

FY 1999–2003 TOTAL ADDITIONAL CONTRACT AUTHORITY
PROVIDED BY BYRD/GRAMM AND DOMENICI/CHAFEE
AMENDMENTS—Continued

(In thousands of dollars)

| State | Byrd/Gramm | Domenici/ Chafee |
|--|------------|---------------------|
| Maryland | 419,975 | 0 |
| Massachusetts | 495,412 | 0 |
| Michigan | 879,236 | 0 |
| Minnesota | 416,732 | 0 |
| Mississippi | 351,580 | 0 |
| Missouri | 663,387 | 0 |
| Montana | 293,433 | 0 |
| Nebraska | 234,004 | 0 |
| Nevada | 203,458 | 0 |
| New Hampshire | 144,929 | 0 |
| New Jersey | 671,691 | 0 |
| New Mexico | 292,646 | 0 |
| New York | 1,419,503 | 0 |
| North Carolina | 787,713 | 0 |
| North Dakota | 203,458 | 0 |
| Ohio | 959,599 | 0 |
| Oklahoma | 439,300 | 0 |
| Oregon | 358,934 | 0 |
| Pennsylvania | 1,056,906 | 0 |
| Rhode Island | 161,652 | 0 |
| South Carolina | 442,846 | 0 |
| South Dakota | 217,394 | 0 |
| Tennessee | 630,768 | 0 |
| Texas | 1,918,693 | 0 |
| Utah | 240,460 | 0 |
| Vermont | 130,994 | 0 |
| Virginia | 713,320 | 0 |
| Washington | 512,401 | 0 |
| West Virginia | 284,833 | 0 |
| Wisconsin | 506,291 | 0 |
| Wyoming | 211,820 | 0 |
| Puerto Rico | 127,917 | 0 |
| Subtotal | 27,871,000 | 0 |
| Trade Corridors/Border Crossings | 450,000 | 0 |
| Appalachian Development Highway System | 2,200,000 | 0 |
| I-4R/Bridge Discretionary | 450,000 | 0 |
| Grand Total | 30,971,000 | 0 |

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

The PRESIDING OFFICER (Mr. COATS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

DEFENSE AUTHORIZATION BILL

Mr. GRAMM. Mr. President, I will yield the floor when the majority leader arrives. He will deal with a series of issues. One of those issues will have to do with the Defense authorization bill. We will have a series of motions and a flurry of activity related to that bill. I thought that while we were waiting for the majority leader, I could save time for our colleagues by simply talking about the underlying issue.

Let me begin by saying that while there is a deep division over the Defense authorization bill, while there are very strong feelings related to this bill that are held by individual Senators, both Democrats and Republicans, while several of my colleagues and I feel so strongly that we are going to do everything we can to prevent this conference report from being adopted, and while the President has issued a letter saying that he will veto this bill if this bill is presented to him in its current form, I want to make it clear that despite all of these strongly held views, I think all Members of the Senate and the House have acted honorably.

I think this is a matter where there is just a disagreement on an issue which is partly principle, partly parochialism, perhaps on both sides, but it is critically important to me and to several of my colleagues.

I think when the Founders wrote the Constitution, when they established the Senate, their purpose was to guarantee a full debate. Some of you will remember that Jefferson was the Ambassador to France when the Constitution was written. When he came back from France, he went to Mount Vernon and visited with Washington who had been the Presiding Officer at the Constitutional Convention. He said to Washington, "What is the Senate for?" We had established a bicameral Government. We had the House of Representatives, and we had the Senate. So Jefferson's question was, "What is the Senate for?"

Washington, being a southerner, did something that southerners did, and to this day some still do. Southerners, especially when I was growing up, perhaps like when the Presiding Officer was, would sometimes pour their coffee into their saucer to let it cool and then pour it back and drink it. So Washington poured his coffee into the saucer, and he said to Jefferson that "The Senate will be like this saucer; the House, being elected every 2 years, will be caught up in the passion of the moment, but the Senate will be the place where those passions cool in the light of reason."

