

any Federal action; that the blackouts and outrageous prices being faced by people in my State are somehow part of a divinely ordained morality play.

Well, California did make a mistake. We put ourselves at the mercy of gougers, chiefly independent energy companies based in Houston, Texas. Our theoretical economist told us that if we deregulated, all these companies would produce independently as long as they could make a profit; that they would maintain their output.

What we discovered instead was that if we came anywhere close to a shortage, a few of them would close down, create the prospect of blackouts, all in an effort to drive up the price. That is why the California Public Utilities Commission determined that not only are we paying outrageous prices, but deregulation, which according to the theorists should maximize the production of electricity, is actually causing the blackouts by causing them to underproduce. By producing a little less, they can charge us the outrageous prices that my colleague, the gentleman from Oregon, just pointed out to this House.

But returning to the Vice President's idea of fault, that this is somehow California's fault, and therefore, Californians should suffer, this might make some sense if Californians were rushing to this floor asking for tens of billions of dollars of aid. But that is not what we are asking for. We are only asking for the right to reregulate, whether that is done at the Federal level or whether it is done at the State level. We are asking for the reinstitution of the same system of regulation that served this country so well for 100 years.

The Vice President's statements are analogous to the following situation. Assume our neighbor's house is burning down. If that happens, one approach is to steal our neighbor's hose and lecture our neighbor about fire safety, that the fire should never have started.

That is in fact what this administration is doing. On the one hand, we are lectured that California made a mistake, and given the current outcome, that is no doubt true. But then, instead of being given help, instead of even being left alone, the hose is stolen, impounded, and a smile comes across the administration's face as the house burns down.

At a very minimum, California needs to see cost-based regulation of the electric plants located in California. Federal law prevents us from doing so. We are bound and gagged by Federal law. It is time for this House and this administration to direct FERC, the Federal Energy Regulatory Commission, to institute the kind of price caps, the kind of rate regulation, that all California is asking for.

Instead, we are lectured. We are lectured and told that we will be prevented from helping ourselves, we are going to be prevented from regulating

that wholesale price, and that the Federal government will not do so. We are told by people who suffer not at all that we should adopt their economic theories.

It is time for the Federal government to return the hose. It is time for the administration to remove its foot from the neck of California. We are not asking for billions in aid, although, if this house burns down, we will need it. We are only asking for regulation of the same type that we imposed ourselves when the plants were under California regulation. We need this level of regulation, either from the Federal government, or we need the right to do it ourselves.

□ 1900

#### NATIONAL SECURITY

The SPEAKER pro tempore (Mr. ISAKSON). Under the Speaker's announced policy of January 3, 2001, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 60 minutes as the designee of the majority leader.

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise tonight to speak about national security, but I cannot help but respond to the plea of the gentleman from California (Mr. SHERMAN), my colleague, that the State of California is the suffering State.

I wonder why the rest of our States are not having the same level of problems. Perhaps our colleagues from California, when they were rah-rahing tough environmental regulations, when they were rah-rahing limitations on offshore drilling, when they were rah-rahing the overwhelming control of the nuclear industry, perhaps now they are paying a price for that.

Mr. SHERMAN. Will the gentleman from Pennsylvania (Mr. WELDON) yield?

Mr. WELDON of Pennsylvania. No, I will not yield. This is my time. You had your time. You get your own special order.

Mr. SHERMAN. I yielded back some time.

Mr. WELDON of Pennsylvania. Mr. Speaker, I would ask for regular order.

The SPEAKER pro tempore. Regular order. The time is controlled by the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. Mr. Speaker, I come from Pennsylvania, and we are having the same concerns that the gentleman from California (Mr. SHERMAN) has, but our State is doing fine. Perhaps, the State of California should have had its act together before this administration came in. It is too bad that my colleagues are shedding crocodile tears today.

Mr. SHERMAN. Will the gentleman yield—

Mr. WELDON of Pennsylvania. I will not yield.

Mr. SHERMAN. Or will his arguments not stand scrutiny?

Mr. WELDON of Pennsylvania. I will not yield, and I will ask the Speaker to enforce the rules of the House.

The SPEAKER pro tempore. The House will suspend. The gentleman will suspend. The time is controlled by the gentleman from Pennsylvania. The gentleman from Pennsylvania does not yield time.

The Chair will return the time to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. Mr. Speaker, I would not have spoken on this issue, but for my colleague to get up here on the floor and rant and rave about the administration and what they have not done in 5 months in office and talking about not giving them the hose to put out the fire, well, it was the California liberal establishment that was throwing gasoline on the fire, throwing gasoline and accelerants to burn down the State of California's economy.

Now for those from California to say that somehow George Bush and DICK CHENEY are responsible is utter hogwash. I, too, want to work with my colleagues from that State, but I am not going to sit here and listen to rhetoric coming out from one Member's mouth that somehow lays the blame at the feet of George Bush or Vice President DICK CHENEY.

