

-serving as president of the Young Lawyers Division of the Memphis Bar Association and president of the Young Lawyers Conference of the Tennessee Bar Association. He subsequently served a term as president of both the Memphis and Tennessee Bar Associations.

Mr. Gilman is eminently qualified to serve as a judge. His legal career has been as distinguished as it has been multifaceted. He has practiced criminal law, civil litigation, particularly commercial litigation, general business law, and estate planning. Most recently, he has spent a good deal of his practice involved in alternative means of dispute resolution, often serving as an arbitrator and mediator. From a background such as his, I think we can safely expect that Mr. Gilman will bring to the bench the legal practitioner's bent for common sense and careful application of the law rather than an ideological approach to the law.

Mr. Gilman is not only one of Tennessee's most distinguished lawyers, but a leader in the Memphis community as well, having served leadership roles with the Boy Scouts, the Memphis Jewish Home, and Memphis Senior Citizens Services, among other groups. He is a recipient of the Sam A. Myar, Jr. Memorial Award for outstanding service to the legal profession and the Memphis community.

This nomination enjoys widespread and bipartisan support. Both Republican Representative ED BRYANT and Democratic Representative HAROLD FORD, Jr., support the nomination. The entire Tennessee legal community supports the nomination. I have heard not a single negative word about Mr. Gilman's nomination, and I urge my colleagues to vote in favor of this nomination.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I yield back the time on this side. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Ronald Lee Gilman, of Tennessee, to be U.S. circuit judge for the Sixth Circuit? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER (Mr. INHOFE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 1, as follows:

[Rollcall Vote No. 295 Ex.]

YEAS—98

| | | |
|-----------|------------|---------------|
| Abraham | Feingold | Lott |
| Akaka | Feinstein | Lugar |
| Allard | Ford | Mack |
| Ashcroft | Frist | McCain |
| Baucus | Glenn | McConnell |
| Bennett | Gorton | Moseley-Braun |
| Biden | Graham | Moynihan |
| Bingaman | Gramm | Murkowski |
| Bond | Grams | Murray |
| Boxer | Grassley | Nickles |
| Breaux | Gregg | Reed |
| Brownback | Hagel | Reid |
| Bryan | Harkin | Robb |
| Bumpers | Hatch | Roberts |
| Burns | Helms | Rockefeller |
| Byrd | Hollings | Roth |
| Campbell | Hutchinson | Santorum |
| Chafee | Hutchison | Sarbanes |
| Cleland | Inhofe | Sessions |
| Coats | Inouye | Shelby |
| Cochran | Jeffords | Smith (NH) |
| Collins | Johnson | Smith (OR) |
| Conrad | Kempthorne | Snowe |
| Coverdell | Kennedy | Specter |
| Craig | Kerrey | Stevens |
| D'Amato | Kerry | Thomas |
| Daschle | Kohl | Thompson |
| DeWine | Kyl | Thurmond |
| Dodd | Landrieu | Torricelli |
| Domenici | Lautenberg | Warner |
| Dorgan | Leahy | Wellstone |
| Durbin | Levin | Wyden |
| Enzi | Lieberman | |

NAYS—1

Faircloth

NOT VOTING—1

Mikulski

The nomination was confirmed.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1998—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report accompanying the bill (H.R. 1119) to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The report will be stated by the clerk.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1119), have agreed to recommend and do recommend to their respective Houses this report, signed by majority of the conferees.

The Senate proceeded to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 23, 1997.)

The PRESIDING OFFICER. Under the previous order, there will now be 4 hours for debate to be equally divided in the usual form.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, the conference report for the National Defense Authorization Act for Fiscal Year 1998 is before the Senate now. This is an important component of the national security legislation that the Congress must pass each year.

The Armed Services Committee worked hard this year to produce a bill that will authorize the appropriation of \$268.2 billion for procurement, research and development, test and evaluation, operation and maintenance, working capital funds, military personnel, military construction and family housing within the Department of Defense, and for the weapons programs of the Department of Energy and the civil defense. This is an important piece of legislation.

Mr. President, there are some Senators who will suggest that the Senate should reject this bill in order to protect interests in their States. This is a very large bill with over 600 legislative provisions. The conference report is nearly a thousand pages. In order to reach agreement on a bill of this magnitude, a lot of compromise is required. The conference report includes many programs and policies essential to the Department of Defense and the Nation. However, not everyone got everything that they wanted. As the committee prepared for our markup, we received letters of request from 99 Senators. The committee tried to accommodate as many of these requests as possible, consistent with our national security needs. Mr. President, neither South Carolina nor Michigan got everything Senator LEVIN and I wanted for our States.

Defeating the Defense authorization bill because three or four Senators did not get everything they wanted would be the ultimate in partisanship over statesmanship. Let me explain what the Nation would lose if there is no Defense authorization bill this year.

I believe the single most controversial issue in the conference report is the policy with regard to depots. In the area of privatization, the bill includes an important compromise that provides for open competition for the work at the closing depots at Kelly and McClellan Air Force Bases. If the bill is not enacted, the opportunity to support full and open competition and to resolve a longstanding and very contentious issue will be lost. The bill would also change the current 60-40 public/private split in The Department of Defense depot maintenance to 50-50, giving The Department of Defense greater flexibility to achieve an optimal mix of public and private capabilities.

Mr. President, negotiating the compromise on the depot issue was a difficult and complex three-way negotiation. Senator LEVIN and I worked together in a totally bipartisan manner to ensure a fair resolution that provided for fair and open competition. We are in total agreement on the compromise. I want to commend Senator

LEVIN, and members of his staff, for their tireless efforts and cooperation in achieving this compromise.

I know that some Senators believe that they should have gotten more, but there are equally as many Senators from States on the other side of the issue who believe they gave up a great deal more. I hope that we agree that open competition will be in the best interests of the public and private sector and the Nation. Secretary Cohen has indicated that he can support the depot compromise. I urge my colleagues to put parochial interests aside and work with us to implement this compromise successfully.

Mr. President, I could talk for hours about the important legislative provisions that the Department of Defense and our service men and women will be denied if we permit this conference report to be defeated. I will spare my colleagues that recitation, but I do want to highlight some of what we will lose.

Without the Defense authorization bill, the military pay raise will be less than our service members deserve. The bill includes a 2.8-percent pay raise for military personnel. If the bill is not enacted, the pay raise for military personnel will be limited to 2.3 percent. Federal civilians will receive at least a 2.8-percent pay increase while our military personnel on duty throughout the world will receive a pay raise 1 percent below the inflation rate. Denying military personnel what I would describe as a minimal pay raise is shameful.

The bill includes authority for significant increases in the special pay and bonus structure designed to respond to critical recruiting and retention problems highlighted by the Department of Defense. Specific groups that would be affected include military aviators, nuclear-qualified officers, dentists, military members on overseas tours, military members receiving family separation allowances and/or hazardous duty assignment pay, and military members serving in hardship duty locations. Reducing military pay raises while failing to increase these bonuses through defeat of the Defense authorization bill will punish those who expect us here in the Congress to look out for them. We will be repudiating the commitments we have made to improving the quality of life for military personnel and their families.

Mr. President, I assure my colleagues that, unless this bill is passed, we will see increases in career personnel leaving the military services. They will see our action as a breach of faith and I cannot blame them.

The bill provides authority for the Department of Defense to begin construction on the fiscal year 1998 military construction projects including quality of life and training-related facilities. If the bill is not enacted, construction cannot begin. Some may believe that since the military construction and family housing projects are funded in the Military Construction Appropriations Act, they do not need

the authorization in the conference report. Let me assure my colleagues that is not correct. Both an authorization and an appropriation are required for military construction projects.

The conference report includes an exception to the cost limitation for one *Seawolf* submarine. Without this legislation, the Navy will have to stop work on the SSN-23 later this calendar year. This could lead to significant payments to the shipyard and people who work on the *Seawolf* Submarines and those who supply materials for the submarines will be laid off. Not only does the Nation need the capabilities of these advanced submarines, the employees and the communities in which these people live will be tragically affected. We cannot allow this to happen.

In the conference report, we re-authorized the acclaimed National Guard Youth Challenge Program. The bill would make permanent the authority for this important and popular community and youth-oriented program. If the bill is not enacted, the Department of Defense must terminate support for this popular program. Many disadvantaged youth in all our States will be denied the opportunities this worthwhile program provides.

The President, and most of us here in Congress, strongly profess our support for counterdrug activities. The bill includes provisions that would extend the 1-year authority to provide counterdrug assistance to Mexico and would create a new 5-year authority to provide riverine counterdrug assistance to Colombia and Peru.

The bill would establish two new assistants to the Chairman of the Joint Chiefs of Staff, representing the interests of the National Guard and the Reserves. This is important legislation designed to ensure that the Chairman of the Joint Chiefs of Staff has the benefit of the best advice with regard to all the reserve forces, in particular as it pertains to their unique capabilities and requirements.

Mr. President, I could go on for hours on the good things in this bill. Some may propose stripping out some of the provisions I have discussed today and introducing separate legislation in order to avoid denying our service members key benefits. This is a shortsighted and unacceptable notion. The conferees worked very hard for many weeks to craft a bill that includes those items they agree are essential to the national security. To fracture this process would be irresponsible. Those who may propose such legislation will be trying to take care of a few at the expense of many. This is not our way. I will strongly object to any such proposals.

Mr. President, suggestions to defeat the Defense authorization conference report because of the compromise on depot maintenance are irresponsible. This bill is important to the young men and women who serve in our military forces. The bill includes pay raises and increases to special incentive pay,

including vital aviator bonuses. Provisions in this bill affect every aspect of our national defense including quality of life initiatives, modernization, and readiness. I remind all Senators that all military construction projects require an authorization as well as an appropriation and cannot be executed without this bill.

All members of the Armed Services Committee support this bill, both Democrat and Republican. The Military Coalition, a consortium of nationally prominent military and veterans organizations representing 5 million current and former members of the seven uniformed services, their families and survivors, strongly endorses enactment of this bill. I ask unanimous consent that a letter signed by the leaders of the 22 organizations be included in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.
(See exhibit 1.)

Mr. THURMOND. Mr. President, the House of Representatives has already passed this bill by a veto-proof majority of 286 to 123. The leaders of the Defense Department have indicated that they can make this compromise work and that they need this bill passed. It is hard for me to believe that any Senator would oppose the entire Defense authorization bill at a time when American troops are deployed in Bosnia and serious trouble appears to be brewing again in Iraq.

I strongly encourage all Senators to vote for this bill. We must send a strong signal to the White House to demonstrate to the President that this bill which is so important to our national security should be signed. We must show the young men and women in uniform serving our Nation around the world, men and women many of whom will spend yet another Thanksgiving and Christmas holiday season away from home in service to their Nation, that we are strongly behind them.

Mr. President, I might add that the conference report is the outcome of a great deal of hard work by Members and staff. I want to especially thank staff on both sides for all that they did to promote this bill. I am confident that without their good work we couldn't have brought to the floor such an outstanding bill. I want to commend Les Brownlee and David Lyles for the excellent work, and other members of the staff who cooperated with them.

Mr. President, I yield the floor.

EXHIBIT 1

THE MILITARY COALITION
Alexandria, VA, October 30, 1997.

Hon. STROM THURMOND,
Chairman, Committee on Armed Services, U.S.
Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Military Coalition, a consortium of nationally prominent military and veterans organizations, representing five million current and former members of the seven uniformed services plus their families and survivors, is writing to strongly endorse enactment of H.R. 1119, the National Defense Authorization Act for FY 1998.

Several of the provisions of the bill are vital to maintaining a high level of military readiness among the men and women of the Army, Navy, Marine Corps, Air Force, Coast Guard, Public Health Service and National Oceanic and Atmospheric Administration. Others would offer significant improvements in health programs, compensation protections for deploying members, and survivor benefits programs, to name a few.

Now that the conferees have made their judgments concerning defense priorities and resource allocation, the Coalition believes strongly that this legislation should be enacted as quickly as possible. The unformed servicemen and women, whose selfless dedication to this Nation frequently puts them in harm's way, need Congress' support, and that support can best be rendered at this time by passing H.R. 1119.

Sincerely,

THE MILITARY COALITION.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I am pleased to join with the chairman of the Senate Armed Services Committee in bringing the conference report on the DOD authorization act to the Senate floor this morning. It has been a long and difficult conference in which we had to address and finally resolve some very difficult issues.

First, I want to congratulate Chairman THURMOND on the successful conclusion of the conference and thank Senator THURMOND for the open and bipartisan spirit in which he conducted this conference on the Senate side. Without his leadership, this conference report wouldn't be here. He had to make some difficult decisions. He did that on a bipartisan basis, and I want to commend him for it.

I thank the chairman and the ranking member on the House side, Congressmen SPENCE and DELLUMS, for their cooperation.

We worked hard to reach a fair conclusion on the issues in the conference. I think we have succeeded. There are some provisions in the bill that I don't agree with. But, overall, I think we reached a good compromise on the major issues. And I hope the President will sign this bill.

Let me start with the action that we took to begin the implementation of the Quadrennial Defense Review. These are important steps. There hasn't been a lot of focus on them. But these are important actions which we took. The QDR, the Quadrennial Defense Review, was completed in May. The conference report begins to implement some of the recommendations of the QDR.

For example, the conference report would permit reductions in Active and Reserve and end strengths below the fiscal year 1997 level, as the Department of Defense continues to restructure and streamline both combat and support functions in an effort to free up funds for the services' modernization priorities.

Second, the conference report calls for annual reductions of 5 percent in headquarters staffing over the next 5 years in an effort to reduce the so-called tooth-to-tail ratio.

The conference report would provide funding for a number of the Army's Force XXI initiatives. The QDR set a goal of "digitizing" an entire Army Corps by 2004—and the funding in this bill will continue that process.

Finally, the conference report would make some positive changes in the area of privatization of depot maintenance work recommended by the QDR by permitting the privatization of up to 50 percent of such work, in lieu of the 40 percent cap currently imposed by law.

Mr. President, I think it is very unfortunate that Congress has not followed the QDR recommendation to give the Defense Department authority to conduct more base closure rounds. We lost that battle on the Senate floor this year, but this issue is just simply not going to go away. I think more and more people are going to realize that we are going to have to close some unnecessary bases if we are going to free up money for other important needs, including the modernization of our forces.

The bill also takes a number of important steps to improve the quality of life of our troops.

For example, the conference report includes a 2.8-percent pay raise for active duty military members. If the bill were not enacted, this pay raise would be limited to 2.3 percent because of the statutory link between military and civilian pay raises. However, Federal civilians will receive an average .5 percent in locality pay that is not available to active duty military, in addition to their 2.3-percent pay raise.

So the 2.8-percent pay raise for active duty military is fair, it is needed, and it is dependent upon the passage of this conference report.

The conference report also includes authority for significant increases in special pay and bonuses available to respond to critical recruiting and retention problems which have been highlighted by the Department of Defense. If the bill were not enacted, these authorities would not be available to the Department. Specific groups that would be affected include aviators, nuclear-qualified officers, dentists, military members on overseas tours, military members receiving family separation allowances and/or hazardous duty assignment pay, and military members serving in hardship duty locations. Those increases in those special pay and bonuses are critically necessary. They are dependent on the passage of this bill.

The conference report includes significant reforms of the existing structure for housing allowances and subsistence allowances for military members. These reforms would simplify the management of these allowances and better target the allowances to those individuals in geographic areas with the greatest need.

The conference report provides authority for the Department of Defense to begin construction on fiscal year

1998 military construction projects, which include a number of important quality-of-life and training-related facilities. As our chairman has said, if this bill is not enacted, construction of these projects cannot begin, and they are needed. And these are quality-of-life issues.

The conference report terminates the Reserve Mobilization Insurance Program. If the bill is not enacted, the Department of Defense will continue to lose \$10 to \$12 million per month as deployments and obligations continue.

Mr. President, I am particularly pleased that the conferees agreed to authorize the full budget request of \$382 million for the Defense Department's Cooperative Threat Reduction Program, and \$158 million for the related programs in the Department of Energy.

The House bill also contained some very restrictive provisions that would have made it difficult for these programs to continue in the coming year. I am pleased that those provisions were either dropped or modified by the conferees. Combating the threat of proliferation of weapons of mass destruction is one of the greatest national security challenges that we face. And the cooperative threat-reduction programs are on the front line of our efforts to meet this challenge.

Those programs are an investment in America's security. Those programs make it less likely that there will be a proliferation of weapons of mass destruction. Those programs are a very, very cost-effective way of reducing probably the greatest threat that America faces. I am glad that we were able to fully fund the budget request and, again, either eliminate or modify some needlessly restrictive provisions on the use of those funds.

There were three issues that we had to deal with in conference that the administration said, if we didn't resolve satisfactorily to them, would result in a veto of this bill.

First, Bosnia;

Second B-2's;

And, third, depots.

All three of these issues were raised by provisions in the House bill. And, after a lengthy battle, we have successfully addressed each one of them.

First, on the issue of Bosnia, I think we had a good outcome. The administration again said they would veto a bill that included a funds cutoff for United States military presence in Bosnia. We avoided that outcome with a provision similar to the one in the Department of Defense appropriations conference report that authorizes the President to override a funds cutoff if he certifies that the continued presence of American troops in Bosnia after June 30, 1998, is required to meet United States national security interests.

But, equally important in my view is the sense-of-Congress language which I sponsored in the Senate that says clearly it is the sense of the Congress that, one:

First, United States ground combat forces should not participate in a follow-on force in Bosnia after June 1998;

Second, that a western European Union-led or a NATO-led force, without the participation of United States ground combat forces, may, indeed, be a suitable follow-on force; and that a western European Union-led force could be under the European Security and Defense Identity initiative;

Third, this language provides that the United States may decide to provide appropriate support to a follow-on force, including command and control, intelligence, logistics, and, if necessary, a Ready Reserve force in the region;

And, fourth, this language provides that the President should inform our NATO allies of this sense-of-Congress language and strongly urge them to prepare to provide for such a follow-on force.

The second veto issue was the B-2 bomber. On this issue, we believe that we avoided a veto threat by following the appropriations conference outcome. We authorized a total of \$331 million either for procurement of additional B-2 aircraft or for maintenance and upgrade of the current B-2 fleet. We left it up to the President to decide which option to select.

I obviously hope and expect that the President will decide not to buy any more B-2's.

That clearly is the position of the Senate, and I hope he makes the decision quickly so that we can put this issue behind us and so the Air Force can begin to spend the money on what is needed, which is to fix some of the problems with the current B-2 fleet. The senior military civilian leaders of the Defense Department have said repeatedly that we don't need and cannot afford any more B-2's.

Now, on depot maintenance, which is the most difficult issue that we faced, it took the longest time to resolve in this conference, and that issue is how do we allocate depot maintenance work of the closing air logistics centers at Kelly and McClellan Air Force Bases. With a lot of jobs at stake, there are obviously strong feelings on both sides of this issue. And those feelings are understandable.

I think we all ought to realize that people who have an interest in their home States are going to fight strongly for those States and for what they perceive as fairness for their home States. That is why we are here—at least one of the reasons we are here—to represent strongly the interests of our own State. And so the kind of strength that we faced in the feelings on this issue was understandable and it is understandable.

The Depot Caucus representatives of the depots that remain open felt that the President had ignored the spirit of the base closure process by pursuing a policy of privatizing the work at Kelly and McClellan, and that was the so-called privatization or privatizing-in-

place approach. The Senators from Texas and California fought equally strongly to ensure that the work could remain at the closed depots.

Now, I will state candidly that I disagreed with the assertion of the Depot Caucus that the Base Closure Commission prohibited privatization in place at Kelly and McClellan, and I have said this before, that in my judgment the 1995 Base Closure Commission left it up to the Department of Defense to decide how to redistribute the Kelly and McClellan work. The Commission's recommendation explicitly directed the Department of Defense to "Consolidate the workloads to other DOD depots or to private sector commercial activities as determined by the Defense Depot Maintenance Council." So there was an either/or in the Commission recommendation—either consolidate the work loads to other DOD depots or to private sector commercial activities.

I also disagreed with the legislation which was proposed by the Depot Caucus which was included in the House bill which would have prohibited the Department from privatizing in place until the three remaining Air Force depots were operating at 80 percent of capacity—in effect prohibiting the Air Force from keeping any of the work in California or Texas.

I voted against that proposal in our committee, and I voted against it in conference because I felt that it was one sided. Had that provision remained in this bill, I would not be supporting the conference report. But as the present Presiding Officer fully knows, that provision is not in this conference report. What we have instead is a provision that is aimed at providing a level playing field for competition between the closed depots and the depots that remain open.

Now, I have always believed that competition results in the best value to the Department of Defense and to the taxpayers, and I believe it is the right solution to the depot dispute.

The conference language includes seven specific criteria to help ensure that the Air Force does not tilt the playing field. These requirements were written by Members and staff who are neutral in the fight between the closed bases and the remaining air logistics centers. Now, I reiterate, Members who actually voted against the position of the Depot Caucus in conference took the lead in drafting this compromise, and our sole objective was to ensure a fair competition and each of these requirements was included for that purpose.

We had some objections from both sides of the issue in the Congress and from the administration about almost every proposal that was ever put on the table, but the bottom line is that we believe this compromise is fair. We believe the Department of Defense can make it work fairly. I support the compromise because I believe it will lead to the fair and open competition that is the best and perhaps the only answer to this dispute.

We have heard several arguments from opponents of this provision. First, one draft of the compromise bill language contained a sentence which stated that "appropriate consideration may be given to differences in cost or performance risk associated with the location of performance."

In the final version, the bill language was replaced with report language which stated:

The Department would be expected to consider real differences among bidders in cost or capability to perform the work based on factors that would include the proposed location or locations of the workloads. The consideration of such differences does not constitute "preferential treatment."

Both the bill language in the earlier version and the report language in the final version gave the Department the flexibility to consider both cost and risk factors associated with the location of performance. Both are consistent with the Department of Defense's current practice, and I just simply cannot see any substantive difference between them.

Second, opponents of the fair competition compromise oppose a provision authorizing teaming agreements between the public depots and private contractors. In my view, such teaming arrangements simply give each offeror, each bidder, the opportunity to put together its best bid. The Deputy General Counsel of the Department of Defense, who also now happens to be the nominee to be the new Under Secretary of the Air Force, recently testified before the Armed Services Committee that he could not see anything anticompetitive about public/private teaming arrangements. If teaming agreements result in better bids and better value for the Department of Defense and the taxpayer, then it seems to me we should encourage these arrangements and not prohibit them.

Third, opponents of the compromise language have said that it would unfairly stack the deck against Texas and California by permitting the public depots to fudge their bids by hiding overhead costs. In fact, the fair competition provisions specifically require the Department to consider all direct and indirect costs that will result from the various offers. So, far from permitting the depots to hide costs, the provision requires the Department of Defense to consider all costs.

The statement of managers states that the Department should consider all savings including "any overhead savings, i.e., reduced administrative costs, more efficient utilization of facilities that would result from the consolidation of work loads for the remaining public facilities."

However, it is up to the Department of Defense to determine what overhead savings, if any, may result from a particular offer. Nothing in the conference report or the statement of managers permits or encourages any offeror to hide costs or authorizes the Department to consider any overhead savings that it has not determined to be valid.

SENIOR MILITARY COLLEGES

The last issue I want to mention is a provision in the House bill that the conferees agreed to over my objections involving the so-called senior military colleges. This provision would require the Army to guarantee graduates of the ROTC programs at the six senior military colleges—North Georgia College, the Citadel, Virginia Military Institute, Virginia Tech, Norwich University, and Texas A&M—automatic assignments to active duty if they request it, provided, however, they are physically and medically qualified, and are recommended by the professor of military science at their school.

The effect of this provision is that graduates from the senior military colleges will be assigned to active duty even if there are better qualified officers graduating from ROTC programs at other colleges and universities across the nation. I realize that this is not a major provision when compared to other issues in the conference. It is, however, a major issue in terms of principle, and I intend to make sure that everyone understands what this provision does.

This provision codifies in law a quota system to give preferential treatment to a small group of ROTC graduates without regard to where their performance and potential stacks up when compared to graduates from other ROTC programs. The Army's own figures show that, when all ROTC graduates—including the senior military colleges—were arranged in an order of merit, a number of graduates from the senior military colleges each year ranked below the cutoff line for active duty.

Since 1990, 268 graduates of senior military colleges have been assigned to active duty despite being below the cutoff point for ROTC graduates offered active duty assignment in the Army's order of merit list. This list ranks all ROTC graduates. The conference provision clearly will disadvantage those graduates of ROTC programs who are not offered the same exceptional consideration as is offered to the graduates of the senior military colleges.

Instead of guaranteeing equal treatment and open competition for assigning all ROTC graduates to active duty, the conference provision establishes in law a formal vehicle to maintain a quota system of preferential treatment for the graduates of six specific colleges and universities.

I will be trying to correct this unfairness in the future.

CONCLUSION

Mr. President, I would like to conclude by thanking the chairman of the Armed Services Committee, Senator THURMOND, for the open and bipartisan manner in which he conducted the conference on this bill. While we were not able to agree on every issue, Senator THURMOND and his staff have made every effort to include the minority at every stage of the deliberations.

I would also like to express my appreciation to the staff of the Armed Services Committee on both the majority and minority sides for the tremendous effort that they have put into this bill and this conference. I think all Members of the committee know that this bill would not have been possible without the outstanding work of Les Brownlee, David Lyles, and their dedicated supporting cast. I also want to extend my thanks to the staff of the House National Security Committee and the House and Senate Legislative Counsels for their help in preparing this large bill.

Mr. President, this is a good conference report that strengthens our national security. I urge my colleagues to join me in supporting it.

Mr. President, I will yield the floor at this time.

I yield my good friend from Connecticut such time as he may need.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. from LIEBERMAN. I thank the Chair and I thank my friend and colleague from Michigan.

Mr. President, I come to the floor to urge our colleagues to support this fiscal year 1998 national defense authorization bill. I am proud to be a member of the committee from which this bill has emerged, the Senate Armed Services Committee. I particularly wish to thank our chairman, Senator THURMOND, and our ranking Democrat, Senator LEVIN. These are two extraordinarily able, wise Members of the Senate who have worked together very well to produce this bill that meets our national security needs.

We all know that we are in a post-cold war period. Perhaps the needs of defense are less in the minds of the public, but these are not matters that should be decided by public opinion polls. These are matters of national security, at the very root of why governments are formed, and they call out for leadership by those who have been given the privilege of serving, leadership in the interest of national security by all of us across party lines, across both Chambers of Congress, across Pennsylvania Avenue between the Congress and the White House to do the best that we can to provide for our national defense today and, in some ways even more difficult, particularly at a time of relative security such as we are in today to make the investments that are necessary so that we will meet the multiple possible threats to our security in the decades ahead. This bill I think does about as well as we could do at this point, and I am therefore proud to be here to urge our colleagues to support it.

I want to state first that this is a bipartisan bill. There are a lot of things that happen around the Capitol that are much too partisan. Somehow we come here and we feel as if we have suddenly been placed on two teams on either side of the tug-of-war and you have to get on your side, and some-

times on all sides we lose a bit of sight of what the problem is and the urgency of working together in the national interest across party lines.

I am very proud that on the Armed Services Committee, of course, there are disagreements, sometimes they tend to split more partisan than at other times, but as this bill, the product of the better part of a year's labor of the Armed Services Committee of the Senate, shows we have gotten together. We have come halfway across the bridge on a whole host of issues and problems, matters of real concern, and the feeling is we have had our voices heard both in the committee, in the Chamber and in conference.

This bill really represents an act of bipartisanship. Because so much attention is focused on the partisanship around here, I think it is important to note that with some satisfaction and again thank the bipartisan leadership of the committee for having made that possible.

Second, Mr. President, this is a bill that is a compromise and that has compromises in it. As a conferee on the Senate side, I must admit that the conference negotiations over this bill were protracted, difficult. There was much give and take. But in the end, which is again the nature of this process at its best, we were able to overcome many obstacles, some of which seemed intractable at times, all of which arose from what initially appeared to be difficult to reconcile positions. And despite these obstacles, the end result I think is a good bill that achieves the goal of adequately providing for our national defense.

It is not a perfect solution, but we rarely achieve perfect solutions here. The question is will we be willing to bend a bit to get to a point where we have any solutions, and I think this bill does. It reflects compromise, the kinds of compromises that are honorable and make our political system unique and produce results. In the end, I would probably say that none of the conferees, House or Senate, were completely satisfied but none were completely disappointed neither, and the end result is a bill that moves us forward.

I do want to say in a more targeted way that the bill protects the Senate position on two controversial issues, Bosnia and the B-2.

Mr. President, the third basic point is that this bill has provisions that are essential to maintaining our military strength and particularly in providing adequately for our men and women in uniform, the finest fighting force in the world. But they will not continue to be so unless we provide for them.

Let me cite a few of the matters in the bill that are so critical. There was some discussion of what would normally be unthinkable, that we might not pass a DOD authorization bill this year. But that would have been done at great peril and loss.

This bill, for instance, provides authority for adequate funding for critical equipment procurement and R&D, research and development. I am privileged to serve as the ranking Democrat on the Subcommittee on Acquisition and Technology, chaired by my friend and colleague from Pennsylvania, Senator SANTORUM. There are some very important investments here that will provide dominance for the American military a decade or two from now. All of the glory that we achieved, the victory that we achieved in the gulf war, so much of it was made possible by research and development that began, not in 1990 or 1991 when we fought the war, but in the 1970's. This budget provides the same kind of first investments in future military dominance.

Second, the bill provides authority for the Department of Defense to begin construction of fiscal year 1998 military projects, construction projects which include quality of life, and training-related facilities which are so critical, both to the morale of our forces and their capacities.

Third, the bill provides lower end strength levels and increased flexibility for managing personnel strength. That is very important to the commanders.

Fourth, the bill includes significant reforms of the existing structure for housing allowances and subsistence allowances for members of the military.

Fifth, the bill includes authority for significant increases in the special pay and bonus structure, designed to respond to critical recruiting and retention problems, particularly in the Air Force.

Sixth, the bill includes a 2.8-percent pay raise for active duty military members—it is not a lot, but at least an increase—a pay raise of 2.3 percent for Federal civilians, and an additional 0.5 percent increase in locality pay.

It is a big bill. It is an important bill. It achieves some things that would not be achievable were this bill not passed.

Senator LEVIN was speaking when I came into the Chamber. He was speaking about the depot issue. Obviously, there has been a lot of concern about that over the last several weeks—months, in fact. Today, as we consider this bill, some are still suggesting that the depot provisions of the bill may invite a Presidential veto. I certainly hope not. I hope such a veto is not being seriously considered within the White House because it would be profoundly harmful to our national defense by delaying authorizations such as those I have just described, which are critical for maintaining our current military readiness as well as delaying investments in our future military strength by way of critical procurement and R&D programs.

The depot provisions of the bill provide, in my opinion, a level playing field among current Government depots and those which are being privatized. I understand the intense feelings in the various localities af-

ected by this. But here again, across party lines, the best effort was made to achieve a compromise. These provisions on depots in the bill, I think, are fair and equitable to all sides involved in this extremely complex issue. No one set of interests prevailed. No one side achieved all their end goals. At the same time, no side walked away without retaining some of their core objectives here. In a very real sense, the depot provisions of this DOD authorization bill reflect the long and detailed, bipartisan effort of all of the conferees. I honestly believe that the conferees produced the very best possible legislation, not only generally but particularly on this issue which was so divisive and was thought to be possibly fatal to the chances of the overall bill, so important to our national defense, even passing.

So, I say, respectfully, that any move to veto this bill because of the depot provisions would be very unfair and unwise. A veto would freeze other provisions in the bill for an unacceptable length of time, and there is no guarantee that what would follow would be a solution any better for the parties involved intimately than the one already painstakingly worked out.

Last, a veto might act to dismantle current support for the bill and open up partisanship on a host of other issues, partisanship or parochialism, divisiveness, on a host of other issues which have already been resolved in the underlying bill through a lot of hard work.

Let me say, finally, that I know there are many in Congress, some in the country, who feel we are still spending too much for defense. As hard as we on the committee struggled to authorize, as closely as we worked with the appropriators, the fact is—and I think it is important to point this out to our colleagues and to the public—this represents the continuation of more than a decade of defense budgets that have been lower in real dollars than the previous year. I believe this is the 13th straight defense budget of the United States of America that has been lower, in real dollars, than the preceding year's.

First, I say that to say to those who say the military industrial complex, whatever, the hawkish people here, are not recognizing the change in the post-cold-war years and are still spending as much, that is just not true.

Second, just look at the newspapers. Look at the instability in the Middle East with Saddam Hussein again acting against America's interests, against the world's interests. Probably, as the news today suggests, people in the U.N., not the United States, are alleging that Saddam Hussein is taking the action he has to try to frustrate inspection for the reason that we would guess—to conceal behavior, development of systems in his country that are not only a breach of the agreement he made to end the gulf war but which could be disastrous for the security of

American personnel in that region, for the security of our allies, for the overall balance of power in that region. Look at the acts of terrorism that continue throughout the world.

Even consider the efforts that the President made and has been making—they were highlighted last week because of the visit of the President of China, Jiang Zemin—an effort to try to find a course of peace, cooperation, integration; not to treat the Chinese as if they were our enemies inevitably—which is probably the best way to make them our enemies—but to try to build cooperative relations. That is the kind of effort that can only be made if we feel strong enough militarily to know that if our optimistic view does not work, we have the strength to protect our security interests and those of our allies—in this case in the Pacific region.

There is a lot of change going on within our military structure, a lot of adjustment to the changing threats that we face, the reduced resources available. The outgoing immediate past Chairman of the Joint Chiefs of Staff, General Shalikashvili, presided over the presentation of a visionary document, "Joint Vision 2010." Where should we be in the year 2010? How can we get our services to work better together? How can we take advantage of the enormous leaps forward in technology?

The Quadrennial Defense Review, completed earlier this year, which was authorized in the DOD authorization bill for this year, fiscal year 1997, created, in my opinion, the broadest involvement within the Pentagon of personnel post cold war, about what the shape of the future threat is and what we need to face it. The National Defense Panel, also an independent panel created in the DOD bill last year, is in the final stages of its work. It is a Team B that we created of retired military personnel, outside experts and independent thinkers to provoke us, to make sure that we are doing everything we can to produce the best defense at least cost, that we are taking advantage of new technologies, of new forms of management.

Mr. President, the military cannot be any more immune than the rest of the world to the changes occurring. I have told this story probably too many times. It goes back some months now. One day earlier this year, the lead story in the Wall Street Journal was how General Electric, which happens to be headquartered in my State, was going to be reporting record profits—billions. What was the focus of attention within that company, under a visionary, demanding president, Jack Welch? "How can we change to make sure that we continue to be as successful in the future as we are today?" Nobody who sits still is going to remain successful and strong. That is as true of our military as it is of any great institution in the private sector.

