The NGI project has agreed to include some States—like Montana that face challenges connecting to the main conduits. However, our States—Alaska and Hawaii—have been essentially written off.

This isn't just a question of our universities being left behind. It is a question of our entire states being left behind as we enter the new millennium when high speed connectivity will be essential to every aspect of life.

We are already witnessing mass scale technological convergence. From my computer here in the Senate I can make telephone calls, I can listen to the radio, I can watch television—all over the Internet. This is not possible from most of Alaska and Hawaii—the connections are simply too poor.

Currently data traffic is growing at a much faster pace than telephone traffic—if this continues, early in the next century data traffic will surpass telephone traffic. Where will that leave Alaska and Hawaii if we don't have the infrastructure in place to send data?

Right now many villages in rural Alaska can only access the Internet by dialing a 1–800 number which connects them to an Internet service provider in Anchorage. They are connected to the Internet at speeds of around 1200 BAUD. Not only is this access slow—considering that most Americans now normally connect at at least 28,800 BAUD—but it is also costly.

I join Senator INOUYE in asking that those universities and agencies who receive part of the $95 million that we have provided for the next generation Internet project use the funds in a manner that will advance the interests of our country as a whole.

I also ask for the assistance of private industry in helping us to solve the technical problems that our States face in obtaining connectivity levels that are comparable to the rest of the country. As one of the witnesses said earlier this week at the NGI hearing before the Science, Technology, and Transportation Subcommittee, it will take an innovative solution to provide Alaska with good connectivity.

Conventional solutions, such as laying high capacity fiber to every village are simply not feasible economically at this time.

I am committed to finding a solution to these problems—I know that Senator INOUYE is too—I hope that our colleagues will join us and that this will be viewed as a national problem and not just as a competition for Federal research funds.●

J. GARY MATTSON

● Mr. GRASSLEY. Mr. President, I would like to acknowledge the accomplishments of J. Gary Mattson, of Waterloo, IA. Gary is an individual who has shown a great dedication to supporting people with disabilities, strengthening families, and serving his community.

Gary is a leader in the field of helping people with disabilities, especially during his 29 years of service with Exceptional Persons, Inc. Exceptional Persons is a private, nonprofit organization in Waterloo, IA that provides a wide range of services to those with disabilities including residential and family services, as well as child care. For the last 14 years, Gary has served as its executive director.

Gary brings a deep passion to his work, reflected by the fact that the people served by Exceptional Persons always come first.

Black Hawk County and its communities and people, especially those who have disabilities and their families, have benefited from his caring commitment. I salute the work Gary has done on behalf of disabled individuals and his community. I wish him the best and I encourage those who know Gary to use his years of dedication as a role model for public service.●

TRIBUTE TO GARY SAUTER

● Mr. KENNEDY. Mr. President, December 6 marks the 50th birthday of one of the Nation's finest labor leaders. Gary Sauter has been a member of the United Food and Commercial Workers and its predecessor, the Retail Clerks International Association, for over 30 years, and he has done an outstanding job.

Gary comes from a hard-working union family. His father and mother were both members of the Retail Clerks Union in Baltimore. In fact, they became engaged after a labor dispute.

Following in their footsteps, Gary joined the Retail Clerks in 1965, as a cashier for Safeway Stores while he was attending the Baltimore College of Commerce. The union quickly recognized his ability and, in 1969, Gary became a department store organizer. He worked effectively to organize workers at the Hoschschilds Kohn department store in Baltimore, and went on to become regional coordinator for the Retail Clerks' Southeastern Division.

Later, Gary became organizing director for Local 400 of the Retail Clerks in Landover, MD. In large part because of Gary's efforts, the local grew to one of the largest and most effective local unions in the Washington, DC area.

In 1988, after the Retail Clerks merged with the Amalgamated Meat Cutters to form the United Food and Commercial Workers' Union, Gary joined the new international as special assistant to the president. He continued to be a leader and, in 1994, was elected international vice president of the union. Later that year he was chosen to serve as director of the union's Legislative and Political Affairs Department, a position he holds today.

Throughout his distinguished career Gary has done a brilliant job for the workers he represents. He has never lost sight of the importance of their needs, and he has worked skillfully and tirelessly to improve the wages and working conditions of all Americans.