So today, to the extent we can, we are trying to allow these passions to cool because of our very strong feelings about this bill.

I would like to begin, Mr. President, by asking unanimous consent that a letter from the President's OMB Director stating the policy of the administration to veto the bill be printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT
AND BUDGET,

Washington, DC, October 28, 1997.

Hon. TRENT LOTT,

Majority Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: The Administration appreciates the efforts you and your colleagues have made to craft an FY 1998 National Defense Authorization bill that supports our military strategy and our men and women in uniform. The bill recently reported by the Conference Committee successfully addresses many of the concerns voiced by the Administration about earlier versions passed by the House and Senate. Unfortunately, the bill includes provisions that severely limit the Department of Defense's ability to compete weapons maintenance workload between public and private sector depots, a key concern identified in Statements of Administration Policy.

The bill includes provisions whose intent is to protect public depots by limiting private industry's ability to compete for the depot-level maintenance of military systems and components. If enacted, these provisions, which run counter to the ongoing efforts by Congress and the Administration to use com-

petition to improve DoD's business practices, would severely limit the Department's flexibility to increase efficiency and save taxpayer dollars.

Both the Quadrennial Defense Review and the National Defense Panel recommended repeal of current laws that constrain DoD's efforts to competitively outsource depot maintenance workload. Rather than facilitating DoD's use of competitive outsourcing, the bill attempts to further restrict it.

The bill could reduce opportunities to use industry to maintain future weapons systems. DoD could be forced to add to its expensive public infrastructure in ways that duplicate what already exists in the private sector. Future weapons systems will rely increasingly on commercial technology, in order to exploit commercial industry's rapid rate of innovation and market-driven efficiencies. But by limiting industry's role in maintaining future weapon systems, and in other ways, the bill could frustrate this revolutionary change.

The bill seeks to impose unique and inappropriate requirements on DoD's process for allocating the work now performed at the closing San Antonio and Sacramento Air Logistics Centers. The Department is conducting a fair and open competition to determine the most efficient and cost-effective way to perform this work in the future. Both private contractors and public depots are competing for the work. By dictating how DoD should treat certain competitive factors, the bill seeks to skew any competition in favor of the public depots.

If the numerous problems cited above cannot be overcome, the impact on the Department's costs and on our Nation's military capacity would be profound; the President's senior advisers would recommend that he veto the bill.

We need to encourage more competition from private industry, not less. Billions of dollars in potential savings are at issue. These resources should be used to maintain the U.S. fighting edge, not to preserve excess infrastructure.

Finally, we strongly object to the bill's provisions on high performance computer controls. The bill would severely limit the President's flexibility to conduct foreign policy by mandating permanent controls on the export of high performance computers to specific countries, and would limit the President's ability to adapt computer export controls to changing security needs and technology trends. The bill would also impose unrealistic Congressional notification, licensing and post-shipment verification requirements that would have the unintended effect of decreasing our ability to identify and prevent exports of real national security concern. Current law provides adequate authority to adjust controls appropriately and to deal with any problem exports that may occur.

Sincerely,

FRANKLIN D. RAINES,
Director.

Mr. GRAMM. Mr. President, let me try to define the issue. I know that we have several Members on both sides who know more about this issue than they want to know, but many of our colleagues don't know anything about the issue because they don't at least superficially appear to have a dog in the fight. This has kind of come up suddenly, so let me try to explain it. I will give you a little history, and let me repeat, as soon as the majority leader is ready to start, I will yield the floor.

We had a Base Closing Commission. I was an original cosponsor of it. I voted

for its establishment. We have had three Base Closing Commission reports. Each of them have closed facilities in my State. I voted to enforce each and every one of them. In fact, I was one of the few members who voted to have another Base Closing Commission.

While I hate them, the plain truth is that we have cut defense by a third, and we have reduced defense overhead by 20 percent. We have more nurses in Europe than combat infantry officers, and we have a huge overhang of bureaucracy.

