combined was supposed to reduce the deficit from what it would otherwise be by $500 billion over the ensuing 5 years. Mr. President, that 5-year period is not yet up, but in 1998 on the fifth anniversary of the passage of that bill, it will not have saved $500 billion, it will have saved $1 trillion and more. That bill is responsible for the deficit going from almost $300 billion in 1992 to what we thought was $67 billion until today.

It has been a source of unbelievable satisfaction to me to see the deficit in 1993 go from $290 billion anticipated to $254; in 1994, to $205 billion; in 1995, $154 billion; in 1996, $107 billion; in 1997, anticipated to be $67 billion, and this morning's front page of the Washington Post says that because the economy is so good and people are paying taxes that the deficit this year will be $45 billion or less. That will be the smallest deficit we have had, as we lawyers like to say, since the memory of man runneth not.

The reason I rise to speak, Mr. President, is not just to catalog that history with which all the Senators are all too familiar, but to point out another item that was included in that Washington Post story. It said if we can just get the House and Senate conferees to keep bickering for another year and not pass this tax cut, we could easily balance the budget in 1998.

Two weeks ago when I offered my amendment to forgo tax cuts, I said we should forgo tax cuts, honor what I consider to be a nonnegotiable demand by the American people to balance the budget and balance the budget in 2001, maybe even 2000. And now this morning's paper says you do not have to postpone taxes to do it in 2001. If you postpone taxes, you can do it in 1998. Never, never in modern times have we been so close to actually doing what most of us say we want to do, and that is balance the budget.

Now, Mr. President, I got a whopping 18 votes for my amendment 2 weeks ago. I am not going to call the names of the Senators that voted with me, but I hope people will look at the RECORD and see who had the courage, who had the vision and the spine to stand up on the floor of the Senate and vote for an eminently sensible proposal to balance the budget earlier, much earlier, than the bill we were debating. And 4 of those courageous 18 people were up for reelection next year. They certainly have my praise and my respect because they believe in the American people and they were willing to stand up and vote for a reduction of the deficit as opposed to a tax cut.

If you ask the American people, would you favor this $135 billion tax cut over the next 5 years, or would you prefer a balanced budget over the next 2 years, I can tell you the answer would be 70 percent to 80 percent of the people would opt for a balanced budget.

Mr. President, the 18 votes I got to postpone the tax cuts in order to bring about a balanced budget much sooner is the smallest number of votes I have ever received on an amendment since I have been in the Senate. And it was probably as good, as authentic and courageous an amendment as I have ever offered since I have been in the Senate. It could have changed the economic course of the country.

Mr. President, the article in the paper this morning got one thing totally wrong. The article stated that neither the Democrats nor the Republicans are going to be able to take credit for the balanced budget.

I take strong exception to that as a Democrat. Two of the finest Senators we ever had in the U.S. Senate lost their seats in 1994 because they stood up and voted for the 1993 budget which raised certain people's taxes. The House of Representatives fell to the Republicans in 1994 when NEWT GINGRICH became speaker and the U.S. Senate went to the Republicans and there was not one Republican in the House or the Senate that voted for that bill which has brought about this exhilarating chance to actually balance the budget.

So to say that President Clinton has not been courageous in proposing the 1993 budget package is a terrible injustice and it is wrong. It is his legacy. It is the legacy of this President that he stood firm on deficit reduction in offering that bill, which cost the Democrats dearly at the polls the following year. So far as I am concerned, the stock market has been soaring ever since that bill was passed in 1993, despite the promises of some of the most distinguished Senators on the other side, who said that this is going to end the world as we know it, and you are going to see people out of work and more homeless people, and you are going to see a depression if we pass this bill.

We passed the bill. The stock market took off because people were encouraged and finally believed that the people down here knew what they were doing and were finally going to screw up their nerve and give them a sound fiscal Government. It has been going on ever since, and that is precisely the reason we are within striking distance of balancing the budget right now. To say nobody can claim credit for that is a real stretch. It was President Clinton. It was not easy. Most of you will recall that the Vice President had to come over and sit in the chair and break a tie in order to pass that bill. Today, the American people are the beneficiaries.

I hope that the conferees are unable to reach an agreement on this, because if they don't reach an agreement, we can balance the budget. If they do reach an agreement, Lord only knows what the results are going to be. All we know is that the wealthiest people in America are going to get a handsome tax cut and the budget is not going to be balanced.

So, Mr. President, I rise tonight to set the record straight on what I think is an extremely important event. I was absolutely euphoric this morning to read that the deficit that was anticipated to be $127 billion this year was then calculated to be about $104 billion, and then calculated about 3 months ago to be $67 billion, and this morning calculated to be $45 billion. It is beyond our wildest dreams. Why would we not seize the moment to forego this tax cut and do precisely what the American people want us to do? It isn't too late.

Mr. President, I yield the floor.

## NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 778

(Purpose: To amend title 18, United States Code, to revise the requirements for procurement of products of Federal prison industries to meet needs of Federal agencies)

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. GORTON). The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for himself, Mr. ABRAHAM, Mr. ROBB, Mr. HELMS, Mr. KEMPTHORNE, Mr. DASCHLE, and Mr. BURNS, proposes an amendment numbered 778.

Mr. LEVIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of subtitle E of title VIII, add the following:

**SEC. 844. PRODUCTS OF FEDERAL PRISON INDUSTRIES.**

(a) PURCHASES FROM FEDERAL PRISON INDUSTRIES.—Section 4124 of title 18, United States Code, is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsections (a) and (b):

''(a) A Federal agency which has a requirement for a specific product listed in the current edition of the catalog required by subsection (d) shall—

''(1) provide a copy of the notice required by section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) to Federal Prison Industries at least 15 days before the issuance of a solicitation of offers for the procurement of such product;

''(2) use competitive procedures for the procurement of that product, unless—

''(A) the head of the agency justifies the use of procedures other than competitive procedures in accordance with section 2304(f) of title 10 or section 303(f) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)); or

''(B) the Attorney General makes the determination described in subsection (b)(1) within 15 days after receiving a notice of the requirement pursuant to paragraph (1); and

''(3) consider a timely offer from Federal Prison Industries for award in accordance with the specifications and evaluation factors specified in the solicitation.

''(b) A Federal agency which has a requirement for a product referred to in subsection (a) shall—

''(1) on a noncompetitive basis, negotiate a contract with Federal Prison Industries for the purchase of the product if the Attorney General personally determines, within the period described in subsection (a)(2)(B), that—

''(A) it is not reasonable to expect that Federal Prison Industries would be selected for award of the contract on a competitive basis; and

''(B) it is necessary to award the contract to Federal Prison Industries in order—

''(i) to maintain work opportunities that are essential to the safety and effective administration of the penal facility at which the contract would be performed; or

''(ii) to permit diversification into the manufacture of a new product that has been approved for sale by the Federal Prison Industries board of directors in accordance with this chapter; and

''(2) award the contract to Federal Prison Industries if the contracting officer determines that Federal Prison industries can meet the requirements of the agency with respect to the product in a timely manner and at a fair and reasonable price.''.

(b) LIMITATION ON NEW PRODUCTS AND EXPANSION OF PRODUCTION.—Section 4122(b) of title 18, United States Code, is amended—

(1) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively;

(2) by inserting after paragraph (3) the following new paragraph (4):

''(4) Federal Prison Industries shall, to the maximum extent practicable, concentrate any effort to produce a new product or to expand significantly the production of an existing product on products that are otherwise produced with non-United States labor.''; and

(3) in paragraph (6), as so redesignated, by striking out ''paragraph (4)(B)'' and inserting in lieu thereof ''paragraph (5)(B)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

Mr. LEVIN. Mr. President, this amendment is cosponsored by Senators ABRAHAM, ROBB, HELMS, KEMPTHORNE, DASCHLE, and BURNS. This is to implement the recommendation of the National Performance Review that we should require Federal prison industries to compete commercially for Federal agencies' business instead of having a legally protected monopoly.

Mr. President, our amendment will eliminate the requirement for Federal agencies to purchase prisoner-made goods even when they cost more and are of lesser quality. This amendment will ensure that the taxpayers get the best possible value for their Federal procurement dollars. If a Federal agency can get a better product at a lower price from the private sector, it should be permitted to do so. The taxpayers will get the savings.

Many in Government and in industry point out that the Federal Prison Industries' products are often more expensive than commercial products, inferior in quality, or both. For example, the Deputy Commander of the Defense Logistics Agency wrote in a May 3, 1996, letter to the House that Federal Prison Industries had a 42-percent delinquency rate in its clothing and textile deliveries, compared to a 6-percent rate for the commercial industry. For this record of poor performance, the Federal Prison Industries charged prices that were an average of 13-percent higher than commercial prices. Five years earlier, the DOD inspector general reached the same conclusion, reporting that the Federal Prison Industries' contracts were more expensive than contracts for comparable commercial products by an average of 15 percent. Now, the Department of Defense made roughly $150 million in purchases from Federal Prison Industries last year, and so this is currently costing the Department of Defense, alone, $25 million.

Mr. President, it just makes no sense that, with all of the advantages in terms of labor price, which is nominal in prison, that they can assert a monopoly which gives them the right to sell to the Defense Department products at a greater cost than the Defense Department could buy them in the commercial market, and this amendment would correct that.

At this point, I want to yield to my good friend and colleague from Michigan, Senator ABRAHAM, for his statement. I ask unanimous consent that I be immediately recognized thereafter to complete my statement.

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

The junior Senator from Michigan is recognized.

Mr. ABRAHAM. Mr. President, I thank my colleague and friend who brings us, I think, a wise amendment tonight, which I am happy to cosponsor. This is a pretty simple amendment, really. It does not say that anybody should get a preference over the Prison Industries, but simply that those who are in the private sector, who create jobs for people, who play by the rules and work hard, ought to have the same opportunity to bid on Federal contracts that the Federal Prison Industries themselves enjoy.

As my colleague from Michigan, Senator LEVIN, has indicated, we have numerous examples that suggest that, right now, the Federal taxpayers are not getting their money's worth when Federal agencies purchase office equipment, because the Prison Industries' costs are greater than would be the case if the private sector were involved. Moreover, of course, it is our view that if competition was injected into the system, the cost would go down, even though it is conceivable that the Prison Industries would continue to be the contractor chosen for the production and provision of such furnishings.

In my State, Mr. President, we have a lot of people in this industry. I have spoken with them in the plants in which they work—not just the people who run the plants, but the people working on the floor making the finest furniture in the world. They have an interesting take on the way we do business. They say: Doesn't it seem unusual that we should work hard, 40 hours a week, and sometimes more, to produce a high-quality piece of furniture, and that we should have a certain amount of the money we earn for that hard work sent to Washington to pay taxes, or sent to Lansing, or wherever, and then that we should see those tax dollars go to the Federal Government to be used, at least in part, to support the development of an industry that competes with us and prevents us from having the opportunity to create better paying jobs and more jobs?

That doesn't make sense to them, Mr. President, and it doesn't make sense to me. It seems that we ought to pride ourselves here on providing our taxpayers the most efficient Government possible. That ought to mean that when we purchase equipment and furniture for the Federal departments and agencies, we get the best bargain possible and that we at least make sure that folks who work hard and play by the rules in the furniture industry, or any other industry, have the opportunity to benefit from the Federal contracts that are let to purchase furniture and other sorts of items that help us in the Federal agencies and departments. To me, this is just pure common sense. So for that reason I support this amendment.

I think all we are asking for here is a level playing field—no special preference, no exclusion of the private sector from the bidding process. If the furniture made by the Federal Prison Industries is the best deal, then that is who ought to be doing the work. But if it is not, then the taxpayers deserve the best deal.

As to a broader point, I just want to say this. I believe that people in prisons should work. This is in no way, or should it be in any way, interpreted as an amendment designed to suggest that those who are doing hard time should stop doing hard time or that those who are learning trades and skills ought to be in any way prevented from doing so. But it seems to me that what makes sense is for the Prison Industries to focus primarily on providing services, and so on, in areas where they aren't competing with American workers and American jobs in the private sector. I think, at a minimum, we should level the playing field so that that can occur.

For those reasons, I am happy to support this amendment as a cosponsor. I look forward to the continuation of this debate tomorrow on the floor as well.

Under the previous order, I yield the floor back to the Senator from Michigan.

The PRESIDING OFFICER. Under the previous order, the senior Senator from Michigan is recognized.

Mr. LEVIN. I yield to the chairman of the committee who, I understand, wants to make a statement at this time.

Mr. THURMOND. Mr. President, the amendment offered by the Senator from Michigan, Senator LEVIN, would seriously damage the functioning of the Federal Prison Industries, Incorporated known as FPI.

FPI is the Bureau of Prisons' most important inmate program. It keeps inmates productively occupied and reduces inmate idleness and the violence

and disruptive behavior associated with it. Thus it is essential to the security of Federal correctional institutions, the communities in which they are located, and the safety of Federal correctional staff and inmates. Eliminating FPI's mandatory source status in law would dramatically reduce the number of inmates FPI would be able to employ. The inmate idleness this would create would seriously undermine the safety and security of America's Federal prisons.

In addition to the general benefit of keeping our prison population employed, the Federal Prison Industries Program has the added benefit that 50 percent of the wages paid to prisoners employed under the program are used to pay off fines and provide restitution to the victims of their crimes. This is an important benefit that must not be impeded.

FPI has no other outlet for its products than Federal agencies. The constraints within which FPI operates cause it to be less efficient than its private sector counterparts. While private sector companies specialize and become highly efficient in certain product areas, FPI, in an attempt to limit its market share in any one area, has diversified its product line. Private sector companies strive to obtain the most modern, efficient equipment to minimize the labor component of their manufacturing costs. FPI, on the other hand must keep its manufacturing process as labor intensive as possible in order to employ the maximum number of inmates.

Since FPI operates its factories in secure correctional environments, it faces additional constraints that limit its efficiency. For example, every tool must be checked out at the beginning of the day, checked in before lunch, checked out again in the afternoon, and checked in at the end of the day. In addition, Federal Prison Industries factories are occasionally forced to shut down because of inmate unrest or institutional disturbances. The costs associated with civilian supervision and numerous measures necessary to maintain the security of the prison add substantially to the cost of production.

It should be noted that the average Federal inmate has an 8th grade education, is 37 years old, is serving a 10-year sentence for a drug related offense, and has never held a steady job. According to a recent study by an independent firm, the overall productivity rate of an inmate with a background like this is approximately ¼ that of a civilian worker.

FPI must have some method of offsetting these inefficiencies if it is expected to acquire a reasonable share of Government contracts and remain self financing. The offsetting advantage that Congress has provided is the mandatory sourcing requirements in section 4124 of title 18, United States Code. This section requires that Federal agencies purchase products made by FPI as long as those products meet customer needs for quality, price, and timeliness of delivery. If the product is not currently manufactured by FPI, or if the FPI is not competitive in quality, price or timeliness, Federal Prison Industries will grant a waiver to allow the Federal agency to purchase the product from private sector suppliers.

The amendment proposed by Senator LEVIN would force the Attorney General to require that Federal agencies purchase FPI products on a case-by-case basis, increasing paperwork and administrative expense unnecessarily. The current FPI mandatory source requirement provides a steady flow of work to the inmate population and reduces the requirement for FPI to expend large amounts of money on advertising and marketing. If such expenses had to be incurred, sales levels and market share would have to be expanded to cover them. This would have an adverse impact on private sector companies in the same businesses as FPI.

I urge my colleagues to reject the Levin amendment. Mr. President, I ask unanimous consent that a letter from the Council of Prison Locals of the AFL–CIO be printed in the RECORD.

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

FEDERAL PRISON COUNCIL 33,
(AFL–CIO)
*June 19, 1997.*

Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR. I am writing to express the strong opinion of the Council of Prison Locals, American Federation of Government Employees, against Senator Levin's proposed amendment to the Defense Authorization Bill. The Levin Amendment would eliminate mandatory source status for Federal Prison Industries (FPI), a wholly-owned corporation of the Federal Government.

The Council of Prison Locals is the exclusive representative of 22,000 bargaining unit employees nationwide working in the nation's Federal Prisons. Our members feel that this is the Bureau of Prisons most important correctional program.

We have several concerns with the Levin Amendment. The first concern is that FPI should be looked at as part of the overall Bureau of Prisons program. This should include hearings on the Judiciary Committee. We feel the safety of thousands of Correctional Workers is in jeopardy because of the ''perception'' that FPI is somehow controlling the Federal market. This could not be further from the truth. We believe that FPI is part of safe prison management of our facilities and should not be an amendment to some unrelated legislation.

