

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

MORNING BUSINESS

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

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

THE MOTOR SAFETY DEMONSTRATION PROJECT

Mr. DORGAN. Mr. President, section 344 of the National Highway System Designation Act of 1995 required the Department of Transportation to implement a motor carrier regulatory relief and safety demonstration project. The purpose of this project was to determine whether certain motor carriers with exemplary safety records could operate safely with fewer regulatory burdens.

Specifically, the Department was required to establish a pilot program for operators of vehicles between 10,001 and 26,000 pounds, under which eligible drivers, vehicles, and carriers would be exempt from some of the Federal motor carrier safety regulations.

The safety data generated from this project was to serve as the basis for assessing the appropriate level of future safety regulation for the motor carrier industry.

The statute was clear. Section 344 required the Department of Transportation to ensure that participants in the project would be "subject to a minimum of paperwork and regulatory burdens necessary to ensure compliance with the requirements of the program" and to "represent a broad cross section of fleet size and drivers of eligible vehicles".

Mr. President, I would inquire of the Majority Leader, what is the status of the motor carrier regulatory relief and safety demonstration project which we mandated in 1995?

Mr. LOTT. Mr. President, I thank the Senator for raising this issue. The letter and intent of the law concerning this program are not being carried out at all.

The National Highway System Designation Act passed in 1995, and section 344 mandated the motor carrier regulatory relief and safety demonstration project. It required the Department of Transportation to implement this project no later than August, 1996. However, the Department of Transportation did not even publish Final Guidelines for the project until June 10 of this year—1 year later than required by law.

Mr. DORGAN. I am, to be honest, somewhat taken aback by the Department of Transportation's obvious delay in implementing a congressionally mandated program. And I understand that delay is not the only problem afflicting this program.

The Final Guidelines, only published this year, appear to fall far short of what was intended in section 334, both in terms of reducing paperwork and regulatory burdens and attracting a broad cross section of participating businesses. Potential business participants invested many months of effort attempting to work with the Department of Transportation to create a functional program. However, the Department's Final Guidelines still create unreasonable barriers to motor carrier participation, produce uncertainty in implementation and enforcement, and fail to reduce business paperwork.

Mr. LOTT. Mr. President, I would add that, at this time, there is not a single applicant for the motor safety demonstration project.

This has not kept the Department from heralding the project as a centerpiece of their so-called regulatory reform. For example, in the August 11, 1997 issue, of the industry publication "Transport Topics," the Department's Associate Administrator for Motor Carriers, George Reagle, referred to the project as a key part of the administration's effort to "provide common-sense government * * *" which offers "the opportunity to further regulatory reform". Mr. Reagle further stated that "This early step toward reform will set the tone for our entire regulatory future * * *".

A centerpiece with no participants is an empty centerpiece. Words of self-praise are an inadequate response. The law was clear and implementation is overdue.

Mr. DORGAN. Mr. President, it seems to me that if there has not been a single participant in this program—which was intended as a way to relieve the regulatory burden on those companies that have demonstrated a good safety record—then something is amiss with this program.

I would hope that the Department would take a second look at this program and give serious consideration to making some changes that will permit the program to work in the manner in which Congress intended. It is clear that Congress desired to establish a means to achieve some regulatory relief and, thus far, we have not seen that result.

Mr. LOTT. Mr. President, I fully agree with the Senator. I do not believe the Department has followed the provisions established under the National Highway System Designation Act. I am disappointed.

The Senate Committee on Commerce, Science and Transportation has been working to advance legislation expanding the Department of Transportation's use of pilot programs and regulatory exemptions. I will be working with the committee to help reduce, as much as is safely possible, some of the unnecessary regulations and paperwork imposed on the motor carrier industry.

Given the Department's handling of the motor safety demonstration project to date, I am very concerned

about the Department's sincerity in implementing such legislatively mandated programs. I will also be working very closely with the committee to ensure that the mandates we have already passed are complied with by the Department of Transportation.

AMERICAN MANUFACTURING AT ITS BEST

Mr. FORD. Mr. President, today I rise to pay tribute to the Paducah gaseous diffusion plant [PGDP] in Paducah, KY. On October 20, 1997, Industry Week Magazine recognized the Paducah facility as one of "America's 10 Best Plants" from among 275 plants nominated for the honor in 1997.