It is an honor to pay tribute to this impressive leader. I extend my best wishes to Gary, his wife Pat, and his children, Christopher and Amy, on this auspicious milestone. Well done, Gary, and keep up the great work.●

WOODROW WOODY

● Mr. ABRAHAM. Mr. President, I rise today to acknowledge an important event in the life of one of my dearest friends. On Saturday, November 15, 1997, Woodrow Woody will celebrate his 90th birthday. I am pleased and honored to send my heartfelt best wishes to him on this important day.

Woodrow Woody is someone that I truly admire. Not only is Woodrow a successful businessman in Detroit, MI, he is a man who is deeply committed to his wife, Anne and his community. Through his tireless dedication to his community and the many organizations to which he gives much of his time, he has and continues to touch the lives of many in the State of Michigan.

On this momentous day, I say thank you to Woodrow. He has inspired me and served as a second father to me throughout the years. His wisdom and integrity continue to motivate me and countless others. Again, I am honored to recognize Woodrow on the occasion of his 90th birthday in the U.S. Senate.●

OECD SHIPBUILDING AGREEMENT

● Mr. BREAUX. Mr. President, I strongly support passage of S. 1216, legislation to implement the OECD Shipbuilding Agreement. S. 1216 was favorably reported out of both the Senate Finance and Commerce Committees.

The issue of unfair foreign shipbuilding practices is very important to my State. Louisiana is one of the premier shipbuilding states in the country. Over 27,000 Louisiana jobs are impacted by constructing or repairing ships. We have almost every conceivable type and size shipyard, from a huge primarily defense oriented yard to smaller and medium sized strictly commercial yards. My interest in this issue spans the entire range of shipbuilding.

I believe it's important to state again for the record the historical context that surrounds the OECD Shipbuilding agreement and this implementing legislation. If nothing else, we should learn from history. 1974–1987, saw worldwide overall demand for ocean going vessels decline 71%. United States merchant vessel construction went from an average of 72 ships/year in the 1970's to an average of 21 ships/year in the 1980's. During this period, governments in all the shipbuilding nations, with the exception of the United States, dramatically stepped up aid to their shipyards with massive levels of subsidies in virtually every form.

In 1981, the U.S. government unilaterally terminated commercial construction subsidies to U.S. yards. At

the same time, U.S. defense shipbuilding increased in an effort to reach a 600 ship Navy. U.S. defense shipbuilding construction went from an average of 79 ships/year in the 1970's to an average of 95 ships/year in the 1980's. U.S. international commercial shipbuilding, on the other hand, was virtually abandoned to subsidized foreign yards.

The end of the 1980's and the end of the ''Cold War'' saw a Department of Defense reevaluation of the need for a 600 ship Navy. The U.S. shipbuilding industry was consequently forced to reevaluate its need to secure commercial ship construction orders in order to stay in business. In June of 1989, the U.S. shipbuilding industry, represented at that time by the ''Shipbuilders Council of America'', filed a section 301 claim against the major shipbuilding countries of the world for unfair subsidies and practices that were injuring the U.S. industry.

Later that year, however, U.S. Trade Ambassador Carla Hills, convinced the industry that a better, more effective way to eliminate the unfair foreign subsidies and practices was through multilateral negotiations. The industry decided to give international negotiations a chance and therefore withdrew its Section 301 claim. The U.S. then encouraged the responsible trading partners to enter into negotiations and the five year OECD quest to negotiate the elimination of trade distorting shipbuilding practices had begun.

From late 1989 to late 1994, the OECD negotiations were on and off again. During 1993, when the talks had seemingly collapsed, I introduced a bill in the Senate (S. 990) and then Congressman Sam Gibbons introduced a bill in the House (H.R. 1402), that would have unilaterally triggered significant sanctions against ships constructed in foreign subsidized yards when those ships called upon the United States. Despite prompting a flood of domestic opposition from those fearing the bills would start a trade war, the introduction of these bills did help re-ignite the stalled OECD talks.

From June 1989 until the present agreement was signed on December 21, 1994, the U.S. objective and the U.S. industry's urgent request appeared to be simple: ''Eliminate subsidies and we can compete.'' When the Clinton administration came into office, to its credit, it proposed a ''Shipyard Revitalization Plan.'' A main feature of this plan was new Title XI financing for commercial export orders.

