

The tens of thousands of workers who before September 11 were flying our planes, building our planes, keeping our airports open, and serving the flying public are now facing unemployment. They will need financial assistance to be sure they can continue to pay their mortgages. They may need retraining so they can find jobs in a new industry. And we ought to be sure they and their families are not put in the scary position of being without health care coverage. As we have done for the airlines, the Federal Government must take the lead in supporting these workers.

I inquire of the leader as to his thoughts on the prospect for enacting a benefit package for displaced workers in the near future.

Mr. DASCHLE. Mr. President, let me thank the distinguished Senator from Missouri for raising the issue and commend her for her active involvement on this matter now for some time. She spoke eloquently about it in the caucus, and she has addressed this issue on a number of occasions. I share her conviction and her strong belief that we must address the impact on employees as well.

Over 100,000 employees are now out of work as a result of this extraordinary economic problem we are facing, and we have to address it. I indicated my caucus this morning that it is my strong view that this is the first installment of a series of efforts that must be made to put our economy back on track and to address the myriad other economic challenges we face, especially those involving workers and their families. So we are going to continue to work and find ways in which to do that.

I emphasize I see this only as the first installment. We will have to go back and address other issues, especially those involving families. I thank the Senator for raising the issue.

Mrs. CARNAHAN. As always, I thank the leader for his guidance. I look forward to working with him next week, and I do not object.

Mr. LOTT. Reserving the right to object, and I will not object, but I ask that Senator NICKLES get 20 minutes so we will have a balance of the time. I urge all Senators to not feel they must use all of the time.

I inquire of the Chair, with that change, has the question been put?

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

AIR TRANSPORTATION SAFETY AND SYSTEM STABILIZATION ACT

The PRESIDING OFFICER. The clerk will report the bill by title.

The bill clerk read as follows:

A bill (S. 1450) to preserve the continued viability of the United States air transportation system.

Mr. DASCHLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

The Senator from Missouri, Mr. BOND.

Mrs. HUTCHISON. Mr. President, parliamentary inquiry.

Mr. BOND. Mr. President, I yield to the manager of the bill, the distinguished Senator from Texas.

Mrs. HUTCHISON. Mr. President, are we now on the bill and into my 30 minutes of time?

The PRESIDING OFFICER. The Senator is correct.

Mrs. HUTCHISON. Thank you, Mr. President. I yield 5 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I thank the Senator from Texas for yielding me time. Let me try to be quicker than 5 minutes.

No. 1, while this package may not be what anyone likes, I am sure in this body and the other body there are probably 535 different ideas as to what we need to do. I hope we can come together, the House and Senate, and decide that we must move. I am more than willing to take what has been put together as an emergency measure and urge my colleagues to support it, and to support it without amendment.

We are looking at a situation where the airline industry, which is a critical element in our economy, is right on the verge—from the smallest airlines that need an immediate infusion of cash to make up for the losses that were sustained when the Federal Government rightfully shut down air transportation this past week, to the current time where consumer concerns over safety have limited the flying public. We have put our entire airline industry at great risk. This bill is necessary if we are to solve those problems and if we are to get the planes back in the air.

I can understand what my colleagues in this body and the other body have raised as concerns about insurance and compensation for those who are out of work. Let me be clear; it is not just the airline industry which has suffered losses. Boeing laid off 30,000 workers. I have just talked to people in the travel and tourism industry and consumer products industries. They have suffered a great downturn, and there may be people out of work. The good news is we have in place statutes and programs designed to assist those people.

Let me be clear; if we delay passing this bill, as we attempt to craft a change or adjustment on assistance for laid-off employees, we risk causing a tremendous economic calamity.

I understand that in the House objections over the failure to include relief for unemployment led to objections that put the passage of this package in doubt.

Right now, we are looking at layoffs in the airline industry in the neighbor-

hood of 20 to 25 percent. If we do not pass this bill, we are looking at 100-percent layoffs. We are looking not only at disaster for those people who work in the airline industry, those of us who depend upon airline traffic to get back to our constituents, those who depend upon airline travel for business, for recreation, and for tourism, but a risk to the entire economy. So this bill needs to be passed.

Let me also point out that last week I was in this Chamber and I said that one of the key things we must include in the airline rescue package is a carefully crafted, structured means of providing compensation to the victims. There is a two-part means of providing compensation for the families of those who are deceased as a result of the accident and those who are injured. There are various provisions built in which would seem to make an option of two structures available, and there is a clear-cut indication that airlines will be liable only up to the limits of their existing insurance coverage.

I thank the White House and the leadership for including those protections. Without them, at least two of our major airlines would not be able to continue in business next week. This is critically important, as is the provision in the measure for direct loans to those who can demonstrate their need to the Secretary of Transportation as well as loans which are to be structured by a board composed of the Secretary of Transportation, the Chairman of the Federal Reserve, the Secretary of the Treasury, and the Comptroller General. We put a great deal of discretion and responsibility in the hands of those very able officials. While none of us may have crafted the bill exactly as it was crafted, this is our only hope to ensure we do not have a disaster resulting from the total shutdown of the airline industry.

I urge my colleagues, I beg my colleagues, to pass it.

I return to the manager on this side any time remaining on my time. I thank the Chair and the Senator from Texas for their accommodation.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Texas.

Mrs. HUTCHISON. I will take up to 3 minutes of time now to explain what is in the bill, but I want to be told when 3 minutes is up because I will lose the remaining 30 minutes to other people.

The PRESIDING OFFICER. The Chair will notify the Senator.

Mrs. HUTCHISON. Madam President, the Air Transportation System Stabilization Act is the effort of the U.S. Congress, working with the President, to shore up the aviation industry in our country. Already we have seen announced almost 100,000 layoffs in the aviation industry in our country. That will have a rippling effect throughout the economy. What we are doing today is trying to stabilize this industry to keep it on its feet in very tough times so we can minimize the layoffs. Hopefully, they will not be as bad as the airlines announced they will be and we

can get this country back on track so our economy will stay strong.

What this bill does is have \$5 billion in immediate assistance to the carriers based on their actual losses for the grounded airplane time they have had. As we know, there is still one airport that does not have service. We still have airlines losing business because of the September 11 tragedy that was not any fault of theirs.

We have in addition \$10 billion of loan guarantees subject to terms and conditions set by the President. There will be a board created to review and decide on the applications for these Federal credit instruments. The board will be the Secretary of the Treasury, the Federal Reserve Chairman, the Secretary of Transportation, and the Comptroller General. These loans will be based on sound, solid, hopefully, financial integrity. We are also going to put limits on executive compensation of any carrier that gets a part of this airline cash assistance package.

We also have provisions for the Secretary of Transportation to provide help for airlines that are the only airline serving a community, and if the airline wants to pull out, we are going to try to encourage that airline to stay in the community. We are dealing with the liability issues, trying to take from the airlines any liability beyond what their insurers will carry.

We also have liability provisions for the war risk insurance for all other industries that might be affected in the future with an act of terrorism that is beyond their control so that they will not be liable beyond their means and be put out of business.

These are the basic parts of this legislation that we are hoping to pass tonight and send to the President.

I yield up to 10 minutes to the Senator from Illinois.

Mr. FITZGERALD. Madam President, I rise to say what I think are some improvements that have been made to the bill as it has been negotiated by various parties in the House and the Senate, and I guess with involvement from the White House and the Office of Management and Budget.

I am very concerned about the airline industry and especially the many employees of the industry. Tens of thousands of airline employees have already been laid off. My home State of Illinois is home to O'Hare International Airport which is a hub for United and American Airlines, the Nation's two largest carriers. Perhaps no State in the country is as immediately affected by the problems affecting the aviation industry as is Illinois. I am very concerned about the employees. I met with several skycaps the other day who told me it was their last day on the job, and to see the forlorn look in their eyes was heart wrenching.