We urge you to oppose the Levin Amendment and keep the Federal Prison System safe for its workers.

Sincerely,

PHIL GLOVER,
*Northeast Regional Vice President,*
*Council of Prison Locals, AFGE.*

Mr. THURMOND. Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan is recognized.

Mr. LEVIN. I thank the Chair.

Mr. President, last July, a master chief petty officer of the Navy testified before the House National Security Committee that the FPI monopoly on the Government furniture contract has undermined the Navy's ability to improve living conditions for its sailors. This was his testimony.

Speaking frankly, the FPI product is inferior, costs more, takes longer to procure. FPI has, in my opinion, exploited their special status, instead of making changes that would make them more efficient and competitive. The Navy and other services need your support to change the law and have Federal Prison Industries compete with private sector furniture manufacturers under GSA contract. Without this change, we will not be serving sailors or taxpayers in the most effective and efficient way.

There was a coalition that joined together to try to provide for competition. All we are asking for is the private sector to be allowed to compete when its product costs less and when its product is a better quality. The competition in contracting at coalition is made up of 28 organizations and 204 businesses. Their letter, in part, reads as follows, that this amendment would implement a recommendation of the National Performance Review which stated that our Government should ''take away Federal Prison Industries' status as a mandatory source of Federal supplies and be required to compete commercially for Federal agencies' business.'' This solution would help manufacturers by eliminating the barriers to competition and allowing the bid process to take place.

We received a letter from Access Products of Colorado Springs, CO. They were denied an opportunity to bid on an Air Force contract for toner cartridges because Federal Prison Industries exercised its right to take the contract on a sole-source basis.

This is a small business in Colorado trying to sell to the Government. They have to compete with incredibly cheap labor in the prisons, which ranges between 23 cents an hour and $1.15 an hour. That is labor paid in the prison. This small business in Colorado makes this product, and they want to sell it to the Government. Here is what they write.

My company bid $22 a unit. The Federal Prison Industries' bid was $45 a unit.

The Government ended up paying $45. So here you have a small business struggling to survive against Federal Prison Industries paying incredibly cheap prices for its labor, comes in with a bid of half of what that product is bid by the FPI and loses the bid.

We are not trying to get a monopoly for the private sector. We are trying to eliminate this monopoly which is assumed by FPI, which allows it to say, this product, since it is produced by FPI, must be used by the Federal agencies, even though it costs the taxpayers more and, in many cases, is nowhere near as good in quality.

This is what the Access Products folks in Colorado Springs went on to say:

The way I see it, the government just overspent my tax dollars to the tune of $1,978.

The total amount of my bid was less than that. Do you seriously believe this type of product is cost effective? I lost business. My tax dollars were misused because of unfair procurement practices mandated by Federal regulation. This is a prime example, and I am certain not the only one, of how the procurement system is being misused and small businesses in this country are being excluded from competition with the full support of Federal regulations and the seeming approval of Congress. It's far past time to curtail this company known as Federal Prison Industries and require them to be competitive for the benefit of all taxpayers.

The Veterans' Administration sought repeal of this mandatory preference on several occasions on the ground that FPI prices for textiles, furniture, and other products are routinely higher than identical items purchased from commercial sources. Most recently, Veterans Administration officials estimated that repeal of this preference would save $18 million over a 4-year period for their agency alone, making that money available for veterans services.

We all want to do what we can do reasonably to make sure that work is available for Federal prisons. But the way that we are doing it is all wrong.

As one small businessman in the furniture industry put it in very emotional testimony at a House hearing last year:

Is it justice? Is it justice that Federal Prison Industries would step in and take business away from a disabled Vietnam veteran who was twice wounded fighting for our country and give that work to criminals who have trampled on honest citizens' rights, therefore effectively destroying and bankrupting that hero's business which the Veterans Administration suggested he enter?

Here you have a veteran of Vietnam who has entered into the business at the suggestion of the Veterans Administration, and he is not allowed to compete on a level playing field with Federal Prison Industries.

Our amendment is supported by the Chamber of Commerce, the National Federation of Independent Business, the National Association of Manufacturers, the Business and Industry Industrial Furniture Manufacturers Association, the American Apparel Manufacturers Association, the Industrial Fabrics Association International, the Competition in Contracting Act Coalition, and hundreds of small businesses from Michigan and around the country.

Mr. President, there is something fundamentally wrong with the procurement system which says that a small businessperson cannot compete even though his price is lower than a Federal Prison Industries' price, which has the cheapest labor in the country, 23 cents an hour to $1.15 an hour, and when we tell the veterans who open up small businesses and want to supply the Veterans Administration with a product, that they can't compete because the Federal Prison Industries has a monopoly on a product. We are not dealing fairly with either that veteran or that small businessperson.

There are many products which this Government buys that are imported which are not produced with American labor of small business, and instead of diversifying to produce those products currently imported and made with non-American labor, we have Federal Prison Industries continuing to focus on textiles, furniture, on items which displace American workers and American small businesses because they have a monopoly.

We are not seeking a preference. I want to drive home that point. We are not saying Federal Prison Industries should not be allowed to compete. It is the opposite. We are saying American small businesses should be allowed to compete where their price is cheaper and when their quality is better. For Heaven's sake, they ought to be allowed to sell to their Government and not be faced with a monopoly which charges more for even a less quality product frequently, as these letters explain, and nonetheless, sells to the Government at a greater expense to the taxpayers.

That is why the NFIB, the Chamber of Commerce, the National Association of Manufacturers, all of these small businesses in all of our States are pleading with us to end this monopoly situation.

Let me read from some of their letters. The National Federation of Independent Business says, in a letter dated June 19, 1997:

Today, federal agencies are forced to buy prison-made products through Federal Prison Industries (FPI) . . . This is yet another example of avoidable government waste as virtually all such items are available from the private sector, which provides them more efficiently and at lower prices. In addition, such mandatory purchases from the FPI costs America jobs. Firms that can't enter an industry or expand production, can't hire new employees.

The Chamber of Commerce says, in a letter dated June 19, 1997:

The Chamber has long-standing policy that the government should not perform the production of goods or services for itself or others if acceptable privately owned and operated services are or can be made available for such purposes. We recognize the importance of the productive training and employment of our nation's inmate population. However, we believe that our federal prison system should not be given preferential treatment at the cost of our nation's small business owners. We believe that there are other substantial sources of work available to inmates that would not infringe upon the private sector's opportunities to compete for government contracts.

The National Association of Manufacturers says, in a letter dated June 25, 1997:

The present system that gives FPI a virtual lock on federal government contracts has hurt thousands of businesses, resulted in higher cost(s) for goods and services bought by the government and in many cases has resulted in loss of jobs and business opportunities for our members. Removal of the ''FPI mandatory source status is an idea [whose] time has come . . .

Mr. President, our amendment would not require FPI to close any of its facilities, or force FPI to eliminate any jobs for federal prisoners, or undermine FPI's ability to ensure that inmates are productively occupied. It would simply require FPI—which currently ranks as one of the sixty largest federal contractors—to compete for federal contracts on the same terms as all other federal contractors. That is simply justice to the hard-working citizens in the private sector, with whom FPI would be required to compete.

The obvious fact is that FPI already has built-in competitive advantages, even if it is forced to compete for its contracts. First and foremost, FPI pays inmates a fraction of the wages paid to private sector working in competing industries. FPI's pay scales, as of March 27, 1995, were as follows:

| Grade: | *Compensation rate* |
|---|---|
| 1 | $1.15/hour |
| 2 | 0.92/hour |
| 3 | 0.69/hour |
| 4 | 0.46/hour |
| 5 | 0.23/hour |

Second, the Federal government provides land to FPI for the construction of its manufacturing facilities. Third, FPI pays no corporate income taxes and has no need to provide health or retirement benefits to its workers.

On top of these advantages, the taxpayers provide a direct subsidy to Federal Prison Industries products by picking up the cost of feeding, clothing, and housing the inmates who provide the labor. There is simply no reason why the taxpayers should be required to provide an indirect subsidy as well, by requiring federal agencies to purchase products from FPI even when they are more expensive and of a lower quality than competing commercial items.

Mr. President, I am a supporter of the idea of putting federal inmates to work. A strong prison work program not only reduces inmates idleness and prison disruption, but can also help build a work ethic, provide job skills, and enable prisoners to return to productive society upon their release.

However, I believe that a prison work program must be conducted in a manner that does not unfairly eliminate the jobs of hard-working citizens who have not committed crimes. FPI will be able to achieve this result only if it diversifies its product lines and avoids the temptation to build its workforce by continuing to displace private sector jobs in its traditional lines of work.

That is why I participated in an effort in the early 1990's to help Federal Prison Industries identify new markets that it could expand into without displacing private sector jobs. In 1990, the House Appropriations Committee requested a study to identify new opportunities for FPI to meet its growth requirements, assess FPI's impact on private sector businesses and labor, and evaluate the need for changes to FPI's laws and mandates. That study conducted by Deloitte & Touche on behalf of FPI, concluded that FPI should meet its growth needs by using new approaches and new markets, not by expanding its production in traditional

industries. The Deloitte & Touche study concluded:

FPI needs to maintain sales in industries that produce products such as traditional furniture and furnishings, apparel and textile products, and electronic assemblies to maintain inmate employment during the transition.

These industries should not be expanded, and FPI should limit its market shares to current levels.

I followed up on that report by meeting with FPI officials and participating in a ''summit'' process, sponsored by the Brookings Institute, designed to develop alternative growth strategies for FPI. The summit process resulted in two suggested areas for growth: entering partnerships with private sector companies to replace off-shore labor; and entering the recycling business in areas such as mattresses and electrical motors.

Unfortunately, FPI has chosen to take the exact opposite course of action. Last year, for instance, FPI acted unilaterally to virtually double its furniture sales from $70 million to $130 million and from 15 percent of the federal market to 25 percent of the federal market, over the next five years. This follows a steady growth in FPI's market share which has already taken place, unannounced, over the last ten years. In direct contravention of the Deloitte & Touche recommendations, FPI has announced its intention to undertake similar market share increases in other traditional product lines, such as work clothing and protective clothing.

This amendment would return FPI to the course prescribed by Deloitte & Touche and the Brookings summit by requiring it to concentrate any future expansion efforts, to the maximum extent practicable, on products currently sold to federal agencies that would otherwise imported. Expansion in existing lines of business would still be possible, but only as a last resort, and only as a result of competition, on a level playing field, with private industry.

Mr. President, this amendment is appropriate on this bill, because the Department of Defense is FPI's biggest customer, and pays by far the largest subsidy for FPI's overpriced products. The competition required by our amendment will save millions of dollars for the Department of Defense and other federal agencies. It should also improve FPI's performance, forcing it to become more efficient and productive, and advancing FPI's objectives of instilling a strong work ethic and providing a positive job experience. Working in non-productive and uncompetitive jobs may reduce inmate idleness, but it does not provide realistic work experience that will translate to the private sector.

We need to have jobs for prisoners, but it is unfair and wasteful to allow FPI to designate whose jobs it will take, and when it will take them. Competition will be better for working men and women around the country, better for the taxpayer, and better for FPI.

Mr. WARNER. Mr. President, I commend my friend, the Senator. He has my support. I will vote with him tomorrow. He is right on.

Mr. LEVIN. I thank my good friend from Virginia.

Mr. President, I understand there will be a period of time tomorrow immediately prior to voting on this amendment for the proponents and opponents to summarize arguments. I think that will be part of the unanimous consent request which is going to be propounded in a few moments.

I thank the Chair.

I thank my good friend from Virginia.

I yield the floor.

FFTF

Mr GORTON. Mr. President, I would like to engage the Senator from New Hampshire, [Mr. SMITH] in a colloquy to clarify a provision within the bill's title on Department of Energy national security programs. Section 3134 limits, for a prescribed time period, the funds made available by the National Defense Authorization Act for the purpose of evaluating tritium production to two options: use of a commercial light water reactor or building an accelerator. As you know, DOE has decided to evaluate, in addition to a commercial reactor and an accelerator, the Fast Flux Test Facility, as known as the ''FFTF,'' as a possible back-up production option to provide interim quantities of tritium. The FFTF is currently, and in the future proposed to be, funded from sources not covered by this bill, specifically, the non-defense Environmental Management account and the civilian Nuclear Energy account. Accordingly, would the Subcommittee chairman agree that the limitation contained in section 3134 is not applicable to FFTF and similar options that are funded through programs wholly unrelated to that monies provided by this defense bill.

Mr. SMITH of New Hampshire. If the Senator would yield, that is correct. The provision being proposed is applicable only to the stated plans in the Department's ''dual track'' strategy. This bill would not affect the Fast Flux Facility, because that facility is currently funded through a non-defense account. This bill does not have authority over these funds, and therefore, this provision would in no way alter the commitment made by former Secretary O'Leary to keep the FFTF in a hot stand-by condition.

Mr. GORTON. I thank the Senator for this clarification.

AIR FORCE SERGEANTS ASSOCIATION

Mr. MCCAIN. Mr. President, on Monday, the Senate adopted a symbolic, yet important amendment which grants a Federal charter to the Air Force Sergeants Association, a highly respected nonprofit, veterans association.

Over the past 36 years, the Air Force Sergeants Association has been stalwart in representing the interests of Air Force enlisted men and women. The association has served a vital purpose by informing Members of Congress of the concerns of enlisted servicemembers and their families, and likewise informing enlisted personnel where Members of Congress stand on critical personnel issues, such as pay, military medical health care, quality of life and earned retirement benefits for active duty, Reserve component, and military retirees.

This Federal Charter is a symbolic gesture that shows Congress appreciation to the Air Force Sergeants Association for the outstanding service they provide and to the dedicated men and women whom the association represents. We pay tribute to the noncommissioned officers who form the backbone of the Air Force.

Noncommissioned officers turn the wrenches, prepare the aircraft, walk the perimeters, and train ''new'' junior officers as they report to their first assignments directly from their commissioning source. The contribution of our noncommissioned officers cannot be overstated whether as major contributors to dismantling the Iron Curtain, winning the Persian Gulf War, to carrying out vital peacekeeping missions throughout the world or projecting American power wherever and whenever it is needed.

As the Air Force celebrates its 50th anniversary, Congress honors the commitment and contribution of enlisted servicemembers to our national security. Granting this Federal charter demonstrates our gratitude for their outstanding efforts.

Mr. President, I appreciate the support of my colleagues for this amendment. It is with great honor and gratitude that I was asked to introduce this legislation by my friends at the Air Force Sergeants Association.

I ask unanimous consent that the text of the Air Force Sergeants Association Federal charter amendment, amendment number 728, be printed again in the CONGRESSIONAL RECORD.

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

AMENDMENT NO. 728

(Purpose: To provide a Federal charter for the Air Force Sergeants Association)

Insert after title XI, the following new title:

**TITLE XII—FEDERAL CHARTER FOR THE AIR FORCE SERGEANTS ASSOCIATION**

**SEC. 1201. RECOGNITION AND GRANT OF FEDERAL CHARTER.**

The Air Force Sergeants Association, a nonprofit corporation organized under the laws of the District of Columbia, is recognized as such and granted a Federal charter.

**SEC. 1202. POWERS.**

The Air Force Sergeants Association (in this title referred to as the ''association'') shall have only those powers granted to it through its bylaws and articles of incorporation filed in the District of Columbia and subject to the laws of the District of Columbia.

**SEC. 1203. PURPOSES.**

The purposes of the association are those provided in its bylaws and articles of incorporation and shall include the following:

(1) To help maintain a highly dedicated and professional corps of enlisted personnel within the United States Air Force, including the United States Air Force Reserve, and the Air National Guard.

(2) To support fair and equitable legislation and Department of the Air Force policies and to influence by lawful means departmental plans, programs, policies, and legislative proposals that affect enlisted personnel of the Regular Air Force, the Air Force Reserve, and the Air National Guard, its retirees, and other veterans of enlisted service in the Air Force.

(3) To actively publicize the roles of enlisted personnel in the United States Air Force.

(4) To participate in civil and military activities, youth programs, and fundraising campaigns that benefit the United States Air Force.

(5) To provide for the mutual welfare of members of the association and their families.

(6) To assist in recruiting for the United States Air Force.

(7) To assemble together for social activities.

(8) To maintain an adequate Air Force for our beloved country.

(9) To foster among the members of the association a devotion to fellow airmen.

(10) To serve the United States and the United States Air Force loyally, and to do all else necessary to uphold and defend the Constitution of the United States.

