

obligations in one category, you can spend them wherever you need to. We are working with the House. I appreciate the cooperation of all Members, because I believe we all understand that we cannot leave highways and transportation without the ability to go forward in the summer construction season.

I thank the leadership of the Senate. We are working with the House to have a proposal that I believe should be acceptable. It does not involve any funding allocation changes or reestablish any formulas, but it does permit the work to go forward. It is vitally important. I appreciate the time of this body. I invite any comments personally that Senators may have about this vitally important measure.

The PRESIDING OFFICER. Under the previous agreement, the Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I appreciate very much the bipartisan work to come up with a 6-month extension of the highway bill. It is terribly important for all of our States and terribly important that we have some certainty out there. I appreciate the fact that all of us have kept our voices down for the moment.

UNANIMOUS-CONSENT REQUEST— H.R. 2676

Mr. KERREY. Mr. President, I ask unanimous consent that the Senate proceed immediately to H.R. 2676, the IRS Restructuring Act of 1997, just received from the House, that the bill be read a third time, and passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there objection?

Mr. ROTH. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KERREY. Mr. President, I yield to the distinguished Senator from Delaware.

Mr. ROTH. Mr. President, I say to my distinguished friend from Nebraska that, as he knows, we are beginning to hold hearings on the important problems of reconstructing the IRS. I think that the House legislation is good legislation. It's a good beginning, but, frankly, it does not address all the problems that were uncovered in the hearings held by the Finance Committee a few weeks ago.

We will proceed very expeditiously with the hearings on this matter. We will seek to respond to all of the problems that were raised in our hearings. We think it is important to strengthen the authority, that there is nothing more important to reorganizing and reforming the IRS than providing for independent oversight.

So, while I think it is a good beginning in that action that was taken by the House, much remains to be done to reform the IRS in a manner that it will provide true service to the American taxpayers.

Mr. KERREY. Mr. President, as long as we are in session, I will come to the floor, and I hope those on the other side of the aisle will look at this bill. The Senate did confirm Charles Rossotti to be the new Commissioner of the IRS. There is a lot in this bill. If you look at it, you would say, my gosh, I'm surprised that we don't already do this. It gives the Commissioner the authority to hire, fire, move people around, and to provide marketplace incentives. It has a public oversight board, as well as increased oversight on our side. It has significant changes in here that give the public more information on the basis of audits.

I appreciate very much the fine work that Chairman ROTH has done in the 3 days of hearings. We took a look at some additional things. But this Commissioner is going to be expected to manage a 110,000-person agency through a very difficult filing season this year, next year, and the year after.

This bill addresses many, if not most, of the problems that have been identified by your citizens at home. I hope that during the next couple of days—this bill began as bipartisan. Congressman PORTMAN, Representative from Ohio, and I; chief sponsors on this side in the Senate, Senator GRASSLEY, and I—I hope my Republican colleagues will take a look at this bill. There is a lot more that can be done. There is no question about that. But there is also no question that when we give Mr. Rossotti this authority you are going to get a dramatic improvement in the efficiency of the operation of the IRS. Hundreds of collection notices are going to go out every day; over 1 million additional notices for audits; and other contacts the IRS is going to make per month with taxpayers. For every day we wait you are going to have to answer citizens at home. "Why didn't you give the Commissioner the authority? Why didn't you provide the kind of authority needed to be able to manage the agency on behalf of taxpayers?"

I believe delay will cost taxpayers. They are not going to be happy about this delay.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I want to make a couple of comments. One pertains to the IRS proposal. I think Senator KERREY's assessment of the House-passed language is correct. It is good language. But I certainly agree with the chairman of the Finance Committee. We had outstanding hearings conducted in a very fair, bipartisan way that said we should do more. I think Chairman ROTH said we want to do more, demand to do more, and I think we can do better. The House passed a very good bill. We passed a better bill.

I tell my colleagues. We want to continue to work together in a bipartisan fashion to pass really good IRS restruc-

turing reform in this Congress. I hope and expect we will.

INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT

Mr. NICKLES. Mr. President, I also want to make a comment concerning Senator BOND, and the outstanding work he has done in the Environment and Public Works Committee to pass the highway bill. We need to pass one this year. The Senator from Missouri has been working with Senator BAUCUS and others in a bipartisan fashion, and I believe it has unanimous support in the Environment and Public Works Committee to pass a reauthorization bill, or at least passing an extension for 6 months to allow the States to continue contracting.

They came up with a way that said, "Well, we are not going to have one side win on the formula issue, or another side." I think it is a good compromise until we pass a 6-year bill, which we tried to do.

I might mention that we had four cloture votes on whether or not we would take up the highway bill, and it was basically filibustered because people wanted to add campaign reform and unrelated issues. That is unfortunate. That is history. Now we have to move on. We only have a few days to do it.

I compliment my colleague from Missouri, and others who have worked with him, and I urge our House colleagues to work together with us to make sure we get this passed. Let's pass this before we leave. I think it is vitally important to the highway programs in every single State in the Nation.

DOD AUTHORIZATION

Mr. NICKLES. Finally, Mr. President, let me conclude on the DOD authorization bill. We just had a resounding vote of 90 to 10 on the Department of Defense authorization bill on which Senator THURMOND has worked, and many other colleagues have been working on for a long time—a year. They put in a lot of work. They have a good bill. It is a bill the President should sign. I urge the President to sign it.

On the depot issue, which has been very contentious amongst a few States, I think we came up with a fair compromise. I think we came up with a compromise that allows States to compete, and to compete fairly.

So I compliment all Senators involved. I urge the President to sign the Department of Defense authorization bill to allow our military people to receive the cost-of-living adjustment, and to allow authorization to go forward on many very important military projects all across our country.

Mr. DORGAN. Mr. President, will the Senator yield?

Mr. NICKLES. I am happy to yield.

INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT

Mr. DORGAN. Mr. President, I simply wanted to stand and say that the Senator from Oklahoma, and especially the Senator from Missouri, who spoke earlier, have made important recommendations.

Yesterday, I believe I read in the Congress Daily the recommendations of the Senator from Missouri on the extension of the highway bill. I think the approach he suggests makes a great deal of good sense. And I hope most Members of Congress will understand in this late hour and rally around an approach that gets this done—allows the contracts to be let, and doesn't provide an interruption in the highway activities in our country. This is very important to this country.

So I commend the Senator from Missouri, the Senator from Montana, and so many others who are working on these issues, and hope all Members of the Senate feel, as we do, that this is something that must get done in the final days of this session.

Mr. BOND. Mr. President, I thank my colleague from North Dakota and my colleague from Oklahoma for their kind comments. Unfortunately, at this time in the session, we probably need to get the concurrence of all of the Members, and not just most of them. It is something I hope that will not be prejudicial to any State.

I thank these Senators, and particularly the leadership of the Environment and Public Works Committee, and the leadership of the Senate for moving forward on a project that must be accomplished before we leave.

I thank the Chair.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1998—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. Under the previous order, the Senate will now turn to the conference report on intelligence, with 20 minutes equally divided under the control of the Senator from Alabama and the Senator from Nebraska, with the Senator from New Jersey to be recognized for 10 minutes.

Mr. SHELBY. Mr. President, I rise in my capacity as chairman of the Select Committee on Intelligence to support passage of the conference report on S. 858, the Intelligence Authorization Act for Fiscal Year 1998. This important legislation authorizes funds for intelligence programs and related activities of the Central Intelligence Agency, the National Security Agency, and other Government entities.

This conference report also represents the culmination of a lengthy and detailed review by the Intelligence Committee of the plans, policies, and programs contained in the President's budget submission for fiscal year 1998. In this regard, I wish to commend the

vice chairman of the committee, Senator KERREY from Nebraska, for his assistance in crafting this important legislation. Senator KERREY played a pivotal role in shaping this legislation, and I am pleased we were able to work together, in a bipartisan manner, to bring this legislation to the floor. It's a good bill; my colleagues should support it; and the President should sign it into law.