That process is beginning. The Armed Services Committee has played

a leading role in encouraging it. We have to keep that moving, as this bill does. So, overall this bill is a good bill, and it is an important bill, and it is a necessary bill. So I urge my colleagues across party lines to vote for the bill with a strong show of support as we send it eventually to the President with the very urgent hope, and I think the strong case, that the President will sign this bill knowing that it truly serves the primary goal of our Government, which is the national security.

Mr. President, I again thank the chairman of the committee for his extraordinary leadership and the ranking Democrat, and I yield the floor.

Mr. THURMOND. Mr. President, I commend the able Senator from Connecticut on his excellent remarks on this subject.

Mr. President, I suggest the absence of a quorum and ask the time be equally charged to both sides.

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BUMPERS. Mr. President, I am not here to necessarily engage the chairman and the ranking member of the Senate Armed Services Committee—

The PRESIDING OFFICER. Will the Senator suspend? Who yields time?

Mr. BUMPERS. Will the Senator from Michigan yield—this won't take long.

Mr. LEVIN. I will be happy to yield—how much time?

Mr. BUMPERS. Fifteen minutes. You may want more than 15 by the time I get through.

Mr. LEVIN. I yield the Senator from Arkansas 15 minutes. We don't know how time is going to be allocated, that is our problem.

Mr. BUMPERS. I will try to make this short.

Mr. LEVIN. I yield 15 minutes to my friend from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 15 minutes.

Mr. BUMPERS. Mr. President, from 1993 to 1997, the Navy retired seven *Los Angeles* class attack submarines—seven in that 4-year period. In that same period, we were in the process of building three *Seawolf* submarines at a cost of \$13.2 billion. Not one of those submarines that we have decommissioned, all of which had a 30-year life expectancy, not one that we retired had less than 12 years left on its life expectancy, and several of them had 14 years left on their life expectancy.

In that same period of time, we retired two nuclear-powered guided-missile cruisers, the *Virginia* and the *Mississippi*. Both of those ships had 20 years left on their life expectancy. And

just last month, the Navy decommissioned another *Virginia* class guided missile cruiser, the U.S.S. *Arkansas*. That ship is near and dear to my heart because my wife Betty christened it. The U.S.S. *Arkansas*, incidentally, had sailed for only 18 years, and had a life expectancy of 20 years left on it. CGN-41. That stands for cruiser, guided missile, nuclear.

In that same period of time, 1993 to 1997, we decommissioned five frigates, everyone of which had anywhere from 14 to 16 years left on their 35-year life expectancy.

In that same period of time, we also decommissioned nine guided-missile frigates, every one of which, but one, had a 21-year life expectancy left.

Now, Mr. President, the Navy and the Pentagon has told the Defense Subcommittee on Appropriations on which I sit, as does the Presiding Officer, that tight budgets were requiring them to do more with less and that we are wearing out our ships and exhausting our crews because of the high operating tempo we are demanding of them.

I have had reason to reevaluate what those officials have told us. First, Congress added \$720 million to the 1998 defense budget to increase from three to four the number of DDG-51 *Arleigh Burke* class destroyers we will buy this year. The *Arleigh Burke* destroyer is a very fine ship, and it carries the Aegis air defense system. But let me repeat that this extra ship cost \$720 million.

Secondly, I learned, as I said, that the Navy would retire the U.S.S. *Arkansas* while it still has 20 years of useful life left. That ship is now being broken up for scrap.

You have to ask yourself, why are we retiring perfectly good multimission surface ships when the cost for a comparable new ship is staggering? So I decided to look into this early warship retirement, and here are some of the things I have learned.

Those ships that I mentioned that we retired between 1993 and 1997, the five regular frigates and nine guided-missile frigates and the two nuclear-powered guided-missile cruisers and the *Los Angeles* attack submarines, all of those ships, as I said, had 12 to 21 years left on their lives. During that same period of time, Congress appropriated about \$18 billion to acquire two new submarines and 16 *Arleigh Burke* destroyers.

It seems to me that this is awfully penny-wise and pound-foolish to be retiring these ships and spending so much to replacing them with fewer ships. We could keep a lot more ships in service at a lot less cost if we canceled or delayed procurement of just one or two of the submarines or destroyers the Navy plans to buy over the next 4 years.

Listen to this. It costs \$200 million to refuel a *Los Angeles* class submarine and about \$30 million a year to operate it. So the Navy could refuel three *Los Angeles* attack submarines and operate them until the year 2014, 16 to 17 years

from now, for the price of buying one New Attack Submarine.

In addition, it costs about \$25 million a year to operate a guided-missile frigate. So, for the cost of the one *Arleigh Burke* destroyer that we added to the fiscal 1998 budget, the Navy could operate three *Perry* class frigates until the year 2007.

I know that the *Los Angeles* class submarine is not quite as good as a *Seawolf*, or New Attack Submarine. I know a guided-missile cruiser or frigate is not quite as capable as an *Arleigh Burke* destroyer, but those older classes were good enough for the cold war when they were expected to cope with a highly sophisticated air and sea threat from the Warsaw Pact.

Here are some comments by Admiral J. Paul Reason, the Commander in Chief of the Atlantic fleet. You don't have to listen to what I have to say, but listen to what the commander of the Atlantic fleet has to say, Admiral Reason. He says, according to the Norfolk Virginian-Pilot, that the fleet might be better served by cheaper ships in greater quantity: "I would rather have three hulls that have one-third the capability of an *Arleigh Burke*."

If from a pure military standpoint three cheaper ships are sometimes better than one expensive new one, why are we spending money mothballing or scrapping perfectly good ships with a 20-year life expectancy and then spending staggering sums to build new ones?

Mr. President, I am not going to pursue this. The question is very simple. I intend to get into it in depth next year when we have hearings before the Defense Appropriations Subcommittee with the Navy. But I will tell you—and I serve notice on them right now—I will tell you what I think is going on. I don't think that the reasons given us are legitimate. They make no sense to me. I am not, admittedly, a Navy man, but when you look at the dollars and cents and when you look at the threat and you look at the life expectancy on magnificent ships—I can vouch for the U.S.S. *Arkansas*, I have been on it more than once, and it hasn't been that long ago when it was the state of the art. And I don't buy this business that we have to pay any price to get the absolute added technological edge on every one of our systems.

This is a terribly expensive program the Navy is undertaking, doing away with perfectly good ships, with long lives left, to replace them with fewer hugely expensive ships. I agree with the admiral down in Norfolk when he says that sometimes he would rather have three cheaper ships that will do one-third of the job than have one ship to replace them.

So I think that what we are doing is retiring perfectly good ships in order to keep the shipyards of America working.

What does that mean? It means we have a lot of people in this body who have shipyards in their jurisdictions, and they want to keep those jobs busy.

I understand that. If I had one in my State, I would be wanting those workers to stay busy, too.

But I tell you the enormous cost to the taxpayers of this, in my view, is nothing short of outrageous. I do not buy the rationale for it. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield 5 minutes to the distinguished Senator from Nebraska, Senator HAGEL.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. I thank the chairman for his leadership and the leadership of the distinguished ranking minority member, Senator LEVIN.

Mr. President, it is rather appropriate that we debate this issue today. Next week is Veterans Day. It is the day, a unique day, when America honors the sacrifices and commitments made by our men and women who served in uniform.

I rise today to speak in support of the fiscal year 1998 defense authorization bill conference report. As we have debated this important bill over the past few months, I couldn't help but wonder whether we would be able to meet our national security challenges in the years ahead with the current state of our readiness of our current military forces.

Our national defense ensures the survival of our Nation and our interests around the world. Our national defense is not only the protector of the American people, it is the guarantor of our foreign policy. One of the most important national debates we need to have is over what kind of military will be required as the world moves into the next century. Are we making the necessary investments to meet that need and will America be strong enough to back up the international commitments being made today by our President?

I am very concerned, Mr. President, that we are not making the necessary investments that we will need to make to have the military capability to back up those commitments in 5 to 10 years. While the cold war is over, the world is still very dangerous. It is very uncertain. It requires a skilled, highly mobile military force structure. Rather than one global enemy that we can work to contain, we need to be able to respond to head off crises in hot spots around the world.

Look at our situation today. We have troops in Bosnia. We have a madman in the Middle East whom we already went to war with once, and again he rattles his saber and threatens the peace.

We are faced with the continuing menaces, the dilemma in North Korea. We face proliferation, not only of nuclear weapons, but of chemical and biological weapons around the world. What are the issues on the horizon?

Next year, this body will make a decision on expanding the security blan-

ket of NATO eastward. Difficult decisions still must be made regarding Bosnia. The Caspian Sea has the world's second largest oil reserves, located in the center of a very turbulent area of the world. The Middle East continues to be in turmoil.

What will the future requirements be for the U.S. military? No one can predict with certainty what those requirements will be. But what has made our military the most powerful in the world and has kept the peace is the preparedness and the ability of the United States to respond to whatever crisis may develop worldwide.

In a turbulent, unpredictable world, we cannot now risk weakness. As President Ronald Reagan said so clearly—peace through strength. Our dedicated men and women in uniform are up to the task, as they have always been up to the task.

However, our military has suffered Draconian cuts over the past 10 years. In real dollars—in real dollars, Mr. President—the U.S. military, our national defense, has taken far deeper and more dramatic cuts than any other area of our Federal budget. Over the last 10 years our defense budget has been reduced in real numbers by 40 percent.

We are deferring—we are deferring—vitaly important weapons procurement systems to meet our needs for the future. That is not leadership.

Today, I fear we could not repeat what we accomplished during the Desert Storm war because of our strength and our readiness, because that has been cut so drastically. Not a comforting thought, Mr. President, with the current situation in Iraq.

Our Armed Forces have been stretched to the breaking point. While the administration has continually proposed reduced spending in our defense budget, the President continues to deploy more and more overseas forces. At the same time we have been cutting our national defense resources, we have been directing more and larger overseas deployments. This, Mr. President, is very dangerous, with severe long-term consequences for peace and stability worldwide. We are witnessing an unhealthy stress in our military today.

Since 1989, the Army's missions around the world have increased by 300 percent—while funding for our primary land forces has decreased by 38 percent, and the number of soldiers has declined by 35 percent. In the Air Force we face a similar story. Recent press reports indicate that 107 Air Force pilots who were eligible for promotion this year from captain to major asked not to be considered, they decided to leave active service instead. The senior leadership in the Air Force say they have seen an alarming number of pilots leave the Air Force and are concerned that so many pilots are finding the demands of a military career on their families so stressful that they are choosing to quit. It is not just about

money either. Most say they are not concerned about going in harm's way, but they are concerned about their unit's readiness to face the challenges ahead.

I am pleased to note that this bill does begin to reverse the downward trend in defense spending by increasing the administration's request by \$2.6 billion. It is a good start on the road back to restoring our military forces to a complete ability to defend our vital interests around the world—but it is not enough.

I understand that some of my colleagues believe that this bill is now irrelevant. They say we have passed an appropriations bill already, why do we need an authorization bill? We need this bill to authorize a 2.8-percent pay increase for our men and women in uniform. Who among us wants to look a soldier in the eye, whom the President has just sent to Bosnia and say, "we sent you in harm's way, but you and your family don't merit a pay increase." How many of us in the Senate are aware, according to the administration's own data, that compensation for our men and women in uniform currently lags 12.9-percent behind the private sector. Without this meager pay increase, our soldiers would fall even further behind civilian wages, at a time when the administration asks them to do more with less on a daily basis.

The pay raise issue alone should be enough justification to support this bill. However, there is more. By the Defense Department's own estimates 23,000 service men and women are eligible for food stamps. There is no honor for a nation that asks its men and women in uniform to risk their lives to defend it, then asks them to feed their families with food stamps and live in rundown, dilapidated housing.

Another reason we need this bill enacted into law involves housing for our military personnel. Denying them appropriate and just compensation is clearly one issue. If we, as a nation can't pay our service members enough, surely we can at least provide them with decent, affordable housing. Here again we are failing our troops. As most of my colleagues are aware, military construction projects require both authorization and appropriation to be executed. If the fiscal year 1998 Defense authorization bill is not enacted this year, more than \$4 billion in military construction projects cannot be executed during the coming year.

If we do not provide our men and women in uniform with at least a decent quality of life for them and for their families, how can we expect to recruit and retain the best and the brightest?

Signals from the White House indicate that the President is considering a veto of this bill. I ask him to reconsider. Chairman THURMOND and the members of his committee have worked tirelessly to reach an accommodation with both sides in the depot closure debate. This divisive issue has

consumed enough of our efforts. It is time to move on. We are wasting time and draining precious resources away from our Nation's military readiness. Let's show some leadership and get on with our responsibility.

In summary, Mr. President, I close with this: National defense should not be a partisan issue. The security of our Nation is not a Democrat or Republican issue. It is an American issue. The debate over our national defense should not be driven by economic decisions. It should not be driven by jobs. We must be steely eyed, clear eyed, clear headed when we make these decisions for our national security.

Deferring tough decisions and lack of vision and shortsightedness in planning our national defense will have deadly consequences for the future of America and the world.

I strongly support this bill and strongly encourage my colleagues to support it as well.

Thank you, Mr. President.

Mr. THURMOND addressed the Chair. The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I commend the able Senator from Nebraska for the excellent remarks he made on this subject.

Mr. HAGEL. I thank the chairman.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I now yield to Senator KEMPTHORNE, the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. KEMPTHORNE. Mr. President, thank you very much.

First, Mr. President, I commend the leadership that Senator THURMOND has provided as the chairman of the Armed Services Committee. With his steady hand on the wheel, we have brought forward a bill that I think all of us can be proud of.

I also want to commend the ranking member of the full committee, Senator LEVIN. I believe this is the first year that he has been the ranking member.

But that bipartisan spirit, that really has been the tradition of the Armed Services Committee, again is exemplified by these two Senators. I commend both of them for their leadership. You have served this Nation well and national security because of that partnership.

Mr. President, I have the great honor of serving as the chairman of the Military Personnel Subcommittee. I say "honor" because I feel that that is the committee that deals with the men and women who so proudly wear the uniforms of the U.S. Armed Services.

I cannot think of a more appropriate and patriotic partner than Senator CLELAND of Georgia as the ranking member of that subcommittee. Our men and women know that when Senator CLELAND is involved in any of these issues, their interests are looked

out for. I thank him for his partnership but also for his friendship as well.

Mr. President, I rise in support of the fiscal year 1998 defense authorization conference report. I want to congratulate again all of the members of the committee who worked so diligently on this. The conference report now before the Senate authorizes an increase, for example, in a variety of areas.

So what I would like to do, Mr. President, is just have a colloquy with my ranking member of the Personnel Subcommittee, Senator CLELAND, and address a few of these issues that are included in the defense authorization bill. I add that these are issues that if, for some reason, we would lose the defense authorization bill, if it did not have sufficient votes or if upon passage it were vetoed, we would lose these items. So I think it is extremely important for us to underscore this.

I would like to start with an area that Senator CLELAND and I have held a hearing on, and that deals with the Aviation Officer Retention Bonus Program. This is something that is critical.

So I ask the ranking member to explain what important step we took with regard to the aviation officer retention bonus.

Mr. CLELAND. I thank the chairman very much.

Mr. President, I would also like to commend the distinguished Senator from South Carolina, Senator THURMOND, for being our leader on national defense issues, and the ranking member of the Armed Services Committee, Senator LEVIN. They have made a great team. In terms of great teams, I think one of the greatest captains of a team I have ever come across is Senator KEMPTHORNE, our distinguished Senator from Idaho. He and I have worked together on personnel matters and personnel issues.

Mr. President, it is my pleasure to support the defense authorization bill for several reasons.

One of the reasons is, as the Senator from Idaho has indicated, as my colleagues have read in the newspapers, the Air Force and Navy are experiencing real difficulties encouraging experienced pilots to stay in the service. Our Nation has invested, in some cases, up to some \$6 million apiece to train these pilots, and the airlines are now benefiting from that. They are hiring scores of pilots away from the military services every month.

As part of our effort to retain these highly skilled pilots, the pending bill increases the pilot bonus from the current \$12,000 to \$25,000, which is paid out over a 5-year period of time. This is a modest increase. It comes from existing Air Force and Navy funds and was requested by the Chief of Staff of the Air Force and the Chief of Naval Operations.

Without the legislative authority to increase the aviation officer retention bonus, we will fail to give the services the tools they need to keep highly skilled pilots in the cockpit.

Mr. KEMPTHORNE. I appreciate the comments of the Senator from Georgia on that. Again, Mr. President, the fact of the matter is, there is a tremendous investment in having the finest pilots in the world, pilots that have been trained to defend this Nation. But many of them—too many of them—are now leaving the Armed Services and they are going into the private sector. We need to have this sort of a program so that we can retain the best pilots in the world in which we have made millions of dollars of investment.

The pending bill also authorizes a 2.8-percent pay increase for our men and women in uniform. Again, I ask my friend from Georgia to explain the importance of this particular increase.

Mr. CLELAND. I thank the Senator very much.

Mr. President, without the legislative authorization to increase military pay approved in this bill, the pay raise would be limited to 2.3 percent at the same time you have Federal workers who receive a pay raise of at least 2.8 percent. In other words, without the enactment of this bill, we will give civilians working for the Federal Government a larger pay increase, larger pay raise than we give to men and women who are out there risking their lives to defend the interests of this country.

Mr. President, I once ran a wonderful agency, the Veterans' Administration, and I think our employees, our civilian employees, do a wonderful job. But this Defense authorization bill will allow us to give the full 2.8 percent increase that certainly our military people richly deserve.

Mr. KEMPTHORNE. Again, I thank the Senator from Georgia. And referencing back to what the Senator from Nebraska, Senator HAGEL, has talked about, the deployment of our troops currently around the world, the deployment in Bosnia, the dilemma that we are currently facing with Iraq, the news that continues to come out of North Korea that because of the famine, we do not know what is going to happen in North Korea.

So we have our troops deployed around the world, ready to put their lives on the line. Here we have a situation that, again, if for some reason we lose this bill, we are not giving them the full pay increase that they are entitled to. The message that that sends to our men and women in uniform is not healthy.

Mr. President, the bill also authorizes reductions in end strength, or manpower, reductions consistent with the Quadrennial Defense Review, to allow the services to save funds for badly needed modernization.

I ask Senator CLELAND, Is it true that if this bill is not enacted into law, the services will be forced to increase current personnel levels to meet the floors established in last year's defense authorization bill?

Mr. CLELAND. The Senator is eminently correct. Without the bill, the

services will be prohibited from actually reducing personnel, which is called for in the Quadrennial Defense Review, and the services will be forced to add personnel that they have actually determined, Mr. President, they can live without. We do have an era of tight resources, and I think it is unwise of us as a Congress to force the services to keep people they cannot afford.

Mr. KEMPTHORNE. Mr. President, I add that the Senate conferees fought very hard to retain this important issue in the conference report, which was requested—and I will underscore this—by the Secretary of Defense and the Joint Chiefs of Staff.

Mr. President, the bill also authorizes a congressional commission on military training in gender-related issues. I ask the ranking member to explain some of the history behind this important section of the bill.

Mr. CLELAND. The Senator is absolutely right. The bill, in light of the criminal behavior uncovered at Aberdeen Proving Grounds in Maryland, responds to strong sentiments in the Congress. Some of those strong sentiments would like to legislate the end of gender-integrated training. There are equally strong voices against that type of legislation. During our Personnel Subcommittee hearings on this particular issue, the point was raised that a commission created by the Department of Defense might raise credibility issues in some quarters.

Responding to such legitimate concerns, the Senate Armed Services Committee adopted the Kempthorne-Byrd amendment to create a congressional commission to report directly to the Congress on this very important issue.

Mr. President, here again the Senate conferees had to fight in conference to ensure that the commission remained objective.

Mr. KEMPTHORNE. I thank the Senator from Georgia and underscore what he has said. Again, here is a critically important issue that is facing the military and we want to get to the heart of it and find out what is the extent of the problem, and most importantly what is the extent of the solution.

I want to commend the Senator from West Virginia, Senator BYRD, for his leadership on this issue as well.

During our hearings this year the subcommittee heard testimony from actual recruiters about some of the difficult quality of life issues that they face. The bill authorizes important steps to address how recruiters and other military personnel who are not serving near a military hospital receive health care.

Again, I ask the distinguished Senator from Georgia to help explain these improvements to our colleagues.

Mr. CLELAND. This is one of the issues that I personally have a strong commitment to and that is improving the quality of care in our military facilities for our military active duty and retired personnel.

The conference report authorizes active duty personnel serving in remote locations to receive health care

through the Tricare system at no expense to that military person or that military family. It will allow military personnel and their families to receive quality health care where they live. This provision has real implications for active duty personnel and their families. It represents another quality of life improvement contained in the defense authorization conference report.

Mr. KEMPTHORNE. Again, I thank the Senator from Georgia.

Senator CLELAND and I had a hearing on this aspect of recruitment. We are facing problems with recruitment. Here we are talking about the actual recruiters. We need to deal with this aspect so those recruiters have a quality of life they can truly sell to those new individuals as to why they should join the services.

The defense authorization bill also includes seven provisions addressing the Department of Defense and the Department of Veterans Affairs activities with regard to assisting those suffering from Persian Gulf illness. I note, too, Mr. President, that Senator CLELAND is a former head of the Department of Veterans Affairs.

The Senate Armed Services Committee held a hearing this spring in which General Schwarzkopf testified. At that particular hearing I asked General Schwarzkopf his thoughts as to what is the cause of Persian Gulf illness, and his point was he did not know what the cause of Persian Gulf illness was nor did he know the extent, but he made the very important point we have to deal with our veterans that have this.

The committee remains dedicated to ensuring that the Department of Defense, in conjunction with the Department of Veterans Affairs, continue an aggressive research effort to determine causes and treatment for this debilitating illness.

Mr. CLELAND. The Senator is eminently correct. The Persian Gulf illness question is one that continues to baffle those of us who try to deal and struggle with it, but it certainly baffles the members of the military family that served in the Persian Gulf. Those personnel deserve justice. They deserve treatment when they are ill and they certainly want us to get to the bottom of this question. This is one of the most serious issues facing active duty and retired military personnel, especially those who served in the Persian Gulf.

I want to say on behalf of our committee and our great leader, Senator KEMPTHORNE, that we take this challenge seriously, and this defense authorization bill will certainly help.

Mr. KEMPTHORNE. I thank the Senator from Georgia, and I agree totally with the comments about our dedication to this.

Mr. President, the bill also includes a very important provision to correct a mistake made over 50 years ago. Specifically, the bill authorizes retroactive payment of the stipends for Congressional Medal of Honor winners who only this year received the award for

heroism during World War II. Specifically, the bill authorizes payment to Vernon J. Baker and the surviving families of Edward A. Carter and Charles L. Thomas.

Because of racism, seven Americans were denied the Medal of Honor they rightly earned over 50 years ago. Earlier this year in a very moving ceremony at the White House, President Clinton presented the Medal of Honor to Vernon Baker and the next of kin of the other recipients, except for one recipient who, because he died so young, had no surviving relative. The conference report helps right this wrong. It ought to be adopted by the Senate and signed by the President of the United States.

Mr. President, I am proud that Vernon Baker, a quiet and dignified man, is a resident of the peaceful community of St. Maries in my State of Idaho. Vernon Baker has never asked for the retroactive payment of the stipend for the Congressional Medal of Honor, nor has he ever sought my assistance. But believe me, his act of bravery in April 1945 makes him more than worthy and he deserves to have this wrong corrected. We are not suddenly providing him or the families of the other recipients with a windfall. Instead, we are simply making sure that they receive what should have been provided some 50 years ago.

There are other numerous important quality of life provisions in the pending conference report, including military construction projects which include family housing. You can recruit the soldier, but if you are going to retain him you have to take care of the family. That is what this addresses. It cannot be initiated without passage of this report.

I would like to thank my friend, Senator CLELAND, for helping to explain some of the important provisions in the pending conference report and also for the many hours of dedicated service he and the other members of this subcommittee put in to make sure that we are taking care of our men and women who wear the uniform of the greatest Nation in the world.

My final point, Mr. President, is simply that, again, if for some reason this bill does not become law, all of these quality of life issues that we have addressed are lost. That is a terrible message to send to the men and women who are defending the freedom of this Nation around the world on behalf of the United States.

I yield to my colleague, Senator CLELAND, for any additional comments he would like to make.

PRIVILEGE OF THE FLOOR

Mr. CLELAND. Mr. President, I ask unanimous consent that Regina Jackson be permitted privileges of the floor for the duration of the debate.

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

Mr. CLELAND. Let me say I appreciate Senator KEMPTHORNE's remarks

regarding the Congressional Medal of Honor recipients who were belatedly recognized. Recognition on this issue is much appreciated for those who have gone above and beyond the call of duty in the services of this country.

Mr. President, in terms of going above and beyond the call of duty that is exactly what the distinguished chairman of this Personnel Subcommittee from the great State of Idaho, Senator KEMPTHORNE, has done in regard to bringing me on board as a freshman Senator in making me feel welcome, keeping me posted and informed, and including me in all of the legislative hearings and in all legislative debates and all legislative matters before our committee. It has made me feel very much welcome and very much a part of things. This was my first year on the committee and I couldn't have been more fortunate to have gotten a better chairman than Senator DIRK KEMPTHORNE. I understand he intends to return to the great State of Idaho after completing his term in the Senate. He will be missed as a dear friend, as a colleague, and as a great leader. He has one more year to serve and I look forward to working with him next year to make it a very productive year for us both.

I also extend my gratitude to the distinguished chairman and ranking member of the Senate Armed Services Committee. Senators THURMOND and LEVIN welcomed me as a brother and a colleague into the committee, following in the footsteps of Senator Russell and Nunn in this Senate seat. It has been fun to try to tackle the chores that we tackled this year. It wouldn't have been possible without the help that I received from both of them.

I also thank both the majority and minority staff of the committee under the leadership of Les Brownlee and David Lyles. They have all been of great assistance to me as I have served on the committee. I certainly appreciate the courtesies and hospitalities that their staffs have given me.

Mr. President, this is a very important bill for all of the reasons Senator KEMPTHORNE and I have discussed. It sets forth the priorities for our national defense in the next year. The very title of the bill suggests its importance—National Defense Authorization Act. It has taken 9 long months to get to where we are today, yet one issue remains controversial. In spite of numerous concessions made by the Depot Caucus, this bill faces the threat of a veto. I do not understand this. Much has been said on this topic so I will be brief.

There are at least two significant concessions. First, we agree to the Department of Defense request to continue free and open public-private competitions for the workloads at Kelly Air Force Base, TX, and McClellan in California, rather than directing the departments to transfer this workload to the main depot which we believe is the intent of BRAC. To those who do

not believe this is a major concession, this would ratify the mechanism that overrides the BRAC recommendation.

I yield to the distinguished chairman of the Armed Services Committee, Senator THURMOND.

Mr. THURMOND. Mr. President, Senator KEMPTHORNE and Senator CLELAND are valuable members of the Armed Services Committee. Both of them are experts on military personnel and I wish to commend them for the important information they have given the Senate today on that subject.

Mr. LEVIN. Will the Senator yield?

Mr. THURMOND. I yield.

Mr. LEVIN. Mr. President, I want to join Senator THURMOND in thanking Senators KEMPTHORNE and CLELAND for their tremendous work on this subcommittee. I cannot think of any two colleagues that I would feel more comfortable with being chairman and ranking member of that subcommittee.

We will, indeed, miss Senator KEMPTHORNE after he leaves this body. He has been a great friend and a really wonderful participant in our debates and deliberations, just as we welcome Senator CLELAND as a new member who has made a wonderful new addition to our committee.

We thank them both for their work.

Mr. KEMPTHORNE. I thank the chairman and the ranking member for the very kind remarks.

Mr. BOND. Mr. President, I commend the chairman on his herculean effort to address the myriad of policy issues he has faced this year, but I am wary about the fast track we seem to be on to decrease our defense resourcing while simultaneously increasing our operational tempo. I am concerned that because of the dramatic cuts our total force has taken in the past few years, that we are hollowing our force. I am concerned that in spite of our downsizing efforts we are spreading our forces out more than any other time in our history.

Because of this fact, we must squeeze every ounce of bang for our bucks, and I believe that the Reserve components, the Guard in particular, does this very well. Guard units are posted all around the world in addition to performing their duties in their home states. Guard members come from all parts of the population, including former active duty members of the active force. They bring with them, a wealth of experience and training. They are also inextricably woven into the fabric of their local communities, a point which we have come to realize is all important, that our military be connected to our citizenry. Our Army, our military, is the finest in the world, bar none. It is composed of the finest young men and women, provided the finest training and the most well resourced in the world. Our history, our legacy demands the support of our citizens for the institution, and the Guard provides a critical link between our civilian community and the military which protects them. Don't eviscerate the Guard

and sever that link. This bill makes a cut of 5,000 Guardsmen and women, troops who we have already voted to fund in the appropriations bill. These troops funding remained within the budget constraints and were apparently desired by the Pentagon and the President as he approved the appropriations bill. I believe that this is an ill-advised reduction in force.

Mr. President, I make the following points to explain my objections to the National Guard policy decisions reflected in this bill.

The Guard is unique of all the Reserve components; having both Army and Air Force components under a unified command, and the Guard performs State oriented missions under title 32 and Federal missions under title 10. The Guard has been the neglected stepchild of the National Command Authority for as many and more years than I have been in the Senate. No one can say that the Guard has received a fair share of the budget pie without direct input from the Congress. Each year we are required to inject hundreds of millions of dollars to keep the equipment accounts adequately funded as well as the training and operations funding accounts. I believe that a four-star position along with the elevation of the directors of the Army Guard and Air Guard would provide the Guard Bureau with much needed and appropriate upper echelon infrastructure and departmental and congressional vetting. I believe the Department of Defense has been disingenuous in its characterization of the National Guard's participation during the Quadrennial Defense Review. I believe that the current command structure of placing the Air Guard under authority of the Army is convoluted to say the least.

Mr. President, as a four-star, the chief of the Guard bureau will have the rank required and the subsequent authority to actually have a place at the table. Now the Guard Caucus would like to see that table be at the JCS level, because that is from where our uniformed personnel delivers recommendations to the National Command Authority. However, it is our main concern that the operational and force employment decisions have a Guard input. So, we are open to constructive and statutory alternatives. But whatever the result, the status quo is unacceptable. The provisions in this bill do nothing to alter seriously, the status quo. I predict that next year, in spite of this well intentioned but wholly inadequate compromise with rogue and obstinate members of the House, we will once again see resourcing problems in the Guard and Reserve accounts. We will continue to see them until we, here in the Congress, do something to recognize and reflect our increased reliance on our reserve components because of the force structure changes we are forcing our military to make.

I disagree strongly with the measures in this bill dealing with National

Guard policies but I will grudgingly accept them for I do believe that we do need an authorization bill and these are issues which may be addressed at a later date. And I guarantee you, that come next year, I will be here again arguing for policies which will recognize the relevancy of the Guard and which will position it appropriately within the Department of Defense hierarchy.

Mr. FORD. Mr. President, I would like to discuss with the distinguished chairman and ranking member of the Armed Services Committee a provision in the DOD authorization bill conference report. These provisions concern depot-level activities and are contained in subtitle D of title III. As the chairman and ranking member know, Louisville is the home to the former Naval Surface Warfare Center Detachment which was closed by the 1995 Defense Base Closure and Realignment Commission. However, in its recommendation, the Commission directed that the workload, equipment and facilities be transferred to the private sector if the private sector could accommodate the workload onsite. The Commission's recommendation has been followed and the former Navy depot was privatized in 1996. The current contract runs through the year 2000 if all the options are exercised. My understanding is that the competition requirements in section 359 of the conference bill would not apply to any workload already privatized at the former depot in Louisville under the current contract or under any recompetition once the current contract expires. Is my understanding correct?

Mr. THURMOND. Mr. President, the distinguished senior Senator from Kentucky is correct in his interpretation of section 359. First, under the exception contained in new section 2469a(c)(3), these competition requirements do not apply to any contract originally entered into before the date of enactment of the conference bill. Second, under new section 2469a(b), these requirements apply only to workloads that are currently proposed to be converted from performance by DOD personnel to performance by a private sector source for the first time, not to work that has already been converted to performance by a private sector source. For these reasons, the competition requirements in section 359 would not apply to workloads that have already been converted to private sector performance at Louisville or any other similarly situated facility.

Mr. LEVIN. Mr. President, I agree with the statement of the distinguished chairman of the Armed Services Committee that section 359 does not apply to any current or future solicitations or contracts for workloads that have already been privatized at a former military installation before the enactment of the Fiscal Year 1998 Defense Authorization Act. The conferees were aware of my colleague from Kentucky's concerns about the successful privatization that has already occurred

at Louisville and section 359 represents a compromise that does not affect workload currently performed at Louisville under existing contracts or under any recompetition of those contracts. I would also note that the requirements of this provision would not apply to any other workloads that Louisville may choose to compete for, unless those workloads were performed at a military installation that was approved for closure or realignment under the 1995 BRAC round, and are proposed to be converted to private sector performance for the first time.

Mr. FORD. I thank the distinguished chairman and ranking member of the Armed Services Committee for their explanation of section 359 of the conference bill.

Mr. MCCAIN. Mr. President, I rise in support of passage of the conference report on H.R. 1119, the National Defense Authorization Act for Fiscal Year 1998. Despite its many flaws, some of which I will expand upon momentarily, the report does represent a solid effort at advancing the defense budget process in accordance with the legislative branch of government's constitutional role in raising and supporting the Armed Forces of the United States. Important policy issues are addressed, needed reforms are implemented, and vital quality of life initiatives are authorized.

Procedurally, there is ample room for improvement in how the budgetary responsibilities of Congress are executed. The exclusion from negotiations of Members with important interests in specific issues should not be accepted. Conversely, when invitations to participate in negotiations on such issues are proffered, the Members in question should not then decline those offers. Through such cooperativeness we can hopefully avoid the kind of problems that have delayed final passage of this bill.

Lest anyone underestimate the importance of this bill, let me remind them that it is bad enough that \$13 billion foreign aid appropriations bills are routinely passed without proper authorization. To permit \$260 billion in defense spending to be enacted without appropriate authorization is simply dangerous. The authorizing and appropriations processes, as we all know, provide Congress with its own much needed internal system of checks and balances. As with the checks and balances that exist between branches of government, should our internal system break down, the results will be grave indeed, including drastically reduced accountability in how public funds are spent and an elimination of vital oversight of the structure, equipping and training of our Armed Forces. That is not a situation that should be permitted to develop, and I intend to do everything in my power to prevent it from happening.

