideration when amending aviation regulations.

10. Previous CBO estimates: CBO provided a preliminary analysis of the bill's mandates on state, local, and tribal governments as part of the federal cost estimate dated July 16, 1996. The initial conclusions presented in that estimate have not changed.

On July 22, 1996, CBO transmitted an intergovernmental mandates statement on H.R. 3539, the Federal Aviation Authorization Act of 1996, as ordered reported by the House Committee on Transportation and Infrastructure on June 6, 1996. Both bills would reauthorize major FAA programs and amend the section of Title 49 of the U.S. Code dealing with state taxation, but they differ in several other respects. The two estimates reflect those differences.

On July 11, 1996, CBO transmitted a cost estimate and mandates statement on H.R. 3536, the Airline Pilot Hiring and Safety Act of 1996, as ordered reported by the House Committee on Transportation and Infrastructure on June 6, 1996. H.R. 3536 is similar to the title in this bill pertaining to background information on prospective pilots. H.R. 3536 would not, however, require state, local, and tribal government employers to provide information on the work records of prospective pilots.

11. Estimate prepared by: Karen McVey.

12. Estimate approved by: Robert A. Sunshine (for Paul N. Van de Water, Assistant Director for Budget Analysis).

## THE ANNUAL CHINA MFN DEBATE

Mr. THOMAS. Madam President, the theater that is the annual China MFN debate has once again—predictably—fully run its course. The President recommended extension, United States business and our Asian trading partners held their collective breath, there was a lot of rhetoric on the floor of the House condemning China for a variety of serious misdeeds, and in the end a vast majority of the House voted to renew MFN yet again. In the wake of the debate, I believe that we should take a serious look at scrapping this annual drama and replacing it with a more pragmatic and workable solution.

That the yearly MFN debate should be scrapped seems evident from an examination of its relative pros and cons. What is gained by the annual debate? Aside from an opportunity for some in Congress to air their grievances with the PRC, not much. What is lost, on the other hand? Quite a bit.

First, the debate regularly disrupts our bilateral relationship by making the Chinese feel unfairly singled out, and not without reason. Most favored nation is a misnomer. Although the phrase implies some special treatment that the Uunited States passes out discriminately, it is actually the normal trading status with all our trade partners. Only seven countries, the majority of which we consider pariah states, are not accorded that status: Afghanistan, Azerbaijan, Cuba, Laos, North Korea, Vietnam, and Serbia. In addition, one of the main reasons given by proponents of revoking China's MFN status is that country's arguably abysmal human rights record. But while other countries have equally disturbing human rights records, no one has moved to revoke their MFN status. Turkey has long persecuted its Kurdish minority; Russia has killed hundreds of civilians in Chechnya; Indonesia invaded East Timor and continues to occupy the island illegally, jailing and killing Timorese dissidents; Nigeria jails and executes opponents of the Government— yet all four enjoy most favored nation trading status.

Second, the annual debate is damaging to the interests of U.S. companies doing business in the PRC. Companies find it very difficult to make long-term investment plans when they have to worry every year that the MFN rug might be yanked out from under them. From the Chinese side, the annual MFN renewal requirement raises the risk of doing business with U.S. firms; so instead, they have a strong incentive to do business with our European competitors who have no such constraints.

Third, the threat of revoking China's MFN—an empty threat in my view—is not an effective foreign policy tool. Revoking China's MFN status would hurt us more than the Chinese—the economic equivalent of cutting off your nose to spite your face. In 1995, United States exports to China directly supported around 200,000 American jobs. Revoking MFN, and the Chinese retaliation that would surely follow, would only serve to deprive us of a rapidly growing market. China is perfectly capable of shopping elsewhere for its needs, and our allies are more than happy to fill any void we leave. We recently saw a prime example of that willingness; last month Premier Li Peng traveled to France where he signed a $2 billion contract to buy 33 Airbuses—a contract that Boeing thought it was going to get.

Fourth, instead of using MFN as a carrot-and-stick with the PRC, I believe the best way to influence the growth of democratic ideals, human rights, and the rule of law in China is through continued and reliable economic contacts. I think anybody who has been to China, especially over the course of the last 15 years, has seen that for themselves—most dramatically in southern and eastern China. It is clear that economic development and contact with the West through trade has let a genie out of the bottle that the regime in Beijing will never be able to put back. We must continue to encourage that trend as we turn the corner to a new century.