However, I alert my colleagues, the way this bill is designed, there is no protection for the employees of these airlines. There are no strings, really, attached to the airline access of up to

\$15 billion in taxpayer money. It is money that some airlines will take, and still we will see lots of layoffs and poor treatment of some of the airline employees.

I think Congress is remiss; we are moving too fast. We should have some strings attached if they are getting all this government money. We should have some protections for the airline employees. That is an omission in this bill.

I am also concerned that anytime you have a Federal bailout of an industry, you have to ask, by what principle or what reasoning are you bailing out this industry? In this case, we have chosen to bail out the airline industry. The airline industry has said they are entitled to Federal money because the Federal Government issued a ground stop order on September 11 that kept their planes out of the air for at least 2½ days, and but for that ground stop order, that edict of the Government, they would not have incurred the losses they did during those days.

This bill might make sense if we were only compensating them for the losses incurred by virtue of that ground stop order. The fact is we are compensating them for many times the losses they suffered as a result of the ground stop order.

Analysts testified before the Senate Commerce Committee yesterday. I sat in the whole hearing for 4 hours. We heard from many people. It was testified that the direct loss to the aviation industry in America as a result of that ground stop order on September 11 was \$2 to \$3 billion. That comports with the estimates that have come out from research departments, investment banks around the country, and comports with everything I have seen. Yet this bill has \$5 billion in direct cash assistance and another \$10 billion in loan guarantees or \$15 billion in Federal taxpayer bailouts.

Leo Mullin, the CEO of Delta Air Lines, testified that the direct loss of Delta Air Lines for each day they were shut down as a result of that ground stop order was \$70 million. So over 3 days, Delta Air Lines incurred a loss as a result of the ground stop order of \$210 million. How much in Federal assistance will Delta get as a result of this bill? At least four times the losses they sustained as a result of the ground stop order. Delta will get about 60 percent of the \$5 billion in cash assistance. In other words, they will get a grant of about \$800 million, four times their losses, plus they will be eligible for these new loan guarantees.

The bottom line is, I think this assistance is too generous. It gives too much money. It goes far beyond compensating the airlines for those 3 days that Government edict was in effect.

Clearly we are compensating them for far more. In fact, this bill suggests we are compensating them for all their losses through the end of the year. Then my question is, By what principle do we not agree to help other industries?

I had the general counsel of a major car rental company call me and say they needed the bailout. I had restaurants tell me they are shutting down. There are hotels shutting down. The fact is, those other industries did not quite have the effective lobbying team the airline industries had. They were very prompt in coming to Capitol Hill and requesting relief. And, moreover, they got this relief in a way that I think is virtually unprecedented.

When the Chrysler Corporation got its loans guaranteed back in the 1970s, in return for making those Government guarantees the Federal Government was paid in warrants of Chrysler Corporation stock. The Government took 14 million warrants of Chrysler Corporation. When those warrants rose in value as the company did better and got back on its feet, the Government sold those warrants at, I believe, a \$300 million profit.

Fortunately, Senator CORZINE and I worked together. We did get put into this bill, at our request, language to allow the Treasury Department, in return for any of the loan guarantees that are given out under this bill—the Treasury will have the authority to negotiate appropriate warrants so the taxpayers can participate in the upside here.

I would prefer that the Treasury Department have clear authority to ask for warrants in return for the \$5 billion in cash assistance. I think that would be the appropriate protection for the taxpayers. In fact, without that protection, then, what we are doing, by the way we are structuring this bailout—this is not a bailout of the industry so much as it is a transfer of the loss that industry has incurred from the airline industry shareholders to Joe Taxpayer.

It may be intuitive to some that the general decline of the industry, that loss, should be borne by the taxpayers. To this Senator it is not intuitive that the shareholders of airlines should be protected and indemnified from any loss here. I find it very troubling. I think there should be a price the shareholders have to pay.

I hope the Treasury Department and the Office of Management and Budget will try to find if they have any residual authority—they tell me they believe they do—to ask for warrants from each airline in return for the grants they are given.

In the Continental Bank bailout, which happened in Chicago, IL, many years ago, in the 1980s, the FDIC did not come in and make the shareholders of Continental Bank rich. In fact, they wiped out the shareholders of Continental Bank in return for the Government assistance, and FDIC ended up owning 80 percent of the bank. Then, when the bank got back on its feet, the Government did an initial public offering of its shares and sold them back to the public and recouped for the taxpayers what they had given.

I think we could have done better. It is an improvement from where it was

earlier in the process. I certainly hope that the issuance of warrants—and the Treasury has the authority now to accept warrants in return for the issuance of the loan guarantees—I hope that authority on the part of the Treasury will deter companies, airlines that do not need a Federal guarantee, from coming to the taxpayers and asking them for that guarantee. So I am hopeful the Treasury will use that authority to the fullest extent, and I am hopeful, furthermore, that in return for the cash grants available under this bill, the Treasury will insist upon getting some equity instruments in the corporation or some payment for the taxpayers, lest this just be a complete and total indemnification of the sophisticated shareholders of the airline industry.

Madam President, I yield the floor.

Mr. CORZINE. Will the Senator yield for a question before he yields the floor?

The PRESIDING OFFICER. The Senator has no time at this time. His time has expired.

Who yields time?

Mr. ROCKEFELLER. The Senator from West Virginia is happy to yield 5 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. CORZINE. I wonder if I might ask a question of the Senator from Illinois with regard to his premise that would not be subtracted from my time?

Mr. ROCKEFELLER. If the Senator wishes to do it, it is on his time.

Mr. CORZINE. The Senator from Illinois spoke about the need to ensure some accountability by giving the Government a stake in airlines that are provided grants beyond the funding necessary to compensate them for the shutdown period. I agree with him on that.

Has the Senator had conversations with anyone on this question? Has he been led to believe that equity participation—warrants, options, calls—also will be extended to grants that go beyond compensation for losses associated with the shutdown?

Mr. FITZGERALD. Yes, I have, in a conversation, I think, with Sean O'Keefe from the Office of Management and Budget. He works for Mitch Daniels. He was under the impression that the executive branch had the authority, in return for granting \$5 billion worth of cash assistance, to demand warrants or other appropriate instruments from the airlines that were getting them, and that that would deter the airlines from asking for more than they should.

Mr. CORZINE. Is it the Senator's belief that the equity stake associated with those grants would operate in the same way that is explicitly outlined in the bill with respect to loan guarantees, with respect to which the Treasury clearly has the authority to access warrants, options, or calls?

Mr. FITZGERALD. Yes. Just as in return for the loan guarantees the Treas-

ury could ask for warrants, I believe that in return for the cash grants, the Treasury can ask for warrants from the corporation.

Mr. CORZINE. I thank the Senator from Illinois for helping clarify this, and making clear what the administration has said about this aspect of the bill.

Having said that, Madam President, let me emphasize that I rise very much in support of the efforts to reinforce our aviation industry. This industry is in dire straits. And it is an industry that plays a critical role in our economy.

It also plays an important role for our military. Senator TORRICELLI and I visited McGuire Air Force Base with senior officers on Monday, and they told us that about 40 percent of the transportation that our military folks will need in a full war might be provided by our private aviation industry. The strength of that industry clearly is important for our national security.

Madam President, I live in a State where about 12,000 Continental employees work at Newark Airport. It is the largest employer in Newark. I very much understand the needs and desires of having a healthy and ongoing industry which is under stress. But, in my view, unless we have some discipline in this process—which very clearly has been outlined in the bill as it relates to loan guarantees—we would be writing a blank check for some companies that are very strong. This would be unnecessary and could dissipate resources that could be better spent on other important priorities, including workers who are losing their jobs and other struggling companies that are not in the airline industry.

