

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

COMMITTEE ON FINANCE

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet Wednesday, February 5, 1997, beginning at 9:30 a.m. in room SH-215, to conduct a markup to extend the airport and airway trust fund excise taxes.

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate to receive testimony from committee chairman and ranking members on their committee funding resolutions for 1997 and 1998 on Tuesday, February 4, Wednesday, February 5, and Thursday, February 6, all at 9:30 a.m.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATCH. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, February 5, 1997, at 10 a.m. to hold an open hearing on intelligence matters.

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

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Administrative Oversight and the courts of the Senate Committee on the Judiciary, be authorized to meet during a session of the Senate on Wednesday, February 5, 1997, at 2 p.m., in Senate Dirksen room 226, on "conserving judicial resources: considering the appropriate allocation of judgeships in the United States Court of Appeals for the Fourth Circuit."

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

SUBCOMMITTEE ON CLEAN AIR, WETLANDS, PRIVATE PROPERTY, AND NUCLEAR SAFETY

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Clear Air, Wetlands, Private Property and Nuclear Safety, be granted permission to conduct a hearing Wednesday, February 5, at 9:30 a.m., hearing room SD-406, on ozone and particulate matter standards proposed by the Environmental Protection Agency.

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

ADDITIONAL STATEMENTS

AIRPORT AND AIRWAY TRUST FUND

• Mr. GORTON. Mr. President, last Thursday, I joined my colleague from Arizona, the new Chairman of the Senate Commerce Committee—Senator McCain, the ranking member of the full committee, Senator Hollings, and

the ranking member of the Aviation Subcommittee, Senator Ford, in sponsoring the Airport and Airway Trust Fund Taxes Short Term Reinstatement Act. This legislation will extend the existing system of aviation excise taxes through September 29, 1997, and give the Internal Revenue Service authority to transfer previously collected aviation excise taxes into the airport and airway trust fund.

The airport and airway trust fund is funded by a 10-percent passenger ticket tax; a 6.25-percent cargo waybill tax; a \$6 per person international departure tax; and certain general aviation fuel taxes. In 1997, this fund is expected to provide 62 percent of the Federal Aviation Administration's [FAA] fiscal year 1997 budget. More specifically, the trust fund is expected to provide \$5.3 billion of the FAA's \$8.6 billion total fiscal year 1997 budget. Of this \$5.3 billion, \$3.6 billion will provide 100 percent of the resources necessary to fund the FAA's capital programs, while \$1.7 billion will provide 34 percent of the fiscal year 1997 budget for FAA operations. But this fund, so critical to the operation and improvements of our aviation system, is no longer being funded.

When the authority to collect the aviation excise taxes lapsed on December 31, 1996, officials from both the General Accounting Office [GAO] and the FAA predicted that the \$4.35 billion in uncommitted balances in the fund at that time would be available to fund the FAA's capital programs through June 30, 1997. By July 1, 1997, however, they predicted that the trust fund would become insolvent. Accordingly, if Congress did not reinstate the taxes, it was predicted that the Office of Management and Budget [OMB] would have to reduce the FAA's capital accounts, which are totally funded out of the trust fund—including both the facilities and equipment [F&E] account and Airport Improvement Program, to account for the \$1 billion shortfall between the trust fund's fiscal year 1997 expected contribution of \$5.3 billion and the actual contribution of \$4.35 billion.

According to the FAA, this reduction in the facilities and equipment account could force the FAA to issue stop work orders on all major F&E contracts, which include upgrades of the current air traffic control system throughout the country. The Airport Improvement Program would suffer an even greater impact. Under the original projections, if the aviation taxes were not reinstated, funding for the Airport Improvement Program would have to be reduced by as much as \$300 million in fiscal year 1997. Existing funding agreements under the AIP would be maintained, but no new, discretionary funding would be provided for high-priority safety and security projects, capacity projects, and important noise mitigation programs.

Quite simply, this is unacceptable. If delays in the implementation of safety and security initiatives, as well as construction of capacity enhancement

projects, are caused by lack of funds, then we in Congress will be responsible for weakening the safest aviation system in the world.

From a Washington State perspective, fiscal year 1997 funding for noise mitigation is particularly important. Seattle-Tacoma International Airport has been a national leader in noise mitigation programs and was the first to implement a local housing insulation program to reduce the impact on houses near the airport. The current program, which is partially funded through the AIP's discretionary noise mitigation grants, is scheduled to run through the year 2003.