So I make those comments to my colleagues, even though my major topic tonight is national security. In a way, it ties into national security, because we have not had a national energy policy for the past 9 years. We had an energy policy under Ronald Reagan. It was a very defined energy policy.

We had no energy policy under President Clinton or Al Gore. We did not allow offshore drilling. We did not allow drilling in Alaska. We did not stop the incessant controls of the oil and gas industry. We did not permit new nuclear power plants. We did not license new refining operations.

And we wonder why today certain States, where they were aggressively excessive in their regulations, we wonder why today they have energy problems.

Mr. Speaker, this President and this Vice President have taken the lead. They have developed a detailed comprehensive energy strategy that just does not address the concerns of the oil and gas industry.

They have addressed the need to look at lowering the amount of usage by sport utility vehicles. They have addressed cafe standards. They have addressed the need to encourage conservation to encourage alternative energy supplies and tax credits for those alternative energy resources, and I applaud them for that.

But for one of our colleagues to come on the floor in a 5-minute unchallenged speech and rant and rave about how California's problem today is George Bush and DICK CHENEY's problem is an absolute travesty, and I could not help but stand up and refute what the gentleman said.

Mr. Speaker, I yield to the gentleman from North Carolina (Mr. JONES), a friend and colleague.

Mr. JONES of North Carolina. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. WELDON) for yielding.

Mr. Speaker, I could not agree more with what the gentleman from Pennsylvania just said. But I wanted to take just a couple of minutes of the gentleman's time, the gentleman's one hour tonight, to talk about the needs of our military as it relates to readiness.

I want to first say that I enjoyed very much being with the gentleman today. The Subcommittee on Military Readiness, both Republicans and Democrats, joined the gentleman in Philadelphia today for a hearing on the V-22 Osprey. I thought that went extremely well.

Towards the end of the hearing that the gentleman held in Philadelphia today, we were able to question those in charge, the Navy, the Marine Corps, and the Air Force, to ask them about the readiness needs of their pilots.

Being a member of Subcommittee on Military Readiness, I am imploring and encouraging this administration to please come forward with an emergency supplemental for our men and women in uniform. I do not think we have the luxury of time.

I would wish the gentleman, as the expert on this issue and I mean that most respectfully, I wish the gentleman would speak to my concern.

Mr. WELDON of Pennsylvania. Mr. Speaker, first of all, I want to thank the gentleman from North Carolina (Mr. JONES), my colleague, for joining me. He brings up a topic that I was going to start off this special order with tonight, which is our national security.

Energy is a part of that, but I was not planning on discussing energy, per se, but rather three other issues. The gentleman has highlighted my first concern, which is the absolute need for an emergency supplemental.

As the chairman of the Subcommittee on Military Readiness, and as my distinguished friend and colleague knows, he heard it today from the mouths of the Marine Corps general in charge of Marine Aviation, General McCorkle, the Navy admiral in charge of all Navy aviation, Admiral Dyer, and our special operations leadership, we are at a crisis situation right now.

This administration, which I have just supported in terms of coming out with an aggressive energy policy and which I have supported, I know my colleague does as well, their plan to provide a comprehensive review of our national security needs, is failing to come to this Congress with a definitive short-term plan to fund the readiness shortfall that we are now experiencing.

We have been told, Mr. Speaker, both my colleague, myself, the members of the Committee on Appropriations, the Armed Services Committees in both bodies have been told that unless this Congress responds with an emergency

supplemental by June, we will have as of July 1 Navy units that will stop sailing, Air Force units that will stop flying, Army units that will stop training, because we will have run out of money.

It is absolutely outrageous that we are facing a crisis situation. Even though we all respect the fact that Don Rumsfeld and President Bush are working on looking at reforms which I support, we have to deal with the needs that we know are going to be there. Those needs have to be addressed with an emergency supplemental.

Our colleagues on the other side have recognized this. The gentleman from Missouri (Mr. SKELTON) has made this plea time and again. The gentleman from South Carolina (Mr. SPENCE) has made this plea. The gentleman from Arizona (Mr. STUMP) has made this plea. Members of this body from all sides have said very publicly we have to have an emergency supplemental.

So my colleague is right on the mark. He represents one of the largest military unit bases in the country. He knows better than any of us the impact, and perhaps he would like to elaborate on that impact in his own home installation in North Carolina.

Mr. Speaker, I yield to the gentleman.

Mr. JONES of North Carolina. Mr. Speaker, I thank gentleman from Pennsylvania (Mr. WELDON), the chairman of the Subcommittee on Military Readiness, for yielding to me.

The gentleman is absolutely right. I have the privilege to represent the Third Congressional District of North Carolina, which is the home of Camp Lejeune Marine Base, Cherry Point Marine Air Station, New River Air Facility, and also Seymour Johnson Air Force Base, including the Coast Guard, they are all in my district, with a total of over 50,000 retired military and veterans combined.

