

faraway lands, we all knew that his journey began here, drew its strength from here, and will end, too soon, when he is buried here.

Paul Tsongas' journey of purpose may have been all too brief, but like a meteor blazing across the civic skyline he so loved, it was brilliant, intense and unforgettable.

"Lowell is my home. It is where I drew my first breath. It is where I will always derive a sense of place and a sense of belonging.

"It is what I am."

Amen.

Think of Paul Tsongas whenever you take your kids to a Spinners game. We think he'd like that.

[From the Boston Globe Jan. 19, 1997]

PAUL TSONGAS OF LOWELL

Paul Tsongas, 55, relished the uphill fight but was unable to beat back his most formidable opponent and succumbed last night to complications from the lymphoma that dogged him since 1988.

His seemingly inexhaustible ability to rally from a battery of grueling medical procedures, including two bone marrow transplants, was testimony to his grit and a spur to anyone tempted to complain about life's lesser challenges.

Tsongas was a tough taskmaster in his political life too, always willing to challenge conventional wisdom and unafraid to give people bad news if he felt it would fix an ailing system. In 1980 he faced a hall full of doctrinaire liberals at a convention of the Americans for Democratic Action and told them it was time to "escape the '60's time capsule."

Probusiness, open-minded about nuclear power, a relentless deficit hawk but at the same time unstinting in his support of civil rights, gay and women's issues and the environment, Tsongas was a "New Democrat" long before it became trendy.

Since voting for the controversial Lowell connector highway as a city councilor in his hometown in 1972, Tsongas built a reputation on following his political conscience despite the odds.

He was a long shot in his successful 1978 U.S. Senate race against Ed Brooke and was the first Democrat to challenge President George Bush. Asked about the near-empty Democratic field for the 1992 presidential race, he replied: "It's a medical problem: gonads, not lymph nodes."

Independent, thoughtful, passionate, he was as devoted to his family as he was to fighting the good fight. He quit the Senate in 1984 so he could spend time with his wife Niki and three daughters. "They're going to lay me in the ground someday," Tsongas said in a 1992 interview with the Globe. "I want to do the things I would have wanted to have done when that happens so my grandchildren will feel good about me."

Paul Tsongas has left all of us much to feel good about even as we mourn his passing.

OECD SHIPBUILDING AGREEMENT

Mr. LOTT. The 104th Congress was unable to reach a consensus on legislation to implement an OECD Shipbuilding Agreement. Opponents of the agreement, as negotiated, insisted that the amendments passed by the House of Representatives be incorporated into any implementing legislation. Supporters of the agreement found these amendments unacceptable. As a result, no legislation was passed to put the OECD Shipbuilding Agreement into effect.

If the outcome is to be any different in the 105th Congress, I would urge the

Administration and the Office of the U.S. Trade Representative to fully consider the amendments to H.R. 2754 passed by the House last year. Those amendments, which were sponsored by the House National Security Committee, were in response to major concerns regarding this agreement's damaging impact on our national security interests, and on the Navy's core shipbuilding industrial base. While preserving the underlying intent of the OECD agreement, the amendments adopted by the House provide some modest safeguards with respect to these national security concerns.

Ms. SNOWE. Those amendments were approved by an overwhelming majority in the House who felt that, without the changes, the OECD Agreement failed to provide an effective mechanism for disciplining foreign shipbuilding subsidy practices. I should add that a number of Members in this body who have examined the agreement also share this view. The base agreement, coupled with the many loopholes and special concessions granted to foreign governments, would continue to place U.S. shipbuilders at a tremendous competitive disadvantage. For this reason, the largest U.S. shipbuilders, representing over 90 percent of all workers in the Nation's major shipbuilding base, opposed implementation of the agreement even though they were the primary advocates of an effective discipline on foreign government subsidy and dumping practices in the first place.

Mr. LOTT. In order to put into perspective the concerns of the U.S. shipbuilding industry, it may be helpful to review some of the background leading up to this agreement. In 1981, the U.S. Government terminated its subsidy program to the U.S. shipbuilding industry. Thus, in 1989, the United States went to the negotiating table as the only nonsubsidizing shipbuilding country. The U.S. shipbuilding industry had already lost all of its commercial shipbuilding market share and was bracing itself for a dramatic decrease in Navy shipbuilding orders.

Ms. SNOWE. In 1993, 4 years after international negotiations had failed to produce an agreement to end foreign subsidies, Congress and President Clinton revived and amended a modest ship loan guarantee program called Title XI. The purpose of this program was to help U.S. shipbuilders recapture commercial market share in the face of dramatic cuts in the Navy's shipbuilding plan and continued foreign government subsidies in the commercial market.