In my view, it would be a mistake to provide direct support without discipline. So I hope the Administration will do what it said it will do, and ensure that, as with the loan guarantees, the grants that we are offering companies—beyond those needed to compensate them for losses directly associated with the stop order—are accompanied by warrants, or options held by the Federal government. This will help ensure discipline and accountability, just as would be required in the private sector.

Mr. ROCKEFELLER. Madam President, I would like to commend the Majority Leader for his hard work in putting together an airline stabilization bill that will save our nation's airlines and our air transport infrastructure. I will strongly support this bill without amendment.

The terrorists who launched those despicable attacks on September 11 took thousands of American lives, and did billions of dollars of damage. It has also become clear in the past 10 days that they dealt a body blow to the U.S. airline industry, on which virtually all of our citizens depend on to one degree or another.

Demand for air travel has virtually collapsed in the past week. Last week-

end I flew back to West Virginia, and on the return flight Sunday night—usually a crowded flight from Charleston to Dulles—I was the only passenger on the plane. Many of my colleagues have mentioned that they've had similar experiences in the past ten days. Flights are departing West Virginia airports with a load factor of 25 percent—only one in four seats filled. Unfortunately, this is not, like last week's closure of the New York Stock Exchange, a temporary phenomenon. Based on past air disasters or international conflicts—none of which was of the same massive scale as last Tuesday's attacks—airlines are predicting that passenger traffic will be down by almost half for the remainder of this year, and will take until next summer to return to normal levels. And those are optimistic estimates.

This kind of crisis could do irreparable harm to the ability of America's airlines to continue in business. Airlines lost \$300 million each day that they were shut down last week. They are set to lose billions more in the coming months. Their insurance rates have shot up, with some airlines telling us of a 600 percent increase in their insurance rates. Coming on top of what was already a difficult outlook because of our slowing economy, the nation's airlines—main line carriers and regional carriers alike—could be in bankruptcy within a few weeks and possibly out of business within a few months. Already we are seeing the first signs: a round of massive, painful layoffs for nearly 100,000 of our nation's hard-working airline employees. And huge cutbacks of around 20 percent to most airlines' schedules.

Some people have said, well, this is the market, and it is not the American way to interfere with the market. But I have been pleased, as chairman of the Senate's aviation subcommittee, to see a broad consensus among my colleagues that the air transport industry is not just a huge business and employer, but it is also a critical element of our nation's infrastructure. Nowhere is that more the case than in the smaller states and communities like West Virginia. When people think of the airline industry, they usually think of big hub airports like Hartsfield and O'Hare. But airline traffic is just as important—maybe more important to smaller communities like Beckley and Bridgeport. Safe, convenient and affordable air service represents an important element of our efforts to attract development to our state. It's an important connection that allows our citizens and our businesses to overcome the historic isolation created by our state's mountainous terrain.

And when I see planes flying with one passenger, and learn that carriers are cutting back on their schedules, and hear that several carriers could be in bankruptcy within two weeks, I know that the first communities to be hit will be small communities like those in

West Virginia that are at the end of the food chain, so to speak. That would be tragic. It would reverse the efforts our communities have made to attract and retain air service, and turn their residents into aviation “have nots.” It would also set in motion the slow implosion of the U.S. airline industry, which would spread to larger hubs and airports as well. And finally, it would give the terrorists who perpetrated last week’s heinous attacks the ultimate victory, as their actions would lead to a severe curtailment of America’s freedom of movement and mobility.

It is the shared consensus of this body that cannot be permitted to happen, and that has driven our remarkable efforts this past week to put together a stabilization package for our nation’s airlines.

It will contain up to \$5 billion in immediate credits to reimburse airlines for the revenues they lost when the government shut down U.S. air space last week. It will also contain \$10 billion in loan guarantees so that our airlines can continue to obtain financing in the coming months.

It will limit airlines’ liability for collateral damage incurred up to the amount of their existing insurance coverage as a result of last week’s terrorist attacks—a key provision because our airlines might otherwise not be able to obtain or afford insurance.

It will set up a victim’s compensation fund for the families of the innocent victims of last week’s despicable attacks.

It will provide \$120 million in additional authority to fund to the Essential Air Service program, a key element in preserving air service to smaller communities.

This package is an important first step in stabilizing the U.S. airline industry and ensuring that air service to communities across the nation survives this crisis. But it does not address all the needs that this crisis has created.

One important issue we will need to take up in short order is the plight of the nearly 100,000 airline workers who will lose their jobs as a result of this week’s cutbacks. We have already begun to see airline layoffs in West Virginia. Excellent workers who expected a promising career in a growing industry, until terrorists hijacked four planes and frightened Americans out of the skies. We must take measures to address their needs. We provide special assistance to American workers who have been displaced by foreign trade; we must provide the same level of assistance to American workers who have been displaced by foreign terrorism.

We must also be prepared to look at the needs of related industries, as well as the future needs of the airline industry. Many related industries—aircraft manufacturers, travel agents, and various travel-related businesses—have already begun to feel the effects of this attack. We will have to look carefully

at the real needs of those industries, and be prepared to take bold measures where they are needed and appropriate.

One thing is certain: the survival of America’s airlines is a key element of any solution. Their needs are real and urgent, and I congratulate the Majority Leader on his success in putting together a stabilization package that will address them.

Madam President, Senator SCHUMER and I believe Senator CLINTON wants to speak, along with the Senator from Texas and a few others. But I note that the Senator from Texas has an obligation, as well as all of us, and we would like to see this drawn to a close and have our vote. Those who want to speak on other subjects could perhaps do that after the vote. It would be just as relevant.

From my point of view, we are at a very clear and obvious, arithmetically, inevitable point in time where we have to say to the aviation industry of the United States and, even more importantly, to the American people that there are going to be planes flying on Monday. We have to have a safety bill. That is an enormous subject, and safety has to come. Safety will come. Safety is going to be addressed immediately. There are planes to make safe. People need to feel confident about safety and then get aboard the plane. None of it makes any difference if their insurance expires. When insurance expires—airplane companies have all received their notices—then of course there can be no flights. That will happen very early next week. The Nation will shut down with respect to that.

The whole question of providing support on a temporary basis and based only on what happened as a result of the tragedy on September 11 is important. Nothing that the Senate will be voting on will be based upon anything that had to do with the airlines’ financial condition prior to September 11—only as a result of the tragedy on September 11 and the Government-managed shutdown.

There are a lot of considerations about the broad economy of America as well as the ability of the American people to gain some level of confidence in getting back to travel. In fact, there are airplanes at the airport they can board. I remind all Americans as well as my colleagues that airlines remain far and away the safest form of travel, and they have been that way for a long time in comparison with any other form.

Safety will happen. Safety is somewhat more complex, and it will happen. It will be done by legislation. It will be done by the administration. There will be a lot of money for it. But the ability of the aviation industry to put planes in the sky next week is where we have to start. If we do not pass this legislation, and do not do so promptly, it will not happen.

I urge my colleagues—who understandably are saying: Wait a second, what about my rental car company or

what about my steel industry—there are all kinds of things that can come into an emergency designation. But here, we are focused on aviation. That is the order of this day within our national security situation. If the planes don’t fly, much of the economy shuts down. I think this is arithmetically uncontestable. I think it is an absolute priority of this Senate to pass it and hopefully do so in a very short amount of time.

I call upon my colleagues to at the proper time support this aviation legislation—not to say that it is perfect, not to say that some of the legislation which has arisen out of this crisis is perfect. We will have a chance to revisit it. This is only the first of a wave of accountability and dealings with the airline industry, its financial health, safety, and all other manner of conditions that are coming before us. Without this, nothing else follows.

I plead with my colleagues to support this legislation in spite of worker protection and other things which will be absolutely a part of what follows this vote and this legislation.