I will say to the gentleman from Pennsylvania that the gentleman is absolutely on target. I am very proud of the Bush administration. But during the campaign, Mr. Bush, the President of the United States, and the Vice President, talked about we need to rebuild the military; they are absolutely right.

The gentleman knows better than anyone, and in a few minutes the gentleman will be talking about this subject, this is a very unsafe world that we live in. My concern is that if we do not move quickly on this emergency supplemental, the morale of the men and women in uniform, who are going to have to stop taking care of those planes, the helicopters, or prepare those ships for sailing, they are going to become a little bit discouraged.

I do not want to see that happen, because I know the men and women in uniform that live in the Third District of North Carolina are pleased as they can be that George Bush is the President of the United States. All I am asking, respectfully, is the same thing that the gentleman is asking, please,

Mr. President, let us move forward on that emergency supplemental for our military sooner rather than later.

Mr. Speaker, with that, I want to thank the gentleman for yielding to me; and I look forward to hearing the rest of his hour.

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my colleague for being here. He is one of the most tireless advocates for the men and women who wear the uniform. And he is one of the most respected members of our Committee on Armed Services. He represents his district well, but, more importantly, he represents America's needs extremely well.

My colleague is absolutely right. We are in a crisis situation right now. Now some might ask, well, how did we get to this situation? Why do we not have enough money to finish out the rest of this year to pay for the training and steaming and flying hours that our military needs?

Part of the problem, Mr. Speaker, is that we have overextended our military. Over the past 10 years, we have seen our troops deployed 36 times. None of those deployments, except for one, was paid for in advance. Every time the President would assert our troops into Bosnia, Kosovo, Haiti, into East Timor, Macedonia, South America, all of those deployments, when our troops were put in, had to be paid for by the Congress finding other monies to reimburse those accounts to pay for the steaming and the flying and the airlift and sea lift costs that were associated with various deployments.

As a result, having raided those procurement and R&D accounts, we do not have enough money for readiness for allowing our troops to be prepared, by providing the proper training, the proper flying time, the proper steaming time and training time on the ground to go into harm's way, and as a result, this year's budget is woefully inadequate.

We have to have relief. We know there is money available, both the President and the leadership in the Congress have acknowledged that there are short-term dollars available to fix the shortchange of funding this year. And we, as a Congress, have to know what that number is.

Mr. Speaker, in closing in this part of my special order, I would implore the Secretary of Defense, who I have the highest regard for, an outstanding leader and a perfect person to lead our military in today's environment, and I would implore the President and the Vice President, two outstanding leaders, to come forward and give us a number.

Mr. Speaker, I talked to the staff director of the Committee on Appropriations just a few short minutes ago on the floor of the House and I talked to the chairmen and ranking members on the Committee on Appropriations who are very talented individuals. They think that perhaps they could turn around a supplemental within a month.

We cannot wait through the entire month of June and then go into July and August or we are going to face an extremely serious, even more serious situation as our military has to take drastic actions and shut down training operations.

I will say this, Mr. Speaker, as a loyal supporter of the President and a loyal member of his party, I will not hesitate as the chairman of the Subcommittee on Military Readiness to speak out when those stop budgets start to occur; and I am not doing that to embarrass anyone, but our men and women in uniform deserve better.

They deserve to have the funding they need and that dollar amount that they need to replenish those accounts needs to be given to us within the next week.

So I ask my colleagues to continue to urge the White House and the Secretary of Defense to give us that number so that we can respond.

Mr. Speaker, the second topic of my defense special order tonight I briefly discussed last week in part of a 5-minute speech, and I want to elaborate on that.

It deals with another of President Bush's top priorities, and that is national missile defense. When President Bush came out with his major speech and when we came out with our bill that passed in the last session of Congress making it our national policy to deploy missile defense, there were those on the left who began to criticize the decision that the Congress made and, more recently, the decision that President Bush made to defend America.

Now, last year in the height of the debate of the Presidential campaign, even though President Clinton reversed himself politically and came out in support of our missile defense initiative, there were those in the Congress who were opposed to missile defense.

They largely based their opposition on the findings of one person. That one person is a scientist at MIT, one person who has consistently opposed America's efforts to defend herself from the standpoint of a long-range intercontinental ballistic missile.

That individual was given prime air time on national TV by Dan Rather as he focused for 20 minutes on one professor's opposition to missile defense and one professor's public accusations that the missile defense organization leaders, General Kadish and our other top brass, as well as the Secretary of Defense were lying, were involved in a massive cover-up, were involved in giving the American people false information, were hiding information from the American people, were denying America's innocent citizens the right to know all the facts.

This individual on national TV and also in national print media who gave him prime exposure went on to say, this is a massive cover-up. It is fraud against the American people. It is outrageous what is happening. All of these

statements were made last year in the height and the midst of a Presidential election.

Mr. Speaker, a few of our colleagues got together and decided even though they were the same ones who opposed our missile defense bill, even though it passed with a veto-proof margin earlier in the session, they came together as a group and signed a letter to the head of the FBI demanding a criminal investigation of the Department of Defense, of the ballistic missile defense organization, of General Kadish and of the contractors working on missile defense.