According to Industry Week, a national publication which annually salutes the top performing manufacturing facilities in North America, the dual purposes of the competition are "to recognize plants that are on the leading edge of North American efforts to increase competitiveness, enhance customer satisfaction, and create stimulating and rewarding work environments; and, to encourage other North American managers and work teams to emulate the honorees by adopting world-class practices, technologies, and improvement strategies."

There is no question that the Paducah facility, a federally owned nuclear fuel enrichment plant managed by Lockheed Martin Utility Services, meets these criteria. In fact, it is a model for any manufacturing plant in any industry in the country. Over the past 10 years, the Paducah plant has nearly tripled output from 2.3 million units per year to 6.8 million units per year. And this amazing increase in productivity was achieved using existing equipment and machinery. Similarly, the percentage of production units in-line has risen from 57 percent of capacity in August 1993, to an impressive 96.9 percent in April 1997. To top it all off, the Paducah facility boasts 100 percent on-time delivery for the past 5 years with a zero product defect rate. Now that, Mr. President, is what quality American manufacturing is all about.

On July 25, the Clinton administration gave formal approval to move forward with privatization for the U.S. Enrichment Corporation [USEC], the Government entity that currently owns PGDP. Hopefully, this process will be completed early in 1998. As I have maintained for the better part of 10 years, privatization will not only enable Paducah to utilize cutting edge technologies to keep it competitive in the world uranium market, it will also keep thousands of productive employees on the job well into the next century.

Mr. President, I ask unanimous consent that the article entitled "Lockheed Martin Utility Services" be printed in the RECORD following my remarks.

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

[From Industry Week, Oct. 20, 1997]

LOCKHEED MARTIN UTILITY SERVICES

(By John H. Sheridan)

Perhaps it has something to do with the fact that the huge production facility he runs is located smack dab in the middle of a 4,000-acre wildlife refuge—complete with pesky beavers and a herd of deer. Or maybe he just enjoys telling animal stories. But if you ask Steve Polston about the management philosophy that drove culture change—and an impressive business turnaround—at the Paducah Gaseous Diffusion Plant (PGDP) in Paducah, Ky., be prepared for a few lessons in zoology.

For instance, there's his yarn about the "tiger rabbit"—a creature that has become the stuff of western Kentucky legend.

Polston, who is general manager at PGDP, a nuclear-fuel enrichment facility owned by the federal government and managed by Lockheed Martin Utility Services, likes to show a picture of one of these critters. It's your basic rabbit, but it has black-and-orange stripes. "It might look a little bit like a tiger," says Polston, "but you can't expect it to act like a tiger."

In a sense, that was his perception of the PGDP complex about five years ago, when the initial steps were taken to begin transforming the 1,550-employee facility from a financially struggling unit of the U.S. Dept. of Energy (DOE) into a businesslike operation. An important step was passage of the Energy Policy Act of 1992, which spun the Kentucky facility out of DOE—along with a sister plant in Portsmouth, Ohio—and into a newly created government entity, the U.S. Enrichment Corp. (USEC). Legislation adopted in 1996 set in motion a plan to eventually privatize the business.

"In the beginning," says Polston, "we knew we weren't a real business—even though they called us a business."

For one thing, the culture of the plant was mired in a can't-do mentality, the legacy of years of bureaucratic oversight. For another, costs were out of control. "We had been losing market share because our costs were going up rapidly," Polston recalls. In the early 1990s DOE analysts had projected that USEC's world market share would drop from 46% to less than 20% by the year 2000. And there was speculation that the two plants might close for good early in the 21st century—a rather ominous projection, since the USEC plants together supply 80% of the fuel to run nuclear powerplants in this country. If they shut down, the U.S. would no longer be self-sufficient in nuclear-fuel-processing capability.

In trying to turn things around, the first challenge was to get costs under control. But it was clear that would require cultivating new attitudes—in the management ranks as well as among the unionized workforce, which is represented by the Oil, Chemical & Atomic Workers (OCAW) Local 3550 and the United Plant Guard Workers of America.