The whole MFN renewal issue is an outdated relic of the cold war—a war that's over. The Jackson-Vanik amendment, the basis for the yearly MFN renewal requirement, was not designed with China in mind and was not created as a way to better a country's overall human rights record or its adherence to international or bilateral trade or nuclear proliferation agreements. Rather, it was originally designed to pressure the Soviet Union to allow the free emigration of Soviet Jews to Israel and other countries. Over the years, its application has moved from covering freedom of emigration from any country with a command or nonmarket economy to a tool for expressing United States displeasure with a variety of China's sins. It is somewhat ironic that of all the different issues raised by Members of Congress arguing to revoke the PRC's MFN status, I have never heard China's emigration policies mentioned even once.

With the demise of the cold war, and changing world realities, we would do better to repeal Jackson-Vanik and replace it with a more workable and pragmatic alternative. We should extend permanent MFN status to China, retaining of course the option of revoking that status should the need truly arise. That extension would remove a series of irritants from our relationship, but would not adversely affect our ability to address China's various transgressions.

We retain a whole series of options to deal with the many areas of friction in our bilateral relationship that are more narrowly tailored—and therefore more effective—than the overkill method of MFN revocation. For example, a wide variety of unfair trade practices can be addressed through provisions of the Trade Act of 1974—commonly called the Special 301 provision—as with the recent intellectual property rights dispute. Similar legislation is in place to deal with nuclear or other weapons proliferation.

I am not an apologist for the PRC—far from it. The Chinese are failing to honor many of their commitments to us, such as intellectual property rights and nuclear proliferation—note the recent well-founded allegations that the PRC has assisted Pakistan in building a missile production facility. They want to gain entry to the WTO on their own, not the WTO's terms. Their progress on the human rights front has been negligible at best, as evidenced by a rash of recent crackdowns in Tibet and Xinjiang. They are actively pursuing the purchase of Russian SS–18 ICBMs and MIRV technology. They have laid claim to the vast majority of the South China Sea, to the consternation of five other claimant countries. They have conducted a series of aggressive and inflammatory military exercises this year off the coast of Taiwan.

But despite all these issues, the revocation of China's MFN status is not a constructive remedy. It is high time that scrap this annual ritual, and replace it with a more thoughtful and pragmatic approach that builds on our efforts, rather than tears at this important relationship. I was glad to see during the latest debate that acceptance of this position seems to be growing among Members of Congress.

Madam President, while it is too late in this legislative year to take up the issue in the Congress, I hope that before we go through this dance again next year that Members from both sides of the aisle, from all the relevant committees, can sit down and formulate an alternative. The upcoming period after our sine die adjournment would be a perfect time to do so.

## HURRICANE FRAN

Mr. FAIRCLOTH. Madam President, a week ago today, hurricane Fran devastated my home State of North Carolina.

Last Thursday, after the last Senate vote, I drove down to North Carolina and was there for the storm. I have viewed first hand much of the damage to my State.

The damage has been far worse and more widespread than anyone would have imagined.

Madam President, first, I want to congratulate the people of North Carolina for their handling of this storm.

I have found that in times of crisis, the American people, like no other people in the world, rise to the occasion to tackle their own problems.

The people deserved to be congratulated first and foremost.

Second, Madam President, I want to thank the thousands of volunteers, national guardsmans and those from other States who are helping with our clean-up effort. And, I want to thank the public employees who are on the scene helping our State cope with this disaster.

The storm has been devastating in the fact that it has left hundreds of thousands of people without electricity. Today, over 100,000 people are still without power. Electricity is a modern convenience that we often take for granted, but the power outages have been the most difficult of all the problems.

I have urged the Federal Emergency Management Agency to allow two key power plants to resume operations as soon as possible. I am told that they have granted this authority. I think this will help the situation immensely.

Madam President, the storm has also left, maybe a billion dollars in property and agriculture damage. North Carolinians are proud of the fact that they can solve their own problems.

But, the damage may be insurmountable without the Federal Government's help.

Madam President, in recent years, we have had a number of natural disasters in the United States. This has lead to a sharp increase in the amount of disaster costs to the Federal Government. Madam President, I think it is fair to say that the Government's money should be spent wisely, therefore, I would hope that the private sector, insurance companies, and our lending institutions, will do all that they can so that we can limit the cost of the clean-up burden that will be placed on the taxpayer.

Estimates are being drawn now of how much disaster assistance will be needed. I am hopeful that money we have already appropriated will cover the damage, however, the damages may be so great, particularly with respect to crop damage, that more could be needed.

I thank Majority Leader LOTT for his commitment to move any legislation that would provide for additional funding.

Also, I have spoken with James Lee Witt and with Secretary of Agriculture Dan Glickman, and both have assured me that they will be as helpful as possible.