They had a special order. They had a press conference out in the Triangle. They were on national TV. They were on talk radio and fed this story of one professor around the country saying that America was having this massive fraud committed against it, and that no one should support missile defense until the FBI had conducted a complete and thorough investigation of the allegations made by this professor.

□ 1915

That was what occurred last year, Mr. Speaker.

Like so many other issues the media focuses on, the American people were sold a bill of goods. Now, amazingly, Mr. Speaker, with all of this rhetoric that spewed out of this city, claiming that there was fraud and abuse and lies and criminal activity, even in denying the facts, in fact, the professor cited a former TRW employee who claims they had hard evidence that one company was falsifying data, that one company was dumbing down the tests, that one company was, in fact, committing criminal activity.

What has been amazing, Mr. Speaker, is that we are now into the middle of May. The silence since the end of February has been deafening, because we just found out within the last 2 weeks that, on February 26 of this year, the FBI concluded its investigation. The Department of Justice issued a statement.

Now, we did not hear that professor go back on the Dan Rather show. We did not hear Dan Rather call for an update for the American people. We did not hear my colleagues on the other side stand up and present the statement.

So, Mr. Speaker, I took the time tonight to go over what the FBI said in their memo dated February 26, 2001.

Mr. Speaker, I include the FBI memo for the RECORD as follows:

NATIONAL MISSILE DEFENSE SYSTEM FRAUD  
AGAINST THE GOVERNMENT—DEPARTMENT OF DEFENSE

In a June 15, 2000, letter to Director Freeh, Dennis J. Kucinich, U.S. House of representatives, and 52 other members of Congress requested an FBI investigation into allegations that the Department of Defense (DOD) covered up fraud relevant to the experimental failure of testing involving the National Missile Defense System. This anti-missile defense system is designed to defeat nuclear warheads launched at the United

States by inexperienced nuclear powers such as Iran, Iraq and North Korea by intercepting the warhead carrying missiles in the air.

Specifically the Congressional letter detailed allegations by anti-missile critic Dr. Theodore Postol, a respected scientist from the Massachusetts Institute of Technology, that not only is the \$50 billion National Missile Defense System incapable of distinguishing between warheads of incoming missiles and decoys, but the DOD and its contractors have altered data to hide the failure. Dr. Postol also contended that his letter to the White House, its attachments, and all the information and data he used to draw his conclusions of fraud and coverup, were derived from unclassified material and were subsequently classified by the DOD in an effort to conceal the fraud and wrongdoing.

The Washington Field Office (WFO) of the FBI opened a preliminary inquiry into allegations of fraud in the National Missile Defense System to specifically address the following items: (1) Coordinate with Defense Criminal Investigative Service (DCIS) and obtain copies of material alleging fraud and coverup prepared by Dr. Postol; (2) address DOD's justification for classifying Dr. Postol's information and (3) obtain details of a DCIS Qui Tam inquiry that precipitated Dr. Postol's criticism of the National Missile Defense System.

WFO opened up a preliminary inquiry into allegations of fraud in the National Missile Defense System on July 25, 2000. Contact was made with the DCIS who agreed to work jointly with the FBI in conducting the preliminary inquiry. WFO obtained a copy of Dr. Theodore Postol's letter to the White House from Philip Coyle, Director, Operational Test and Evaluation, at the Pentagon. Postol had sent Coyle a copy of his letter to the White House.

The Director of Security for the Ballistic Missile Defense Organization (BMDO) requested a line by line review of Postol's package when it was suggested that classified material may be attached to Postol's letter. This line by line review revealed that four pages of Attachment B to Postol's letter contained previously classified data, and Attachment D contained 12 previously classified figures and one classified table. All this material had been previously classified and was not newly classified. Postol had obtained this information from other individuals involved in a Qui Tam law suit against TRW. Those involved in the Qui Tam suit believed that the information they had was unclassified. A good faith effort had been made by a DCIS investigator to declassify a report that had been previously classified. In the process, certain classified information was inadvertently left in the report. Postol used this information believing it to be unclassified.

Postol's information was based on data he received from Dr. Nira Schwartz, a scientist and former employee of TRW, a defense contractor involved with BMDO. Schwartz had filed a Qui Tam action in the Western District of California alleging wrongful termination and false claims on the part of TRW. Dr. Schwartz's allegations were scientific in nature and concerned false claims made by TRW regarding the data obtained from the first test flight, IFT-1A. Postol expanded Schwartz's allegations to include criminal conduct. Investigation revealed that Postol's claim that data had been altered was unfounded. As to Postol's claim that the system is incapable of distinguishing between warheads and decoys, there is a dispute among scientists about the ability of the system to discriminate based on scientific grounds. This is a scientific dispute and Postol's attempt to raise it to the level of criminal conduct had no basis in fact. A Department of Justice civil attorney and an

Assistant United States Attorney in the Central District of California, both advised that during the Qui Tam investigation, there was no indication of fraud or criminal activity.

