

cure or a solution. We understand the problem and we know the solution. The solution is not to preach about deregulation and then decide you could care less about whether there is anti-competitive behavior. If this Government, this Congress, this Department of Transportation, or this Secretary of Transportation, do not do something about the anticompetitive practices and anticompetitive behavior, we will never see this problem resolved.

If I sound a little upset this morning, I am. I hope that perhaps some discussions in the coming days might convince some of these carriers, that are out there trying to make it in an anti-competitive environment, that somebody is going to do something to make it competitive and fair once again.

Mr. President, as I said, from what I hear about the Senate schedule next week we will have the Department of Transportation appropriations bill on the floor. I intend to be over here actively and aggressively working on some of these issues then. It may be the only appropriate and opportunistic way for me to make the point that I think needs to be made.

So I appreciate the indulgence.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1997

The Senate continued with the consideration of the bill.

Mr. PRESSLER. Mr. President, I would like to speak on the bill, if I may, for 3 minutes.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I want to commend the managers of this bill and the staff for the energy and water development appropriations bill which I have in my hand which has a provision for the Mid-Dakota Rural Water System for \$7.5 million.

I hope in conference, or possibly in future developments, that the funding level for mid-Dakota can be raised to \$11.5 million, which is the House level. I was disappointed with the administration only recommended \$2.5 million. While we need to change that, we can actually save money on a contractual basis by accelerating this project and going to the \$11.5 million level.

Let me say a word or two about the mid-Dakota project. It will bring water into eastern South Dakota to 24 communities, and it will run from Pierre to Huron, SD, along Highway 14 and surrounding areas.

In the State of South Dakota in eastern South Dakota we have a problem with water. On my farm we have a rural water system hooked up where water is brought from a central source as opposed to farms in this area that depend on wells. In this case, it takes the mid-Dakota project. This project will bring water from the Missouri River eastward. We have the great resource of the Missouri River in our State. It is almost unused. But this is

using Missouri River water for our people.

I have had a number of meetings on this project over the past several years. I met with Kurt Pfeifle yesterday, the general manager of mid-Dakota project to discuss ways to get a higher funding level. I have met with him and other South Dakotans who traveled here to propose this important project for 30,000 people in eastern South Dakota—Tom Edgar from Orient, Susan Hargens from Miller, Johnny Gross from Onida, Eugene Warner from Blundt, Mory Simon from Gettysburg, to name a few.

So, Mr. President, let me say in conclusion that I thank the managers of the bill for the \$7.5 million that has been included for mid-Dakota. It is a very important water project in our State. I hope that the level can be increased to \$11.5 million.

I note that the administration included only \$2.5 million in their recommendations. So it has been a struggle. But it is very, very important to the people of South Dakota. To have clean drinking water for livestock and people is very, very important to the farmers and the people of eastern South Dakota.

Mr. President, I yield the floor.

AMENDMENT NO. 5093

Mr. DOMENICI. Mr. President, the pending business is the Gorton amendment.

The PRESIDING OFFICER (Mr. SHELBY). That is correct.

Mr. DOMENICI. We have no objection to the Gorton amendment, and the other side has no objection to the Gorton amendment.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (No. 5093) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 5094

(Purpose: To clarify that report language does not have the force of law)

Mr. MCCAIN. Mr. President, I have two amendments. The first one is at the desk. I ask for the immediate consideration of the first of the two amendments.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 5094. On page 36, line 1, strike all after the word "this" through line 3 and insert in lieu thereof the following: "Act."

Mr. MCCAIN. Mr. President, I and my staff spend some time perusing the appropriations bills as they come up. I

will have comments on some aspects of the bill before the bill is voted on.

But I was quite disturbed to see on page 36 of the bill beginning on page 35 where it says:

Notwithstanding the provisions of 31 U.S.C. funds made available by this act to the Department of Energy shall be available only for the purposes for which they have been made available by this act, and only in accordance with the recommendations contained in this report.

My understanding of that language in the bill is that it means that the report language has the force of law.

Mr. President, that is just not something that is correct. It is not appropriate. It is not in keeping with the proper procedures used by the Congress.

I hope that my colleague from New Mexico will accept the amendment to strike that language. If not, obviously, I would want to ask for the yeas and nays.

Mr. President, I have no more discussion of that amendment. I am ready to move on to the other amendment at the appropriate time.

Mr. DOMENICI. Mr. President, I am not prepared to accept the amendment at this time. My counterpart is not here at this time. Obviously, we both want to look at it in light of our reasons for putting it in. Our reasons for putting it in are different than the Senator's reasons for taking it out. We would like to discuss that. So we will debate that at another time.

If the Senator is agreeable to proceed to another amendment, if he would like, if he would set his aside, it will be properly sequenced.

Mr. MCCAIN. Mr. President, I would be glad to do that. Prior to doing so, I guess I would ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MCCAIN. Mr. President, again I would be more than happy to engage in a discussion with both distinguished managers on this amendment. I have only been here 10 years, but I have not seen such language in an appropriations bill. I would be very disturbed to see that became custom here in the Senate although, if the Senator from New Mexico States has other reasons for it being in there, I would be more than happy to discuss that. And perhaps we could change that language so that the effect of the language is not as I see it.

So, Mr. President, I ask unanimous consent that my amendment be laid aside.

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

AMENDMENT NO. 5095

(Purpose: To prohibit the use of funds to carry out the advanced light water reactor program)

Mr. MCCAIN. Mr. President, I have another amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself, Mr. FEINGOLD, Mr. GREGG, and Mr. KERRY, proposes an amendment numbered 5095.

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

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

The amendment is as follows:

At the end of the bill, add the following:

SEC. . ADVANCED LIGHT WATER REACTOR PROGRAM.

None of the funds appropriated or otherwise made available by this Act may be used to carry out the advanced light water reactor program established under subtitle C of title XXI of the Energy Policy Act of 1992 (42 U.S.C. 13491 et seq.) or to pay any costs incurred in terminating the program.

Mr. MCCAIN. Mr. President, this amendment terminates funding for the Advanced Light Water Reactor Program, which provides taxpayer-funded subsidies for corporations for the design, engineering, testing, and commercialization of nuclear reactor designs.

I am pleased that Senators FEINGOLD, GREGG, and KERRY of Massachusetts have joined me as cosponsors on this important amendment. I urge my colleagues to support us in ending this wasteful Government spending and corporate welfare.

Organizations such as Public Citizen, Citizens Against Government Waste, Competitive Enterprise Institute, Taxpayers for Common Cause, and the Heritage Foundation have lent their strong support to eliminating the funding for the advanced light water reactor, and last year a bipartisan Senate coalition, with the help of the Progressive Policy Institute and the Cato Institute, included the Advanced Light Water Reactor Program as one of a dozen high-priority corporate pork items to be eliminated.

Many Americans would be surprised to know that this program has already received more than \$230 million in Federal support over the last 5 years. The Department of Energy has requested an additional \$40 million for the program for fiscal year 1997. This program was created under the Energy Policy Act of 1992. That act makes clear that design certification support should only be provided for advanced light water reactor designs that can be certified by the Nuclear Regulatory Commission by no later than the end of fiscal year 1996.

The Department of Energy has acknowledged that no advanced light water reactor designs that would be funded under this bill will be certified by the end of fiscal year 1996. Thus, under the legislation no funds should be appropriated to support this program's designs.

Mr. President, this act specifies that "no entity shall receive assistance for commercialization of an advanced light water reactor for more than 4 years." The Department of Energy's 1997 funding request would allow for a fifth year

of Federal financial assistance to the program's chief beneficiaries, which are well-to-do corporations which can afford to bear commercialization costs on their own.