We maintain the system of authorizing and appropriating to help prevent an excessive consolidation of power in

too few hands. I don't think I exaggerate when I suggest that such a consolidation would be seriously deleterious to the country's best interests.

On the content of the bill itself, when the fiscal year 1998 defense budget process commenced early this calendar year, it was widely anticipated that certain issues would delay and possibly derail our ability to pass an authorization act. Chief among these is the so-called depot maintenance issue, inarguably the single most contentious issue with which the Senate Armed Services and House National Security Committees were involved. Those of us who have been around a while are more conversant than we would like to be in the intricacies surrounding this arcane issue involving a handful of congressional districts.

The conference report before us today includes a depot compromise that is much improved from previous depot language considered this year. For example, it changes the 60/40 workload definition to 50/50. It also removes the capacity factor requirement—that is 75 percent—which was synonymous to killing competition at Kelly and McClellan Air Logistics Centers. However, this remains an exceedingly deficient approach to the issue of depot-level maintenance, still grounded in protectionist sentiments devoid of serious regard for the principles of sound public policy.

A key criticism is that the process was not inclusive of all the parties that would be affected by changing DOD policy on depots. I feel strongly that developing compromise legislation with the depot caucus and the Kelly and McClellan supporters could have been achievable in the late stages of the process. Having said that, however, this may be the best compromise that could be expected.

I tried to reform depot policy in the past as chairman of the Senate Readiness Subcommittee on the Armed Services Committee and failed. So I commend Senator INHOFE and Chairman THURMOND for making at least some meaningful progress toward reforming the depot maintenance system. I continue to support fair and open competition between private and public depots, though. Current law, even with these modifications, precludes the full competition that would most benefit the American taxpayer and allow the Defense Department to allocate operations and maintenance dollars more optimally.

I am also disappointed that this compromise does not include language that was in the Senate bill that changed section 2466—definition of 60/40—by relating workload to a facilities-based definition rather than a personnel-based definition. This provision would have allowed industry to go into public depots and compete for work alongside public employees and any core capability work done privately in a depot counted against the public workload. This language, more than any other

provision in the compromise encouraging public-private partnerships.

Another issue that was amicably resolved, but that should not have been brought up at all in light of the apparent resolution of the matter during preparation of the previous fiscal year's authorization act, involves personnel missing in action in Southeast Asia. Most of the onerous provisions, strenuously opposed by administrations of both parties as well as by theater and war-fighting commanders since its inception a decade ago, that establish burdensome bureaucratic requirements upon our troops in the field and that place unrealistic requirements upon the Defense Department personnel responsible for accounting for missing personnel, are included in the conference report.

Those provisions that are included are not particularly necessary and won't contribute to resolution of the problem of accounting for all missing personnel, but they are not as egregious as the provisions that were not included in the final bill. Those of us active on this issue for many years who believed the issue to have been resolved last year will not endure another protracted debate over provisions of extremely dubious merit when the process begins again next year. It was clearly stated by the conferees that this matter is considered closed. I expect that to be the case.

Not surprisingly, given the wealth of unnecessary and wasteful programs funded in the defense appropriations bill, the authorization act similarly includes numerous examples of items funded in the bill primarily, and, in some instances solely, for parochial reasons. I have already presented a list of such items from both the House and Senate authorization bills for publication in the CONGRESSIONAL RECORD. Consequently, I will not repeat them item by item today. Suffice to say that the unrequested \$150 million for the B-2 bomber, the addition of a destroyer not requested by the Defense Department, the acquisition of additional C-130 airframes despite the surplus of such aircraft already in the fleet, the usual list of unrequested military construction projects, and a variety of location-specific earmarks for such highly questionable projects as those all-important Centers for Excellence, all combine to represent a business-as-usual approach to passing legislation that serves to further erode public confidence in elected officials while draining scarce financial resources from higher priority programs. To paraphrase Samuel Beckett, we've laughed at the idiocy so many times that the humor is gone and we are left with the unfortunate consequences of our actions.

Thankfully, negotiations on the authorization act succeeded in diluting the potentially damaging effects of language on Bosnia, but the appropriations bill has already addressed that action in a manner apparently accept-

able to the White House. The administration's protestations notwithstanding, a satisfactory compromise was worked out on the export of computers with dual use applications to countries with suspect records in how such technology is exploited. Whether the Commerce Department wants to admit it or not, a legitimate national security concern involving the export of such computers does exist, and I believe the language included in the conference report adequately addresses the concerns of both the national security apparatus and the industry affected by it. I am surprised, therefore, that the Office of Management and Budget included this issue in its letter to Majority Leader LOTT as being particularly objectionable.

Provisions involving the expansion of the North Atlantic Treaty Organization serve little or no constructive purpose, particularly those pertaining to cost. The cost of expanding the alliance is certainly worth debating, but at the end of the day we ought not predicate a decision on whether to bring in new members on cost data that is so qualified as to be rendered meaningless. Expanding NATO will cost as much or as little as we want to spend. We're not bringing in impoverished Third World countries with facilities barely able to accommodate a Cessna. We're talking to countries that belonged, involuntarily, to the Warsaw Pact and which possess military infrastructures that only need to be improved upon and that have command, control and communications networks that must be made compatible with the rest of the alliance. That will certainly cost money, but it is hardly a deal breaker.

Thanks to the administration's decision to adopt a more reasonable approach toward missile defense issues, the conference report includes a more realistic funding profile for both theater and national missile defenses. The administration's admission that it was seriously underfunding even rudimentary national missile defenses has helped to move this issue forward in a constructive manner. Hopefully, this presages a trend toward a more mature and serious approach to missile defenses on the part of the White House.

I am pleased that the Cooperative Threat Reduction Program is funded at the Defense Department's request while restricting the use of funds to exclude spending on programs or areas not directly involved in dismantling Russian weapon systems that would otherwise threaten the United States.

In conclusion, Mr. President, the conference report to accompany H.R. 1119 is like its predecessors: flawed but acceptable. It deserves our support and I hope my colleagues will agree to vote for its passage.

CORE LOGISTICS CAPABILITIES

Mr. COATS. Mr. Chairman, Senator LEVIN, I would like to take a few moments to discuss one of the concerns that has been raised relating to the compromise language on depot mainte-

nance. In particular, I would like to ask a few questions regarding the provisions relating to core logistics capabilities and workloads. The concern has been raised that this language could require the Department to change its current depot maintenance practices and bring in-house work that is now performed by contractors. What is the view of the chairman and ranking minority member on this issue?

Mr. THURMOND. It was not the intent of the depot maintenance provisions to require the Department to bring in-house any work that is now being performed by contractors, and those provisions should not be interpreted to have that effect.

Mr. LEVIN. I agree with the distinguished Chairman. The depot maintenance provisions in the bill are consistent with DOD's current policy and practice on core logistics capabilities and will not require the Secretary to bring in-house any work currently performed by private contractors. As under current law, the Secretary of Defense gets to decide what capabilities are core logistics capabilities, what workloads are necessary to maintain those capabilities, what is cost efficient, and how much workload is necessary to ensure cost efficiency.

Mr. COATS. I understand that the Senators from Texas and California believe that the requirement to "ensure"—rather than "promote"—cost efficiency in the depots might be interpreted in such a way as to require the Department to withdraw depot maintenance workloads from the private sector and perform the work in public depots in order to achieve efficiency because the only way they can operate efficiently is to fully utilize the physical capacity. Could you please explain your interpretation of the language? What do you believe it requires?

Mr. THURMOND. I would be happy to clarify what the conference agreement requires. First of all let me just say that this language does not require the Department of Defense to withdraw depot maintenance workloads from the private sector and perform the work in public depots in order to achieve efficiency. As the statement of managers indicates, it simply requires the Secretary to assign sufficient workload to these facilities to ensure that they are operated as cost efficiently as possible. The report clearly states:

The provision does not require that maintenance for all weapon systems necessary for the execution of DOD strategic and contingency plans be performed at public facilities. Rather, it requires that the capability to perform maintenance and repair on these systems be retained in the public depot activities and that these activities be assigned sufficient workload to ensure that they are operated as cost efficiently as possible while preserving sufficient surge capacity to support the strategic and contingency plans of the U.S. Armed Forces.

Mr. LEVIN. I agree. This language requires that during peacetime the public depots perform certain types of

depot maintenance workloads necessary to retain the capability to maintain mission essential weapon systems, and that sufficient amounts of work should be assigned to these depots in order to ensure that the personnel necessary to perform the maintenance are operating efficiently. This does not mean that the Department would be required to perform maintenance on all mission essential weapon systems within public depots; it simply requires that the Department retain a capability to maintain this equipment, should it become necessary.

Mr. COATS. Then nothing in this language would preclude the Department from retaining a surge capacity to be used in times of military emergency?

Mr. THURMOND. Absolutely not. The language specifically requires that the public depots retain a surge capacity and reconstitution capability necessary to support any strategic or contingency operations identified by the Joint Chiefs of Staff. The requirement for a surge capacity for military emergencies by definition requires less than full utilization of the physical capacity during peacetime.

Mr. COATS. Isn't that similar to the Department's current policy?

Mr. LEVIN. Yes. The provision in question is a clarification of existing law, which already requires DOD to "maintain a logistics capability (including personnel, equipment and facilities) to ensure a ready and controlled source of technical competence and resources" for contingency situations and prohibits the contracting out of any logistics activity identified by the Secretary as "necessary to maintain [that] logistics capability."

Mr. THURMOND. I agree. The Department of Defense maintains a peacetime work force at these depots that can be supplemented with additional personnel if they are necessary. Ensuring efficiency while retaining surge capacity and reconstitution capability is accomplished under current policy by having the right number of personnel to perform peacetime workloads and simply adding the necessary personnel, or workshifts, to provide a sufficient surge capacity to support any contingency or strategic operations. In fact, when we drafted this language, we asked the Department of Defense to review it and let us know if the Department had any concerns, or if this did not reflect the Department's current policy. We made a number of changes to address the Department's written comments.

Mr. COATS. And did these comments identify the use of the word "ensure" rather than "promote" as a concern?

Mr. THURMOND. Not initially. The Department provided the conferees with two rounds of written comments on the draft compromise language. In neither version did the Department suggest that "promote" be changed to "ensure." It was only on the day that the conference report was finalized

that the Department indicated that the use of the word "ensure" might be interpreted in such a way as to require all logistics workloads to be performed at public depots. We informed the Department that the requirement to ensure efficiency does not mean that all logistics workloads must be performed at public depots, and added language to the statement of managers to reaffirm that point.

Mr. COATS. So the bottom line is that this compromise language does not require the Department to withdraw workloads from the private sector and move them to the public depots in order to ensure efficiency?

Mr. THURMOND. That is correct. The language does not require this.

Mr. LEVIN. I agree with the chairman.

Mr. COATS. If I could just ask one additional question, is there anything in this language that would preclude the Department from giving appropriate consideration to the differences in cost or performance risk particular to the location of the performance of the work?

Mr. THURMOND. There is nothing in this language that would preclude such consideration. In fact, the bill language specifically requires the consideration of all direct and indirect costs, and the report language specifically states "The Department would be expected to consider real differences among bidders in cost or capability to perform the work based on factors that would include the proposed location or locations of the workloads."

Mr. LEVIN. I agree with the chairman. Under this language we expect the Department to give appropriate consideration to costs and risks associated with the proposed location of the performance of the work.

Mr. COATS. I thank the chairman and ranking member for this clarification.

Mr. SESSIONS. Mr. President, I rise today so that this great body may momentarily reflect upon the importance of the bill we are about to vote on this afternoon. It is a bill whose beginnings extend back to early Spring, a bill that has been through many hurdles since then to include a major compromise impacting competition at depots around the country. I intend to vote yes for this bill and I encourage my fellow Senators to do the same.

There have literally been thousands of differences between the House and Senate versions of this bill. However, what is important for Members of this body to understand is that on both sides of the aisle, in both Houses of Congress, we have fundamental support for maintaining the strongest national defense possible for America. This is not an easy task. We share differences in solutions to defense that range from management styles, to leadership, to modernization and procurement, to the vexing uncertainty of the funding levels required to sustain our forces in the field.

The conference agreement was unanimously supported by the committee under the able leadership of Chairman THURMOND. On the major issues of Bosnia, the B-2, cooperative threat reduction and other issues, the bill is much closer to the Senate position than the House position. Equally important to me, the bill is consistent with the targets of the bipartisan budget agreement.

The depot issue was certainly the most controversial provision in this year's bill. There are strong feelings on both sides of the aisle. As the committee noted recently, "many jobs are at stake, and neither side wants to lose them." Certainly, I didn't want to lose any at our great depot in Anniston, AL. Nonetheless, I feel strongly that Chairman THURMOND's objective all along was to ensure fair competition and a level playing field. I feel he and the other members of the committee achieved just that. We have a fair compromise. We have an honest compromise. We have a product that the Department of Defense can work with. I think it's time to put our disagreements behind us and move forward in unity to support the men and women in uniform for whom this bill is designed.

I plan to vote for this bill and I trust my colleagues will join me in making this vote an overwhelming one.

Mr. BIDEN. Mr. President, I would like to congratulate Senator THURMOND and Senator LEVIN, the distinguished chairman and ranking minority member of the Armed Services Committee, for their work in conference to produce a defense authorization bill that will help keep America's military strong and well-prepared for today's multiple threats and challenges. The U.S. leadership role has never been more important than it is now as the world reshapes itself to face a new century.

In order to lead, America must have strong diplomatic and military tools. As ranking minority member of the Committee on Foreign Relations I have worked this year with the Chairman, Senator HELMS, to enhance our country's diplomatic readiness overseas.

Our Nation's defense force is the weight behind our diplomatic initiatives. It is the critical strength upon which we rely when other options, unfortunately, may fail. Good diplomacy is always built upon good defenses and this bill enhances our ability to deal with critical foreign policy and security issues.

I am pleased that the conferees agreed to fully fund the Nunn-Lugar Cooperative Threat Reduction program. This program assists Russia and other former Soviet states both to secure and control their nuclear materials and to improve their nuclear safety programs. This bill ensures that the Nunn-Lugar program will continue to protect our national security in a very cost-effective manner.

The bill also requires the President and the Secretary of Defense to increase their focus on counterterrorism efforts.

The importance of Asia and the Pacific is highlighted by an expression of congressional support for continuing a minimum troop presence to support our security agreements with countries in that region.

The bill contains another important provision that expresses the sense of the Congress that any moratorium on the use of antipersonnel landmines by U.S. Armed Forces should not be implemented in a manner that would endanger U.S. personnel or undermine their effectiveness. This is consistent with the provisions of S. 896, the Landmine Elimination Act of 1997, of which I am proud to be a cosponsor, as that act includes a Presidential waiver to protect American forces in Korea.

Like the defense appropriations bill, there are sections in this authorization bill dealing with our involvement in Bosnia. As I have said before, I think that it was a mistake to have set a deadline for a complete American troop withdrawal from Bosnia. Months ago, I called for a combined joint task force with European troops making up the overwhelming majority of the ground forces and Americans providing command and control, intelligence, and logistics assistance, air and naval support, and, if necessary, a ready reserve force in the region. So, I agree with the thrust of this bill's recommendation, but I also think a small, residual American ground force in Bosnia may be necessary to maintain America's leadership role in the operation.

I am happy to see the commendation for the NATO enlargement process and the sensible reporting requirements contained in this conference report.

In separate provisions, by authorizing pay raises and barracks construction, this bill takes important steps to enhance the quality of life for our brave men and women in uniform.

This bill also adds two positions to the Joint Chiefs of Staff to include National Guard and Reserve commanders. This change recognizes the unique and increasingly vital role played by our reservists and guard members in our nation's defense.

Last, the conferees maintained the U.S. ability to forcefully project power by continuing to fully fund the C-5 aircraft. The C-5 is the military's workhorse plane—carrying heavy weapons like tanks and helicopters all over the world. Its singular value has been shown in conflict after conflict, from Vietnam to Desert Storm. Delawareans are proud to host a significant portion of the Nation's C-5 fleet stationed at the Dover Air Force Base and glad to see that Dover's infrastructure will benefit from the military construction appropriations bill signed by the President and authorized by this bill.

I am pleased, therefore, to support the work of my colleagues on the

Armed Services Committee and vote to strengthen America's leadership role around the world with a strong, well-equipped military.

Mr. MCCAIN. Mr. President, I would like to engage in a brief colloquy with the senior Senator from South Carolina.

I understand that the conference report on the Department of Defense reauthorization bill includes a provision—section 1088—that reauthorizes the Aviation Insurance Program for 5 years. The Senate will soon act on a freestanding bill to reauthorize this important program. The freestanding bill (S. 1193) was approved recently by the Commerce Committee, which is the committee with jurisdiction over this program.

Mr. THURMOND. Because the Aviation Insurance Program is so vital to U.S. military missions overseas, we thought it prudent to try to reauthorize it in the defense bill, which is a must pass piece of legislation. The military depends on the airlift capacity that commercial carriers provide. Without an insurance program in place, carriers will be less likely to participate in the Civil Reserve Air Fleet, for one.

Mr. MCCAIN. I agree with my colleague from South Carolina that it is essential that we reauthorize this program as soon as possible. Our goals are the same in that respect. Nevertheless, the Commerce Committee specifically acted to reauthorize the Aviation Insurance Program through 1998. The committee did so out of concern that the balance in the revolving fund is insufficient to pay a major claim or simultaneous claims. Timely payments for hull losses are a significant issue. Many of the carriers lease aircraft under agreements that stipulate that they have to repair or replace damaged aircraft within 30 days of the damage.

The bill would not grant the Federal Aviation Administration [FAA] borrowing authority to cover claims against the program, as we had originally planned. Rather, a short term extension of the program gives the committee and the administration additional time to craft an alternative to FAA borrowing authority. S. 1193 also makes other important modifications to the program.

I appreciate the efforts of the Armed Services Committee to ensure that the Aviation Insurance Program is in place. If, however, both of these bills are enacted into law, I want to clarify that the provisions of S. 1193 supersede the 5-year reauthorization bill. Is that agreeable to the distinguished chairman of the Armed Services Committee?

Mr. THURMOND. That sounds like a good accommodation to me. When and if S. 1193 or a similar House version is signed into law, its language reauthorizing the Aviation Insurance Program should be controlling. If for some reason that bill is not approved before Congress adjourns for the year, and the

defense authorization bill is signed into law, the defense bill provisions will serve to reauthorize the program until action on S. 1193 or a similar House bill is taken.

Mr. MCCAIN. I thank my good friend and colleague for his understanding.

Mr. CAMPBELL. Mr. President, today I intend to vote in favor of the Defense Department authorization conference report which contains critical funding for our Armed Forces. This legislation authorizes \$268.2 billion in budget authority, the spending level recommended in the concurrent resolution on the budget.

I also am pleased that the Senate and House conferees agreed to include provisions from two bills I introduced earlier this year. Section 1082 of the DOD conference report authorizes the flying of the POW/MIA flag over military installations, memorials and post offices around the nation and at other appropriate places of significance on Armed Forces Day, Memorial Day, Flag Day, Independence Day, Veterans Day, and National POW/MIA Recognition Day. This provision reflects in large part the language of S. 528 which I introduced on April 9, 1997.

The United States has fought in many wars, and thousands of Americans who served in those wars were captured by the enemy or listed missing in action. In 20th century wars alone, more than 147,000 Americans were captured and became prisoners of war; of that number more than 15,000 died while in captivity. When we add to this number those who are still missing in action, we realize that more can be done to honor their commitment to duty, honor, and country.

The display of the POW/MIA flag would be a forceful reminder that we care not only for them, but for their families who personally carry with them the burden of sacrifice. We want them to know that they do not stand alone, that we stand with them and beside them, as they remember the loyalty and devotion of those who served. This section provides that support.

The DOD conference report also contains important provisions to strengthen how the Defense Department tracks and accounts for our missing in action.

To address this issue, the DOD Conference Report includes the following provisions. These provisions are based on S. 755, which I introduced on May 15, 1997.

Civilian contract employees who accompany armed forces in the field are now covered under all DOD POW/MIA search and recovery policies.

The theater component commander is now involved in the initial assessment of a missing person's status, where as before, the initial handling of the situation originated with the Secretary of Defense in Washington, DC.

A new file must be opened and reviewed if any new information surfaces concerning the status, living or dead, of an MIA.

A status review board, when making a determination of death must now

provide a description of the location of the body, if recovered, and if the body is not identifiable, a certification by a forensic pathologist. DOD may also have input by other specialists of appropriate medical sciences.

Personnel files will now be established for Korean conflict cases upon receipt of new information.

Families of MIAs will now have more open communication with counsel appointed to investigate the missing person.

Last summer, a United States forensics team returned what are believed to be the remains of four American Korean war soldiers who have been missing for nearly half a century. The following day, news reports then indicated that recently declassified Air Force documents show that the Department of Defense had knowledge of POW's in Korea after the Korean war. These events clearly reinforce the necessity for these provisions as thousands of POW and MIA's still remain unaccounted for. I believe that the provisions adopted by the Senate-House conference and included in the legislation we consider today will go a long way to help the families of our servicemen and women missing in action and will strengthen Defense Department policies for the future.

Mr. CLELAND. Mr. President, it has taken 9 long months to get to where we are today. Yet one issue remains controversial. In spite of numerous profound concessions made by the Depot Caucus, this bill faces the threat of a veto. I do not understand this. Much has been said on this topic, so I will be very brief.

There were at least two significant concessions.

First, we agreed to the Department of Defense request to continue free and open public-private competitions for the workloads at Kelly Air Force Base, TX, and McClellan Air Force Base, CA, rather than directing the Department to transfer this workload to the remaining depots, which we believe was the intent of the BRAC. I would urge those who do not believe this is a major concession to consider that this measure would essentially ratify a mechanism that overrides a major BRAC recommendation.

Second, we agreed to the Department of Defense request to lower the 60-40 rule to 50-50. The administration requested 50-50. The Congress responded with 50-50, over the objection of many in the Depot Caucus.

What I find ironic is that on the two most significant priorities the administration had, we conceded to the administration position. Yet there is still talk of a veto here. I do not understand that, especially when I have to explain to people why we agreed to give up so much in return for so little.

I am not completely satisfied with the depot provision in the conference report, but it is a provision I can live with. The Department of Defense shares this view, and I would note that

the provision has the unanimous support of the Senate Armed Services Committee.

The provision does not include everything that either side really wanted, but it is undoubtedly a fair and unbiased bill that places bidders on an equal footing.

When Robins Air Force Base won the contract to perform maintenance on the C-5, it had to go the extra mile to prove to the Air Force that it could do the job. It had to endure additional audits, above what is normally expected in such cases. Robins' bid was adjusted after it was submitted to account for factors which the private bidder was not subjected to. In spite of this unlevel playing field, Robins was able to win the award because of its outstanding record and the quality of its people.

I support fair competition, and I agree it can result in lower costs to the Federal Government. This bill provides for fair competition. I urge my colleagues to adopt it, and I urge the President to sign it into law.

Ms. SNOWE. Mr. President, the conference report for the National Defense Authorization Act for fiscal year 1998 is being considered by the Senate. This is an important component of the national security legislation that the Congress must pass each year. The national defense authorization conference report is a good, bipartisan bill. The conference between the Senate and the House conferees dealt with many substantial issues. There were tough negotiations on many issues, and this bill provides a balanced approach and fair compromise. There are three areas that I would like to talk about which are very significant. These are in regard to United States policy in Bosnia; the depot maintenance compromise; and some very substantial quality of life issues for our troops—the men and women in uniform who serve our Nation.

Mr. President, it is important to note that none of these significant national security issues will be addressed in any other forum unless the Senate passes this conference report and it is enacted into law.

For example, significant progress was made in this legislation with regard to United States policy in Bosnia. The bill states that it is the sense of Congress that United States ground combat forces should not participate in a follow-on force in Bosnia after June 1998. In addition, the bill contains a provision cutting off funds to support United States troops in Bosnia after June 30, 1998, unless the President certifies that their continued presence in Bosnia is required to meet our national security interests, and provided United States policy continues to preclude U.S. forces from being used to perform civil law enforcement functions.

This is a significant message to the administration and our NATO allies. This provides a workable solution to this complex policy issue, and is cer-

tainly more acceptable to the Senate and the administration than some of the alternatives proposed. I believe our language on Bosnia clearly puts the United States appropriately on record and yet preserves the constitutional authority and the necessary flexibility the administration needs to deal with the thorny issue of Bosnia.

Another significant issue is the area of depot maintenance, and the fair and open competition that was created by the compromise in this legislation. There are strong feelings on both sides of the depot issue—with many jobs at stake. The conferees' objective was to ensure fair competition and a level playing field. This conference report compromise achieves two things: Straightforward criteria for fair and open competition and, provides greater opportunity for DOD outsourcing.

Mr. President, one of the most significant areas in this legislation that will not be adequately addressed unless this bill is passed are very important provisions that support our military personnel in uniform who serve our nation so proudly—our troops who the President has so readily called upon in times of crisis throughout the world. Men and women who are now serving in dangerous and remote places like Bosnia, along the DMZ in Korea, and sailing in ships like the aircraft carrier U.S.S. *Nimitz* and its battle group who President Clinton has just recently ordered into the Persian Gulf to send a very clear message to Saddam Hussein. If we do not pass this bill we will be failing those we call on in times of crisis—the men and women in uniform.

Examples of some of these important provisions are adjustments to troop strength levels, military pay raises, specialty pay and bonuses, major reform to housing allowances that will eliminate Government waste, authorization for new family housing units, and finally an important step forward in establishing accountability in the fair and equal treatment of our troops—both men and women.

Compared to current law, this bill provides lower end strength levels and increased flexibility for the Pentagon and the individual services to manage military personnel strength. If the bill is not enacted, the military services will be held to the higher fiscal year 1997 end strength levels that were based on the 1993 Bottom Up Review. Levels that are higher than they need to be, levels that require the DOD to spend money that it does not have and does not need to spend. The lower personnel levels authorized are also consistent with the Department of Defense's Quadrennial Defense Review [QDR]. If we do not enact this bill we might as well throw the recommendations of that review right out the window.

Without these modified troop strength levels, the services will have to recruit and retain personnel that they will have to separate from the service 1 year later. Is this responsible

government? This will be disruptive to our military, unfair to its people, and significantly detract from funding needed for modernization. This is just poor stewardship of our Nation's precious resources.

Without this Defense authorization bill, the military pay raise that we authorize in this bill will be less than our service members deserve. The bill includes a 2.8 percent pay raise for military personnel. If the bill is not enacted, the pay raise for military personnel will be limited to 2.3 percent.

Mr. President, the bill also includes authority for significant increases in the special pay and bonus structure designed to respond to critical recruiting and retention problems highlighted by the Department of Defense in our Personnel Subcommittee hearings. If the bill is not enacted, these authorities will not be available to the Department of Defense to address these problems. Specific groups that would be affected include military aviators, nuclear-qualified officers, dentists, military members on overseas tours, military members receiving family separation allowances and/or hazardous duty assignment pay, and military members serving in hardship duty locations.

Reducing military pay raises while failing to increase these bonuses through defeat of the Defense authorization bill will punish those who expect us here in the Congress to look out for them. We will be repudiating the commitments we have made to improving the quality of life for military personnel and their families.

The conference report also includes a major reform to housing and subsistence allowances. These are significant reforms to the existing structure for housing allowances and subsistence allowances for military members. The reforms are intended to simplify the management of these allowances and to better target the allowances to those individuals and geographic areas where the need is most acute. The reforms will save the Department of Defense money which can be used for other compensation and quality of life projects. If the bill is not enacted, the Department of Defense will be forced to continue to use the existing, outdated allowance structure with all its demonstrated inefficiencies, inequities, and higher costs.

I assure my colleagues if we do not support military personnel with pay and compensation levels that are fair and meet the needs of their families, we will see increases in career personnel leaving the military services. They will see our action as a breach of faith and they will be absolutely right in their assessment.

The bill also provides authority for the Department of Defense to begin construction on the fiscal year 1998 military construction projects which include quality of life and training-related facilities. If the bill is not enacted, construction cannot begin. Some may believe that since the military

construction and family housing projects are funded in the Military Construction Appropriations Act, they do not need the authorization in the conference report. Let me assure my colleagues that is not correct. Both an authorization and an appropriation are required for military construction projects. Without this bill we will not build new family housing units. We will not build new barracks and dormitories for our single service members. We will delay construction on child care centers and dining facilities. If we deny these military construction projects, we will be guilty of failing to meet our commitment in support of our troops.

And finally, another issue of great importance, is creating an opportunity for fair and equal treatment for all our troops. This body has few greater responsibilities than maintaining the effectiveness and accountability of our Nation's Armed Forces. This is one of the reasons that reports of widespread sexual harassment in our Nation's military deeply concerns us all. With Department of Defense statistics showing that sexual harassment is prevalent throughout the Armed Forces—we must do more than pay lip service to the problem. We must act, and this bill does that.

Today, with a full understanding that the time has come for serious action that is responsible and constructive, a provision that I authored is included in this 1998 Defense authorization bill that places us on the road to solving the crisis of sexual harassment that plagues our military force. This legislation attacks the root of the problem—the lack of accountability when it comes to reporting and investigating incidents of sexual harassment.

The Department of Defense conducted a survey in 1988 and found that 64 percent of women reported that they had experienced one or more incidents of sexual harassment in the 12 months preceding the survey. The Defense Department conducted another study in 1995 and found that the figure had only improved to 55 percent. This is not progress, these statistics are shocking.

In its 1995 Defense Department survey, only 24 percent of the victims chose to report their sexual harassment experiences. Is this the kind of environment to which we should subject our volunteer force? These numbers tell me that women essentially stand a 50-50 chance of being harassed. This cannot and should not be tolerated. Add to that the fact that over three fourths of our military personnel do not feel they can report the harassment that occurs and you clearly have a very negative set of circumstances. How can you maintain good order and discipline in such an environment? This situation demands accountability. And it requires action to erase any perception that sexual harassment is tolerated in today's Armed Forces.

My provisions in this bill require the unit commander to report each and

every sexual harassment incident to their next senior officer within 72 hours. Once reported, the unit commander appoints an investigating officer to investigate the complaint of sexual harassment. The unit commander has 14 days to report back to their commander with the results of the investigation. If the unit commander cannot complete the investigation within 14 days, that commander must report the interim results, every 14 days, until the investigation has been completed.

Today when an incident is reported to a unit commander, the commander is not required to report the incident until a preliminary investigation recommends disciplinary action. This gives the unit commander tremendous latitude as to how the case is handled. In most instances this is not a problem. But look what we witnessed with the tragedy at Aberdeen. We saw a company commander who was a bad apple and there was no established system to alert his superiors that there was a problem.

Under the provisions of the national defense authorization bill each incident is immediately brought to the attention of a more senior officer. The most distinct advantage of this provision is that the decibel level of the problem rises by elevating the matter to the highest echelons of the services. Mr. President, this accountability is included in this legislation.

This provision also requires that the senior officers who receive these reports of sexual harassment forward all the complaints they receive and the results of the investigations of those complaints to their respective service Secretary by January 31 of each year, elevating the problem another notch within the military to the authors of the services' zero-tolerance policies where they can be scrutinized. The service Secretaries are then required to forward this information to the Secretary of Defense who in turn must report the information to Congress.

Mr. President, this is what is needed to put us on the road to help end sexual harassment in our military. We owe the men and women who serve our Nation an environment that includes accountability, good order, and discipline. But we also owe this to our Nation, which relies on our military to defend our great country and its interests.

The committee has been working on this bill for the past 10 months, it is an essential piece of legislation that must be passed by the Senate to ensure our national defense. We owe it not only to our people in uniform but to our Nation. I urge my colleagues to vote in favor of this conference report. Thank you, Mr. President, and I yield the floor.

MILITARY UTILITY ASSETS

Mr. MURKOWSKI. Mr. President, as chairman of the Committee on Energy and Natural Resources, I would like to

engage in a colloquy with Mr. THURMOND regarding section 2812 of the conference report, the section of the bill authorizing the sale of military utility assets.

Mr. THURMOND. What is the distinguished Senator from Alaska's concern regarding section 2812?

Mr. MURKOWSKI. I wish to draw the Senator's attention to the plain meaning of section 2812 so that there is no confusion in its application or implementation.

First, the plain meaning of the provision does not limit the Secretary of a military department's authority to convey electric utility assets present at a military base. There is no requirement that both electric generation and distribution facilities be present at a base in order for the Secretary of a military department to convey assets. Indeed, the plain language of section 2812 states that such Secretaries may "convey a utility system, or part of a utility system."

Second, section 2812 has no effect whatsoever on existing preference power allocations. If an entity that is not currently eligible for—or is not currently receiving—preference power buys an electric utility system at a base which is entitled to receive preference power, the base will continue to receive that preference power—subject of course to the terms of existing contracts, rights, or obligations. There is nothing whatsoever in the plain meaning of section 2812 to the contrary, nor is there any language in the provision supporting the idea that a base's preference power allocation will transfer to any asset purchaser that buys a military base utility system. Federal military bases, as customers of the Federal Government's utilities—the Power Marketing Administrations—will not be defensed of their rights to purchase preference power, regardless of the purchaser of military base assets.

Finally, I wish to reiterate that there is nothing in the plain language of section 2812 which in any way supports the notion that a particular purchaser (either a municipal, private, regional, district, or cooperative utility or other entity) should be given any particular preference with respect to the purchase of military base utility assets. Indeed, the section is intended to create a level playing field for all to compete for the purchase of the facilities. There is no language whatsoever in the section supporting the idea that preference power recipients should receive an advantage in competitive bidding for military base utility assets. Moreover, regardless of who purchases the utility system, the base will continue to receive Federal preference power pursuant to the terms and conditions of contracts.

Mr. THURMOND. I thank the Senator for those comments.

Mr. MURKOWSKI. I thank the chairman.

Mr. KEMPTHORNE. Mr. President, I rise to engage the distinguished Chair-

man of the Armed Services Committee and President pro tempore, Senator STROM THURMOND, in a colloquy. Mr. President, I know the chairman is very familiar with the important work conducted by the Department of Energy's Technology Development Program.

Mr. THURMOND. Yes, I know the DOE's Technology Development Program does very useful work developing new technologies to tackle many of the tough waste management and environmental restoration challenges across the DOE complex.