**SEC. 1204. SERVICE OF PROCESS.**

With respect to service of process, the association shall comply with the laws of the District of Columbia and those States in which it carries on its activities in furtherance of its corporate purposes.

**SEC. 1205. MEMBERSHIP.**

Except as provided in section 1208(g), eligibility for membership in the association and the rights and privileges of members shall be as provided in the bylaws and articles of incorporation of the association.

**SEC. 1206. BOARD OF DIRECTORS.**

Except as provided in section 1208(g), the composition of the board of directors of the association and the responsibilities of the board shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the District of Columbia.

**SEC. 1207. OFFICERS.**

Except as provided in section 1208(g), the positions of officers of the association and the election of members to such positions shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the District of Columbia.

**SEC. 1208. RESTRICTIONS.**

(a) INCOME AND COMPENSATION.—No part of the income or assets of the association may inure to the benefit of any member, officer, or director of the association or be distributed to any such individual during the life of this charter. Nothing in this subsection may be construed to prevent the payment of reasonable compensation to the officers and employees of the association or reimbursement for actual and necessary expenses in amounts approved by the board of directors.

(b) LOANS.—The association may not make any loan to any member, officer, director, or employee of the association.

(c) ISSUANCE OF STOCK AND PAYMENT OF DIVIDENDS.—The association may not issue any shares of stock or declare or pay any dividends.

(d) DISCLAIMER OF CONGRESSIONAL OR FEDERAL APPROVAL.—The association may not claim the approval of the Congress or the authorization of the Federal Government for any of its activities by virtue of this title.

(e) CORPORATE STATUS.—The association shall maintain its status as a corporation organized and incorporated under the laws of the District of Columbia.

(f) CORPORATE FUNCTION.—The association shall function as an educational, patriotic, civic, historical, and research organization under the laws of the District of Columbia.

(g) NONDISCRIMINATION.—In establishing the conditions of membership in the association and in determining the requirements for serving on the board of directors or as an officer of the association, the association may not discriminate on the basis of race, color, religion, sex, handicap, age, or national origin.

**SEC. 1209. LIABILITY.**

The association shall be liable for the acts of its officers, directors, employees, and agents whenever such individuals act within the scope of their authority.

**SEC. 1210. MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS.**

(a) BOOKS AND RECORDS OF ACCOUNT.—The association shall keep correct and complete books and records of account and minutes of any proceeding of the association involving any of its members, the board of directors, or any committee having authority under the board of directors.

(b) NAMES AND ADDRESSES OF MEMBERS.—The association shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the association.

(c) RIGHT TO INSPECT BOOKS AND RECORDS.—All books and records of the association may be inspected by any member having the right to vote in any proceeding of the association, or by any agent or attorney of such member, for any proper purpose at any reasonable time.

(d) APPLICATION OF STATE LAW.—This section may not be construed to contravene any applicable State law.

**SEC. 1211. AUDIT OF FINANCIAL TRANSACTIONS.**

The first section of the Act entitled ''An Act to provide for audit of accounts of private corporations established under Federal law'', approved August 30, 1964 (36 U.S.C. 1101), is amended—

(1) by redesignating the paragraph (77) added by section 1811 of Public Law 104–201 (110 Stat. 2762) as paragraph (78); and

(2) by adding at the end the following:

''(79) Air Force Sergeants Association.''.

**SEC. 1212. ANNUAL REPORT.**

The association shall annually submit to Congress a report concerning the activities of the association during the preceding fiscal year. The annual report shall be submitted on the same date as the report of the audit required by reason of the amendment made in section 1211. The annual report shall not be printed as a public document.

**SEC. 1213. RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER.**

The right to alter, amend, or repeal this title is expressly reserved to Congress.

**SEC. 1214. TAX-EXEMPT STATUS REQUIRED AS CONDITION OF CHARTER.**

If the association fails to maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1986 the charter granted in this title shall terminate.

**SEC. 1215. TERMINATION.**

The charter granted in this title shall expire if the association fails to comply with any of the provisions of this title.

**SEC. 1216. DEFINITION OF STATE.**

For purposes of this title, the term ''State'' includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

AMENDMENT NO. 420

Mr. GLENN. Mr. President, I rise to speak in support of an amendment offered by my colleagues, Messrs. COCHRAN and DURBIN, to correct a significant deficiency in our export licensing system.

I will speak today of the current practice of allowing the export from the United States of high-powered, dual-use computers—machines that until very recently were called supercomputers—without any prior U.S. Government assessment of their end uses or end users. The amendment takes a significant step to correct this problem—not by banning the export of such machines, but merely by requiring exporters to obtain an individual validated export license before exporting them from the United States or reexporting them from elsewhere.

The amendment specifically requires a license for the export of computers with a composite theoretical performance level equal to or greater than 2,000 million theoretical operations per second [MTOPS], when such machines are destined to a group of countries that now receive such computers—up to a level of 7,000 MTOPS—without U.S. Government end use or end user checks.

The specific group of controlled countries—the so-called ''Tier 3'' countries—is described as follows in the Bureau of Export Administration's Report to Congress for Calendar Year 1996: ''* * * countries posing proliferation, diversion or other security risks.'' So we are dealing here with certain countries that our government, on the basis of all the information at its disposal, has determined pose risks to our security.

SOME ANCIENT HISTORY

This is not the first time I have spoken about the proliferation risks associated with high-powered computers. On October 31, 1989, I spoke of the dangers from supercomputers and super bombs (CONGRESSIONAL RECORD, 10/31/89, p. S–14382 ff.).

On that occasion, I reminded my colleagues of the role computers play in designing nuclear weapons, and this particular application will only grow in importance now that the world appears heading for a ban on all nuclear explosions. Though it is true indeed that countries do not need high-powered computers to build the bomb—witness America's 1945-vintage Fat Man and Little Boy bombs—it is well recognized today that such computers are absolutely essential to developing advanced nuclear weapon designs, including H-bombs, especially when nuclear test explosions are prohibited. These computers are also useful in designing nuclear weapon delivery systems, the full gamut advanced conventional weapons systems, and have other national security applications—cryptography, for example.

Over a decade ago, in January 1986, America's three nuclear weapon labs—the Lawrence Livermore, Los Alamos, and Sandia National Laboratories—issued an unclassified report aptly titled, ''The Need for Supercomputers in Nuclear Weapons Design.'' The following extracts clearly identify the utility of supercomputers—as defined back in 1986—in the design and improvement of our Nation's nuclear weapons:

Large-scale computers are essential to carrying out the weapons program mission. Computers provide essential understanding and enable us to simulate extremely complicated physical processes . . . Computers enable us to evaluate performance and safety over the decades of a weapon system's lifetime . . . computers enable us to verify weapon designs within testing limits.

With large-scale computers, we have been able to improve our designs by optimizing design parameters, while reducing the number of costly experiments in the design process . . . Tests involving high explosives have been reduced from 180 tests for a 1955-vintage weapon to fewer than 5 for today's weapons because of computation.

Computers enable us to extrapolate to new capabilities . . . it is this computational capability, driven by the needs of the weapons design, that has made possible new concepts and enhanced safety in weapons.

The inability to calculate solutions to complex problems [during the years of the Manhattan Project] hampered development and forced weapons designers to build in large margins against error (e.g., large amounts of high explosive, which increased weight to such an extent that some designers were uncertain the devices could actually be carried by existing aircraft) . . . It has been estimated that a team of scientists using the calculators of the 1940s would take five years to solve what it takes a Cray computer one second to perform.

Without supercomputers, the nation's nuclear weapons program would be deprived of much of its vitality . . . supercomputing is essential . . . in providing us with a tool to simulate the complex processes going on during a nuclear explosion . . . computers enable us to infer real-environment weapon performance from underground nuclear tests.

The computer becomes absolutely essential in the evolution of a design that will survive the ''fratricide'' threat . . . the computer is essential in designing a system whose vulnerability to an ABM attack is reduced to an acceptable level.

[Computers] enable the designer to ''test'' ideas before actually committing to hardware fabrication . . . computing capabilities are absolutely critical to progress in new designs.

OK, so those were the uses of high-powered computers a decade ago. Obviously, computer technology has grown rapidly—even exponentially—since that time. This growth has led to much higher computing speeds, more manufacturers, more applications, improved software, and more countries seeking such machines. The growth has been so rapid that many both in and out of Government have come to believe—or appear to have convinced themselves—that this technology is completely uncontrollable.

The rapid advancement of this technology has been accompanied by an equally rapid decontrol of some of the very devices we used to make some of the most powerful weapons the world has ever known. The Commerce Department's Bureau of Export Administration, for example, reports in its most recent Annual Report to Congress that—''Due to the 1994 and 1995 liberalization for computers, this commodity group has been replaced by shotguns as being the most significant commodity group for which export license applications were received in fiscal year 1996.'' So it now appears that we are giving closer regulatory attention to shotguns than to a key technology that our top weapons labs have characterized as essential to performing a variety of nuclear-weapons applications.

But the supporters of this decontrol effort are not daunted by this news. They have consistently argued that if some other country is exporting high-powered computers without rigorous controls—or without any controls at all—then by golly, so should we, or else we would face the horrible accusation of ''shooting ourselves in the foot'' by denying U.S. manufactures market opportunities that are available to their foreign competitors. If there is evidence of foreign availability, in short, if there is at least one other country out there—whether it be North Korea, or Iran, or China, or any other nation—if just one of these countries decides to cash in on America's restraint, then we should have the same profit-making opportunities.

Well, there are a lot of problems with this point of view, some legal, and some political and moral. Let's have a closer look at these problems.

THE LEGAL AND POLITICAL FOUNDATIONS OF LICENSING

Under our Constitution, treaties are the supreme law of the land. One of our treaties, the Nuclear Non-Proliferation Treaty of 1968 [NPT], explicitly requires America not in any way to assist any non-nuclear weapon state to acquire the bomb. That treaty does not contain any proviso indicating that assistance may be provided if some other country is providing such assistance. It has no loophole allowing such assistance provided though a third party. It contains no codicils exempting the computer industry or any other industrial sector from the duty not in any way to assist the proliferation of nuclear explosive devices. The taboo on assistance is clear and categorical.

As well it should be. Indeed, America is quite fortunate that the term ''not in any way'' does not mean ''except in some ways.'' After all, there are 5 nuclear-weapon states today in the NPT and over 175 non-nuclear-weapon states in the world that have ratified or acceded to that treaty. If today we decide that it is fully consistent with this treaty obligation for the United States to decontrol completely technology that our top weapons designers at our nuclear weapon labs have publicly identified as essential to performing a variety of nuclear weapons-related activities, then how can we even pretend to be complying with this treaty? Is this the kind of approach we wish for other members of the treaty to adopt, to interpret that treaty as only requiring the regulation of state-of-the-art technology or goods that are only exclusively available at home? Is this what is ahead for American leadership in the global nonproliferation regime?

If this is the reasoning that is to guide America's technology transfer control policies into the 21st century, then I truly worry not just for the future of the NPT but for the future security of our country. To those who argue that we should only control state-of-the-art or sole-national-source technology, I ask: Why limit this logic only to the controls over computers? Why not, after all, also decontrol all of the other technologies that go into making bombs, except those items that are the most modern or exclusively sold in the U.S.?

The answer of course, is self apparent. Such a step would amount the crudest possible form of technological indexing, where U.S. controls would simply be ratcheted down with every new technological advancement. Such an approach would wreak havoc on any responsible nonproliferation policy.

The hydrogen bombs that America fielded in the 1950's and 1960's are no less dangerous in the hands of our adversaries just because they were made with technology that is now a half-century old. To advocate the decontrol of a technology strictly on the bases of so-called foreign availability, or the age, or level of sophistication of the item, without regard to either the actual end use or identity of the end user, is to turn a blind eye to proliferation. It is a sure-fire method to bring, as fast as possible, anachronistic weapons of mass destruction back into fashion. Fortunately, the NPT does not only aim at preventing the proliferation of state-of-the-art bombs—and we and our friends and allies around the world are much better off as a result.

Nor does our domestic legislation take such an approach. I am proud, for example, to have been the principal author of the Nuclear Non-Proliferation Act of 1978 [NNPA], which requires the President to control ''all export items * * * which could be, if used for purposes other than those for which the export is intended, of significance for nuclear explosive purposes'' (section 309(c)). Now I suppose it might have been possible to have written this law only to control:

The smallest possible number of choke-point export items . . . which are known beyond even the faintest shadow of a doubt to be exclusively intended for a weapons-related use in a publicly-listed bomb plant in a rogue regime that is known to be pursuing weapons of mass destruction.

But fortunately that is not how the law was written and our Nation is quite a bit safer with the original text. No indeed, the law was quite explicit in requiring the control over ''all'' export items—and all means all—which ''could be''—not just are—''of significance for'' nuclear explosive purposes—not just

absolutely critical to performing such functions.

We also have several sanctions laws that punish foreign countries and firms that assist other countries to acquire nuclear weapons. The so-called ''Glenn/Symington amendments'' in sections 101 and 102 of the Arms Export Control Act, for example, require sanctions against any party involved in the transfer of unsafeguarded uranium enrichment technology or nuclear reprocessing technology. These are the types of technology that produced the nuclear materials used in the Nagasaki and Hiroshima bombings. I guess you can call that old technology. I guess you could say there is ''foreign availability'' of that technology since many other nations can perform these fuel cycle operations. I guess that today's methods of enriching uranium or separating plutonium are more sophisticated than they were 20 years ago. But does any of this mean that we should rewrite all of our nuclear sanctions laws to correspond to this dubious new doctrine of controlling only state-of-the-art goods? Absolutely not, the question answers itself.

When China transferred ring magnets to Pakistan's unsafeguarded uranium enrichment plant, I did not wonder, ''now gee, were these items state-of-the-art quality or just 1970's-vintage?'' I was not angry that the items did not come from San Francisco, Chicago, New York, or even Cleveland. I did not care how sophisticated, or how old, or how cheap, or how ''available'' such items were. I did care, however, that China was assisting Pakistan to produce nuclear materials for its secret bomb project.

Nonproliferation is about not assisting countries to get the bomb—not just a duty to control the most modern gadgets available. When the special U.N. inspectors found tons of Western dual-use goods in Saddam Hussein's weapons bunkers, did any of my colleagues recall an avalanche of mail from their constituents expressing outrage that more U.S. goods were not found in Saddam's arsenal? Were there pickets in front of the Capitol haranguing the Congress further to relax export controls so that we can lower our Nation to that grimy ''level playing field'' quite evidently enjoyed by some of our European friends? None that I could find.

None indeed. Here is what happened instead. The public was outraged, and outraged all the more amid revelations shortly after the gulf war in 1991 that United States dual-use goods did, indeed, turn up in Iraq. This outrage, with a little help from the news media, helped to stimulated some constructive reforms in America's nonproliferation policy. In 1992, America succeeded in getting 27 nations of the Nuclear Suppliers Group to commit themselves not to export dual-use goods to unsafeguarded nuclear facilities and to require full-scope international safeguards for all exports of nuclear reactors and other nuclear energy-related technology. Before these sensitive dual-use goods can be exported, under this multilateral understanding, member governments must review specific license applications and review the specific nonproliferation credentials of the importing parties.

In this instance, America did not stoop to adopt the laissez faire nuclear trading practices of other countries; instead, we raised the level of the international playing field to our level by showing that our Nation is a leader not a follower when it comes to nonproliferation.

Another positive reform in U.S. nonproliferation controls was implemented just a few months after Iraq invaded Kuwait. President Bush unveiled the ''Enhanced Proliferation Control Initiative'' [EPCI], which authorized the U.S. Government to prohibit the export of any item—repeat, any item—that could contribute to the proliferation of missile technology or chemical and biological weapons. A similar control had existed for years covering dual-use nuclear technology where the exporter ''knows or has reason to know'' that the item would be used in a weapons-related application.

The EPCI or so-called knows rule was intended, however, to complement—not to replace—the Nation's export licensing system. Let me cite a recent case to illustrate this point.

On February 19, 1997, for example, the Washington Post reported that a California computer firm, Silicon Graphics, Inc., had illegally sold four supercomputers to a Russian nuclear weapons facility. The article quoted the chief executive officer of this firm as offering the following explanation for the export: ''The Department of Commerce doesn't provide a list of facilities around the world that we shouldn't ship to. So we tend to rely on the end-user statement on how they will be used.'' In short, the company interpreted the knows rule as applying only to the importer's stated end-use for the specific export. The company, and it is probably not alone in this respect, evidently did not even consider the possibility that its importer would consider offering a bogus end use.

