

foolishly court mutual annihilation, but to stand up for our principles and our way of life, confident that our cause was just, and would be looked on with favor by God.

Ronald Reagan told us to have confidence in the American way, as he had confidence in it himself. He cut taxes, fought to bring government under control, and launched us on a peacetime recovery unprecedented for its strength and longevity.

Mr. President, Ronald Reagan brought this Nation back. He brought it back to prosperity, he brought it back to self-confidence, he brought it back to an understanding of its fundamental principles, its attachment to well-ordered liberty and the freedom of the human spirit. The results are all around us. A prosperous nation at peace, an evil empire that has become extinct, replaced by struggling democracies throughout Europe, a new dawn of liberty around the globe.

Ronald Reagan wanted to lead his Nation into a brighter future. Like the jet airplanes that carry us to our destinations, he carried the United States through turbulent times into a new and brighter era. I can think of no more fitting tribute to his strength of character and his monumental service to this country, than to name our national airport the Ronald Reagan Washington National Airport.●

EXTENSION OF MORNING BUSINESS

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business until the hour of 6:30 p.m.

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

Mrs. HUTCHISON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMTRAK REFORM

Mrs. HUTCHISON. Mr. President, I want to take this opportunity to speak in morning business about a bill that I believe we have an agreement to bring up at a later time, hopefully in the next few hours. It is a bill that we worked on for quite a long time. We will be talking about it again if we are able to bring it up tonight. But I wanted to get a head start, because I am such a believer in passenger rail transportation for our country. I think we are going to come to closure on an Amtrak reform bill that will allow Amtrak at least to have a chance to succeed.

It is not a slam dunk and there is no question that a lot of work is yet to be

done, but I think passenger rail in America will add mobility for people in this country who don't have other choices. We have a terrific aviation system and, in fact, there are Federal subsidies of our aviation system. There are Federal subsidies of our highway system. Highways, of course, provide the most flexible mobility for people. But trains can also add something for people who don't live near airports.

I think we have a chance to do something that will allow for an intermodal system that will serve the best needs of our country, will be the best for our economy and also will have, I hope, an impact on tourism and transportation in this country. I think it opens up a whole new world if we can have a good, solid transportation system with passenger rail as part of it.

We have worked in this bill to try to bring the labor protections into line so that, basically, we won't have protections that are above and beyond protections that most people have in this country. But we would leave it to the collective bargaining system that exists between Amtrak and its unions. I hope, when we have the agreement, to announce that the protections will be gone, and that collective bargaining will be a viable way to determine exactly what the people who work for our passenger railroad will have in the way of protections and also allow the railroad to be competitive, because, of course, if we are going to have a system that will survive. I think Congress has sent the very clear signal that the subsidies are going to be phased out.

But in order for the subsidies to be phased out, we are going to try to give Amtrak a chance to succeed.

So I am hopeful that in the next few hours or perhaps tomorrow, we will, in fact, have an agreement that we can announce and we will be able to pass this bill, send it to the House and send it to the President in very short order.

Of course, everyone knows that there is money from the budget reconciliation agreement that would help on the infrastructure costs that we think will provide efficiencies for Amtrak and make it even more profitable and make it more attractive for people to be able to take high-speed trains, especially in the corridors where there is more density. But the \$2.3 billion that has been set aside for the infrastructure depends on the reform bill going through.

The reform bill includes taking away some of the protections that are required in law that should be instead agreed to at the bargaining table, having some liability limits that will allow Amtrak and the railroads to buy an insurance policy so that they will know what their liability potentials will be.

We also have some protections for lines that are going to go out of existence. Right now there is a 90-day notice for a continuance of a line. I ran into a problem in my State of Texas in which they didn't have the ability to

make decisions quickly. Many State legislatures only meet every other year. So if they have a notice of discontinuance of a line, they don't even have a chance to stand up and say, "Look, we will step in and try to help with some funding."

We need to give the States more time. We give them, in fact, 180 days notice, up from the 90 days notice, to give them a chance to address any kind of disruption in service that would affect their States.