I have been supportive of the process to try to reduce overhead. I have voted for Base Closing Commission reports that have closed very large bases in my State, because the process is one that the country and, therefore, the people of Texas benefit from.

As many of my colleagues will recall, one of the bases closed by the last Base Closing Commission was Kelly Air Force Base, which is a giant maintenance facility that does logistics work for the Air Force. It is a huge employer, a very important facility to San Antonio, to the State, and I believe to the Nation. The Base Closing Commission report called for closing Kelly Air Force Base.

I voted for the Base Closing Commission report. I did not like the results. I did not agree with it. But it was part of the process. And I supported the process. But what the Base Closing Commission report said is that the work at Kelly should either be transferred to another Air Force logistics center or it should be privatized, perhaps in the private facility which would take over when this base was closed.

So the Base Closing Commission report itself called for, as one of the options, private contractors to do the work that Kelly is currently doing. If after the base was closed, the flag taken down, and the military personnel removed, a private contractor bids for the work and the private contractor chooses Kelly Air Force Base as a site to do the work, then that work would be done by private contractors in San Antonio, on private facilities that would operate where this Air Force base used to operate.

What this bill does that I very strongly object to is this bill undercuts the ability of the Secretary of Defense to conduct price competition so that we can have bidding on this work. The taxpayer could potentially save hundreds of millions of dollars by bringing competition to bear on the contracts that will flow from the fact that we are closing Kelly and other bases around the country.

Some of our colleagues in the House who represent depots, which are Government facilities that do maintenance work, wrote into their bill for all practical purposes redundant provisions that would have forbidden the Department of Defense from having competitive bidding. Their basic approach, when you cut through all the legalese,

was that all the work for maintaining military equipment will be done in depots by Government employees and that for all practical purposes there would be no competition, no ability for private companies to compete. And that was the provision in the House.

Those of us who feel strongly about this issue have strongly resisted. And as the distinguished chairman, the ranking member, and our colleagues from States that are affected know, this has been a long and bitter struggle. The bottom line is that the committee, in conference with the House, has written language—30 pages of language—that has to do with limiting the capacity of the Defense Department to engage in price competition to determine who gets maintenance contracts.

In fact, I think it probably was put best in an article that ran in one of the Nation's newspapers where the point was made that while technically the language in this bill does not specifically prohibit price competition, the new language would likely keep private contractors from wanting to bid on the work.

The Defense Department has looked at this language. Several of our colleagues have looked at the language. The Defense Department has concluded, as the administration says in its letter, that if this language were adopted that they would not have the capacity to have a price competition for this procurement. They would be forced to do this work under monopoly circumstances in a Government depot, that the cost of doing that would be substantially above those levels that might be achieved through competitive bidding.

In fact, there was a competitive bid for the first work that was moved from Kelly Air Force Base. Interestingly enough, the winner of that contract was a Government depot. But the important thing is the price was substantially lower than the cost that the Government was paying. In fact, by having a competition, even though a Government depot won the competition, the bid was \$190 million below what the taxpayer was paying; and the depot miraculously discovered that in their overhead they had hundreds of workers who could be released from overhead to do this work for \$190 million less. Isn't it wonderful what competition does even to Government?

Now we are in the process of beginning to move toward competitive bidding for many other functions at these closed bases. Those competitions will occur this spring. It is the intention of the Defense Department to put this work out for bids, and if a private company can do it cheaper, it gets the bid. If a depot can do it cheaper, it gets the contract. And the net result will be literally hundreds of millions of dollars of savings for the taxpayer.

This is a principle that is well-established in our economy: If you have competition, you tend to get higher quality and you tend to get lower cost.

We have provisions in this bill that will disrupt that process, that will make it very difficult, if not impossible, for private contractors to bid on and potentially win these contracts. The net result will be that rather than the taxpayer benefiting from the cost savings that would come from competition, now this work is going to be dedicated to the Federal Government and its various entities and no such competition would occur under this language.