Mr. KEMPTHORNE. Mr. President, the chairman also knows the pending conference report authorizes \$220 million for technology development work in fiscal year 1998. Within these authorized and appropriated funds, Assistant Secretary Alm has agreed to provide \$22.5 million to the Idaho National Engineering and Environmental Laboratory [INEEL] to enhance application and deployment of innovative technologies across the DOE complex through specific validation, verification, and system engineering activities. This work will focus on simulation modeling, treatability studies and development of disposition processes for major DOE waste streams. The work will also help focus DOE's Environmental Management Program on accelerating clean up, developing alternative, improved technologies, and developing and tracking performance metrics for these efforts. This work is certainly within the authorized scope of work of the DOE's Technology Development Program, is it not?

Mr. THURMOND. Yes; this work is what we expect from the Department of Energy's Technology Development Program. I am also pleased to hear Assistant Secretary Alm is working with you and the INEEL to take full advantage of the enormous capabilities of that national lab. I urge the Senator from Idaho to keep me apprised of the progress of this important work.

Mr. KEMPTHORNE. I want to assure the chairman I will keep him informed about our progress in this area. I also want to thank my chairman for his hard work and leadership during the conference on the 1998 Defense authorization bill.

BRILLIANT ANTITANK MUNITION

Mr. SESSIONS. Mr. President, I would like to engage the Senator from Indiana in a brief colloquy to clarify a language provision of this legislation regarding the Brilliant Antitank, or BAT Munition in development for the U.S. Army. There have been some in DOD that have questioned whether the intent of Congress is to cancel the basic BAT procurement program for future years. I maintain this is not our intent. The BAT program is a key component of the Army's long-range fire support against threatening armored forces, but has experienced some developmental difficulties in recent months. It is clear to all of us that in fiscal year 1998, BAT is not ready for full-scale production and the committee's

action eliminates the funds for production and applies them to much-needed further development. This is a move which is supported by the U.S. Army and in no way indicates a change in their requirements. Would the Senator say that my understanding is correct?

Mr. COATS. I would say to the Senator from Alabama that his understanding is correct.

Mr. SESSIONS. Mr. President, as I understand the proposed BAT language then, the committee is only eliminating basic BAT procurement for fiscal year 1998 and the committee intends for the basic BAT program, as well as the advanced sensor, to continue development through fiscal year 1998 at which time the committee will have an opportunity to evaluate the program's progress this time next year. Again, would the Senator conclude that my understanding is correct?

Mr. COATS. I would say to the Senator that yes, his understanding is correct. The conferees believe it is important that the Department of Defense understands that the intent of Congress was not to prohibit future procurement of basic BAT, but to eliminate 1998 production. Future congressional evaluation will determine whether the Army should enter into either full-scale production of the basic BAT submunition or limit production to the number required for testing and evaluation of the improved (P31) BAT objective system.

Mr. CHAFEE. Mr. President, I want to thank both the distinguished chairman of the Subcommittee on Readiness, Senator INHOFE, and the distinguished chairman of the Committee on Armed Services and manager of the bill, Senator THURMOND, for their cooperation in including provisions to reauthorize the Sikes Act in H.R. 1119.

The Sikes Act was first enacted by Congress in 1960 to provide enhanced stewardship of fish and wildlife and other natural resources on military installations. The act seeks to capitalize on the enormous potential for natural resource conservation on military lands. The Department of Defense controls nearly 25 million acres of land and water at approximately 900 military installations in the United States, and the National Guard oversees an additional 1 million acres on 80 sites. These lands serve as home to approximately 100 endangered or threatened species and countless other fish and wildlife resources.

The amendment that I offered to the bill, along with Senators KEMPTHORNE, WARNER, and BAUCUS when it was pending before the Senate, would infuse new vigor into the implementation and effectiveness of the Sikes Act. Specifically, it would require the Secretary of each military department to develop a natural resource management plan for each of its military installations, unless there is an absence of significant natural resources on the base. The plan would be prepared by the Secretary in cooperation with the Fish and Wildlife

Service and the appropriate State fish and wildlife agency. The plan must be consistent with the use of military lands to ensure the preparedness of the military, and cannot result in any net loss in the capability of the installation to support its mission. With those caveats, the plan must also provide for the management and conservation of natural resources. This language accommodates the interests of the State and Federal wildlife agencies as well as the needs of the military.

I would like to thank the conferees for accepting the Senate language extending the deadline for completing natural resource management plans from 2 to 3 years from the date of the initial report to Congress, which is required 1 year after the date of enactment. This change was negotiated between the Committees on Environment and Public Works and Armed Services, and approved by all interested parties, including the Departments of Defense and the Interior, and the International Association of State Fish and Wildlife Agencies. This change should enable the Department of Defense to complete the plans within its own internal timeframes, without unnecessarily missing any statutory deadlines.

As I mentioned when I offered this amendment back in July, jurisdiction of the Sikes Act, since its passage in 1960, has always rested with the Committee on Environment and Public Works. Bills to amend and reauthorize the act, including one that was introduced in the 103d Congress containing substantive revisions similar to the revisions in this amendment, have all been referred to that committee. The fact that reauthorization of the Sikes Act is being done through the DOD authorization bill represents the fortunate circumstance that after more than 1 year of debate, agreement happened to be reached by all parties at this particular time in this particular context. This circumstance does not alter the jurisdiction over the Sikes Act in the future. Nevertheless, the Committee on Environment and Public Works has always worked cooperatively on that portion of the Sikes Act pertaining to military installations in the past, and will continue to do so in the future.

In closing, Mr. President, I believe that this provision will significantly improve the Sikes Act, and I thank the conferees for all their hard work.

Mr. MCCAIN. Mr. President, every high school civics student is taught the importance of the system of checks and balances among the three branches of government that underlays our representative government. That system, as we all know, is an essential element of democracy. Without it, the consolidation of excessive power in one branch of government poses a very real risk to the survival of true democracy and, consequently, the welfare of the republic.

I do not intend to sound melodramatic, but I believe strongly that the

survival of the legislative branch's own system of internal checks and balances is similarly essential to the welfare of our country. The process of authorizing appropriations exists for a reason, and that reason has only increased over time. The balance of power within the branch of our Government that enjoys a constitutional prerogative over the raising and expenditure of revenues seriously needs to be respected and maintained.

Important policy directives that are an integral part of the authorizing process are not particularly well suited to the appropriations process. Authorization acts are intended to set the tone for the appropriations process that, ideally, would follow. When this system begins to degrade for whatever reason, the entire budget review process falters, and essential legislative provisions and oversight activities go unaddressed.

The two-step process of reviewing the President's budget request for defense—in both the authorization and appropriations committees—is especially critical to our national security. The Senate Armed Services and House National Security Committees provide Congress its most important body of knowledge and experience in the vital realm of national security affairs. The defense authorization bill, which is the major legislative product of these committees, contains the recommendations of the Congress' defense experts on important policy matters as well as guidance on funding priorities. Many of the policy recommendations in this bill must be enacted before the dollars provided in the appropriations bill can be expended to implement them, such as the increases in pay and bonuses that are key to good morale in the force.

With all due respect to the Appropriations Committees, no single committee should be granted sole authority over the expenditure of \$260 billion in defense funds. The manning, structure, equipping, and training of the most powerful and important armed forces in the world is too important to set aside the long-standing process of authorization and appropriations review.

Despite its flaws, and there are some, I urge my colleagues to vote for the Fiscal Year 1998 National Defense Authorization Act. To fail to pass this important legislation would be an abrogation of one of our most important responsibilities and would shift the balance of power within Congress from the many to the few, to the detriment of our future security.

Mr. SMITH of New Hampshire. Mr. President, I rise in strong support of the conference report on the fiscal year 1998 Defense authorization bill. I want to specifically commend the distinguished chairman of the Armed Services Committee, Senator THURMOND, for his outstanding leadership in formulating this legislation. I also want to thank the Senator from Michigan, Senator LEVIN, for his profound contributions to this legislation.

Mr. President, although this has been a long and difficult conference, the product of these labors is an excellent defense bill. This legislation will provide for necessary modernization of our Armed Forces, and significantly improve the quality of life for our service members and their families.

Importantly, this bill addresses in a very fair and appropriate manner, a variety of issues upon which the administration expressed strong concerns. Many of these issues had been represented as possibly triggering a veto. These include Bosnia, the B-2 bomber program, and the depot maintenance provisions.

But the conferees dealt in good faith on these issues, and have offered honest compromises that address the administration's concerns. In particular, the depot maintenance provisions have been modified to accommodate the strongly held concerns of the administration and the Senators from Texas and California.

The resulting language is, in my view, balanced, fair, and consistent with our national security interests.

However, in listening to yesterday's floor statements by the Senators from Texas and California, I could not help but think that they were looking at some other bill, because the characterizations made about the depot provisions in the conference report were grossly inaccurate.

Mr. President, let me make clear that I am an advocate for competition. Whether it be private sector competition among defense firms, or competition between public sector and private sector facilities, I believe that fair and honest competition makes sense for the American taxpayers and should be pursued wherever practical and consistent with our national security requirements.

The conference report includes a compromise on depot maintenance that would require the conduct of fair and open competitions at the Kelly and McClellan air logistics centers. The compromise would specifically define "depot maintenance" to include contractor logistics support and interim contractor support. It also requires that the Defense Department maintain the capability in public depots to perform maintenance work on certain mission essential weapons systems that the Secretary of Defense and Joint Chiefs deem necessary as part of our national military strategy.

Mr. President, the language is very clear and the intent is even more clear. The conferees support free and open competition for depot maintenance work. With all due respect to the Senators from Texas and California, who suggest otherwise, their assessment of this language is simply not accurate.

The truth is, many Senators, including my friend from Oklahoma, Senator INHOFE, have very strong concerns on this issue. I want to commend Senator INHOFE for his willingness to compromise so much on this issue. He has

been very statesmanlike throughout these negotiations, and anyone who looks at this objectively will come to the conclusion that he has acted in good faith and has gone the extra mile to facilitate a resolution on this issue.

Mr. President, as a senior member of the Armed Services Committee, I was deeply troubled by some of the assertions made by the Senators from Texas and California during yesterday's debate. In particular, I was troubled by the statement by one member to the effect that "we do not even need a Defense authorization bill since we have already passed the Defense appropriations bill." With all due respect, this statement is flat out wrong.

The truth is, we need this bill to authorize pay raises and bonuses, military end strengths, and military construction and family housing. If there is no fiscal year 1998 Defense authorization:

Higher end strengths will remain in effect without funding to sustain them;

There will be no reform of basic allowances for subsistence and quarters;

All bonuses will continue at present levels, which prevents authorized increases to aviation and nuclear officer bonuses;

The Navy will lose the ability to have the CNO's choice for Chief of Chaplains;

Construction of 385 military construction and 45 family housing projects will not be initiated;

There will be no authority to continue the Challenge Program;

There will be no authority to expand the counternarcotics Riverine Program in Peru and Colombia;

There will be no authority to increase counternarcotics support to Mexico;

There will be no authority for the Department of Navy to reprogram funding for the advanced procurement and construction of components for the next nuclear aircraft carrier; and

There will be no authority to accelerate the NATO JSTARS Program.

Mr. President, as you can see, the authorization bill is urgently needed for a variety of compelling reasons. While I respect the views of my friends from Texas and California, I must honestly say that I do not believe they are being reasonable. The conferees conceded to approximately 80 percent of the requests made by advocates of Kelly and McClellan. The House Depot Caucus and the Senators from Oklahoma, Georgia, and Utah have negotiated in good faith. The result is a very reasonable compromise.

Mr. President, in an honest negotiation, no one gets everything. Both sides must give and take. In this case, it is very clear that the Oklahoma, Utah, and Georgia delegations have given a great deal. In fact, I would say they have gone above and beyond the call of duty to facilitate a fair resolution on this issue.

Accordingly, I would call upon my colleagues to reject any further at-

tempts to stall this legislation or to prevent its enactment. The Armed Services Committee has worked diligently, in a bipartisan fashion, to formulate a very responsible and constructive defense bill. We owe it to our men and women in uniform, and particularly those deployed in harms way throughout the world, to pass this legislation promptly.

I urge my colleagues to support the fiscal year 1998 Defense authorization conference report.

DEPOT COMPROMISE

Mr. THURMOND. Mr. President, I would just like to take a few moments to address some of the issues that were raised yesterday regarding the compromise depot language included in the conference report on the National Defense Authorization Act for Fiscal Year 1998. I believe it is important to clarify the issue and ensure that all Members are fully aware of the contents of the compromise language, and the negotiation process that resulted in this language which provides for fair and open competitions.

First of all, I would like to put to rest one very important allegation—that the committee demonstrated bad faith on this issue—that there was some agreement that was subsequently changed in the dark of night. This allegation is simply not true. Given the unprecedented involvement that was afforded to the Department of Defense and the staff of the concerned delegations; given the efforts that were taken to ensure that all interested parties, including those who were not conferees, were kept fully informed on what was taking place; I reject any assertion that the committee treated any Member unfairly, or disregarded any agreement.

There was never an agreement on any package prior to October 22, 1997. Proposed agreements drafted by the committee and provided to everyone—depot caucus, Texas and California delegations, and the administration, were either rejected or there was no response. This includes the proposed agreement regarding depot-level activities that was provided for everyone's review and comments on October 17, 1997.

After talking with the interested parties, both in the administration and Congress, the committee put together the October 17 proposed agreement and submitted it for everyone to review and either accept, or provide input to us regarding those changes that would make this proposal acceptable. After reviewing the language, Senator BENNETT and other Members expressed concern regarding the language in the bill that stated:

No offeror may be given any preferential consideration for, or in any way be limited to, performing the workload in-place or at any other single location. Appropriate consideration may be given to differences in cost or performance risk associated with the location of performance.

The concern of these Members was simply with the appearance of the lan-

guage. After agreeing to give up their position that privatization-in-place must be prohibited, a position very important to these Members and their constituents, they believed that the Congress should at least insist on a clear statement that the administration could not give preferential treatment for privatization-in-place. Therefore, they asked that the second sentence be moved from the bill to report language.

Mr. President, just to be sure that everyone understands, this language does not state that the Department cannot consider cost or risk. In fact, the bill language still requires the Department to take into account:

the total estimated direct and indirect costs that will be incurred by the Department of Defense and the total estimated direct and indirect savings (including overhead) that will be derived by the Department of Defense.

Furthermore: the report language, which Senator GRAMM himself declared has the effect of law, states:

The Department would be expected to consider real differences among bidders in cost or capability to perform the work based on factors that would include the proposed location or locations of the workload. The consideration of such differences does not constitute preferential treatment.

Unfortunately, when the committee scheduled a meeting with the staff of the concerned delegations to discuss this and other proposed changes, the Department of Defense as well as the staff of the Texas delegation refused to participate.

Taking what input we received from those Members who were able to identify concerns, the committee made a couple of changes to the language that we believed were reasonable. This included moving the bill language discussed above to report language and some changes requested by the Department.

Mr. President, I agree with the Senator from Texas that if the sentence that was moved is technical, is inconsequential, there is no reason why it had to be dropped; other than for the sake of appearance. However, since Senator BENNETT and other Members wanted a clear statement that preferential treatment could not be given to a bid solely because the workload would be done in place, and since we could not even discuss this with the other Members because their staff refused to participate in meetings, the language was moved.

Mr. President, given the administration's past attempt to politicize this process by advocating privatization-in-place, Senator BENNETT's concerns appear to have merit. The Congress should be on record stating that the most competitive bidder should do this work wherever they can do it best. That is the only way the American taxpayer, and our military personnel, will receive the best deal.

Mr. President, I would now like to address the issue of the so-called anti-competitive language that was the

point of discussion on the Senate floor earlier this week. The assertion that this language is anticompetitive could not be further from the truth. As many of you know, the original language that was rejected by the Senate contained an effective prohibition on such competitions. This provision is not included in this bill. In fact, this bill specifically authorizes such competitions and merely includes some of the criteria that must be considered in order to ensure that they are fair and open.

Furthermore, the Department would retain complete flexibility to consider any other criteria that the Department believes necessary to ensure that these competitions are fair. In fact, this provision is very similar to what Senator GRAMM advocated when he addressed the depot issue on the floor of the Senate earlier this year and asked for competitions with criteria.

One of the criteria that the Senator from Texas would like to have changed because he believes it to be anticompetitive, is the clause that would require the Department of Defense to allow public depots and private corporations to form teams to compete for the workloads at Kelly and McClellan. I am not sure why this clause, which opens the competition to more potential bidders, would be viewed as anticompetitive. I see no reason why we should preclude the best team, whether public, private, or public/private, from competing to perform this work and doing it if they have the best proposal. In fact, at a recent hearing before the Senate Armed Services Committee, Mr. F. Whitten Peters, the Principle Deputy General Counsel for the Department of Defense and nominee to be the next Undersecretary of the Air Force, stated that he also did not believe such language to be anticompetitive. If someone truly believes that allowing an organization to compete is anticompetitive, they should explain their position to the Congress and the American people.

Mr. President, the compromise language also amends the current 60/40 law so that the Department might outsource up to 50 percent of its depot maintenance workload. This will provide substantially more flexibility to the Army and the Navy, and some additional flexibility for the Air Force despite the fact that the compromise would also codify the definition of depot maintenance to include interim contractor support and contractor logistics support.

Furthermore, the depot compromise codifies the Department's own policy of maintaining, within organic Defense depots, the capability to meet readiness and sustainability requirements of the weapon systems that support the JCS contingency scenarios. This does not require that the Department perform depot maintenance on all mission essential weapon systems in public depots. It simply requires that the Department retain a capability to maintain this equipment should it become necessary.

The Senator from Texas has expressed some concern regarding the use of the word "ensure" rather than "promote" in this provision. He stated that this was a major concern for the Department of Defense because someone might interpret it in such a way that it would require the Department of Defense to perform all depot maintenance in public depots. All I can say is that it would take an extremely creative imagination to give that interpretation to this language. Both "promote" and "ensure" are subjective terms that will be interpreted by the Secretary of Defense. He is not going to interpret "ensure" in the manner feared by Senator GRAMM when it is clearly contrary to the intent of the Congress. In fact, when the committee asked the Department to provide in writing any concerns they had regarding this language, the Department did not express any concern regarding the word "ensure" or suggest changing the word "ensure" to "promote."

Mr. President, the Senators from Texas and California have asserted that the depot compromise contained in this bill "undercuts the ability of the Secretary of Defense to conduct price competition so that we can have bidding on this work." However, the compromise language specifically requires the consideration of all costs and savings, and would ensure price competition. Most of the Members involved in this issue have always insisted on price competitions as opposed to schemes which would allow more subjective judgment.

It is also asserted that this language skews the competitions in favor of public depots because it allows them to hide their overhead costs. There is no clause in the depot compromise that allows the public depots to hide overhead costs. The compromise specifically requires that all costs and savings must be taken into account when considering any bid.

Concern has been raised that this language would require the Department to procure expensive and unnecessary equipment in order to be able to maintain commercial systems that have been integrated into military equipment. This is false. In fact, the provision requiring the retention of a core capability specifically provides an exemption for commercial items.

Finally, concern has been raised because there was bill language which the Department did not like that was moved to report language. I believe that this must refer to the report language that simply notes that the Department of Defense has denied the General Accounting Office access to information that the General Accounting Office is entitled to obtain by law. I could understand why this would be objectionable if this were not true. Unfortunately, the Department is refusing to disclose information on the earlier C-5 workload competition so that we can be sure that it was fairly conducted. Perhaps the conferees would not have

agreed to include such language if the Department would allow the General Accounting Office access to the information necessary to perform the review requested by the committee.

Mr. President, this bill contains a fair compromise that was drafted by the members of the Senate Armed Services Committee after consulting with all interested parties; including the administration and the concerned delegations. It is fair to assert that none of the parties involved are completely happy with this compromise language, however, that is what happens when you have to compromise. If we all insisted on getting everything our way, nothing would ever be accomplished by the Congress.

Mr. President, Senator LEVIN, the ranking member of our committee, and I worked together in a totally bipartisan manner to achieve this compromise and we both agree that this compromise enables the Department of Defense to conduct fair and open competitions for the workloads currently performed at Kelly and McClellan. During the drafting of this compromise language the Department of Defense, as well as the staff of the concerned delegations, were provided numerous opportunities to review this language and identify their concerns. We made significant changes to this language in order to alleviate many of the concerns they raised.

Mr. President, as I previously stated, this is a good compromise; a fair compromise. It allows all parties to compete for these workloads in a fair and open manner. I ask the other Members of the Senate to support this compromise, and this bill, by voting in favor of final passage.

Mr. FEINGOLD. Mr. President, I intend to oppose H.R. 1119, the Department of Defense authorization bill for fiscal year 1998, and would like to take a few moments to explain my disagreement with this authorization bill.

Mr. President, there are a multitude of reasons for opposing this legislation. First and foremost is the \$268.2 billion in overall funding this bill provides for our Armed Forces, an amount that is not only substantially higher than the amount we authorized last year, but \$2.6 billion more than the Pentagon itself has requested.

Additionally, this legislation continues the funding of a host of highly questionable and outright unaffordable programs. For example, the bill includes \$331 million—\$157 million more than the Pentagon requested—for the B-2 bomber, a program that scores of budgetary and military experts, not to mention numerous Members of Congress on both sides of the aisle, have concluded does not serve our national security interests and does not merit any additional funds.

The legislation includes \$2.4 billion for 20 new F/A-18 E/F SuperHornet tactical fighters for the Navy. My colleagues may recall that the General Accounting Office and other experts

have made repeated, convincing recommendations that we shelve this program in favor of the more affordable F/A-18 C/D, the Navy's current top-of-the-line tactical fighter capable of providing nearly all of the benefits of the E/F version but at a savings of billions of dollars to the taxpayer.

These are just two examples, Mr. President, of billions of dollars that are being needlessly spent in this bill for programs that have encountered enormous criticism and steadfast opposition from across the political spectrum. Despite these questions and opposition, the gravy train continues to chug along unabated from the Congress to the Pentagon.

For many years Congress has failed to sufficiently control the flow of deficit dollars to the Defense Department, clinging to a conviction that having a less expensive military structure will consequently leave us with a less effective military structure. That is an absurd correlation, Mr. President. There is no question that if we invest our defense dollars wisely we can have a leaner military without compromising either efficiency or effectiveness.

Since I arrived in the U.S. Senate almost five years ago, my driving objective has been to reduce the Federal deficit and achieve a balanced budget. We have had enormous success in that regard, passing hallmark legislation in 1993 that drove down the deficit to a point where we could pass further legislation in 1997 that will finally allow us to reach a balanced Federal budget in a few short years.

A large part of that success has been due to the willingness of both the Congress and the President to do more with less, to trim excessive spending wherever possible and maintain important services but with fewer resources. We have succeeded almost everywhere in government—education, health care, veterans' care, welfare benefits, environmental programs—everywhere except defense spending where we continue to build destroyers the Navy does not ask for and continue to build bombers the Air Force does not want.

Balancing the budget is about making difficult choices, Mr. President. Sure the Navy would like to have the F/A-18 E/F fighter, and if we were in a radically different budgetary position I might support giving them 200 of those airplanes instead of the 20 they are receiving in this legislation. But can we afford 20 of these new tactical fighters, when a more affordable and equally effective alternative aircraft is readily available? How that question is answered, Mr. President, is the difference between fiscal excess and fiscal responsibility.

We have to make smart choices Mr. President. A balanced Federal budget is in sight for the first time in three decades. But we are not going to be able to maintain a balanced budget, let alone start bringing down the Federal debt, so long as we continue to commit to programs and force structures that are so blatantly unaffordable.

In this context, I would like to discuss the role of the National Guard in our force structure and how the Guard will be affected by this conference report.

Mr. President, the National Guard is a source of immense pride in my State of Wisconsin. As I travel across the State, I often have the privilege of meeting the men and women who compose the Wisconsin Guard and have been impressed with the tremendous degree of professionalism and proficiency with which they complete a wide range of missions.

These are well-trained, dedicated, professional soldiers who earn rave reviews from the Governor's office down to the villages and municipalities who are often the principal beneficiaries of the Guard's assistance.

The mission list of the Wisconsin Guard is impressive: Just last spring, the 115th Fighter Wing based in Madison and comprised of Fighting Falcon F-16's, participated in Operation Northern Watch, enforcing the no-fly zone the United Nations imposed over northern Iraq. In addition, 181 Wisconsinites attached to the 128th Air Refueling Wing stationed at Mitchell Field in Milwaukee recently returned from Turkey where they too participated in Operation Northern Watch, providing air refueling support to the fighters enforcing the no-fly zone.

As much as some perceive the Guard as mere weekend warriors, we must remember that these individuals are performing missions both domestically and abroad that pose as great a risk to their lives as any active duty personnel.

But what makes the National Guard so unique is the traditional role they have played in our democratic system dating back to our Nation's infancy. In Wisconsin, we can trace the history of the Guard to 1837, when Governor Henry Dodge appointed a new commander of the Green Bay Rangers Volunteer Company, enlisting the men of that unit to serve the Territory of Wisconsin.

Today, over 10,000 men and women serve in the Wisconsin Guard, generating more than \$125 million in annual Federal income. The Wisconsin Army National Guard has 96 units located in 67 communities throughout the State, while the Air Guard has four units in Madison, Milwaukee, and Volk Field.

The National Guard has traditionally served both a Federal and a State mission, providing ready, trained units to the active Army and Air Force in time of war or national emergency, and assisting State authorities in protecting life and property and preserving peace, order, and public safety.

Unfortunately, the legislation before us includes provisions that are troubling to those who support a meaningful role for the National Guard in our Nation's defense. These provisions were recently brought to my attention by Maj. Gen. James G. Blaney, adjutant general of the Wisconsin National

Guard, who raised concerns not only about the impact these changes would have on the readiness of the Guard, but also about how such changes undermine the traditional and constitutional roles the Guard has always been intended to fill.

First, the legislation includes a reduction in the Army National Guard's end strength by 5,000 troop slots. This reduction reflects a compromise agreement that was reached with the active Army, which also agreed to reduce its end strength by 5,000 soldiers in the upcoming fiscal year. However, though this legislation includes the reduction for the National Guard, it does not include the reduction for the active army—a reduction that was also recommended by the Quadrennial Defense Review.

Second, the legislation before us establishes a new mobilization category that would allow the President, under the Presidential Selective Reserve Call-Up Authority, to mobilize up to 30,000 Individual Ready Reserve [IRR] troops before mobilizing the National Guard for contingency operations. Mr. President, the IRR is composed of inactive military members who are awaiting their final discharge. Although current law permits the President to call on these troops only after he has called on the Guard, the DOD Authorization Conference Report would elevate this new category of IRR forces to a higher position than that of the Guard.

That is a senseless exercise, Mr. President. The members of the National Guard are continually training for such deployments, and yet this legislation proposes to call up 30,000 inactive, nontraining troops before the Guard is mobilized.

It is little wonder that the National Guard perceives these changes as a direct assault on the traditional role of the Guard in our Armed Forces. But what is even more troubling is how contrary these proposed changes are to the constitutional role that the Guard and the State militias are designed to fulfill.

Article I, section 8 of the U.S. Constitution provides Congress with the power to "raise and support armies, but no appropriation of money to that use shall be for a longer term than two years".

I find that extraordinary, Mr. President. Why did the Founding Fathers prohibit Congress from appropriating funds for a standing army beyond 2 years? Not surprisingly, Americans of the late 18th century were highly suspicious of standing armies. They had witnessed firsthand the power and intrusiveness of such an army and how it could be used by a monarch or a central government to suppress the rights and sovereignties of the people.

The Framers of the Constitution wisely decided that if there was going to be a standing army in a free democracy, it would only be through the ongoing approval and purse strings of the representative branch of government.

Article I, section 8 continues, granting Congress the power:

To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions [and] provide for organizing, arming, and disciplining, the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress.

In short, Mr. President, the Framers not only held a standing army suspect, they recognized the importance of defining a role for a citizen militia to be maintained, led and trained not by the central government, but by the States. Interestingly, although the Constitution makes no mention of what capacity a standing army is designed to serve, it does specifically hold the militias responsible for executing our laws, suppressing insurrections, and repelling foreign invasions.

This leaves little doubt that the Founding Fathers were substantially more trusting of the State militias, and were far more willing to assign responsibilities for the defense of the Nation to these militias than they were any standing army.

Of course, Article I of the Constitution is not the only component of the Constitution that is relevant to today's National Guard. The second amendment to the Constitution provides:

A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed.

Whatever advocates and opponents of gun control construe these words to mean in 1997, the aim of the first part of the second amendment is evident: Our Founders were making a penetrating statement that a strong militia was imperative to the security of a free State.

What the Framers of the Constitution recognized over 200 years ago with respect to the vital importance of the militias remains true today. That is certainly not to suggest that there is no purpose or merit in maintaining a standing army. On the contrary, we have learned in this century that a free and democratic society cannot sustain itself without self-protection, and Republicans and Democrats alike can agree that we should have—and do have—the strongest and best-trained active duty force structure in the world.

But to simultaneously and needlessly diminish the strength and role of the National Guard is, I believe, to tarnish many of the underpinnings of our great democracy.

Today's men and women of the National Guard represent what our Founders envisioned in terms of a citizen militia. Members of the Guard are sprinkled throughout our communities. They are teachers, firefighters, doctors, nurses, business owners, police officers, farmers, and yes, even Members of Congress.

And just like our active duty personnel, the men and women of the National Guard can be called upon on a moment's notice to be placed in harm's way. From the Civil War to the Persian Gulf, the State militias and the National Guard have consistently played a central role in protecting our Nation's security, both at home and abroad.

But the Guard does much more as well. They participate in youth programs, such as the highly successful, low-cost Badger Challenge program in Wisconsin where the Guard takes at-risk kids and helps them obtain their GED's while teaching them discipline and respect for themselves and others.

The Guard supports medical outreach programs. They are involved in counterdrug efforts, working with the Department of Justice and local law enforcement agencies through aerial observations, ground surveillance, and cargo inspections.

All of this is accomplished, Mr. President, in a highly cost-effective manner. A comparison of the costs of active duty personnel and Guard personnel demonstrates the sharp differences in costs. According to one study, on average, it costs \$73,000 per year to train and equip an active duty soldier. The cost of training and equipping one National Guard soldier—\$17,000, almost one-fifth the cost.

Projected on a larger scale, an estimate recently prepared for the National Defense Panel found that the Government could save roughly \$1 billion per year for every active division whose responsibilities it shifts to the eight divisions of the National Guard. Another analysis finds that a Guard unit can cost anywhere from 25 to 80 percent less to maintain than an active duty unit.

In other words, Mr. President, with little sizable military threat to the United States today, we can shift many of the warfighting responsibilities—not to mention responsibilities for peace-keeping and humanitarian operations—from the active forces to the National Guard at a substantial savings to the taxpayer while losing little in skills, readiness, and training.

There are a host of missions today that the National Guard can fulfill and should fulfill, providing a less expensive but highly effective complement to our active forces.

As we reassess what our strategic blueprint for our future Armed Forces should look like, and as we begin the process of conducting a comprehensive review of our inventories and projected needs, it is my hope that there will be renewed focus on the advantages of a properly funded, well-maintained National Guard.

Such a focus presents us an opportunity not only to ensure that we have a highly efficient and cost-effective military, but that we are also adhering to some of the most fundamental constitutional principles established by our Founding Fathers.

Mr. DODD. Mr. President, I want to commend Senator THURMOND, Senator LEVIN, and the others on the Armed Services Committee for their efforts in bringing this conference report to the floor. This important conference report has not easily reached this point, and the fact that we are about to vote on it is a tribute to the bipartisanship and forbearance of the Committee members.

This conference report will be good for our fighting forces and good for the Nation. Most important perhaps is the well-deserved 2.8 percent pay raise for our military personnel. Moreover, this conference report will provide the badly needed pay bonuses to help encourage highly trained personnel to continue their military service beyond their initial commitments.

With passage of this conference report into law, this Nation will also fully fund the Cooperative Threat Reduction Program—the most cost-effective means of preventing nuclear proliferation. I can think of no better method to stop the spread of weapons of mass destruction than to assist Russia in dismantling its nuclear arsenal.

This conference report includes an amendment that I authored to assist those suffering from Persian Gulf war illnesses. Next year, I look forward to a combined Defense Department-Veterans Administration plan to provide health care to our sick veterans. Also, I expect to see a full report from the Defense Department on the effectiveness of research efforts to date. Finally, because there has not yet been a program to determine which treatments are most effective in caring for those suffering from Persian Gulf war illnesses, this amendment authorizes \$4.5 million to begin a clinical trials program with that determination as its goal.

As for procurement, I give this conference report high marks. It supports the agreement between our Nation's two submarine builders to work together in building the New Attack Submarine; it provides appropriate relief from the Seawolf cost cap; it completes the funding authorization for the third and final Seawolf-class submarine; and it fully funds the New Attack Submarine Program. For those who think that this Nation is doing too much submarine building, let me urge them not to look at any 1 year in particular, but to look at the submarine program as a whole. The U.S. Navy, which had once built two, three, or four attack submarines a year to maintain a fleet of well over 100, now plans to build just four over the next 6 years. The United States has never built nuclear attack submarines at a lower rate.

This conference report also authorizes 30 H-60 helicopters. The Army, Navy, Air Force, Coast Guard, and National Guard all use these helicopters, not to mention several countries throughout the world. In natural disasters and military operations alike, H-60 helicopters are on the front line. One

need only ask the Adjutant General of virtually any State in the Union to gain an appreciation of how vitally important these helicopters are. I hope that future defense bills will continue to provide this Nation's servicemembers with the capable H-60 helicopters that they need and want.

Let me conclude by mentioning that I do not know whether this conference report will be vetoed. I think, on balance, that the good in this report clearly outweighs the bad, and I would urge the President to quickly make it law rather than prolonging the battles that have plagued conference report for months.

Mr. THURMOND. Mr. President, I ask unanimous consent that the division of time on the pending conference report be as follows: Senator THURMOND in control of 20 minutes, Senator LEVIN in control of 20 minutes, Senator GRAMM and HUTCHISON in control of 45 minutes, Senator FEINSTEIN and BOXER in control of 45 minutes, and finally Senator STEVENS be recognized to speak up to 30 minutes.

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

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I ask I be notified after 22 minutes because that is the time I will control. My senior colleague, Senator GRAMM, will have the other 23 minutes.

Mr. President, I want to say that I am one of the most prodefense people in this body and I think most of this bill is very good and very important. I am going to speak on the part of the bill that I think is very shortsighted and will, in fact, hurt our readiness in the future if it is not fixed. I will continue to urge the committee to work to fix it because I do believe that all of us want a stronger national defense and we want the taxpayer dollars to be spent wisely. In fact, passing this bill will waste billions of taxpayer dollars, and those aren't my figures. Those are the figures of the experts.