General Electric, Westinghouse, and Asea Brown Boveri/Combustion Engineering have already received 4 years' of assistance under this program since 1993, and, significantly, these three companies had combined 1994 revenues of over \$70 billion, and last year their combined revenues exceeded \$100 billion. I believe these corporations can afford to bring new products to the market without taxpayers' subsidies.

One of the primary recipients of this program funding, General Electric, recently announced that it is canceling its simplified boiling water reactor after receiving \$50 million from the Department of Energy because extensive evaluations of the market competitiveness of a 600 megawatt-sized advanced light water reactor have not established the commercial viability of these designs.

The program exemplifies the problems of unfairness, in my view, that corporate welfare engenders. If this program's designs are commercially feasible, large wealthy corporations like Westinghouse do not need taxpayers to subsidize them because the market will reward them for their efforts and investment in this research. If they are not commercially viable, then the American taxpayer is being forced to pay for a product in complete defiance of market forces that a company would not pay to produce itself.

As a practical matter, such unnecessary and wasteful Government spending must be eliminated if we are to restore fiscal sanity. More importantly, though, as a matter of fundamental fairness, we cannot ask Americans to tighten their belts across the board in order that we might balance the budget while we provide taxpayer-funded subsidies to large corporations. Corporate welfare of this kind is unfair to the American taxpayer. It increases the deficit, and we cannot allow it to continue.

Finally, there are no termination costs to worry about because the Department of Energy contract with Westinghouse specifically provides that "reimbursements shall be subject to availability of appropriated funds."

Enough is enough. After 5 years and \$230 million, it is time we bring the program to an end.

I ask unanimous consent that copies of letters from Citizens Against Government Waste, Public Citizen, and the Competitive Enterprise Institute be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CITIZENS AGAINST GOVERNMENT WASTE,
Washington, DC, June 18, 1996.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the 600,000 members of the Council for Citizens

Against Government Waste (CCAGW), I am writing to urge you to introduce legislation to eliminate the Advanced Light Water Reactor (ALWR) program. This program has already surpassed its authorized funding level, and extending its funding will exceed the goals of the Energy Policy Act of 1992 (EPACT).

In 1992, EPACT authorized \$100 million for first-of-a-kind engineering of new reactors. In addition, EPACT specified that the Department of Energy should only support advanced light water reactor designs that could be certified by the Nuclear Regulatory Commission no later than the end of FY 1996.

In a surprise announcement on February 28, 1996, General Electric (GE) terminated one of its taxpayer-subsidized R&D light water reactor programs (the simplified boiling water reactor), stating that the company's recent internal marketing analyses showed that the technology lacked "commercial viability." Westinghouse, which is slated to receive ALWR support between FYs 1997-99 for its similar AP-600 program, is not expected to receive design certification until FY 1998 or FY 1999. Taxpayers should not be expected to throw money at projects with little or no domestic commercial value.

EPACT also stipulates that recipients of any ALWR money must certify to the Secretary of Energy that they intend to construct and operate a reactor in the United States. In 1995, the Nuclear Energy Institute's newsletter, *Nuclear Energy Insight*, reported that, "all three [ALWR] designers see their most immediate opportunities for selling their designs in Pacific Rim countries." In fact, GE has sold two reactors developed under this program to Japan, and still the government has not recovered any money.

As you may recall, CCAGW endorsed your corporate welfare amendment, including the elimination of the ALWR program, to the FY 1996 budget Reconciliation bill. We are again looking to your leadership to introduce legislation to now eliminate this program. I also testified before the House Energy and Environment Subcommittee on Science on May 1, 1996 calling for the elimination of the ALWR. The mission has been fulfilled, now the program should end.

Sincerely,

THOMAS A. SCHATZ,
President.

PUBLIC CITIZEN,
Washington, DC, June 25, 1996.

Senator JOHN MCCAIN,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR: We are pleased to support your efforts to terminate further government support for the Advanced Light Water Reactor (ALWR) program at the U.S. Department of Energy. The ALWR program, having received five years of support and more than \$230 million of taxpayer money, is a prime candidate for elimination in the coming budget cycle. It represents a textbook example of corporate welfare, provides little value to taxpayers and fails to account for the fact that domestic interest in new nuclear technologies is at an all-time low.

As of today, not one utility or company participating in the ALWR program has committed to building a new reactor in this country nor are there any signs that domestic orders will be forthcoming in the foreseeable future. Instead of providing reactors for American utilities, the ALWR program has become an export promotion subsidy for General Electric, Westinghouse and Asea Brown Boveri in direct violation of the intent of the Energy Policy Act. These companies, with combined annual revenues of over \$70 billion, are hardly in need of such generous financial support.

Continuing to fund the ALWR program would send a strong message that subsidies to large, profitable corporations are exempt from scrutiny while other programs in the federal budget are cut to reach overall spending targets. The industry receiving this support is mature, developed and profitable and should be fully able to invest its own money in bringing new products to market.

This legislation is consistent with your long-standing campaign to eliminate wasteful and unnecessary spending in the federal budget. We salute your effort and offer our help in pruning this subsidy from the fiscal year 1997 budget.

Sincerely,

BILL MAGAVERN,
Director,
Critical Mass Energy Project.

COMPETITIVE ENTERPRISE INSTITUTE,
Washington, DC, June 14, 1996.

Hon. JOHN MCCAIN,
U.S. Senate, Senate Russell Building, Washington, DC.

DEAR CONGRESSMAN MCCAIN: I wish to commend you for your efforts to eliminate funding for Advanced Light Water Reactor (ALWR) research. As a longtime opponent of federal subsidies for energy research of this kind, I am glad to see members of Congress representing the interests of the taxpayer on this issue.

Since 1992, the Department of Energy has spent over \$200 million on ALWR research, with little to show for it. If such reactors are commercially viable, as supporters claim, then there is no need to waste taxpayer dollars on what amounts to corporate welfare. If the ALWR is not commercially viable, then throwing taxpayer dollars at it is even more wasteful. The fact that no utility plans to build such a reactor in this country any time soon suggests that the latter is more likely. Either way, federal funding for this program should end.

I fully support your efforts to eliminate the ALWR research subsidy and hope that this effort is the first step in the eventual elimination of the Department of Energy as a whole.

Sincerely,

FRED L. SMITH, Jr.,
President.

Mr. MCCAIN. Mr. President, last May, at the end May, there was an interesting article in the Washington Post by Mr. Guy Gugliotta. I would like to quote parts of his article.

Five or six years ago, depending on whom you asked, Congress voted to fund research on a new kind of nuclear energy plant called the Advanced Light Water Reactor. You remember nuclear energy, right?

The money—more than \$200 million so far—has gone to three struggling firms—General Electric, Westinghouse, and Asea Brown Boveri Inc./Combustion Engineering. The idea is to develop a new generation of nuclear powered generators.

Except nobody in the United States wants one. No utility has bought a nuclear plant since 1973, and 89 percent of utility executives polled this year by the Washington International Energy Group said they never would.

Even General Electric decided in February to abandon research on one of its two reactor projects concluding that “extensive evaluations . . . have not established the commercial viability of these designs.”

Mr. President, I would point out that I am a supporter of nuclear power. I believe that it is a viable option and someday will be a viable option, but I do not believe that justifies this kind of expenditure.

Mr. President, the San Francisco Chronicle said, “If there’s a lucrative export market, let them finance their own development programs.”

The Oregonian says, “Asking taxpayers to subsidize nuclear power research is like asking them to build barns to store up horsepower.”

The Richmond Times Dispatch editorial lead says, “Zap It.”

The Louisville Courier-Journal calls it “A needless subsidy.”

The Kennebec Journal says, “Reactor research funding deserves to be terminated.”

The Charleston Gazette says, “Nuclear subsidy Corporate welfare?”

The Morning Sentinel of Maine says, “Congress should switch off Energy’s nuke-pork project.”