I reserve the remainder of my time and yield 5 minutes to the senior Senator from the State of New York.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Madam President, I ask unanimous consent, following the Senator from New York, to yield time to the Senator from Alabama, who has been waiting for 5 hours.

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

The Senator from New York.

Mr. SCHUMER. Thank you, Madam President.

First, I thank the chairman of our Aviation Subcommittee, the Senator from West Virginia, and the Senator from Texas, the ranking member, and everybody who worked so hard on this issue.

I particularly thank our leader, TOM DASCHLE, for his outstanding efforts on this bill and for all the help he provided to New York and the Nation in this recovery from the crash and tragic events of September 11. I also want to thank his talented staff who worked long and hard on into the night in working out provisions that were vexing to me—they are: Andrea LaRue, Laura Petrou, Randy DeValk, Mark Childress, and Mark Patterson—for all of their help during the past 2 weeks.

In addition, there are two technical points I want to clarify. It may be a little unclear to some whether all lawsuits or just lawsuits against the airlines will be situated in the Southern District of New York. The intent here is to put all civil suits arising from the tragic events of September 11 in the Southern District.

Second, the prospective liability package covers the airlines, their agents, and other relevant parties. Agents includes, as I understand it, airplane lessors and financiers.

This bill is a mixed bag. It has some things that I am grateful for and support. It does not take any of this

money from the \$20 billion we were able to vote for for New York. There was a real attempt to do that. It does not. I appreciate that.

There was a huge fight on the liability issue. I understand the need for prospective liability exemption. But at some point the families of those who died in the World Trade Center and not on the airplanes are going to be treated differently than victims had been and those who died who were on the ground or in buildings in the past. That has been rectified. There is a very generous package for those families who lost members in the World Trade Center bombing—who were in the World Trade Center, not just on the airplanes.

Finally, my crusade has been to bring good service to the middle-sized cities of upstate New York. While I am not fully satisfied with the provisions, there are provisions in the bill, and let us hope that is the beginning of a new chapter. The airlines are no longer totally independent. Therefore, I am relying on them in my meetings with them. What the majority leader and others have told us is that as we come back in future bills, we will strengthen those provisions further so that these airlines cannot abandon middle-sized cities such as Rochester, Syracuse, Albany, and Buffalo—rather large cities that depend on airline service. But there is a provision in the bill that recognizes some of that. It is better than the present law, and I appreciate it.

For all those reasons, this bill is a bill I will vote for. I have some misgivings. Amtrak should have been included in this bill. To have a comprehensive transportation system, we need a good rail system. The congestion that so many of us see in New York airports and other airports around the country could well be relieved by a functioning Amtrak. Again, I am relying on the understanding of our leadership on both sides of the aisle that when we come back and do other airline bills, we will include Amtrak.

It also does nothing for the workers. I am very worried, and I urge the airlines not to invoke a war clause when they deal with their union workers. Yes, indeed, when business contracts, we don't expect airlines not to accept those economic consequences, but I would regard invoking that clause as a breach of faith. I hope they will not do it. I hope they know they will have to come back to us and deal with it. We have to include employees and what they need in this package as well.

It is a mixed bag: good on liability, good on where the money comes from, and OK making progress on taking account for middle size cities; not enough, nothing for Amtrak, nothing for labor, but we will come back and deal with those issues.

If it is a mixed bag, why am I supporting this bill? Because we are in a new era where every one of us has to give a little bit. We heard the President speak. We were unified yesterday. We must keep that unity. It is impor-

tant that each one of us no longer say: It is my way or no way.

I didn't get everything I wanted in this bill. I did get some things. I am a little worried about the numbers as well.

If we don't vote for this bill and weicker, airlines will not fly on Monday. It will set a tone in this body that we don't need right now.

Relying on the good work of our majority leader and our minority leader and knowing we will get back to the other issues we care about, I will vote for the bill, and I urge my colleagues to do the same.

Mrs. BOXER. Madam President, I am pleased that the Senate has been able to act so quickly on this issue.

As you know, all four planes hijacked last week were headed for my State of California. Consequently, many Californians who were simply trying to make their way home lost their lives in these attacks. My heart goes out not only to the Californians who fell victim to terrorism, but to all the victims of last week's attacks and their loved ones.

Our Nation's aviation system was transformed into a terrorist weapon. As a result of the terrorist attack, the airlines are confronting an alarming financial situation. Last week's tragedy will be compounded if the aviation industry is destroyed as well.

As an industry, airlines are losing \$300 million per day. Lines of credit may not be available. Insurance premiums for some airlines may rise \$100 million per year or may be unavailable period. Without insurance, the airlines cannot fly.

Therefore, I support this bill to provide financial assistance to the airlines. I also support a victim's compensation fund to help ensure that victims' families receive compensation in a timely fashion.

I am particularly pleased with the language in this bill that commits \$3 billion of the \$40 billion in the emergency funding that we passed last week for airline security. I hope this funding is used to improve screening in our airports. It is extremely important that security be the responsibility of the Federal Government, including creation of a professional security force for passenger screening. I also believe the funding should be used to increase the number of air marshals by placing an air marshal on every commercial domestic flight.

This is only the first step in aviation security. In the next week or two, I will be working to see that Congress passes comprehensive security legislation, including federalizing screening and guaranteeing that air marshals are on every flight.

Finally, I am disappointed that this bill, while bailing out the airlines, does not provide assistance to laid-off workers. This week almost 100,000 jobs were lost industry-wide. That is 100,000 families who are losing their incomes.

These numbers do not even include the manufacturing sector of the airline

industry. Boeing also announced that it could lay off as many as 30,000 employees in the next few months.

We must not forget the workers who are affected. They may need help with job training and acquiring new skills. They may need help with keeping their health insurance. Again, I will be working to see that help comes to these families soon.

This bill is important, but it is only the beginning of what we need to do after last week's tragic events.

Mr. NELSON of Nebraska. Madam President, as we discuss this much needed legislation to provide financial assistance to our airline industry, I would like to voice my concern that air service to our small communities not be lost in this effort. I have consistently supported adequate funding for the Essential Air Service Program, and ensuring the viability of our small airports is a priority for me. Because I realize the economic impact a loss of air service would have on our small, rural communities, I applaud the efforts made in this legislation to include the needs of carriers who serve these markets.

It is important that in considering financial assistance for the airline industry, that thought is given to the impact this tragedy has had on the regional airlines, which service our small communities. Essential air funding is critical to providing air service to most of the communities in Nebraska, as I know is the case in many States. As we continually focus on how to regain confidence in our economy, I believe this is one area where Government assistance can truly be beneficial. Because it is imperative to the economic wellbeing of these small communities that air service be continued, increasing the level of essential air service funding is critical to ensuring the air carriers serving small communities can continue to do so.

I understand that the bill contains language authorizing the Secretary of Transportation to require air carriers currently receiving direct financial assistance to maintain scheduled air service to any point served by that carrier prior to September 11. In addition, the Secretary may require these carriers to enter into agreements, which will, to the maximum extent practicable, ensure that all communities that had scheduled air service before September 11 continue to receive adequate air service.

I do have concern that in light of recent events some of these carriers will cut service to communities that rely on Government-subsidized air service. Therefore, I urge the Secretary of Transportation, in carrying out his authority under this bill with respect to these carriers, to consider the devastating impact cutting air service to small communities, especially rural communities, will have. It is my hope that the provisions of this bill provide sufficient protection of air service to small communities.

Mr. MCCAIN. Madam President, the bill that we are voting on today not only provides financial assistance to airlines, it addresses the issue of legal liability for the tragic events of last week by creating a federally-funded victims' compensation fund and by limiting airlines' potential legal liability to ensure their continued operation.

