

Transneft Director Semyon Vainshtock tried to fight a rear-guard battle, insisting that what was bad for Transneft was bad for Russia, but the pipeline consortium, headed by Russian Sergei Gnatchenko and assisted by Chevron's Fred Nelson, the consortium's deputy general director for projects, argued that Russia stood to gain from the added production in a non-zero-sum game.

That was just the beginning.

#### ROCKY ROAD SO FAR

"We had to go through five Russian local governments," Mr. Nelson said recently. "It wasn't always easy."

Twice, customs disputes halted the flow of the oil at the Russia-Kazakhstan border.

This year, the biggest dispute among CPC members turned ugly and public when it derailed the opening ceremony that had been scheduled for Aug. 6 with the Russian and Kazakh presidents in attendance.

Tengiz oil, until the pipeline was built, was exported entirely through Russia and mostly by rail.

Part of its highly prized light "sweet" crude (which sells for up to a dollar a barrel more than Brent, the benchmark crude oil) was mixed along the way with less desirable Russian crudes to make "Urals Blend," which trades at nearly a dollar below Brent. "The Russians got a free ride for years," said a diplomat familiar with the situation.

But for the pipeline, Chevron insisted on instituting what is called a quality bank—a system penalizing those who would add low-quality crude to the mostly Tengiz CPC Blend.

Quality banks are used in most places in the world where low- and high-quality crude oils are blended in pipelines, but the Russian partners relented only three days before the planned inauguration date, which was to coincide with the loading of the first tanker. The ceremony already had been canceled.

Then, the port authority of Novorossiisk extended its jurisdiction to the deserted piece of coast where holding tanks are buried near the end of the pipeline. There is no port: floating hoses are used to fill tankers moored offshore.

The move allowed the port authorities to demand a hefty port tax. Negotiations caused further delays. Eventually, said oil analyst Ivan Mazalov at Troika Dialog in Moscow, "They were bargained down quite a bit."

Other delays pushed back the date of the loading of the first tanker to Oct 13.

By the time all the difficulties were ironed out, five fully loaded tankers had weighed anchor and sailed over the Black Sea to the Bosphorus Strait, across the Sea of Marmara, through the Dardanelles to the Mediterranean Sea, and on to refineries in Europe.

A sixth one was loading when the ceremony took place.

#### CHEVRON GAMBLER, WON

While Russia and the United States ended up represented by deputy ministers, Chevron-Texaco sent Chairman David O'Reilly and the incoming and outgoing vice chairmen of the world's fourth-largest oil company.

That was not surprising: Both the pipeline and the giant oil field it serves are Chevron's babies, multibillion-dollar gambles that finally are paying off. As the foreign biggest investment in the former Soviet Union, oil field and pipeline are testimony that with perseverance, Westerners and Russians can work together.

"CPC is a bellwether project for successful international cooperation," Mr. O'Reilly reportedly said at the ceremony. "It demonstrates the confidence the international business community has to invest in Russia and Kazakhstan."

But if Russia, Kazakhstan and world consumers can join Chevron in rejoicing at the pipeline's completion, Turkey has exhibited mostly concern.

The extra tankers carrying Tengiz oil, which eventually will number three a week, will further clog the Bosphorus Strait that bisects Istanbul and increase the chances that the city of 12 million people some day will have to cope with a major oil spill or even a fire.

But Turkey is committed to upholding the 1936 Montreux Agreement and, barring a catastrophe, Caspian oil will be able to navigate the strait to reach European markets for the foreseeable future, analysts say.

### UNDERPINNINGS OF ADMINISTRATIONS' BUDGET NO LONGER HOLD

#### HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 19, 2001

Mr. SPRATT. Mr. Speaker, President Bush claims that his administration has "brought sorely needed fiscal discipline to Washington." The same day, his budget director warns us not to expect another surplus until 2005, after the president's first term is over. If this is fiscal discipline, it has an odd bottom line.