The Bangor Daily News says: “Members of the House and Senate have yet to justify the need for what amounts to a large corporate subsidy. It is likely they cannot. Instead, they should end the program before it costs taxpayers any more money.”

The Houston Chronicle says, “Time to stop federal subsidies for nuclear generators.”

And the Des Moines Register calls it “Nuclear Nonsense.”

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

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 28, 1996]

RESEARCH FOR REACTOR NOBODY WANTS

(By Guy Gugliotta)

Five or six years ago, depending on whom you ask, Congress voted to fund research on a new kind of nuclear energy plant called the Advanced Light Water Reactor. You remember nuclear energy, right?

The money—more than \$200 million so far—has gone to three struggling firms—General Electric, Westinghouse and Asea Brown Boveri Inc./Combustion Engineering. The idea is to develop a new generation of nuclear power generators.

Except nobody in the United States wants one. No utility has bought a nuclear plant since 1937, and 89 percent of utility executives polled this year by the Washington International Energy Group said they never would.

Even GE decided in February to abandon research on one of its two reactor projects, concluding that “extensive evaluations . . . have not established the commercial viability of these designs.”

In the next couple of months Rep. Mark Foley (R-Fla.), a young conservative, will try to kill the Advanced Light Water Reactor. It is a waste of money, he said, and, even if it weren’t, “large corporations don’t need the help of the federal government.”

He has 65 signatures on an amendment to erase the reactor from the 1997 Energy Department appropriations bill, and is brimming with confidence since he successfully defunded a gas-cooled reactor last year.

“I understand the nuances of appropriations better,” Foley said, which is fortunate for him, because, as everyone knows, starting federal programs is hard, but getting rid of them is much harder.

And the nuclear industry is not going to roll over. “In the next decade, the balance of power demand will shift . . . because of aging

and environmental concerns,” said Nuclear Energy Institute spokesman Steve Unglesbee. “We think nuclear will be a contender.”

That would be a change. Nuclear power, once deemed the magic bullet for energy consumption, has fallen on hard times in the past two decades. Catastrophes like Three Mile Island and Chernobyl haven’t helped, but the main reason for the current lack of interest is probably more mundane.

According to the Safe Energy Communication Council, which doesn’t like the reactor, nuclear energy today costs 5 to 10 cents per kilowatt hour while coal-generated energy costs 1.5 to 3.5 cents, natural gas, 3 to 4 cents, and windmills, 5 cents. Utility executives can add.

The United States has 110 nuclear plants, supplying 20 percent of the nation’s electrical power needs. All use a controlled fission reaction to generate heat, which in turn makes the steam that drives turbine generators.

The Advanced Light Water Reactor seeks dramatic improvements in the old design through new computer technology and simplified safety features that rely more on gravity and other natural forces and less on complex valve systems.

Almost everything else about the reactor is in dispute. The Energy Policy Act, signed into law in November 1992, authorized five years of development funding. Because the fiscal year had already begun the reactor’s proponents say the clock started in 1993, and this year’s request—\$30.3 million—simply fulfills the five-year authorization.

Foley argues that because the act was signed in 1992, the fifth year was 1996 and the current request is extra. Besides, Westinghouse wants funding through 1998, he adds, which is icing on the icing.

Unglesbee counters that the 1998 funding involves no extra money. Instead, Westinghouse simply wants to pick up \$17 million owed from past years, and has signed a deal with the Energy Department to get it.

Further, Unglesbee contends, the corporations will repay the investment once the orders start rolling in—when old reactors wear out or oil prices go up, or both, sometime in the not-too-distant future.

The technology is good, Unglesbee adds, noting that GE is using it in a joint venture in Japan. The Safe Energy Council, however, says this is a violation of the law, because the projects are supposed to be built in the United States, which doesn’t want them.

GE hasn’t paid back a dime on the Japanese reactors, but Unglesbee says that’s because the Nuclear Regulatory Commission hasn’t yet certified the design. Once that happens, the corporations have to kick back to the feds no matter where reactors are built.

Until then, one supposes, taxpayers should simply regard their investment as an export subsidy.

[From the Courier-Journal, Louisville, KY,
June 4, 1996]

A NEEDLESS SUBSIDY

Congressman John Myers, a moderate Hoosier Republican in the last of his 30 years in the House, has an unbeatable opportunity to make sure he’s remembered for opposing flagrant government waste.

Rep. Myers, a banker and farmer from the 7th District in west central Indiana, chairs the Energy and Water Appropriations Subcommittee. His panel is expected to decide this week whether to approve more taxpayer money for private development of advanced, and purportedly safer, nuclear reactors.

This is an easy one and shouldn’t require more than a few moments of thought by Rep. Myers and his colleagues.

The committee should join forces on this issue with environmentalists and taxpayer protection groups, consumer advocates and conservative think tanks. All agree that what amounts to subsidies for several multi-billion-dollar companies is a poor investment and money down the drain.

Since World War II, Washington has lavished tens of billions of dollars on civilian atomic research. The dream, never realized, was that electricity generated by nuclear plants would be abundant, safe and cheap. Although those expenditures have been scaled back, the public has continued to support programs at companies like General Electric and Westinghouse.

It could happen that a new generation of safer, more efficient reactors will prove handy many years hence. If that time comes, rich corporations can surely be counted on to invest their own resources to complete work on a commercially successful design. Taxpayers have done more than their share.

But there'll be no market for nukes of any kind in this country so long as such basic problems as safe long-term disposal of radioactive waste remain unsolved.

Given the new competitive pressures in the utility industry, no manager with any concern for his company's financial stability would even think of going nuclear. Demand is as dead as the villages and fields near the burned-out reactor in Chernobyl.

The only potential customers for the fruits of America's tax-supported research are Asian countries, but exports would give rise to new concerns about proliferation of nuclear materials.

That should clinch the case for Rep. Myers and others on the committee to do the taxpayers a very large favor. Just vote no.

[From the Kennebec Journal, June 3, 1996]

REACTOR RESEARCH FUNDING DESERVES TO BE TERMINATED

While it is always hard to start up a federal program, it's even harder to stop one. Such is the case with many pork-barrel schemes Congress creates and then keeps on funding for no apparent reason that it lacks the will to turn off the flow of money.

Congress is currently considering continuation of funding for something called the U.S. Department of Energy's Advanced Light Water Reactor, which over its five-year life span has cost taxpayers \$230 million.

This despite the fact that no utility has built a new nuclear plant in the past 23 years and that according to a poll conducted by the Washington International Energy Group, 89 percent of utility executives claim they will never order another nuclear plant.

Yet the research and development lives on. The Advanced Light Water Reactor program was created under the Energy Policy Act of 1992 and was supposed to be funded for only five years. When the fifth year actually ends is in some dispute since fiscal years and calendar years overlap, but the 1997 DOE appropriations bill includes a \$30.3 million request to fulfill the original obligation.

The money—which critics such as the Safe Energy Communication Council contends is little more than corporate welfare—goes to multi-national corporations, including General Electric and Westinghouse to develop the advanced nuclear reactors.

Such governmental largesse has caught the eyes of government-watch-dog groups as diverse as Citizens against Governmental Waste, Friends of the Earth and the U.S. Public Interest Research Group, which have petitioned Energy Secretary Hazel O'Leary to eliminate the program.

Already 65 members of Congress have signed onto a request to scrap what they term wasteful spending that amounts to lit-

tle more than an export promotion subsidy since the reactors would be sold overseas.

Maine's two congressmen, James B. Longley in the 1st District and John E. Baldacci in the 2nd, may soon get a crack at this issue. Baldacci voted in favor of eliminating the program last year; Longley did not vote.

We would urge them to scrap this wasteful spending, especially when the purpose is no longer of any use.

REACTOR WASTE

The issue: The Department of Energy's Advanced Light Water Reactor program is coming under attack for having spent \$270 million over five years for a nuclear reactor no one wants.