The effect on the airlines of the September 11 terrorist attack put Congress in the unenviable position of having to take immediate action to prevent the collapse of the aviation industry as a result of the federally ordered grounding of all aircraft and the anticipated reduction of air travel.

One of the most difficult issues we had to grapple with was the enormous potential liability that airlines faced if courts determine that they were negligent and in some way responsible for the damage wrought by the terrorist attacks last week.

Aviation financiers informed Congress that this potential liability was a barrier to the airlines' obtaining credit in the private market, which we anticipate they will soon have to seek despite the direct financial assistance we are providing to them today.

The vast uncertainty of our litigation system posed significant challenges to crafting reasonable limitations on airline liability while providing compensation for the victims of the terrorist attacks and their families.

Disturbingly, while courts could order the liquidation of our biggest airlines if they are deemed liable for the catastrophic damage of September 11, victims could also receive no compensation from the courts if they determine that corporate entities, including airlines, were not responsible for the devastating damage arising from the terrorist attacks.

We faced two unsatisfactory outcomes: 1. that the airlines, whose liability insurance coverage is insufficient to cover all damage, would be dissolved as their assets were sold to pay off their liability and/or; 2. some or all of the victims who were injured or killed in this tragedy would receive no compensation.

The liability provisions in this bill are by no means perfect, but they are intended to prevent these two unacceptable results.

To ensure that the victims and families of victims who were physically injured or killed on September 11th are compensated even if courts determine that the airlines and any other potential corporate defendants are not liable for the harm; if insurance monies are exhausted; or are consumed by massive punitive damage awards or attorneys' fees, the bill also creates a victims' compensation fund. These victims and their families may, but are not required to, seek compensation from the Federal fund instead of through the litigation system.

At the same time, to provide for the continued operation of our airlines, the

bill limits airlines' civil liability to the amount for which they were insured at the time of these unforeseen events.

No amount of money can begin to compensate the victims for their suffering. Nothing will make them and their families "whole." It is not the intent of the federal fund to do this. Nor is it the intent of the fund to duplicate the arbitrary, wildly divergent awards that sometimes come from our deeply flawed tort system—awards from which up to one third or more of the victims' award is often taken by attorneys.

The intent of the fund is to ensure that the victims of this unprecedented, unforeseeable, and horrific event, and their families do not suffer financial hardship in addition to the terrible hardships they already have been forced to endure.

In addition to removing the specter of devastating potential liability from the airlines, and guaranteeing that victims and their families will receive compensation regardless of the outcomes of the tangle of lawsuits that will ensue, the bill attempts to provide some sense to the litigation by consolidating all civil litigation arising from the terrorist attacks of September 11 in one court.

It is regrettable, but perhaps inevitable, that the unity that this terrorist attack has wrought will devolve in the courts to massive legal wrangling and assignment of blame among our corporate citizens. It is my hope that the liability provisions we are adopting today will serve, to some extent, to reduce this, and produce as fair a result as possible in light of the gross injustice of these events.

Mr. GRASSLEY. Madam President, I am pleased that the Senate is moving with great speed to insure the short-term stability of our nation's airlines. The tragic events of September 11 have unfortunately made this legislation an absolute and immediate necessity. This Senate is wisely moving with great dispatch.

This act is difficult for all of us. It has not been easy to negotiate by any means. But the Senate has come together for the good of this great nation to do the right thing. That is, to keep the airlines in the air.

The airline industry is a marginal industry, just like farming. And just like farming, it depends upon a constant and consistent flow of cash. That critical cash flow dried up on September 11. This legislation provides needed cash assistance and loan guarantees to make up for the current terrorist induced shortfall.

The bill also addresses critical liability issues. As a member of the Judiciary Committee, I will monitor these provisions continually and closely as to their propriety and proper functioning. I will not hesitate to step in as I see necessary should the situation call for further action.

I welcome the language concerning Essential Air Service, EAS. This is a proven program with an administrative

bureaucracy already in place. State and communities understand the EAS program and its important role in maintaining air service to small, underserved communities. This program has the potential to help several communities in Iowa which now face the loss of air service. It will help to prevent these small communities from bearing the brunt of air service reductions. I strongly urge appropriations to provide the funding necessary to insure the success of the program.

I wish this measure was not necessary. But it is. The cowardly acts committed by terrorists on September 11 have made it so.

The terrorists will not win. The American airlines will continue to fly, and Americans will continue to fly on them. Our economy and culture will grow and thrive. Of this, I am confident.

Mr. HATCH. Madam President, I rise to speak about S. 1450, the Air Transportation Safety and System Stabilization Act.

Let me first say that I support the intention of this bill. I want to ensure that the victims of this heinous crime receive just compensation while at the same time we provide much needed stabilization to the airline industry. That balance is a very difficult thing to achieve. I have very strong reservations about whether we accomplished that task in a fair or feasible manner here today. It is with mixed emotions that I support this bill. I hope that there is an opportunity to address these concerns down the road and to improve on what we have done here.

This bill does do some good. We provide a generous administrative remedy for all victims who were physically injured or killed as a result of this attack. This will help ensure that injured people receive money and receive it faster than they otherwise would if left to pursue claims through litigation. It also provides that the Federal Government can recoup, to the extent possible, any money from the responsible parties, including the terrorists whose assets we may be able to recover in the future.

We also provide the airlines with some much needed cash to cover the losses they incurred as a result of the Federal Aviation Administration's ordered shutdown of air traffic for nearly a week. However, we have not included a provision that I wanted to guarantee that once the airlines receive this cash infusion and government loan guarantees, they would not discharge their federally guaranteed debt in bankruptcy.

The limitation on liability included in this bill has some productive aspects. We limit the liability of the airlines to the extent of their insurance coverage in order to allow them to keep operating. In my home state of Utah, Delta Airlines employs over 4,700 people. I don't want to see a company that employs so many people in my State go out of business. Air service is

essential. However, we also must protect the liability of other defendants in potential litigation. If we do not, then we very likely will place other defendants in a worse position than if we do nothing at all. For instance, under the legal principle of joint and several liability, even if a nonairline defendant is only 10 percent liable and the airline is determined to be 90 percent liable, the nonairline defendant may be required to pay more than its share of liability because the airline's policy limits have been exceeded in the judgment. This could be an unfair outcome and is a serious concern. Do we really accomplish our goal of keeping air transportation operating if we sacrifice the other entities that contribute to a well-functioning airline industry? I am talking about the airline contractors and subcontractors as well as the companies that built the planes, the port authorities, and even those that built the World Trade Center itself.

For those who seek to pursue the litigation route, I am pleased that we consolidated the causes of action in one Federal court so that there will be some consistency in the judgments awarded. However, because the pool of funds available to potential plaintiffs will be limited, we need to eliminate, or at least limit, the punitive damages that can be awarded. I do not want to deny any legitimate plaintiff just compensation. He or she should receive both economic and reasonable non-economic damages which would include everything from lost earnings to emotional distress. However, If we do not limit outrageous jury awards of punitive damages, we run the risk of denying some plaintiffs their rightful share in an award. If one plaintiff's punitive damage award is excessive, it could very well deplete the amount of funds available to pay awards, leaving other plaintiffs out in the cold. Don't we want to ensure that all legitimate plaintiffs receive compensation?

This was indeed a horrible attack on our country and I have confidence that the President will make sure that the terrorists are brought to justice. With this bill the Government attempts to provide some relief to the victims of this attack. Unfortunately, the Government cannot do everything. What pleases me most in the aftermath of this tragedy is the extent to which the communities across the country have reached out to help their neighbors. We have all heard of those heroic firemen and police officers who gave their lives trying to save the lives of others. Also, those noble passengers who sacrificed themselves rather than let the terrorist inflict even greater damage on the ground. There are many wonderful charitable organizations such as the Red Cross and the Salvation Army who responded immediately to assist victims of the terrorist attack. Donations have been pouring in from across the country to assist the victims. It warms my heart and reminds me of the Thousand Points of Light that President

Bush's father often referenced regarding the generous nature of our communities. Because of all of this, I am confident our country will come out of this tragedy stronger.

