

SEC. 3. GENERAL AUTHORITY.

(a) **AUTHORIZATION OF ASSISTANCE.**—Section 297(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2220b(a)) is amended—

(1) in paragraph (1), to read as follows:

“(1) to implement program components through United States universities as authorized by paragraphs (2) through (5) of this subsection;”;

(2) in paragraph (3), to read as follows:

“(3) to provide long-term program support for United States university global agricultural and related environmental collaborative research and learning opportunities for students, teachers, extension specialists, researchers, and the general public;”;

(3) in paragraph (4)—

(A) by inserting “United States” before “universities”;;

(B) by inserting “agricultural” before “research centers”; and

(C) by striking “and the institutions of agriculturally developing nations” and inserting “multilateral banks, the institutions of agriculturally developing nations, and United States and foreign nongovernmental organizations supporting extension and other productivity-enhancing programs”.

(b) **REQUIREMENTS.**—Section 297(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2220b(b)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking “universities” and inserting “United States universities with public and private partners of universities”; and

(B) in subparagraph (C)—

(i) by inserting “, environment,” before “and related”; and

(ii) by striking “farmers and farm families” and inserting “agriculturalists”;;

(2) in paragraph (2), by inserting “, including resources of the private sector,” after “Federal or State resources”; and

(3) in paragraph (3), by striking “and the United States Department of Agriculture” and all that follows and inserting “, the Department of Agriculture, State agricultural agencies, the Department of Commerce, the Department of the Interior, the Environmental Protection Agency, the Office of the United States Trade Representative, the Food and Drug Administration, other appropriate Federal agencies, and appropriate nongovernmental and business organizations.”;

(c) **FURTHER REQUIREMENTS.**—Section 297(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2220b(c)) is amended—

(1) in paragraph (2), to read as follows:

“(2) focus primarily on the needs of agricultural producers, rural families, processors, traders, consumers, and natural resources managers;”;

(2) in paragraph (4), to read as follows:

“(4) be carried out within the developing countries and transition countries comprising newly emerging democracies and newly liberalized economies; and”.

(d) **SPECIAL PROGRAMS.**—Section 297 of the Foreign Assistance Act of 1961 (22 U.S.C. 2220b) is amended by adding at the end the following new subsection:

“(e) The Administrator shall establish and carry out special programs under this title as part of ongoing programs for child survival, democratization, development of free enterprise, environmental and natural resource management, and other related programs.”.

SEC. 4. BOARD FOR INTERNATIONAL FOOD AND AGRICULTURAL DEVELOPMENT.

(a) **ESTABLISHMENT.**—Section 298(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2220c(a)) is amended in the third sentence, by inserting at the end before the period the following: “on a case-by-case basis”.

(b) **GENERAL AREAS OF RESPONSIBILITY OF THE BOARD.**—Section 298(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2220c(b)) is amended to read as follows:

“(b) The Board’s general areas of responsibility shall include participating in the planning, development, and implementation of, initiating recommendations for, and monitoring, the activities described in section 297 of this title.”.

(c) **DUTIES OF THE BOARD.**—Section 298(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2220c(c)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking “increase food production” and all that follows and inserting the following: “improve agricultural production, trade, and natural resource management in developing countries, and with private organizations seeking to increase agricultural production and trade, natural resources management, and household food security in developing and transition countries;”;

(B) in subparagraph (B), by inserting before “sciences” the following: “, environmental, and related social”;

(2) in paragraph (4), after “Administrator and universities” insert “and their partners”;

(3) in paragraph (5), after “universities” insert “and public and private partners of universities”;

(4) in paragraph (6), by striking “and” at the end;

(5) in paragraph (7), by striking “in the developing nations,” and inserting “and natural resource issues in the developing nations, assuring efficiency in use of Federal resources, including in accordance with the Governmental Performance and Results Act of 1993 (Public Law 103-62; 107 Stat. 285), and the amendments made by that Act;”;

(6) by adding at the end the following:

“(8) developing information exchanges and consulting regularly with nongovernmental organizations, consumer groups, producers, agribusinesses and associations, agricultural co-operatives and commodity groups, State departments of agriculture, State agricultural research and extension agencies, and academic institutions;

“(9) investigating and resolving issues concerning implementation of this title as requested by universities; and

“(10) advising the Administrator on any and all issues as requested.”.