Mr. LOTT. This modest loan guarantee program has begun the revival of commercial shipbuilding in the United States. For the first time in almost 40 years, our major U.S. shipbuilders are building commercial ships for export. Environmentally safe oceangoing double-hulled oil tankers are being constructed for our domestic trades. Over a 2-year period, \$1.7 billion in commer-

cial shipbuilding orders has been generated in the United States. These commercial orders are helping to sustain our major builders of Navy ships.

Ms. SNOWE. In 1996, when the administration sought congressional approval of the OECD Shipbuilding Agreement, the Department of Defense submitted a Navy shipbuilding budget request for the fewest numbers of ships in more than 60 years. While the Navy's Fiscal Year 1997 Future Years Defense Plan called for an average of only 5 ships per year, the Navy anticipates that it will need to procure 10 to 12 ships per year beginning in the year 2002, if it is to maintain a 346-ship fleet. The challenge for our Nation and the Navy is to sustain the critical core shipbuilding industrial base during this alltime low in Navy shipbuilding and still have the capability to meet future Navy building needs.

Facing these circumstances, in 1989 the U.S. shipbuilding industry sought an international agreement to end foreign government shipbuilding subsidies. The industry believed then, as it does now, that it was essential to end foreign government participation in the commercial shipbuilding market if it was to have a fighting chance to make the transition to building both commercial and Navy ships, and thus survive this historic low in Navy shipbuilding.

Mr. LOTT. As negotiations dragged on for over 5 years, the marketplace was changing dramatically and rapidly, while the objective of the negotiators seemed to remain static. There was a failure on the part of our negotiators to recognize these changes and the activities of the various participating parties during the negotiations.

China, which had no commercial shipbuilding market in 1990, began to target shipbuilding to industrialize its economy. China now ranks third in the world for commercial shipbuilding, and it is not a signatory to this agreement. Other countries, such as the Ukraine and Poland, are also not covered by this agreement and have displayed a renewed interest in their shipbuilding sectors.

Ms. SNOWE. During the negotiations, Germany granted \$4 billion in shipyard modernization subsidies to the former East German shipyards. South Korea approved close to a \$1 billion bailout of its largest shipbuilder Daewoo. Other European countries continued to grant billions in subsidies to their shipbuilding industries to fill their order books.

Mr. LOTT. When an agreement was finally reached in 1994, major U.S. shipbuilders expressed their objections with the terms of the OECD Shipbuilding Agreement before it was signed by the U.S. and other parties. These builders articulated to the Administration their concerns with the very generous transition concessions granted to the

foreign signatories, the changing market conditions with the growing prominence of China, and the ineffective "injurious pricing" or anti-dumping provision—especially in light of South Korea's massive expansion of its shipbuilding capacity throughout the negotiations.

Ms. SNOWE. These concerns and the agreement's negative implications for the U.S. Navy shipbuilding industrial base were ignored by the negotiators of this agreement. U.S. shipbuilders were also dismayed that they were granted no transition period in contrast to what was granted to the foreign governments. The successful, but modest, Title XI loan guarantee program would be rendered ineffective immediately upon the agreement's entry into force and the domestic trade of the United States, as governed by the Jones Act, was placed in severe jeopardy by our negotiators. In an effort to correct these weaknesses and flaws, the House of Representatives amended the implementing legislation (H.R. 2754) to address the major national security concerns of the agreement.

Mr. LOTT. The Office of the U.S. Trade Representative has maintained throughout the debate on this agreement that the Jones Act, which requires ships transporting cargo between two U.S. ports to be U.S.-built, -owned, and -operated, is exempt from the agreement. This is only partially true. Although the agreement does not repeal the law, it establishes a framework and procedure for foreign governments to take retaliatory actions against U.S. shipbuilders and U.S. exporters for ships constructed for the domestic trades of the United States. These countermeasures include bid restrictions and bid tariffs against U.S. builders seeking international orders if they also benefit from Jones Act orders. The agreement also provides that GATT-related tariff concessions may be withdrawn against other U.S. products to offset the benefit of Jones Act ship construction contracts to U.S. builders. Moreover, the agreement states that the Jones Act is a derogation of the agreement—and I quote—"could undermine the balance of rights and obligations of the Parties under the Agreement and is unacceptable to the other Parties."

Ms. SNOWE. U.S. ownership, manning, and construction of vessels serving the Jones Act trade has provided the Department of Defense with a pool of trained mariners, vessels, and the industrial capability to respond in time to national defense emergencies. For example, the very shipyards that build and repair Jones Act vessels were called upon to activate military reserve ships during Operation Desert Storm/Desert Shield, and it was the trained mariners who operate Jones Act vessels in peacetime who were called upon to crew these military ships once activated. The Jones Act contributes to the maintenance of this skilled work force and defense industrial capability.