In a Senate Finance Committee, Trade Subcommittee hearing on November 18, 1993, a year before the agreement was signed, Assistant U.S.T.R. Don Phillips described the plan and its relationship to the OECD Agreement as follows:

Finally, this five-point program is a transitional program, consistent with federal assistance to other industries seeking to convert from defense to civilian markets. In addition, it seeks to support, not undercut, the negotiations that are currently underway in the OECD. *In this regard, we have made clear our intention to modify this program, as appropriate, so that it would be consistent with the provision of a multilateral agreement—if and when such an agreement enters into force.* (emphasis added).

In all the comments I have heard to date about this agreement, I have yet to hear of a scenario whereby U.S. industry is better off fighting unfair shipbuilding practices without the agreement than it is with the agreement. The ''loopholes'' referred to by opponents will become the rule rather than limited and temporary exceptions. The Congress is not prepared in this time of fiscal restraint to match their subsidies with ours.

Concerns about the agreement putting the Jones Act domestic build requirement at risk are contradicted by the fact that the largest ''Jones Act'' carriers in the country, who avidly support this agreement. They say this implementing bill strengthens the Jones Act. If that protection were not enough, we added language providing for an expedited procedure for U.S. withdrawal from the agreement if the Jones Act were perceived to be undermined.

Opponents argue that new export orders associated with the current U.S. title XI export financing program will be lost under the agreement. These orders exist, however, because a title XI financing advantage is in place due to the standstill clause in the OECD agreement. If we reject the agreement, we lose the standstill clause, and consequently we lose our current title XI advantage. Considering the European Union routinely provides billions of dollars of direct shipyard aid each year and absent this agreement will soon redirect and increase this aid, matching our U.S. financing program will require minimal EU effort and change.

If this debate is really about competing for international export orders, and unless we are prepared to enter into a subsidies race with our competitors, I don't see how we can reject this agreement. Not only is Congress continually faced with dire budgetary decisions, such as cutting Medicare and Medicaid, but the Department of Defense has indicated that it is reluctant and unwilling to fund commercial shipbuilding subsidies through its DOD accounts.

Greater competition from our trading partners due to increasing world shipbuilding capacity and the inevitable decrease in demand for new oceangoing vessels, will lead us to the same untenable situation that confronted our industry in 1981 if we do not approve this agreement. We won't have adequate trade laws to protect our industry and we won't have enough subsidies to successfully compete for international orders.

Last year, the full House of Representatives considered implementing legislation for the OECD Shipbuilding Agreement. A substitute amendment offered by Congressman HERB BATEMAN passed the Chamber, but was inconsistent with the agreement. The Senate failed to consider an implementing bill before adjournment though we made relentless efforts to address the concerns of opponents and engage them in constructive dialog.

Every time opponents have raised an objection, we have tried to address it in a manner consistent with the agreement.

First, when they said they needed explicit clarification that the United States would not under any circumstances change its Jones Act, we did it and more.

Second, when they said they needed explicit clarification that our national security interests would be protected and that the definitions of ''defense features'' and ''military reserve vessels'' would be decided by the Secretary of Defense, we did it and more.

Third, when they said they needed 30 additional months of current Title XI financing terms to cover projects close to having their applications in, we did it and more.

In fact, S. 1216, as amended by Senator LOTT and myself, meets every legitimate concern raised by opponents. I am including a detailed comparison of this bill with the issues raised in the Bateman amendment.

This agreement is not perfect because there is no such thing as a perfect agreement. To overlook its significant features, such as elimination of foreign subsidies while ensuring that the U.S. is the only country of all the signatories able to reserve its domestic market from foreign competition, provides an inaccurate view at best.

In conclusion, Mr. Chairman, there are no opponents to the U.S. shipbuilding and broader maritime industry in this debate today. We simply have different members with different constituencies and different priorities. We must decide as a Senate, however, if we want to provide our own U.S. commercial shipyards the right and ability to compete on a level playing field for international work.