President Bush took office with an advantage no president in recent times has enjoyed: a budget in surplus. Ten days after his inaugural, the Congressional Budget Office projected a surplus of \$313 billion in fiscal 2002, and over ten years, a cumulative surplus of \$5.6 trillion. More than half of that has vanished. The Director of the Office of Management and Budget, Mitchell Daniels, blames the economy, extra spending, the fight against terrorism—everything but tax cuts.

Last month, economists on the House and Senate Budget Committees updated their estimates of the economy and budget. Their analysis is as close as you can get to a consensus on where we stand now. They show that over ten years the tax cut takes a toll of \$1.7 trillion on the budget and accounts for 55 percent of the depletion in the surplus. Spending related to the war on terrorism, initiated after September 11, takes another 11 percent. Other spending increases take 11 percent, and of that, the President's request for defense constitutes two-thirds. The remaining 23 percent is due to the economy.

The economy is a major factor over the next two years. But as the economy recovers, its drain on the budget tapers off. The President's tax cuts get bigger.

Budget Committee estimates show a remaining surplus over ten years of \$2.6 trillion, but virtually all comes from the Social Security Trust Fund, which everyone has sworn not to touch; and most of that is concentrated in future years where the outlook is very uncertain. When the President submits next year's budget in February, an updated forecast of the economy will come with it, and the \$2.6 trillion surplus will surely shrink again. Mr. Daniels no doubt had that forecast in hand when he warned of the vanishing surplus.

The Budget Committee estimates were put together as part of a bipartisan search for common ground. Leaders on Budget, Finance, and Ways and Means met to settle on policies to stimulate the economy. We settled instead

for a statement of principles. We agreed that stimulus was needed but that it should be short-lived, to avoid converting a cyclical downswing into a structural deficit. We wanted the budget to recover as the economy recovers. The stimulus bill reported by Ways and Means forsook these principles and proposed more permanent tax cuts, with revenue losses continuing long after the recession ends.

More than half of the surplus is gone, and the plan to save the Social Security surpluses and buy back government bonds is in grave doubt. But the administration seems to find no lesson in these results. On the same day Mr. Daniels made his gloomy prediction, the White House renewed discussions on a stimulus plan, and afterwards told the media that repeal of the corporate alternative minimum tax had to be part of any stimulus plan the President signed. In the short run, this will not help the economy; in the long run, it will not help the budget. In all events, it begs the question: How will we pay for the war on terrorism, for homeland defense, for reinsurance of terrorist damages, for victims' compensation, and for that matter, for the baby boomers' retirement?

No one is blaming the administration for the recession, but it can be faulted for ignoring the clouds and betting the budget on a blue-sky forecast. We warned that its budget had no margin for error if the projections it was based upon failed to pan out. We warned that the tax cuts left little room for other priorities, like Medicare drug coverage or the solvency of Social Security. The administration acted as if we could have it all. Now that it's clear we can't, it seems as unwilling as ever to recast its budget. This is not fiscal discipline; this is fiscal denial.

If the administration wants to put the economy and the budget back on path, it has to heed the lessons of the last ten months and acknowledge that the underpinnings of its budget no longer hold.

### MARSHALL UNIVERSITY MARTIN LUTHER KING DAY OF SERVICE GRANT

#### HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 19, 2001

Mr. RAHALL. Mr. Speaker, the Rev. Martin Luther King Jr., once declared, "A nation or civilization that continues to produce soft-minded men purchases its own spiritual death on the installment plan." Dr. King devoted his life to improving the minds—and the hearts and souls—of all Americans. That work continues today at Marshall University.

For the fourth time in five years, the Corporation of National Service has awarded Marshall the Martin Luther King Day of Service Grant. It testifies to the energy and efficacy of their efforts. Their work endows children and adults of all creeds and races with a sense of social justice and a commitment of civil rights.