Finally, Madam President, my office and I am sure all the North Carolina delegation offices stand ready to help our citizens. I have dispatched more staff to Raleigh to deal with the influx of citizens that will need our help. If they need help, my office stands ready to assist the clean-up effort.

Madam President, again, I want to praise the people of North Carolina for their determination in this crisis. And, I want to extend my personal sorrow, and I am sure the Senate's sorrow for the families of the 21 North Carolinians who died as a result of this storm.

## NOTICE OF ISSUANCE OF FINAL REGULATIONS

Mr. THURMOND. Mr. President, pursuant to section 304(d) of the Congressional Accountability Act of 1995 (2 U.S.C. sec. 1384(d)), a notice of issuance of final regulations was submitted by the Office of Compliance, U.S. Congress. The notice contains final regulations related to Federal service labor-management relations (Regulations under section 220(d) of the Congressional Accountability Act.)

The Congressional Accountability Act requires this notice be printed in the CONGRESSIONAL RECORD, therefore I ask unanimous consent that the notice be printed in the RECORD.

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

OFFICE OF COMPLIANCE—THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS, PROTECTIONS AND RESPONSIBILITIES UNDER CHAPTER 71 OF TITLE 5, UNITED STATES CODE, RELATING TO FEDERAL SERVICE LABOR-MANAGEMENT RELATIONS (REGULATIONS UNDER SECTION 220(D) OF THE CONGRESSIONAL ACCOUNTABILITY ACT)

NOTICE OF ISSUANCE OF FINAL REGULATIONS

On July 9, 1996, the Board of Directors of the Office of Compliance adopted and submitted for publication in the Congressional Record final regulations implementing section 220(d) of the Congressional Accountability Act of 1995 (CAA), which extends to the Congress certain rights, protections, and responsibilities under chapter 71 of title 5, United States Code, relating to Federal service labor-management relations. On August 2, 1996, the House agreed both to H. Res. 504, to provide for the approval of final regulations that are applicable to the employing offices and covered employees of the House, and to H. Con. Res. 207, to provide for approval of final regulations that are applicable to employing offices and employees other than those offices and employees of the House and the Senate. As of the date of this Notice, the Senate has yet to approve the 220(d) regulations for itself or to act on H. Con. Res. 207.

The Board understands passage of H. Res. 504 to constitute approval under section 304(c) of the CAA of the Board's section 220(d) regulations as applicable to employing offices and covered employees of the House (other than those House offices expressly listed in section 220(e)(2)). Accordingly, pursuant to section 304(d) of the CAA, the Board submits these regulations to the Speaker of the House of Representatives and the President pro tempore of the Senate for issuance by publication in the Congressional Record.

Pursuant to paragraph (3) of section 304(d) of the CAA, the Board finds good cause for advancing the effective date of the House regulations from 60 days after their issuance to October 1, 1996. That date corresponds with the effective date of application of CAA section 220 to the Congress. The Board finds that the effective implementation of the CAA is furthered by making these regulations effective for the House on that effective date rather than allowing the default provisions of the CAA contained in section 411 and the derivative regulations of the executive branch to control the administration of the statute during the sixty day period otherwise required by section 304(d)(3) of the CAA.

Signed at Washington, D.C. on this 10th day of September, 1996.

GLEN D. NAGER,
*Chair of the Board, Office of Compliance.*

Accordingly, the Board of Directors of the Office of Compliance hereby issues the following final regulations:

[Final Regulations]

Subchapter C

2420 Purpose and scope
2421 Meaning of terms as used in this subchapter
2422 Representation proceedings
2423 Unfair labor practice proceedings
2424 Expedited review of negotiability issues
2425 Review of arbitration awards
2426 National consultation rights and consultation rights on Government-wide rules or regulations
2427 General statements of policy or guidance
2428 Enforcement of Assistant Secretary standards of conduct decisions and orders
2429 Miscellaneous and general requirements

Subchapter D

2470 General
2471 Procedures of the Board in impasse proceedings

Subchapter C

PART 2420—PURPOSE AND SCOPE

*§2420.1 Purpose and scope*

The regulations contained in this subchapter are designed to implement the provisions of chapter 71 of title 5 of the United States Code, as applied by section 220 of the Congressional Accountability Act (CAA). They prescribe the procedures, basic principles or criteria under which the Board and the General Counsel, as applicable, will:

(a) Determine the appropriateness of units for labor organization representation under 5 U.S.C. 7112, as applied by the CAA;

(b) Supervise or conduct elections to determine whether a labor organization has been selected as an exclusive representative by a majority of the employees in an appropriate unit and otherwise administer the provisions