(d) **SUBORDINATE UNITS.**—Section 298(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2220c(d)) is amended—

(1) in paragraph (1)—

(A) by striking “Research” and insert “Policy”;

(B) by striking “administration” and inserting “design”; and

(C) by striking “section 297(a)(3) of this title” and inserting “section 297”; and

(2) in paragraph (2)—

(A) by striking “Joint Committee on Country Programs” and inserting “Joint Operations Committee”; and

(B) by striking “which shall assist” and all that follows and inserting “which shall assist in and advise on the mechanisms and processes for implementation of activities described in section 297.”.

SEC. 5. ANNUAL REPORT.

Section 300 of the Foreign Assistance Act of 1961 (22 U.S.C. 2220e) is amended by striking “April 1” and inserting “September 1”.

AMENDMENT NO. 4289

Mr. FITZGERALD. Mr. President, Senator HAGEL has a technical amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. FITZGERALD], for Mr. HAGEL, proposes an amendment numbered 4289.

The amendment is as follows:

(Purpose: To include in the statement of policies that there is a need to responsibly manage the world’s agricultural, as well as, natural resources for sustained productivity, health and resilience to climate variability)

On page 23, line 2, insert “agricultural and” after “world’s”.

Mr. FITZGERALD. Mr. President, I ask unanimous consent that the amendment be agreed to.

The amendment (No. 4289) was agreed to.

Mr. FITZGERALD. Mr. President, I ask unanimous consent the committee substitute amendment, as amended, be agreed to, the bill be read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The committee substitute, as amended, was agreed to.

The bill (H.R. 4002), as amended, was read the third time and passed.

ORDERS FOR THURSDAY, OCTOBER 5, 2000

Mr. FITZGERALD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it recess until the hour of 9:30 a.m., on Thursday, October 5. I further ask consent that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of H.J. Res. 110, the continuing resolution, under the previous order.

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

PROGRAM

Mr. FITZGERALD. For the information of all Senators, the Senate will begin closing remarks on the continuing resolution at 9:30 a.m. tomorrow. Under the order, there will be approximately 30 minutes equally divided on the resolution, with a vote on adoption of the resolution scheduled to occur at 10 a.m.

Following the vote, the Senate is expected to resume consideration of the conference report to accompany the Interior appropriations bill. The Senate may also begin consideration of any other appropriations bills available for action; therefore, Senators should be prepared for votes throughout the day.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2001—CONFERENCE REPORT—Continued

Mr. FITZGERALD. Mr. President, at this time I would like to return to our discussion of the Abraham Lincoln Presidential Library, which is a project in the Interior conference committee report that we have been discussing from time to time throughout the day.

I spoke earlier, for several hours, about concerns I have had with the language in the conference committee report. The language authorizes \$50 million in Federal expenditures for the library in Springfield. It says that the purpose of those expenditures would be for the construction of the library, for planning, design, acquiring, and constructing the library. But it is interesting; the actual language in the authorization does not say who is getting the money. It says that the \$50 million would be going to an entity that would be selected later.

So the Senate and the House have a conference committee report before us with a \$50 million authorization for the library in Springfield, IL, but we do not know to whom we are going to give the money.

When I saw this language earlier on, when the authorizing bill came from the House to my Senate committee, I saw that as a problem. I saw it also as a problem that there was no requirement that the construction project be competitively bid.

I thought, what if this money falls into the hands of a private entity? The entity in the bill could apparently be private or public. There is no restriction in the bill that it can only go to a public entity. There is no suggestion in the bill that the money has to go to the State of Illinois.

I thought, we have to take care to make sure that we have protections in there for the taxpayer, so that this money cannot be spent improperly.

Senator DURBIN came in and spoke earlier. He said that he supports a bidding process with integrity, as do I. I appreciate Senator DURBIN's support and the support I have had from all of my 99 colleagues in the Senate, where we have gone on record by passing legislation over to the House that says the Senate thinks it is a good idea that this \$50 million authorization for the Lincoln Library in Springfield, IL, requires that the project be competitively bid in accordance with the comprehensive Federal competitive bid guidelines. I thank all my colleagues in the Senate for their support on that proposition.

I talked to many of my colleagues in the last couple weeks about this issue, and every single one of them agreed: Isn't it a good idea that we restrict that money so it cannot be misused? After all, it is not even clear where the money is going.