Because of the importance of the Jones Act to our national security, the House adopted an amendment specifically prohibiting the imposition of trade countermeasures against U.S. shipbuilders and other exporters for Jones Act ship construction. This amendment is essential to our Nation's defense readiness.

Mr. LOTT. The House also adopted an amendment defining and exempting "military reserve vessels" from coverage under the agreement. This provision is essential to ensure that military ships—such as Army, Navy, and Marine Corps surge and prepositioned sealift ships—cannot be deemed commercial ships under the agreement because of their dual-use characteristics and capability. Without this exemption, DOD may be precluded from procuring military reserve and auxiliary ships with defense features from U.S. shipbuilders without the threat of retaliatory trade countermeasures.

Ms. SNOWE. Many of DOD's reserve and auxiliary ships are commercially built, owned, and operated, and they are chartered to DOD under long-term lease agreements. The U.S. Navy intends to continue this approach to acquiring these needed assets in the future. Furthermore, it is extremely difficult, if not impossible, to completely separate a ship's defense features from its commercial features. Therefore, the implementing legislation needs to contain the definition and exemption for these types of ships or the United States will be subjected to an international trade panel's interpretation of what is, or is not, a military vessel or a defense feature.

Mr. LOTT. As I mentioned earlier, the only government support program for U.S. shipbuilders is the Title XI Ship Loan Guarantee Program. The program was revived and amended in FY 1994 as part of the National Shipbuilding Initiative contained in the National Defense Authorization Act. The purpose of the program was to help U.S. shipbuilders attract commercial shipbuilding orders in the face of a dramatic turndown in Navy orders and foreign government commercial shipbuilding subsidies.

Ms. SNOWE. Title XI provides for a government guarantee of commercial loans for the construction of ships in the United States for U.S. and export customers. Up to 87.5 percent of the 25-year loan is guaranteed under the program. Upon entry into force of the OECD Shipbuilding Agreement, however, the terms of title XI would be immediately changed to guarantee only up to 80 percent of a commercial loan over a 12-year period. According to U.S. shipbuilders, the current orders for construction of large oceangoing commercial ships would not have been consummated under these terms and conditions.

Mr. LOTT. Almost every signatory to this agreement—except the United States—was granted special transition subsidy authority for a period of 3

years. Many members of the House of Representatives and Senate do not understand why the title XI program should not continue under its current terms and conditions for a 3-year period given the agreements's special deals, exemptions, and transition programs in the billions of dollars for Belgium, Portugal, Spain, Germany, France and South Korea. This inequity in the transition rules is extremely detrimental to U.S. builders were disadvantaged for 15 years while they received no government subsidies in the face of billions by foreign governments. Moreover, without a 3-year continuance of title XI, U.S. shipbuilders would be three years further behind their foreign competition. This is unacceptable to the majority in Congress.

Ms. SNOWE. The House bill would place the U.S. on an equal par with foreign signatories time-wise. It would allow title XI to continue at its present terms and conditions during the 3-year transition period in which foreign signatories were granted very generous subsidy concessions. Furthermore, major U.S. shipbuilders desperately need this extension to the program if they are to complete their transition back to building commercial ships. If this transition is unsuccessful, the Navy's core shipbuilding base will not be sustained to meet its future requirements.

Mr. LOTT. In closing, it is incumbent upon each Congress to ensure that our international trade agreements are in our best national interest. Rubber stamping every international agreement, regardless of its content or impact, is not in anyone's best interest. I understand that the office of the U.S. Trade Representative has invested years of hard work in reaching the OECD Agreement. Unfortunately, it falls abysmally short of the objectives established by the very industry which sought an international agreement. After all, who better understands the shipbuilding industry than the shipbuilding industry itself? And for that matter, who in Congress better understand our national security interests than the committees with jurisdiction over national security policy?

There are major disagreements in Congress on whether this agreement is good or bad for this country. Indications from the Office of the USTR are that it is unwilling to reopen the negotiations to achieve an agreement that addresses the concerns of the majority in Congress of both political parties. If this is the position of the U.S. Trade Representative, then I can only say that pursuing implementing legislation in the 105th Congress will result in the same outcome as that of the 104th Congress. I would hope that the USTR would have learned something from last year's experience and not waste its time or our with a repeat performance.

IN MEMORY OF PAUL E. TSONGAS

Mr. LEVIN. Mr. President, I was saddened Saturday to learn of the loss of