Under these original projections, it was clear that reinstating the taxes as quickly as possible was the appropriate action for Congress to take to ensure that the U.S. aviation system continues to be the best system in the world.

Last Wednesday afternoon, however, this situation became more dire when the Treasury Department announced that because of an accounting error, the airport and airway trust fund could be insolvent as early as March or April.

Let me explain the events, as I understand them, which led to accounting Error made at by the Treasury Department. Each airline deposits the ticket taxes it collects to the IRS every 2 weeks. Under the look-back provisions of the IRS safe harbor rule, however, an airline can base the amount of that payment on the amount of excise taxes it collected in a 2-week period from the second preceding quarter before the current quarter. In other words, in making a 2-week tax payment in the third quarter of the year, an airline can deposit the amount it collected in a 2-week period during the first quarter of that year. If the taxes it deposits are less than what the airline actually took in during the third quarter, the airline can make up that underpayment when it files its quarterly return. The quarterly return date is approximately 2 months after the close of the quarter.

The 10 percent ticket tax was in place during the fourth quarter of 1996. The airlines' semimonthly tax payments for that quarter, however, were based on the second quarter of 1996, during which time no excise taxes were collected. The airlines, in essence, did not remit any excise taxes during the fourth quarter of 1996, even though they were collecting these taxes from passengers at that time. The airlines will have to make up for these tax underpayments by the time they file their fourth quarter returns, which are due on February 28, 1997. These taxes, however, will not be deposited into the aviation trust fund, since the general-fund-to-trust-fund transfer authority expired along with the aviation excise taxes on December 31, 1996.

It appears that the Treasury Department did not account for the complex

accounting procedures, and assumed that the trust fund would be credited with \$1.5 billion more than it can be unless Congress reinstates the authority for the IRS to transfer the fourth quarter excise taxes to the trust fund. The FAA now expects to run out of money for its capital programs, and possibly its operations, much sooner than originally anticipated.

Mr. President, with Wednesday's Treasury Department announcement that the trust fund could be insolvent by March, I believe it is clear that the Senate's first and overriding priority must be to immediately reinstate the excise tax and transfer authority. While our system continues to be the safest aviation system in the world, Congress owes it to the American people to consider this legislation as quickly as possible to ensure aviation safety, security, and capital investment are not jeopardized in any manner. ●

TRIBUTE TO EZE BURTS

Mrs. BOXER. Mr. President, I rise today to pay tribute to Mr. Ezunial "Eze" Burtis, a talented public servant from California, who is retiring this month as the executive director of the Port of Los Angeles after 12 years of outstanding leadership.

Eze Burtis has spent his entire career in public service. Early in his career, he worked for the Fresno County Economic Opportunities Commission where he administered the county's youth employment program. Later he became a top aide to Los Angeles Mayor Tom Bradley, where he handled a number of duties, including serving as the mayor's liaison to the police and fire departments. He also helped plan security for the highly successful 1984 Olympic Games in Los Angeles, before assuming the helm of the port later that same year.

During Mr. Burtis' tenure, the Port of Los Angeles has become one of the Nation's top trade centers, generating billions of dollars in revenue and creating thousands of jobs. During this period of amazing growth, the port's operating revenue has doubled and the total cargo volume has increased by more than one-third. In fact, the Los Angeles Customs District is the largest in the Nation, and the port has become a major gateway for our Nation's Pacific rim trade. Mr. President, to put into perspective Mr. Burtis' responsibility over the years, the Port of Los Angeles accounts for more than 1 million jobs nationwide, including 1 out of every 27 jobs in southern California.

Mr. Burtis has also been at the forefront of the Alameda corridor project, an enterprise which is very important to my State, and indeed to the entire country. When the Alameda corridor is completed, goods will be quickly shipped from the Ports of Los Angeles and Long Beach to rail yards in downtown Los Angeles, and from there to points throughout the country. Eze

Burtis has been a key supporter of the Alameda corridor since its inception.

Mr. President, I am pleased to announce that Mr. Burtis will continue to be a leader in the southern California community, as he prepares to become the new president of the Los Angeles Chamber of Commerce. I wish Mr. Burtis and his family well as he takes on this new challenge.

TRIBUTE TO DR. WILLIAM J. PERRY

● Mr. WARNER. Mr. President, I rise today to recognize and to pay respect to Dr. William Perry for his distinguished service as the 19th Secretary of Defense. From his confirmation by the U.S. Senate on March 5, 1993, until his retirement on January 24, 1997, Dr. Perry has successfully faced many challenges as he has advised the President and the Congress through the difficult and ever-changing post-cold war era. Clearly, he was the right man at the right time.