How we stand: The project is a classic governmental boondoggle, all the more egregious since it squanders taxpayers' money on wealthy multi-national companies.

[From the Charleston Gazette, May 28, 1996]

NUCLEAR SUBSIDY

CORPORATE WELFARE?

General Electric had \$60 billion in revenues in 1994. Yet the company took millions of dollars in tax money to fund research on advanced light-water nuclear reactors.

Then this February, GE announced that it was terminating one reactor program subsidized by taxpayers because it wasn't "commercially viable."

Why on earth is Congress giving taxpayers' money to billion-dollar companies to fund research that isn't commercially viable?

GE isn't the only company taking handouts from the Department of Energy's Advanced Light Water Reactor Program. Westinghouse and other companies are also tapped into the program, which has poured \$275 million into their pockets since 1992.

Sadly, this subsidized research probably will never benefit one single American consumer. There has not been a new nuclear reactor ordered in the United States since 1973. Instead of cheap, plentiful energy promised by proponents, nuclear plants turned out to be more expensive than coal-fired generating plants. On top of that, the nation has yet to figure out what to do with all of the nuclear waste generated by the 110 nuclear plants in operation.

Congress should end this subsidy, and let these huge corporations risk their own money designing new reactors that nobody wants.

[From the Oregonian, May 28, 1996]

A TASTE OF CORPORATE WELFARE

No American utility has completed a nuclear power plant in the past 23 years. In fact, U.S. utilities have canceled every nuclear reactor they've ordered since 1973.

Let's face it, nuclear power in the United States, no matter how you might feel about it, is a dead issue. It's simply too expensive to compete with alternative energy sources.

So why then are the Clinton administration and Congress continuing to provide taxpayer dollars to subsidize research and development of the U.S. Department of Energy's Advanced Light Water Reactor?

The House Energy and Water Appropriations Subcommittee should be prepared to answer that question next week when it considers the Energy Department's proposal to give additional funding to the light-water reactor research program.

The facts clearly do not support further public subsidies for conventional nuclear fission development.

Consider this:

A recent poll conducted by the Washington International Energy Group shows that 89 percent of utility executives surveyed say

their companies would never consider ordering a nuclear power plant.

Only 8 percent of those surveyed believe that there will be a nuclear power resurgence in the next century.

A 1996 survey of registered voters, conducted by Republican pollster Vince Breglio, found that more than 71 percent of the voters opposed government funding for developing a new generation of nuclear reactors.

The advanced light water reactor research program was created in 1992 to assist major multinational corporations—General Electric, Westinghouse and Asea Brown Boveri/Combustion Engineering—in developing advanced reactors. Never mind that there was no U.S. market for a finished product. This is a pork-barrel of the worst kind. It defines what is meant by the phrase "corporate welfare."

Besides all of that, the Energy Policy Act of 1992, which created this corporate welfare, expires in September, so why is the Energy Department requesting additional funding through fiscal 1997 and perhaps beyond?

It's not as if the three major nuclear vendors are going broke and need extra bucks to finish the job. They showed combined revenues of \$73 billion last year.

Moreover, General Electric announced in February it was abandoning development of its boiling-water reactor, which to date has received more than \$50 million in taxpayer subsidies under this program.

The Energy Policy Act of 1992 clearly stipulates that recipients of the Advanced Light Water Reactor money must certify that they intend to construct and operate a reactor in the United States. Yet these nuclear reactor manufacturers are selling their U.S. taxpayer-supported reactor designs to Japan, South Korea and other countries—a clear violation of the intent of the law.

Not only has the \$275 million the government has paid out since 1992 been spent under false pretenses, but some of the taxpayer dollars for this program also have been wrongly used to reimburse General Electric, Westinghouse and Combustion Engineering for fees charged them by the U.S. Nuclear Regulatory Commission.

This means taxpayers, not the corporations, are paying fees meant to cover the costs of government services.

The conservative Citizens Against Government Waste, Cato Institute and Taxpayers for Common Sense organizations, as well as a variety of environmental groups, are united in their opposition to continued funding for this boondoggle.

Even leaving the valid taxpayer-subsidy arguments aside, continuing this program clearly is in conflict with congressional efforts to cut the federal budget deficit, reduce federal spending and kill corporate welfare programs.

Rep. Jim Bunn, R-Ore., who has used these themes in his campaign for re-election, serves on the House Appropriations subcommittee that will decide the fate of advanced light water reactor funding next week.

Oregonians should be relying on him to be fiscally responsible and take these reactor vendors off welfare.

[From the Richmond Times-Dispatch, June 23, 1996]

ZAP IT

Wouldn't it be nice if Congress could eliminate all examples of dubious federal spending with a single stroke of a mighty pen or Bowie knife? Government doesn't work that way, of course, which is one reason the feds spend more of the taxpayers' money than they should. Cuts generally occur the slow way: one at a time. And that brings us to the Advanced Light Water Reactor (ALWR).

Fermat's Last Theorem is easier to prove than—for liberal arts majors, at least—the ALWR is to explain. Let's just say the ALWR is a nuclear reactor, and leave it at that. Despite generous (profligate?) government subsidies, research into the ALWR has produced few dividends. In a letter opposing continued funding for the reactor, the Heritage Foundation argues:

As a recipient of this research funding has indicated, these reactors have not established their commercial viability. There have been no nuclear reactors ordered or built in America since 1973, and there is no domestic market for nuclear power in the foreseeable future. . . If the reactors truly would be profitable, then corporations would willingly invest their own capital to receive the expected returns. This is the nature of the free market. If an investment has a low probability of being profitable, however, the federal government should not force taxpayers to fund corporate ventures which unnecessarily drain our nation's wealth.

Nuclear power remains a prudent way to generate juice, probably the most prudent way ever devised. Many of the obstacles placed in its path are lamentable. Nevertheless, R&D relating to nukes is not an obligation of government but of industry. Government's role in power is to avoid impeding progress. Except perhaps in times of national crisis, the responsibility for producing energy rests with the private sector. The last time we checked, the U.S. was not fighting a world war. Moreover, the companies involved in nuclear research are hardly poor.

Welfare reform ranks among the year's hot issues. Republicans and Democrats, liberals and conservatives, gadflies and cranks are debating how best to promote self-sufficiency. Corporate welfare also deserves some shaking up. The subsidies for the ALWR stand as one example of what government ought not to be doing. Congress should give the ALWR—and similar projects—the zap.

[From the San Francisco Chronicle, May 20, 1996]

END CORPORATE WELFARE FOR NUCLEAR REACTORS

No American electric utility has successfully ordered a nuclear power reactor for the last 23 years. And a recent survey of utility executives concluded that there is "little hope that new nuclear generation" will remain an option "in a time frame that has any practical significance."

So why are U.S. taxpayers still being asked to fork over hundreds of millions of dollars to mature, highly profitable private companies to develop new nuclear power reactors?

The House Energy and Water Appropriations Subcommittee is scheduled to take up that question later this week as it looks for fiscal 1997 budget savings among existing energy programs. A prime candidate should be the Department of Energy's five-year-old Advanced Light Water Reactor program, a shining example of corporate welfare that has never delivered—and probably never will—a single kilowatt of electricity to American consumers.

The idea of subsidizing industry research on a generic, pre-licensed and safer type of reactor for the American market may have made sense five years ago. But except for the reactor's export potential, it's hard to see how a continuation of the program, which is scheduled to expire this year, can be justified.

Just four months ago, General Electric, which has received \$50 million from the program to develop a prototype, announced that it was abandoning the effort because its own market research had "not established the commercial viability of these designs."

Indeed, the only markets where new U.S. designed nuclear plants are viable are in Southeast Asia. Westinghouse, one of the program's major benefactors, has identified China and Indonesia as the most likely markets for its reactor—despite a U.S. ban on exports of nuclear technology to China.