Now there are several reasons why the U.S. Government cannot go around publishing the names and locations of all the world's secret bomb facilities and their suppliers. Here are three of them—First, the names change rapidly in the black business of nuclear proliferation and a printed list would no doubt be obsolete as soon as its ink was dry; second, the public identification of such facilities and suppliers could well jeopardize U.S. intelligence collection capabilities; and third, such a listing could be quite useful to a proliferant country or group, effectively amounting to free market research for the proliferators.

So there are some significant limitations in the extent to which the Government can delegate export control responsibilities to the private sector. Companies simply do not have the capabilities of U.S. intelligence agencies. That is the reason why licensing is such a good idea: It is the best known technique for making efficient and effective use of the resources of our Government—for which the U.S. taxpayer has paid so dearly over the years—to assess proliferation risks in specific exports.

Thus even if some of the goods we control are being sold by foreign competitors, and even if some goods are not state-of-the-art, it still makes considerable sense for the U.S. Government to require licenses for items that could assist countries to make bombs. Why? For two key reasons.

First, licensing is the Government's window on the world market for U.S. products; export decontrol or devolution of export controls to the private sector slams that window shut. In other words, licensing creates a paper trail, generates data, and gives our Government's nonproliferation analysts something concrete to work with. This information is valuable in assessing —and subsequently reducing—proliferation risks. Thus, even if license applications are rarely denied as is currently the case, it still makes sense to require licenses for goods that, as our treaties and domestic laws specify, could assist other countries to make weapons of mass destruction.

Second, our leadership role in international nonproliferation regimes requires not just words but deeds. If we want other nations to strengthen their controls, we should be prepared to do so ourselves. Again, our job must be to use our leadership to raise international standards up to our own level playing field, rather than lower our own to some homogenized least-common-denominator standard set by the world's most irresponsible suppliers.

SOME ADDITIONAL LOOSE ENDS

Before concluding today, I would like to touch upon a few other charges that have been leveled against the very idea of requiring export licenses for any but state-of-the-art computers. I will address two of such charges.

First, our national economy will allegedly be hurt by the establishment of licensing requirements for computers rated at over 2,000 MTOPS going to the designated nations.

We should keep in mind here that the overwhelming majority of America's exports leave the country without requiring export licenses at all. In 1995, for example, America exported $969 billion in goods and services, while the Government denied export licenses for goods valued at only $30 million. To give my colleagues an idea of the scale we are talking about here, the ratio between the value of those goods that were denied licenses and the total value of U.S. trade in that year is analogous to the difference between the length of a pencil eraser and the height of the Washington Monument. That is about the same ratio as the size of garden pea on the quarter-inch line of a

100-yard football field, or the amount of calories in a single carrot relative to a year's worth of balanced meals.

Here is another way to put this problem in its proper context: $99.20 out of every $100 in U.S. exports did not require an export license. And of the few that did require such a license, only one license in a hundred was denied. That was in 1995. Since then, computer controls have been substantially liberalized (along with chemical exports going to parties to the Chemical Weapons Convention), while overall U.S. exports were just over $1 trillion in 1996. Relative to total U.S. trade, therefore, fewer and fewer goods are requiring licenses.

Now some might argue that while these figures may be true, certain industries face a greater likelihood of having to face license requirements than other industries. Yes that is undoubtedly true: If you produce something that is likely to assist another country to get the bomb, you can expect Uncle Sam to get a bit nosy and, if the system is working right, to be an outright nuisance. No company, however, can claim any right under U.S. law to help another country to make nuclear weapons or any other weapons of mass destruction. We have a free economy—but our individual freedom to produce and market goods is not unlimited, especially when it comes to goods that can jeopardize our national security.

As John Stuart Mill once wrote in his book, ''On Liberty,'' over a 100 years ago: ''Trade is a social act. Whoever undertakes to sell any description of goods to the public, does what affects the interest of other persons, and of society in general; and thus his conduct, in principle, comes within the jurisdiction of society.'' The writer of those words was one of England's foremost liberal economists. Even Adam Smith himself admitted that the Government had a legitimate responsibility to regulate certain forms of trade.

And I for one cannot imagine a more legitimate basis for regulating trade than to ensure that America is not assisting other countries to make the bomb. Fortunately, I am not alone in this conviction. As President Clinton stated on October 18, 1994: ''There is nothing more important to our security and to the world's stability than preventing the spread of nuclear weapons and ballistic missiles.'' The key legislative task—a responsibility now before us today—is to ensure that this principle is reflected in the rules and procedures America uses to control its own exports. License-free exports of technologies that our weapons labs have repeatedly identified as useful in making bombs and reentry vehicles hardly seems to me an appropriate way to implement this Presidential statement of our top national priority.

Our national economy will not be hurt, and America's international economic competitiveness will not be crippled, by the establishment of a licensing requirement on computers rated at 2,000 MTOPS and above going to certain destinations—though our national economy could well be endangered, and considerable business opportunities lost, if a nuclear war should someday break out involving foreign weapons that designed with computers that were Made in USA.

Most computers, moreover, will still leave the country without export licenses. We are talking about today machines that have special capabilities. On June 12 of this year, a senior strategic trade advisor at the Department of Defense, Peter Leitner, testified before a hearing of the Joint Economic Committee on ''Economic Espionage, Technology Transfers and National Security.'' Dr. Leitner included with his testimony a graphic showing some of the functions in our own military of computers operating at levels actually less than 2,000 MTOPS. He pointed out that NORAD had recently upgraded its computers by buying Hewlett-Packard computers rated between 99 and 300 MTOPS. He testified that machines have been used below 2,000 MTOPS to perform the following functions: space vehicle design (launch and control); high-speed design simulations; prewind tunnel modeling; reentry vehicle design (ICBMs); and high-speed cryptography.

Perhaps we should require licenses for computers at even lower levels than 2,000 MTOPS, as Dr. Leitner's testimony implies. It seems hard to justify the authorization of exports—without even requiring a license or an end use or end-user check—of technology that is capable of being used in designing nuclear weapons or reentry vehicles as being in any way consistent with our national security interests. Until some international agreement can be reached on an alternative level, however, the 2,000 MTOPS level is a good place to begin to strengthen controls over these sensitive dual-use items.

Multilateral control over this technology is of course the best course to pursue, but multilateralism has to begin somewhere. The United States—with its reputation as the world's leading champion of nonproliferation and with its world-class computer industry—has an extraordinary opportunity for leadership in encouraging other members of the Nuclear Suppliers Group to adopt similar controls. A diplomatic effort of this nature would also help to alleviate fears of our industry that the duty of complying with these controls would fall only on U.S. exporters. Our negotiations with other members of the NSG should begin with one basic question: Why should computers be exempt from the no-assistance norm that lies at the heart of the global nonproliferation regime?

My colleague from Minnesota, Mr. GRAMS, has recently suggested that perhaps the General Accounting Office might be called upon to examine the national security risks of unregulated exports of computers in this range and, depending on the scope and content of the request, this might be a good idea indeed. But until we see a specific request and a finished study, I think the amendment proposed by Messrs. COCHRAN and DURBIN is a prudent course to follow for the immediate future.

It is useful to recall that GAO does indeed have some relevant background in dealing with the proliferation implications of such computers. At my request back in 1994, the GAO prepared a lengthy report on U.S. export licensing procedures for handling nuclear dual-use items. In testimony before the Committee on Governmental Affairs on May 17, 1994, a senior GAO official, Joseph Kelly, noted that recent export control reforms in recent years ''. . . will almost certainly result in a substantial decline in the number of computer license applications and could complicate U.S. efforts to prevent U.S. computer exports from supporting nuclear proliferation.'' GAO concluded that ''many of the computers that will now be free of nuclear proliferation licensing requirements are capable of performing nuclear weapons-related work.'' (GAO/NSIAD–94–119, 4/26/94 and GAO/T-NSIAD–94–163, 5/17/94.) Mr. President, these do not seem to me to be the types of items that should be, in GAO's terms, ''free of nuclear proliferation licensing requirements.''

The second charge leveled against the establishment of a licensing requirement is that it would place U.S. exporters at a competitive disadvantage, due to the protracted delays in obtaining the necessary license approvals. This argument also lacks credibility. The Bureau of Export Administration [BXA] in the Department of Commerce is so proud of its recent efforts to streamline the export license application process that it trumpets this achievement in its most recent annual report to Congress. Here is what that report had to say about the licensing process:

> . . . BXA implemented significant improvements in the export license system via Presidential Executive Order 12981 [which] . . . limit the application review time by other U.S. agencies, provide an orderly procedure to resolve interagency disputes, and establish further accountability through the interagency review process.
>
> [E.O. 12981] . . . reduces the time permitted to process license applications. No later than 90 calendar days from the time a complete license application is submitted, it will either be finally disposed of or escalated to the President for a decision. Previously, all license applications had to be resolved within 120 days after submission to the Secretary. . . . By providing strict time limits for license review and a ''default to decision'' process, it also ensures rapid decisionmaking and escalation of license applications.
>
> In FY 1996, the Bureau introduced a PC-based forms processing and image management system which, along with the new multipurpose application form, enhances BXA's ability to make quick and accurate licensing and commodity classification decisions.
>
> BXA ensures that export license applications are analyzed and acted upon accurately, quickly, and consistently, and that exporters have access to the decisionmaking

process, with current status reports available at all times. Rapid processing is available for the majority of applications BXA receives.

BXA also notes that it is in the process of upgrading and expanding its electronic licensing process to provide prompt customer service.

It is also noteworthy that BXA discusses in the same report its assistance to Russia and other new republics of the former Soviet Union to upgrade their national systems of export control. Obviously, if America is decontrolling goods useful in making nuclear weapons and other weapons of mass destruction, and the missile systems to deliver them, then we can hardly hope to inspire these other countries to show any greater discipline.

It would be far better for us to be sticking to a strict interpretation of the ''not in any way to assist'' obligation that the United States and every other nuclear-weapon state in the NPT has vowed to implement. We should lead the way in strengthening international controls, not in relaxing them under the false flag ''economic competitiveness.'' We should remember that these other countries have their own conceptions of ''economic competitiveness'' that, if allowed to become a global norm, could lead to a total collapse of the international nonproliferation regime. We have as much at stake in encouraging these countries to place nonproliferation as a high-national priority as we have in ensuring a similar priority here at home.

CONCLUSION

So I ask my colleagues to join me in voting for this constructive reform of our export licensing process. We have the people in our government who are competent to review these licenses. We have the technology and procedures in our Government to ensure the prompt and efficient handling of license applications. We have both domestic and international legal obligations that requires the control of technology that could assist other countries to get the bomb. And we have legitimate national security interests to protect. America can be a formidable economic competitor in the world without becoming the world's most formidable proliferator of nuclear or dual-uses goods. I urge my friends and colleagues to vote for this amendment.

HIGH-PERFORMANCE COMPUTERS

Mr. WARNER. Mr. President, I had the opportunity earlier today to meet with a number of computer manufacturers located in my State. They expressed grave concerns about the amendment which you have proposed. I would like to take this opportunity to engage in a colloquy with the Senator from Mississippi in an effort to get more information on this important issue into the RECORD.

My constituents allege that, by next year, your amendment will have the effect of restricting the sale of personal computers—similar to those in our Senate offices—to Tier 3 countries. Do you agree with this statement?

Mr. COCHRAN. Mr. President, based upon statements made by Under Secretary of Commerce for Export Administration William Reinsch, it is highly unlikely that personal computers capable of more than 2,000 MTOPS will be available by next year. At a recent hearing Secretary Reinsch said, ''high-end Pentium-based personal computers sold today at retail outlets perform at about 200 to 250 MTOPS,'' and at another hearing, this one before my subcommittee on June 11, he also said that ''computer power doubles every 18 months, and this has been the axiom in the industry for I think about 15 years.'' The math is straightforward; if top-end PC's are capable of 250 MTOPS today, 18 months from now they'll be capable of 1,000 MTOPS; and 54 months from now—in 4½ years—they'll be capable of 2,000 MTOPS. Fifty-four months from now is not, contrary to the claims of some computer manufacturers, the fourth quarter of next year.

Mr. WARNER. Mr. President, it is my understanding that, since 1995 when the new export control standards were established, there have been over 1,400 computers sold in this range to Tier 3 countries. Of those 1,400 sales, a small number have allegedly wound up with military end users in Russia and China. What evidence do we have concerning these alleged computer sales to military end users?

Mr. COCHRAN. Mr. President, according to the Department of Commerce, from the period January 25, 1997, through March 1997, 1,436 supercomputers were exported from the United States. Of that number, 91—or 6.34 percent—went to Tier 3 countries, some of which went with an individual validated license. We know, based upon statements by Russian and Chinese Government officials, that some of these supercomputers are in the Chinese Academy of Sciences, a military facility in Chungsha, China, and in Arzamas-16 and Chelyabinsk-70. Arzamas-16 and Chelyabinsk-70 are both well-known nuclear weapons development facilities in Russia; the suggestion by exporters that these high performance computers would be in either of these locations and not be doing nuclear-related work appears to be somewhat self-serving and contrary to common sense. According to Russia's Minister of Atomic Energy, these supercomputers are ''10 times faster than any previously available in Russia.'' The Chinese Academy of Sciences, which has worked on everything from the D–5 ICBM to enriching uranium for nuclear weapons, hasn't been shy about its new supercomputing capabilities, saying that its American supercomputer provides the Academy with ''computational power previously unknown'' available to ''all the major scientific and technological institutes across China.'' American high performance computers are now available to help these countries improve their nuclear weapons and improve that which they are proliferating.

Mr. WARNER. Mr. President, if your amendment passes, it is my understanding that this would be the first time that export control parameters would be established in statute. I am concerned that with advances in technology, the fixed parameters will quickly become outdated. How will we be able to deal with these technological advances when fixed parameters are included in legislation? Did you consider other alternatives to fixed statutory language, such as an annual review of the threshold by a neutral third party or government entity?

Mr. COCHRAN. Mr. President, the current policy is established in regulation, and regulation has the force and effect of law. For Congress to participate in the policymaking process it must pass legislation. Furthermore, the pace of technological advancement is such that, at some point in the future, it is entirely possible that the 2,000 MTOPS level—which is the administration's current floor—will have to be raised. That is why, on July 7 on the Senate floor, I said that if, 4 or 5 years from now, industry's optimism proves to be correct, I will be pleased to return to the floor and offer legislation adjusting the 2,000 MTOPS level.

Mr. WARNER. Mr. President, I have been told that computers with similar capabilities and computing power are readily available from other nations. Given that, the concern is that your amendment would put U.S. computer companies at a competitive disadvantage since these computers are readily available on the world market. What has your subcommittee's research shown regarding the foreign availability of computers in this range (2,000–7,000 MTOPS)? What is the market share of U.S. manufacturers of computers in this range, and has that market share changed since the administration liberalized its policy in 1995?

Mr. COCHRAN. Mr. President, this amendment will not in any way reduce the number of American high-performance computers going to Tier 3 countries. It does not change the administration's standards for making the exports; all that is changed is the question of who makes end-use and end-user determinations for Tier 3 countries. In fact, at least eight high-performance computers have been exported to Tier 3 countries with an individual validated license since this policy started. Only entities that shouldn't be receiving these supercomputers in the first place won't, because of closer scrutiny by the executive branch, receive them under this amendment. So, the suggestion by some manufacturers that this amendment would somehow reduce their market share is an argument that has no basis in fact.

Mr. WARNER. Mr. President, it has been alleged that the licensing requirement contained in your amendment will put U.S. computer companies at a commercial disadvantage since it often takes up to 6 months for the Commerce

Department to approve an export license. By contrast, the Japanese often approve export licenses in 24 hours. In conjunction with your efforts on this amendment, have you explored options for improving the export license approval process at Commerce?

Mr. COCHRAN. Mr. President, Japan has a more restrictive export control policy than does the United States. I support making the Department of Commerce export licensing process more efficient, though a more efficient process cannot come at the expense of national security concerns, which must be adequately addressed in the process. I would note, as well, that more than 95 percent of export licenses considered by Commerce are currently approved in 30 days or less.

AMENDMENT NO. 669

Mr. ROCKEFELLER. Mr. President, I am proud to cosponsor an amendment to the Department of Defense authorization bill that would restore funding for bioassay testing of atomic veterans. I urge all of my colleagues to join in support of this important measure.

In my role as the ranking member of the Senate Committee on Veterans' Affairs, I have heard firsthand of the difficulties experienced by veterans exposed to ionizing radiation during their military service when they have tried to get their radiation-related diseases service connected by the Department of Veterans Affairs. The main reason for this difficulty is the sometimes impossible task of accurately reconstructing radiation dosage.

The law currently distinguishes between two groups of veterans: those who warrant presumptive service connection for their radiation-related conditions because of their participation in an atmospheric nuclear test, the occupation of Hiroshima or Nagasaki, or their internment as a prisoner of war in Japan during World War II, which resulted in possible exposure to ionizing radiation—and those who may have been exposed to ionizing radiation in service under other circumstances, such as service on a nuclear submarine. Those veterans who do not receive presumptive service connection and suffer from radiogenic diseases must prove their exposure to radiation by having the VA and DOD attempt to reconstruct their radiation dose through military records. VA looks to the DOD to perform these dose reconstructions.

This amendment is so important because the White House Advisory Committee on Human Radiation Activities has acknowledged that there are inadequate records to determine the precise amount of radiation to which a veteran was exposed, and what the long-term risks associated with that exposure are. As of September 1996, VA had only granted service connection to 1,977 out of 18,896 veterans who had filed claims based on participation in all radiation-risk activities. VA estimates that it has granted fewer than 50 claims of veterans who did not receive presumptive service connection.

This amendment would authorize $300,000 for the completion of the third and final phase of Brookhaven National Laboratory's testing of radiation-exposed veterans. Brookhaven's fission tracking analysis could provide a more accurate measure of an individual's internal radiation dosages. I have contacted VA in support of the Brookhaven project in the past. VA's response indicated that it is the Department of Defense, not the VA, who has the responsibilty to provide dose estimates for veterans exposed to ionizing radiation. That is why we must restore funding to the Brookhaven project in the DOD authorization bill.

As ranking member of the Committee on Veterans' Affairs, I have seen the struggles of America's atomic veterans and their survivors. I have heard testimony of the veterans who bravely served in our military, and who are now sick and dying and cannot get the compensation they have earned by their service to our country. These veterans were placed in harm's way, sworn to secrecy, and abandoned by their government for many years. It is critical that we search for a better way to assess their exposure to radiation. It is vital that we restore funding to a program that can renew hope to atomic veterans and their families.

Mr. BROWNBACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I ask unanimous consent for a period of morning business not to exceed 10 minutes.

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

Mr. WARNER. Mr. President, if I might ask my distinguished colleague, we have a few cleared amendments on the bill. Would it be possible to clear up these few amendments and then return to his request?

Mr. BROWNBACK. I have no objection to doing that.

Mr. WARNER. I thank the Senator.

Mr. President, we are ready to proceed, if the distinguished ranking member is prepared.

AMENDMENT NO. 607, AS MODIFIED

Mr. WARNER. Mr. President, I ask unanimous consent that Senator KYL's amendment be modified as indicated in the modification, which I now send to the desk, numbered 607.

Mr. LEVIN. Mr. President, let me ask a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. WARNER. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I understand that this modification, which has been offered by the sponsor of the amendment, would be in order, that he would have the right to modify his own amendment. Is that correct?

The PRESIDING OFFICER. The Senator from Arizona would have the right to modify his amendment only if cloture is not invoked tomorrow.

Mr. LEVIN. As of right now, if the Senator from Arizona were here, he would have the right to modify his amendment. Is that correct?

The PRESIDING OFFICER. If cloture were invoked tomorrow, the particular modification would be invalid without unanimous consent.

Mr. LEVIN. Parliamentary inquiry. Perhaps I did not state it clearly. If the Senator from Arizona were here now and offered to modify his own pending amendment, which is what I understand is being offered——

The PRESIDING OFFICER. It would be invalidated by the adoption of cloture tomorrow in the absence of unanimous consent.

Mr. WARNER. Mr. President, I am seeking unanimous consent and appearing on behalf of the Senator and offering it on his behalf. And the yeas and nays, to my understanding, have not been ordered.

The PRESIDING OFFICER. If unanimous consent were granted to the modification, of course.

Mr. WARNER. That is correct. And I have sought unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. Parliamentary inquiry. I am sorry to press this. But my parliamentary inquiry is, that right to modify his own amendment would exist if the Senator were here himself at this point.

The PRESIDING OFFICER. Only with unanimous consent, should cloture be invoked tomorrow.

Mr. LEVIN. I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. WARNER. 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. WARNER. Now, Mr. President, I thank the indulgence of the Chair while the Senator from Michigan and I have resolved such differences as we may have had and once again restate, I ask unanimous consent that the amendment of the Senator from Arizona, amendment No. 607 be amended, and I send to the desk the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WARNER. I thank the Chair.

The amendment (No. 607), as modified, is as follows:

At the end of subtitle E of title X, add the following:

**SEC. 1075. LIMITATION ON USE OF COOPERATIVE THREAT REDUCTION FUNDS FOR DESTRUCTION OF CHEMICAL WEAPONS.**

(a) LIMITATION.—No funds authorized to be appropriated under this or any other Act for fiscal year 1998 for Cooperative Threat Reduction programs may be obligated or expended for chemical weapons destruction activities, including for the planning, design,

or construction of a chemical weapons destruction facility or for the dismantlement of an existing chemical weapons production facility, until the date that is 15 days after a certification is made under subsection (b).

(b) PRESIDENTIAL CERTIFICATION.—A certification under this subsection is a certification by the President to Congress that—

(1) Russia is making reasonable progress toward the implementation of the Bilateral Destruction Agreement;

(2) the United States and Russia have resolved, to the satisfaction of the United States, outstanding compliance issues under the Wyoming memorandum of Understanding and the Bilateral Destruction Agreement;

(3) Russia has fully and accurately declared all information regarding its unitary and binary chemical weapons, chemical weapons facilities, and other facilities associated with chemical weapons; and

(4) Russia and the United States have concluded an agreement that—

(A) provides for a limitation on the United States financial contribution for the chemical weapons destruction activities; and

(B) commits Russia to pay a portion of the cost for a chemical weapons destruction facility in an amount that demonstrates that Russia has a substantial stake in financing the implementation of both the Bilateral Destruction Agreement and the Chemical Weapons Convention, as called for in the condition provided in section 2(14) of the Senate Resolution entitled ''A resolution to advise and consent to the ratification of the Chemical Weapons Convention, subject to certain conditions'', agreed to by the Senate on April 24, 1997.

(c) DEFINITIONS.—In this section:

(1) The term ''Bilateral Destruction Agreement'' means the Agreement Between the United States of America and the Union of Soviet Socialist Republics on Destruction and Nonproduction of Chemical Weapons and on Measures to Facilitate the Multilateral Convention on Banning Chemical Weapons, signed on June 1, 1990.

(2) The term ''Chemical Weapons Convention'' means the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, opened for signature on January 13, 1993.

(3) The term ''Cooperative Threat Reduction program'' means a program specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201: 110 Stat. 2731; 50 U.S.C. 2362 note).

(4) The term ''Wyoming Memorandum of Understanding'' means the Memorandum of Understanding Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

AMENDMENT NO. 644

(Purpose: To make retroactive the entitlement of certain Medal of Honor recipients to the special pension provided for persons entered and recorded on the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll)

Mr. WARNER. Now, Mr. President, on behalf of Senator KEMPTHORNE, I offer an amendment which would make retroactive the entitlement of certain Medal of Honor recipients for special pensions provided to persons entered and recorded in the Medal of Honor rolls.

Mr. President, I believe this amendment has been cleared by the other side.

Mr. LEVIN. The amendment has been cleared, Mr. President.

Mr. WARNER. I therefore urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. KEMPTHORNE, proposes an amendment numbered 644:

At the end of subtitle D of title V, add the following:

**SEC. 535. RETROACTIVITY OF MEDAL OF HONOR SPECIAL PENSION.**

(a) ENTITLEMENT.—In the case of Vernon J. Baker, Edward A. Carter, Junior, and Charles L. Thomas, who were awarded the Medal of Honor pursuant to section 561 of Public Law 104–201 (110 Stat. 2529) and whose names have been entered and recorded on the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll, the entitlement of those persons to the special pension provided under section 1562 of title 38, United States Code (and antecedent provisions of law), shall be effective as follows:

(1) In the case of Vernon J. Baker, for months that begin after April 1945.

(2) In the case of Edward A. Carter, Junior, for months that begin after March 1945.

(3) In the case of Charles L. Thomas, for months that begin after December 1944.

(b) AMOUNT.—The amount of the special pension payable under subsection (a) for a month beginning before the date of the enactment of this Act shall be the amount of the special pension provided by law for that month for persons entered and recorded on the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll (or an antecedent Medal of Honor Roll required by law).

(c) PAYMENT TO NEXT OF KIN.—In the case of a person referred to in subsection (a) who died before receiving full payment of the pension pursuant to this section, the Secretary of Veterans Affairs shall pay the total amount of the accrued pension, upon receipt of application for payment within one year after the date of the enactment of this Act, to the deceased person's spouse or, if there is no surviving spouse, then to the deceased person's children, per stripes, in equal shares.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 644) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 596

(Purpose: To authorize $6,719,000 for the construction of a combined support maintenance shop, Camp Johnson, Colchester, Vermont)

Mr. LEVIN. Mr. President, on behalf of Senators LEAHY and JEFFORDS, I offer an amendment which would authorize $6.7 million for the construction of a combined support maintenance shop for the Vermont Army National Guard in Colchester, VT.

I believe this amendment has been cleared on the other side.

Mr. WARNER. Mr. President, it has been cleared.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for Mr. LEAHY, for himself and Mr. JEFFORDS, proposes an amendment numbered 596:

On page 382, line 15, strike out ''$155,416,000'' and insert in lieu thereof ''$162,135,000''.

Mr. JEFFORDS. Mr. President, I am pleased to be offering, with my colleague Senator PATRICK LEAHY, an amendment to the Department of Defense authorization bill to provide for the construction of a combined support and maintenance shop [CSMS] at Camp Johnson, VT.

This project is to be constructed in Colchester, VT and used by the Vermont National Guard to meet its support level maintenance mission. The quantity, size and type of equipment now assigned to the Vermont Army National Guard have required them to propose the construction of this CSMS. The new facility will have administrative offices and allied shops as well as special bays for maintenance work on all types of vehicles. The design money for this project was approved by the Congress last year.

The Vermont Army National Guard has stretched the limits of the current facility which was built over 40 years ago, in 1956. The current facility has very significant shortfalls in all office and shop areas. The existing work bays cannot accommodate the M–1 tank. In addition, essential maintenance and maintenance training is consistently delayed due to the lack of space. Without the construction of a new facility readiness of the Vermont Army National Guard will be adversely affected.

In order to assure that the Vermont Army National Guard is ready at all times to meet the needs of our nation's defense, Senator Leahy and I have worked together on this project. I am pleased that the Vermont Army National Guard can move forward on this CSMS and hope that my colleagues will support the efforts that Senator Leahy and I have taken to insure that the Vermont Army National Guard can meet the military needs of our country in the next century.

I commend Chairman THURMOND for his foresight to realize that his new facility is essential in order for the Vermont Army National Guard to meet the anticipated demands on them in the coming years.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 596) was agreed to.

Mr. LEVIN. 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.

AMENDMENT NO. 781

(Purpose: To authorize $3,210,000 for the construction of an Army National Guard readiness center at Macon, Missouri)

Mr. WARNER. Mr. President, again, I am standing in for the distinguished

chairman of the Armed Services Committee this evening in offering these amendments.

On behalf of Senator BOND, I offer an amendment which would authorize $3.2 million for the construction of a readiness center for the Missouri Army National Guard in Macon, MO.

This amendment, it is my understanding, has been cleared.

The PRESIDING OFFICER. Without objection, the clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. BOND, proposes an amendment numbered 781:

On page 382, line 15, strike out ''$155,416,000'' and insert in lieu thereof ''$158,626,000''.

Mr. BOND. Mr. President, I rise to offer an amendment to the Defense authorization bill to include authorization for funding construction of a National Guard readiness center. Military construction projects such as this will ensure that as we downsize our military, the facilities which house and service our military will not be left to deteriorate. Armories throughout the Nation need to be adequately maintained and upgraded to provide decent training facilities for the men and women assigned to units based at these armories and to protect the vital equipment stored there. In Macon, MO, there is a company of soldiers located in a facility owned by the city, which was constructed in the 1890's and is totally inadequate. In order to provide these soldiers with a facility capable of maintaining their proficiency in mission essential task training, I have requested funds adequate to complete such a facility. I also point out that it will be less expensive to create a new facility than to attempt to refurbish this 19th century structure.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 781) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 610

(Purpose: To authorize $5,232,000 for the addition and alteration of an administrative facility at Bellows Air Force Station, Hawaii)

Mr. LEVIN. Mr. President, on behalf of Senator INOUYE, I offer an amendment which would authorize $5.2 million for the alteration of an administrative facility at Bellows Air Force Station, HI.

I believe this amendment has been cleared by the other side.

Mr. WARNER. The amendment has been accepted on this side.

The PRESIDING OFFICER. Without objection, the clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for Mr. INOUYE, proposes an amendment numbered 610:

On page 366, in the table following line 5, insert after the item relating to Robins Air Force Base, Georgia, the following new item:

| | | |
|---|---|---|
| Hawaii | Bellows Air Force Station | $5,232,000 |

On page 366, in the table following line 5, strike out ''$540,920,000'' in the amount column in the item relating to the total and insert in lieu thereof ''$546,152,000''.

On page 369, line 9, strike out ''$1,793,949,000'' and insert in lieu thereof ''$1,799,181,000''.

On page 369, line 13, strike out ''$540,920,000'' and insert in lieu thereof ''$546,152,000''.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 610) was agreed to.

Mr. LEVIN. 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.

AMENDMENT NO. 782

(Purpose: To make certain adjustments in the authorizations relating to military construction projects)

Mr. WARNER. On behalf of Senators THURMOND and LEVIN, I offer an amendment which would make funding adjustments to provide the necessary offset to fund certain military construction projects.

I undoubtedly think it has been accepted on the other side.

Mr. LEVIN. It has been, Mr. President.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. THURMOND, for himself and Mr. LEVIN, proposes an amendment numbered 782:

On page 356, line 8, strike out ''$1,957,129,000'' and insert in lieu thereof ''$1,951,478,000''.

On page 357, line 4, strike out ''$1,148,937,000'' and insert in lieu thereof ''$1,143,286,000''.

On page 360, in the table following line 7, strike out the item relating to Naval Station, Roosevelt Roads, Puerto Rico.

On page 360, in the table following line 7, strike out ''$75,620,000'' in the amount column in the item relating to the total and insert in lieu thereof ''$65,920,000''.

On page 362, line 14, strike out ''$1,916,887,000'' and insert in lieu thereof ''$1,907,387,000''.

On page 362, line 20, strike out ''$75,620,000'' and insert in lieu thereof ''$65,920,000''.

The PRESIDING OFFICER. Without objection the amendment is agreed to.

The amendment (No. 782) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 783

(Purpose: To authorize the Secretary of the Air Force to enter into an agreement for the use of a medical resource facility in Alamagordo, New Mexico)

Mr. LEVIN. Mr. President on behalf of Senator BINGAMAN, I offer an amendment that would authorize the Secretary of the Air Force to enter into an agreement to grant $7 million to a private nonprofit hospital in Alamagordo, NM, to construct and equip a new joint-use hospital.

I ask also unanimous consent that Senator DOMENICI be added as an original cosponsor.

I believe it has been cleared on the other side.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for Mr. BINGAMAN, for himself and Mr. DOMENICI, proposes an amendment numbered 783:

On page 226, between lines 2 and 3, insert the following:

**SEC. 708. AUTHORITY FOR AGREEMENT FOR USE OF MEDICAL RESOURCE FACILITY, ALAMAGORDO, NEW MEXICO.**

(a) AUTHORITY.—The Secretary of the Air Force may enter into an agreement with Gerald Champion Hospital, Alamagordo, New Mexico (in this section referred to as the ''Hospital''), providing for the Secretary to furnish health care services to eligible individuals in a medical resource facility in Alamagordo, New Mexico, that is constructed, in part, using funds provided by the Secretary under the agreement.

(b) CONTENT OF AGREEMENT.—Any agreement entered into under subsection (a) shall, at a minimum, specify the following:

(1) The relationship between the Hospital and the Secretary in the provision of health care services to eligible individuals in the facility, including—

(A) whether or not the Secretary and the Hospital is to use and administer the facility jointly or independently; and

(B) under what circumstances the Hospital is to act as a provider of health care services under the TRICARE managed care program.

(2) Matters relating to the administration of the agreement, including—

(A) the duration of the agreement;

(B) the rights and obligations of the Secretary and the Hospital under the agreement, including any contracting or grievance procedures applicable under the agreement;

(C) the types of care to be provided to eligible individuals under the agreement, including the cost to the Department of the Air Force of providing the care to eligible individuals during the term of the agreement;

(D) the access of Air Force medical personnel to the facility under the agreement;

(E) the rights and responsibilities of the Secretary and the Hospital upon termination of the agreement; and

(F) any other matters jointly identified by the Secretary and the Hospital.

(3) The nature of the arrangement between the Secretary and the Hospital with respect to the ownership of the facility and any property under the agreement, including—

(A) the nature of that arrangement while the agreement is in force;

(B) the nature of that arrangement upon termination of the agreement; and

(C) any requirement for reimbursement of the Secretary by the Hospital as a result of the arrangement upon termination of the agreement.

(4) The amount of the funds available under subsection (c) that the Secretary is to contribute for the construction and equiping of the facility.

(5) Any conditions or restrictions relating to the construction, equipping, or use of the facility.

(c) AVAILABILITY OF FUNDS FOR CONSTRUCTION AND EQUIPPING OF FACILITY.—Of the

amount authorized to be appropriated by section 301(21), not more than $7,000,000 may be available for the contribution of the Secretary referred to in subsection (b)(4) to the construction and equipping of the facility described in subsection (a).

(d) NOTICE AND WAIT.—The Secretary may not enter into the agreement authorized by subsection (a) until 90 days after the Secretary submits to the congressional defense committees a report describing the agreement. The report shall set forth the memorandum of agreement under subsection (b), the results of a cost-benefit analysis conducted by the Secretary with respect to the agreement, and such other information with respect to the agreement as the Secretary considers appropriate.

(e) ELIGIBLE INDIVIDUAL DEFINED.—In this section, the term ''eligible individual'' means any individual eligible for medical and dental care under chapter 55 of title 10, United States Code, including any individual entitled to such care under section 1074(a) of that title.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 783) was agreed to.

Mr. LEVIN. 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.

AMENDMENT NO. 784

(Purpose: To require a report on the policies and practices of the Department of Defense relating to the protection of members of the Armed Forces abroad from terrorist attack)

Mr. WARNER. Mr. President, on behalf of Senator SPECTER, I offer an amendment which would require the Secretary of Defense to provide the Congressional defense committees with a report that would contain an assessment of the policies and procedures for determining force protection requirements within the Department of Defense and procedures to determine accountability within the Department of Defense when there is a loss of life due to a terrorist attack.

The PRESIDING OFFICER. Without objection, the clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. SPECTER, proposes an amendment numbered 784:

On page 306, between lines 4 and 5, insert the following:

**SEC. 1041. REPORT ON POLICIES AND PRACTICES RELATING TO THE PROTECTION OF MEMBERS OF THE ARMED FORCES ABROAD AND TERRORIST ATTACK.**

(a) FINDINGS.—Congress makes the following findings:

(1) On June 25, 1996, a bomb detonated not more than 80 feet from the Air Force housing complex known as Khobar Towers in Dhahran, Saudi Arabia, killing 19 members of the Air Force and injuring hundreds more.

(2) On June 13, 1996, a report by the Bureau of Intelligence and Research of the Department of State highlighted security concerns in the region in which Dhahran is located.

(3) On June 17, 1996, the Department of Defense received an intelligence report detailing a high level of risk to the complex.

(4) In January 1996, the Office of Special Investigations of the Air Force issued a vulnerability assessment for the complex, which assessment highlighted the vulnerability of perimeter security at the complex given the proximity of the complex to a boundary fence and the lack of the protective coating Mylar on its windows.

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report containing the following:

(a) An assessment of the current policies and practices of the Department of Defense with respect to the protection of members of the Armed Forces abroad against terrorist attack, including any modifications to such policies or practices that are proposed or implemented as a result of the assessment.

(2) An assessment of the procedures of the Department of Defense intended to determine accountability, if any, in the command structure in instances in which a terrorist attack results in the loss of life at an installation or facility of the Armed Forces abroad.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 784) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 785

(Purpose: To express the sense of Congress regarding the transfer of the ground communication-electronic workload from McClellan Air Force Base, California, to Tobyhanna Army Depot, Pennsylvania, in accordance with the schedule provided for the realignment of the performance of such workload; and to prohibit privatization of the performance of that workload in place)

Mr. WARNER. Mr. President, on behalf of the Senators SANTORUM and SPECTER, I offer an amendment which would express the sense of the Senate that the ground communication-electronic depot maintenance workload currently performed at McClellan Air Logistics Center should be transferred to the Army Depot at Tobyhanna, PA, in adherence to the schedule prescribed for that transfer by the Defense Depot Maintenance Council on March 13, 1997.

The PRESIDING OFFICER. Without objection, the clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. SANTORUM, for himself and Mr. SPECTER, proposes an amendment numbered 785:

At the end of subtitle B of title III, add the following:

**SEC. 319. REALIGNMENT OF PERFORMANCE OF GROUND COMMUNICATION-ELECTRONIC WORKLOAD.**

(a) SENSE OF CONGRESS.—It is the sense of Congress that the transfer of the ground communication-electronic workload to Tobyhanna Army Depot, Pennsylvania, in the realignment of the performance of such function should be carried out in adherence to the schedule prescribed for that transfer by the Defense Depot Maintenance Council on March 13, 1997, as follows:

(1) Transfer of 20 percent of the workload in fiscal year 1998.

(2) Transfer of 40 percent of the workload in fiscal year 1999.

(3) Transfer of 40 percent of the workload in fiscal year 2000.

(b) PROHIBITION.—No provision of this Act that authorizes or provides for contracting for the performance of a depot-level maintenance and repair workload by a private sector source at a location where the workload was performed before fiscal year 1998 shall apply to the workload referred to in subsection (a).

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 785) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 786

(Purpose: To make technical amendments and corrections)

Mr. WARNER. Now, Mr. President, on behalf of Senator THURMOND, I offer an amendment which makes technical amendments and corrections to the bill.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. THURMOND, proposes an amendment numbered 786:

On page 26, after line 24, add the following:

(b) EXCEPTIONS.—The prohibition in subsection (a) does not apply to the following:

(1) Any purchase, lease, upgrade, or modification initiated before the date of the enactment of this Act.

(2) Any installation of state-of-the-art technology for a drydock that does not also increase the capacity of the drydock.

On page 26, line 21, insert ''(a) PROHIBITION.—'' before ''None''.

On page 37, line 9, strike out ''6,006'' and insert in lieu thereof ''6,206''.

On page 278, line 12, strike out ''under section 301(20) for fiscal year 1998''.

On page 365, between lines 18 and 19, insert the following:

**SEC. 2206. INCREASE IN AUTHORIZATION FOR MILITARY CONSTRUCTION PROJECTS AT ROOSEVELT ROADS NAVAL STATION, PUERTO RICO.**

(a) INCREASE.—The table in section 2201(b) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2767) is amended in the amount column of the item relating to Naval Station, Roosevelt Roads, Puerto Rico, by striking out ''$23,600,000'' and inserting in lieu thereof ''$24,100,000''.

(b) CONFORMING AMENDMENT.—Section 2204(b)(4) of such Act (110 Stat. 2770) is amended by striking out ''14,100,000'' and inserting in lieu thereof ''$14,600,000''.

On page 400, after line 25, insert the following:

(d) AUTHORITY CONTINGENT ON APPROPRIATIONS ACTS.—The Secretary may exercise the authority under subsection (a) only to the extent and in the amounts provided in advance in appropriations Acts.

On page 409, line 23, insert '', to the extent provided in appropriations Acts,'' after ''shall''.

On page 417, line 23, strike out ''$1,265,481,000'' and insert in lieu thereof ''$1,266,021,000''.

On page 418, line 5, strike out ''84,367,000'' and insert in lieu thereof ''$84,907,000''.

On page 419, line 17, strike out ''$2,173,000'' and insert in lieu thereof ''$2,713,000''.

On page 481, line 16, insert ''of the Supervisory Board of the'' before ''Commission''.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 786) was agreed to.

Mr. WARNER. I thank the Chair. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 706

(Purpose: To enhance fish and wildlife conservation and natural resources management programs under the Sikes Act)

Mr. WARNER. Mr. President, on behalf of Senators CHAFEE and BAUCUS, I offer an amendment that would authorize the act to promote effective planning, development, maintenance and coordination of wildlife, fish and game conservation and rehabilitation on military installations.

Mr. President, I also ask that the Senator from Virginia [Mr. WARNER] be included as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. CHAFEE, for himself, Mr. BAUCUS, and Mr. WARNER, proposes an amendment numbered 706.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. CHAFEE. Mr. President, the Sikes Act was enacted by Congress in 1960 to provide enhanced stewardship of fish and wildlife and other natural resources on military installations. It was named for Congressman Bob Sikes of Florida. 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 Sikes Act was last amended in 1986, and authorization expired in 1993. Since then, several attempts to reauthorize the act have been made, and although Congress has been close several times, all have failed. We now have a golden opportunity to amend and reauthorize the Sikes Act, in S. 936, the bill to authorize the Department of Defense.

Two weeks ago, an agreement was reached among the Department of Defense, the Department of the Interior, the International Association of State Fish and Wildlife Agencies, and the two House committees with jurisdiction over the Sikes Act. The White House approved the agreement the following day. The amendment that I am introducing, together with Senator BAUCUS and Senator KEMPTHORNE, is virtually identical to the House version, which passed in the House as part of H.R. 1119, the Department of Defense authorization bill. This amendment to the Sikes Act will greatly improve the current law.

In its current form, the Sikes Act authorizes the Secretary of Defense to enter into cooperative plans with the Secretary of the Interior and the appropriate State fish and wildlife agency for the conservation of fish and wildlife on military lands. Over the 37 years of the Sikes Act, cooperation under the act has improved fish and wildlife management on military bases.

For example, wetlands associated with the North American Waterfowl Management Plan that are on military bases have been restored under a recent initiative by the Fish and Wildlife Service and Department of Defense. Fort Bragg and Camp Lejeune in North Carolina, and Elgin Air Force base in Florida, have undertaken efforts to protect the redcockaded woodpecker. Fisheries assessments are taking place on both coasts, including Brunswick Naval air station in Maine and a submarine base in Washington.

While these examples illustrate how cooperation can improve natural resource management, more can and should be done. Only 250 agreements exist, and many of these are outdated. In addition, many agreements provide only for minimal cooperation among parties, rather than affirmative management of the resources. Another 200 agreements are currently being developed.

The amendment that Senator BAUCUS, Senator KEMPTHORNE, and I are introducing would infuse new vigor into implementation 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 military installation to support the military mission of the installation. 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.

While the agreement was negotiated on the House side, I would like to make several observations regarding the differences between the current law and this agreement. The most important change in the law, of course, is that development of the natural resources management plans would become mandatory. In practical terms however, this provision would better conform to and encourage the current practice of the military, which already has a policy of developing these plans.

An equally important change to the law would be that preparation and implementation of the plans would be the responsibility of the Secretary of the appropriate military department, rather than the Secretary of Defense. Extensive discussions last year revolved around attempts to agree on a dispute resolution process in the event that the Department of Defense, the Fish and Wildlife Service, and the State fish and wildlife agency could not agree on the development of a particular plan. The balance struck in the current agreement between the requirement to prepare the plans, and the discretion afforded the Secretary of the individual military department regarding the content of each plan, seems to me to be a good one.

Greater specificity would be provided for the contents of the plans, which are to provide for, among other things and to the extent appropriate, fish and wildlife management and habitat enhancement, establishment of management goals and objectives, and sustainable use by the public.

The amendment also provides for an opportunity for the public to comment on individual plans, as well as a review of each military installation by the Secretary of the appropriate military department to determine whether new plans should be prepared or existing plans should be modified. In addition, the amendment would also require annual reports by the Secretaries of Defense and the Interior regarding funding for implementation of the Sikes Act. The Department of Defense currently spends approximately $5 million for developing plans under the Sikes Act, but there are few cost estimates for State fish and wildlife agencies, as well as for the Fish and Wildlife Service. Thus, these annual reports should provide valuable information.

The amendment also seeks to encourage cooperative agreements for the funding of management and conservation measures without specifying particular cost sharing or matching requirements.

I would note that there is one substantive change between the House language and this amendment. 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. Specifically, the deadline for completing the natural resource management plans is extended from 2 to 3 years from the date of the initial report to Congress, which itself is required 1 year from the date of enactment. This change should enable the Department of Defense to complete the plans consistent with its own internal time frames, without unnecessarily missing any statutory deadlines.

I would note that 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 fortuitous 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. I do not expect that this circumstance would alter 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 amendment will improve the Sikes Act significantly, and represents a major achievement in environmental law in this Congress. The speed with which this legislation has moved in this Congress understates its importance both for the agenda of the Environment and Public Works Committee, and for efforts to conserve natural resources nationwide. I would especially like 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 and efforts in facilitating approval of this amendment.

Mr. BAUCUS. Mr. President, I am pleased to join Senator CHAFEE, the chairman of the Environment and Public Works Committee, in supporting an amendment to S. 936, the Defense Authorization Act. This amendment will reauthorize and improve a law commonly known as the Sikes Act. The amendment will reauthorize the law through the year 2003.

The Sikes Act authorizes the Secretary of Defense to manage fish and wildlife and other natural resources on military lands. The Department of Defense controls nearly 25 million acres of land at approximately 900 military installations. These lands encompass all major land types in the United States and include habitat for threatened and endangered species, historic and archaeological sites, and other cultural and natural resources.

Senator CHAFEE and I have been working, in consultation with the Senate Armed Services Committee, to reauthorize and amend the Sikes Act, a law within our committee's jurisdiction, for a number of years. Unfortunately, we were unable during the last Congress to draft amendments that were acceptable to the Interior Department, the Department of Defense, and the International Association of Fish and Wildlife Agencies. I am pleased to say that this amendment has the support of all three. In addition, a nearly identical version was recently passed by the House on the House Defense Authorization bill.

This amendment requires the Secretary of Defense to prepare integrated natural resources management plans for military installations, unless the Secretary determines that preparation of a plan for a particular installation is inappropriate. Plans are to be prepared, in cooperation with the U.S. Fish and Wildlife Service and the State fish and wildlife agency, within 4 years after the date of enactment. I urge all three agencies to work closely together, taking full advantage of their respective resources and expertise, to develop mutually acceptable plans to conserve fish and wildlife and other natural resources on our Nation's military installations. Finally, the amendment establishes annual review and reporting requirements to ensure that required plans are prepared and implemented.

Mr. President, I urge my colleagues to support the amendment.

Mr. INHOFE. Mr. President, I want to thank Senator CHAFEE and his staff for the willingness to work in a cooperative manner with myself and the staff of the Subcommittee on Readiness.

The Sikes Act Amendment is a significant item of legislation that will directly impact the Department of Defense management of the 25 million acres of land it controls.

While Senator CHAFEE has highlighted some of the positive environmental aspects of this legislation, I would like to stress the need to ensure the preservation of the military mission, readiness and training.

The Sikes Act Amendment makes the preparation of integrated natural resource management plans mandatory for the military departments.

I have reluctantly agreed to the mandatory language of this provision because the Department of Defense and military departments support it and have insisted that this new environmental requirement will not undermine the military mission and will not increase funding for such planning activities.

It should be made clear that:

The Sikes Act Amendment is not intended to enlarge the U.S. Fish and Wildlife Service or State fish and wildlife agency authority over the management of military lands.

Natural resource management plans should be prepared to assist installation commanders in conservation and rehabilitation efforts that are consistent with the use of military lands for the readiness and training of the U.S. Armed Forces.

It is understood that many installations, about 80 percent, have already completed integrated natural resource management plans in cooperation with the U.S. Fish and Wildlife Service and appropriate State fish and game agencies.

Given the level of agency cooperation, the time, the personnel, and funds involved in the completion of existing natural resource management plans, it is expected that most of these plans will satisfy the requirements of the Sikes Act Amendment and will not have to be redone.

I want to close with an emphasis on the need to ensure that the amendment will not result in an increased funding level for natural resource management plans and will not undermine military readiness and training.

As chairman of the Subcommittee on Readiness, I intend to follow the implementation of this amendment, and its impact on military readiness, very carefully.

Senator CHAFEE, I want to thank you again and express my appreciation for our ability to work together on the Sikes Act Amendment and other environmental issues.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 706) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 624, AS MODIFIED

(Purpose: To require the Secretary of the Navy to carry out a program to demonstrate expanded use of mutitechnology automated reader cards throughout the Navy and the Marine Corps)

Mr. LEVIN. Mr. President, I call up an amendment numbered 624 offered by Senator ROBB, and I send a modified amendment to the desk. The amendment would require the Secretary of the Navy to carry out an expanded use of multitechnology automated reader cards throughout the Navy and Marine Corps, and I believe this amendment has been cleared by the other side.

Mr. WARNER. Mr. President, that is correct.

The PRESIDING OFFICER. Without objection, the clerk will report the modified amendment.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for Mr. ROBB, proposes an amendment numbered 624, as modified:

At the end of subtitle E of title III, add the following:

**SEC. 369. MULTITECHNOLOGY AUTOMATED READER CARD DEMONSTRATION PROGRAM.**

(a) PROGRAM REQUIRED.—The Secretary of the Navy shall carry out a program to demonstrate expanded use of multitechnology automated reader cars throughout the Navy and the Marine Corps. The demonstration program shall include demonstration of the use of the so-called ''smartship'' technology of the ship-to-shore work load/off load program of the Navy.

(b) PERIOD OF PROGRAM.—The Secretary shall carry out the demonstration program for two years beginning not later than January 1, 1998.

(c) REPORT.—Not later than 90 days after termination of the demonstration program, the Secretary shall submit a report on the experience under the program to the Committee on Armed Services of the Senate and

the Committee on National Security of the House of Representatives.

(d) FUNDING.—(1) Of the amount authorized to be appropriated under section 301(1), $36,000,000 shall be available for the demonstration program under this section, of which $6,300,000 shall be available for demonstration of the use of the so-called ''smartship'' technology of the ship-to-shore work load off load program of the Navy.

(2) Of the amount authorized to be appropriated under section 301(1), the total amount available for cold weather clothing is decreased by $36,000,000.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 624), as modified, was agreed to.

Mr. LEVIN. 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.

AMENDMENT NO. 631

(Purpose: To restore the garnishment and involuntary allotment provisions of title 5, United States Code, to the provisions as they were in effect before amendment by the National Defense Authorization Act for Fiscal Year 1996)

Mr. WARNER. Mr. President, on behalf of the Senator from Idaho [Mr. CRAIG], I offer an amendment No. 631, that would change the method for processing court-ordered Federal employees' wage garnishment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. CRAIG, proposes an amendment numbered 631:

At the end of title XI, add the following:

**SEC. 1107. GARNISHMENT AND INVOLUNTARY ALLOTMENT.**

Section 5520a of title 5, United States Code, is amended—

(1) in subsection (j), by striking out paragraph (2) and inserting in lieu thereof the following:

''(2) Such regulations shall provide that an agency's administrative costs in executing a garnishment action may be added to the garnishment, and that the agency may retain costs recovered as offsetting collections.'';

(2) in subsection (k)—

(A) by striking out paragraph (3); and

(B) by redesignating paragraph (4) as paragraph (3); and

(3) by striking out subsection (l).

The PRESIDING OFFICER. Without objection the amendment is adopted.

The amendment (No. 631) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 645

Mr. WARNER. Mr. President, on behalf of Senator GORTON, the distinguished Senator from Washington, I call up an amendment that would clarify the implementation date of the designated provider program of the uniform services treatment facilities, USTF, to clarify the limitation on total payments and allow the USTF to purchase pharmaceuticals under the preferred pricing levels applicable to Government agencies, No. 645.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER] for Mr. GORTON, for himself, Mrs. HUTCHISON, and Mr. D'AMATO, proposes an amendment numbered 645:

Page 217, after line 15, insert the following new subtitle heading:

**Subtitle A—Health Care Services**

Page 226, after line 2, insert the following new subtitle:

**Subtitle B—Uniformed Services Treatment Facilities**

**SEC. 711. IMPLEMENTATION OF DESIGNATED PROVIDER AGREEMENTS FOR UNIFORMED SERVICES TREATMENT FACILITIES.**

(a) COMMENCEMENT OF HEALTH CARE SERVICES UNDER AGREEMENT.—Subsection (c) of section 722 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201, 10 U.S.C. 1073 note) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(2) by inserting ''(1)'' before ''Unless''; and

(3) by adding at the end the following new paragraph:

''(2) The Secretary may modify the effective date established under paragraph (1) for an agreement to permit a transition period of not more than six months between the date on which the agreement is executed by the parties and the date on which the designated provider commences the delivery of health care services under the agreement.''.

(b) TEMPORARY CONTINUATION OF EXISTING PARTICIPATION AGREEMENTS.—Subsection (d) of such section is amended by inserting before the period at the end the following: '', including any transitional period provided by the Secretary under paragraph (2) of such subsection''.

(c) ARBITRATION.—Subsection (c) of such section is further amended by adding at the end the following new paragraph:

''(3) In the case of a designated provider whose service area has a managed care support contract implemented under the TRICARE program as of September 23, 1996, the Secretary and the designated provider shall submit to binding arbitration if the agreement has not been executed by October 1, 1997. The arbitrator, mutually agreed upon by the Secretary and the designated provider, shall be selected from the American Arbitration Association. The arbitrator shall develop an agreement that shall be executed by the Secretary and the designated provider by January 1, 1998. Notwithstanding paragraph (1), the effective date for such agreement shall be not more than six months after the date on which the agreement is executed.''.

(d) CONTRACTING OUT OF PRIMARY CARE SERVICES.—Subsection (f)(2) of such section is amended by inserting at the end the following new sentence: ''Such limitation on contracting out primary care services shall only apply to contracting out to a health maintenance organization, or to a licensed insurer that is not controlled directly or indirectly by the designated provider, except in the case of primary care contracts between a designated provider and a contractor in force as of September 23, 1996. Subject to the overall enrollment restriction under section 724 and limited to the historical service area of the designated provider, professional service agreements or independent contractor agreements with primary care physicians or groups of primary care physicians, however organized, and employment agreements with such physicians shall not be considered to be the type of contracts that are subject to the limitation of this subsection, so long as the designated provider itself remains at risk under its agreement with the Secretary in the provision of services by any such contracted physicians or groups of physicians.''.

(e) UNIFORM BENEFIT.—Section 723(b) of the National Defense Authorization Act for Fiscal Year 1997 (PL 104–201, 10 USC 1073 note) is amended—

(1) in subsection (1), by inserting before the period at the end the following: '', subject to any modification to the effective date the Secretary may provide pursuant to section 722(c)(2)'', and

(2) in subsection (2), by inserting before the period at the end the following: '', or the effective date of agreements negotiated pursuant to section 722(c)(3)''.

**SEC. 712. LIMITATION ON TOTAL PAYMENTS.**

Section 726(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201, 10 U.S.C. 1073 note) is amended by adding at the end the following new sentence: ''In establishing the ceiling rate for enrollees with the designated providers who are also eligible for the Civilian Health and Medical Program of the Uniformed Services, the Secretary of Defense shall take into account the health status of the enrollees.''.

**SEC. 713. CONTINUED ACQUISITION OF REDUCED-COST DRUGS.**

Section 722 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended by adding at the end the following new subsection:

''(g) CONTINUED ACQUISITION OF REDUCED-COST DRUGS.—A designated provider shall be treated as part of the Department of Defense for purposes of section 8126 of title 38, United States Code, in connection with the provision by the designated provider of health care services to covered beneficiaries pursuant to the participation agreement of the designated provider under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 42 U.S.C. 248c note) or pursuant to the agreement entered into under subsection (b).''.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 645) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 787

(Purpose: To Make Technical Corrections to Section 123)

Mr. WARNER. Mr. President, on behalf of Senator KENNEDY and myself, I offer an amendment which corrects a drafting error in the bill regarding how the cost cap for the *Seawolf* submarine program is defined. Section 123 of this bill, S. 936, was included to clarify those costs that are included and those that are excluded from the total cost cap on the *Seawolf* program. This amendment does not change the *Seawolf* cost cap up or down, but merely corrects an error we made in crafting the language in the committee's markup of the defense authorization.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. KENNEDY, for himself, and Mr. WARNER, proposes an amendment numbered 787:

Strike out section 123 and insert in lieu thereof the following:

**SEC. 123. EXCEPTION TO COST LIMITATION FOR SEAWOLF SUBMARINE PROGRAM.**

In the application of the limitation in section 133(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211), there shall not be taken into account $745,700,000 of the amounts that were appropriated for procurement of Seawolf class submarines before the date of the enactment of this Act (that amount having been appropriated for fiscal years 1990, 1991, and 1992 for the procurement of SSN–23, SSN–24, and SSN–25 Seawolf class submarines, which have been canceled).

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 787) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 658

Mr. LEVIN. Mr. President, on behalf of Senators LUGAR, BINGAMAN, and other cosponsors, I ask to call up amendment No. 658 that would restore the funds requested in the President's budget for the Department of Defense Cooperative Threat Reduction Program and related programs at the Department of Energy.

I ask unanimous consent at this point that Senator GLENN be added as a cosponsor.

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

MODIFICATION TO AMENDMENT NO. 658

Mr. LEVIN. I send a modification to the desk. I believe this amendment has been cleared by the other side.

Mr. WARNER. That is correct, Mr. President.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The modification follows:

On page 2 of the amendment change line 12, which currently reads ''$56 million'' to ''40 million dollars''.

Mr. GLENN. Mr. President, I rise to speak as a cosponsor of the amendment offered by my colleagues, Messrs. BINGAMAN, LEVIN, LUGAR, DOMENICI, and others, to restore $60 million to the Cooperative Threat Reduction (CTR) Program, $25 million to the Department of Energy's Materials Protection Control and Accounting [MPC&A] Program, and $50 million to the International Nuclear Safety Program. The administration requested these funds because they are needed to serve our national security interests. I have heard or seen nothing to dispute this basic conclusion and therefore strongly support the full requested amounts.

These funds serve our interests because they work to alleviate one of the gravest national security threats facing our nation. Acknowledged by the President and Congress, by liberals and conservatives, by the House and the Senate, by Republicans and Democrats alike—indeed by all thinking Americans—this threat arises from the dangers all of us would face from the further erosion of Russia's ability to protect its weapons-usable nuclear materials and the technology and dual-use goods needed to produce them. In light of this broad national consensus, I find it hard to understand why we are here today debating a proposal to slash the funds for the programs designed to alleviate this very threat.

Congress should, of course, give close scrutiny to all Federal programs to see if further economies can be made. No one should look upon the Nunn-Lugar program as immune from vigorous congressional oversight. But when one considers the magnitude of the potential threats our country faces from these deadly materials, and considers these threats in light of the genuine progress that has been made (thanks to Nunn-Lugar) in reducing clear and present nuclear dangers in the former Soviet Union, it should be clear to all that Congress has, if anything, shortchanged this program rather than overfunded it.

I find these proposed cuts all the more remarkable given the committee's apparent determination to shovel hundreds of millions of additional taxpayer dollars at the National Missile Defense Program, despite the disturbing implications of that program for the future of the Antiballistic Missile [ABM] Treaty, and despite any serious accounting for precisely how these additional funds will be spent.

In 1991, a far-sighted bipartisan coalition gathered to support a proposal offered by our colleagues, Messrs. Nunn and LUGAR, to curb present and potential future proliferation threats emanating from the collapse of the Soviet Union. In 1997, there continues to be a strong consensus both in Congress and across America that it is in our collective national interest to address these threats. Some misinformed commentators have attacked the CTR and MPC&A programs as a form of ''subsidy of Russia's nuclear security'' or ''foreign aid.'' Perhaps what the critics fear most is that the programs might actually succeed in achieving their ambitious goals, and thereby reduce the need for our government to spend additional billions more to address these grave foreign threats.

I will leave it for others to speculate further about what must be motivating critics of the Nunn-Lugar program—and some of these criticisms might occasionally even be on target—but I remain convinced that the modest funds our country is allocating to CTR and MPC&A efforts are not only well within our means, but vital to our long-term national security and nonproliferation interests. And these funds are truly modest, compared against the billions we continue to spend on such programs as the B–2, the ever-expanding National Missile Defense program, the airborne and space-based laser programs, and other dubious programs that are well funded in the present bill. A $135 million cut to these Nunn-Lugar activities is the last thing this program needs. What, after all, has the program already accomplished?

The CTR Program has worked and continues to work to ensure that significant numbers of strategic Soviet nuclear weapons will not be available for use against the United States and its friends and allies around the world. The program has worked to help reduce the risk of nuclear materials finding their way into black markets in unstable regions around the world. The program has worked to facilitate the removal of all nuclear weapons from Ukraine, Belarus and Kazakstan. The program has worked to help remove over 1,400 nuclear warheads from Russia's strategic weapons systems, and to eliminate hundreds of delivery vehicles for such systems, including submarine launched ballistic missile launchers, ICBM silos, and strategic bombers.

The committee has claimed that the CTR Program can be cut because the loss could be made up with prior years' funds. Yet, Defense Secretary Cohen wrote to the chairman of the committee on June 19 that ''All unobligated CTR funds have already been earmarked for specific projects''. The CTR Program continues to serve the national interest by helping to eliminate strategic arms programs in Russia and Ukraine—if anything, Congress should be debating today measures to accelerate these efforts rather than to chop them back. The committee's proposal would only work to convert the CTR Program into a competitive threat renewal program.

A few years before Congress made the mistake of eliminating the Office of Technology Assessment, that organization produced an excellent report entitled, ''Proliferation of Weapons of Mass Destruction: Assessing the Risks'' (OTA-ISC–559, August 1993). On page 6 of that report, readers will find the following unambiguous finding:

''Obtaining fissionable nuclear weapon material (enriched uranium or plutonium) today remains the greatest single obstacle most countries would face in the pursuit of nuclear weapons.''

Those were OTA's words, ''the greatest single obstacle'' to proliferation. Now, what kept Saddam from getting the bomb sooner than he could have? Access to special nuclear material. What is America's leading defense against future nuclear terrorism? Limiting access to special nuclear materials. We should not be cutting programs that help Russia to serve our common interest in limiting international trafficking in special nuclear materials. We should instead be reaffirming and even expanding such programs. Helping Russia to serve our interest in these ways is not foreign aid, it is part and parcel of our national defense strategy.

The MPC&A programs run by the Department of Energy work specifically

on this problem of enhancing controls over these special nuclear materials, plutonium and highly enriched uranium. I have seen the letter that the Energy Secretary sent to the chairman of the committee on June 19—Secretary Peña wrote that the proposed $25 million cut in the MPC&A program would lead to a 2-year delay in achieving key program objectives. This program deserves our full support. After all, as Secretary Pena says, this program has secured ''tens of tons'' of nuclear material at 25 sites, and is working on enhanced controls at a total of 50 sites where this material is at risk in Russia, the Newly Independent States, and the Baltics. When we consider that we are dealing with a problem involving hundreds of tons of such material, it hardly seems wise for us now to be cutting back on our efforts to address this formidable threat to our national security.

Another program cut by the committee is the International Nuclear Safety Program. That program is essentially an investment to reduce the risk that fallout from a future Russian nuclear reactor accident will not once again—only a few years after the disastrous Chernobyl accident—be falling down from the sky on United States citizens and other people around the world. There is no fallout defense initiative—or FDI, so to speak—in this bill that would offer any shield over our country or the territory of our allies against such radioactive debris from a future reactor explosion in Russia. The best initiative of this nature is the one in this amendment, to restore the funds needed to enhance the safety and security of certain old Soviet-designed power reactors in the Newly Independent States and Russia.

So, in conclusion, I believe that the bipartisan consensus behind Nunn-Lugar, which is represented in this bipartisan amendment offered today, is alive and well because it addresses genuine threats to our security. I hope all Members will support full funding for these programs.

The PRESIDING OFFICER. Without objection, the amendment is adopted.

The amendment (No. 658), as modified, was agreed to.

Mr. LEVIN. 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. The Senator from Utah.

AMENDMENT NO. 778

Mr. HATCH. Mr. President, I feel constrained to oppose the Levin amendment provision that is filed on this bill before the Senate, as it is a matter that is properly within the jurisdiction of the Judiciary Committee which has not had an opportunity to consider it.

More importantly, in my view, this amendment, while well intentioned, is unwise policy.

This amendment would essentially abolish the Federal Government's purchasing preference for products supplied by Federal Prison Industries [FPI], also known by its trade name of UNICOR.

FPI is the Federal corporation charged by Congress with the mission of training and employing Federal prison inmates.

For more than 60 years, this correctional program has provided inmates with the opportunity to learn practical work habits and skills, and has enjoyed broad, bipartisan support in Congress and from each Republican and Democrat administration.

FPI and its training programs at Federal prisons across the Nation have been credited with helping to lower recidivism and ensuring better job-related success for prisoners upon their release—a result that all of us applaud.

This amendment, in its starkest terms, requires of us a choice—either we want Federal inmates to work, or we do not. I believe that we do want inmates to work, and therefore I must oppose this amendment. I say to my colleagues, if you believe in maintaining good order and discipline in prisons, or if you believe in the rehabilitation of inmates when possible, you should be opposed to this amendment.

Under current law, FPI may sell their products and services only to the Federal Government. The amendment we are debating would not alter this sales restriction.

To ensure that FPI has adequate work to keep inmates occupied, Congress created a special FPI procurement preference, under which Federal agencies are required to make their purchases from FPI over other vendors as long as FPI can meet price, quality, and delivery requirements.

This amendment would remove this procurement preference. Without the Federal Government's procurement preference, FPI probably could not exist. Again, FPI is not permitted to compete for sales in the private market. It may only sell to the Federal Government, and then only if it can meet price, quality, and delivery requirements.

Nothing short of the viability of Federal Prison Industries is at issue here. Under full competition for Federal contracts, combined with market restrictions, FPI could not survive.

My colleagues should remember that the primary mission of FPI is not profit, but rather, the safe and effective incarceration and rehabilitation of Federal prisoners. Needless to say, FPI operates under constraints on its efficiency no private sector manufacturer must operate under. For example, most private sector companies invest in the latest, most efficient technology and equipment to increase productivity and reduce labor costs. Because of its different mission, FPI frequently must make its manufacturing processes as labor-intensive as possible—in order to keep as many inmates as possible occupied.

The Secure correctional environment FPI in which FPI operates requires additional inefficiencies. Tools must be carefully checked in and out before and after each shift, and at every break. Inmate workers frequently must be searched before returning to their cells. And FPI factories must shut down whenever inmate unrest or institutional disturbances occur. No private sector business operates under these competitive disadvantages.

The average Federal inmate is 37 years old, has only an 8th grade education, and has never held a steady legal job. Some studies have estimated that the productivity of a worker with this profile is about one-quarter of that of the average worker in the private sector.

My colleague's amendment has not been considered by the Judiciary Committee, which has jurisdiction over FPI and, more generally, National penitentiaries under rule XXV of the Standing Rules of the Senate.

The Committee has not had the opportunity to consider the full impact of this proposal on FPI and prison work.

All share the goal of ensuring that FPI does not adversely impact private business. Indeed, FPI can only enter new lines of business, or expand existing lines, until an exhaustive review has been undertaken to the impact on the private sector. Again, this is a restraint that most other businesses do not have imposed on them.

FPI has made considerable efforts to minimize any adverse impact on the private sector. Over the past few years, it has transferred factory operations for multiple factory locations to new prisons, in order to create necessary inmate jobs without increasing FPI sales. FPI has also begun operations such as a mattress recycling factory, a laundry, a computer repair factory, and a mail bag repair factory, among others, to diversify its operations and minimize its impact on the private sector, while providing essential prison jobs.

I agree with my colleagues who believe that we must address the issues raised by prison industries nationwide. As we continue, appropriately, to incarcerate more serious criminals in both Federal and State prisons, productive work must be found for them. At the same time, we must ensure that jobs are not taken from law-abiding workers.

On jobs there is substantial evidence that FPI actually creates a substantial number of private sector jobs. In fiscal year 1996, some 14,000 vendors nationwide registered with FPI, and supplied over $276 million in sales to FPI.

Every dollar FPI receives in revenue is recycled into the private sector. Out of each dollar, 56 cents go to the purchase of raw materials from the private sector; 19 cents go to salaries of FPI staff; 17 cents go to equipment, services, and overhead, all supplied by the private sector; 7 cents go to inmate pay, which in turn is passed along to

pay victim restitution, child support, alimony, and fines. FPI inmates are required to apply 50 percent of their earnings to these costs. One cent goes to activating new FPI factories—again, with equipment purchased from the private sector. Private businesses in every State benefit from these sales.

In short, FPI is a proven correctional program. It enhances the security of Federal prisons, helps ensure that Federal inmates work, and helps in their rehabilitation when possible. The amendment before us now would do immense harm to this highly successful program, and I urge my colleagues to oppose it.

I think it is the right thing to do to oppose it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, my good friend, Senator HATCH, has made reference to the private sector benefiting from Federal Prison Industries. The private sector has spoken loud and clear in letters to us. The NFIB says that this amendment is important because:

Today federal agencies are forced to buy prison-made products. . . . This is another example of avoidable government waste, as virtually all such items are available from the private sector which provides them more efficiently and at lower prices. Mandatory purchases cost America jobs. Firms that can't enter an industry or expand production can't hire new employees.

The U.S. Chamber of Commerce says:

We believe that our Federal prison system should not be given preferential treatment at the cost of our Nation's small business owners. We believe that there are other substantial sources of work available to inmates that would not infringe on the private sector's opportunities to compete for government contracts.

The National Association of Manufacturers says:

The present system that gives FPI a virtual lock on federal government contracts has hurt thousands of businesses, resulting in higher costs for goods and services bought by the government and in many instances has resulted in loss of jobs and business opportunities for our members.

Removal of the ''FPI mandatory source status'' is an idea whose time has come.

Mr. President, I ask unanimous consent that the full text of the letters from the NFIB, the Chamber of Commerce, the National Association of Manufacturers and Access Products Inc. be printed in the RECORD at this time.

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

NATIONAL FEDERATION
OF INDEPENDENT BUSINESS,
*Washington, DC, June 19, 1997.*

Hon. CARL LEVIN,
*U.S. Senate, Washington, DC.*

DEAR SENATOR LEVIN: On behalf of the more than 600,000 members of the National Federation of Independent Business (NFIB), I am writing to urge the Congress to take action to ensure that increased competition is encouraged between small business and prisons.

It is well known that government agencies sometimes compete against private businesses in providing goods and services. Today, federal agencies are forced to buy prison-made products through Federal Prison Industries, Inc. (FPI). It is considered the mandatory source of some 85 items ranging from general supplies to office furniture. This is yet another example of avoidable government waste as virtually all such items are available from the private sector, which provides them more efficiently and at lower prices. In addition, such mandatory purchases from the FPI costs America jobs. Firms that can't enter an industry or expand production, can't hire new employees.

In a survey of our members, 70 percent believe that government agencies should not be allowed to compete against private businesses. In addition, the prohibition of competition between government agencies and small businesses was one of the top recommendations of the 1995 White House Conference on Small Business. Small businesses do not want to prohibit prison industries from entering the market, they just want a fair and level playing field upon which to compete against the FPI.

We urge you to take action to ensure that the FPI competes fairly for federal agencies' business. Small businesses should not have to compete with government-supported entities with exclusive contracts that give them an immediate and unfair advantage.

Sincerely,

DAN DANNER,
*Vice President,*
*Federal Governmental Relations.*

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CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
*Washington, DC, June 19, 1997.*

Re Prison Industry Mandatory Preference.

MEMBERS OF THE UNITED STATES SENATE: I am writing to urge your support for the amendment to be offered by Senators Levin and Abraham to eliminate mandatory preference for prison industry goods for government contracts to S. 936, the fiscal year 1998 defense authorization bill.

Currently, the federal government is required to purchase needed goods from the U.S. Federal Prison Industries (FPI) if available. This law was enacted in the 1930's and has resulted in a growing encroachment upon private sector enterprise. For example, FPI now accounts for 25% of textiles and furniture purchased by the federal government. The amendment by Senators Levin and Abraham would remove Federal Prison Industries as a''required source of supply'' for federal government purchasing.

The FPI produces more than 85 different products and services and in 1994 sold approximately $392 million worth of goods and services to the federal government, causing it to be ranked 54th among the ''Top 100 Federal Contractors.'' Additionally, we understand that in order to accommodate the growth in the prison population, FPI is planning to expand its sales. The Chamber supports the National Performance Review recommendation that the FPI's status as a mandatory source be eliminated and that FPI be required to compete commercially for federal business.

The Chamber has long-standing policy that the government should not perform the production of goods or services for itself or others if acceptable privately owned and operated services are or can be made available for such purposes. We recognize the importance of the productive training and employment of our nation's inmate population. However, we believe that our federal prison system should not be given preferential treatment at the cost of our nation's small business owners. We believe that there are other substantial sources of work available to inmates that would not infringe upon the private sector's opportunities to compete for government contracts. Clearly, a balance must be struck between these two competing goals.

The U.S. Chamber, the world's largest business federation, represents an underlying membership of more than three million businesses and organizations of every size, sector and region. On behalf of this membership, I strongly urge your support of the amendment to the defense authorization bill to eliminate the FPI mandatory source of supply requirement and to open these government contracts to fair competition from the private sector.

Sincerely,

R. BRUCE JOSTEN.

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NATIONAL ASSOCIATION OF
MANUFACTURERS,
*Washington, DC, June 25, 1997.*

Hon. CARL LEVIN,
*U.S. Senate, Washington, DC.*

DEAR SENATOR LEVIN: On behalf of the 10,000 small and medium members of the National Association of Manufacturers, I would like to restate our support for your bill S. 339. This bill would restore competition to federal procurement by ending the Federal Prison Industries (FPI) mandatory source status.

The present system that gives FPI a virtual lock on federal government contracts has hurt thousands of businesses, resulted in higher cost for goods and services bought by the Government and in many instances has resulted in loss of jobs and business opportunities for our members.

Removal of the ''FPI mandatory source status'' is an idea which time has come and it has received the support of this current administration in its National Performance Review Recommendations.

We trust that you will move quickly on gaining passage of S. 339 and restore fairness and equity to thousands of small and medium size manufacturers.

Sincerely,

JAMES P. CARTY.

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ACCESS PRODUCTS, INC.,
*Colorado Springs, CO, April 15, 1997.*

Senator WAYNE ALLARD,
*U.S. Senate, Hart Senate Office Building, Washington, DC.*

DEAR MR. ALLARD: I wrote to you in March of 1997 regarding Federal Prison Industries and the unfair and uncompetitive advantage it has over small companies such as mine who are seeking to do business with the federal government.

I have a very specific example which I am quite incensed about, not only as a small business owner but as a taxpayer as well.

I recently lost an EDI bid to Unicor. The contractor was Scott AFB and the item solicited was 86 Series 2 remanufactured toner cartridges. For your information, the FRQ# was F1162397T2361. Unicor bid on this item and simply because Unicor did bid, I was told that the award had to be given to Unicor. Unicor won this bid at $45 per unit. My company bid $22 per unit. The way I see it, the government just overspent my tax dollars to the tune of $1978. The total amount of my bid was less than that.

Do you seriously believe that this type of procurement is cost-effective? Forget about fairness to small business—that seems to be an issue lost in the halls of Congress.

I lost business, and my tax dollars were misused because of unfair procurement practices mandated by federal regulations. This is a prime example, and I am certain not the only one, of how the procurement system is being misused and small businesses in this

country are being excluded from competition, with the full support of federal regulations and the seeming approval of Congress. It is far past the time to curtail this ''company'' known as Federal Prison Industries and require them to be competitive for the benefit of all taxpayers.

What will it take to convince you that this is an issue which deserves your attention and your support? Perhaps a visit to my manufacturing facility in Colorado Springs would help. Meet the people who pay their taxes only to have them misused by overspending as per government regulations. I'm sure they will feel their tax dollars could be more wisely used. Meet the people who could also fail to prosper if my company is rendered unable to do business with the federal government because of uncompetitive procurement practices. This is the tip of the iceberg in my industry and I have no wish to go down like the Titanic.

Sincerely,

SHARON KRELL,
*Manager/Owner*.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWNBACK. 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. BROWNBACK. Mr. President, I want to make a couple of notes about an upcoming event and something that took place today, and then I have business to conduct before the Senate.

## A STRONG ECONOMY AND CULTURAL DECLINE

Mr. BROWNBACK. Mr. President, today there is some excellent news regarding the economy. The deficit, because of such a strong economy and taxes being paid, may be as low as $45 billion. I am hopeful that we can continue to keep that economy going strong by some of the tax cuts that are being proposed and are currently being negotiated. I think the real story here of what is taking place on balancing this budget is the fact that the economy is growing. Growth works, and it works well, and it is working well for us here.

I think it would be a mistake if we did not step forward and do whatever we can to continue this economy and this economic expansion that has been one of the longest running expansions we have had in history to date. That is why some of the tax cuts, particularly the progrowth and profamily tax cuts, the capital gains tax cut and the $500 per child tax credit are very, very important for us to continue, not only to balance the budget and not only to do it before the year 2002, or do it by the year 2000, but to start to pay off the debt. I think it is important we do it.

I also note that while the economy is doing well and we are getting the deficit under control—and those are important things—we certainly need some help in our culture overall. We continue to have terribly high rates of crime taking place in this society. We had in Washington, DC three people in a coffee shop murdered. We continue to have story after story, it seems like, on a daily basis of cultural problems that we are having just throughout society. Whether it is the number of children born out of wedlock, teenage suicide, cultural decline in total, violent crime rates or disintegration of the family, we really have to step it up in these areas.

## CHARACTER COUNTS WEEK

Mr. BROWNBACK. Mr. President, one thing I want to draw people's attention to is that in the third week of October, there is going to be a ''Character Counts'' week taking place. That may be a while off and is not necessary for us to focus on now, but I think it is time that while we look at economic activity being strong and culturally we are having all these problems, let's focus on these things.

The Senator from New Mexico, Senator DOMENICI, has been a major champion of character counts, and that is where people step up and say, ''We need to look at ourselves and our own character.'' Good character doesn't come about by accident, it is a practice of virtue. It is one thing that each and every one of us as Americans can step forward with.

I would like to, as we close today, give one example of a person who stepped up on character, and it is a gentleman in Wichita, KS, in my home State, by the name of Leo Mendoza. Leo is a man who knows that character counts, because he hasn't always had it.

Leo is a survivor of sexual abuse, alcohol abuse, drug abuse and crime. For 17 years, he was in and out of jail, on and off drugs and in and out of marriages.

But today, after years of soul-searching and counseling, he is, once again, a solid citizen. He is an elder at his church, and he and his wife are trying to adopt a child.

What changed Leo? Was it Government rehabilitation programs? Was it a Government social program? Or was it actually something deeper, something that the Government could neither teach nor instill?

Leo actually never relied on a Government assistance program, partly out of pride, partly out of independence. He never even sought help from others. It was his friends who sought him.

In 1987, a friend of his introduced him to Alcoholics Anonymous and a local church.

Slowly, he began to form the rudiments of character, promising himself that he would confront the daily struggles of life with the firmness that a life of true character is built not on one heroic act, but rather is the consequence of a thousand little struggles. Leo, together with his family, friends, and church, began to rehabilitate. He had the courage to say no, the patience to endure the temptations and the humility to ask God for help when weakness was about to overcome him.

By struggling with his past, Leo learned virtue, and by learning virtue, he built character.

Those struggles teach us about our own character and about what true character is made of.

I give that little vignette as we close today because in attacking the cultural decline and difficulties in this society, this is not something you legislate with massive Government programs or is not something we can sit in a conference room to decide what we are going to do and impose that will upon the country. But rather it is the little individual struggles that each and every one of us has everyday. It is each and every struggle that 250 million-plus Americans deal with. That is how you make a great Nation, people struggling to build character, by building that virtue and struggling to build it one at a time.

## NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

The Senate continued with the consideration of the bill.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that at 9:30 a.m. on Thursday, the Senate resume consideration of the Grams amendment No. 422; that there be 90 minutes remaining for debate to be equally divided between Senator COCHRAN and Senator GRAMS; and that following the conclusion or yielding back of time, the Senate proceed to vote on, or in relation to, the Grams amendment, to be followed by a vote on, or in relation to, the Cochran amendment No. 420.

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

Mr. BROWNBACK. I further ask unanimous consent that no other amendments be in order to the above-listed amendments.

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

## MORNING BUSINESS

Mr. BROWNBACK. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

## COMBATING THE FLOW OF NARCOTICS—SENATE JOINT RESOLUTION 34

Mr. MCCAIN. Mr. President, I joined my colleague and friend, Senator DODD, in introducing a joint resolution calling on the President to take concrete steps to increase the level of international cooperation in combating the