Mr. CLELAND. Madam President, I rise today to direct my colleagues' attention to the needs the workers who play a vital role in our nation's aviation system—tens of thousands of men and women who are often overlooked by those who travel by air. From the ticket agents to the sky caps to the mechanics, these workers support the American airline industry and promote its viability.

These same workers were uniquely impacted by the terrorist attack on September 11, 2001. Their place of work—a place that should be safe—was violated when terrorists turned the four commercial planes into missiles. On that fateful day, the air travel system in this country ground to a halt. The order to ground our aircraft was an unprecedented and correct action by the Department of Transportation. For the next four days there was virtually no air travel in this country, and the airlines suffered huge financial losses.

In the wake of this tragedy and as the airline industry is returning to the skies, the Administration and Congress are working to stabilize this industry. Unfortunately, the aid Congress is providing will not be enough to retain the entire current workforce of the major airlines. I have heard that lay-offs in the airline industry could top 100,000 by next week! That is one hundred thousand people who will be faced with losing their health insurance and their source of income. One hundred thousand people who will be faced with reviewing their retirement plans. One hundred thousand people who will be faced with making difficult decisions. These people cannot be forgotten.

While I will be supporting the economic aid package for the airlines without a provision for employee assistance, I will be redoubling my efforts to ensure these dedicated employees, who are casualties of the first war of the 21st century, will not be overlooked. I am cosponsoring a bill introduced by Senator CARNAHAN to provide benefits to the dislocated employees of our aviation industry. This package of relief would provide funding for unemployment insurance and health insurance, and it will contain provisions to aid in the retraining of these workers. These are basic measures we can and must take to help stabilize these employees.

No one expected September 11 to develop as it did, and we are reeling from this tragedy. Congress is appropriately acting today to support the airlines—an industry critical to our national security and economy. And I fully support and will work to enact a package of assistance to those workers who are suffering as a result of this attack.

Mr. FEINGOLD. Madam President, I will support this relief package, however, I have a number of concerns.

There is certainly a legitimate need to assist our nation's airlines in this time of crisis. I am concerned, however, that we are forgetting about airline employees and their families, including many Wisconsinites. These massive layoffs are a double blow to an already shocked country. We should act quickly to ensure that those who work for our nation's airlines and their families receive adequate relief, including continued access to health care and unemployment and job training assistance. We must be careful that this airline relief package is targeted at those airlines that are facing economic losses due to the recent terrorist attacks and not instead used to prop up firms that were already in financial trouble before this tragedy.

Mr. LEVIN. Madam President, I am very disappointed language was not included in the Air Transportation Safety and System Stabilization Act addressing employee compensation for the thousands of airline employees who have lost their jobs in the past week. It is imperative that we address this in the immediate future. However, there is a crucial need to act swiftly to stabilize the airline industry. Therefore, I will support this legislation which includes a number of critical provisions to stabilize the airline industry and restore confidence in this industry. I hope that we will address employee compensation and additional airline security issues in the very near future.

The airline industry is losing about \$300 million to \$350 million a day. Losses incurred by the industry for the 2 days that the airlines were grounded total \$1.25 billion. In the past week alone there have been 100,000 layoffs by the airlines including 10,000 at Northwest Airlines. Northwest Airlines has as a major hub in Detroit and serves as an economic engine for Michigan with over 18,000 employees in the State. Northwest Airlines now has a net negative booking rate which means that more people are calling to cancel their tickets than there are people calling to purchase tickets. The airlines are now only carrying about 30 to 40 percent of their normal capacity.

We cannot let this important industry go under. There is simply too much at stake. This legislation provides an immediate \$5 billion cash infusion to stop the immediate hemorrhaging of the airline industry and to cover their losses for the month of September. It also provides \$10 billion in Government-backed loan guarantees which will help the industry gain access to credit and maintain its long-term viability. The airline industry currently has no access to capital because its traditional collateral, airplanes, are now considered worthless by Wall Street. The \$10 billion will be made in the form of loans, not grants, and that they will be paid back.

Under this bill, the Secretary of Transportation has discretion in making the loan guarantees. For instance, when an airline applies for a loan it

will have to provide access to its books to prove that the loan is not going to repair past management actions that might have occurred before September 11.

This bill also allows the Secretary of Transportation to use his authority to require airlines benefitting from Federal funding to continue to serve midsized and small airports and communities. This is important for all those people in Michigan and around the country living in rural communities who may depend on a single airline for service. If that airline were to pull out, they would be left stranded. In addition, the bill authorizes \$120 million for the Essential Air Service, an important program which subsidizes airline service in those communities where it is not profitable to serve. This program allows the Government to share some of the costs of providing service and in exchange, the Government can require that a carrier continue to serve a community. This guarantees that these communities will have airline service. It is a program that is currently underfunded and in need of a higher authorization which this bill provides. A number of Michigan communities participate in this program and, unfortunately, others may soon need to gain access to the program in order to keep the air service they currently have.

Senate action today to provide the airlines with funding to keep them solvent is very important. It will help return confidence to the marketplace and keep some airlines from going under. But it is equally important that we turn immediately to the other critical issues such as providing assistance for displaced workers and airport security measures.

Mrs. FEINSTEIN. Madam President, I rise today in support of the financial package before the Senate to help protect a vital industry to our Nation's economy. I believe that this legislation is one essential component in a series of steps that Congress has taken, and will continue to take, to address the tragic and horrific attacks of September 11, 2001.

So far, Congress has taken considerable action in the wake of the unprecedented events last Tuesday. Congress condemned the violence in a joint resolution, Congress authorized the President to use "all necessary and appropriate force" to retaliate for the acts of war against our Nation, and Congress approved \$40 billion to rebuild from the rubble and prevent further acts of terrorism during this time of great peril.

These are the steps Congress has taken so far, but they are not the last of what we will do, or what we need to do to mitigate the damage and destruction.

The next step we must take is to pass this financial relief package. Once this is passed, Congress will need to consider legislative solutions on other matters stemming from the September 11 attacks. For example: What long-

term changes do we need to make to our aviation security system? How can we establish stricter guidelines on issuing visas? How do we build up our homeland defense against more deadly terrorist attacks in the future? What can we do to stimulate more consumer spending, more job creation, and more investment in this time of uncertainty?

The events of September 11 demand that Congress and the President work together to remedy the devastation the attacks have inflicted upon our safety, our economy, and our livelihood. The legislation before us today is part of the comprehensive action Congress must take to help our Nation reclaim unprecedented growth of which we know our economy is capable.

The terrorist attacks of September 11 have dealt a crippling blow to the airline industry. This package of assistance is essential to keep the airlines up and running because they are an important component to our Nation's economy. Airlines are the very backbone of our transportation infrastructure enabling people and goods to flow freely and quickly across our Nation.

Airline travel and air cargo shipments interconnect our global economy and contribute a significant amount of jobs to the U.S. Economy. Consider the following: Approximately 1.2 million people work for the airlines in this country. Last year about 670 million passengers traveled on commercial airlines and the industry provided over 25 billion ton miles of freight delivery. The U.S. commercial aviation industry contributes over 10 percent of the Nation's GDP.

Yesterday, David Walker, Comptroller General of the United States, testified before the Commerce Committee. According to Mr. Walker, "The continuation of a strong, vibrant, and competitive commercial air transportation system is in the national interest. A financially strong air transportation system is critical not only for the basic movement of people and goods, but also because of the broader effects this sector exerts throughout the economy."