Their January celebration of Dr. King's life and legacy epitomizes the purpose of this national holiday embodies his belief in public service. But just as Dr. King's teaching was not bounded by the walls of his church, Marshall's work in his spirit is not restricted to only

one special day. In the upcoming year, for example, Marshall will sponsor a Youth Leadership and Development Program, an Investment in Youth Leadership Forum, and a Mentor Literacy Program, all supported by the CNS grant.

Marshall's is a program that should be honored by all who value Dr. King's message and by any who strive to transmit it to future generations.

**SALUTE TO MARTIN HARDY OF  
GLENDALE, ARIZONA**

**HON. BARBARA LEE**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, December 19, 2001*

Ms. LEE. Mr. Speaker, I rise today to salute Martin Hardy of Glendale, Arizona, who began his career with the FAA in 1971, as an Air Traffic Controller at Sky Harbor Airport in Phoenix, Arizona.

With over 30 years of air traffic experience in the Phoenix and Los Angeles areas, Martin has served in a variety of capacities, including Air Traffic Controller (Sky Harbor & Burbank Airports); Operational Supervisor (Burbank TRACON/ Tower & Phoenix Approach Control Facility); Assistant Training Manager (Phoenix Approach Control Facility); Assistant Air Traffic Manager (Phoenix TRACON, Phoenix Tower, Phoenix TRACON and Tower); Air Traffic Manager (Tucson TRACON & Phoenix Tower); and Staff Specialist (National Headquarters—Washington, DC, and Regional Headquarters—Los Angeles, CA). He has remained in a supervisory or management role since 1984 and has been committed to providing safe air traffic service to the nation.

Throughout the past 10 years, Martin has been involved in all stages of change and progress during the tremendous growth period in the Phoenix region. He established exceptional working relationships with many airline representatives in the industry and has remained involved in the coordination of air traffic control procedures for the third runway and north runway construction projects at Sky Harbor Airport.

Martin's extensive knowledge of the Inter-governmental Agreement between the cities of Phoenix and Tempe has allowed him to work closely with the City of Phoenix and with the community in mitigating the noise concerns around Sky Harbor Airport. He has represented the FAA on the following state and local committees: City of Phoenix Sky Harbor Part 150 Study; City of Peoria Airport Master Plan Advisory Committee; State of Arizona Committee for the Preservation of Military Airports; Maricopa Association of Governments; Williams Gateway Airport Part 150 Study; and Phoenix Airspace user Workgroup (PAUWG). He has also served as a member of NBCFAE (National Black Coalition of Federal Aviation Employees).

Martin attended San Fernando Valley State College in San Fernando, CA. Throughout his career he has completed a multitude of courses at the FAA Center for Management Development, Palm Coast, Florida. He is a native of Eunice, Louisiana, he and his wife, Beverly, of 31 years, reside in Glendale, AZ. They are the proud parents of 3 children—Nicole, Nichelle and Martin II.

Martin is retiring from his current position of Assistant Air Traffic Manager at the FAA Terminal Radar Approach Control (TRACON) facility located at Sky Harbor Airport, where he has directed a staff of approximately 80 personnel, and maintained responsibility for the radar operations, procedures, automation, and administrative functions of the facility for the past 3 years.

I applaud his great achievements and hard work during his noteworthy career. FAA employees have long guarded the safety and security of our airways, and Martin Hardy has had an exemplary career in serving his country in this way. Congratulations on your retirement and best wishes as you enter a new chapter in your life.

**IN RECOGNITION OF "CAMP  
UNITY" DISTRICT OF COLUMBIA  
VOLUNTEERS AT PENTAGON  
CRASH SITE**

**HON. ELEANOR HOLMES NORTON**

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, December 19, 2001*

Ms. NORTON. Mr. Speaker, I would like to call attention to the efforts of "Camp Unity," the group of business people and other residents from the District of Columbia, who provided on-site support for relief and rescue workers at the Pentagon crash site following the terrorist attacks on September 11, 2001. Led by Advisory Board Commission 8D Chair, Robin Denise Ijames, the volunteers of Camp Unity offered a variety of services, including meals, chiropractic therapy, and haircuts to hundreds of workers who came from all over the country to assist in rescue and recovery efforts at the Pentagon.