The joint FBI/DCIS investigation failed to disclose evidence that a federal violation has been committed. Since all logical investigation has been completed, this matter is being closed.

The title of the FBI memo, dated February 26, Washington, D.C., is "National Missile Defense System, Fraud Against the Government, Department of Defense."

In the text of the FBI memo, they mention a June 15, 2000, letter directed to Director Freeh, signed by 53 Members of Congress, alleging that the Department of Defense covered up fraud relevant to experimental failure of testing involving the National Missile Defense System.

Specifically, the letter detailed allegations by an antimissile critic from MIT, a scientist from MIT, that this entire process was ripe with fraud and that the DoD and its contractors had altered data to hide the failure. The professor was invited to submit all of his documents and all of his claims, as was anyone else, relative to fraud and cover-up. That data was both classified and unclassified.

The FBI memo, it goes on to say, the Washington field office opened the preliminary inquiry, and they came to certain conclusions. The conclusions were that there were no criminal activities by anyone; that, in fact, there was no fraud committed against the people of America. In fact, I will quote from the report: "Investigation revealed that the professor's claim that data had been altered was unfounded."

Is Dan Rather listening out there? Because, Mr. Speaker, as we all know, the national media has a tremendous ability to affect what the American people think. When they have 20 minutes of totally controlled air time, that leaves a lasting impression on the American people.

Now, why am I singling out one man, Dan Rather? It is because Dan Rather called my office and asked if he could interview me about national missile defense. As the author of the legislation, I said sure, I will be happy to talk about anything you want to talk about. He proposed, through his producer, to me that it would be a fair and unbiased analysis of national missile defense.

Mr. Rather came into my office last fall and spent over 2 hours interviewing me on videotape. When I was into about 15 minutes of the interview, I knew then and there he had already written his story. He was just looking to get a quote from me that would further the fraud he was going to commit on the American people based on the allegations by one MIT professor. But I went on for 2 hours.

When Mr. Rather ran his story, which was 20 minutes in length, the total amount of time that I appeared on that story was 30 seconds. The professor from MIT was on repeatedly for prob-

ably half the show. The report was totally biased, was totally ripe with allegations by one man that the Federal Government, in this case the Department of Defense, was committing fraud.

I will repeat the statement that I take from the text of the FBI document: "Investigation revealed that the professor's claim that data had been altered was unfounded."

When people make allegations in today's society and are allowed access to our national media that affects the public's understanding of what we are doing here, I think there is a responsibility for the media and the people who push that allegation to come out when the investigation is complete and give the American people the results.

The final paragraph of the FBI memo says: "The joint FBI/DCIS investigation failed to disclose evidence that a Federal violation has been committed. Since all logical investigation has been completed, this matter is being closed."

The silence has been deafening since February 26 because no one has acknowledged that the FBI finished its investigation of the charges made by one professor which resulted in 53 of our colleagues asking for a criminal investigation of individuals and leaders in our Department of Defense.

Now, I could read some of the quotes from my colleagues and from others who spoke out in support of this professor; but, Mr. Speaker, I would rather insert into the RECORD a news article dated May 4 relative to the allegations and the actual results of the findings of the investigation.

Mr. Speaker, I include the article as follows:

[From the Forbes CFO Forum, May 16-18, 2001]

FBI CLEARS TRW INC. OF FRAUD CHARGE IN MISSILE DEFENSE TEST  
(By Tony Capaccio)

WASHINGTON.—The Federal Bureau of Investigation cleared TRW Inc. of allegations it manipulated the test results in a program for the U.S. missile defense system, according to a government document.

It's the second time the allegation has been dismissed. A 1999 review by the Justice and Defense departments in a separate whistleblower lawsuit dealing with the same charge also found no basis for fraud in TRW's testing.

Last June, 53 members of the U.S. Congress asked the FBI to investigate charges by Massachusetts Institute of Technology professor Theodore Postol that TRW and Pentagon officials committed "fraud and cover-up," by tampering with the results of program's first test flight to conceal that company's warhead can't distinguish between decoys and the real thing.

Postol and another antimissile critic, Dr. Nira Schwartz, alleged that TRW and the Pentagon manipulated the results of a June 1997 flight test. Military and TRW officials said the company's warhead succeeded.

Postol and Schwartz claimed the data was manipulated to indicate success after the test failed. The test was conducted in a competition between TRW and Raytheon Co., which TRW eventually lost. Their charges were aired in March and June 2000 front page

New York Times articles that became the basis for the congressional request and fodder for arms control critics.

The FBI closed the case in late February, saying Postol's charges were "a scientific dispute and Postol's attempts to raise it to the level of criminal conduct had no basis in fact."

The FBI's action removes a cloud over the missile defense program just as the Bush administration presses ahead with plans to expand it.