But the Energy Policy Act of 1992, which created the subsidy, specifically stipulated that the funds were for development of reactors to be constructed and operated in the United States—not reactors for export. And if, in fact, there is a lucrative export market, there's no reason why companies like Westinghouse and General Electric, with combined revenues of close to \$70 billion a year, can't finance their own development programs without help from taxpayers.

This piece of nuclear pork was nearly killed last year by an unlikely coalition of environmental liberals and budget-slashing fiscal conservatives. With electric utility deregulation now adding to an already large surplus of electric generating capacity in the United States, the reasons for letting the subsidy fade into the sunset in September, as scheduled, are better than ever.

[From the Des Moines Register, May 23, 1996]
NUCLEAR NONSENSE

A trio of events has brought the lurid legacy of nuclear energy to the fore in recent days. The first was the anniversary of a nuclear disaster, the second, the need to divert some hot fuel from the weapons market; the third, the need to shut of the federal money spigot feeding a dying industry.

The 10th anniversary of the Chernobyl disaster late last month was a reminder of how wrong things can go, and how one country's energy source can be another's poison. The reactor explosion at the Chernobyl plant in the former Soviet Union spread a cloud of radiation over Europe, releasing 200 times as much radiation as Hiroshima and Nagasaki combined. Thirty-two died, but thousands more may have radiation-related illnesses.

Nothing even close to Chernobyl has happened in the 111 nuclear-power plants in the United States. Civilian reactors have admirably clean records. But there have been some harrowing near-misses.

Meanwhile, the U.S. Department of Energy has announced plans to import some 20 tons of nuclear waste from 41 nations to keep it out of the hands of potential terrorists. Most of it will come from Europe, and some from Asia, South America and Australia. The United States sent the stuff overseas as fuel over a 40-year period. Some of it is weapons-grade uranium.

Finally, Congress will soon vote on whether to continue the taxpayer subsidy of the Advanced Light Water Reactor, a project that has gobbled up \$275 million.

The 1992 ALWR project was intended to improve the design of nuclear-power plants in the United States, where no new nukes have been built in a generation. Nobody was enticed by ALWR, either, so the tax money went for reactor designs destined for overseas markets, enriching Westinghouse and General Electric (which hardly need federal subsidies).

Everybody from the conservative CATO Institute to the liberal U.S. Public Interest Research Group wants the program junked. Said Jerry Taylor, CATO's natural resources director, "If ALWR is such a promising technology let the nuclear industry fund it themselves."

The project expires this year. But the U.S. Department of Energy wants another \$40 million to keep it going.

Since 1948, when atomic power was being hyped as the energy source of the future, "too cheap to meter," nuclear fission has re-

ceived \$47 billion in federal money for research and development. A bunch of that was spent after utilities gave up on it in the early 1970s.

Today the nation is faced with the apparently impossible task of finding a way to safely dispose of nuclear waste that will remain dangerous for thousands of years. Reactor after reactor was built on the assumption that "someday" science would learn how to handle the waste.

Science hasn't. "Temporary" storage pools are close to overflowing. Nevada is fighting plans to bury it there; everyone else is fighting plans to ship it through their states to Nevada.

Exhibit A: Chernobyl, the ultimate accident. Exhibit B: weapons-grade uranium, the ultimate terrorist tool. Exhibit C: hot waste, the ultimate white elephant.

Despite that sorry scenario, the U.S. Department of Energy wants more money to make the program even worse.

Baloney.

[From the Morning Sentinel, June 3, 1996]
CONGRESS SHOULD SWITCH OFF ENERGY'S
NUKE-PORK PROJECT

While it is always hard to start up a federal program, it's even harder to stop one. Such is the case with many pork-barrel schemes Congress creates and then keeps on funding for no apparent reason that it lacks the will to turn off the flow of money.

Congress is currently considering continuation of funding for something called the U.S. Department of Energy's Advanced Light Water Reactor, which over its five-year life span has cost taxpayers \$230 million.

This despite the fact that no utility has built a new nuclear plant in the past 23 years, and that, according to a poll, conducted by the Washington International Energy Group, 89 percent of utility executives claim they will never order another nuclear plant.

Yet the research and development lives on. The Advanced Light Water Reactor program was created under the Energy Policy Act of 1992 and was supposed to be funded for only five years. When the fifth year actually ends is in some dispute since fiscal years and calendar years overlap, but the 1997 DOE appropriations bill includes a \$30.3 million request to fulfill the original obligation.

The money which critics such as the Safe Energy Communication Council contends is little more than corporate welfare goes to multi-national corporations, including General Electric and Westinghouse to develop the advanced nuclear reactors.

Such government largesse has caught the eyes of government-watchdog groups as diverse as Citizens against Governmental Waste, Friends of the Earth and the U.S. Public Interest Research Group, which have petitioned Energy Secretary Hazel O'Leary to eliminate the program.

Already 65 members of Congress have signed onto a request to scrap what they term wasteful spending that amounts to little more than an export promotion subsidy since the reactors would be sold overseas.

Maine's two congressmen, James B. Longley in the 1st District and John E. Baldacci in the 2nd, may soon get a crack at this issue. Baldacci voted in favor of eliminating the program last year; Longley did not vote.

We would urge them to scrap this wasteful spending, especially when the purpose is no longer of any use.

WASTED MILLIONS

The issue: Congress is currently considering continuation of funding for something called the U.S. Department of Energy's Advanced Light Water Reactor, which over its

five-year life span has cost taxpayers \$230 million, despite the fact that no utility has built a new nuclear plant in the past 23 years.

How we stand: Already 65 members of Congress have signed onto a request to scrap what they term wasteful spending. Maine's two congressmen, James B. Longley in the 1st District and John E. Baldacci in the 2nd, should join them.

[From the Bangor Daily News, June 21, 1996]
SPENDING PRIORITY

No U.S. utility has purchased a nuclear plant for more than a quarter century and, according to a recent survey, almost no utility executive plans to ever order another one. This, unfortunately, has not stopped the federal government from spending \$235 million in the last five years on nuclear research for a new style of nuclear power plant, nor has it slowed members of Congress from asking for more money—\$30 million this year—for the project.

This is not a knock on government-sponsored research but a questioning of priorities. The tax money used for developing the Advanced Light Water Reactor has gone largely to three firms: Westinghouse, General Electric and Asea Brown Boveri Inc./Combustion Engineering. All of them are well able to support their own work and would, if it ever had a chance of turning a profit. A 1995 study by Washington International Energy Group showed that 89 percent of utility executives believed their utility would never order another nuclear power plant, suggesting a dismal future market.

The Advanced Light Water Reactor program has been trying to develop a simpler, safer nuclear plant—a potentially wonderful thing—but supporting this research should not be a priority with a government that is trying to balance its budget and has trouble covering the cost of health care and education for its citizens. If Congress is determined to spend money on nuclear programs, it might consider investing further funds in finding a suitable place to store the high-level radioactive waste from the country's 110 active nuclear power plants.

A wide range of organizations oppose the new proposed funding for the reactor, including U.S. Public Interest Research Group, the Heritage Foundation, the Council for Citizens Against Government Waste and Taxpayers for Common Sense. Sixty-nine members of Congress have signed a letter expressing their opposition to it. The Department of Energy and advocates of the nuclear power industry favor continued funding.

Members of the House and Senate have yet to justify the need for what amounts to a large corporate subsidy. It is likely they cannot. Instead, they should end the program before it costs taxpayers any more money.

[From the Houston Chronicle, June 20, 1996]
DIM FUTURE—TIME TO STOP FEDERAL
SUBSIDIES FOR NUCLEAR GENERATORS

Nuclear power plants to produce cheap electricity were once the dream of the future. But the bright future of nuclear plants has dimmed as higher than expected construction costs, environmental considerations and safety concerns have taken their toll over the past two decades.