It is possible that the money would go to the State of Illinois. If it does go to the State of Illinois, I think that would be preferable to it being given to an individual or to a private corporation.

I described earlier in the day how there is a private not-for-profit organization out there that has recently been organized known as the Abraham Lincoln Presidential Library Foundation, and that I do not think it would be a good idea to give the taxpayer's money to a private not-for-profit organization

in which case it would be up to the board of directors of that corporation as to how the money would be handled. We would not have safeguards for the public.

But I also pointed out that if the money went to the State of Illinois, and the State of Illinois directed the money to its Capital Development Board, there was a real problem.

The State of Illinois has a procurement code that was amended a few years ago. It does, in general, seek to ensure competitive bidding. It is an improvement over old laws that the State of Illinois used to have.

When I was in the State senate in Springfield, in 1997, I voted for the current State procurement law. But we pointed out that there is a loophole in there, and I regret that I missed that loophole. The loophole is that the Capital Development Board has a way to opt out of competitively bidding projects. It is a highly unusual and irregular loophole.

A letter from the Capital Development Board to Senator DURBIN stated that the project would have to be competitively bid because they would require it. They said they couldn't do things that were not competitively bid. That is nice they put that in their letter, but their letter is flatly contradicted by their statute. The statute that governs the Capital Development Board has a clear opt-out so that the State can just opt out of competitively bidding this project. Fifty million dollars in taxpayer money is a lot of money.

The one issue Senator DURBIN mentioned concerned the attachment of Federal competitive bid guidelines to this project in Springfield, to make sure it was properly applied and that we didn't have political influence in the awarding of the many contracts that would be given out. There is, after all, \$120 million of taxpayer money, when you include the State of Illinois money, the Federal money, the city of Springfield money, and any private money that is contributed to the project. That is a lot of money. You would think you would want careful safeguards in that law. It is hard for me to think of any reason anybody would oppose the strictest possible exceptions on how we spend taxpayer money to ensure that there is competitive bidding.

Senator DURBIN wondered how would it work if Federal requirements would apply; the State of Illinois wouldn't know how to handle it if Federal guidelines were applied. I don't think that is correct. As I pointed out to Senator DURBIN, it is very clear the State contemplates that Federal guidelines will frequently be attached when the Federal Government gives money to the State of Illinois. If you get Federal money from somewhere or you get money from somebody, it is not unusual that strings are attached.

Article 20 of the Illinois procurement code, source selection and contract for-

mation, at 500/20-85, contemplates the attachment of Federal strings. Section 20-85, Federal requirements: A State agency receiving Federal aid funds, grants, or loans shall have authority to adopt its procedures, rules, project statements, drawings, maps, surveys, plans, specifications, contract terms, estimates, bid forms, bond forms, and other documents or practices, to comply with the regulations, policies, and procedures of the designated authority, administration, or department of the United States in order to remain eligible for such Federal aid funds, grants, or loans.

Mr. President, I ask unanimous consent to print this statute in the RECORD.

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

WEST'S SMITH-HURD ILLINOIS COMPILED STATUTES ANNOTATED CHAPTER 30. FINANCE BONDS AND DEBT ACT 500. ILLINOIS PROCUREMENT CODE ARTICLE 20. SOURCE SELECTION AND CONTRACT FORMATION

§20-85. Federal requirements. A State agency receiving federal-aid funds, grants, or loans shall have authority to adopt its procedures, rules, project statements, drawings, maps, surveys, plans, specifications, contract terms, estimates, bid forms, bond forms, and other documents or practices to comply with the regulations, policies, and procedures of the designated authority, administration, or department of the United States, in order to remain eligible for such federal-aid funds, grants, or loans.

HISTORICAL AND STATUTORY NOTES

Section 99-5 of P.A. 90-572, Article 99, approved Feb. 6, 1998, provides:

"Effective date and transition. This Article, Sections 1-15 through 1-15.115 of Article 1, and Article 50 take effect upon becoming law. Articles 1 through 45 and 53 through 95 take effect January 1, 1998, solely for the purpose of allowing the promulgation of rules to implement the Illinois Procurement Code. The Procurement Policy Board established in Article 5 may be appointed as of January 1, 1998, and until July 1, 1998, shall act only to review proposed purchasing rules. Articles 1 through 45 and 53 through 95 for all other purposes take effect on July 1, 1998."