A spokesman for TRW said the company hadn't been told of the finding and is "delighted" if it's true. Both Postol and Rep. Dennis Kucinich, an Ohio Democrat who organized the congressional opposition, said they too were unaware.

#### TRW'S ROLE

TRW is a top subcontractor on the National Missile Defense program managed by Boeing Co. TRW provides the command and control system, or electronic brains, that receive and process target information to missile interceptors carrying Raytheon Co. hit-to-kill warheads.

The TRW system has performed well in the three missile intercept tests to date, though two of them ended in failure after glitches in technology unrelated to the basic system.

Postol argues the Pentagon's system is fundamentally flawed and is incapable of distinguishing decoys from real warheads. He alleged the Pentagon watered down its decoy testing, substituting simpler and fewer decoys that were easier for the warhead to recognize. The Pentagon has acknowledged shortcomings in its decoy testing and says it plans improvements.

The program needs to ensure the ability of the system to deal with likely countermeasures," Pentagon program manager Army Gen. Willie Nance wrote in an April 12 review.

#### 'NO FEDERAL VIOLATION'

"The investigation failed to disclose evidence that a federal violation has been committed," the FBI said in a February 26 memo to the Justice Department. "Since all logical investigation has been completed, this matter is being closed."

The allegation was first made by Schwartz in an April 1996 False Claims Act whistleblower suit. Schwartz was a senior staff engineer who worked on the project for 40 hours, according to TRW. The federal government declined to join her lawsuit after determining there was no evidence to support criminal charges. The case is pending. Schwartz would receive a monetary award if TRW was found guilty.

Schwartz alleged that TRW "knowingly and falsely certified" as effective discrimination technology that was "incapable of performing its intended purpose."

"Dr. Schwartz's allegations were scientific in nature and concerned false claims made by TRW regarding the data obtained from the first test flight," said the FBI memo. "Postol expanded Schwartz's allegations to include criminal conduct. Investigation revealed that Postol's claim that data has been altered was unfounded."

#### GAO REVIEW

Postol said in an interview he was surprised by the FBI's decision because he was under the impression that the Bureau would wait to wrap up its review until the General Accounting Office completed a separate non-criminal technical review of the charges.

The GAO review, which was requested by two Democrats, Representative Ed Markey of Massachusetts and Howard Berman of California, won't be finished until later this year.

"I am amazed the FBI would have done this without checking with the GAO," Postol

said. "It looks to me that the FBI was simply not interested in doing anything except covering its back."

Kucinich, who organized the June letter that prompted the FBI inquiry, said he hadn't heard of the FBI's conclusion.

"It is interesting that the day after the president announced plans to spend billions more dollars on a missile defense system, it's revealed that the FBI had terminated its fraud investigation of the missile defense program—despite plain proof this technology doesn't work and substantial evidence suggesting that the Ballistic Missile Defense Organization covered it up," he said in a statement.

Kucinich was referring to President George W. Bush's May 1 speech outlining his plans for a missile defense shield that will likely include the ground-based system.

TRW spokesman Darryl Fraser in a statement said "if this report is accurate, we are delighted to hear that the FBI has vindicated TRW for the years of hard work."

Mr. Speaker, I would hope my colleagues would look at the evidence provided by the FBI that there was no fraud and get back to facts when discussing, as we will this year, whether or not to support the President's missile defense request.

My third national security issue, Mr. Speaker, is of grave concern to me. I also raised this briefly in a 5-minute Special Order last week. All our colleagues need to pay attention to what has been happening with the Departments of Defense, Energy, Commerce, and the CIA.

Mr. Speaker, I was one of nine Members assigned to the Cox committee, five Republicans and four Democrats, who spent 7 months of our lives behind closed doors, in some cases 6 days a week, through the holidays, working with the FBI and the CIA and our Defense Department, to answer a simple question for our colleagues in the Congress who had passed legislation creating our commission. The question that we were asked to provide an answer for to our colleagues was: Was America's national security harmed by the transfer of technology to China?

Mr. Speaker, after the 7 months of deliberations, we came to a unanimous verdict. The vote was not five to four. It was not seven to two. It was nine to zero that America's security was harmed by the transfer of technology to China.

Now, the spin by the administration at that time was that somehow China had stole the technology. That may have been true in a few isolated cases; but, Mr. Speaker, by and large, we gave the technology to China. We gave the technology to China.

In fact, Janet Reno assigned one of her top prosecutors, Charles LaBella, to investigate in response to the Cox committee why that technology was transferred. He wrote a 94-page memorandum called the LaBella Memo back to her suggesting she should empower a special prosecutor. She chose to ignore his advice, and the American people will never know the full story as to why that technology was transferred to China. I have some strong suspicions.

But one of the areas that we looked at was China's acquisition of high-performance computers. In fact, Dr. Steve Bryen, who was the first director of DTSA, the Defense Technology Support Agency, testified before the Cox committee that up until 1995 and 1996, China had zero high-performance computers, in the range above eight to 10,000 MTOPS, which is considered a high-performance computer, even by today's standard. Up until 1996, China had none.