No new nuclear power plant has been ordered in the United States since 1973, and most utility company executives surveyed this year said they would never consider ordering a nuclear power plant.

Yet, Congress has authorized more than \$230 million in federal support to companies since 1992 to develop advanced nuclear reactor designs when no one in the United States apparently wants to buy them.

Now the Department of Energy is asking Congress for a three-year extension in funding for the Advanced Light Water Reactor program, which was supposed to be completed by the end of this fiscal year. Local U.S. Reps. Sheila Jackson Lee, Gene Green and Ken Bentsen have a record of having voted for this program. Congress now should say no to this "corporate welfare."

The fact that few, if any, American utilities appear interested in buying new nuclear plants would make the taxpayers' investment questionable even without today's severe restraints on the federal budget.

Recipients of ALWR funds, including such giants as General Electric and Westinghouse, have the resources to finance the development of these new reactors, if they so choose. If the market is there and ALWR technology works, let them develop these new nuclear plants on their own.

Meanwhile, the bloom is off nuclear power plants for most Americans. Taxpayers' funds should be spent more wisely, particularly with the critical need to balance the budget.

Mr. MCCAIN. Mr. President, I know that there will be some opposition to this amendment because we have debated and discussed this program before in this Chamber. I would obviously be interested in engaging in that debate, which I think may not take place until Monday or Tuesday. But I hope to be here at that time.

In the meantime, Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. MCCAIN. Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there a sufficient second?

Not at this time.

Mr. DOMENICI. We will have plenty of time to make sure the Senator gets the yeas and nays.

Mr. MCCAIN. I thank the Senator from New Mexico.

Mr. President, I yield the floor.

Mr. KERRY. Mr. President, every day, the working families of Massachusetts have to make tough choices about what they can afford, how to pay the rent, or whether they can send their kids to college.

The Federal budget deficit, while reduced considerably due to President Clinton's leadership and the courage of the Democratic-controlled Congress in 1993, is still over \$100 billion a year. We absolutely must get a grip and bring the Federal Government's expenditures within its means.

Like families in Massachusetts, I have been working in the U.S. Senate to make the tough choices concerning our Federal budget.

In 1994, I successfully led the fight to eliminate funding for the dangerous advanced liquid metal reactor.

Last year, I stood with Senators MCCAIN, FEINGOLD, and THOMPSON in an effort to cut \$60 billion in corporate welfare programs to get rid of wasteful Federal spending and reduce the deficit.

Today, I am proud to continue that fight as a cosponsor of Senator MCCAIN's legislation to cut one of the

biggest examples of corporate pork, the Advanced Light Water Reactor Program.

This program has already spent over \$200 million of taxpayer money to improve the designs of nuclear power plants that nobody in this country wants. There is no demand for more nuclear power plants in the United States. No utility has bought a nuclear power plant since Richard Nixon was President.

This program is the definition of corporate pork. The three companies which received the majority of funding for this program had a combined profit of \$80 billion last year. It is unconscionable for the Federal Government to subsidize the research and development budgets of these companies when we cannot sufficiently fund our schools or put enough cops on the beat to make our communities safe.

In 1992, the Congress funded research for this project for 5 years ending in 1996. Now proponents of the advanced light water reactor say that they need 3 more years of funding to finish the designs that no one wants. This is just corporate pork and it has to be stopped now.

Proponents of this program cite China as a prime market for the design despite the fact that it is illegal to sell China this technology.

Proponents also argue that corporations are going to repay the Federal Government for its investment in the Advanced Light Water Reactor Program once they receive orders for these new plants. However, General Electric has already canceled part of this project because it is not commercially viable.

For all these reasons the advanced light water reactor must be stopped.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, Senator JOHNSTON has the best grasp of this program and will argue in opposition to it in due course. He is not here today for the rest of this afternoon, but I want to say to the Senator from Arizona how much I appreciate the way he has handled these amendments and the manner in which he has presented them. He has made in a very few moments as good an argument as there is going to be against this program, and he did not fill the air with all kinds of technical things but went right to the heart of it. Surely this has been before us before, but obviously it will be taken up briefly in opposition, and then it will take its place among the votes to occur on Tuesday.

I understand the Senator may have a bit of difficulty being here on Monday. I understand that. He can rest assured we will try to get the yeas and nays at the earliest moment, so he can be assured of that.

Mr. MCCAIN. Mr. President, as always, I thank the very wonderful courtesy of my colleague from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I would like to clarify one point in the committee report. Reference is made in the report to the commitment of the State of New Mexico to the Animas-La Plata project. Specifically, this commitment includes the 1986 cost-sharing agreement for the project, allocation of consumptive use required for the project from New Mexico's apportionment under the Upper Colorado River Basin compact, participation in the San Juan River Recovery Implementation Program, and support of the Colorado Ute Indian water rights settlement.

I ask unanimous consent to have two letters in their regard printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEW MEXICO INTERSTATE
STREAM COMMISSION,
Santa Fe, NM, October 5, 1995.

Hon. PETE V. DOMENICI,
U.S. Senator, Dirksen Senate Office Building,
Washington, DC.

DEAR SENATOR DOMENICI: Recent news articles and other reports reaching this office indicate continuing controversy concerning efforts to proceed with development of the Animas-La Plata Project.

This agency continues its full support for the project which includes the commitments made by New Mexico under the several interstate stream compacts, congressional authorization of the project, the 1986 cost-sharing agreement for the project, allocation of consumptive use required for the project from New Mexico's apportionment under the Upper Colorado River Basin Compact, participation in the San Juan River Recovery Implementation Program and support of the Colorado Ute Indian Water Rights Settlement. The water committed to the project by New Mexico from the public waters of the state must be made available for use as soon as possible to meet current demands for water in the San Juan River Basin.

I urge that the Congress take such action as is reasonably necessary to ensure the expeditious development of the Animas-La Plata Project to provide needed water supply for use in Colorado and New Mexico.

Please let me know if I may provide additional information.

Sincerely,

THOMAS C. TURNEY,
Secretary.

ATTORNEY GENERAL OF
NEW MEXICO,
Santa Fe, NM, July 17, 1996.

Hon. PETE V. DOMENICI,
U.S. Senator,
Washington, DC.

DEAR SENATOR DOMENICI: I write to you concerning language in draft Senate and House Appropriations Subcommittee reports addressing the proposed Animas-La Plata Project. Because some of the statements in the reports are false and because other statements appear to encourage bypassing of federal laws, I urge you to contact members of the Appropriations Committees to urge that the problematic language be stricken from those reports. Alternatively, I ask that you seek clarification from Committee members on the intent underlying the reports. Although this report language does not carry the force of law, it has great potential to mislead agencies, courts, and the public at large, to the detriment of all.

NEW MEXICO "COMMITMENTS"

The Subcommittee reports state the following: "For purposes of initiating construction of Stage A, the existing repayment obligations of the parties contracting for water, along with the commitments of the States of Colorado and New Mexico, provide adequate assurances that the United States will be repaid in connection with construction of those facilities." (Emphasis added.) This language indicates erroneously that the State of New Mexico has made a financial commitment toward the construction of the Animas-La Plata (ALP) Project. I know of no such financial commitment. Although the State Legislature in 1991 authorized \$2 million in severance tax bonds to assist San Juan County with ALP start-up costs, in 1993 the Legislature took the money back and authorized it for other purposes. Because the State of New Mexico has no outstanding financial commitment toward repayment of ALP construction costs, this report statement is erroneous and should be stricken.

EVASION OF FEDERAL AND STATE ENVIRONMENTAL LAWS

Addressing environmental impacts of the ALP Project, the reports state:

"The present documentation is fully informative of these issues and construction of the first stage of the project may proceed without adversely affecting any of the other water users on the San Juan system.