For applicable effective date of laws provisions in Illinois governing §99-5 of P.A. 90-572, Art. 99, see 5 ILCS 75/0.01 et seq.

Mr. FITZGERALD. Clearly, the State of Illinois contemplates that for many grants from the Federal Government, they will have to comply with the Federal Government's requirements. That is not unusual. The Federal Government has requirements for education money, for Medicaid money, and the like. For this project, I think it is reasonable.

We don't want to unduly hamper it. But Federal competitive bidding, who would oppose that? I don't think Democrats would oppose it. I don't think Republicans would oppose it. Certainly no Democrat, no Republican in the Senate wished to go on record opposing it. It is a simple, safe precaution for the taxpayers.

Again, this statute, which we have talked about on and off all day, conclusively demolishes the letters that are

being put out by the Capital Development Board saying they must use competitive bidding and that there is no way competitive bidding won't be used.

Let me reflect on that argument again. They are saying that clearly competitive bidding will be used. This project now is the focus of a lot of attention around the State of Illinois, and many people have said it will definitely be competitively bid.

If that is the case, why such stiff opposition to attaching the Federal competitive bid guidelines? If they are going to bid it according to the book and there won't be any problems with the contracts, then why is anybody opposed? Why is it? I don't know.

Clearly, the Office of the Governor of Illinois believed strongly enough that these guidelines, these restrictions, not be attached. Instead, they chose to go around the Senate and try to get the language snuck into a conference committee report, stripped of the competitive bidding language, and in a way so that it would be rolled into an \$18 billion appropriations bill that is a must-pass bill. That conference committee report cannot be amended or recommitment. They went to a lot of trouble. In fact, they were practically doing anything and stopping at nothing to avoid the competitive bid guidelines which they are essentially saying they are going to do anyway. That doesn't make a lot of sense to me. Why the objection? Why the fierce fight over requiring Federal procurement laws be followed?

Now, throughout the day, I have set the context in which this debate has been occurring. I believed it necessary because for those who aren't from the wonderful land of Lincoln, the great State of Illinois, they may not be fully familiar with the politics.

Sometimes our politics have become famous. Chicago has famous political traditions. The State government probably hasn't been as well known as the city of Chicago's government. But I believed I needed to set the table, to lay the foundation and give the Senators from other States the context in which I was concerned that this money would be provided in a way that would permit unfettered discretion on the part of whoever might get this \$50 million authorized appropriation.

I read a number of articles into the RECORD this morning that talked about problems that have occurred in State government in Illinois, not just under Republican administrations but under both Republican and Democratic administrations, where, because of a lack of competitive bidding, because of lax, weak procurement laws that left too much to the subjective preferences of State officials on awarding contracts, we have had of a sad history of procurement problems in the State of Illinois. Hopefully, the State's new procurement law will cut down on future problems such as that. But as I have pointed out, it has a few loopholes that I hope will get cleaned up.

We have talked about leases of buildings. We have talked about construction projects. We have highlighted a number of instances in which those leases at that time were not competitively bid, where there were a lot of questions about the amounts taxpayers were paying for the State to lease buildings. And certainly the people involved in leasing the properties to the State seem to be very involved in the political process, which raises a lot of questions in one's mind.

I also talked about the hotel loan, which involved a loan to a politically connected developer to build the Springfield Renaissance Hotel. It was a \$15 million loan from the State of Illinois. It appeared also, as we read some of those articles, that Federal money was involved in that, too, and that that loan was never repaid to the State of Illinois. Some payments were made. I don't know what the unpaid balance is today, but I think it is quite substantial. That developer still has that hotel, too. This hotel is very close, about a block and a half, maybe two blocks away, as we saw, from the proposed Abraham Lincoln Presidential Library.

If the library is built and it becomes the wonderful attraction we hope it will be for citizens from all over the country to come and enjoy and learn about Abraham Lincoln in the hometown of Abraham Lincoln, certainly it will generate a lot of tourist revenue for the city of Springfield. I imagine the Springfield Renaissance Hotel would benefit from the projections of increased tourism. I hope that would be the case. I hope that perhaps at that time the hotel, the partnership that runs it, would think about whether they couldn't make more payments to the State on that \$15 million taxpayer loan that goes back to the early 1980s.