China wanted these computers desperately, and we looked at that issue in the Cox committee but were not given access to an individual who now has come forward as a lifetime, long-term Dealy employee. This employee by the name of Stillwell had access to China's nuclear program, in fact, traveled back and forth regularly to China, was able to gain the confidence of the Chinese leadership so that he could get access to information about China's nuclear program that was very helpful to America's military leadership and our security leadership in terms of where China was going with its nuclear program.

Mr. Stillwell kept detailed notes of his trip to China. He has now reported that he knew the Chinese were desperate to acquire high-performance computers. Because he has reported to us, Mr. Speaker, that Chinese nuclear leaders told him they did not have the ability to miniaturize their nuclear weapons, to do simulated nuclear testing for one reason; and that reason was that China lacked high-performance computers to do the significant calculations required to simulate nuclear testing and to miniaturize nuclear weapons. This was in the 1990, 1992 and 1993 time frame.

The reason why this is so critical, Mr. Speaker, is that we now have someone, an American citizen, a recognized expert on China's nuclear program, perhaps more an expert than anyone else in this country, who has come forward and who has tried to publish a book where he documents China's wanting and desire to obtain high-performance computers.

Why is that so critically important? Because in 1996, in the middle of a Presidential reelection campaign, for reasons that are yet unknown, our administration unilaterally changed the policy and, in 1996, allowed American firms that, up until then had been prohibited from selling high-performance computers, to sell those high-performance computers to China.

Now, the reasons why those computers were allowed to be sold would make for an interesting investigation as to why the President all of a sudden unilaterally decided to reverse a policy decision that previous administrations had had in limiting high-performance computers to China.

Now, piecing the facts together, if we get the comments from Mr. Stillwell, who now tells us that China was desperately in need of high-performance

computers and could not get them in the early 1990s, and then, 1996, we see a decision by the U.S. administration to lower the threshold and allow China to acquire something that they had been prohibited from acquiring up until that year.

In fact, Mr. Speaker, Dr. Steve Bryen when he testified said, up until 1996, only two countries had companies manufacturing such high-performance computers, Japan and the U.S. There was an unwritten understanding between the two countries that neither of us would sell high-performance computers to certain countries that might use them for questionable purposes. Dr. Bryen told us that we did not even consult with Japan. We simply changed the threshold in 1996 and allowed those companies to sell the high-performance computers to China.

So, Mr. Speaker, I rise to ask my colleagues to join with me in letters that I am sending to the Department of Defense, the Departments of Energy and Commerce, and to the CIA asking specifically for the following information and demanding that this information be made available to Members of Congress and to the American people.

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From the period of time from January 1, 1994, to January 1, 1999, we demand the following information:

Number one. Records of all license applications for computers that the U.S. Department of Commerce approved, suspended, denied, or returned without action for export to China, including Hong Kong.

Number two. Information for each application showing the applicant, the case number, the date received, the final date, the consignee or end user, the ECCN number, the value, and the statement of end use.

Number three. Information showing the Federal agencies to which each license application was referred for review, and each agency's recommendation on the application referred.

In addition to the above, we want any information possessed by these agencies on the acquisition by China, including Hong Kong, of any computer operating at more than 500 MTOPS during the above period, whether such acquisition was made pursuant to an export license or not, and whether from the United States or some other country. And we need to demand this information, Mr. Speaker, immediately.

I am going to ask my colleagues from both sides of the aisle to join with me in demanding that we get some accountability because the American people deserve to know what happened.

Mr. Speaker, today, China is working on simulation of nuclear testing. They are miniaturizing nuclear weapons. They are using American high performance computers in that process. When Dr. Bryen testified before the Cox Committee, he said up until 1996, China had zero high performance computers. Within 2 years after we lowered the

threshold, China had acquired between 400 and 600 high performance computers, all from the United States of America.

When those in this Chamber rail against spending more money on defense, I ask them to join with me, because if China had not acquired those high performance computers, they would not be where they are in developing their nuclear technology, in miniaturizing their nuclear capabilities, in designing new weapon systems.

Mr. Speaker, my fear is that the bulk, if not all, of those high performance computers are not at Chinese universities doing academic research; they are not affiliated with technical institutions studying the weather of China; but, in fact, those American-sold high-performance computers are being used to design the next generation of weapons that we are now going to have to defend against.

To me, Mr. Speaker, the American people deserve some answers. And so all of us in this Chamber, I would hope, would join together in demanding that this administration give us access to answer the questions that I have posed relative to the transfer of high-performance computers to China, the applications for those transfers, the agencies' recommendations, and the number of those computers in place today and who controls them.