Let me also take this opportunity to commend Chairman GOSS, my counterpart on the House Permanent Select Committee on Intelligence, along with Mr. DICKS, the ranking minority member. We have developed what I consider to be a very positive and productive working relationship, which manifested itself in the smooth functioning and cordial atmosphere in which our conference deliberations took place.

Although Senate and House conferees completed action on this legislation 7 weeks ago, a joint decision was made not to file the conference report at that time. This was due to the fact that the conference committee on the Fiscal 1998 National Defense Authorization Act had yet to resolve all open issues. Given that funding for all intelligence programs and activities is, consistent with past practice, included in the intelligence authorization bill, we agreed to withhold bringing our bill to a vote until conference action on the Defense authorization bill was completed and the Defense authorization bill was voted on by the Senate.

The conferees on S. 858 took several important steps to improve this country's ability to collect, analyze, and produce intelligence about America's adversaries. We authorized funds above the President's request because we believe there are areas where additional resources are needed in this post-cold-war period of uncertainty. While the mission of our intelligence gathering organizations has not changed, the areas on which they must focus have become diverse and more challenging.

I am, therefore, particularly pleased that the conferees agreed with the Senate that additional resources should be added for advanced research and technology development and in five areas that I call the "five C's": counter-narcotics, counterterrorism, counterproliferation, counterintelligence, and covert action.

The conferees did not agree, however, to include Senate section 306, "Encouragement of Disclosure of Certain Information to Congress," in the final conference report. The 20 conferees from the Senate—the 19 members of the Senate Select Committee on Intelligence and Senator STROM THURMOND, the distinguished chairman of the Senate Armed Services Committee—voted unanimously in favor of the provision that would require the President to notify Federal employees and contractors with classified contracts that they are not violating any law, Executive order, regulation, or policy if they disclose information, including classified infor-

mation, evidencing wrongdoing to the committees of Congress with primary oversight of the Federal department or agency involved. A majority of the House conferees voted against the measure, but they agreed that the issue should be explored in more detail and they committed to producing legislation soon. Both committees will schedule hearings on the subject early next year. The conferees did include a declaration, in lieu of section 306, expressing the sense of Congress that Members of Congress have equal standing with the executive branch to receive classified information to carry out their constitutionally mandated oversight functions.

I am disappointed that we were unable to convince a majority of our House colleagues to support Senate section 306. Given the importance of congressional oversight of intelligence activities, the committee will devote significant attention to this important issue in the near future and I look forward to producing legislation that both Houses can agree on. I also hope that the President will work with the committees in drafting such legislation.

I urge the President to reconsider his threat to veto a provision that would allow individuals within his own administration to come forward to the appropriate committees of Congress with evidence of wrongdoing, rather than leaking it to the press, as seems to be the case today.

Again, Mr. President, I strongly urge my colleagues to support this important piece of legislation.

Mr. KERREY. Mr. President, I rise in my capacity as vice chairman of the Intelligence Committee to urge passage of the intelligence authorization conference report. The House and Senate both produced good bills this year, they fit together quite well, and the conference committee under Chairman SHELBY's leadership worked out a compromise which I recommend to my colleagues. The outcome of the conference favors new technology, focuses on today's and tomorrow's hardest targets, and increases the usefulness of U.S. intelligence to its Government customers and to the public.

The legislation coming out of conference is not perfect, because it drops a provision which the Senate had strongly favored, the provision guaranteeing the right of public employees to share classified information about wrongdoing directly with the appropriate congressional committee. I will return in a moment to the failure to include this provision, and I will have more to say in the future about the necessity of such a provision.

Last month, while the conferees were meeting, the CIA was publicly celebrating the 50th anniversary of its creation. I salute its employees and I join President Clinton in praising their generous patriotism, their willingness to take risks for America, and their great professional skill. Their successes during the cold war, be they in space and