I know that State officials released personal guarantees and waived the State's right to foreclose on that hotel loan. It is clear there probably isn't much of a legally enforceable note anymore. You would have to wonder if those people would think about whether it wouldn't be a good idea for them, the right thing for them to do, to try to make payments when they could. They probably would argue that the notes are worthless now and that the State's rights as lender were waived while the loan was in default. It is kind of unusual. In fact, I have never really heard of a lender, when they have a bad loan, waive all their rights. It seems kind of odd to me.

In any case, there is another episode in our State's recent history that I was very vocal on when I was in the State senate. That was on how riverboat licenses were given out.

Back in about 1990, the State created 10 riverboat licenses. The first six of them were fairly site specific in their statute on where the river boat licenses had to go.

That always raised questions because there were questions of whether in

drawing up the statute the State was actually attempting to steer these riverboat licenses to certain individuals. It just so happened that an investor in the first riverboat license awarded under the Illinois gaming law was the very same individual, Mr. William Cellini, about whom we have read some articles, who got the hotel loan, didn't have to pay it back, had the leases of the State buildings, and has been involved in politics in Illinois for a long time.

I would, if I could, like to continue on in an examination of what happened when the State didn't competitively bid the riverboat licenses, and I always believed they should have been competitively bid. You had licenses that turned out to be phenomenally lucrative. In some cases, very small investments made many people very rich, very quickly. There was always a question as to how the State determined who got the licenses. The people who wound up getting the first six licenses, which were fairly site-specific, tended to be people who were very much involved in State politics in Illinois. They were what I would call "insiders" in the State capitol. Of course, they always encouraged the perception that it was just a coincidence that these very lucrative licenses fell into their hands. And they got real rich, real quick.

In fact, a riverboat was put up in Joliet, IL. I remember when I was in the State senate, that boat was called the Joliet Empress. We could not find out the financial results of these boats. It was an exception to the freedom of information laws in Springfield, and even though these boats got a license from the State, they didn't have to give out financial information to the public. But the Joliet Empress decided to do a public bond offering, as I recall. In order to do that public offering of its debt securities, it had to file a registration statement with the Securities and Exchange Commission. In the process of filing that statement, they disclosed their investors and disclosed some of the financial results of the riverboat.

I am going to suggest that the original investment was somewhere in the neighborhood of \$20 million. In the first 18 months, as I recall, the nine people who owned the riverboat took in something like \$87 million in cash dividends. It kind of makes the Internet firms that we are reading about in the soaring NASDAQ index seem like nothing. This was really a bonanza for the people who wound up with these riverboat licenses.

When I read on the floor of the Illinois State Senate how lucrative these licenses were, I thought it was wrong that the State wasn't competitively bidding those licenses. They were setting up a process by which people who wanted these licenses could go through the politicians who could give it to them on a no-bid basis. And in so doing, the State was leaving an awful lot of money on the table. In fact, they were literally lighting a match to millions of dollars they could have reaped

had they auctioned off those licenses and created some kind of bidding process and not allowed political favoritism to ever be a question in the awarding of those licenses.

In fact, there was a lot of opposition to ever competitively bidding those licenses. Certainly, the people who wound up owning or wanting the licenses never wanted those competitively bid. Instead, what happened, in order to raise revenue in the early 1990s, on a few occasions the State raised income taxes on everybody else.

Mr. President, let me go, if I may, to a couple of articles that describe how the State gave out the no-bid riverboat licenses. Again, this is all in the context of examining what happens when State, Federal, or local government—any government at all—don't put restrictions on money they are giving out for contracts, or on benefits that they are giving out, when they don't make sure there is a competitive bidding process involved. Questions always arise as to whether there is political favoritism.

This article is from the Chicago Sun-Times of February 26, 1993. The byline is by Ray Long. The headline is, "Developer Hits Riverboat Jackpot; Stock Sale Windfall Steams Treasurer."

I ask unanimous consent that this article from the Chicago Sun-Times be printed in the RECORD at this point.

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

[From Chicago Sun-Times, Feb. 26, 1993]

DEVELOPER HITS RIVERBOAT JACKPOT; STOCK SALE WINDFALL "STEAMS" TREASURER
(By Ray Long)

Politically powerful Springfield developer William Cellini has sold \$5.3 million in riverboat casino stock as part of a deal that prompted the state treasurer to call for a windfall tax on such transactions.