Explaining PGDP's approach to cost-control issues, Polston sets the stage with—you guessed it—another animal story. When an elephant is young, he points out, it is trained to stay in place by a short tether attached to its leg and tied to a stake. After years of conditioning it associates the tether with an inability to move about freely. "When an elephant grows up," Polston explains, "you can hold it in place with a piece of old clothesline. After I came here six years ago, I began to envision us as a big elephant restrained by a small rope. Our workers thought it was impossible to get our costs down."

One way to begin changing that mentality was an infusion of new management blood. Polston began recruiting senior managers

with backgrounds in commercial nuclear power—people who understood the realities of a competitive business environment. "I wanted to break that rope," he explains. "I wanted their private-sector mentality to rub off on us."

He also began preaching the merits of cycle-time reduction and elimination of non-value-added activity. At the same time, training, communications, and quality and teamwork initiatives were intensified—with the support of OCAW union leaders.

A primary cost-reduction thrust has been to emphasize the use of lower-cost, nonfirm power, since electricity represents 60% of the facility's total costs. To accomplish this, the plant took a more aggressive approach in using freezer/sublimator equipment developed by the Paducah engineering staff, as well as a sophisticated computer system, enabling the plant to reduce power consumption during high-price periods and then make up the production slack by increasing power usage during off-peak hours when rates are lower.

A second key initiative—which called for broad involvement by the workforce and rigorous adherence to procedures—was to improve the reliability of process equipment. A strong preventive-maintenance program was beefed up, and workers were encouraged to participate widely in a problem-reporting system that has cultivated a continuous-improvement mentality. When an employee points out a problem or potential problem, it goes into a corrective-action system that plant officials describe as a "bear trap" that forces follow-up activity. In some cases, joint union-management teams are formed to investigate and implement solutions. In 1996 the problem-reporting/suggestion system identified 6,000 plant issues—generating about 10 times as many improvement ideas as in years past.

When an employee fills out a problem-report form, he or she is required to include suggestions on how to solve the problem. "Some of the suggestions have been very creative and insightful," Polston notes. "We identify low-threshold problems before they become bigger problems." Coupled with the problem-reporting system has been an extensive effort to train employees in root-cause-analysis methods.

At the core of PGDP's extensive employee-communications program has been an effort to translate business goals established by USEC into terminology and objectives that the entire workforce can identify with. After a winnowing process, emphasis was placed on three key goals:

Ensure an accident-free environment.
Strive to get 100% of the plant's production cells on stream.

Reduce the cost of SWUs—that is, "separated work units," a measure of the effort required to boost the U235 level in the uranium hexafluoride (UF₆) processed by hundreds of "converters" in the four-building production complex.

To keep employees abreast of progress toward the goals, the latest performance metrics are posted on a large sign at the entrance to the property, so that when they drive in each morning workers know exactly how they're doing. In addition, color-coded charts posted in strategic locations provide at-a-glance updates on progress toward the current Top 10 plant objectives—which are established annually under the PGDP Quality of Operations plan.

So how they have been doing?

Well, the predicted falloff in market share never occurred. In fact, since 1992 USEC—which generates more than one-third of its annual revenues from sales to overseas customers—has increased its domestic market share and boosted its export sales. In the last five years the Paducah plant has reduced its

manufacturing costs by nearly 11% while establishing an enviable record of shipping product 100% on-time and 100% within specification—without maintaining an inventory buffer. And the folks at USEC headquarters in Washington have ample reason to be pleased with the bottom-line results.

"We're an example of efficiency in the public sector—and we make a tidy profit for the U.S. Treasury," says John R. Dew, who oversees training programs at Paducah and carries an unusual title—manager of mission success. "Our management team has taken a 45-year-old bureaucratic government operation and turned it into a profitable business that is at the top of President Clinton's list for privatization."

For 1996 USEC was able to report net income of \$304.1 million on sales of \$1.41 billion—an enviable 21.6% profit margin. If the U.S. Treasury Dept., the USEC's sole shareholder, eventually does approve the sale of the business to private interests—a move that could take place early next year—it will mean a nice windfall for Uncle Sam. By some estimates, the sale could prove to be the biggest U.S. privatization move ever, exceeding the \$1.6 billion sale of Conrail in 1987.

Securing final approval of the sale could prove a bit sticky, however, since the new owners would obtain access to what is still considered highly classified technology—including AVLIS, a next-generation enrichment process being developed by USEC, in conjunction with Bechtel Corp.