I join Senator LOTT in promoting the entire U.S. shipbuilding industry. America needs both a competitive U.S. commercial shipbuilding industry as well as a strong defense shipbuilding industry. We can have both if we enact the OECD Shipbuilding Agreement legislation. I look forward to a vote on this agreement in the U.S. Senate before March 1, 1998.

The material follows:

HOW S. 1216 (AS AMENDED BY SENATE FINANCE AND COMMERCE COMMITTEES) COMPARES TO H.R. 2754 (AS AMENDED BY CONGRESSMAN BATEMAN)

TITLE XI

S. 1216 includes Title XI transition language more favorable than the Bateman Amendment. Under S. 1216, the U.S. would be able to keep its current (25-year/87.5% of the project cost) Title XI financing through January 1, 2001. The Bateman Amendment extended such terms through January 1, 1999.

S. 1216, like the Bateman Amendment, provides a full three-year delivery ''grace period'' for ships that receive 25-year Title XI

financing. Therefore under S. 1216, such ships would have to be delivered no later than January 1, 2004. S. 1216, like the Bateman Amendment, allows for further extending the delivery date in the case of ''unusual circumstances'' (defined the same as the Bateman Amendment).

S. 1216 includes a provision not in the Bateman Amendment that allows the U.S. to make the current favorable terms of the Title XI program available to U. S shipyards when competing against bids of subsidized yards in countries that are not signatories to the OECD Agreement. This provision: (1) provides an incentive for such nations to join the OECD Shipbuilding Agreement and, (2) protects U.S. shipyards from unfair competition from subsidized yards in nations that fail to join the Agreement.

JONES ACT

S. 1216 provides extraordinary protections for the Jones Act that fully meet the objectives of the Bateman Amendment.

S. 1216 states unequivocally that US coastwise laws are completely unaffected by this Agreement. This provision is virtually identical to the Bateman Amendment.

S. 1216 states that nothing in this Agreement shall undermine ''the operation or administration of our coastwise laws''. This provision provides a stronger statement of protection for the Jones Act than the Bateman Amendment.

S. 1216 provides a legislative procedure (Joint Resolution) for Congress to initiate US withdrawal from the Agreement if, ''responsive measures'' to U.S. Jones Act construction are taken. This process provides an equivalent alternative to the Bateman Amendment prohibition against countermeasures being filed against the US and which is consistent with the agreement.

Responsive countermeasures against the Jones Act are a highly theoretical event. Under the agreement, responsive countermeasures are authorized only when relevant Jones Act construction ''significantly upsets the balance of rights and obligations of the agreement.'' Even the most optimistic projections indicate that relevant U.S. Jones Act construction will represent only a fraction of 1% of the global shipbuilding market. Furthermore, the withdrawal provision in S. 1216 provides a disincentive for a nation to pursue a countermeasure against the U.S. since a successful action would result in U.S. withdrawal from the Agreement. U.S withdrawal from the Agreement would not only moot the countermeasure, it would terminate the Agreement altogether.

Finally in a worst case scenario, even if a Jones Act countermeasure were to be authorized and for some reason the US did not withdraw from the agreement, there would still be no real consequence to the U.S. Jones Act shipbuilding industry. Under the agreement, the only countermeasure allowable without the consent of the US would be to offset an equivalent portion of the complaining party's ''Jones Act'' market from US bidding. Because the global market is so vast (2000 commercial ship starts annually), providing so many alternative contracts to U.S. yards, the relatively tiny number of contracts that might be restricted by a countermeasure would not significantly affect U.S. yards. Additionally, the bill would prevent any countermeasures from being taken against other WTO sectors.

PROTECTION OF NATIONAL SECURITY INTERESTS

S. 1216 provides virtually identical language to that in the Bateman Amendment for the purposes of protecting our essential security interests.

S. 1216 preserves the prerogatives of the Secretary of Defense to exempt from the Agreement—''military vessels'', ''military reserve vessels'' and anything he deems to be in the ''essential security interests'' of the United States.

S. 1216 allows the Secretary of Defense to exempt all or part of a ship on which National Defense Features are installed, on a case by case basis.

The bill would not enable other OECD party nations to question U.S. authority to protect its essential security interests.

In a May 29, 1996, letter to the Chairman of the House Committee on National Security, the Department of Defense stated definitively; ''The Agreement will not adversely effect our national security.''