Granted, this language is 30 pages of mumbo jumbo, but the thrust of it, the focus of every word, the focus of every sentence is to inhibit competition.

Let me tell you what I see happening. I am not referring to any of my colleagues. In fact, the people on the other side of this issue are people that I have deep affection for. There is no one that I love more than the distinguished senior Senator from South Carolina who is chairman of the committee and who has done his best to work something out here that we could all live with. In the final analysis, he could not get the House to take language that we could have unanimity on in the Senate. But in any case, here is what is happening. I want to alert the Senate and the American people to it.

We have cut defense now since 1985 by over a third. As a result, we are dramatically reducing our funds to maintain our military equipment and to procure new military equipment.

In this environment, there is sort of two ways you could go. One way would be to say, "Well, listen, with these huge defense cuts, we've got to get the most we can for our money." So we want more competitive bidding. We want to put almost everything we do—within the constraints of this being defense and with its special needs—out for competitive bidding and try to get—to quote McNamara—probably not a good source to quote—"the biggest bang per buck." That would be one way to go. Quite frankly, that is the way we should go, in my humble opinion.

The other way to go, and the way we are going, is to take the very parochial view that defense is like welfare, and that agencies of the Government that have always had these contracts are entitled to them, whether they can do the work best or not, whether they can do it cheapest or not, and that since defense is being cut back, we have all got to grab what piece of it we can and hold it to our bosom and protect our own individual facilities.

We are masters at coming up with rationalizations for the things we do. You can argue that only Government employees can really understand an F-100 engine, even though private employees built the F-100. You can come up with many rationalizations and not all of them without merit.

But the bottom line is that what we are doing in this bill is that we are impeding competition and we are stopping the Secretary of Defense from doing what he believes is in the vital

national security interest of the United States, and that is having the capacity to put contracts out for competitive bidding.

I want competition. I would like to say—not that any of us ever have to justify what we do; the one thing that we try as Members of the Senate to do is to show each other the courtesy of not impugning one another's motives—but I would like to make a point that at least it is important to me. I had the privilege of serving on the Armed Services Committee for 4 years. It was a great privilege. And I had in that capacity the opportunity to work with real giants. I have served with, in the Senate, Senator Goldwater, a hero of mine who I voted for President in 1964, and I have served with STROM THURMOND.

But I think anyone who has served with me, if they will remember from my initial debate with Congressman Nichols, who was a Congressman from Alabama and who represented a big defense logistics facility, that from the first year I was on the committee I have fought this business of denying competitive bidding and price competition.

I do not believe that I have ever deviated from my support, in terms of defense procurement, of the principle that where the objective is to get the lowest possible cost and the best quality, that we should have price competition.

I have objected to efforts to try to prevent us from forcing prisoners to work. I believe prisoners ought to work like taxpayers. But that is a subsidiary issue and has no part in this debate. But the point I want to make is, in my State we do have a closed military base which I voted to close as part of the base-closing process.

Nothing I am trying to do is trying to reverse the base-closing process. That base is going to be closed. The clock is running. Functions are already being shifted. Military personnel have got their orders to move off. I am not trying to reverse that.

But under the Base Closing Commission, one option that was open to the Pentagon was competitive bidding, with the winner of the bid, if it was a private company, having the option to choose where they wanted to do the work.

Privitization is an option that is explicitly, specifically outlined in the Base Closing Commission report.

The Defense Department wants to follow that procedure. The bill before us will, for all practical purposes, prevent that from happening.

Some of our colleagues, in debating this issue, have brought in President Clinton. I want to address that issue, if I may.

When the Base Closing Commission report came out closing huge logistics centers in San Antonio and in California, President Clinton, who has never been accused of not being a good politician, immediately did what any

red-blooded politician would do, and that is he lamented the fact. In fact, he went to great lengths to talk about how terrible it was. I thought at one point he might put himself down in front of the gate at McClellan, and just as a bulldozer was getting ready to run over him, he would have a trusty aide come in and have the Secret Service drag him out.