The contributions airlines make to our economy are clear, yet the industry estimates that the overall impact of the terrorist attacks will cost \$24 billion and companies may be forced to lay off over 140,000 employees. Airline stocks plummeted when the market reopened Monday and they have continued to fall this week.

Secretary Mineta has indicated that the industry has been losing \$300 million a day in lost revenue since Tuesday, September 11. Some financial analysts predict the airline industry will lose \$6.5 billion this year, triple the \$2.2 billion loss that was expected.

The ripple effect of the terrorist attacks is clear. Once people stop flying, airlines cut back on flights. Lighter flight schedules mean airplanes lie idle and companies' employees lose their jobs. Fewer flights mean airlines do

not need as many new planes or airplane parts. So it comes as no surprise that this week, Boeing announced 30,000 employees would lose their jobs.

I have received many letters asking me to support this plan before the Senate, and I believe it is important to point out that the vast majority of these letters are not from airline employees, but rather, from workers whose jobs are indirectly dependent on airlines.

One such letter is from G. Hardy Acree, the director of Sacramento County's airports. Mr. Acree wrote, "Quality air service is critical to our community. Without it, Sacramento County's economic development and tourism industry will suffer, and the growth we've worked so hard to sustain will be lost. This is an issue whose impact goes well beyond the airline sector."

The same could be said for all of California's 58 counties and, in fact, for every one of the 3,142 counties across the Nation.

The economic impact is spreading beyond U.S. borders. London-based Virgin Atlantic Airways said it must trim its operations by 20 percent and lay off 1,200 employees, the first ever layoffs for the company in its 18 years of existence.

Just as the problems are not confined to one region, they are not confined to one industry. The president of the American Society of Travel Agents, Richard Copland, wrote to tell me of the tremendous losses suffered by the travel agencies across the U.S. According to Mr. Copland, "There are many other groups of firms that are normally thought of as separate 'industries' but that in fundamental reality are an integral part of what airlines do. Travel agencies are among those."

Travel agencies, hotels, cruises, and many other industries directly depend on the airline industry. And there is almost no business that does not indirectly depend on the airlines. How else do employees meet with clients? How else do goods ship overnight?

As Jonathan Tisch, chairman of the Travel Business Roundtable, wrote, "The link that airlines provide to the travel and tourism industry cannot be underscored enough. Airlines are the conduit for so many industry activities, bringing travelers to hotels, resorts, restaurants and shopping in cities and towns around the country."

I want to acknowledge Mr. Tisch's point, the collective ripple effect airlines have on the entire economy is immense. I would like to ask my colleagues and constituents to think of this legislation, not as a bailout plan, but as a relief package. It is just compensation for the direct damage inflicted on the airline industry and the U.S. economy as a whole.

One more point I would like to make is that since my husband is on the board of an airline company, the easiest thing for me to do would be not to vote on this legislation. The Senate

Ethics Committee, however, has assured me that voting on this bill is not a conflict of interest for me because there will be a wide range of beneficiaries from this legislation.

Furthermore, at this time, the economic ramifications are as such that I am compelled to vote on this bill because I strongly believe it is in the national interest to do so.

We have allocated billions to rebuild in New York and Virginia. Let us also allocate billions to rebuild our Nation's economy.

Mr. DOMENICI. Madam President, this is an important piece of legislation. We need to enact it today. Without immediate financial assistance, many airlines face imminent bankruptcy as a direct result of the horrific terrorist attacks that took place on September 11.

This bill provides \$5 billion in emergency direct assistance to reimburse the airlines for the direct costs of the terrorist attacks and preventing another attack. It also provides \$10 billion in loans and loan guarantees to help the airlines while they recover from these attacks. These loans will also restore the confidence of the private capital markets, which are unwilling to lend the airlines.

Because of this legislation, the airlines are going to be around to pay back these loans. Therefore, from a budget point of view, the impact of the loans on the Federal budget will only be about \$3 billion. But the airlines get the \$10 billion essential to keep them in business.

Also, this afternoon President Bush made the first apportionment of monies we appropriated one week ago today for the Emergency Supplemental Appropriations Act for Recovery to the Terrorists Attacks.

Out of the \$40 billion in that Emergency appropriation bill provided to the President, he has this afternoon transferred nearly \$5.1 billion to Departments and Agencies to address funding needs related to the attacks of September 11.

This is just the first in what will be many more transfers out of the total funds provided. The Department of Defense will immediately receive \$2.5 billion and the Federal Emergency Management Agency will receive \$2.0 billion today.

But also within today's transfers is \$141 million for the Department of Transportation, the bulk of which is to the FAA to support immediate increased airport security measures. I am sure, once again this is just the first of what will be much more funding coming out of the \$40 billion to increase security measures at our airports and expand the Federal Sky Marshal program.

This expansion requires first-rate training for our new law enforcement officers. The Federal Law Enforcement Training Center, FLETC, in Artesia, NM, is uniquely positioned to serve as the primary training center for the

new sky marshals and other aviation law enforcement officers. Moreover, it is located only 40 miles from the Roswell Industrial Air Center, which can handle planes as large as 747's. These facilities can play a vital role in enhancing our Nation's aviation security.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from West Virginia.

Mr. ROCKEFELLER. Madam President, the Senator from West Virginia recognizes the junior Senator from New York for a period of 5 minutes.

The PRESIDING OFFICER. Without objection, the Senator from New York is recognized.

Mrs. CLINTON. Madam President, I thank the Senator from West Virginia. I rise to join the comments of my colleague, Senator SCHUMER.

Many of us recognize the need for immediate action to aid our struggling airline industry and are prepared to do so. We also appreciate greatly the continuing bipartisan cooperation that is helping this body address the needs of our country in the wake of the terrible attacks of September 11.

I am very grateful that the long negotiations in the House and the Senate over the last several days, along with the White House, have resulted in a process to provide relief to families who have either lost a loved one or sustained significant personal injury.

We are also grateful that the legislation provides more support for essential air services, particularly in many of our more rural areas, such as Watertown, NY, that are totally reliant on air service which still comes in to serve those communities.

The passage of this legislation can only be a beginning. We also must make our airports as secure as possible. I am honored to join in legislation Senator HOLLINGS and Senator ROCKEFELLER and others are putting forward to address the security issues so that Americans have the confidence I know they should have in flying once again, resuming our normal life.

We also will have to work together to develop a process so the many businesses that have sustained losses will be able to seek relief in some expedited process and not get buried and even bankrupted by an extensive round of litigation. I just learned that the litigation that was filed following the 1993 bombing of the World Trade Center is still ongoing. Businesses have no certainty, no resolution of what their liability, if any, might be. We need to avoid that in the wake of this tragedy and do everything we can to come up with a process that deals with the needs of other businesses as well as the airline industry.

I also hope that the assurances we have received with respect to the airline workers who have been laid off or displaced will be addressed as soon as possible. I am well aware that a package being considered to help the workers was stripped out of this bill. We

have to revisit it. It is something that is growing in importance day by day. There are now at least 74,000 people affected. We expect in the next few days that number to grow to 100,000. I suggest we look at some kind of an aid package modeled after trade adjustment assistance to extend unemployment insurance, job training, support services to airline workers and other workers who have been directly affected by the attacks on our country.

We also will have to look at the way our entire transportation system operates. I am very proud of the way Amtrak stepped in to fill the need for the movement of passengers and goods. Their ridership is up nationwide. They have honored airline tickets of stranded airline passengers and shipped relief and medical supplies. Amtrak has also made security upgrades on trains and in stations. But we need to do much more to address the critical needs in the Northeast corridor as well as the rest of the country.

I look forward to working with my colleagues. I see my good friend Senator HUTCHISON from Texas who led the fight on the high speed rail bonding act. That is just one of the many issues we need to consider as we look at transportation, again, as part of national defense.