* * * * *

"The Committee is aware that the San Juan River and its tributaries do not consistently meet New Mexico's newly adopted water quality standards for selenium and that there is concern over the potential effect of the operation of the Animas-La Plata facilities in Colorado on this existing problem. The Secretary of the Interior should take reasonable steps to assist Colorado and New Mexico in improving the quality of surface flows by addressing the problems caused by non-point sources."

This language is problematic because it implies a congressional finding of the adequacy of the environmental documentation for the project and a concomitant exemption from full compliance with the National Environmental Policy Act. Yet the adequacy of the ALP EIS and its supplement is in grave doubt. Just recently, EPA stated that it "ha[d] identified significant shortcomings in the level and scope of [environmental] analysis," and that "this EIS process [for ALP] has not adequately considered the impacts to Navajo water rights and existing water projects, water quality, mitigation, and the impacts associated with municipal and industrial use."

Neither the New Mexico Environment Department nor this office has completed a review of the new documentation, but preliminary analyses indicate that it is sorely lacking, particularly in relation to the Project's water quality impacts in New Mexico and the absence of analysis of alternatives that would meet the terms of the 1988 Colorado Ute Indian Water Rights Settlement Act. There is simply no basis for a congressional pronouncement that the environmental documentation for the Project "is fully informative of these issues."

Moreover, the reports' implications that New Mexico's only water quality concern relates to its recent adoption of a new selenium standard are false. The ALP Project threatens to violate or exacerbate existing violations of multiple state water quality standards, including selenium, mercury, and possibly others. The 1994 state selenium standard was adopted unanimously by the state Water Quality Control Commission on the basis of extensive and convincing sci-

entific evidence that a higher standard would not be protective of aquatic life.

In addition, a direction to the Secretary of Interior to take steps to address nonpoint source pollution in New Mexico issued simultaneously with a mandate to proceed with construction of a project that, if its agricultural irrigation components are included (Stage B of Phase I and Phase II), will lead to large new nonpoint source pollution problems in the State is both ironic and nonsensical. If the reports' intent is to require the Secretary to mitigate the adverse water quality impacts of the Project, then such mitigation should be identified, described, and committed to in the environmental documentation for the Project, rather than being relegated to a vague allusion in a congressional report.

Contrary to the reports' implications, Stage A cannot be viewed in isolation from the remainder of the Project, especially the remainder of Phase I. Construction of Stage A would not satisfy the requirements of the 1988 Colorado Ute Indian Water Rights Settlement Act. Stage B, which involves a great deal of irrigation and related impacts on New Mexico water quality, must also be constructed in order to meet the terms of the Settlement Act. Since, as the Reports note, New Mexico already had a severe water quality problem in the river stretches affected by the Project, any further deterioration of water quality in that area is not acceptable. Thus, this language, which implicitly endorses evasion of the Clean Water Act and State water quality standards, should be excised.

Please urge the Committees to strike the erroneous language concerning ALP from their reports and to remove from the reports all implications that compliance with federal and state laws may be short-circuited in order to commence Project construction as hastily as possible.

Sincerely,

TOM UDALL,
Attorney General.

GARRISON DIVERSION PROJECT

Mr. DORGAN. Mr. President, the appropriations process provides once again a payment for something called the Garrison Diversion Project, which is a very important project, fulfilling a promise made by the Federal Government to the State of North Dakota 40 years ago.

I appreciate very much the help of the Senator from New Mexico, the Senator from Louisiana, and others on those issues.

I wanted to thank them today for that assistance. It is part of a promise—keeping a promise to a State for water delivery from a series of dams that were built in North Dakota that flooded a half a million acres. That flood came and stayed. We were told that, if you will accept the permanent flood, we will give you some benefits over the next 50 or 60 years.

That is what this process has been about—benefits that will in the long run allow jobs and opportunity and economic growth in a rural State that needs it, but also benefits that are the second portion of a promise that was made if we kept our portion.

We now have a permanent flood of a half a million acres. This payment once again is another installment in the Federal Government keeping its promise to the people of North Dakota.

HANFORD NUCLEAR RESERVATION

Mr. GORTON. Mr. President, this afternoon I want to discuss the Hanford Nuclear Reservation, a place important to me, to the people of the State of Washington, and to the Nation.

Hanford, as my colleagues on both sides of this aisle continually point out, has had its share of problems and challenges for the Nation. That goes without saying when you are the caretaker to 80 percent of the Nation's spent plutonium and 177 tanks filled with millions of gallons of nuclear by-products. Nuclear weapons production and its associated hangover—cleanup—are tasks that no one wants any more, not Oregon, California, New York, or Alaska. You name it, people in other States of this Nation have gladly accepted the benefits of the efforts conducted at Hanford, freedom provided by a strong nuclear deterrent, but they are relatively uninterested in the mess that is left behind.

Instead, Hanford's critics collectively plug their noses, complain about the lack of results they have received from the money invested in cleanup so far. Not only is that disdainful of Hanford's contribution to this Nation's security and freedom, but it is also plain wrong. Over the past 2 years, the Department of Energy, the Hanford community, and this Congress have made real progress toward getting on with real clean up.

Mr. President, I would focus this afternoon on three things. I will tell you what has been achieved and actually cleaned up over the last 2 years; I will tell you what more can be expected; and I will make the case for why we need a continued investment in the site.

Cleanup successes at Hanford are beginning to pay off in a big way. The management strategy developed by the Department of Energy is increasing productivity for less money; its making the site a safer place to work; and it has tackled, albeit clumsily, the disturbing but necessary task of trimming the workforce.

With a focused management strategy, DOE allowed Hanford to perform the full projected \$225 million environmental restoration work over the past 2 years with only \$175 million. This is a \$50 million dollar savings. More importantly, DOE canceled its cost-plus contracting, and entered into one of the most aggressive performance-based contracts in its entire complex. The work force has been cut by 4,774 jobs, and costs associated with equipment, inventory, training, and travel have all been slashed. Despite these cuts, important cleanup milestones are consistently met.

Workers at Hanford are in the field, pushing dirt rather than paper. Two years ago, 72 percent of Hanford's employees did paperwork, while only 28 percent actually did cleanup. Today, that field versus non-field ratio has flipped completely.

Here are some other accomplishments worth noting:

2,300 metric tons of corroding spent nuclear fuel will be stabilized and moved away from the Columbia River three years ahead of schedule and \$350 million under budget;

The cost of solid waste disposal has been reduced by 75 percent over the last 5 years, making the price of cleanup lower than commercial equivalents;

Decontamination of PUREX, the Plutonium Uranium Extraction Plant, is 16 months ahead of schedule, \$47 million under budget and upon completion in 1997 will cut its annual mortgage cost from \$34 million to less than \$2 million;

450 unnecessary DOE regulations and orders have been eliminated;

The 50-year practice of discharging contaminated water to the ground soil has been terminated;

7.5 million gallons of water have been evaporated from the tank farms, slowing the leaks and avoiding \$385 million in costs for new tanks;

Hanford workers have reduced the generation of new mixed radioactive waste by almost 200,000 gallons a year;

Safety performance at the site has jumped from the bottom 25 percent among DOE sites to the top 25 percent in the fiscal year 1994-95 timeframe;

Worker compensation costs have fallen as safety performance increased: \$700,000 was saved on Hanford 6-month insurance and workers compensation bill alone;

17.1 million gallons of ground water were treated;

Over 20,000 cubic yards of contaminated soil were excavated, while 141,000 pounds of tetrachloride were removed from the ground water;

44,000 highly radioactive fuel spacers were removed from the Columbia River; and

The baseline costs for DOE's Remedial Action Project were reduced by \$800 million and its scheduled improved by 9 years.