So why would we do that? Let me first say that the points that were made by Senator KEMPTHORNE and Senator CLELAND can be met. I agree with them. It is most important that the pay and compensation issues, the health care issues, the military construction issues be addressed. In fact, a clean bill has been introduced that would cover those items, that if this bill is vetoed by the President—which I hope it will be, so it can be corrected—we can take care of those very important compensation, health and military construction issues, and that bill has been introduced.

This can be worked out. It can be worked out for the good of everyone, for the good of the Department of Defense, for our men and women in the military and for the taxpayers of our country.

I want to read from the Base Closing Commission recommendation. The Base Closing Commission recommended the closing of both Kelly

Air Force Base and McClellan Air Force Base, but it did reserve the right of the Department of Defense to make the decision about where the work would be done and how it would be done. It says that "the workload would be moved to other depots, or to private sector commercial activities, as determined by the Department of Defense."

Now, what we are doing in the bill, if it is passed today, is taking that flexibility away from the Department of Defense. What we are saying is, you cannot have a level playing field, you cannot have real competition for the most cost savings and for the readiness issues in the maintenance of our equipment. This is a crucial issue, and it is not an issue that is just for McClellan Air Force Base or Kelly Air Force Base or California or Texas. This is an issue about how we are going to conserve the dollars that we spend on defense so that they can be spent for our troops, for the quality of life, and for the readiness that we must have to face the security threats to this country.

The savings are absolutely—it has been proven—achievable, and it has been shown already by the most recent competition, the one that took place on the C-5, which saved \$190 million on the cost of doing the maintenance of the C-5. This was won by a public depot against the private sector bidders that I had hoped would win. Nevertheless, I didn't win, but the taxpayers did, and the Department of Defense will save \$190 million because we had the competition.

In fact, private-sector companies that outsource frequently achieve cost savings of 20 to 30 percent. That is proven. If the Department of Defense could achieve similar savings by outsourcing \$15 billion in annual depot maintenance, that would free up \$2 billion a year for other purposes—\$2 billion a year. Just think of it. Our operations in Bosnia cost us \$3 billion a year. Most of that could be achieved with savings from efficiencies gotten with competition in the depots. That was proven within the last 2 months in the C-5 competition that was won by Warner-Robins. It was only because there was competition that these efficiencies were made. Otherwise, it would have been business as usual. Everything would have been done the same way. In fact, we would have paid \$190 million more to do this work.

One corporation, with much experience in commercial aircraft maintenance, has already looked at the engine maintenance work at Kelly. They have concluded that, by employing commercial-sector business practices, they can reduce the cost by over \$1 billion over the life of the contract. They can reduce the amount of time necessary to repair engines by as much as 40 percent. So that is a readiness issue. And they can improve safety of flights through their process modifications. We all know that safety is of paramount importance when we are talking about our young men and women flying

in the aircraft provided to them by the Department of Defense. So why wouldn't we bring this kind of expertise and savings into our military maintenance? I don't understand it.

Look at the people who have spoken on this issue. Adm. William Owens, the Vice Chairman of the Joint Chiefs, when he was going out of office, in testimony before the Senate Armed Services Committee said:

The world's largest business is 65 to 70 percent fixed cost, 35 percent variable cost. The variable cost translates to the war-fighting capability. The money is in the fixed costs, and that is what we've got to work on. We must work on the fixed costs, like maintenance.

Dr. John White, Deputy Secretary of Defense, March 1996:

Privatization provides substantial savings. Now as we go forward, we have a situation where we have to emphasize modernization.

General Shalikashvili, Chairman of the Joint Chiefs, 1996:

I believe we must go on with privatization, with outsourcing. We need your support to make the hard choices and to change it to make these initiatives work. I particularly ask for your support where changes in law are required.

I don't think the general would want to have constraints on competition and privatization as we are seeing in the bill before us today.

William Cohen, the present Secretary of Defense, June 18, 1997:

The San Antonio and Sacramento workload involve thousands of highly trained workers and large, expensive equipment and facilities. This work is critical to the continued operation of national assets. To transfer all of these workloads without a competitive evaluation and risk assessment would be unwise, from a business perspective, and would involve a significant risk of disruption in mission performance and degradation in military readiness.

Now, these are the people in charge of our military. They are talking about the importance of privatization, the option of privatization. They are saying, look, we are willing to live with fewer dollars and provide the security that we are supposed to provide to the people of America. But don't tie our hands. Let us have the option, let us have the ability to do this job with the options and flexibility we must have to put the dollars where we need them. And we are seeing the capability of saving \$2 billion a year if we will allow full competition.

What is Congress doing in the bill that is before us today? It is tying the hands of the people who are asking for our help in order to do the job we are asking them to do in the most efficient way.

Mr. President, why would we do this? I can't understand it. We have heard quotes from the people on the military side. Now let me quote from a letter received today from the Industry Depot Coalition. These are the people who do the work. These are the people who have been in this business, who know what the cost savings can be, who provide the 20 to 30 percent cost savings

when they do the work. They have written a letter to Senator THURMOND and Senator LEVIN. It says:

The Industry Depot Coalition, comprised of eight national associations representing the breadth of the defense industry and thousands of American businesses, large and small, wishes to register, for the record, our concerns relative to the depot maintenance provisions that are contained in the FY98 national defense authorization bill. In so doing, we wish to raise with you a number of impacts we foresee resulting from the provisions, as well as our sincere hope that you will give serious consideration to making modifications in that language.

They state as a primary concern:

The legislation requires that the Secretary of Defense assign sufficient workload to public depots to ensure cost efficiency. However, the arbitrary assignment of workloads will not ensure efficiency. Efficiency can only be ensured through competition, innovative management initiatives, and the adaptation of commercial practices, none of which is adequately addressed in this legislation.

In addition, we are concerned that the legislation's requirement that DOD have in-house capability to repair all new systems within four years of initial operating capability could result in DOD having to create and maintain redundant facilities and capabilities, even when doing so is neither cost-effective nor, in the judgment of the Department, necessary for the national defense.

A second area of primary concern:

The legislation places in statute competitive requirements that are at this time only to be applied to the proposed competition for the workloads at the Kelly and McClellan Air Logistic Centers. As believers in fair competition and equal treatment in all areas of competition, we simply cannot support a statutory requirement such as this one that places unique requirements on one category of bidders.

Mr. President, we have heard from the industry, we have heard from the Department, we have heard from the military chiefs—they need the flexibility. They need the ability to be able to do the work in the most efficient way, and that is what we are trying to provide them.

The bill before us today does not allow that competition. It does not allow a free and fair competition; it weights toward the public depots to such a great extent that even one of the greatest proponents of this language admits exactly what they want to do, and that is keep private bidders from bidding.

I will just quote from the Daily Oklahoman, where the junior Senator from Oklahoma says:

With the language in the bill before us, I think it is highly unlikely any contractor would want to bid on it.

So they are trying to stifle competition, and I don't understand why the committee is letting them do this. I do not, in any way, challenge the motives of the committee. I know they want to do what is right. But I think they have not looked at the quote of the Senator from Oklahoma, who admits he is trying to put language in so that no one will bid. They are overlooking the Defense Industry Depot Coalition, who have done the work and know that

they can do it more efficiently. They are overlooking the fact that, where private industry is doing maintenance, it has worked very well for the Department of Defense. One of the best examples of this was in Desert Storm, where we had much private maintenance that kept right up to the readiness requirements of the Department of Defense.

Mr. President, all the evidence is against what is in this bill today; yet, everyone who is arguing for this bill seems to say that this is just one little issue; it is just one little issue that can save \$2 billion a year—\$2 billion a year. We could start deploying theater missile defense. We could pay for most of our operation in Bosnia with these savings. Why won't the committee work with us to make sure that it is not just the one narrow interest of people who do not want competition who are winning? That is why the President has said he is going to veto this bill. He has told the Members of Congress he is going to veto this bill, and he is right because he knows that, as he himself is trying to lower the defense costs to our country, he has to have the flexibility to do his job. He can't afford to let \$2 billion lay on the table in inefficient operations because a few people don't want competition. The President has said he is going to veto the bill because he knows that it is wrong to stifle competition and waste taxpayer dollars when we need to provide for the readiness of our country.

We are not talking about one State or one depot. We are talking about the readiness of our troops, and the quality of life for our troops. We are talking about doing a job with fewer dollars from our taxpayers but fulfilling our responsibility for the security of our country.

How could we pass a bill that we know is going to waste \$2 billion a year, according to the Department of Defense statistics? How could we do it?

I urge the committee to work on this language and make it fair. I urge my colleagues to listen to the debate because, if you vote on the merits, we can fix this bill, and we can provide for competition. We are not asking for favors. We are not asking for anything more than a fair and level playing field. In fact, in my conversations with the Secretary of Defense and the Deputy Secretary of Defense, I said, "If you can answer one question for me, I will be for this bill because I like most of what is in it." Answer one question. "Can you have a fair and open competition with the bill language as it is before the Senate today?" And the answer was "no." The answer was no from the Deputy Secretary of Defense. That is the only question that matters.

So when you hear people glossing over this issue as if it is some small thing, as if it is some parochial, minor issue, \$2 billion of taxpayer money, \$2 billion of readiness, \$2 billion of quality of life for our troops, and \$2 billion toward systems that will protect the security of our country, it is not parochial.

I urge my colleagues to get engaged on this issue and do what is right. We still have time to pass a good armed services authorization bill that provides for health care, quality of life, pay raises, military construction, and free and fair competition for savings, for good jobs, for people who win on the merits—not through a fix. And the fix is in the bill.

Thank you, Mr. President.

I would like to ask that any balance of my time be given to Senator GRAMM.

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

Who yields time?

Mrs. HUTCHISON. Mr. President, I ask unanimous consent to have printed in the RECORD the letter from the Industry Depot Coalition.

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

THE INDUSTRY DEPOT COALITION:
AEROSPACE INDUSTRIES ASSN.,
AMERICAN ELECTRONICS ASSN.,
AMERICAN SHIPBUILDING ASSN.,
CONTRACT SERVICES ASSN., ELEC-
TRONIC INDUSTRIES ASSN., NA-
TIONAL DEFENSE INDUSTRIAL
ASSN., PROFESSIONAL SERVICES
COUNCIL, SHIPBUILDERS COUNCIL
OF AMERICA,

November 5, 1997.

Hon. STROM THURMOND,
Hon. CARL LEVIN,
*Committee on Armed Services,
U.S. Senate,
Washington, DC.*

DEAR SENATOR THURMOND AND SENATOR LEVIN: The Industry Depot Coalition, comprised of eight national associations representing the breadth of the defense industry and literally thousands of American businesses large and small, wishes to register for the record our concerns relative to the depot maintenance provisions that are contained in the FY'98 National Defense Authorization. In so doing, we wish to raise with your a number of impacts we foresee resulting from the provisions, as well as our sincere hope that you will give serious consideration to making modifications to that language.

We certainly respect and appreciate the considerable and extensive efforts to which your and your staffs have gone in attempting to fashion compromise legislation that would ensure a "level playing field" for depot maintenance competitions. Unfortunately, from the perspective of private sector entities that might be inclined to participate in such competitions, we do not believe the legislation, as it now stands, achieves that goal. In addition, it would establish in statute a number of problematic precedents that we believe could lead to additional problems on future depot, and non-depot, competitions. Finally, at a time when we have been seeking real clarity and consistency in the conduct of public-private competitions, which, to date, have been marked by anything but, the ambiguities contained in the legislation threaten to only increase the degree of confusion and uncertainty in the process.

Our primary concerns are as follows:

(1) The legislation requires that the Secretary of Defense assign "sufficient workload" to public depots to "... ensure cost efficiency". However, the arbitrary assignment of workloads will not "ensure" efficiency; efficiency can only be ensured

through competition, innovative management initiatives, and the adaptation of commercial practices, none of which is adequately addressed in the legislation. In addition, we are concerned that the legislation's requirement that DoD have in-house capability to repair all new systems within four years of Initial Operating Capability (IOC) could result in DoD having to create and maintain redundant facilities and capabilities, even when doing so is neither cost-effective nor, in the judgement of the department, necessary for the national defense.

(2) The legislation places in statute competitive requirements that are, at this time, only to be applied to the proposed competitions for the workloads at the Kelly and McClellan Air Logistics Centers. As believers in fair competition and equal treatment in all areas of competition, we simply cannot support a statutory requirement such as this one that places unique requirements on only one category of bidders. If the object is to ensure fair competition, the statute should reflect that philosophy clearly, unambiguously and uniformly.

(3) The provisions do not adequately address the vital issue of "best value" procurements versus cost-based awards. We have, with your strong support and leadership, worked hard in recent years to move the procurement process into an environment where the guiding principle for awards is the best overall value to the taxpayer, including the full range of non-cost factors, so as to ensure quality, performance and true efficiency. We believe affirmative steps should be taken to ensure that the "best value" to the taxpayer and the department becomes the dominant focus of all competitions.

(4) While the provisions do include a very important change in which the current "60/40" rule is replaced by a new "50/50" rule, continuing to base the rule on personnel, rather than on facilities, renders much of the positive language on partnerships and Centers for Technical Excellence, moot. From an objective business case analysis perspective, the continued focus on "who" does the work rather than where the work is done, will mitigate against the initiation of the kinds of partnerships that can genuinely assist DoD in meeting its mission requirements, more effectively and efficiently utilizing its current capacity and adapting innovative commercial practices to its operations.

As noted earlier, we recognize the appreciate the efforts you have made to move the House conferees this far and are mindful of the difficulties and challenges posed by this issue. Nonetheless, we urge you to reconsider the substance and ramifications of the provisions and hope that efforts will be made to make appropriate changes. We have a long history of working together effectively to not only ensure the national defense but also to reform, streamline and make fairer a procurement process that has not, historically, functioned as any of us believe it should. As proposed, this legislation could result in a step backward in that critical area.

We look forward to continuing to work with you to fashion a more level playing field for future competitions so as to provide the true best value for the government and the taxpayer. Should you have any questions or comments, please contact any of the associations listed above or the coalition chairman Stan Soloway at (202) 347-0600. In the meantime, our thanks for your time and consideration.

Sincerely,

THE INDUSTRY DEPOT COALITION.

Mr. THURMOND. Mr. President, I yield 5 minutes to the able Senator from Virginia, Senator WARNER.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I thank the distinguished chairman of the committee. I wish to join other members of committee in indicating to our distinguished chairman and to the ranking member, Mr. LEVIN of Michigan, our commendation for their work over these many months on this bill.

Mr. President, in the limited time I have I wish to turn immediately to the subject of the welfare of the men and women of the Armed Forces.

This past few weeks we have seen a good deal of tension increase in various parts of the world. In fact, that tension prompted the President of the United States to convene a very important meeting. The Presiding Officer was in attendance, as was the chairman and ranking member of the committee, myself and others, at which time the President in consultation with the Congress, the leadership, reviewed the various problems facing the United States and our allies today—and the possibility that we may once again call on the men and women of the Armed Forces of the United States, together with our allies, to go into harm's way in an effort to stabilize these situations.

Mr. President, I say that we cannot as a Congress—as a Nation—say to these men and women, "You once again will respond to the Commander in Chief" and not pass this bill, which gives them a very modest and well-earned increase in their pay and allowances to compensate them for inflation—particularly in specialized areas of service: Aviation, submariners, and others where we have to have additional compensation in order to enable them to perform their services, and we retain sufficient numbers of aviators and submariners.

So, Mr. President, I deem this bill absolutely critical. I also wish to commend the chairman and ranking member and other Members who have individually, as have I, petitioned the President to give this bill the most serious consideration and hopefully to affix his signature so that it can become law.

Mr. President, to go into those areas, which as chairman of the Seapower Subcommittee, I have special responsibility, together with the distinguished senior Senator from Massachusetts, [Mr. KENNEDY], who is my ranking member, and our subcommittee recommended to the full committee the following, and the full committee basically adopted it.

We authorized the Secretary of the Navy to enter into a contract for the procurement of four new attack submarines under the terms of a teaming arrangement that was submitted to Congress by the Secretary of the Navy between the two contractors involved in submarine construction. This arrangement will save taxpayers over \$1 billion in the next 6 years, and ensure the continued viability of two nuclear capable submarine yards.

I thank my distinguished colleague from Virginia, Mr. ROBB, who worked with me on that, a member of our committee, as well as the distinguished colleague, Mr. LIEBERMAN, from Connecticut.

Further, our subcommittee authorized an increase of \$720 million for the procurement of a fourth Arleigh Burke destroyer. By buying this ship early, we will save approximately \$230 million on the marginal cost of this ship.

Those are savings that are passed on, of course, to the Department of Defense, but to the American taxpayer.

As relates to the aircraft carrier, the CVN-77, the next in the series of our carriers, we authorized \$50 million to accelerate the advanced procurement and construction of components for CVN-77.

I particularly want to thank the distinguished chairman and ranking member of the Appropriations Committee, Mr. STEVENS, and Mr. INOUE. They accommodated this Senator, personally allowing me to come into literally the closing few minutes of their conference with the House in order to ensure that this \$50 million be included in the appropriations.

We authorized the Secretary of Defense to reprogram up to an additional \$295 million in fiscal year 1998 for the advanced procurement of CVN-77. I am now working with the Chief of Naval Operations and the Secretary of the Navy to ensure that the Navy takes advantage of this important opportunity to get the "smart buy" proposal fully utilized within the Department of Defense, as well as the Department of the Navy. Acceleration of funding for this ship offers an opportunity for potential savings of \$600 million for the American taxpayer.

I urge my colleagues to support this conference report. The House has already spoken resoundingly in favor—with 286 Members voting in favor of the conference report last week. We must follow their lead with a strong vote in favor of this conference report. Let us not allow a full year's worth of work to be squandered.

I also urge the President not to veto this important measure. This President has deployed our troops into "hot spots" in record numbers. Our troops have answered these many calls to duty and performed admirably. They stand ready today as new missions in Bosnia and Iraq are being discussed by policy makers in Washington.

Do not send a signal to those troops that you do not support their efforts. They should not have to worry about whether or not their raises and bonuses will be there in January. They should not have to question the commitment of politicians in Washington to provide the best equipment and quality of life possible for our troops and their families. I call on you, Mr. President, to show your support for our troops by signing this very important conference report.

Mr. President, I wish to commend the distinguished chairman and ranking

member for their personal intervention with the President along with my own and others to see that this bill merits his signature in a prompt way.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. I am happy to yield to the senior Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that I may proceed for 10 minutes without that time being charged to either side.

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

Mr. BYRD. Mr. President, I join with others in complimenting the distinguished chairman, Mr. THURMOND, and ranking member, Mr. LEVIN, as well as Mr. KEMPTHORNE, and Mr. CLELAND.

Of the many duties that a United States Senator or a Member of the House of Representatives is called upon to perform, one of the most important involves expressing our views on whether U.S. armed forces should be put in harm's way in defense of our country's national interests. We must weigh whether the issue at hand merits risking the lives of our soldiers, sailors, and aviators.

Members of our armed forces cannot individually decide whether they should place their lives at risk, for they are duty bound to follow the orders of their commanders, and ultimately, of the President. Every individual in our armed forces knows that he or she may be called upon to make the ultimate sacrifice for the nation. Every individual who takes the oath to join the Army, Navy, Air Force, or Marines, whether in the active forces, Reserves, or National Guard, does so knowing that they carry a special burden, and a unique responsibility, to defend our nation's interests, wherever and whenever they may be called upon to do so.

As Senators, we must help to ensure that our armed forces are ready to perform this role. This includes raising and considering difficult questions, which are included in the conference report before us, related to force readiness and the procurement of weapons systems. These decisions involve billions of dollars and involve the employment of thousands of military and contractor personnel. The decisions made here affect all military personnel and a large segment of our economy, and I, for one, do not take them lightly.

But of equal importance are questions concerning the morale of our troops. Weapons alone do not win wars. It is our troops on the ground, our sailors at sea, our aviators in the air, and all the personnel who support them behind the lines who must combine to triumph over our nation's enemies. And these forces can only fight together as a cohesive force if they are united by common goals, morale, and strategy.

The morale of our forces is of particular importance, for troops who suf-

fer from weakened morale must defeat not only the external enemy, but also deal with the internal divisions and problems of their own ranks, even while they fight the enemy. Our armed forces require strong leadership to deal with such problems, while providing a victorious strategy on the battlefield.

Sadly, such leadership has been lacking in recent years, as is evidenced by the low morale particularly among the women in our armed forces. The women in our armed forces must endure a demoralizing and hostile environment while they attempt to carry out their duties. From the shocking behavior of Naval aviators at the "Tail Hook" conventions, to the alleged rape of recruits at Aberdeen, it has become clear that the women in our armed forces face sexual discrimination, harassment, assaults, and even rape, as they carry out their duties in defense of our nation.

The recent report by the Secretary of the Army exposes the seriousness of the problem. The report states that "sexual harassment exists throughout the Army, crossing gender, rank, and racial lines . . ." Almost one quarter of the women reported that they had been sexually harassed in the last twelve months, based upon a random statistical survey conducted by the Army. A shocking 74 percent reported that they have endured crude or offensive behavior, 47 percent reported that they received unwanted sexual attention, 18 percent suffered from sexual coercion, and 8 percent said they had been sexually assaulted. While these statistics are appalling, the footnotes only add to the outrage. "Unwanted sexual attention"—which almost half of the women reported—is defined as "unwanted touching or fondling and asking for dates even when rebuffed." And sexual coercion—which almost one quarter of the women endured—"includes classic *quid pro quo* instances of job benefits or losses conditioned on sexual cooperation."

The Army's report found that "this issue is one of which the Army has been long aware, and that to date, Army policies and processes implemented to combat and eradicate sexual harassment have had little, if any, impact. As one soldier noted, 'Women have been reporting sexual harassment for five years, and the Army's just now looking into it.' Many soldiers believe that their complaints and concerns have been ignored and that only recent media attention has forced Army leaders to focus on this issue."

I would note that this in fact understates the intentional neglect on the part of the Army. It is not just that Army leaders ignored complaints of sexual harassment for a number of years. More shockingly, it is that it took the media and national public attention focused on the rape of female recruits to finally force the Army to seriously address the treatment of women in the ranks.

There is an old adage that "the fish rots from the head down." The report

states that "leaders set the values compass for the Army; it is from them that respect and dignity flow. Many leaders are currently seen as practicing a zero defects mentality, caring only about themselves and their careers. Soldiers do not uniformly have trust and confidence in their leaders. Unfair treatment, double standards, and a lack of discipline were raised to Panel representatives time and again . . ."

Within the Army, the policy has been to "talk the talk," but not "walk the walk." Even while the Army brass told the troops that the policy was one of "zero tolerance" for sexual discrimination, the officers and drill sergeants knew that this was rarely enforced in practice. The report notes that a policy of "zero tolerance" is enforced for racial discrimination, but not for sexual discrimination.

The question for the Army is what can be done to correct the problems identified in the report. I must commend the Secretary of the Army for issuing a candid and brutally honest summary of the problem. The report also identifies a number of policies that must be changed or enforced in order to ensure that women receive equal and fair treatment in the Army.

I must note, however, that the report is silent on the question of the desirability of gender integrated training. I offered an amendment during the Committee markup of this bill, which is included in this conference report, calling for the establishment of an independent outside review commission to examine the question of the appropriateness of gender integrated recruit training in the armed forces. My amendment also calls upon the Commission to review the rules of fraternization with the goal of recommending a single consistent standard for conduct among enlisted people, and between enlisted people and officers, which spans all the services. What is appropriate for a soldier in the Army should also be appropriate for a sailor or airman or marine.

On the question of training, the Army report notes that "a key to addressing human relations issues, including sexual harassment, is assigning enough female role models to set the example for all trainees. Twenty percent of Army accessions are women, but the training base is composed of only ten percent female drill sergeants." The report also states that "new recruits form and hold their most lasting impressions of the Army from the cadre they encounter during initial entry training."

These observations suggest that female recruits might benefit from gender segregated training, in which they would be guaranteed to receive training from women drill instructors and role models.

The report of the Secretary of the Army is a good first step, in terms of identifying the scope of the problem, and offering possible solutions. The commission that will be created as a

consequence of the enactment into law of this conference report will add yet another dimension to our understanding of the problem and possible solutions.

"People are not in the Army, people are the Army," stated General Creighton W. Abrams, former Army Chief of Staff. "By people, I do not mean personnel . . . I mean living, breathing, serving, human beings. They have needs and interests and desires. They have spirit and will, and strength and abilities. They have weaknesses and faults; and they have means. They are at the heart of our preparedness . . . and this preparedness . . .—as a nation and as an Army—depends upon the spirit of our soldiers. It is the spirit that gives the Army . . . life. Without it we cannot succeed."

The report of the Secretary of the Army concludes that "if there is one overarching theme to this report, it is this: we must rededicate ourselves to the fundamental truths so eloquently stated by General Abrams . . . Personnel readiness relies on a positive human relations environment. It is the vital base upon which we build the Army, and the combat effectiveness of the Army's most important weapon system—the soldier."

Let us hope that the Army follows the recommendations included in this report, and for that matter, that its philosophy permeates the entire Pentagon and military establishment. We cannot relent in our examination of this problem; we must ensure that the leadership of our armed forces creates an environment of fairness for the women in the services. And we must not shirk from examining objectively every aspect of this issue, including some aspects that might be labeled "politically incorrect," such as gender segregated training and coherent across-the-board fraternization policies. I am glad that the conferees had the courage to establish the commission, and I look forward to the report.

I again compliment my chairman, Mr. THURMOND, and the ranking member, Mr. LEVIN.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. I wish to commend the able Senator from West Virginia not only for his work on this bill but for all he has done over the years for good Government in this Senate.

We are proud of you.

Mr. BYRD. Mr. President, I thank my distinguished chairman, Mr. THURMOND, for his kind words.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, before I yield 4 minutes to my friend from New Mexico, let me also add my thanks to

Senator BYRD for the tremendous contribution he makes to the committee. We all know the contribution he makes to the Senate, but he makes also an important contribution to the Armed Services Committee, which is not noted as often as it should be but I want to note right now.

I thank him for his support of the conference report.

Mr. BYRD. Mr. President, I thank Mr. LEVIN for his dedication to duty, for his high sense of purpose, and for the example he gives to all of us. I hope we can emulate that.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, I want to speak briefly in support of this year's national defense authorization bill which was reported out of conference committee.

The bill is the product of many months of dedicated work by Senator THURMOND, Senator LEVIN and many others here, and of course, the committee staff and personal staff of Senators as well. It reflects the collective interests of the Congress. It includes many provisions that were arrived at through many long weeks and even months of debating and negotiating.

I want to call particular attention to the provisions to fully fund the Cooperative Threat Reduction Program and the related Department of Energy programs to secure the nuclear materials and destroy chemical stockpiles and strategic weapons in the former Soviet Union. In my view, the money spent on these programs is among the most cost-effective ways that we expend taxpayer money to pursue our own national security and to promote international peace.

I am also pleased that there is significant funding in this bill authorized for a range of dual-use research and development programs. I believe that is important and allows the Department of Defense to leverage commercial investment in advanced technologies to meet our defense needs.

The bill also authorizes funding to meet the requirements of the defense programs in the Department of Energy, particularly the Stockpile Stewardship Program, which I believe is extremely important to the future of our country.

The bill also contains, and I am sure others have commented on this, a 2.8 percent pay raise for active duty military members. Without this bill, that increase would be limited to 2.3 percent. This may seem like a small amount, but I believe that for people in uniform it is an important difference and one that we should definitely adopt this bill to accomplish.

The bill also, of course, is essential if we are going to go forward with the construction programs for the fiscal year 1998 military construction projects, and that is another reason why the bill should be approved by this Senate and should be signed by the President.

Mr. President, this bill does not meet all the goals of individual Senators,

but it does express the collective priorities of the Senate, and I urge that we move to adopt it and send it to the President for his signature. I hope the President will recognize the value of this legislation to the Nation and sign it into law.

Mr. President, I yield the floor. I know the Senator from California is waiting to speak.

The PRESIDING OFFICER. Whole yields time?

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I believe the Senators from California have 45 minutes reserved. I would like to exercise that time now and utilize as much of that as I may consume. I would appreciate being notified when 20 minutes have gone by so that my colleague and friend from California might utilize the remainder of the time.

The PRESIDING OFFICER. The Senator is correct and the Senator is recognized.

Mrs. FEINSTEIN. I thank the Chair.

Mr. President, I rise on this final day of debate on the conference report to the DOD bill, and I do so to express my strong opposition.

Now, I very much regret this. I have great fondness for the chairman of the Committee, the distinguished Senator from South Carolina, and great respect for the Senator from Michigan, Mr. LEVIN. The great bulk of the bill I wish to support. I understand that there are important things in the bill. However, from the perspectives of Texas and California, there is a basic unfairness in this bill that we cannot leave unaddressed, and I rise to address those points.

I want to say how privileged both my colleague from California and I have been to work with the senior and junior Senators from the great State of Texas in trying to remedy the unfairness in this bill. Unfortunately, I must indicate we have not been able to achieve an accommodation, and therefore we register our objections through our "no" votes.

I oppose the conference report because it contains language that will effectively stop, ban, prohibit any further public/private competitions of depot workloads at both McClellan and Kelly Air Logistics Centers. These competitions will lower the cost of weapons systems repair and will save the taxpayer money. It is hard for me to understand why they are not being permitted to go ahead.

It is unfortunate that this debate has to take place. We felt we had an agreement. The distinguished Senator from Michigan knows that he called me one night to indicate that at least 2½ points of the four points we had raised would be accommodated. We agreed to that. We backed off. Overnight, committee language was written which essentially undid the compromise, and

we have been able to achieve no remedy since that time.

In the debate last week, this body heard that if this restrictive depot language remained in the bill, the President would probably veto the bill. A strongly worded letter was sent to the majority leader and other senior Members of Congress detailing the administration's concern dovetailing our concern. I will not read the letter, but I would like to talk about some of the points in it.

The depot language in this bill constrains DOD's ability to conduct competitions for depot-level repair work. This will result in decreasing the amount of potential savings the Department would reap from these competitions and could then redirect to fund other vital needs like readiness and weapons modernization.

Second, the administration is correct. The conference report absolutely "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."

Contrary to what members of the Depot Caucus espouse, the option to privatize this depot work was explicitly made available in the 1995 BRAC closure report. The BRAC 95 Commission specifically recommended that the Department "consolidate the remaining workloads to other DOD depots or to private-sector commercial activities as determined by the Defense Depot Maintenance Council."

And, yes, the President did strongly support the Commission's decision which specifically reinforced the option of privatization. In his letter to the chairman of the BRAC 95 Commission, the President wrote, "I was pleased to learn that . . . you confirmed the Commission's recommendations permitting the Department of Defense to privatize the workloads of McClellan and Kelly facilities in place or elsewhere in their respective communities. . . . In my communications with Congress, I have made clear that the Commission's agreement that the Secretary enjoys full authority and discretion to transfer workload from these two installations to the private sector, in place, locally or otherwise, is an integral part of the overall BRAC 95 package it will be considering."

The President goes on to say without ambiguity,

Moreover, should the Congress approve this package but then subsequently take action in other legislation to restrict privatization options at McClellan or Kelly, I will regard this as a breach of Public Law 101-510 (the base closure law) in the same manner as if the Congress were to attempt to reverse by legislation any other material direction of this or any other BRAC.

While I'm on the subject of the BRAC, let me clear the air on this point. Some have alleged that this public/private competition process which could result in this work being privatized at McClellan and Kelly is just a crooked attempt to keep these

bases open. Let me say, without ambiguity, it is not. McClellan and Kelly will both be closed in 2001. BRAC 95 made that decision. And, the communities of Sacramento and San Antonio are struggling to deal with this decision and make the best of it today.

Nearly 3,000 jobs not associated with the ongoing competition at McClellan's Air Logistics Center will be moved to other Air Force depots because when McClellan's gates are locked in 2001, that is it. Those 2,300 jobs that are associated with the public/private competition may also be moved to other Air Force depots depending upon its outcome. That's it. If this depot language remains in the conference report, McClellan will undoubtedly lose these remaining 2,300 jobs. And that is what this is all about.

As far as the property and buildings at McClellan are concerned, they will be transferred under the base reuse process to recipients in the local community according to their base reuse plan.

Third, the Department is already conducting a fair and open public/private competition at McClellan and Kelly. The depot language in this conference report would change that. It would, without question, skew these competitions in favor of the public depots. But, don't take my word for that, or the administration's, just listen to the supporters of the depot language.

One of the authors of the language, the junior Senator from Oklahoma, believes that this language shuts the door on private industry's ability to compete. Quoted in the Daily Oklahoman he said, "I think it's highly unlikely any (contractor) would want to bid on it."

How are my colleagues and I supposed to believe this is a fair competition? Not only is that the sentiment of the Depot Caucus, but in the letter we have heard quoted on the floor very effectively by the distinguished Senator from Texas, the Industry-Depot Coalition, the Aerospace Industries Association, the American Electronics Association, the American Shipbuilding Association, the Contract Services Association, Electronic Industries Association, National Defense Industry Association, Professional Services Council, and Shipbuilders—all agree that the impact of this is to kill private competition.

In a letter today sent to the distinguished Senator from South Carolina, the chairman of the committee, they point out that the legislation, " * * * places in statute competitive requirements that are at this time only to be applied to the proposed competitions for the workloads at Kelly and McClellan. As believers in fair competition and equal treatment in all areas of competition, we simply cannot support a statutory requirement such as this one, that places unique requirements on only one category of bidders. If the object is to ensure fair competition, the statute should reflect that philos-

ophy clearly, unambiguously, and uniformly."

Mr. President, I have had calls from private contractors saying they can't compete and won't compete under this language. I have said to them, "Would you put this in writing? Will you go public?"

Do you know what they told me? "We are afraid to. There will be reprisals against our companies if we state this publicly."

Have we come to that?

Let me also say, the Sacramento Bee quoted an industry representative who said, "I can't conceive of a company that would bid for McClellan and Kelly under these circumstances." So, the Senators from Texas and the Senators from California are fighting for survival. We are fighting for the ability to do what is professed to be the will of this body, which is to see if private competition can be effective in handling some of this workload and that a fair bidding and contracting process exists to carry out that competition.

Secretary Cohen has supported us in this effort and for that I am very pleased.

It is amazing to me that the Depot Caucus has taken this position. Let me cite the Warner Robins Air Logistics Center in Georgia as an example. Members of the Depot Caucus have complained from the first day that the competition announced by the Air Force would be unfair and biased. They said public depots couldn't possibly win. But, Warner Robins won. How did this happen?