It is also true that he said we will try to find a way to keep some of this work at Kelly and McClellan. If the assertion is that Bill Clinton was playing politics in the 1996 Presidential election, I am sure he would plead guilty, and he clearly was playing politics.

But as is true of so much that our President says, he said it but he didn't do it. He flirted with the idea of vetoing the base closing report, but he didn't. He talked about helping these two bases and their thousands of employees, but in the final analysis, he didn't do anything special to help them. He did what virtually any politician would do, and that is he felt their pain. He feels it better, or at least convinces people he feels it better, than most.

Now, when the Defense Department, using the exact language of the Base Closing Commission, is trying to move ahead with competitive bidding to decide whether to transfer functions from these closed bases or to give them to private companies if they can do it better, cheaper, or both, people who don't want this competition say President Clinton played politics with the process.

The point I want to make is that any politician, whether running for President, dog catcher or whatever, is going to talk about feeling people's pain when 22,000 people are being put out of work. There is no doubt about the fact that the President actually had people recommend to him that he override the Base Closing Commission. But the bottom line is he did not override the Base Closing Commission report. The bases are being closed. Nor did he intervene to try to say you have to give the contracts to private contractors who will use these old facilities.

What the Defense Department is trying to do and what this bill before the Senate seeks to prevent being done is to have a competition, where if the depots that are being protected by this language win the competition, they get the work, while if a private contractor wins they get the contract. This is what happened with the depot in Macon. The first competition saved the taxpayers \$190 million by miraculously discovering hundreds of workers who were not so busy they couldn't do this work. Yet there are still many who say there couldn't possibly be a fair competition. It is very hard to convince people who don't want to be convinced.

Now, where are we and what is the issue here? Where we are and what the issue is here is the following: We have 30 pages of language in the bill that basically have as their aim stopping com-

petition. I have the language here for people to see and I have given it to both the Republican and the Democrat leaders. We had a meeting with the Pentagon and a meeting with the White House and have gone through these 30 pages.

In the entire 30 pages we have come up with three major changes, one of which is changing a word, another of which is putting back in the bill language that was critically important to the Pentagon, critically important to the White House, critically important to those of us who oppose this language, but which the staff dropped, saying it was a technical thing. It was technical. When Senator MCCAIN said, "Great, great, we can solve this problem. If it was technical, put it back in." Well, it may have been technical when they took it out, but when we asked it be put back in, it was not technical.

Now, in addition, when the Pentagon was trying to negotiate with the staff of the committee, the Pentagon and the staff reached a tentative agreement to strike some of the language. Not very much of it. As you can look at this bill, you can go many pages without seeing a single mark of anything that would be changed.

But what happened, and again nobody is blaming anybody for it, but in addition to taking out language that was critically important to the Secretary of Defense—saying it was technical when they took it out, and that it didn't matter, but now it is critical and can't be put back in—in addition to that, there were a lot of provisions, little bitty piddly things that were agreed on to take out of the bill. But then suddenly right at the last minute, it was discovered that that language had been put in the report and that the report language has the effect of law. Part of our dispute and I think one of the reasons for the strong commitment to try to do something here is a belief that we were on the verge of a deal, that language had been struck from the bill in good faith, and then we discover at the last minute that the language has been put back. Our language was in the bill and then we discover at the last minute that it has been struck.

So what those of us who vigorously oppose the bill in its current form have done is reduced our changes down to one page. It would take 17 hours to read the defense authorization bill, and we may well have the opportunity to hear it read before this debate is over. I think that would be therapeutic because I think if people heard all this noncompetitive language, they would be against it. But in trying always to be reasonable, in trying to follow the saintly principle of trying to accommodate other people and their legitimate needs and concerns, in working with the Pentagon and the White House we have come up with one page of changes—one page. In a bill that would take 17 hours to read, we have one page of changes that would apply to 30 pages

of language that is aimed at trying to prevent price competition. We have one page of changes, and two of the three changes have to do with, one, putting back in language that we thought had already been agreed to leave in the bill; and two, taking out language that had already been agreed to take out. Only we find that it has been put in the report language and, therefore, for all practical purposes, has the same effect.