OTHER PROVISIONS

S. 1216 includes the same conditions for US withdrawal from the Agreement, and the same provisions for the snap-back of US laws changed by this legislation, as the Bateman Amendment.

Just like the Bateman Amendment, S. 1216 provides an effective mechanism for ''third party'' dumping petitions. The provision in S. 1216 conforms to the existing US antidumping code. S.1216 requires that antidumping actions be ''consistent with the terms of the Shipbuilding Agreement''.

S. 1216 includes several provisions that would substantially strengthen our monitoring and enforcement capabilities under the Agreement. USTR would be directed to establish a comprehensive interagency compliance monitoring program in conjunction with the U.S. shipbuilding industry and the maritime labor community, and to report to Congress annually.

S. 1216 further directs the US Government to vigorously pursue enforcement against noncompliance by other nations. These improvements are beyond the scope of the Bateman Amendment.

S. 1216 includes provisions that substantially enhance our ability to secure the accession to the Agreement of other shipbuilding countries including, specifically, Australia, Brazil, India, the Peoples Republic of China, Poland, Romania, Singapore the Russian Federation, and Ukraine. This improvement goes beyond the scope of the Bateman Amendment.●

CONFERENCE REPORT ACCOMPANYING H.R. 2107, THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1998

● Mr. DOMENICI. Mr. President, I rise to address the conference report accompanying H.R. 2107, the fiscal year 1998 Interior and Related Agencies appropriations bill.

The conference report was adopted by the Senate on October 28. At the time the bill was called up, the Budget Committee had not received CBO's scoring of the final bill. This was due to the significant changes to the bill made by the conferees. I have received CBO's information and now address the budgetary scoring of the bill.

Mr. President, the conference agreement provides $13.8 billion in new budget authority and $9.1 billion in new outlays to fund the programs of the Department of Interior, the Forest Service of the Department of Agriculture, the Energy Conservation and Fossil Energy Research and Development Programs of the Department of Energy, the Indian Health Service, and arts-related agencies.

When outlays from prior-year budget authority and other completed actions are taken into account, the bill provides a total of $13.9 billion in budget authority and $13.8 billion in outlays for these programs for fiscal year 1998.

Mr. President, final action on the conference agreement necessitated a reallocation of funding authority for this bill. I regret that this reallocation was necessary because it was avoidable.

Section 205 of the fiscal year 1998 budget resolution provided for the allocation of $700 million in budget authority for Federal land acquisition and to finalize priority land exchanges upon the reporting of a bill that included such funding.

The distinguished chairman of the Senate Interior Subcommittee included these funds in title V of the bill as originally reported. As Chairman of the Budget Committee, I allocated these funds to the Appropriations Committee, which in turn provided them to the Interior Subcommittee.

If the conferees had adopted the Senate language, I would not have been in the position of withdrawing this funding allocation. However, the conferees modified the Senate language to provide only $699 million for land acquisition, and to expand the use of these funds for additional purposes: Critical maintenance activities are added as an allowable activity under this title V funding; $10 million is provided for a payment to Humboldt County, CA, as part of the headwaters land acquisition; and $12 million is provided for the repair and maintenance of the Beartooth Highway as part of the Crown Butte/New World Mine Land acquisition.

I was a conferee on the bill. The Senate Budget Committee provided clarifying language to the conferees on the Interior appropriations bill during their meeting on September 30. This language simply restated that moneys provided in title V, when combined with moneys provided by other titles of the bill for Federal land acquisition, shall provide at least $700 million for Federal land acquisition and to finalize priority land exchanges.

This language, which I urged be included throughout the 2-week period when final language was drafted, would have ensured that the section 205 allocation remained in place for this bill.

However, the Chairman decided not to incorporate the Senate language, and in fact, included language which attempts to trigger the additional $700 million by amending the budget resolution. The language in the conference report is directed scorekeeping, which causes a violation under section 306 of the Budget Act because it affects matters within the jurisdiction of the Budge Committee that were not reported by the Budget Committee.

Mr. President, I object to the inclusion of this directed scorekeeping language in this bill, or any other bill. If the Senate took language amending the budget resolution into account for determining budgetary levels, the