I could go on, but I am afraid I would lose the point of this discussion within the nuances of technical achievements. That is just a part of what has been accomplished in the past 24 months. You can expect more.

WHERE WE ARE GOING AT HANFORD

This year, the House and Senate passed comprehensive legislation in the 1997 Defense Authorization Act to help lock in greater efficiencies at DOE sites. The legislation, sponsored by myself and DOC HASTINGS in the House, grants expanded authority to site managers to take quick action on cleanup projects; it places strict limits on costly paperwork studies; lays down a 60-day time limit on DOE headquarters review of budget transfers; and it establishes systems to demonstrate and deploy new technologies. Again, many thanks to my colleagues on the Armed Services Committee for their help in seeing this legislation passed.

Within the next few weeks, a new 5-year performance based contract,

which will include incentives to ensure tax dollars are spent efficiently, will be awarded at the site. A new management and integrator system will be implemented where the lead contractor—much like on the space station project—will hire subcontractors at the most economical price to complete work at Hanford.

Finally, DOE is expected to award two private contracts to dispose of the 54 million gallons of radioactive waste upon completion of its removal from the 177 underground tanks situated at the site. And although I have generic questions over the scope and nature of DOE's tank waste remediation system project, I think privatization is the only way it will be able to meet its requirements to clean that portion of the site. The Department's pursuit of a two step cleanup process allows for new technologies and developments to be incorporated into the second phase of the project. It has been projected that by using private expertise, DOE is likely to reduce the costs of tank cleanup by as much as \$13 billion. That is billion with a B.

We are going to take these three events and push the Hanford management system even harder. Greater productivity can be squeezed out of Hanford, and these initial first steps are a good start.

IT'S OUR STATE, OUR RIVER, THESE ARE OUR PEOPLE—WE ARE NOT GOING TO RETREAT

Last year in the conference on the energy and water appropriations bill, the House and Senate were locked in an intense struggle regarding increased funding for defense environmental restoration and waste management within the DOE complex. I told my entrenched colleagues from the House that this DOE is doing a better job than its predecessor. For Senator MURRAY, Senator HATFIELD, and myself, this is life or death. It's our State, our river, these are our people. We are not going to retreat. I have not changed my position from that conference one bit.

The people of the Tri-Cities and the Columbia River are critical to Washington's economic health. Granted, Hanford has been a nagging cough for some time. But we are beating the systemic problems at the site; we are driving costs down in terms of management, overhead, and superfluous expenses; we are getting on with cleanup.

President Clinton came to Congress with a budget proposal for nuclear waste cleanup which was woefully inadequate. The Senate rightly restored over \$200 million to the defense environmental restoration and waste management account. It did not abandon Hanford, as this administration clearly did. We will not let up pressure to get this site clean, because to do so would be a tragic waste of the investment we have already made. An investment, which most of my colleagues know, totals in the billions.

So, Mr. President, I have outlined the progress we have made at Hanford, and I have pointed out where we intend to

go. I hope my colleagues will acknowledge that Hanford cleanup is working. My colleagues need to recognize that, and push aside the stereotypes that for too long have been associated with Hanford. We can't forget what Hanford has contributed to the defense of this Nation, and we certainly should not back away from the commitment we have to get this site clean.

Mr. DOMENICI. Mr. President, I ask if there are any other Senators who would like to present their amendments? We can be here for a while if there are. Soon we are going to get wrap-up from the leader, a unanimous-consent here. I will try to get that quickly so we do not keep the Presiding Officer here.

We will have a quorum call so I will see if we can get that done expeditiously.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak for up to 5 minutes.

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

THE 75th ANNIVERSARY OF THE REHOBOTH BEACH PATROL

Mr. ROTH. Mr. President, I rise today to commemorate the 75th anniversary of the Rehoboth Beach Patrol [RBP] and the patrol's 75-year perfect safety record. Every summer, Rehoboth Beach, DE, is inundated with tens of thousands of vacationers from Delaware, Maryland, D.C., Virginia, and Pennsylvania. And every summer, the lifeguards of RBP reunite over 400 lost children with their parents, treat hundreds of injuries, and save scores of swimmers.

All too often, with people too busy at work, or in this case, too busy at play, years of work, dedication, and perfection go overlooked. It is only fitting and proper that RBP be recognized after so many perfect years of service.

With the leadership of Capt. Paul "Doc" Burnham in the 1940's, through the firm discipline of Capt. Frank "Coach" Coveleski in the 1950's through the 1970's, to current Capt. Jate Walsh, the swimmers of Rehoboth beach have been, and continue to be, guarded by the best Delaware has to offer. As for the future, Lieutenants Tom Coveleski and Derek Shockro strive to continue our great Delaware tradition into the next century.

On behalf of my fellow Delawareans, and the literally hundreds of thousands

of vacationers that have enjoyed the safe beaches of Rehoboth for so many years, I say thank you. And best of luck to Rehoboth Beach Patrol, as it works on another 75 years of perfect service.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, July 25, the Federal debt stood at \$5,181,309,194,639.37.

On a per capita basis, every man, woman, and child in America owes \$19,525.39 as his or her share of that debt.

MESSAGES FROM THE HOUSE

At 12:10 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3816. An act making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 203. Concurrent resolution providing for an adjournment of the two Houses.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

H.R. 1114. An act to authorize minors who are under the child labor provisions of the Fair Labor Standards Act of 1938 and who are under 18 years of age to load materials into balers and compactors that meet appropriate American National Standards Institute design safety standards.

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on July 2, 1996, during the adjournment of the Senate, received a message from the House of Representatives announcing that the House disagrees to the amendments of the Senate to the bill (H.R. 3517) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for fiscal year ending September 30, 1997, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mrs. VUCANOVICH, Mr. CALAHAN, Mr. DADE, Mr. MYERS of Indiana, Mr. PORTER, Mr. HOBSON, Mr. WICKER, Mr. LIVINGSTON, Mr. HEFNER, Mr. FOGLIETTA, Mr. TORRES, Mr. DICKS, and Mr. OBEY as the managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3448) to

provide tax relief for small business, to protect jobs, to create opportunities, to increase the take home pay of workers, to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer-owned vehicles, and to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate and to prevent job loss by providing flexibility to employers in complying with minimum wage and overtime requirements under that act, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on Ways and Means, for consideration of the House bill (except for title II) and the Senate amendment numbered 1, and modifications committed to conference: Mr. ARCHER, Mr. CRANE, Mr. THOMAS, Mr. GIBBONS, and Mr. RANGEL.

As additional conferees from the Committee on Economic and Educational Opportunities, for consideration of sections 1704(h)(1)(B) and 1704(l) of the House bill and sections 1421(d), 1442(b), 1442(c), 1451, 1457, 1460(b), 1460(c), 1461, 1465, and 1704(h)(1)(B) of the Senate amendment numbered 1, and modifications committed to conference: Mr. GOODLING, Mr. FAWELL, Mr. BALLENGER, Mr. CLAY, and Mr. OWENS.

As additional conferees from the Committee on Economic and Educational Opportunities, for consideration of title II of the House bill and the Senate amendments numbered 2-6, and modifications committed to conference: Mr. GOODLING, Mr. FAWELL, Mr. BALLENGER, Mr. RIGGS, Mr. CLAY, Mr. OWENS, and Mr. HINCHEY.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3845) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for fiscal year ending September 30, 1997, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. WALSH, Mr. BONILLA, Mr. KINGSTON, Mr. FRELINGHUYSEN, Mr. NEUMANN, Mr. PARKER, Mr. LIVINGSTON, Mr. DIXON, Mr. SERRANO, Ms. KAPTUR, and Mr. OBEY as the managers of the conference on the part of the House.

MEASURE PLACED ON THE CALENDAR

The following measure was read the first and second times by unanimous consent and placed on the calendar:

H.R. 3816. An act making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes.