

human freedom and happiness. And let us endeavor to comprehend in all its magnitude and to feel in all its importance the part assigned to us in the great drama of human affairs."

REMARKS BY GEN. JOSEPH RALSTON, VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF ON THE 50TH ANNIVERSARY OF THE DEPARTMENT OF DEFENSE, SEPTEMBER 17, 1997

Secretary Cohen, Former Secretaries Weinberger, Carlucci, and Perry, Members of Congress, Gen. Jones, distinguished guests, ladies and gentlemen:

I am very proud to be here as the representative of the more than 3 million people currently serving in the defense of our nation as soldiers, sailors, airmen, marines, coast guardsmen—active duty, National Guard, Reserve, and civilians. It is an honor to be a part of this splendid anniversary; a celebration to commemorate fifty years of unwavering leadership to our armed forces.

Take a moment and put yourself back in time. Fifty years ago we had just won a world war and the country was still celebrating its victory. The might of the military machine was not broken, at least the American public didn't think so.

But we learned many lessons the hard way during that war and the leaders who fought that war knew we could and should do better.

These visionaries understood that to stand still would put the United States back where we were before the war . . . as isolationists.

Imagine if you can, the resistance these men faced as they attempted to reorganize our armed forces . . . a force that only a year prior had defeated a deranged dictator and an imperial army and navy.

These leaders, both civilian and military, realized the daunting task before them, but charged forward, amid intense debate, and agreed upon a "unification" course.

Although the reforms in 1947 were immense, ten years later the leaders of our country recognized the requirement for a course correction.

The Act of 1958, spearheaded by President Eisenhower, provided that course correction and called for the organization of all combat forces into unified commands and as he stated, "singly led and prepared to fight as one, regardless of Service."

With this new guidance our armed forces marched on for over 25 years. However, in 1986 a significant change occurred with the enactment of the Goldwater-Nichols Act. It not only reinforced our joint warfighting doctrine, but it also strengthened the civilian authority in the Department and increased the responsibility and authority of the Chairman. Today we have an armed force that is the envy of every nation on this Earth—and the pride of Americans.

Make no mistake . . . it is the magnificent men and women in uniform who make the sacrifices, who walk the jungles, fly over the deserts, sail on and under the seas, that provide the peace, freedom, and stability we enjoy as a Nation today.

But we must resist the temptation to relax and believe we have it just right. We must fight the complacency. We have much left to do as we revolutionize the way we do business, as we make the hard choices that will always put the needs of America's sons and daughters first.

Today I proudly salute the men and women of the Department of Defense.●

#### IN RECOGNITION OF HARRY BELL

● Mr. HOLLINGS. Mr. President, I rise today in recognition of Harry Bell, a man well known to the people of South

Carolina. We salute him as he retires in December as president of the South Carolina Farm Bureau Federation.

Harry Bell is known throughout the State as a successful farmer. With his son, William, he operates a productive, 1,450 acre farm in Saluda County, on which he raises cattle and plants soybeans, cotton, small grains, and strawberries. But Harry Bell's activities extend far beyond farming. He also is a savvy and successful businessman, with a long career in banking and insurance.

In fact, he began his business career as a bank clerk, currently serves on the local board of First Citizens' Bank, and has been president of the Palmetto Casualty Insurance Co. and director of the Ridge Banking Co.

But it is for his work with South Carolina farmers that Harry Bell is best known. He has served as president of the South Carolina Farm Bureau since 1971; in that time, he helped South Carolina farmers weather droughts, high interest rates, and the increasingly overwhelming competition of large-scale commercial farms. During his tenure as president, Harry helped preserve the State's heritage of family-owned farms, while at the same time assisting farmers to mechanize and modernize their operations. It is partly as a result of his efforts that agriculture remains a key component of South Carolina's economy.

Harry Bell's involvement with agriculture has not been confined to the South Carolina Farm Bureau Federation. He also was president of the Saluda County Farm Bureau Federation for 4 years, and was vice president of the American Farm Bureau Federation from 1986-94. From 1967-85, he was the farm representative on the South Carolina Water Resources Commission.

Fortunately for us, Harry Bell has employed his prodigious talents and energies not just in the service of the farming community, but of the whole community. He must have filled his every waking moment with public service of one kind or another.

He is active in his church, Johnston Presbyterian, having served as an elder and former deacon. He responded to another kind of call when his country summoned him to fight, serving on active duty in the U.S. Air Force from 1945-47 and from 1951-53. Additionally, he served in the Air Force Reserves until 1974, when he retired with the rank of lieutenant colonel.

Harry Bell exemplifies the ideal of public service. His career has combined devotion to God, country, and community. Thanks to his stewardship, South Carolina farmers can look forward to many future harvests. It has been my good fortune to work with Harry Bell for over 20 years on important issues affecting the farmers and economy of our State. We in South Carolina are proud to call him our own, and I am honored to salute him today.●

#### DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

##### OUTER CONTINENTAL SHELF LEASING PROGRAM

● Mrs. HUTCHISON. Mr. President, I would like to rise today, with my colleague, Senator JOHN BREAUX, to engage in a colloquy about a serious matter that has only recently come to our attention.

Mr. GORTON. I yield the floor for your colloquy.

Mrs. HUTCHISON. Mr. President, if these concerns are not addressed, one of our country's most successful programs, the Outer Continental Shelf Leasing Program, may be jeopardized. Under that program, the Federal Government has raised hundreds of millions of dollars in rents and royalties over the last 25 years, while at the same time developing safe and secure sources of energy for our country. Crucial to the success of that program is the ability of the private sector to conduct exploration of the Gulf of Mexico before submitting bids on the tracts offered for oil and gas leases.

I recently learned that the Minerals Management Service [MMS] has proposed changes to the rules under which that exploration is conducted. These changes would potentially jeopardize the continuity and success of the Outer Continental Shelf Lands Act [OCSLA] program.

Currently, geological and geophysical companies [G&G companies] conduct seismic surveys under MMS permits which require the permittees to provide the data they collect to the MMS under strict guarantees of confidentiality.

The G&G companies then provide the oil companies access to the data through nonexclusive licenses. The licenses allow the oil companies to use the data for any purpose including reprocessing the data using their own technology and data. These licenses are given on the condition that the licensee will not show or share the data with anyone else. In this way, the G&G companies are able to offer data to the largest number of possible users at the lowest cost.

Under the proposed regulations, MMS intends to extend its ability to obtain data from just the G&G companies to all of the companies who have licensed and reprocessed that data using their own technology. By requiring all industry to share reprocessed data with the MMS, the threat of disclosure of extremely sensitive business data exists. Under any number of situations, including appeal of fair market values, it is unclear if the proposed changes would protect the confidentiality of that data. This threat to sensitive business data could ultimately threaten the success of the OCS leasing program.

I understand and appreciate the need for MMS to have accurate data. However, I question the need of the Government to obtain reprocessed data that

belongs to the business community especially if it could potentially be released to competitor companies.

It is my understanding that my colleague, Senator BREAUX was an author of the original OCSLA. Do you believe the MMS' proposed regulations accurately reflect the purpose of that legislation?

Mr. BREAUX. Mr. President, as one of the original authors of the Outer Continental Shelf Lands Act, I can advise the Senate that we spent a great deal of time and effort in developing a law that would result in the information, data, and interpretation remaining confidential. Any steps that would put that confidentiality at risk are contrary to the spirit and intent of what we were trying to accomplish in 1972.

At that time, geophysical contractors were particularly concerned about the data sharing and confidentiality provisions of the OCSLA because they felt any breach of that confidentiality would destroy the market for the data, which is the geophysical contractors' sole asset. To protect that confidentiality, provisions were adopted requiring MMS to make sure the agency obtained permission from the permittee and anyone to whom the permittee sold the data under promise of confidentiality before sharing any data obtained from the permittee with a State government.

Shortly after the amendment of the OCSLA, MMS promulgated regulations spelling out the mechanics of how data was to be made available to it and how it was to be protected once it had been turned over. Among those rules is one that mandates that the permittee, who had agreed to make its geophysical data available to MMS as a condition of the permit, require any party to whom the data is transferred to agree to the terms of the permit regarding data sharing as a condition of the transfer. Industry contends that when that regulation was proposed, MMS proposed to define the term "transfer" in a way that included nonexclusive licensees, but dropped that requirement from the final rule. Industry believes that MMS has now proposed to extend its data sharing requirements to non-exclusive licensees and to amend its regulations in several other significant ways.

MMS contends that, in the 25-year span of its statutory responsibility to hold geophysical data confidential, this confidentiality has never been breached. And, MMS believes its current rulemaking is fully consistent with its authority under the OCSLA. In other words, MMS is going forward with its rulemaking without further public input.

Mrs. HUTCHISON. I share your concerns regarding the intent of the original OCSLA and the effect of the MMS' actions.

MMS is threatening to implement regulations without adequate discussions between the agency, industry,

and the original authors of the OCSLA. By utilizing a negotiated rulemaking, we have a unique opportunity to avoid the problems that MMS' current course of action will create. There are many stakeholders in this debate that have valid concerns which deserve to be addressed. The exploration contractors, the oil and gas companies and the MMS all have a lot to lose by pushing through regulations that will cause more problems than they will fix.

Each of the stakeholders can make significant contributions to a set of regulations that will accomplish the goals of the OCSLA, the MMS and the industry. I am frankly at a loss to understand why MMS has refused to engage in substantive negotiations on these issues when it is clear that substantive concerns remain unaddressed.

The notice and comment rulemaking that surrounded this proposed rule was insufficient. Significant disagreements continue to exist where solutions seem eminently reachable. It makes sense to get the interested parties together to see if they can find a mutually agreeable solution. I strongly urge MMS to abandon the current rulemaking proceeding and to negotiate immediately with the affected parties to avoid placing the OCS lease program in jeopardy.

Mr. BREAUX. Mr. President, I am very concerned about the tenor of these proceedings. MMS is the Federal agency charged with the responsibility to manage the mineral resources of the Outer Continental Shelf in an environmentally sound and safe manner and to timely collect, verify, and distribute mineral revenues from Federal and Indian lands. So, I want to know that this proposal is the best way to get at the objective that underlies it—a fair and reliable royalty system. But, I also want to ensure that the individuals and businesses affected by the MMS proposal are accorded every opportunity to have their concerns heard.

I agree that MMS needs access to G&G information to discharge its important duties. But, it ought to accomplish that duty in a way that does not risk disrupting one of the Federal Government's most successful revenue programs. The G&G industry estimates that the proposed regulations will, if adopted, require the renegotiation of thousands of existing license agreements and, until that renegotiation is complete, no data can be licensed. This renegotiation process may take several months, if not years. During that time, there will be no exploration. Thus, the process that recently led to another record oil and gas lease sale on the Gulf of Mexico Outer Continental Shelf, providing needed revenue to the Federal Treasury, will come to a grinding halt. This is an interruption we cannot afford.

For 50 years, oil and natural gas have been produced from the Outer Continental Shelf [OCS] underlying the Gulf of Mexico. This production represents more than 83 percent of total OCS oil production and more than 99 percent of

all OCS natural gas production. In 1995, production from this area accounted for 15 percent of all oil produced in the United States and about a quarter of the natural gas.

Maintaining public trust in our royalty system is critical to the future of oil and gas leasing, both onshore and offshore. Federal royalty policy must balance the need to encourage public resource development with the need to ensure that the public gets its fair royalty share. That balancing act requires government and industry to work together. The OCS leasing program is one example of government and the private sector working together—reflected by the recent record leases, records bonus payments and increased exploration in the Gulf of Mexico.

I hope we can advance that partnership here. Let's take another opportunity to learn from each other what is working, what is not working under the current system—and how the MMS proposal addresses those problems. Then, we can move forward with a balanced policy that assures timely and accurate royalty payments for the people of the United States.●

#### TRADE NEGOTIATING AUTHORITY

● Mr. BAUCUS. Mr. President, I rise to discuss the administration's request for new trade negotiating authority.

Now, any discussion of trade policy should begin not with talk about new agreements. It should begin with a review of the basic facts, and of what we need to change in the international trade system to create jobs, raise wages, guarantee fairness, and create opportunities for Americans.

#### THE BASIC FACTS

So let's first look at the facts. We are enjoying what will soon be the longest period of economic growth in our history. Since 1992, our economy has grown from \$6.5 to \$8 trillion dollars. Inflation has fallen to 2 percent. We have added a net gain of more than 12 million jobs. And while from 1986 to 1993 real wages fell every year, since 1994 real wages have risen every year.

A lot of things go into that record. Research and development by companies and the Government. Deficit reduction from \$290 billion in 1992 to \$36 billion before the recent budget agreement. Improved competitiveness. Most of all, hard work and sacrifice by ordinary people.

But our trade policy in the past 4 years deserves some credit as well. Since 1993, Ambassador Mickey Kantor and now Ambassador Barshefsky, along with their staffs, have worked very hard, stood up for our workers and farmers, and achieved a great deal. And the result has been a nearly 50 percent jump in exports, from just over \$600 billion in 1992 to nearly \$900 billion this year.

#### FAR FROM FINISHED

That is a good record. But the work is far from finished.