So, of the things we are asking for, far more than half are things that were already agreed to.

So it seems to me that even though the House has acted, we can try to have a simple motion to amend this language in the bill. There is already an effort underway to have a similar motion to fix an inadvertent change in language for Senator DOMENICI, and if we could, through a technical correction amendment, simply get this one page of simple changes, half of which go back to what was already agreed on but which subsequently was changed at the last minute without our knowing about it, if we could do this, two things could happen, and both of them are good.

First, those Senators who are opposed to the bill could graciously or ungraciously step aside and allow the bill to pass. Second, the President could sign the bill instead of vetoing the bill. But in order to do that, we are going to have to put back in language that was previously agreed on and then later taken out. We are going to have to take out language that was taken out and then later put back. Then we are going to have to reach an agreement on a couple of points that are technical but are important to the Secretary of Defense in meeting the national security needs of the United States.

So I want to say to my colleagues we are at this unhappy state where we have at least four and probably more of our colleagues who are going to try to the best of their ability to prevent this conference report from being adopted in this session of Congress. We want to work out an agreement. We want to pass this bill. There are things in this bill that are provisions that I wrote, that I am for. We have a provision of this bill to guarantee the status of senior military colleges. That is important. That is important to Texas A&M. I love Texas A&M, other than my family, more than anything else in the world. I want that language to become law. There are a lot of things in this bill that I care about.

So I would like to work out an agreement. So would my colleagues—my colleague from Texas, my two colleagues from California. But if we can't work this out, we are tired of being run over. We are tired of a small group of Members of the House who have to have it their way, even if it means hundreds of millions of dollars of additional cost for the taxpayer, even if it means a weaker national defense. They have literally distorted this whole

process, and for 3 years we have been engaged in a struggle where they have pursued their own individual interest to protect their facilities at the expense of the taxpayer and at the expense of national security. If the alternative is to let them prevail, then we have no alternative except to resist. Again, obviously it is very difficult to resist a conference report, but we intend to do the best we can in trying to do that.

Our intention, our hope, is that we can make these small changes. I will give you one of the three things that we need changed. On page 5, line 8, of this 30 pages of anticompetitive language that is aimed at preventing price competition and, in the process, making taxpayers pay more, there is a word that creates a tremendous problem for the Defense Department, and that word is "ensure." Now, what the Secretary of Defense has said is that he could live with all of this language—I am tempted, and if I were in a more expansive mood, I would say "rotten language" but I am not going to say it—if another word were used instead of saying "ensure." The sentence says,

The Secretary of Defense shall require the performance of core logistic workloads necessary to maintain the core logistics capacities identified under paragraphs 1, 2, and 3 at Government-owned, Government-operated facilities of the Department of Defense (including Government-owned, Government-operated facilities of a military department) and shall assign such facilities sufficient workload to ensure cost efficiency and technical competence in peacetime, while preserving the surge capacity and reconstitution capabilities necessary to support fully strategic and contingency plans referred to in paragraph 3.

In other words, all the work goes to them.

Now, the Secretary of Defense, in trying to reach a compromise, says he could live with promoting it but he can't live with ensuring it. Now, is it worth risking killing the whole bill over one word? Well, it is if you believe that one word is going to mean higher cost and less effective defense and if you believe that this is part of a continued effort of a small group of Members of the House to impose their will on the whole process.

So I think we have come up with one page of changes in a bill that takes 17 hours to read, many of which are just one word. If we could work this out, we could get out of the way and this bill could be signed by the President instead of being vetoed.

A final point, and I will yield the floor. We have already passed the appropriations bill for the Defense Department. We are here trying to pass the authorization bill after the appropriations bill has already passed. We don't have to pass this bill. I would like to pass it. But I would just like to remind my colleagues that we are here today, instead of being here 2 months ago, or a month ago, because of this one issue, and this one issue is that principally Members of the House are

saying, "You are either going to protect my depot from competition, or else I am not going to support defense." That is basically what the House depot caucus, as it is called, is saying.

What will happen if this small number of Members of the Senate who are today opposing this conference report lose is, first of all, we will be unhappy about it. But second, the President is going to veto the bill anyway and you are not going to be able to override the veto. So the bill is not going to become law in any case. What we are asking for, once again—and I would like to renew this request, and I would like to try to get this material to our distinguished chairman and to people who are interested—is to make one page of changes in a bill that would take 17 hours to read and that gives totally unfair advantage to depots as compared to private companies. If we must, we will accept tilting the competition toward depots and away from private companies, even though it will mean higher costs and lower quality defense, in order to reach a compromise. We are not willing to accept a prohibition against competition. I am sure we can all defend our positions, and probably will as this debate goes on.

I am happy that my position is in favor of competition. If companies bidding to do this work and wanting to do it in San Antonio, TX, can't do it cheaper and better, don't give them the work. But if they can do it cheaper, if they can do it better, to the extent that I have power as just 1 of the 100 Members of the Senate, I cannot and will not step aside while other Members of the Senate in essence say, even if private contractors in San Antonio or California can do it better, even if they can do it cheaper, even if it saves hundreds of millions of dollars, we don't care, and we won't let competition occur because we are going to run over people because we have a large enough number of people. We are going to say forget the taxpayers, forget competition, we want this for ourselves. We have earned it. We have these depots and it is our right to have this work.

Well, I reject that. I think it is wrong. I believe I would reject it if there were no people in my State who wanted to compete for these contracts. Now, there are people who want to compete for these contracts, and I just want to repeat, in concluding, that I am not trying to put any language in the bill that says give it to my people in Texas. I am not trying to put any language in this bill that says tilt the playing field toward the private sector.

I am willing to accept 30 pages of language that does everything it can to prevent competition from ever occurring if they will make one page of changes. But I cannot and will not accept the position that people in my State who want to do this work and who have been doing it for years, who helped win the cold war and tear down

the Berlin wall and liberate Eastern Europe and free more people than any victory in any war in the history of mankind, now all of a sudden, because a few Members who because of their numbers have dominated this process, say, "Don't let people compete for my jobs," will not be able to compete to keep some of their work. I cannot step aside and let that happen willingly. I may not be able to prevent it, as we will find out as this process goes along, but I have an obligation to fight it because it is fundamentally wrong for America to be preventing competition.

Almost as if on cue, our distinguished majority leader is here. I yield the floor.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Mr. President, first of all, let me say that it seems customary on this floor to say how much you appreciate and love somebody and respect them. Of course, there is no better evidence of my affection for the senior Senator from Texas than the fact that back when—some may have forgotten that he ran for President. In the primary, he ran against the then majority leader Bob Dole. I openly supported the senior Senator from Texas over Senator Bob Dole, which was politically pretty dumb for me to do. But I did it because I felt he is a very capable individual.

Having said that, I would like to respond to the items that he has stated in his statement. Let me cover a couple of things that the distinguished Senator from Texas talked about.

For openers, the Senator from Texas stated that the BRAC Commission, during their process in 1995, offered as an alternative to privatize in place. Let me suggest to you, Mr. President, that is not the case. It was the case in Newark, it was the case in Louisville, it was the case in the Naval Air Warfare Center in Indianapolis; but it was not the case in either McClellan Air Force Base or Kelly Air Force Base. The reason I say that is that, specifically in those first three instances where they did privatize in place, the BRAC report said specifically "privatize in place." Contrary to that, in the 1995 round, it specifically said that whatever happens, whether it is privatization or anything else, you have to move the required equipment and any required personnel to the receiving locations.

I think we all know why that is the case. If you have five air logistic centers, each one operating at 50 percent capacity and you close the two least efficient ones, according to the BRAC Commission, you then would transfer that workload, and if you didn't transfer that workload, you would have to somehow account for paying for 50 percent of overhead that isn't being used.