Second, we allow States to create interstate rail compacts. I think this is a very important possibility. It is not a mandate, of course, but it allows the States to come together. States that have commuters that go between two States can come together and form a compact and make a high-speed rail line that both States can contribute to. I think that should add to the ability to have more entrepreneurial spirit in our rail systems and perhaps allow States to work together for their mutual best interests.

Third, we provide for accountability. In fact, we want an independent audit of Amtrak. We are going to have, thanks to Senator JOHN MCCAIN, an Amtrak reform council that is going to look at everything Amtrak is doing and determine if there are things they could do better, if there are ways they can give better and more efficient service. In fact, they will report to Congress on their independent recommendations and if they think Amtrak will be able to succeed if these recommendations, along with the reforms in this bill, are put into place. If not, Congress will face that prospect with informed choices and must act on them.

I think we have a good opportunity here. I believe very much that Amtrak can contribute to the mobility of our country.

It will give more citizens more access to be able to get on a train and, for example, go see a grandchild that they would not have an opportunity to do because they did not live in a city that has an airport. Or take Amtrak to connect to a city with a major airport, making Amtrak part of a connected intermodal system. These are just a few examples of how important it is and can be to our transportation system.

So I am looking forward to discussing this bill further when the agreement is made and when we are able to actually act on the bill. But I wanted to give an outline of what we are looking at and what we are trying to do. I am hopeful that we will be able to do it in the very near future.

Thank you, Mr. President.

I yield the floor and suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. 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. GRASSLEY. Mr. President, we are in morning business?

The PRESIDING OFFICER. That is correct.

DOD PAYMENT POLICY

Mr. GRASSLEY. Mr. President, I want to speak on a subject that I speak on often on the floor of the Senate, the Department of Defense's illegal progress payment policy. Since early this year, I have spoken on this subject many times. Most recently I spoke about the Department's commitment to bring the policy into compliance with law.

This commitment was made by the man who is now the Deputy Secretary of Defense, Mr. John Hamre. This commitment was made on July 22. I spoke about this 2 weeks ago, that he had a meeting with the leadership of the Armed Services Committee. At that meeting there was an agreement among all of us that certain accounting procedures would be brought into accordance with the law. Mr. Hamre gave us his word. He promised to bring the policy into compliance with the law on October 1 of this year. October 1 has come and gone and the illegal policy is still in operation. The Department of Defense is not complying with the law of the land.

Recent news reports suggest that Mr. Hamre is a man of deep spiritual beliefs. I know him to be that way. The roots of his faith go back to his Lutheran upbringing in the small South Dakota town of Willow Lake. His father was the town's church council president. His grandfather was the pastor. John himself went to Harvard Divinity School to prepare for the ministry.

So, Mr. President, it seems to me his faith runs deep, and I respect that. I remind John about some Scripture. The Bible teaches us to: always "do as you promised." I will read a passage from Joshua 23:14: "You know with all your heart and soul that not one of all the good promises the Lord your God gave you has failed. Every promise has been fulfilled; not one has failed."

The Bible teaches us that God kept His word, and He expects the same from each of us. I hope that Mr. Hamre will keep his word that was made on July 22.

Now, I know it is not always possible to keep promises because sometimes things happen in the interim that bring about a change of events that might cause some change of the original stance. Sometimes there are unforeseen events that stand in the way. But there has to be an honest effort.

Mr. President, I'm trying hard to understand why the October 1 deadline is being ignored. There are three letters that helped explain Mr. Hamre's behavior.

First, there is a letter from the Armed Services Committee, signed by

the chairman, Senator THURMOND, and the ranking minority member, Senator LEVIN. It is addressed to Secretary Cohen, and dated September 26, 1997.

Second, we have a letter from the inspector general, Ms. Eleanor Hill, to Mr. Hamre, dated September 30, 1997.

Third, there is Mr. Hamre's letter back to the Armed Services Committee, dated October 1, 1997.

I ask unanimous consent to have these letters printed in the RECORD so my colleagues have the benefit of the entire text.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, September 26, 1997.