Perhaps a little history will put the national security issues into perspective. The Paducah facility was built in 1952 by the old Atomic Energy Commission, under orders from President Harry Truman, to produce enriched uranium for thermonuclear warheads—as a hedge against possible war in Southeast Asia. The site met all of the official site-selection criteria established during the early years of the Cold War and at the height of Sen. Joseph McCarthy's anti-Communism crusade. For one thing, Paducah was more than 100 miles from any city with "known Communist activity."

In addition to the official criteria, the site selection no doubt also was influenced by the fact that Paducah was the home town of Alben W. Barkley, then U.S. vice president.

By 1964 the U.S. had developed an ample supply of weapons-grade nuclear material, and the Paducah facility was converted to production of fuel for nuclear power plants. In simple terms, the enrichment process involves heating cylinders containing solid UF₆ until it gasifies, then forcing the gas through a miles-long enrichment "cascade"—a series of converters separated by jet-engine-like compressors. In each converter, uranium molecules pass through a porous material, which gradually separates the lighter U235 molecules from the heavier U238 molecules—creating an "enriched" stream with a higher concentration of U235. The enriched stream is eventually withdrawn and cooled to a solid state in 14-ton cylinders.

Electrical power to drive the 1,860 motors in the system comes from two primary utilities—including a nearby Tennessee Valley Authority plant—along with electricity purchased in the open market and "wheeled" to the Paducah site. The power is distributed through four large power switchyards, one for each of the four processing plants. "Just one of these switchyards could handle the power needs of a city the size of Washington, D.C.," explains Terry Sorrel, customer-relations representative.

The heart of the production complex is a large circular control room that monitors the operation of all the equipment on site. One section of the control room, called the

"Power Pit," manages the purchase and distribution of all electrical power used throughout the facility. "Our goal," says Ron Taylor, power-operations manager, "is to have a reliable power supply at the lowest possible cost."

Thanks to the sophisticated freezer/sublimator equipment, the power load can be quickly adjusted by freezing or subliming up to 200 tons of uranium gas. To reduce power requirements, UF₆ gas is withdrawn from the system and frozen.

Much of PGDP's progress during the last five years can be attributed to a cooperative union-management relationship, which has led to the creation of joint union-management teams at various levels. For example, an empowered union-management team developed a system to provide better heat protection to people working in high-temperature areas. Teams also have improved quality and maintenance efficiency (the site has 300 maintenance workers). And one team developed a six-year plan for facility upgrades.

Now, an effort is underway to expand the team concept by creating high-performance work teams that will be responsible for day-to-day operations. Added impetus for this initiative came from a visit by union and management representatives to another Lockheed Martin plant—a former "Best Plants" winner—in Moorestown, N.J. "Teamwork is a win/win situation, but we realized that we were functioning on a project basis," says Steve Penrod, operations manager. "At Moorestown, we saw a culture of teamwork in day-to-day activities."

Union officials support the high-performance team concept, says Mike Jennings, an OCAW representative for continuous-improvement programs. "It is a slow process, since it is a big change in culture," he says. "We aren't going to force teams on anyone."

Paducah has taken a team approach to operations performance improvement, placing heavy emphasis on a "conduct of operations" code that demands "rigorous attention to detail," says Penrod. As part of the effort, a team including hourly workers developed a "Code of Professionalism" that specified how employees should conduct themselves on the job.

Undergirding all of the performance-improvement efforts at Paducah has been an extensive communications effort—which includes "All-Hands Meetings" twice a year for 1,200 or more employees. "At these meetings, we reinforce our expectations, we discuss our performance measures, and we give people the opportunity to comment and raise any issues they may have," explains Howard Pulley, enrichment plant manager. "Among other things, they may tell us which of our systems are causing them to not be efficient."

Then there are "C2" meetings—in which small groups of employees focus on compliments and concerns. Every other month, 15 people are selected at random to participate. After discussion, the groups vote on their top three compliments—citing things that are being done well—as well as their top three concerns. "We follow up on their issues and then provide feedback," Pulley says.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING OCTOBER 24

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending October 24, the United States imported 7,482,000 barrels of oil each day, 1,104,000 barrels more than the 8,586,000 imported each day during the same week a year ago.