Through September 28th, Camp Unity maintained a tent at what came to be known as "Comfort City," a collection of tents organized to aid emergency medical staff, federal law enforcement officials, police and fire officials, Red Cross volunteers, and countless others assigned to the crash site. Indeed, the District residents at Camp Unity extended great comfort to these workers, many of whom were separated from their families for many days. The services of Camp Unity volunteers proved so essential that they were officially deemed part of the D.C. Fire and Rescue team for the two weeks they spent at the Pentagon.

Mr. Speaker, the District of Columbia takes particular pride in the work of the volunteers of Camp Unity. I ask the House also to join me in recognizing the charitable and patriotic response of these District residents to the tragedy of September 11th.

**IN HONOR OF THE LATE BISHOP  
WILLIE B. McNEIL**

**HON. EDOLPHUS TOWNS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, December 19, 2001*

Mr. TOWNS. Mr. Speaker, I rise in honor of a very special man of God who has recently left us, Bishop Willie B. McNeil.

After a rich and full life serving his community, his church, and his God, Bishop Willie B.

McNeil passed away on December 11, 2001. He was born September 10, 1919, the second of nine children to the late John and Mary McNeil in Pritchard, Alabama. He completed his early education at the St. James Catholic School. His formal education came from the "Knee College", where he graduated from "the old man to the new man". In 1944, he met and began a courtship with Dora James. On February 18, 1945 they were married and had seven children.

Bishop McNeil was saved and received the gift of the Holy Ghost at the Old Holiness Church in Pritchard, Alabama. He later moved to New York and God found favor with him and called him to the ministry of the Apostolic Faith. He became Assistant Pastor of the Old Truth Church of the Lord Jesus Christ, in Brooklyn, NY, where the late Elder D. Freeman was Pastor.

In 1963, Bishop McNeil established his own church, The House of the Lord and Savior Jesus Christ of the Apostolic Faith. He later changed the name of that church to Holy Cross Remnant Church of Jesus of the Apostolic Faith.

For 54 years, Bishop W.B. McNeil has been and continues to be a source of wisdom and inspiration. Through his teaching and preaching about God, Bishop McNeil inspired Pastor Clarence Keaton, who loved him like a father; the Bishop became the grandfather of the True Worship Church Worldwide Ministries.

Left to cherish his memory are his loving wife, Mother Dora McNeil, and his seven children, Catherine McNeil, Frances McNeil, Willie McNeil, Jr., Anthony McNeil, Michael McNeil, Crystal McNeil, Stephen McNeil and his spiritual son, Rev. Dr. Clarence Keaton. Preceding him in death were two brothers, the late Rufus McNeil, the late Melvin McNeil, and two sisters, the late Mable Peterson and the late Catherine Richardson. He is also mourned by one of his brothers, John McNeil, and two sisters, Dorothy Pease and Mattie Reed as well as a host of grandchildren, nieces, nephews and his church family, and all the members of the Holy Cross Remnant Church of Jesus of the Apostolic Faith.

The late Bishop McNeil is one of the greatest servants that God has placed on this earth and will truly be missed. As such his family is more than worthy of receiving this recognition today and I urge my colleagues to join me in honoring the life of this truly remarkable man of God.

**KAZAKHSTAN'S DICTATOR  
UNDERMINES U.S. INTERESTS**

**HON. DANA ROHRABACHER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, December 19, 2001*

Mr. ROHRABACHER. Mr. Speaker, I understand that the corrupt and repressive dictator of oil-rich Kazakhstan, Nursultan Nazarbayev, plans to visit Washington soon. He is looking for a White House Good Housekeeping Seal of Approval and a consequent dampening of the Administration's criticism of the Nazarbayev regime's deplorable human rights record. He thinks that his vague offers of assistance in the war against terrorism will tilt U.S. policy concerning such repression and corruption as is found in Kazakhstan. That