Hon. WILLIAM S. COHEN,
Secretary of Defense, The Pentagon, Washington, DC

DEAR SECRETARY COHEN: Two months ago the Department proposed a change to the Defense Federal Acquisition Supplement (DFARS) to change its procedures for progress payments under complex contracts using money from more than one appropriation. Although there is no evidence that the existing progress payment system has ever resulted in a violation of the Antideficiency Act, we understand that the Department does not believe that current procedures are capable of meeting all applicable legal requirements.

The Council on Defense Industry Associations (CODSIA) has indicated to us that the Department is considering the possibility of implementing these new procedures effective October 1, 1997—prior to final action on proposed DFARS change. CODSIA estimates the changes to contractor accounting and billing systems required by these new procedures could cost the industry in excess of \$1.3 billion a year. Additional costs would be incurred by the taxpayers in connection with the requirement for the Department to manually process progress payment requests.

We ask that you review the proposed changes, consider all public comments, and weigh the costs and benefits to the taxpayers and the Department of Defense before these new procedures are implemented by the Department. We would also appreciate if you would let us know of any legislative changes that may be needed to assist you in addressing this issue in a rational and cost-effective manner.

Thank you for your attention to this matter.

Sincerely,

CARL LEVIN,
Ranking Minority
Member.
STROM THURMOND,
Chairman.

DEPARTMENT OF DEFENSE,
INSPECTOR GENERAL,
Arlington, VA, September 30, 1997.

Memorandum for Under Secretary of Defense
(Comptroller)

Subject: Progress Payment Distribution

We do not concur with the recommendation that the Deputy Secretary of Defense approve an open ended deferral in implementing revised progress payment distribution practices.

Recently we were advised by the Office of the Director, Defense Procurement, that an interim rule specifying the role of contracting officers in the new procedures could not be issued for at least 60 days. Likewise, we do not believe that the Defense Finance

and Accounting Service is ready to proceed with the originally planned October 1, 1997 implementation. A deferral of the implementation date is therefore necessary, which is dismaying in light of the several years that the Department has had to address this problem.

At a minimum, we believe that the Deputy Secretary should establish a revised implementation date no later than January 1, 1998. Any reviews of cost implications or other relevant factors should be executable well before that date.

ELEANOR HILL,
Inspector General.

THE DEPUTY SECRETARY OF DEFENSE,
Washington, DC, October 1, 1997.

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

DEAR MR. CHAIRMAN: This letter is in response to your September 26, 1997, letter to Secretary Cohen regarding changes in the manner in which the Department distributes progress payments. Consistent with your request, the Department will review the proposed changes, consider all public comments, and weigh the costs and benefits to the taxpayers and the Department of Defense before these new procedures are implemented. If the analysis indicates that legislative changes are needed to address this issue in a more rational and cost effective manner, such changes will be proposed.

Additionally, the Department has initiated a change to the Defense Federal Acquisition Regulation Supplement (DFARS) to require that contractors provide the breakout of the progress payment. The DFARS change cannot be effected until January 1998 because of the time required to complete statutory administrative actions. Additional time is needed in order to submit the proposed rule and its cost-benefit analysis to the Congress, GAO, and OMB and for the required 60-day congressional waiting period to elapse.

As a result of your request, and the need for additional time to comply with statutory and administrative requirements, I am delaying implementation of the planned policy changes regarding the distribution of progress payments. Those changes, which were scheduled to be implemented on October 1, 1997, are being delayed until January 1998, pending further review and evaluation of the proposed changes.

A copy of this letter has been provided to Senator Grassley.

Sincerely,

JOHN J. HAMRE.

Mr. GRASSLEY. The Armed Services Committee's letter was obviously written in response to complaints from the defense industry. Industry claims that the new policy would cost an extra \$1.3 billion a year to implement. The committee is concerned about that estimate. So the committee asked Mr. Hamre to weigh these factors: "We ask that you review the proposed changes, consider all public comments, and weigh the costs and benefits to the taxpayers and the Department of Defense before these new procedures are implemented. * * *"

The committee is telling Deputy Secretary Hamre to do more homework before executing the new policy. This letter gave Mr. Hamre the authority he needed to delay beyond the October 1 deadline that was agreed to after our July 22 meeting among Armed Services Committee members. Mr. Hamre parrots the committee's language in his