Mr. Speaker, the letter I referred to follows:

To: the Departments of Defense, Energy and Commerce, and to the CIA

Please provide, for the period from January 1, 1994 to the January 1, 1999, the following information:

Records of all license applications for computers that the U.S. Department of Commerce approved, suspended, denied or returned without action for export to China, including Hong Kong;

Information for each application showing the applicant, the case number, the date received, the final date, the consignee or end user, the ECCN number, the value, and the statement of end use;

Information showing the federal agencies to which each license application was referred for review, and each agency's recommendation on the application referred.

In addition, please provide all information that you possess on the acquisition by China, including Hong Kong, of any computer operating at more than 500 MTOPS during the above period, whether such acquisition was made pursuant to an export license or not, and whether from the United States or some other country.

Please submit this information in both electronic and hard-copy form no later than.

Sincerely yours,

#### PRESIDENT BUSH'S ENERGY PLAN

The SPEAKER pro tempore (Mr. GRUCCI). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, last week President Bush announced his energy plan in front of a backdrop on

which was printed the word "conservation," and I strongly suggest that my colleagues not be misled by this subliminal approach. I have always said that actions speak louder than words, and President Bush's actions during his first 100 days clearly illustrate that he will undermine any environmental regulation that prevents implementation of the administration's energy plan. So, please, I caution my colleagues, do not be confused by the fact that he has the word "conservation" printed prominently behind him in a backdrop. There is nothing conservation-oriented about President Bush's energy policy.

Clearly, neither President Bush nor Vice President Cheney nor the National Energy Policy Development Group believes that conservation should be the foundation of sound comprehensive energy policy. In fact, the Vice President recently stressed that the Bush administration views conservation as a sign of personal virtue but not a sufficient basis for a sound comprehensive energy policy.

And when we talk about conservation, conservation is the planned management of a natural resource to prevent exploitation, destruction or neglect. It is the only basis on which to build a comprehensive energy policy that provides for the responsible long-term use and development of our Nation's energy resources. And by missing this simple principle, President Bush's energy plan is immediately flawed.

Mr. Speaker, I would like to examine some parts of the Bush plan beyond its fundamental flaw, because I think many Americans do not understand the direct impact it will have on them. First, the administration's plan will do nothing to lower the prices that Americans are paying for energy today and will do little to mitigate price fluctuations in the future.

When I talk to my constituents, they are concerned about the high cost of gasoline and the fact that gas prices keep going up. When I talk to my colleagues from California who are facing blackouts on a somewhat regular basis and more potential for blackouts as the summer progresses, they are concerned about the fact that they cannot get electricity. But if we look at the Bush policy, it will not lower gasoline prices, and it does nothing to prevent the rolling blackouts in California or prevent price gouging by the industry. It will not significantly affect America's dependence on foreign energy sources.

On the other hand, what it does do, the President's energy plan does impact the quality of life for every American. The President's plan will damage public health through increased pollution of the air and water, it will speed up the impact of global warming and industrialize our Nation's pristine wilderness and open spaces.

In my home State of New Jersey, we are already facing relatively dirty air and major problems that we have had with polluted water. And, frankly, I

just do not see how we could possibly face a situation where the impact of the energy policy is to actually increase air pollution or increase water pollution, nor in New Jersey are people willing to tolerate the risk of contamination of our coastal environment by drilling off the coast.

Now, I know that the President has not specifically mentioned drilling off the coast of New Jersey, but the Minerals Management Service within the Department of the Interior has a plan to drill off New Jersey, as it does for most of the coast. And the logical extension to President Bush's policy would be to seek out offshore oil essentially in every State.

The reason that I believe that the President is moving in the direction he is, which basically is to drill more, try to increase production without addressing conservation, is primarily because of his alignment and his historic involvement with the oil industry. If we look at his references, they are all oil. And when we talk about the environment, conservation, and efficiency, I think we just see him giving more and more lip service.

The National Energy Policy Development Group, which put together the President's plan, did not once have a substantive meeting with environmental - or conservation - minded organizations, so there really was no input from conservationists or environmentalists. The input was all from the oil industry.

Let me talk a little about some of the problems I foresee with the President's new energy policy. First, I think it is going to accelerate the problem that we have with global warming. He calls for increasing coal and oil production. Specifically, the President requests a 10-year, \$2 billion subsidy for clean coal to make coal plants less polluting. However, in the energy budget, the administration did not specifically earmark funding for less polluting technologies, and instead, the budget requested this funding only to expand the use of coal in the United States.

So the problem is that what we are going to see is essentially more coal-fired plants, and the emissions that come from those will only aggravate the situation that we already face with some of the air emissions that are coming from those plants right now. The largest contributors of greenhouse gases are coal-fired power plants and gasoline-powered automobiles.

Power plants in the United States emit almost 2 billion tons of carbon dioxide pollution each year, and this is equivalent to the carbon dioxide emissions of the entire European Union and Russia combined. But as we know, or we learned a couple months ago, the President completely ignores this fact and he does not recommend any solution to reduce carbon dioxide emissions, even though he talked about that during the campaign. The President's plan regulates only three pollutants, and so carbon dioxide is completely left out.