Argosy Gaming Co., owner of the Alton Belle riverboat, reported that Cellini sold 277,778 shares, netting him \$4.9 million after fees, in last week's first public offering of Illinois riverboat stock.

Argosy sold a total of \$76.6 million in stock, and the original shareholders collected \$29.5 million, the company said.

Cellini remains the largest single shareholder, and his remaining shares could be worth more than \$50 million, based on the value of the public shares.

Argosy plans to use money from the sale to pay start-up debts, fund a new riverboat and develop gambling in Louisiana and Missouri.

State Treasurer Patrick Quinn, a Democrat, said, "I've got steam coming out of my ears" from anger over the Argosy deal. "It's downright obscene."

A probable gubernatorial candidate in 1994, Quinn said Cellini should have been denied his piece of the Alton riverboat license because of questions about his role in a state loan to build the Springfield Ramada Renaissance hotel.

"I don't think if you take the taxpayers to the cleaners once, you should get a second chance to put more money in your own pocket," Quinn said while taping "The Reporters," to be aired at 9 p.m. Sunday on WMAQ-AM (670).

The state should impose a windfall tax on investors in riverboat gambling ventures that start private and later go public, Quinn said.

In a separate interview, Cellini, a top Republican fund-raiser and friend of Gov. Edgar's, said the Springfield hotel arrangement was proper.

As for the riverboat transaction, he said he had been "obligated at one time for an amount approaching a million" dollars. He said federal regulations about new public offerings prevented him from discussing details about the company or stock sale.

The Ramada Renaissance received a 1982 state loan for \$15.5 million at 12½ percent interest. After recurring payment disputes, the loan was restructured in 1991 for \$18.6 million at 6 percent.

Cellini said he was one of 80 partners in the hotel. "I have never taken out or realized one penny from the hotel," he said.

Quinn's staff said the lenders defaulted in 1987 under former state Treasurer Jerry Cosentino and former Gov. James R. Thompson, a Republican and friend of Cellini's.

But Cellini disputed this account. "During the time of the loan," he said, "I don't believe we were ever declared in default—except in order to refinance and restructure, there may have been needed language implying such."

Quinn said: "A lot of folks, I think, are pretty upset about getting taxed to the limit and then seeing government operate . . . as a personal piggy bank for insiders. This is wrong."

Mike Lawrence, spokesman for Edgar, said the Gaming Board's initial approval of the Alton riverboat project was granted before the governor took office. The final license approval came in 1991 after Edgar took office.

William Kunkle, Gaming Board chairman, said Cellini passed the agency's background check.

Meanwhile, Thursday, the Gaming Board met in Chicago and failed to reach agreement on how to implement a legal limit of 1,200 gambling customers per riverboat.

Mr. FITZGERALD. Mr. President, there are a number of other articles that have been written over the years about how the State gave out the riverboat gambling licenses in Illinois. The record is replete with problems that the State had, or questions that were raised about how the licenses were awarded. They just happened to be awarded to people who seemed to be involved in the political process.

That was something I was concerned about at the time. I was in the State senate at that time; this goes back to 1994. There is an article in the Chicago Sun-Times that discusses how I was seeking competitive bidding on those State riverboat licenses.

This is an article from April 10, 1994, entitled, "Riverboat Deal is Plum For Insiders," by Dennis Byrne of the Chicago Sun-Times:

The agreement between Mayor Daley and Gov. Edgar to bring riverboat gambling to Chicago should make a lot of people happy: Chicago taxpayers and schoolchildren, who will benefit from the additional revenues, and the thousands of casino/entertainment center employees.

But the folks who should be the happiest are the well-connected insiders who are already raking it in from the state's 10 suburban and Downstate riverboats and who stand to make hundreds of millions more from the Chicago riverboats.

That would be thanks to a little-noticed part of the agreement changing the law that bans owners of one riverboat license from

having more than a 10 percent interest in a second. If approved by the Legislature, they could own a second license and up to a 10 percent interest in a third.