Bill Perry brought to the Office of the Secretary of Defense a deep intellect, sound judgment, and a patient but effective leadership style. It is no surprise to me, and I am sure to others that know Bill Perry, how quickly he endeared himself to our men and women in uniform. His genuine concern for our service members has been the hallmark of his tenure as Secretary of Defense. Indeed, his initiatives in the area of quality-of-life have truly made a difference, and will serve as a fitting legacy of his exemplary service.

I have known Bill Perry for many years. I have had the opportunity to work with him during his service in both the Government and the private sector. As he returns once again to the private sector, I look forward to continuing our relationship and I wish him and his family all the best.

Mr. President, I ask that the eloquent remarks that Dr. Perry gave during his farewell ceremony be printed in the RECORD.

The remarks follow:

FAREWELL ADDRESS BY WILLIAM J. PERRY,
SECRETARY OF DEFENSE

I shall be telling this with a sigh.

Somewhere ages and ages hence.

Two roads diverged in a wood, and I—

I took the one less traveled by.

And that has made all the difference.

—Robert Frost.

Four years ago, America faced a choice; a choice between two roads that diverged. One road led to isolation and apathy, the other road, to engagement and action. This century has taught us that the road of isolation and apathy leads to instability and war.

President Clinton chose the road of engagement and action. He strove to bridge the Cold War chasms; to reduce its nuclear legacy; to reach out to former adversaries, to prevent the conditions for conflict, and to create the conditions for peace. And that, as Robert Frost has said, has made all the difference.

It has made all the difference in Europe, where, by establishing the Partnership for Peace we have replaced an Iron Curtain which divided the nations of Europe with a

circle of security which brings them together.

It has made all the difference in our own hemisphere, where all nations, save one, have chosen democracy, and by establishing the Defense Ministerial of Americas we have forged new links of trust and cooperation.

It has made all the difference in the Asia Pacific, where by establishing a Framework Agreement we froze the North Korean nuclear program and prevented a nuclear arms race; and where, by strengthening the Security Agreement with Japan, we have ensured America's security presence—the oxygen that fuels the region's prosperity.

Choosing the right road has made all the difference around the world. By executing the Nunn-Lugar program, we have dismantled 4,000 nuclear weapons that once targeted America's cities. Today, the threat of nuclear holocaust no longer hangs like a dark cloud over the heads of our children.

Four years ago, the Department of Defense faced a choice. One road was well-traveled and easy to follow, but it would have allowed our forces to atrophy as we completed the post-Cold War draw down. The other road was less traveled by, twisting and bumpy with hard choices—hard choices to ensure that we had strong capable military forces ready to respond in a world of new dangers.

Twice before in this century when faced with that same choice, we chose the well-traveled road of neglect. And we paid the price—in Korea with Task Force Smith, and after Vietnam with a Hollow Army. This time we chose the road less-traveled by—the road of readiness. We established training as our highest priority. Training designed to make the scrimmage tougher than the game. We established the iron logic that quality of life for our forces meant quality people in our forces. We reformed our acquisition system to give our quality people the most effective technology. Technology that enables them to dominate the battlefield; to win quickly, decisively, and with minimum losses. And that has made all the difference.

It made all the difference wherever we sent our forces to prevent, deter, or defeat aggression. In Haiti, where we restored democracy. In the Arabian Gulf, where we contained a brutal dictator. In the Korean Peninsula, where we stood firm with an ally. In Bosnia, where we have stopped the killing and brought to a war-ravaged people the blessings of peace. The readiness road ensured the success of each of these missions. Readiness made all the difference.

Four years ago, I faced a personal choice between a well-traveled road to a quieter life, centered around family and friends; and a less-traveled road that led to turmoil, tension, and tough decisions. But it also led to an opportunity to serve our nation, to support the troops I cared for, and to achieve the dreams I cherished.

I thought long and hard upon that choice and took counsel from sage friends. I questioned my wisdom, my patience and my ability to endure. But the courage to meet the test came from the advice of a tough sergeant major: "Take care of the troops," he said, "and they will take care of you."

I have followed that advice, and that, for me, has made all the difference.

It made all the difference every time I advised the President on when and how to use military force. It made all the difference when I negotiated with ministerial colleagues, when I met with Presidents and Kings. It made all the difference when I decided on force levels, mission goals and rules of engagement every time we put our troops in harm's way. It made all the difference when I met with soldiers, sailors, airmen and marines, in distant lands, on domestic bases, on training fields, ships at sea, in cargo