One of the reasons it happened is that public depots can hide their overhead in other accounts when they bid against private industry for this work. Members of private industry on numerous occasions have said this is exactly why they can't compete under this bill that is being passed today. Warner Robins, as I understand it—and I have never been contradicted in this—took advantage of this ability to hide overhead costs to help make its bid below that of their private competitors. In fact, the Air Force had to add penalties to Warner Robins' bid for the 500 employees and other overhead that had been shifted to other accounts.

When conference began, the President's advisers said that he would veto the DOD authorization bill if these depot provisions were included in the bill. This veto message has not changed. The Depot Caucus' anticompetition provisions, included in this bill by the conferees, will serve to delay and restrict the public-private competitions for depot workload currently underway at both McClellan and Kelly Air Force Bases undermining any effort to do this work in the private sector in a more cost-effective way.

DOD's own policy calls for greater reliance on the private sector for appropriate depot maintenance workload. Outsourcing helps preserve private sector capabilities and enhances DOD's ability to capture new technologies

that are constantly being developed in the private sector. By introducing greater competition into the mix, outsourcing lowers the cost of depot-level maintenance activities increasing funding levels for modernization and readiness needs.

Secretary Cohen stated earlier this year that these provisions:

... could cost the Department significant sums in lost annual savings and start-up costs. The could severely impact military readiness. The San Antonio and Sacramento workloads involve thousands of highly trained workers and large, expensive equipment and facilities. . . . To transfer all of these workloads without a competitive evaluation and risk assessment would be unwise from a business perspective and would involve a significant risk of disruption in mission performance and degradation in military readiness.

DOD has stayed true and faithful to the Secretary's statement in also urging and recommending to the President that this bill be vetoed.

So, I urge my colleagues, please support the Senators from Texas and California in opposing this conference report until these depot provisions are removed from the bill. We need to let these competitions go forward in a truly fair and level way so that we can fund the modernization and the readiness accounts. DOD believes that the first competition will result in an expected savings of \$190 million. That is what is at stake in this issue, as far as funding for readiness and preparedness of the military is concerned—\$190 million.

Turning to another subject, I would also like to raise concerns with a provision in the conference report on revised export rules for computers. The conference report enacts new, and I believe damaging, restrictions on the sale of many types of computers. The proposal is unworkable and will result in undermining our security in the long run.

Computer technology advances rapidly. What was called a supercomputer only a few years ago, represents only routine computing power today. An overbroad restriction will not make the world a safer place, but will undermine U.S. interests by locking up U.S. exports, shifting sales to foreign manufacturers and denying the administration the necessary flexibility to respond to evolving technology and worldwide competition.

Export restrictions must be based on an objective review of a computer's computing power and the computing needs of the potential computer application. In a letter to conferees, National Security Adviser Sandy Berger wrote.

The President's 1995 decision to streamline computer export controls addressed the outdated controls then in effect. Given the rapid pace of technological change, we must avoid substituting similarly inflexible controls mandated by Congress. It is vitally important to maintain our ability to adjust controls to keep pace with technological change while focusing our limited resources on exports of national security concern.

So the administration needs the authority to distinguish between sales

that jeopardize national security and those that do not. That is what the administration is asking for. In stating this as a rationale, as well, they would recommend that this bill be vetoed if it goes out in its present form.

I believe that is a correct assessment. I think we only kick ourselves in the pants, to have this kind of a restriction in this bill. Other countries will simply buy elsewhere. Our companies will lose those sales and the President, as well as the Department of Commerce, will lose any flexibility they have in making some decisions that are really based on meaningful criteria. This bill fixes that criteria at a lower level on computers that are not, in fact, supercomputers today. That is the mistake that is inherent in the writing of this provision.

It is for these reasons that Senators GRAMM, HUTCHISON, BOXER, and I oppose this bill. There are those who have said, and I want to address it, these four Senators are resisting pay raises. They don't want increases in housing allowances. They don't want authorization of military construction projects.

That is baloney, and it is the reason that the four of us introduced a bill last week that goes ahead and authorizes the pay raises, the hazardous duty pay, the military construction projects, and military health care.

The PRESIDING OFFICER. The 20 minutes of the Senator has expired.

Mrs. FEINSTEIN. These are the reasons we oppose this bill. We ask our colleagues to oppose it as well. Regardless, the President is going to veto this bill and I am happy, at least, about that.

Mr. President, I know my colleague from California would like to utilize the remainder of this time and I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER. Who seeks time?

Mr. THURMOND. Mr. President, I suggest the absence of a quorum and ask the time be equally charged to each side.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mrs. BOXER. Mr. President, is it correct that the Senators from California have 24 minutes remaining?

The PRESIDING OFFICER. The Senator is correct.

Mrs. BOXER. Further might I ask, do the Senators from Texas have any time reserved?

The PRESIDING OFFICER. They have 20 minutes remaining.

Mrs. BOXER. Mr. President, although I discussed this bill last week, I think it is important as the Senate gets ready to vote on the conference re-

port that my colleagues understand why the Senators from California and Texas oppose this conference report and why we believe it is a matter of extreme importance, not only to more than 2,000 California families, but also to taxpayers throughout the Nation and, indeed, to our national defense.

Mr. President, although I discussed this bill last week, I want to take a few minutes of the Senate's time to explain why the Senators from California and Texas oppose this conference report and why we believe it is a matter of extreme importance—not only to more than 2,000 California families, but also to taxpayers throughout the Nation, and indeed, to our national defense.

We oppose this bill because it contains provisions changing depot maintenance law that would harm our States and undermine the DOD's ability to perform maintenance work in the most cost-effective manner. These provisions were designed for one purpose: To destroy planned competitions at McClellan AFB in California and Kelly AFB in Texas and funnel workload to public depots in Oklahoma, Utah, and Georgia.

To fully understand this complex issue, I want to provide the Senate with some background and recent historical context.

McClellan Air Force Base in Sacramento and Kelly Air Force Base in San Antonio were scheduled for closure by the 1995 Base Realignment and Closure Commission. Rather than automatically relocate the duties performed at these bases to other Government depots, the Department of Defense chose to privatize some workload by conducting a public-private competition.

Such privatization efforts were clearly authorized by the base closure commission's final report. Opponents of competition argue that the DOD's privatization initiatives thwart the intent of the BRAC, but this is simply not true. The report of the commission itself instructs the DOD to, and I am quoting the report, "consolidate the remaining workloads to other DOD depots or to private sector commercial activities." It's right there: The DOD has the choice—either send the workload to other depots or to the private sector.

This interpretation of the BRAC Commission's action was supported by the ranking member of the Armed Services Committee, Senator LEVIN, during debate last week. Although Senator LEVIN and I disagree somewhat on this issue, he said last week:

I will state candidly that I disagreed with the assertion of the depot caucus that the Base Closure Commission prohibited privatization in place at Kelly and McClellan. The 1995 Base Closure Commission left it up to the Department of Defense to decide how to distribute the Kelly and McClellan work.

I hope Senator LEVIN's statement will put to bed once and for all the false assertion that competition at McClellan contravenes the BRAC process.

The DOD will not award workload to Kelly and McClellan automatically. Instead it has insisted that private bidders compete with public depots on the basis of quality and cost. In fact, the Department's first public-private competition for work at Kelly AFB was won by a public depot. After this result, how can anyone seriously argue that the process is biased in favor the private sector.

The Depot Caucus—a coalition of legislators from States and congressional districts with public depots—have made no secret of their opposition to public-private competition at Kelly and McClellan. They believe that without competition, work currently performed at those bases will be directed to facilities in their States—regardless of cost or quality. That's not what is right for our Nation.

In the House, Depot Caucus members were able to insert a provision into the DOD authorization bill that would have blocked privatization outright. The Senate bill initially included a similar provision, but it was removed prior to floor consideration. Thus, depot maintenance became a highly contentious issue for the DOD conference committee.

The senators from Texas and California, as well as affected members of Congress, worked very hard to reach a compromise with the conferees on the DOD authorization bill. At first, we were pleased to learn the Depot Caucus abandoned its strategy of blocking competition outright, and instead submitted a proposal described as a compromise.

This suggested compromise was supposed to allow competition to proceed, but would also guarantee a level playing field for both public and private bidders. When I first heard this description, I responded enthusiastically. Unfortunately, when I studied the alternative proposal, it became clear that it was simply a backdoor attempt to block competition.

To explain the depot provision included in this bill, I have compared it to a footrace in which all the participants—both the private contractors and the public depots—are placed equally at the start line and told the first competitor across the finish line wins. Unfortunately, in this footrace, the private sector competitors are forced to run wearing 100-pound ankle weights. That's not a fair competition, Mr. President.

But don't take my word for it. Listen to our leading opponent, the Senator from Oklahoma [Mr. INHOFE]. Following the announcement of the conference agreement, the Senator told his home State paper, the *Daily Oklahoman*, "I think it's highly unlikely any contractor would want to bid" on work at Kelly and McClellan, because of all the new requirements imposed by the bill. That article, titled "Senators Agree to Provision Giving Tinker Bidding Edge," described in detail how the depot maintenance sections of this bill

will give the Oklahoma Air Force depot an unfair bidding advantage.

Mr. President, the Senators from California and Texas don't want an unfair advantage. We only want a level playing field and a fair chance to compete. Unfortunately, this bill denies fairness to thousands of working families.

We remain willing to talk to the other side in an effort to reach a fair solution. During the conference, we were moving in the right direction and were close to an agreement. Frankly, we were very surprised when the bill was filed, closing the door to additional negotiations. We believed that a final was compromise in sight. However, once the conference report was filed, we had no choice but to use all of our procedural rights to block passage.

From the beginning, the Clinton administration has made clear that any provision that effectively stops competition will jeopardize passage of the DOD authorization bill. OMB Director Frank Raines reiterated that view in a letter sent to the majority leader on last week. In the letter, Director Raines advises congressional leaders that the President's senior advisors would recommend that the President veto this bill. I hope the President will take that advice and I hope Senators will vote to sustain that veto if it comes. This bill is bad for California, bad for taxpayers throughout the Nation, and bad for our national defense.

I want to mention another provision of this bill that I find objectionable—section 1211, which restricts the export of midrange computers.

On July 10, the Senate overwhelmingly approved the Grams-Boxer amendment, which required a GAO study on the national security impact of the export of computers in the 2,000 to 7,000 MTOPS range to tier 3 countries. Our amendment was offered as an alternative to a proposal to require U.S. companies seeking to export computers in this range to go through a cumbersome and lengthy review and licensing process. The Secretary of Defense, the National Security Advisers, and the Secretary of Commerce all opposed the original proposal.

Unfortunately, rather than accept the Grams-Boxer amendment, the conferees wrote a new provision imposing a number of procedural barriers to the export of midrange computers.

Specifically, the bill requires that prospective exporters wait 10 days before shipping, during which a variety of Government agencies could object to the sale. This requirement is overly bureaucratic, and in the opinion of national security experts, is simply not necessary.

The conference report allows the President to establish a new MTOPS threshold, but it requires a 6-month delay before the new threshold can take effect. I believe that the President deserves the flexibility to make the changes he deems appropriate. A 180-day notification to Congress makes it

extremely unlikely that the high-performance computer control threshold will be increased fast enough to keep pace with this rapid technological changes that take place in this industry.

This provision will hurt the American computer industry for no good reason. The conferees should have listened to the NSC, the Defense Department, and the Commerce Department and left this issue alone.

Mr. President, I will vote against this conference report. We may have lost an important skirmish in the conference committee, but I believe the battle is not yet over. We will revisit these important issues in the near future. I remain willing to work with my colleagues to reach a compromise that will ensure fairness for the more than 2,000 California families who only want a fair chance to compete to keep their jobs.

Mr. President, what it comes down to is this. When the last Base Closure Commission issued its report and decided to close down Kelly Air Force Base and McClellan Air Force Base, it was determined by the administration that it would be very foolish if we didn't utilize these bases to allow private firms to come in and do the depot work at these bases. We called it privatization in place.

Specifically, in that BRAC, it was determined that privatization in place would be permitted at McClellan and Kelly, and that those private sector companies that came in would have an equal chance to bid on depot work. Let's face it, we know that around here. Everyone talks about, "Oh, yes, we want to be competitive"; "Oh, yes, let's bring in the private sector"; "Oh, yes, let's run the Government more like a business." All that is fine except when something really happens and you get a chance to do it, you have the people from the States who will lose the work suddenly saying, "This is a bad idea."

There is language in this bill that is meant to destroy the competition that McClellan Air Force Base in California would offer and that Kelly Air Force Base in Texas would offer. They would take that work that could go to the private sector at an efficient rate, saving the taxpayers money, and instead funnel it to the public depots, the Government-owned, fully subsidized depots in Oklahoma, Utah, and Georgia.

It is extraordinary to me that the very same people who were on this floor for those States arguing day in and day out for a little private sector competition around here are the ones who are undermining the chance to have privatization in place at Kelly and McClellan, thereby saving taxpayers millions of dollars and saving thousands and thousands of jobs.

I think it is important to note that it is the position of the California Senators and the Texas Senators that we don't expect the work to be automatically given to McClellan and Kelly just

because they are privatizing. The DOD will not award work load to Kelly and McClellan automatically. Instead, the DOD has insisted that private bidders compete with public depots on the basis of quality and cost, and that is as it should be.

In fact, the first public-private competition for work at Kelly was won by a public depot. So I don't see how anyone could argue that the Senators from California and Texas are rigging the situation to assure work to our private companies at those bases.

But what you have is the Depot Caucus, a coalition of legislators from States and districts with public depots, trying to completely destroy the ability of McClellan and Kelly to compete. They know that without competition, the work currently performed at Kelly and McClellan will be directed to their facilities regardless of cost and quality. Mr. President, that is not right for this Nation.

What we had hoped in the conference was that we could reach some kind of agreement. Senator LEVIN worked very hard to try and reach some kind of agreement.

We were very disappointed. We thought we had a compromise that was going to work, but, frankly, it became clear to us, as we read the so-called compromise, that it would not guarantee fairness. It would not guarantee a level playing field.

If anyone has any doubt about it, they ought to look at what the Senator from Oklahoma said to his hometown press. He said in the Daily Oklahoman: "It is highly unlikely any contractor would want to bid" on the work at McClellan or Kelly. Even the headline of the paper said, "Senators Agree to Provision Giving Tinker Bidding Edge." Of course, Tinker is a publicly owned depot.

So what we have here is a Senator from one of the affected States saying on the one hand there is a fair compromise on this bill and then running home to his hometown press announcing with glee that, in fact, Kelly and McClellan would be out in the cold. That is really where it is at.

So we have our colleagues who are saying on the one hand, yes, they want to be fair; on the other hand they are saying to Kelly and McClellan, you are at that starting point and now you can run with all of the public depots, and whoever wins, wins. What they don't tell you is that they put the equivalent of a 100-pound ankle weight on the people at Kelly and McClellan giving them a huge disadvantage. In fact, they are not going to be able to compete for the work.

There are those who swear that under the current language in the bill, the Department of Defense will be able to award some work to McClellan and Kelly. We don't hear that from our private sector people. They are saying they probably would not be able to bid, which is exactly what the Senator from Oklahoma said when he ran home to

his hometown press to tell the world that, in fact, the language in the bill was going to disadvantage the workers at Kelly and McClellan.

I think it is important not only to listen to what Senators say on this floor but to read what they tell their hometown press, if you really want to know the truth. I think the Senator from Oklahoma made a big mistake by going home and telling everyone he had rigged the deal, but he did it, and now the truth is out.

Mr. President, the Senators from California and Texas do not want an unfair advantage. We only want a level playing field and a fair chance to compete. Unfortunately, this bill denies fairness to the taxpayers, first and foremost, because that is what we are about—quality products at the best price. Competition will make that happen. No, we are denying them that.

We remain willing to talk to the other side in an effort to reach a fair solution because, frankly, this bill could well be vetoed. This bill, the way it is currently written, goes back on a promise that was made to thousands of working families in Texas and California.

I also want to discuss another part of this bill which is very objectionable, section 1211, which restricts the export of midrange computers. On July 10, the Senate overwhelmingly approved the Grams-Boxer amendment which required a GAO study on the national security impact of the export of computers in the 2,000 to 7,000 MTOPS range to tier 3 countries.

Our amendment was offered as an alternative to a proposal that would require U.S. companies seeking to export computers in this range to go through a cumbersome and lengthy review and licensing process. The Secretary of Defense, the National Security Adviser and the Secretary of Commerce all supported the efforts of Senator GRAMS and myself on this matter. Unfortunately, when it got to the conference committee, rather than accept the Grams-Boxer amendment, the conferees wrote a whole new provision, a nightmare of procedural barriers to the export of midrange computers.

Nobody wants to see computers be exported that are supercomputers, computers that in fact could give one country the ability to develop weapons of mass destruction.

But these computers are in the midrange. Why would we restrict the export of computers that are made all over the world? We are putting our companies through a nightmare of bureaucratic procedures in order to export. I am really sad that the bill took this tack because it is behind the times and it does not reflect technology.

We ought to wake up. This is almost the 21st century. The computers that are being stopped from export shortly will be the computers in every office in the country. So we are putting our computermakers through this for no reason at all.

So, Mr. President, I will vote against this conference report. We lost an important skirmish in the committee, but I believe the battle is far from over. We will revisit these important issues in the near future if this bill is vetoed, which it is my understanding it will be. I hope that we can get together, all of us, on both sides of this issue, and resolve it.

So I will vote against this bill because it is unfair. It is unfair to workers. It is unfair to taxpayers. And, finally, it has unnecessary controls on midrange computers that are so out of date, we are disadvantaging our computer companies for no good reason at all.

Again, in closing, let me say, Mr. President, I look forward to sitting down with my colleagues in a new spirit of true compromise. There are ways we can resolve these problems. The Senator from Texas, Senator HUTCHISON, has been most dogged in her oversight of this. Senator GRAMM of Texas, Senator FEINSTEIN, and I, we want to find a fair solution. We are ready, willing and able to do that. I hope before the week is out, we will find a way to resolve this short of having a battle over a veto.

Thank you very much, Mr. President. I yield whatever time I may still have to the Senator from Texas.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. How much time do we have left on our side?

The PRESIDING OFFICER. Twenty-five minutes from the original grant.

Mr. GRAMM. I yield myself 15 minutes and save the 10.

How much is left on the other side?

The PRESIDING OFFICER. About 9 minutes.

Mr. GRAMM. Nine minutes?

The PRESIDING OFFICER. Nine minutes.

Mr. GRAMM. Zero-nine?

The PRESIDING OFFICER. Zero-nine, the total of which is, 09 plus the 25, 34.

Mr. GRAMM. I want to thank you for the recognition.

Let me try to go back and explain to people who may have come into this debate in the middle what this is all about, why it is so important, why four of us have in essence held the Senate up for 7 days in considering this bill and why the issue is important to you whether or not your State will ever have a private contractor who competes for a contract or not.

Let me go back 3 or 4 years and try to set the whole thing in perspective.

First of all, as we are all painfully aware, we have cut defense spending since 1985 by about 35 percent. That has taken a very, very heavy toll on maintenance and procurement and modernization. We have not correspondingly reduced the overhead of the military. We have more nurses in Europe than we have combat infantry officers. We still have a bureaucracy that is

leftover from the cold war. So this 35 percent cut that has been implemented since 1985 has had a profound impact on the military.

That is something that all sides of this dispute agree on.

Obviously, you would think that with defense being cut by 35 percent, with the modernization program being dramatically reduced, with operations and maintenance being bled by cuts, and with the President spending billions of dollars now on a deployment in Bosnia, that the one thing we would all agree on is that we want to spend the money that we do have efficiently. You would think that this real tight budget that we have would at least produce unanimity that we ought to try to spend the money as effectively as we can spend it.

In one of the most incredible paradoxes that I have observed, exactly the opposite is occurring. At the very time when we do not have enough money for defense, at the very time that we are not modernizing the weapons systems that need to be modernized, at the very time that we are not maintaining our equipment, at the very time that recruitment and retention in the military is being affected and we are not meeting our quality goals in recruitment in the services, at the very time that all of those things are happening, rather than pulling together to try to get the most we can out of the money that we are spending by having more competition, we have exactly the opposite occurring.

The opposite is occurring because there is a group of Members in the House that have an organization called the Depot Caucus. Basically, these are House Members who have a military depot in their district. A military depot is a Government facility that does defense work, principally maintenance.

What these Congressmen have done is concluded that with declining defense work, what they want to do is stop price competition and force the taxpayer to do defense maintenance work in their depots. That is what this whole issue is about. Now, it has been building for 3 years. For 3 years we have had this battle with the Depot Caucus in the House. For 3 years they have tried to get language in the defense bill that mandates that money be spent inefficiently by limiting competition.

Finally, this year, after a 3-year knock-down, drag-out fight, they have in the bill as it is now printed 12 pages of language that have one objective. That one objective is to guarantee, to the extent that they could guarantee it, that price competition will not be allowed in those areas where we have these defense depots and that defense maintenance work will go to these Government facilities. That is basically what this issue is about.

Now, under our current system where we are beginning competitive bidding, let me give you one example of what it produced.

We had competitive bidding for the maintenance of the C-5. That is the great big transport plane, for those who do not know what the C-5 is. It was put up for bids. Interestingly enough, a Government depot won the bid. But they bid \$190 million less than the costs that we are currently performing the work for. How were they able to do it for \$190 million less? They were able to do it for \$190 million less because they had 500 workers hidden away in their overhead that they were able to put doing work on the C-5, and they were able to do the work with 700 employees rather than the 1,200 that are doing it now.

Who benefited from that? Well, I guess you could say these 500 people who were hidden away in the overhead, maybe they did not benefit. But every taxpayer in America benefited because we are doing the same work on the same critical weapons system, and we are doing it for \$190 million less.

What the language of this bill would do, to the extent that they were capable of doing it, would be to stop that type of competition from occurring and mandate that that work be done in a Government depot, even though it might mean \$190 million of additional cost to the taxpayer.

Now, what is it that we want? Then I will explain to you why we want it.

What we want is competition. What we want is to give the Defense Department the ability to compete this work, which they support. This is one of these rare instances where President Clinton and some Republicans are on the same side. The President wants to put this work out for competitive bidding, and he wants the contracts to go to the people who can do it for the smallest amount of money.

The language of this bill attempts to stop that from happening. Now, why are we specifically involved? Well, partly we are involved because I care about \$190 million on one contract and potentially a couple of billion dollars a year—a couple of billion dollars a year—that will be squandered if we do not have effective competitive bidding.

Second, my State is a State that wants to have the opportunity to bid. So does California.

Now, let me digress for a minute and talk about base closings. We have had three Base Closing Commissions. I was an original cosponsor of the Base Closing Commission bill. I vigorously supported it. I have voted for the conclusions of every Base Closing Commission. And every one of them has closed a base in my State.

Did I like it? No. I hated it. Did I think you should close bases in other States where their Senators were not as supportive of defense as Senator HUTCHISON and I are? Yes. That would have been eminently fair and reasonable in my mind and would have probably been good for the country.

But the point is, I am committed to the process of closing bases. I could not very well say, when the commission de-

cidated to close them in my State, that I am for closing them in Massachusetts; I am just not for closing them in Texas. Well, when we committed to a technical process, I supported it.

Now, when the decision was made to close Kelly Air Force Base in Texas and McClellan Air Force base in California, we were in the midst of a Presidential campaign. So is anybody surprised that the most talented politician of our era, Bill Clinton, jumped right in the middle of it with both feet up to his eyeballs? I was not surprised. Nor is there any Member of the Senate that in similar circumstances would not have done exactly what Bill Clinton did and probably more.

What did Bill Clinton do? He came to Texas. He went to California. We are the two largest States in the Union. I do not need to explain to people how the electoral college works in electing Presidents. And he stood there, tears welling in his eyes, and talked about feeling our pain.

He did not go so far as to lay down in front of the bulldozers, and just as they were getting ready to grind him into dust, to have his faithful staff run in and pull him out, him shouting that he wanted to die rather than see it happen. He did not go quite that far, but he was very effective.

For our colleagues who say, "Well, the President played politics," he played it very effectively. And any one of us would have. But the point is, he did not do anything. The Base Closing Commission report said that one of the options that was available to the Air Force—they wrote it out in the Base Closing Commission report—was to put the work up for competitive bids. And if private contractors could come into the empty facility that would no longer be an Air Force base in Texas, would no longer be an Air Force base in California, if they could compete for the work and win it, they would get it.

The President, of course, wanting the electoral votes of Texas and California, thought this was just one great idea. And he talked about it. He was supportive of it. And he was effective at it. But the point is, the Base Closing Commission made the decision. And now the Pentagon is trying to carry it out. Now some of our colleagues say, well, because the President gave a political speech in Texas or California, somehow he tainted the whole process.

That, Mr. President, is not borne out by the facts. The Base Closing Commission report specifically set out the option of competitive bidding.

We have had our first competitive bid, saving \$190 million. Interestingly enough, a depot, a Government facility, won the bid by taking 500 workers out of featherbedding and by putting them on the project, and everybody benefited \$190 million.

Now, what our colleagues are trying to do is to come in and say that has to stop, that we cannot let contracts on any competitive basis until all these conditions are met with regard to

using these Government facilities, and they have 12 pages of all of these conditions, which boil down to no competition.

In trying to reach a compromise, in working with the Pentagon and the White House, we came up with four simple changes that we said, if you will make these four simple changes, we will swallow hard and we will take this bad language. What were the changes? No. 1, was for commercial items. Those are items that are sold on the general economy; for example, maintaining the engine that is used on airliners. Obviously, airlines maintain their own engines. They are very efficient at it and can do it much cheaper than the Government can do it. So the Pentagon said don't force us to do routine maintenance on things in defense depots that are used by the private sector. Let us competitively bid it, and airlines will compete. We might save 40 or 50 percent on bids. That is the first thing they wanted. Those who are for this language say, no, we don't want American Airlines to maintain the same engines they maintain. We want the Government to do it.

The second thing we asked for was the change of one word. It is a very important word. It is complicated, but the principle is very simple. The principle is that our colleagues tried to write into the bill language to "ensure the full utilization" of all of these Government depots. The problem is, if you are forced to fully utilize them, then you can't have competitive bidding because there is not that much work. What the Defense Department wanted to do, they were willing to commit to promote the utilization of them, to try to utilize them, but they wanted to have the ability to engage in competitive bidding. So they asked that we substitute "promote" for "ensure." They asked when you are going to have public-private teaming on these bids, they at least have an opportunity to figure out how they could keep Government facilities from hiding costs to balance the bidding process.

Finally, they wanted the ability to take into account cost and performance risk in these competitive bids. The answer on all of these things was "no."

So what is the issue that is before the Senate? The issue that is before the Senate is, in a defense budget that is inadequate, in a defense budget that is bleeding modernization and maintenance, should we have 12 pages of language that attempts to preclude competitive bidding that could save billions of dollars for the taxpayer, could allow us to improve pay and benefits, that could help us recruit and retain the finest young men and women who have ever worn the uniform of the country, savings that could help us procure miracle weapons that could protect American lives in the future, and that could maintain the quality maintenance of our equipment and the training of our people? Or should we

forgo those savings and simply guarantee Government depots a monopoly, for all practical purposes, on doing this work? That is the question.

The PRESIDING OFFICER. The Senator has used 18 minutes. There are 16 minutes remaining.

Mr. GRAMM. Those of us who oppose this bill say we want competition. That competition is critically important.

We have asked and the President has committed to veto this bill. He is going to veto this bill because it is anti-competitive, because it cheats the taxpayer, because it cheats the men and women who wear the uniform of this country by squandering money that could go to improve the operation and maintenance of their equipment, to modernize their equipment and to provide pay and benefits that would keep the best and the brightest in the service. So that is what this issue is about. It is about competition. This is a debate that has been building for 3 years. Every year we have had this cry that really boils down to this: Defense is being cut and so Government depots have a right to be monopolists on this defense work. Even if it costs more, even if billions of dollars could be saved, they have a right to it. What we have done in this bill, I am sad to say, is we have turned defense into welfare. At the very time when we need efficiency and economy, we are denying it in the name of protecting special interests. I think it is fundamentally wrong.

Now, I don't deny that competition would benefit my State because we have facilities that private contractors would like to use to bid. But the point is they can't get the work if they don't do it cheaper and if they don't do it better. What we want is competition. That is what we have fought for.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I yield 10 minutes of my time to the control of the two Senators from Utah.

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

Mr. HATCH. Mr. President, I would like to be notified when 5 minutes have expired.

I understand well the consternation of my good friends from Texas and California. My State of Utah has been there, too. We have suffered no less a proportionate loss of jobs and installations from the past Base Closing Commissions. The great difference here is we are a small State with just five electoral votes.

The conference measure gives California and Texas, vote-rich States, something that Utah and other States never had, a second chance at life through a Presidential circumvention of the very BRAC process that the President himself previously enthusiastically supported.

My friends from Texas and California had several months to work out a compromise. Under the threat of Presidential veto and Senate filibuster, the

Armed Services Committee and the Senators and staff from such States as Alabama, Florida, Georgia, North Carolina, Oklahoma, and Utah, among others, the so-called depot States or depot caucus States, which included Texas and California on other issues, have accommodated our friends. We could not be more sympathetic to their losses, which, after all, involve real people and families. As I said earlier, we have all been there.

But we have given them just about everything they want, even though—I repeat, even though—what we give them we do in a zero-sum sense. That is because we are giving up something that our people won and earned from the BRAC process and must now share. Our generosity in this sense goes beyond mere fairness and magnanimity. It is closer to sacrifice.

Let me tick off some of the sacrifices.

We allow competition for work that was originally designated for our depots by BRAC.

We allow the Air Force's tier I depot, Hill Air Force Base, which has the highest military value, to bid for something rightfully owed to Hill, against McClellan Air Force Base, a tier III depot, or an installation with the lowest military value, according to Air Force assessments.

We allow these same tier III depots to bid to keep the work there despite the \$400 to \$700 million higher cost to the taxpayers that the GAO and the Air Force have identified.

Mr. President, that is sacrifice. But I say enough is enough. It is one thing for us to squawk and scream at each other on the floor of the Senate. We need to move ahead now and address this matter in the way it should be addressed.

Hill Air Force Base also hosts two Air Combat Command air tactical fighter wings, one of which is an Air Force Reserve unit. These units are rotating to fulfill this Nation's peace-keeping missions in the Middle East and in Bosnia.

What does that mean to us here today? Military persons are required to put the mission before all else: personal well-being and safety, family, and virtually everything else that matters. So important is this commitment that we have constructed a separate body of law called the Uniform Code of Military Justice, which allows military and civilian authorities to enforce and defend, where necessary, the obligation of self-sacrifice. Cowardice or desertion in the face of the enemy, for example, carries severe penalties.

Having imposed such heavy obligations on the courageous men and women of our Armed Forces, we now find ourselves delaying the availability of the equipment and means they need urgently to execute their missions.

So this bill needs to pass. We should not hold up the \$93.8 billion for operations and maintenance, which is to say troop training and equipment

maintenance. We don't want to deny a pay raise of 2.8 percent for these folks in the military who need it so badly at a time when highly trained air crews are leaving at alarming rates. We don't want to deny bonuses based on years of service and skills or delay the implementation of studies to correct deeply rooted gender discrimination and abuses.

Improvements of family housing, which is sometimes so awful I wince at some, we don't want to delay that.

The President's request for \$2.1 billion to move ahead on the F-22 program, the airplane to replace the F-15C, the work horse of the Air Force fleet, we don't want to delay that.

I could go on and on. I believe my point is made. We in Utah made our sacrifices. We shouldn't have to make these sacrifices. The President should have lived up to BRAC to begin with.

Delaying this bill means increased risk for military persons putting their lives on the line:

We are holding up \$93.8 billion for operations and maintenance, which is to say troop training and equipment maintenance.

We are denying them a pay raise of 2.8 percent.

At a time when highly trained air crews are leaving the services at alarming rates, we are denying bonuses based on years of service and skill levels.

We are delaying the implementation of studies to correct deeply rooted gender discrimination and abuses.

Improvements in family housing, which is sometimes so awful I wince in shame, are delayed.

The President's request for \$2.1 billion to move ahead on the F-22 program, the airplane that will replace the F-15C, the work horse of the Air Force fleet, will also be delayed.

Mr. President, I can appreciate that my good friends from Texas and California want to protect the interests of their States. But, they want to change the rules of the game after they've lost in fair play.

To help us make the really tough decisions about base closures, we created the BRAC process. We—Congress—created this mechanism to decide what bases to close and which to keep open.

Congress itself selected several of the BRAC Commissioners; and, I heard no grievances about the criteria used by the Commission to make its recommendations. The process enjoyed the support of Congress and the administration. And, I believe that it has been managed by fair-minded men and women and staffed by nonpartisan, skilled analysts. It is probably about as objective a decisionmaking process as you are going to get.

During the BRAC 95 round, it was determined that Kelly and McClellan should be closed. I can understand why my colleagues from Texas and California are not happy about that—I was not happy when previous BRAC rounds put Tooele Army Depot and Defense Depot Ogden on the closure list.

But, so far, those of us who represent States that have lost bases because of BRAC have not tried to jury-rig a method for keeping Federal dollars coming to a base on the closure list.

The Clinton administration has inexcusably tampered with this process. In proposing privatization in place, the Clinton administration put electoral politics ahead of the integrity of the BRAC process, weakening the investment value of already shrinking defense dollars.

No one has greater cause for protest on this floor than my colleague from Utah and myself. Utah, along with Oklahoma and Georgia, have been made the real victims of the President's tampering with this process.

In the case of Utah, the administration's original proposal would have starved Hill Air Force Base of the work needed to maintain its own efficiency.

The Ogden Air Logistics Center at Hill AFB is rated by the Air Force as its No. 1 depot. It received a tier I rating, meaning it has the highest military value. By contrast, Kelly and McClellan were rated as tier III installations, those having the lowest military value.

The original changes to BRAC proposed by the President could have been made only by dismissing merit as a criteria. It is no different than telling a grade school student that, although he or she is the top academic performer in the class, the honors will go to a less proficient teacher's pet.

It is no wonder that the workers at these depots are offended by this message. The American Federation of Government Employees [AFGE] has vigorously opposed privatization in place—not just because private contractors would be allowed to take over work, but also because the quality of their work and the dedication of their members to America's defense has been given such short shrift.

Nevertheless, Mr. President, Utah has a proud legacy of strength in adversity. The great majority of Utahns are descended from pioneers who pulled handcarts halfway across America. Utahns came together with ideas and resources and determination to overcome defense losses. We have long since absorbed the more than 5,000 jobs that previous BRAC's and DOD downsizing have cost us. Our losses are just about proportionate to those experienced by defense closures in Texas and California, considering the relatively smaller size of our workforce.

But, I would like to point out that Utahns were working without a net. A net that the Clinton administration has graciously—but without justification, in my opinion—provided to Texas and California in this latest BRAC round.