So folks such as Eugene Heytow, chairman of the politically connected Amalgamated Trust & Savings Bank, where William Daley, the mayor's brother, once was president, could keep his stake in a riverboat in Galena while buying a chunk of one in Chicago. And William Cellini, a powerful friend of Edgar and former Gov. James R. Thompson, could buy into Chicago big-time while keeping his lucrative interest in the Alton Belle. So could Gayle Franzen, the Republican candidate for DuPage County Board chairman. And so on.

You could argue that they should get a piece of the Chicago action because the state is changing the rules of the game, that when they invested in the suburban and Downstate boats they believed they wouldn't face any competitive risk from Chicago.

However, it's not a very convincing argument in the face of the obscene profits that they have already harvested from their state-protected monopolies. State Sen. Peter G. Fitzgerald (R-Inverness), a banker, has calculated that the profits have been great enough to cover initial investments in only a matter of months—the kind of return that might make Hillary Rodham Clinton envious. In the case of the Alton Belle, a \$20 million or so capital investment (and a paltry \$85,000 for a state licensing fee) seeded a company that now has an estimated market value approaching a half billion dollars.

Let me read that again.

This is from Dennis Byrne, "Riverboat Deal is Plum for Insiders."

In the case of the Alton Belle, a \$20 million or so capital investment—and a paltry \$85,000 for a State licensing fee.

The guys who got the riverboats gave the State \$85,000. The State gave them a license and ceded a company that now has an estimated market value approaching \$.5 billion.

Not a bad deal if you are giving the \$85,000 and they are giving you the license. It is worth, at that time they say, \$.5 billion. What did the taxpayers get out of this with no competitive bidding? They had their income taxes raised during that time.

For an initial outlay of just a couple hundred grand 2½ years ago, investors now would own tens of millions of dollars worth of stock. Cellini himself plucked \$4.9 million when he sold some of his stock when the company went public, but still retains some \$60 million worth of stock.

And if they invest in Chicago boats? Using the city's figures, Fitzgerald calculates that annual net income on each boat could approach \$50 million, and that the market value of each boat (at five times earnings) could exceed a quarter of a billion dollars.

Thankfully, though, they'd have to sink more into the Chicago boats, because, unlike the license for suburban and Downstate boats, the city licenses would be competitively bid. Who gets the license will depend, in part, on how much the bidder is willing to give to the city in admission, franchise and other fees. Unfortunately, though, the state's 20 percent gaming tax on gross receipts will not be raised, for the Chicago or Downstate boats. Nor do we know if other municipalities that are granted new boats will be able to demand competitive bidding.

Fitzgerald believes that even if the 20 percent state tax were raised significantly, to as high as 60 percent, the owners still would make a nice profit. So if we truly believe

that the boats are a public good, maybe we should allow the public to rake off at least as much as some politically connected pals.

Mr. President, I understand that the Presiding Officer has an obligation, so I will try to focus my remarks and enable the Presiding Officer to meet that obligation.

We have introduced a number of articles on this point all during the day to lay the context in which my concerns were raised about this very large project in Springfield.

I guess now we are down to the point where we have to ask the big question: Is the proposed Abraham Lincoln Library in Springfield, IL, another insider deal? I certainly hope it doesn't become one. This may or may not be now. We will not know until it is done. But we should do our very best to prevent it from becoming one.

We have said if we don't have careful controls, the money could wind up in private hands. It wouldn't have to be competitively bid under the language in the conference report. If the money winds up in State hands, then under the language that passed out of the House in the conference report, and which the Senate has basically said they don't like because it doesn't have Federal competitive bidding in it, if the money went to a private entity and went to the State—we have seen the State without competitive bidding. I would hate to see the monument to "Honest Abe" discussed in one of these many articles that have been written by investigative reporters. Competitive bidding could be opted out if it were the Capital Development Board that were doing the project.

As I pointed out, it is not unusual for the State to have to live within Federal competitive bid guidelines. This is not an unusual request. Then there is the State code. The State procurement code specifically contemplates the application of Federal guidelines such as these Federal competitive guidelines.

Are there red flags on this project? I want to sum those up again. We talked earlier in the day about some of the red flags.

We had the cost of the project increasing as the project has been talked about over the last few years. It started out as a proposed \$40 million project in February of 1998. It went to a \$60 million project 13 months later, in March of 1999. When I first came to the Senate, it was a \$60 million project. Then one month after that, the next report said it was a \$148 million project—up from the most recent \$60 million estimate on advice from "designers and fiscal advisers." That raised the red flag in my mind. I thought we had to bird-dog this project. After all, that is a big expenditure in any city, and it is certainly a big expenditure in the city of Springfield, our State capital.