Americans relied on foreign oil for 54 percent of their needs last week, and

there are no signs that the upward spiral will abate. Before the Persian Gulf war, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? By U.S. producers using American workers?

Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,482,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, October 30, 1997, the Federal debt stood at \$5,430,869,894,529.83 (Five trillion, four hundred thirty billion, eight hundred sixty-nine million, eight hundred ninety-four thousand, five hundred twenty-nine dollars and eighty-three cents).

One year ago, October 30, 1996, the Federal debt stood at \$5,237,762,000,000 (Five trillion, two hundred thirty-seven billion, seven hundred sixty-two million).

Five years ago, October 30, 1992, the Federal debt stood at \$4,067,329,000,000 (Four trillion, sixty-seven billion, three hundred twenty-nine million).

Ten years ago, October 30, 1987, the Federal debt stood at \$2,384,800,000,000 (Two trillion, three hundred eighty-four billion, eight hundred million).

Twenty-five years ago, October 30, 1972, the Federal debt stood at \$439,230,000,000 (Four hundred thirty-nine billion, two hundred thirty million) which reflects a debt increase of nearly \$5 trillion—\$4,991,639,894,529.83 (Four trillion, nine hundred ninety-one billion, six hundred thirty-nine million, eight hundred ninety-four thousand, five hundred twenty-nine dollars and eighty-three cents) during the past 25 years.

TECHNICAL CORRECTIONS TO THE SATELLITE HOME VIEWER ACT OF 1994

Mr. HATCH. Mr. President, I rise today to laud the Senate passage of H.R. 672. This legislation, which was introduced by Congressman COBLE in the House of Representatives, is the counterpart to legislation I introduced in the Senate on March 20 of this year—the Copyright Clarification Act of 1997, S. 506. The Copyright Clarification Act was reported unanimously by the Senate Judiciary Committee on April 17.

The purpose of these bills is to make technical but needed changes to our Nation's copyright laws in order to ensure the effective administration of our copyright system and the U.S. Copyright Office. The need for these changes

was first brought to my attention by the Register of Copyrights, Marybeth Peters, and I want to thank her for her outstanding work.

Among the most important amendments made by H.R. 672 is a clarification of the Copyright Office's authority to increase its fees for the first time since 1990 in order to help cover its costs and to reduce the impact of its services on the Federal budget and the American taxpayer. This clarification is needed because of ambiguities in the Copyright Fees and Technical Amendments Act of 1989, which authorized the Copyright Office to increase fees in 1995, and every fifth year thereafter. Because the Copyright Office did not raise its fees in 1995, as anticipated, there has been some uncertainty as to whether the Copyright Office may increase its fees again before 2000 and whether the baseline for calculating the increase in the consumer price index is the date of the last actual fees settlement—1990—or the date of the last authorized fees settlement—1995. H.R. 672 clarifies that the Copyright Office may increase its fees in any calendar year, provided it has not done so within the last 5 years, and that the fees may be increased up to the amount required to cover the reasonable costs incurred by the Copyright Office.

Although H.R. 672 does not require the Copyright Office to increase its fees to cover all its costs, I believe it is important in that it provides the Copyright Office the statutory tools to become self-sustaining—a concept that I promoted in the last Congress. Currently the Copyright Office does not recover the full costs of its services through fees, but instead receives some \$10 million in annual appropriations.

Several studies have supported full-cost recovery for the Copyright Office. For example, a 1996 Booz-Allen & Hamilton management review of the Library of Congress recommended that the Copyright Office pursue full-cost recovery, noting that the Copyright Office has been subject to full-cost recovery in the past and that the potential revenues to be derived from pursuing a fee-based service was significant. A 1996 internal Copyright Office management report prepared by the Library of Congress also recommended full-cost recovery for copyright services. The Congressional Budget Office has also suggested full-cost recovery for the Copyright Office as a means of achieving deficit reduction. These recommendations were endorsed by the General Accounting Office in its recent report, "Intellectual Property, Fees Are Not Always Commensurate with the Costs of Services."

It is my understanding that the Copyright Office has embraced the goal of achieving full-cost recovery for its copyright services. H.R. 672 will provide the authority to achieve that goal, and by passing this legislation this year, the Copyright Office will be able to move expeditiously to adjust their fees for the coming year.