But, now let's talk about the compromise adopted by the Armed Services Committee in this legislation.

First of all, as my remarks would indicate, I am strongly opposed to this sleight of hand known as privatization

in place. I simply do not see that Federal dollars to contractors to perform the same work done by Kelly and McClellan—and which should have been redistributed to Hill, Warner-Robins, and Tinker—is a savings. Instead of consolidating, all that is achieved with this policy is maintained excess capacity. GAO reported that this concept would actually cost \$468 million per year.

Instead of five depots with excess capacity, we now have three depots and private contractors at Kelly and McClellan. This effectively locks in excess capacity at the three remaining depots and would sign their eventual death warrant.

Let's be clear about one thing: This conference report does not repudiate privatization in place. It does not consolidate workload. Score a big one for President Clinton and for my Texas and California colleagues.

But, though I would cheerfully chuck this whole concept, I can accept the compromise plan developed by the conferees. The provisions in the conference report at least allow fair competition for the maintenance work and will not stack the deck against Utah and the other similarly affected States.

In my view, Utahns can compete with anyone. Our work force, our technology, our efficient State and local governments, and our cooperative spirit it have been staples of the Utah economy.

Some of the fruits of that spirit are the facts that:

Salt Lake City was selected—after one of the toughest competitions you can imagine—to host the Winter Olympic Games in the year 2002;

Business Week has called Utah the software valley of the world;

Utah has the highest educational level in the country, according to the U.S. Bureau of Labor Statistics;

We are ranked second in the Nation in job creation;

We are second in economic growth, which for 1997 is estimated at 6.9 percent. This is well above the 2.5 percent average economic growth rate for all States, according to the U.S. Labor Department;

Despite our small size and being an insular State, 17 percent of the adult population speak a foreign language, many fluently. Utah is the site of the Army's only linguist brigade, a reserve unit that in wartime will bring forward nearly 3,000 accomplished speakers of more than 20 languages. And, I might mention that the city of Provo, UT, beat out New York City and Los Angeles as the site selected by the Army to locate this unit.

These achievements do not entitle my State to anything. There should never be any guarantees—no free passes. But, this exemplary track record does mean Utah has earned the chance to compete fairly, without having to play by rules that do not apply to others.

The Air Force knows the value of Utah well. The BRAC Commissioners

learned it quickly. And the workers from Kelly and McClellan understandably wanted to share it.

Utah's military value is unmatched. Our former colleague, Senator Jake Garn, fostered its development as a defense technology mecca. Former Governor Norm Bangertter added 20,000 aerospace jobs to the State during his tenure, which ended in 1992. Today, Congressman JIM HANSEN, a longtime member of the House National Security Committee, has led the effort to sustain the high quality of Utah's defense installations.

Mr. President, Utah has made a commitment to national defense. I am in no way questioning the motivation of others who have enjoined this debate; but, the level of investment and record of excellence exhibited by Hill, Warner-Robins, and Tinker, is a reason for making sure that the Federal Government conducts a fair competition.

This conference report sets the stage for an acceptable process of fair competition. I expect that the Clinton administration will judiciously carry it out, and I will, of course, be following the implementation of these competitions closely.

We have crafted a compromise that goes beyond mere equity and fairness. Utah, Oklahoma, and Georgia, after all, are directed to give up something they've earned—which is the right to perform the work BRAC stated they should have. That is an indisputable fact.

And, perhaps this is a good time to remind my colleagues who do not believe that they have a dog in this fight that, if the rules can be changed to put Utah, Georgia, and Oklahoma at a competitive disadvantage, they can be changed to put your State at a disadvantage as well. Tampering with the BRAC process is a slippery slope.

Back in July, I questioned Air Force Deputy Secretary Rudy DeLeon regarding several competition procedures. I ask unanimous consent to enter these questions and his responses for the RECORD, Mr. President.

I accept Mr. DeLeon's responses as commitments by the Air Force. I am pleased that these commitments have been incorporated in principle or in explicit language in the depot provisions of the bill.

The only exception regards the protest rights of the bidders. Under the President's original plan, public depot bidders, like Utah's Hill and Oklahoma's Tinker, would have been denied the normal rights of protest available to private bidders. Under the conference agreement, any public depot-private contractor team could pursue a protest through the inherent rights available to the private team member.

In closing, Mr. President, I want to say that I intend to audit, oversee, and examine the details of each competition in the most minute detail. I will insist not only on compliance with the letter of every appropriate competition statute and regulation, but also with

the nonstatutory language and other administration commitments found elsewhere in the legislative history of this debate. The danger of compromise is that those who implement it have the ability to spin things their own way.

Members of both the House and Senate Armed Services Committee have invested significant blood and sweat on this issue. I appreciate the extraordinary effort by Senators THURMOND, WARNER, and LEVIN. I also want to acknowledge the assistance of Senator LOTT. Every now and then we needed a referee, and he was a fair one. At the end of the day, I believe we have come up with a compromise that is workable, and I have every expectation that the President will agree.

It has also been a pleasure working with my colleagues from Oklahoma and Georgia, and, of course, my partner from Utah, BOB BENNETT.

Last, but not least, I want to thank my colleague, the senior Utahn in the House, Congressman JIM HANSEN. JIM fought his guts out to make sure that Hill Air Force Base has a fair chance. And, I don't think this issue could have been as successfully resolved without his work in the other body.

Mr. President, I believe we have reached a satisfactory resolution of this thorny issue. I urge all Senators to support it.

Mr. President, I ask unanimous consent questions and answers in the Senate Armed Services Committee confirmation hearing be printed in the RECORD.

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

QUESTION FOR THE RECORD, SENATE ARMED SERVICES COMMITTEE CONFIRMATION HEARING—JULY 17, 1997

Question A1. Senator HATCH. Contract term. Why was a 5-year contract with three option years selected? Is this a customary period for such workload contracts? What are the criteria for determining whether 3 plus year extensions to contract performance will be granted?

Answer. Mr. DE LEON. The contract period of performance is a critical decision in the acquisition strategy process and is based on factors peculiar to the particular acquisition. The contract needs to run long enough to attract serious bidders and bids favorable to the government. A contract shorter than 5 years would likely fail to provide sufficient time for bidders to recover their initial investment expenses and realize cost savings. In other depot maintenance and contractor logistics support contracts the Air Force has used five year periods. Over the past 5 years the Air Force has found it cost effective and beneficial to write contracts for 10 or even 15 years, basic contract and options combined. For example, many contractor logistic support contracts, such as JPATS, C-12 and C-21, run 10 or 15 years. Additionally, the Arnold Engineering and Development Center contract is a 5 year basic with a 3 year option. With options, the government always has the flexibility to not exercise the option(s) in order to re-compete the work if the incumbent is not performing satisfactorily.

The inclusion of options (three, one-year extensions to contract performance) under an innovative "award term" approach is

being considered for the workloads at McClellan to provide additional incentives to the winner to deliver cost-effective, reliable products to the customers. In the case of award term, continuation of the contract is awarded for exceptional performance. This type of approach is designed to incentivize the winning competitor to lower costs and provide exceptional performance to the Air Force.

Question A2. Senator HATCH. Best Estimated Quantity (BEQ). The BEQ for the KC-135 aircraft is offered at 35-40 annually. What is the current rate of serviceable KC-135s entering depot level maintenance annually? If the current number is smaller, how does the Air Force plan to raise the number to the RFP BEQ?

Answer. Mr. DE LEON. The draft request for proposal (RFP) contains two separate pricing schedules for KC-135 maintenance. The first schedule is based on an annual BEQ of 15 aircraft, and an aggregate BEQ of 75 aircraft over the period of performance. The second potential schedule is based on an annual BEQ of 35 with an aggregate BEQ of 175 aircraft over the period of performance. The final RFP will contain only one of these pricing schedules. The determination of the schedule for the final RFP will be based on the best estimate quantity at that time.

Recent trends show 100 KC-135s inducted for programmed depot maintenance in FY96, 77 expected in FY97, and 83 projected for FY98. These include inductions to all sources (OC-ALC, SM-ALC, and contract). The Air Force is considering the higher quantity to allow for the cost savings derived from economies of scale.

The current total inductions of KC-135 aircraft are well above the contemplated BEQs.

Question A3. Senator HATCH. Twenty-five percent cost savings. It is my understanding that the Air Force anticipates a 25-percent cost savings during the first five years of the contract. How was that number calculated?

Answer. Mr. DE LEON. The Air Force believes the best opportunity for savings can be achieved through a fair public/private competition. Since the competitions are not yet completed, the Air Force cannot, at this time, be sure what the savings outcome will be; however, the Air Force anticipates that it will be significant.

Question A4. Senator HATCH. Excess capacity costs. GAO estimates that the Air Force cannot achieve cost savings from excess capacity that will remain under the current privatization-in-place concept. The audit agency reports that higher prices can only result. How do you respond to GAO on this matter?

Answer. Mr. DE LEON. The Air Force is not privatizing in place but rather, conducting public/private competitions. Under these competitions, the public and private bids will be evaluated to ensure that any potential consolidation savings and resulting recurring and one-time costs are carefully considered in the decision process. This includes considering capabilities, risks, costs and savings in evaluation of both the public and private bids. Along with public/private competitions, the Air Force will look at eliminating excess capacity using strategies such as transferring workload, partnering with industry, and reducing infrastructure.

Question A5. Senator HATCH. Transition costs. My interpretation of the section on transition costs in the December 1996 Public Private Competition documents [hereafter: "PPC"], and page 32, secs. a-b specifically, tells me that the public bidder must show adjustments for such personnel costs as severance pay, relocation, VERA/VSIP, etc. Yet, I believe these costs are covered by congressionally appropriated funds under BRAC. How does the private bidder account for these costs in its bid submission?

Answer. Mr. DE LEON. The intent of the language on transition costs in the December 1996 PPC documents was to have the public and private bidders provide a list of all of the transition costs included in their proposals. This would allow the cost proposal evaluation team to determine whether all appropriate transition costs were captured and, if not, make the necessary adjustment. For cost comparison purposes, the Air Force did not need to distinguish between BRAC and non-BRAC funded costs since they are both included.

Question A6. Senator HATCH. Depot facilitization and upgrade costs. What is the comparable state of the depot facilities at Ogden and Sacramento—more specifically: what improvements have been made to each depot, at what aggregate cost, over the past five years? In addition, please comment on the following related topics:

a. Do both public and private bidders account for personal and real property (equipment and facilities) over the contract term?

b. If the question at sub-sec. 6a is answered in the negative, how does the competition comply with policy (DOD 7000.14R) and cost accounting standards which seem to require identical treatment of depreciation by both classes of bidders?

Answer. Mr. DE LEON. Capital investments in facilities, equipment and other infrastructure have been made in planned modernization strategies by McClellan and Ogden to perform their designated mission workloads. New facilities are acquired and maintained through the MILCON, minor construction, and Real Property Maintenance (RPM) programs. Capital equipment is replaced, added, and upgraded through the Capital Purchase Program (CPP).

For FY90-96 (projected end of year), investments for these two bases include the following:

(In millions of dollars)

| | McClellan | Ogden |
|--------------|-----------|-------|
| MILCON | 38.75 | 25.9 |
| RPM | 41.3 | 45.8 |
| CPP | 49.3 | 57.8 |

(a) In the case where equipment and facilities are purchased or acquired for the proposed workload and would not otherwise have been purchased or acquired, both public and private bidders will account for such assets over the contract period of performance.

(b) N/A

Question B1. Senator HATCH. Rights of protest. Do public and private bidders have identical rights of protest? If not why not?

Answer. Mr. DE LEON. No, public and private parties do not have identical rights, primarily as a result of statutory provisions of law relating to bid protests.

Question B2. Senator HATCH. Personal property rights. My interpretation of 32 CFR Part 91.7, para. (h)(5)(1) and (v), and 10 USC 2687 suggests that a successful public bidder may acquire personal property such as equipment, from Kelly or McClellan where such property is required for the operation of a unit, component weapon, or weapon system transferring to the successor public depot as a consequence or outcome of competition or realignment. These rights, I believe, also accrue to the successful public bidder where the property meets the needs of an authorized program and which would otherwise require the government to expend monies to acquire similar equipment if the transfer was not made.

Do you dispute this interpretation?

Answer. Mr. DE LEON. I agree that under 32 CFR Part 91.7 (now 175.7) if personal property at Kelly or McClellan is required for the operation of a depot function transferring from one of those bases to another public depot as

a result of the public-private competition, then such property may be transferred to the successor public depot. August 1996 Air Force guidance explicitly provides that "if another DoD depot wins a depot maintenance competition, or limits of federal statutes require certain depot maintenance workloads remain under governmental control, then the associated personal property will be transferred as required." In addition, the regulation provides that personal property may be removed from the installation when "the property meets known requirements of an authorized program of another federal department or agency that would have to purchase similar items. . . ." These regulations are fully consistent with the statutory provisions in the GRAC Act, §2905(b)(3)(E), set out as a note to 10 U.S.C. §2687.

Question C. Senator HATCH. It is my understanding that the Source Selection Evaluation Board (SSEB) activity has been restricted to the compilation and submission of bids to the Source Selection Advisory Council (SSAC). The Source Selection Authority (SSA), however, will be situated within the Air Force secretariat. I appreciate the foresight demonstrated by the Air Force in restricting the Air Logistics Command acquisition authorities from award making. However, what assurances does Congress have that the SSA will not submit to political influences that could distort a truly merit-based award?

Answer. Mr. DE LEON. The policies and procedures that were developed and published in "AFMC Procedures for Depot Level Public/Private Competition" addressed the roles, relationships and responsibilities to ensure a level playing field and a merit-based award. This was further augmented by the Cost Comparability Handbook which provides standardized procedures and techniques to ensure cost comparability when competing depot maintenance workloads. The Source Selection Authority is a career civilian who over the past 28 years has been the source selection authority on many critical programs, including most recently the Space Based Infrared Radar System, Airborne Laser, Joint Directed Attack Munitions. The SSA chaired the source selection advisory council for the Joint Strike Fighter, the Evolved Expendable Launch Vehicle, and the Joint Air to Surface Stand-off Missile. The SSA has an impeccable record of integrity and objectivity.

Mr. BENNETT. I thank my colleague for his summary of the circumstance with relation to Hill Air Force Base. I want to take my 5 minutes and refer to the arguments made on the floor.

We have heard that the bill as currently constituted contains 32 pages of anticompetitive language. I challenge that, Mr. President. I believe it contains 32 pages of rules by which the competition will occur.

Do we refer to rules as anticompetitive when they establish the framework in which a competition will happen? I will take a sports analogy. Is it anticompetitive when there is a referee on the floor that prevents one player from fouling another in a basketball game? If I have a team filled with very rough players, I consider that anticompetitive. But if the purpose of the game is something other than to beat each other up, but to score baskets in the form of the rules of the game, the existence of the referee and, yes, the rule book which runs for more than 32 pages, in fact, enhances competition rather than cuts it down.

Mr. President, 32 pages of oversight language. I must report my own experience with this issue. We have only one set of numbers before us as a Congress as to what happens with privatization in place, and those are the numbers that come from the GAO. The GAO says if you proceed with privatization in place, it will cost the taxpayers over half a billion. That is not right, says the Air Force, nowhere near, we will save money with competition. I said, fine, give me the numbers. "We don't have any numbers. We just know we will save money." I had Sheila Widnall, the Secretary of the Air Force, in my office. I asked for numbers. She refused to give me any and just said, "We will save money. GAO is wrong." If GAO was wrong, give me specifics. No, the Air Force said, we won't give you specifics. Just trust us that they are wrong.

General Babbitt was put forward as the general who would command this activity. I held up his nomination until he came to my office. I said, "General, you are undoubtedly qualified for this. I will let you go forward. But there is something I want from you before I will let you go forward." He said, "What is that?" I said, "I want you to agree to give us the numbers. If indeed you can improve that privatization-in-place will save taxpayers dollars, you ought to be able to prove that with numbers rather than rhetoric. If you have those numbers I want you to be willing to share them with the Congress." He looked at me and said, "Why, of course, Senator, we will be happy to share those numbers." I said, "General, you are the first person in the Air Force ever to agree to do that."

That is all we are asking for, a little sunshine here, not quite so much rhetoric and not so much "trust me," a little sunshine, a little oversight, a little understanding. So in these 32 pages that have been attacked, there are requirements that the Air Force tell the Congress how much money they are spending, how much money, presumably, they are saving and how they are following the rules, and then have those numbers reviewed by the GAO.

Is this so anticompetitive, if you are saving the taxpayers millions or hundreds of millions of dollars, that you are willing to share the information? I don't think it is anticompetitive at all. I think, again, it is like the rule book in a basketball game that says: These are the rules and there will be a referee to enforce them. The rules are fairly voluminous, but the end result of the rules is that you have a game that works.

We have been told again and again, "no, we believe in competition." I believe in competition. But I believe in competition in the open. I believe in competition where the information is available, particularly to the policymakers in the Congress.

So, Mr. President, I hope that this bill passes. I hope the President signs it because I think we can pass it by a

wide enough margin to send a veto-proof message to the White House, and I hope when it's over, we will then, by virtue of the language that has been added to the bill on the depot issue, as a Congress, be able to see what is done, be able to understand what is done and, if at that time they come back and say we would save the taxpayers this much money, and they get specific with numbers, I am perfectly willing to have them spend that money on privatization in place. But I am not, Mr. President, willing to accept a "trust me" attitude, given the history of the Air Force's unwillingness to talk to us on this issue up to this point.

I yield the floor.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, how much time remains of my 30 minutes? The PRESIDING OFFICER. Fifteen minutes.

Mr. STEVENS. Mr. President, I want this record to reflect my disappointment with the levels authorized in this bill for the National Guard.

Since the end of the cold war, we have undertaken the most massive restructuring of our military forces since the end of World War II.

The cornerstone of these initiatives has been greater reliance on the National Guard and Reserves to meet both day-to-day and major crisis military requirements.

Sadly, the bill before the Senate retreats from, and does damage to, the expanded role for the Guard.

This year, tens of thousands of Guard and Reserve personnel have been deployed to Bosnia, Haiti, Southwest Asia, Central America, and Korea.

By the account of every regional commander in chief, they have performed these duties with a level of professionalism and excellence indistinguishable from the Active Force. They are simply that good.

Their performance in the field merits the total support of the House and Senate.

The Guard and Reserve comprise 38 percent of the total force. However, funding for these components in this bill equates to only 8 percent of the total funding for the Department of Defense.

The cost of forces in the Guard and Reserve is less per capita—significantly less than the active components.

But 38 percent of the force deserves more than 8 percent of the available funding. The Guard needs modern, new equipment. They need training—particularly flying hours and adequate maintenance money for tanks, trucks, and other vehicles.

They need ammunition and travel money. They need the funding to continue to be fully ready to deploy.

This bill does real damage to the force structure, readiness, and morale of our National Guard.

Fortunately, the Defense appropriations bill passed by the Senate last month does provide the increased funding for the Guard.

The Defense appropriations and military construction bills achieved a real bipartisan consensus in support of the National Guard.

We carefully reviewed the needs identified by the National Guard and Reserves.

We allocated funding to meet their most urgent personnel, readiness, and modernization priorities.

The National Guard and Reserves cannot be asked to take on more missions, more deployments, and more responsibility without the support of Congress. This bill fails that test.

The levels authorized in this bill would require a 5,000 personnel reduction in the Army National Guard.

This bill authorizes \$108 million less in the vital Army Guard Operation and maintenance account that was appropriated by the Congress and signed by the President for 1998.

This bill reduces funding for the Air National Guard by almost \$14 million.

I regret that on the levels provided for the National Guard there are these differences between the 1998 authorization and appropriations bills. I do not regret the actions we took in the appropriations bill, which provided greater support for the National Guard.

Even that was not enough. Our committee deserves to be criticized also for not having provided even more. But this bill means we can't spend the money we have already appropriated.

There are other differences between our two bills—especially in the procurement and research and development accounts.

Our committee worked hard to pass an appropriations bill early that incorporates the Department's and the Senate's priorities.

We attempted, as much as possible, to follow the authorization bill that passed the Senate. When the Defense authorization bill undercuts these accounts and programs, it causes great concern within the Department of Defense.

They will be asked by the Armed Services Committee not to spend the money as it was intended by the appropriations bill—and DoD cannot spend the money for items in this authorization bill for funds were not appropriated in the bills that were already passed.

The funding could have been allocated more effectively. This does not serve the institution well.

A further blow against the position taken by the Senate in support of the National Guard was the rejection of the increased rank and role for the next chief of the National Guard.

Forty-nine Senators cosponsored this effort on a total bipartisan basis.

Instead, this conference report creates two new advisory positions for the National Guard and Reserves.

The National Guard already has a chief and two very capable directors—it does not need additional advisers.

This legislation is, in fact, a step backward for the National Guard and Reserves, and they do not endorse or support this approach.

I want to assure the Senate, and our friends in the National Guard, that we will be back next year—this matter is not closed, as far as this Senator is concerned.

The men and women of the Armed Forces deserve, and should receive, the pay raise funded in the Defense appropriations bill that is authorized in this legislation. They must have that.

The military construction projects appropriated for 1998 will be stalled unless we pass the bill.

Incidentally, 38 of the projects in the military construction bill, line-itemed by the President, are in this bill. All 38 of them are authorized by this bill, and the House will soon send us a bill to ask the President to reconsider the line-item veto of each of those 38 projects.

So, I am not asking the Senate to defeat the bill. I do urge others to speak up and to commit to readdress these significant Guard and Reserve component issues next year.

It is with great regret, however, that I announce to the Senate I will not vote for this conference report. It will be the first conference report on a Defense authorization bill that I have not voted for in 29 years. I feel very strongly about this. That is why I want to make it a matter of record. I don't intend to support an authorization bill again until we do address the problem of the readiness account and the status of the National Guard in the defense structure.

Mr. FORD. Mr. President, let me begin by congratulating the Senate Armed Services Committee for completing their work on the National Defense Authorization Act conference report for fiscal year 1998. Nevertheless, I'm very disappointed that the conference committee was unable to agree on the amendment by Senator STEVENS, and 49 of his colleagues, to make the Director of the National Guard Bureau a four-star general and a member of the Joint Chiefs of Staff.

When I spoke before the Reserve Forces Policy Board back in September, I began my speech talking about Union general, "fighting Phil Sheridan." Sheridan didn't strike people as having the stature of a war hero. He was a bit on the short side. Yet at the head of the cavalry, he was an invaluable leader, helping General Grant win many key battles during the Civil War. His battlefield successes led Abraham Lincoln to joke that at the beginning of the war he thought a cavalry man had to be 6'4". "But now," he said, "I've seen 5'4" will do "just fine" in a pinch.

I tell that story because all too often the National Guard is being dismissed out of hand for being nothing more than "weekend warriors." But after seeing their work in international hot spots like Kuwait, Somalia, Bosnia, and Haiti, it's clear the Guard will do more than "just fine" in a pinch.

I think we all agree that as we enter the 21st century the common goal of the U.S. military should be to create and maintain a seamless total force that provides our military leaders with the necessary flexibility and strength to address whatever conflicts that might arise.

The QDR should have been the vehicle to achieve that goal. Unfortunately, it fell far short. And one analyst went so far as to describe it as "another banal defense of the status quo."

There are close to one-half million men and women in the National Guard, accounting for about 20 percent of this Nation's Armed Forces. Because of their dual Federal-State mission, National Guardsmen and women are on hand to serve in both the international arena and in our own backyards. Perhaps more than any other soldier, Guardsmen embody our forefathers' vision of the citizen-soldier. That's because the citizen-soldiers of the National Guard find their roots not only in the history of this country, but equally important, in the communities of this country.

The Army National Guard alone provides more than 55 percent of the ground combat forces, 45 percent of the combat support forces, and 25 percent of the Army's combat support units—all while using only 2 percent of the Department of Defense budget.

But if you look at the QDR process you would think the Guard has outlived its usefulness * * * that their cost-effectiveness, their flexibility, their readiness are all figments of this Senator's imagination.

Experts have called QDR a "cold war relic," and I agree with them, especially when it comes to the Army. Back in July, the Senate was forced to add \$437 million to the Pentagon's budget request just to meet the minimum spending needs of the Army National Guard.

While both the Marine Corps and the Air Force have successfully integrated their reserve fighting units into their total combat force, the Army continues to fail to include its National Guard combat troops in national military strategy. To this day, none of the Guard's eight combat divisions is in the Nation's war plans, despite the fact that they have undergone the same training as their active duty counterparts.

This contentious relationship got even hotter, last spring when leaders of the National Guard expressed outrage at never being given the opportunity to present their case before the QDR and over the Army's failure to be up-front about how deeply they wanted to cut the Army Guard.

The outrage was well placed. The Washington times was right on target when they wrote back in June that "the Guard has a greater relevance today than during the cold war—exactly the kind of relevance the Founding Fathers envisioned when they

elect to place the preponderance of the Nation's military strength in the State militias."

As a classic dual use system the Guard is not a relic of the past, rather the wave of the future. That same article said, "There is no inherent reason the Guard cannot perform adequately across the range of missions. The Marine Corps and Air Force have demonstrated what can be accomplished when reserves are treated as assets, not rivals * * *. In short, the Guard's proficiency is limited only by resources and creativity—by a standing Army that, for reasons of its own, prefers not to acknowledge it."

This is not a new battle. And the QDR is just another symptom of a dysfunctional relationship that must change.

That's why I believe that after assuring the Reserve forces needs are met in this year's budget. Our biggest priority was to make the Chief of the National Guard Bureau a four-star general and a member of the Joint Chiefs of Staff. I was proud to cosponsor Senator STEVENS amendment to the Defense authorization bill doing just that.

As Senator STEVENS said during debate on the amendment, this change "will help ensure that the National Guard's needs will be met during the formulation of the Department's budget and not solely by the interventions of Congress * * *. It has taken the intervention of Congress each year to get the Guard the money it needs to perform its job." The amendment would have gone a long way towards changing that status.

When you compare the National Guard with the U.S. Coast Guard, the inequity becomes even more clear. There are an average of 10,000 men and women deployed outside the continental United States by the National Guard every day. And working with an annual budget of \$10 billion, the National Guard manages a tremendous amount of equipment and runs 3,360 facilities in 3,200 communities touching every State in the Nation.

The Coast Guard, which also has a dual mission, runs an efficient, tight ship. At the head of that ship is a four-star admiral. But what is startling to me is that the Coast Guard is a fraction of the size, with a fraction of the budget of the National Guard.

Look at the Marine Corps. Like the National Guard, they serve as a free standing force, maintained under a parent service. Again, with a budget and a troop strength smaller than the Guard, they are under the leadership of a four-star general, and have a seat on the Joint Chiefs. Those changes were made after the Marine Corps came before Congress arguing that to be heard they needed a general's rank, not a colonel's, when dealing with the other services.

The Pentagon must recognize that the Reserve components are the only contact the majority of Americans have with the military. When they see

a neighbor, a child's teacher, or their family doctor on hand when natural disasters strike or representing the United States in the international arena, they have a direct link to the military.

That bond has remained strong for more than 200 years. And despite resistance from the Pentagon, I believe Congress has no intention of seeing that bond damaged through insufficient funds or a lack of resources.

But passage of Senator STEVENS amendment in the Senate was a sign that we're no longer willing to accept the status quo either. We believe it's a critical first step not only toward giving our citizen-soldiers a seat at the decisionmaking table, but toward creating a Total Force.

Unfortunately, Mr. President, the conference committee disagreed with the Senate position of making the National Guard Director a four-star general. Instead the conference "split the baby" by establishing what they thought was a new position for the Army Guard and Army Reserve—two new two-star general positions serving as advisors to the Chairman of the Joint Chiefs of Staff.

The problem with this decision is that the National Guard already has such a position within the Joint Chiefs of Staff. This new language won't solve the problem faced by the National Guard. I hope my colleagues on the Senate Armed Services Committee understand that the issue of a four-star position on the Joint Chiefs of Staff is not going to go away.

I'm also disturbed by the conference committee's decision to cut the National Guard by 5,000 spaces without any corresponding cuts in the Active Duty Army or the Army Reserve. This cut for the National Guard isn't right and it isn't consistent with what we've done on the Defense appropriations bill. That bill, which was just signed by the President, fully funded the Army National Guard.

General Sheridan might have been on the short side, but when the smoke cleared at the end of the battle, he sat very tall in his saddle. While detractors might refer disparagingly to our National Guard Forces as weekend warriors, I hope my colleagues will remember that at the end of the day, whether helping families return to their homes after a devastating flood or flying in supplies to war torn countries, they stand just as tall.

Mr. STEVENS. Mr. President, do I have any further time left?

The PRESIDING OFFICER. The Senator has about 14 minutes remaining.

Mr. STEVENS. I yield 5 minutes to Senator COVERDELL.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, I thank my colleague from Alaska for yielding time. It is with great pleasure and relief, I must say, that I come to the floor to hail what I believe will be final passage of the 1998 Defense authorization conference report. As many

of my colleagues know, this was not an easy process. This bill, of vital importance to our men and women in uniform, has sparked much controversy over the last several months.

My colleagues may remember my taking the floor, along with several of my colleagues, this summer to denounce what we felt was a politicization of the BRAC process by the President. At the time, I stated that we will not begin a new round of BRAC, as the administration has called for, until the previous round's recommendations have been carried out effectively. To my satisfaction, a new round of BRAC has been averted and we have taken a step in the right direction toward restoring BRAC integrity.

The approach we have taken on military depot work in this bill is a win for our Armed Forces and taxpayers. In this bill, we promote private-public competition, as my colleagues called for, while establishing more objective criteria in making contract awards.

I would like to commend my colleagues on both sides of this issue for working to develop a solution to the impasse we reached. Obviously, as a Senator with a remaining air logistic center, I have a vested stake in the issue. While not a member of the Armed Services Committee, I voiced my opinion strongly with my colleagues from California and Texas and have respected their position. It is unfortunate that we have not been able to reach an ultimate agreement on the issue, but we have come to our disagreement after much debate and consideration on both sides.

I point out to my colleagues, however, that it says a great deal about a piece of legislation when the chairman, ranking member, and majority and minority leaders all agree on the approach we have taken in this bill.

I would be remiss not to mention the tremendous contribution that our chairman, Senator THURMOND, has once again added to this process. He and his staff have worked tirelessly to develop this legislation and to work for a compromise on the depot issue. I also want to thank my colleagues from Utah and Oklahoma—particularly Senator INHOFE, who has worked equally as hard in trying to reach a compromise on the issue. They are all to be commended.

Finally, I understand that there is an important pay raise provision in this bill for our armed services members. This is of great importance because I think we have arrived at a good place, a solid plan. I encourage my colleagues to support it. Further, I call on the President to sign it as quickly as possible. We need to move on with this bill and what I feel is correcting a fundamental flaw in the system.

I yield back my time.

The PRESIDING OFFICER. Who seeks time?

Mr. STEVENS. Mr. President, I reserve the balance of my time.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum, and I

ask unanimous consent that the time be equally divided.

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

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. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I ask our colleagues who want to speak to come over and speak. It becomes a sort of curious game when people want to be heard, but they don't come over, and one side is forced to use up all of its time, or else see the time run off, when we would like to have a debate. I wish those who wanted to debate would come over.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Michigan.

PRIVILEGE OF THE FLOOR

Mr. LEVIN. Mr. President, I ask unanimous consent that privilege of the floor be granted to the following staff member of the Committee on Foreign Relations: Mrs. Gina Abercrombie-Winstanley, a Pearson Fellow detailee from the Department of State, during the pendency of this bill.

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

Mr. LEVIN. Mr. President, one of the arguments that has been made is that if this conference report is enacted that the private industry will be reluctant to bid on the work of the closed depots. In fact, some elements of industry had announced that they intended to bid on the Kelly and McClellan work well before the compromise was even written. Most of the concerns raised by those groups relate either to features of the current law that they don't like, or to features of the compromise that the Department of Defense has accepted as fair and not sought to change.

We cannot just simply give the work to industry without any competition. We must have fair competition. That was the purpose of these provisions in the bill. Those of us who wrote these provisions have no depots at stake, and no issues at stake in our States. In fact, we voted against the provision of the Depot Caucus in the conference because we thought it was one-sided. I voted against a similar provision which was offered by Senators here during our deliberations in the Armed Services Committee. But those of us who have drafted the provision in this final bill have intended and attempted—and we think succeeded—in drafting a provision which will ensure fair and open competition. That is our goal. We don't want to tilt this one way or the other.

We couldn't get the parties to reach an agreement. We waited months for the parties to try to reach an agreement. We tried to negotiate an agreement that everybody would agree to. We couldn't get everybody to agree to

any particular language. We never could reach an agreement.

Finally, those of us who had the responsibility of bringing a bill to the floor, and getting a defense bill passed because of all the critical provisions in here for our military people, decided we would draft the best possible provision that we could that would guarantee open and fair competition and would not tilt this one way or the other. We have that responsibility, and we think we carried it out fairly.

One significant part of this compromise is a simple sentence which is aimed at guaranteeing a level playing field for both sides. The sentence states:

No offeror may be given any preferential consideration for, or in any way be limited to, performing the workload in-place or at any other single location.

That sentence means exactly what it says. No preferential consideration may be given to Kelly and McClellan, and no preferential consideration may be given to the depots that remain open. They have to compete on a level playing field.

That is what this compromise is all about. At one point the argument was made that by prohibiting the Air Force from giving preferential consideration to either side that we might somehow preclude them from considering real differences in cost or risk. I don't accept that argument. We consider legitimate differences in cost and risk in virtually every competition. That is fair consideration—not preferential consideration. It is not preferential treatment to consider differences in cost and risk any more than it is preferential treatment to award a contract to the low bidder.

My staff has confirmed this with top procurement officials at the Department of Defense. Although we did not believe the concern to be well-founded, the conferees decided to remove any question over the interpretation of this language by clarifying in the statement of managers that the consideration of differences in cost or risk associated with the location of performance is not preferential consideration, and the managers' language states that consideration of such differences in cost and risk is not only permitted but it is expected.

In short, we bent over backwards to address concerns about this proposed compromise. This is a fair compromise. It provides a level playing field without preference to either side. And I hope that the Senate will act to put this issue behind us.

We also heard the statement that the requirement for the Department of Defense to ensure that the depots are operated as cost effectively as possible will have the effect of precluding any work from going to the private sector. That statement is not accurate.

Nothing in the depot maintenance provisions requires that all the work go to the depots, as has also been stated. Under these provisions, the Secretary would retain broad discretion to

determine which workloads should be retained in public depots and which should be subject to private-public competition.