The estimated cost, adjusted for inflation, of our State capitol is only \$70 million compared to the \$148 million that we saw referred to there, and now

the \$120 million that they are talking about for this library.

The cost of other buildings in Springfield: the Willard Ice Building is a \$70 million building; the Prairie Capital Convention Center is a \$60 million building.

We are really talking about a very visible project in Springfield. We discussed the location as well of this library. We noted its proximity to the Springfield Ramada Renaissance Hotel. We talked at length about the history of the Springfield Renaissance Hotel. We noted that this project is intended to and will stimulate tourism, if it is done right, in the city of Springfield. That hotel stands to benefit from that. It would be nice if we could get some payments on that \$15 million State loan from back in 1982 to build that.

We have not yet noted, and I think we need to note, that Mr. Cellini, whom we have discussed, has been active in seeking to raise money for the private foundation that is connected to the library. Let me see if I can focus on that for one second and find a citation for you, Mr. President. There are newspaper articles, I believe, that suggest he has been out actively trying to raise money for the library. I would like to find that citation.

Incidentally, I should also mention that the Ronald Reagan Presidential Library cost \$65 million.

It is a State Journal Register article from September 5, 1999, a little over a year ago:

William Cellini reported to be heading private fundraising drive for the project.

So we are beginning to connect this all back into some of the projects we have read about throughout the course of the day. These are connecting threads, and set against the backdrop of procurement history and controversy in Illinois, I think there is good reason for Congress to be careful with this project. I think it is reasonable to look at all these red flags and say, this \$50 million in Federal money, we better make sure it is buttoned down; better be careful, we don't want to happen to this money what has sometimes happened in the past. We don't want this project ever to be the subject of one of these investigative reports in one of our State's fine newspapers.

In light of the time restraints we are running up against tonight, the hour is late and I recognize that, I thank my colleagues again for all their support, for going on record in favor of competitive bidding in accordance with the Federal competitive bidding guidelines. I certainly hope the House will reconsider the position that has come out of the House in opposition for buttoning down this money and having tighter controls on it, to make sure that none of it winds up being involved in an insider deal, and that Springfield gets \$120 million worth of value out of the \$120 million that is intended to be spent on this monument for Abraham Lincoln.

Some may wonder why I have sought to filibuster the Interior appropriations bill over this matter. They would note \$50 million is a substantial amount, but as a percentage of the entire appropriations bill, it is relatively small in comparison. There are literally countless projects throughout the country that are contained in that bill. I believed it was important to come to the floor and to lay out this case because it goes to the very heart of the appropriations process in Washington.

I understand those who oppose the competitive bidding will eventually have a good opportunity to move their bill and make sure the competitive bidding isn't in there. But I hope we are going to have illumination here. I think the people of Illinois can know who their government is and what it is about. I think that the people of this country may see, through the prism of Illinois, how serious and consequential the ethical foundations of their government can and must be.

This issue of whether we make sure this money is competitively bid goes to the very heart of the appropriations process. We ought to take great care of the people's money. The people's money represents precious hours of hard work, sweat, and time away from family. The American people are fundamentally generous, and they will permit reasonable expenditures for the good of their country, their communities, and their State. However, Mr. President, don't abuse them. Do your best to make sure that there are sufficient safeguards so the people can know that their taxpayer dollars will not simply be trampled on by political insiders. That is what bothers me personally, eats at me—the people who oppose provisions such as this act, as though \$50 million in taxpayer money is a quarter. How can we ever put too many controls on taxpayer money? Why would anyone not welcome even more stringent competitive bid rules? Why would anybody oppose that? I can't think of a good reason.

The backdrop of problems we have had in the State of Illinois for a long time, which I illuminated today, and the legacy of insider dealing make me very reluctant to turn over this particular \$120 million without doing everything I can to protect it.

I thank all of those who have stayed with me tonight, and I yield the floor.

RECESS UNTIL 9:30 A.M.
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9:30 a.m. on Thursday, October 5, 2000.

Thereupon, the Senate, at 8:25 p.m., recessed until 9:30 a.m., Thursday, October 5, 2000.