Now, when we talk about what this bill does, it is true that we are including in any competition a value for the vacancy that occurs, or the 50 percent capacity that is not being used in the

remaining ALC's. There would be three remaining. That is only reasonable because there is a tremendous value to that.

Second, we are also providing a value of the actual real estate value of the facilities that would be used. For example, if the Senator from Texas wanted competition to come in and use Kelly Air Force Base, it would not be fair competition to say, fine, you could have it for \$1 a year. Instead, the bill provides that it would have to be for the value of that institution. Those are dollars that otherwise would be spent on our defense system.

Third, I mention the question as to whether or not President Clinton made a political statement when he suggested out in Sacramento, CA, that they were going to leave that alone, I would like to read his statement to you. It says:

On July 1, you were dealt a serious blow when the independent Base Closing Commission said that we ought to shut Kelly down. At my insistence and my refusal to go along with that specific recommendation, the Air Force developed the privatization in place plan that will keep thousands of jobs here at this depot.

That is right before the Presidential election. If you look at this one sentence which says, "At my insistence and my refusal to go along with that specific recommendation * * *" that in and of itself is a very clear violation of both the intent and the letter of the BRAC process.

I yield to the majority leader.

Mr. LOTT. Mr. President, I know there is a lot more debate that we will hear on this subject. We would like to start a process that would get us on the DOD authorization conference report.

EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

Mr. LOTT. Mr. President, regarding the Coverdell A-plus education bill, I ask unanimous consent that the Senate now turn to H.R. 2646, the Coverdell education bill.

Mr. DASCHLE. Mr. President, reserving the right to object. We have no opposition to moving to the bill, but, obviously, how the bill is considered will be of some interest to us. I know that the leader has indicated he would like to go to the bill and, as I understand it, there may be a cloture vote as early as Friday on the bill itself.

Obviously, we still have not been able to resolve our problems relating to campaign finance reform and, in part because of that and also because this is a tax bill and not subject to reconciliation constraints under which we have worked with other tax bills, Democratic Senators, I know, and perhaps some Republicans would appreciate the opportunity to offer amendments. We have an array of amendments on this particular bill that we would like to offer and, of course, perhaps most prominently of all, the non-tax-related matters for which there would be an in-

terest in having a good debate is the campaign finance reform bill.

Hopefully, by Friday, we can resolve that matter. But even if we do, the issue would still stand that we would need to be able to offer some amendments. So I am hopeful that we can arrange a way in which that can be accommodated. Subject to how the bill is pending on Friday, we would be subject to another cloture vote for which there would be a significant degree of opposition—hopefully unanimous on our side—so long as the campaign finance reform issue and this tax matter has not been resolved. But we certainly will work with the leader to work through these matters, and we have no objection to bringing the bill up today.

Mr. LOTT. Mr. President, I have a unanimous-consent request pending.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report.

A bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

The Senate proceeded to consider the bill.

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on H.R. 2646, the Education Savings Act for Public and Private Schools.

Trent Lott, Paul Coverdell, Robert F. Bennett, Pat Roberts, Strom Thurmond, Gordon H. Smith, Bill Frist, Mike DeWine, Larry E. Craig, Don Nickles, Connie Mack, Jeff Sessions, Conrad Burns, Lauch Faircloth, Thad Cochran, and Wayne Allard.

Mr. LOTT. Mr. President, for the information of all Senators, the cloture vote on the Coverdell education bill will occur on Friday of this week. We will have consultation with the Democratic leader and will notify Senators as to exactly what time that would occur. We will give them that information on Thursday so Members can make plans for what time we would have that vote and, hopefully, what time they could then leave on Friday.

In response to the Democratic leader's comments, first of all, this is a very, very important issue. I have found that any time that I explain what the Coverdell A-plus provision will do, people of all backgrounds and races and situations in education are very much attracted to it. We would allow people, whether it is parents or grandparents or even other groups, to be able to have savings accounts similar to individual retirement accounts.