First, the sentence in question is nothing more than a clarification of existing law which already requires the Department of Defense to:

... maintain a logistics capability, including personnel, equipment, and facilities to ensure ...

That word is in existing law.

... a ready and controlled source of technical competence and resources for contingency situations.

And prohibits the contracting out of any logistics activity identified by the Secretary as necessary to maintain that logistics capability.

Second, this sentence applies only to workloads that the Secretary of Defense determines to be necessary to maintain core logistics capability. Under current law, the Secretary gets to decide what capabilities are core logistics capability. And the Secretary gets to decide what workloads are necessary to maintain those capabilities.

Third, the Secretary of Defense—not the Congress—gets to decide what is cost efficient and how much workload is necessary to ensure cost efficiency. The statement of managers expressly states that this provision does not require the performance of all core logistics workload in public depots.

This is what the statement of managers says:

The provision does not require that maintenance for all weapons systems necessary for the execution of DOD's strategic and contingency plans be performed at public facilities.

In short, it is the Secretary—not the Congress nor the depot caucus. It is the Secretary who gets to decide what functions will be performed in-house under this provision.

On the basis of extensive consultation with the Department of Defense officials, starting last spring, we are convinced that the depot maintenance provisions in the bill are consistent with the Department's current policy and practice on core logistics capability, and will not require the Secretary to bring in-house any work currently performed by private contractors.

In fact, the Department of Defense has informed us that on the basis of the bill's change from 60-40 to 50-50 they expect to be able to contract out slightly more work than they can under current law.

The main argument that is being made here is that somehow or other this bill prevents real competition. I assure our colleagues that this bill not only intends to guarantee fair competition, but is the best effort that we know how to make—those of us that have no stake in the outcome of this debate—this is the best effort that we can make to objectively and fairly come up with provisions which will guarantee and ensure as fair and open a competition as possible.

Far from prohibiting public-private competition, these provisions mandate competition for depot maintenance work, and require that all qualified public and private sector offerors be permitted to compete.

The provisions establish seven simple conditions to ensure that this competition is carried out on a level playing field. Again, I emphasize these provisions were written by Members and staff who are neutral in the fight between the closed bases and the remaining Air Force depots. The sole objective here is to ensure fair competition. And each of the provisions was included for that purpose alone—a level playing field for competition by ensuring that appropriate factors are considered in a balanced manner. The bill expressly prohibits the Department from giving any preferential treatment to either the closed depots or the remaining ALCs.

Mr. LEVIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Michigan has 6 minutes.

Mr. LEVIN. I reserve the remainder of that time.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I inquire of the chairman of the committee how much time he can yield.

Mr. THURMOND. Mr. President, I yield 8 minutes to Senator COATS.

Mr. COATS. Mr. President, I thank the chairman for yielding this time. I rise to urge my colleagues to support the vote coming up here on the Defense Authorization Act. I congratulate Senator THURMOND and Senator LEVIN for their leadership on this issue. We have continued a bipartisan effort in the Senate Armed Services Committee for addressing the key issues facing our national security policy.

It has been a contentious and difficult process this year, but one, nevertheless, that has gone ahead, and we are here today just a few moments away from voting on this and sending it to the President.

It is important to note that we have reached support in the Senate Armed Services Committee; all 18 members of the committee have signed the conference report and, most importantly, we have been able to address some of the most difficult issues in a way that I think, while not perfect and while not the solution to everybody's concerns, clearly moves us in the right direction.

Senator LEVIN and others have talked about the depot provisions. I appreciate how difficult it has been and the very strong views of Senators on both sides of the aisle on these provisions.

Earlier, I opposed the depot provisions which were originally recommended by the readiness panel because they explicitly precluded competition for the resolution of the Kelly and McClellan Air Logistics Centers issue. We went back to work—a num-

ber of people spent a great deal of time and effort trying to find a way in which we could develop a substantive set of provisions that would promote competition, and I said that if we could do that, I would support it.

Now, if I were drafting this legislation, I would have gone much further than we have been able to go. I think, clearly, if we can't move further faster on privatization efforts, we are going to continue to face shortfalls in modernization, shortfalls in research and development, and in other vital areas for the military.

This, I believe, is the best we are able to do at this particular time given the polarization on this issue between members on the Depot Caucus and those who were promoting greater competition. We have been able to move the percentages from 60-40 to 50-50. I know that 50-50 is not defined in the way all of us would like, but it is a step in the right direction. Hopefully, it will open the way for further discussion and determination of what core capacity we need to retain within the services and how we can also move toward privatizing maintenance in a way that saves the Department money.

It will also, hopefully, open the door to another round of BRAC closings. There should not be any disagreement that we still have too much infrastructure given the size of our force. It is aging infrastructure. It is costly infrastructure. Unless we can find ways to close that infrastructure, and modernize and streamline the way in which we provide for our national defense, we are going to continually face a shortfall of funds, particularly given the fact that we have a fixed top line, as stated in the budget agreement.

One of the provisions of the depot compromise involves an initiative that was suggested to us by the Business Executives for National Security Tail-to-Tooth Commission, the so-called BENS Commission. It's private partnerships within the public sector. This commission is made up of people from both parties, former Members of the Senate and Cabinet, leaders of industry and retired members of the Joint Chiefs. And their insights, I believe, ought to be given significant attention.

Let me just quote from one of the sections of the bill which incorporated one of their suggestions. Section 359 of the depot provisions is titled, "Requirement for Use of Competitive Procedures in Contracting for Performance of Depot-Level Maintenance and Repair Workloads Formerly Performed at Closed or Realigned Military Installations."

And this provision states, and I quote:

Any offeror, whether public or private, may offer to perform the workload at any location or locations selected by the offeror and to team with any other public or private entity to perform that workload at one or more locations.

This provision enables the Department of Defense to leverage the core competencies of our public-sector depots with those of private industry in

building the most effective and the most efficient team for maintaining our military's equipment, and it does so in a way that keeps competitive pressures on both the private and the public sector that will ensure that the Pentagon and the U.S. taxpayer continue to get the best value for their defense dollar.

The Pentagon has indicated that this is a workable approach to resolving the highly charged issues surrounding Kelly and McClellan Air Logistics Centers. I know there is not agreement on that point, but my analysis of this is that it moves us significantly in the right direction. And given the dynamics of the political considerations that we are facing, it is the best we can do this year. We are not going to get a bill without this. I trust the administration will think long and hard before they consider a veto over this provision. I do not believe we are going to be able to go back and adjust it one way or the other in any significant measure without creating a loss of support on one side or the other, depending on which way we go.

So I urge the administration to understand the process that we have been through, where we started and where we now are and take this as a significant incremental step in the necessary effort to move toward privatization.

Mr. President, I would also like to briefly talk about some things that we have done in my role as chairman of the Airland Subcommittee. First, the national Defense authorization supports the Army's Force XXI initiatives which significantly enhances the situational awareness and combat effectiveness of our land forces through information technology. Yet, we need to do much more to get the spectrum of digitization efforts, which were so strongly endorsed by the Pentagon's Quadrennial Defense Review, adequately funded. But at least this is a fair start.

And for the record, I wish to correct a statement reported in press this morning that the first flight of the second Comanche armed reconnaissance helicopter would be delayed because of a 2.75 percent tax levied on acquisition programs in the fiscal year 1998 Defense authorization bill, which we are voting on today. I want to emphasize that this Defense Authorization fully funds the Comanche program at the level requested in the President's Budget, and that it does not include a tax. The tax reported in this article was levied in appropriation, not authorization, legislation.

We have been able to incorporate in this bill a significant enhancement in the military's tactical and operational mobility through increases in tactical trucks, the establishment of multiyear procurement for the family of medium tactical vehicles, and increases in V-22 procurement. We have also added increases for tactical air and missile defense capabilities.

Specifically, however, I want to talk about the F-22. I spoke at length about

my concerns with F-22 cost overruns and technology risks during our deliberations over Defense appropriations. This national Defense authorization provides the same F-22 funding levels, but goes the very important further step to put key oversight provisions in place that will help Congress and the Administration keep this program on track.

First, this Defense Authorization includes the Senate's total cost cap provisions which limit the level of engineering and manufacturing development to approximately \$18.7 billion and production to \$43.3 billion.

Second, the Defense authorization requires an annual review of the F-22 program by the General Accounting Office. This report will address whether the F-22 EMD program is meeting established goals in performance, cost, and schedule; and whether the F-22 program is consistent with the cost caps we have established. The Comptroller General also must certify to Congress that he has had access to sufficient information to make informed judgments on the matters covered by the reports. This series of annual reviews will provide us a visibility into the F-22 program which we have not had to date. And it will also provide a means of independent assessment on the spending and technical performance of the program so that this body can effectively continue its long history of oversight on the key F-22 program.

In conclusion, this national Defense authorization makes great strides in supporting the defense strategy of shape, respond, and prepare now. It provides significant increases in our readiness accounts by adding over \$750 million to address shortfalls in flying hours, real property maintenance, and ammunition procurement.

It also takes better care of our military servicemembers and their quality of life through a 2.8 percent pay raise and a reformed approach to quarters allowances.

And it accelerates investment to address shortfalls in key mission capabilities such as adding over \$700 million for theater and missile defense programs.

Finally, this national Defense authorization provides a reasonable compromise to the depot issue through a fair and open competition which serves the best interests of the military and the American taxpayer.

In short, this bill provides the policy and fiscal provisions representative of the prudent oversight from our Senate authorization process. It provides a framework for setting a course which ensures U.S. military dominance into the 21st Century.

This National Defense Authorization has my full support, and I urge my colleagues to support us when the vote comes forward in just a few moments.

Mr. President, I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I commend the able Senator from Indiana for his remarks, which are very helpful, and also commend the Senator for the great work he has done on the Armed Services Committee for many years. We are very proud of the Senator, and we are going to miss him when he leaves the Senate next year. We hope the Senator will reconsider and come back with us.

Mr. COATS. I thank the chairman for his kind remarks.

Mr. THURMOND. Mr. President, I yield the remaining time we have to Senator ROBERTS.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Mr. President, might I inquire as to the amount of time that is remaining?

The PRESIDING OFFICER. The Senator has 4 minutes 50 seconds.

Mr. ROBERTS. I thank the Chair.

Mr. President, I rise today in support of the Defense authorization bill. I wish to thank and pay tribute to the distinguished Senator from Michigan, Mr. LEVIN, and obviously to our chairman, the distinguished Senator from South Carolina, for his long record of support and leadership for our men and women in uniform is almost unequalled in the history of the Senate.

Some of my colleagues are opposing passage of this important bill for reasons I know they are committed to, and they certainly feel they are taking action in the best interests of their constituents. But I feel strongly we must as a body demonstrate unity and support for our military by passing this bill.

Yesterday, we were briefed on the serious events in the Mideast, in particular in Iraq. The day before, several Members of Congress met with the President to discuss the U.S. military commitment of lasting peace in Bosnia. Early next year this body will debate the enlargement of NATO and the implication of extending the military security of NATO. We all watched with great interest the developments on the Korean peninsula. That is a very dangerous place.

We are at peace, but we all understand this is a fragile peace. Congress is charged with the responsibility to raise and support armies, and in this troubled time we cannot forget that is our responsibility.

We have all heard of the morale problems and the difficulty in retaining key leaders in the military. We all understand the long and frequent deployments we ask our men and women to make are taking a terrible toll on their families. We all understand we rely on these dedicated and patriotic Americans to be the instruments of our national policy. We should not hold this bill hostage because of internal differences between Members of this Congress. I feel it would be a terrible signal to send to the men and women of the military that we are so egocentric and so parochial that we are unable to provide a bill to provide a pay raise or quality housing.

Let me highlight some of the important aspects of the bill I feel strongly about.

Active duty pay raise. The bill includes a 2.8 percent pay raise for active duty military members. If the bill is not enacted, the pay raise for active military will be limited to 2.3 percent because of the statutory link between pay raises for the military and pay raises for Federal civilians.

Active duty end strength. The bill, compared to current law, provides lower end-strength levels and increased flexibility for the managing of military personnel strengths. If this bill is not enacted, the military services will be held to the higher fiscal year 1997 end-strength levels that were based on the Bottom Up Review.

Special pay and bonuses. The bill includes authority for significant increases in the special pay and bonus structure designed to respond to critical recruiting and retention problems highlighted by DOD.

If the bill is not enacted, these authorities will not be available to DOD to address these problems. Specific groups that would be affected include—listen to this—aviators, nuclear-qualified officers, dentists, military members on overseas tours, military members receiving family separation allowances and/or hazardous duty assignment pay, and also the military members serving on hardship-duty locations.

Reform of housing and substance allowances. This bill includes significant reforms of the existing structure for housing allowances and subsistence allowances for military members. These reforms are intended to simplify the management of these allowances and to better target the allowances to those individuals and geographic areas where the need is most acute. If the bill is not enacted, the Department of Defense will continue to use the existing allowance structure with all of its demonstrated inefficiencies and also inequities.

Military construction projects? The bill provides authority for the Department of Defense to begin construction on the fiscal year 1998 military construction projects. If the bill is not enacted, that construction cannot begin.

Mr. President, my fellow colleagues, there are many other examples of why this bill must be supported now. Despite the differences we have in our ranks, I think this is a fair and credible bill, the best bill possible. The Members of both Houses worked hard to reach compromise. It was a very difficult task, but when the work was done the Members of both committees—the House side and Senate side—were satisfied with the results. The system worked the way it was designed. Now the Senate should act on the bill. I urge the Senate to pass on the bill.

One thing about a Presidential veto. Tuesday night we were with the President, 40, 50 Members. Senator THUR-

MOND rose to his feet and said that our policy in Bosnia cannot be separated from this bill. It is inseparable. And that if we pass this bill, it will be commensurate with our goals in Bosnia and with our vital national security interests. And he pleaded with the President, eloquently, with fervent passion. He said: Mr. President, do not veto this bill. And I will tell everybody here, the President has not made his mind up. He looked at the Senator and said he would consider his remarks.

The Department of Defense will agree with this bill. I do not think the President will veto it. We need to pass the bill. We need to do what is right, and our first obligation as Members of this Congress is to do everything we can for our national defense.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I commend Senator ROBERTS for his excellent remarks on this subject. He is a new member of the Armed Services Committee, and he has done a magnificent job. As chairman, I want to let him know that we appreciate all he has done for defense since he has been on that committee.

Mr. ROBERTS. I thank the Chairman.

Mr. THURMOND. Mr. President, how much time do we have left?

The PRESIDING OFFICER. The Senator from Michigan has 6 minutes, the Senator from Alaska has 8 minutes, the Senator from Texas has 8 minutes.

Mr. LEVIN. Mr. President, I ask unanimous consent that I be allowed at this point to assign 3 of my 6 minutes to Senator THURMOND so we can finish up with 3 minutes each.

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

Mr. THURMOND. Mr. President, I suggest the absence of a quorum and that it be charged equally to each side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. THURMOND. I ask unanimous consent the remaining time not be charged to Senator LEVIN or to me.

Mr. GRAMM. Reserving the right to object, Mr. President, I don't want to object but I am here ready to debate. I am waiting for people who want to defend this bill to come to the floor to speak. What we are doing is we are running off time that I have to debate because people don't want to come over here and debate. If I knew they weren't coming, I could close out, make about 2 or 3 minutes of statements, and we could vote. Our colleagues are ready to vote.

Let me ask unanimous consent that we might conclude this debate, that we

might have 3 minutes for each person holding time to conclude, and that we might then have a vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. INHOFE. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. INHOFE. I was not here when the senior Senator from Texas made his unanimous-consent request. I ask if that would in any way vitiate the time that was given, remaining for the Senator from Alaska, Senator STEVENS?

The PRESIDING OFFICER. It reduces it from 8 minutes to 3 minutes.

Mr. GRAMM. Mr. President, I ask unanimous consent, now that the Senator is here, if he wants to be heard—what I was trying to do was go on and vote if nobody wanted to debate. But if the Senator wants to speak, let me ask unanimous consent that we return to the status quo ante, before my unanimous-consent request, so that the Senator can speak if he chooses to.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. INHOFE. Mr. President, it is my understanding that the time remaining for Senator STEVENS has been given to me, which is approximately 7 minutes.

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. INHOFE. Mr. President, it is unfortunate, since we have a bill that is the most significant bill that we will be dealing with during the course of this year, that it has gotten bogged down into a debate and discussion about depot maintenance. This is very unfortunate. However that has been the case.

Let me just devote a little bit of time to that, because, having listened to the arguments as put forth by the two eloquent Senators from California and the Senators from Texas, I didn't hear any new arguments. But I do think that we need to, once and for all, respond to these arguments. I was hoping to be speaking last because I know what will happen, since I am obviously not speaking last. But let me just go ahead and bring up four arguments that I heard. I think these four are pretty much the total argument of those who want to stop competition in ALC's.

First of all, I heard the quote saying, "We are telling the DOD that you can't have real competition." This bill does allow competition. This allows competition and takes into consideration all direct and indirect costs.

They said that "The bill was crafted by Members seeking special protection, whose sole purpose is to block private competition." I suggest that everyone in this Chamber knows, and certainly everyone on the Senate Armed Services Committee knows, that when we had our language in there that did clearly carry out the intent and the letter of the BRAC recommendations, we felt we were going to lose the bill because the

two Senators from both Texas and California wanted an opportunity to privatize in place. Then we agreed to have open competition.

I was not even in on that. The ones who agreed to that language—that was drafted by members of the committee who were totally neutral on this subject. They didn't have a dog in this fight. But they got together and came up with the agreement that this is the way to do it. Let's take all costs into consideration. We did that. I think the eloquent remarks of Senator LEVIN pointed this out.

They were the ones who put this together so that, yes, even though this is not what the BRAC committee wanted, still it did open up an avenue for privatization-in-place if they took into consideration all the costs. And then they voted and it was 18-to-nothing, all Democrats and all Republicans voted for it.

Closely related to that, I have been quoted as to a statement that I made in Oklahoma. Let me say that is an accurate statement. That is true. I wasn't misquoted. And I was stating it as a businessman. I spent 33 years in the real world and I know, as Senator BENNETT has pointed out several times, that you can't operate and leave three out of five ALC's at 50 percent capacity and have any kind of competitive operation.

So I said very definitely that, in my opinion, those individuals who were interested in competing in McClellan in California and in Kelly in Texas, wanted to compete on a basis where they had a tremendous advantage which is paid for by the taxpayers.

So they did two things. They put two considerations in. First of all, if they want to bid and privatize in place and bid at Kelly or McClellan, they had to pay for a fair value for that facility they are using. In other words, you can't take a \$200 million facility and give it to a private contractor for a dollar a year and say now that's fair competition. That is not fair competition.

The second thing we did was say, according to the GAO—and this has been pointed out already by several Members here—that if you leave three air logistics centers operating at 50 percent capacity, the cost annually to the taxpayers is \$468 million. So that has to be considered.

Those are the two major changes that were made. I agree I think they did a good job coming up with these. Even though that would still violate the intent of the BRAC system, that at least made that fair.

There is one last thing I will say and then I will put this to rest. I am not going to say anything more about this. I am going to read this one more time, because I think it is really significant.

I came to the U.S. House of Representatives, before I was elected to this body, in 1986. That was a year that a Congressman—I might add, and say to the senior Senator from Texas, he

also is a Ph.D. He got his from Oklahoma, you got yours from Texas—he came out with an idea how we can close the excess capacity, the infrastructure, and do it without political interference. So he came up with the idea of the BRAC committee. The BRAC committee was supposed to be free from political interference.

I hope every Member who is watching on their tube right now, anyone who is going to come down here and vote on this, will listen to this. This is what Representative DICK ARMEY, the author of the BRAC process, said on June 23, 1997:

We had three rounds of base closing, and we are all very proud of the process because politics never intruded into the process. That ended in round four. And all of my colleagues knew at the time, and we know now, that the special conditions for McClellan and Kelly, California and my own State of Texas, where you might think I have a parochial interest, were in a political invention.

We talk about this being privatization. No, it is not. It is a new concept. It is privatization in place, created specifically for these two bases in an election year for no purpose other than politics.

With that, Mr. President, I think we beat up that issue. We have argued and debated this hours and hours on the floor. I know Senators from Texas and California would like to have an opportunity to have more jobs in their States, but that is exactly what the BRAC process was put in place to prevent.

In the remaining time, let me just make a couple of comments. I am the chairman of the Readiness Subcommittee, and I can tell you right now, during this process it was very civil, in our Senate Armed Services Committee, but we didn't agree on everything.

Quite frankly, I agreed with the Senator from Alaska as far as the National Guard was concerned. I did not agree with Senator LEVIN, the ranking minority member, as far as the B-2 was concerned, but we voted on it. I lost and they won. So we went through this very arduous process and successfully came up with a bill.

In the meantime, I have been spending my time as chairman of the Readiness Subcommittee all over America and all over the world going to our various installations. I can tell you right now, we have a very serious problem in defending America. We can't do it.

As pointed out by the Senator from Connecticut, for 13 consecutive years, we have reduced every year our defense budget at a time when most people realize, finally, that we have a greater threat facing America than we have had since World War II. Yet, we are at one-half the force strength that we were in 1991. I am talking about the number of Army divisions, the number of Air Force wings, the number of ships floating out there.

So it is a very critical thing, and it is exacerbated by the fact that we have troops in places like Bosnia. It is very, very expensive. The President said it

wouldn't be over \$2 billion. It is now looking at closer to \$6.5 billion to \$8 billion. Where does that come from? It comes from the defense budget.

While this is not a perfect product—can I have 1 more minute from the Senator from South Carolina?

The PRESIDING OFFICER. Does the Senator from South Carolina yield?

Mr. THURMOND. We don't have any more time.

Mr. GRAMM. I ask unanimous consent that the Senator have 1 additional minute.

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

Mr. INHOFE. I thank the senior Senator from Texas.

Mr. President, I will only conclude we do have a very serious problem in talking to the troops out there about tempo. We have these guys operating at about 60 percent higher capacity than they are supposed to be operating. Sure, they can handle it for a while, but the divorce rate is up, the retention rate is down, and we have a serious problem in our underfunding of our military.

I would like to have done a better job than we did in this bill, but this was the best we could do in the spirit of compromise on a bipartisan basis. I strongly support the passage of our Defense authorization bill. Thank you.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I commend the able Senator from Oklahoma for his excellent remarks. He is a member of the Armed Services Committee and does a fine job. I want to take this opportunity to thank him for the great service he is rendering on the Armed Services Committee.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, we are coming to the end of the debate. I will conclude by making just a couple of points.

I first thank the distinguished chairman of the Armed Services Committee, Senator THURMOND. I am always unhappy when I am not on his side. I don't think I need to tell the Senator from South Carolina about the high esteem in which I hold him.

Let me also say to my dear colleague from Oklahoma that there is nothing personal about this battle. It really comes down to principles and where you stand on those key issues. I don't question that everyone involved in this debate is trying to do the best and that their intentions are good.

Let me conclude with the following points. First of all, a great deal has been made about what the President and what the White House and what the Defense Department have said. So let me let the President and the White House speak for themselves. I sent a letter to the desk and asked that it be printed in the RECORD 9 days ago after this conference report had been written. I just want to read three paragraphs from the letter. I think anybody

who listens to these three paragraphs can be in no doubt as to what the position of the White House and the President is on this bill. I am reading from a letter from the Executive Office of the President dated October 28:

This bill includes provisions whose intent is to protect public depots by limiting private industries' ability to compete for the depot maintenance of military systems and components. If enacted, these provisions, which run counter to the ongoing efforts by Congress and the administration to use competition to improve DOD business practices, would severely limit the Department's flexibility to increase efficiency and save taxpayer dollars. 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. 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.

That is not me talking, that is the Executive Office of the President. I think that defines the issue and where they stand.

Our colleague from Utah talked about a GAO study. We have heard this GAO study discussed over and over and over again in this debate. It is a typical problem of where a study is directed to look at one thing, and then we all talk about it as if it concluded another. Let me read you one sentence from the GAO study and then put this issue, hopefully, to rest forever. The GAO study says:

The Air Force's planning has not progressed far enough to support a precise comparison of the cost of privatizing depot workloads in place with a cost of transferring the work to other underutilized depots.

So what the GAO study concludes is something with which I completely agree. That is if the choice is between maintaining five depots or three, it is better to maintain three. That is what the GAO study is about. Nobody disputes what it is about. But what it is not about is any conclusion that funds can be saved by consolidating into a depot as compared to having price competition.

So the GAO study is relevant for a point that we all agree on, which is why we are closing two depots. But it is completely irrelevant to the issue of whether we should have price competition.

I hope and believe the President will veto this bill. Then the question is, what do we do about it? Let me conclude on a positive note by making a suggestion as to how we can simply solve the problem.

We all say we are for competition. It reminds me of one of Abraham Lincoln's speeches where he talked about how the Confederates and the Union supporters all prayed to the same God; they both felt they were in the right; they both felt God was on their side, but one of them had to be wrong.

We all say we are for competition, but, obviously, we have great dif-

ferences as to what that is. Let me remind my colleagues that I offered to try to break this logjam with a definition of competition that would have given a 10-percent premium for depot work. In other words, I offered that if depots could do it for only 10 percent more than the private sector, that we would let them do it. But if the private sector could go do it and save more than 10 percent, that they would do it. So let me remind my colleagues that I have not been unwilling to try to find a solution. But let me propose one that is very simple.

We now have five major accounting firms in America. We used to have six, but two of them consolidated. If the President vetoes this bill and if that veto stands, either we don't vote on it in February when we come back or we sustain it, I propose that we ask each of the five major accounting firms who, in language the people understand, don't have a dog in this fight, to each appoint one of their major partners and let them form a commission. Let them define what a level playing surface is in competition between Government depots and the private sector. Let them look at all costs from retirement to capital. Let the five accounting firms come up with what they believe is a free and fair competition, and then let's agree that whatever they decide is a free and fair competition, whatever they say is a level playing surface, then let's agree to accept it. I, for one, agree to accept it. Whatever the five major accounting firms in the Nation conclude is a fair way to have price competition, I am for it.

My proposal is, if the bill is vetoed, we change it very simply by taking out this anticompetitive language, set up a simple commission made up of the representatives of the five major private accounting firms in America, and let them tell us how to have a fair competition. We will give them 6 months to do it. Whatever they conclude becomes the practice of the Defense Department, and we have this competition.

That is a simple way to solve this problem, and we have been fighting over this issue for 3 long years. I submit that I hope this will happen. The President has said that he will veto the bill; that the bill, as it is now written, despite the best intentions of many, will cost the taxpayers billions of dollars that will not go to weapons, that will not go to maintenance, that will not go to pay and benefits, but instead will go to preserve the status quo and to prevent competition.

We need competition. We all agree we don't have enough money. We can get more use of our money through competition. I urge my colleagues, if you are concerned about these things, to join us in voting "no." I urge the President to deliver on the veto so that we can end this debate and have price competition. I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, first, let us be clear about the letter that was printed in the RECORD. That letter is not a statement of the President. That was what the senior advisers said they would do if certain problems cannot be solved. We think those problems have been solved in this bill. They can be solved in the implementation of this bill.

One of the arguments, just to give you an example, that the opponents of this bill made, is that the provision authorizing teaming agreements between public depots and private contractors is anticompetitive. We asked the Defense Department when they were up in front of us as to whether or not they were anticompetitive. And here I am going to read the specific question of Senator KEMPTHORNE:

Do you believe that allowing public depots and private enterprise to team together to bid on these workloads is anticompetitive? And, if so, would you explain why.

We have heard this morning, and we heard before that the teaming provision is one of the so-called anticompetitive provisions in this bill. What does the Defense Department have to say about that? Their current Deputy General Counsel, Mr. Peters, who was before the Armed Services Committee the other day, when asked that question by Senator KEMPTHORNE said the following:

Senator Kempthorne, I do not believe and I do not believe the Department feels that that provision is anticompetitive. We certainly do not feel it is anticompetitive.

This bill has been stymied for months over one provision. We need a defense authorization bill for many, many reasons. There are provisions in here that are critically important to the well-being of the men and women in the military. When the parties who have a direct interest in this dispute could not resolve this dispute in a way satisfactory to all of them, Senator THURMOND and I decided that we would get our staffs working and do the very best we could to have a fair and open competition provision.

That is what we have accomplished. There is not one senior defense official who is on record as saying that this provision does not provide for a fair and open competition. It is not the Defense Department that has gone on record as saying that this is not a workable provision to create a fair and open competition. Not one senior official in the Defense Department has so stated on the record.

May I say, I have had a number of off-the-record conversations with members of the Defense Department which lead me to conclude that this is a very workable provision, indeed.

Mr. President, the President has not said he will veto this bill. I don't believe he has decided what to do. I hope that when he weighs the pros and cons in this bill that he will sign this bill. It is important to the uniformed military. It is important to the security of this Nation.

I want to close by thanking my good friend, Chairman THURMOND, and his staff. He and our staffs have worked together, very, very well together, throughout the consideration of this bill.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, as we close this debate, I take this opportunity to commend Senator LEVIN for the magnificent work he has done on this bill. He is a man of integrity, ability and dedication. It is a great asset to have him on the Senate Armed Services Committee.

Mr. President, there are a few obvious reasons for Americans to focus on the defense of the United States. While there is no longer a superpower threatening to dominate us, threats still abound. Events in Iraq this week demonstrate that America must be prepared to protect her interests at a moment's notice. Other nations that might pose threats includes Iran, North Korea, and Libya.

Mr. President, this bill is important to the young men and women who serve in our military forces. This bill includes pay raises and increases to special incentive pay, including vital aviator bonuses. Provisions in this bill affect every aspect of our national defense, including quality-of-life initiatives, modernization, and readiness. I remind all Senators that all military construction projects require an authorization as well as an appropriation and cannot be executed without this bill.

Mr. President, I want to remind the Senate that all 18 members of the Armed Services Committee support this bill—10 Republicans and 8 Democrats—every one of them support this bill. The House has already passed this by a veto-proof majority of 286 to 123. The leaders of the Defense Department have indicated that they can make this compromise work and that they need this bill passed. It is hard for me to believe that any Senator would oppose and delay the entire Defense authorization bill at a time when American troops are deployed in Bosnia and serious trouble appears to be brewing again in Iraq.

I strongly encourage all Senators to vote for this bill. We must send a strong signal to the White House to demonstrate to the President that this bill, which is so important to our national security, should be signed. We must show the young men and women in uniform serving our Nation around the world that their services are appreciated and that we are backing them up.

Mr. President, I am a strong supporter of the Guard and Reserves. The National Guard of South Carolina is a magnificent guard, and we appreciate what they have done. And in the whole Nation, the National Guard is so valuable. I happen to have served in the Reserves myself for over 36 years. I appreciate

the reservists and commend all of them for voluntarily serving their country. They have to carry on their civilian duties, but they do this extra work.

I want to say, too, to the Members of this Senate, that this bill took not days, not weeks, but months. We have spent months on this bill. We have done the best we could. We have a lot of able members on the Armed Services Committee. All of them have worked hard on this bill. It is a compromise bill. I did not have my way on everything. Senator LEVIN did not have his way on everything. No one did. This is a compromise bill.

National security was the driving force of this bill. We could not satisfy every Senator. We did the best we could to accommodate all we could. But national security was our driving force when we considered this bill. Again, I ask all Senators to support this bill for the good of the country and to support this bill for the good of our troops and to support this bill, too, for the public good.

I thank the Chair.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 90, nays 10, as follows:

[Rollcall Vote No. 296 Leg.]

YEAS—90

| | | |
|-----------|------------|---------------|
| Abraham | Enzi | Lugar |
| Akaka | Faircloth | Mack |
| Allard | Ford | McCain |
| Ashcroft | Frist | McConnell |
| Baucus | Glenn | Mikulski |
| Bennett | Gorton | Moseley-Braun |
| Biden | Graham | Moynihan |
| Bingaman | Grassley | Murkowski |
| Bond | Gregg | Murray |
| Breaux | Hagel | Nickles |
| Brownback | Harkin | Reed |
| Bryan | Hatch | Reid |
| Burns | Helms | Robb |
| Byrd | Hollings | Roberts |
| Campbell | Hutchinson | Rockefeller |
| Chafee | Inhofe | Roth |
| Cleland | Inouye | Santorum |
| Coats | Jeffords | Sarbanes |
| Cochran | Johnson | Sessions |
| Collins | Kempthorne | Shelby |
| Conrad | Kennedy | Smith (NH) |
| Coverdell | Kerrey | Smith (OR) |
| Craig | Kerry | Snowe |
| D'Amato | Kyl | Specter |
| Daschle | Landrieu | Thomas |
| DeWine | Lautenberg | Thompson |
| Dodd | Leahy | Thurmond |
| Domenici | Levin | Torricelli |
| Dorgan | Lieberman | Warner |
| Durbin | Lott | Wyden |

NAYS—10

| | | |
|-----------|-----------|-----------|
| Boxer | Gramm | Stevens |
| Bumpers | Grams | Wellstone |
| Feingold | Hutchison | |
| Feinstein | Kohl | |

The conference report was agreed to. Mr. THURMOND. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico [Mr. DOMENICI], is recognized.

PROVIDING FOR CORRECTIONS TO BE MADE IN THE ENROLLMENT OF H.R. 1119

Mr. DOMENICI. Mr. President, I send a concurrent resolution to the desk which, under a previous order, is agreed to.

The PRESIDING OFFICER. Under the previous order, the concurrent resolution is agreed to.

The concurrent resolution (S. Con. Res. 64) was agreed to, as follows:

S. CON. RES. 64

Resolved by the Senate (the House of Representatives concurring). That in the enrollment of H.R. 1119 an Act to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

In section 3165—

(1) in subsection (b)(1), strike out “under the jurisdiction” and all that follows through “Los Alamos National Laboratory” and insert in lieu thereof “under the administrative jurisdiction of the Secretary at or in the vicinity of Los Alamos National Laboratory”; and

(2) in subsection (e), strike out “, the Secretary of the Interior” and all that follows through the end and insert in lieu thereof “but not later than 90 days after the submittal of the report under subsection (d)(1)(C), the County and the Pueblo shall submit to the Secretary an agreement between the County and the Pueblo which allocates between the County and the Pueblo and parcels identified for conveyance or transfer under subsection (b).”.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, just for the information of all Senators, first, we are working now to see if we can get an agreement to move the DC appropriations bill, and we hope we are in the final stages of working out an agreement on Amtrak.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1998—CONFERENCE REPORT

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate turn to the conference report to accompany the intelligence authorization bill, and the conference report be considered read, and under the following time restraints: Twenty minutes equally divided between the chairman and ranking minority member; 10 minutes under the control of Senator TORRICELLI.

I further ask that following the conclusion or yielding back of time, the conference report be agreed to, and the