I well recall how President Eisenhower obtained the funding for the Interstate Highway System because it was part of national defense. Our highways, our airways, and our railways are all part of our national defense infrastructure.

Finally, I say once again how grateful we in New York are for the tremendous and continuing outpouring of support from the American people. I particularly thank the President for his strong support. I was overcome by his absolute resolute commitment to rebuilding New York in his speech last night as well as the other very strong words of reassurance and resoluteness he delivered with respect to the challenges we face. I appreciate greatly his leadership and his support throughout this crisis.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Madam President, I yield 5 minutes from my time to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ALLEN. Madam President, I thank Senator HUTCHISON, who has been an outstanding leader on the issue of aviation safety and better airline quality for many years.

This is not something that Senator HUTCHISON first started worrying about after this terrible disaster of September 11. She has been working on this issue way ahead of time. If more people had listened to Senator HUTCHISON years ago, some of the concerns we are now finally addressing would have been addressed.

I join with many of my colleagues in thanking Senator HUTCHISON and all

those who worked together on this package to provide some stabilization for air transportation.

Yesterday we had hours and hours of hearings with Secretary Mineta, who all of us recognize did a great job in coordination with the FAA, in grounding all flights. They saved lives. They saved lives here in America with that quick decision.

However, without that decision in response to the terrorist attack, our airlines would be in much better financial shape today. We are now in a different paradigm, a different world.

I have heard comments from my colleagues: Why is the Federal Government involved in this versus other businesses? The main reason is, the Federal Government controls the air, and the FAA grounded all the airplanes. It actually said: You must stop business. That decision has caused losses for the industry. Today we will vote to provide compensation for those lost revenues resulting from this necessary decision regarding the safety of our citizens.

We also recognize the absolute essential nature of air travel for our way of life, for our economy, for commerce, and for our national security. It has been stated by many others how important it is for our economy and how many jobs are affected.

In our Commonwealth of Virginia, Reagan National Airport is shut down today. It remains the only airport in the Nation that is prohibited from operating. There are 10,200 employees currently out of work, and then about five to seven times as many employees indirectly affected who are also out of work.

General aviation fortunately is back, at least at a greater level than it was previously. But we know that the layoffs are in the tens of thousands across this country. We recognize the need for safe planes. Next week we will address airline safety with efforts to make sure the cockpits are safer and the security is better. Today we will address the financial losses resulting from the events of September 11.

However, I had hoped that this bill would include assistance for workers who had lost their jobs as a result of the airlines being grounded.

Mrs. HUTCHISON. Madam President, my time is taken. I apologize, but my time is taken.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Senator ROCKEFELLER, may I have 1 minute of your time?

Mrs. HUTCHISON. Our time has been divided.

Mr. ROCKEFELLER. I yield 30 seconds.

Mr. ALLEN. I thank the Senator from West Virginia. I share the desire to make sure employees who are out of work are also taken care of with both health and unemployment benefits. I am working with Senator CARNAHAN of Missouri to make sure that this is made part of the overall package. I will

cosponsor her bill to provide unemployment assistance, extend healthcare benefits and to provide for worker retraining. We need to act today on aid for the airlines so that future job losses are avoided, and in the future let's make sure we take care of those hard-working employees who are have already lost their jobs through no fault of their own. I thank my friend from West Virginia.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Massachusetts is recognized.

Mr. KENNEDY. Madam President, the airline industry's damages from the September 11 terrorist attacks are immense and unprecedented. Clearly, we must provide relief for the airlines, but we must not forget the airline workers and other workers harmed by this tragedy.

Failing to include relief to workers in this bill is a serious omission. It is essential for Congress to act as soon as possible to provide support for airline workers.

The toll across the economy from this tragedy will be staggering, and the economic hardships to millions of American working families will be severe. Large numbers of workers have already been laid off, and the working poor will soon become the unemployed poor.

We have already seen tens of thousands of layoffs. Who are these workers? They are the flight attendants who are single parents raising their kids on their own; they are the reservation agents trying to make a living; they are the security clerks, cashiers, and baggage handlers.

I also understand that the airlines are trying to get out from under the contracts they have with employees. I think this is wrong.

We are assisting the airlines, and they should not leave their workers high and dry. We need to provide critical long-term unemployment insurance benefits, training assistance, and health care coverage for workers affected by these terrorist attacks. Layoffs in the airline industry alone are expected to total more than 100,000 workers.

Even beyond the issue of fairness, helping workers during a slowing economy is good economic policy. The unemployment insurance system will be critical to our Nation's recovery and economic health. Unemployment benefits help workers bridge the gap between jobs. It also puts the money in the hands of the unemployed. Unemployed workers spend benefits rather than saving them, thereby stimulating the economy.

Workers deserve action on this issue from this Congress. This is not just a matter of labor rights; it is a matter of human rights, fairness, and decency. Every day we delay, more workers suffer. American workers are waiting for relief, and we owe it to them to act.

A strong airline industry is critical to the national economy. We need to keep the airlines flying. But we also need to provide critical assistance for the airline workers and other workers who have lost their jobs as a result of this disaster. I call on my colleagues and the President to address this matter as soon as possible. No one has been more affected by this than our State of Washington, and Senator MURRAY has spoken frequently about this, as well as Senator CANTWELL.

I yield a minute to the Senator from Washington and the remaining time to the floor manager.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I thank my colleague from Massachusetts. I thank all of our colleagues who have worked together in a very bipartisan manner over the last week to address the critical issues coming at us. I know we need to help the airline industry, and that is why this bill is important.

I remind my colleagues that thousands of workers were left out of this bill. I have 30,000 employees in my home State of Washington at Boeing who have been left out of this bill. They are just as patriotic and they have worked just as hard. They deserve our attention just as much. We should not forget them when we are taking care of the owners of these airline companies.

It is the workers who go to work every day who make this country great and strong. We need to make sure we have a commitment to them in the coming week to put together an aviation package that includes employee assistance for those who have made this country what it is.

I thank my colleague from Massachusetts and Senator CANTWELL from my State, and other Members, such as Senator CARNAHAN. I pledge my support to make sure this Senate doesn't forget the workers as we put together the aviation package that has been promised. I thank my colleague from Massachusetts, and I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. I yield 3 minutes to the Senator from Pennsylvania.

Mr. SPECTER. I thank my colleague from Texas. I am encouraged to see the Senate and the House moving so promptly on this legislation to keep the airlines functioning. The terrorist attack is really an attack against the United States as a whole, and when we have losses directly attributable to that attack, it seems fair to me that the entire Nation should sustain those damages. What we are doing today with the cash grant and especially the loan guarantee will keep the airlines operating, which is very important for the lifeblood of our country and very important for an economic recovery.

US Airways, illustratively, needs the loan guarantees in order to get financing to keep operating. US Airways is

only one of many carriers across the country, but it illustrates the problem and it illustrates the issue especially pertinent to my State of Pennsylvania, which has some 17,000 US Airways employees dependent upon their jobs. This is a very, very important matter for Pennsylvania, and a very important matter for America.

This legislation also establishes a very appropriate procedure for compensating the victims on a program administered by the Attorney General's office without going through the long litigation process. However, it is only a first step.

There is more to be done on airport security, on security within the airplanes, on compensation for the workers with some 100,000 already having lost their jobs, and with the ripple effect on hotels, on the airport complexes, on restaurants, on tourism, and on the airports which sustain themselves by having the shops now unfrequented by customers because only ticketed passengers can get within the area.

How much time remains on my 3 minutes?

The PRESIDING OFFICER. The Senator has 45 seconds.

Mr. SPECTER. I yield back the time.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER. I yield 2 minutes to the Senator from Vermont.

Mr. LEAHY. Madam President, I thank the Senator from West Virginia.

The heart of every American aches for those who died or have been injured because of the tragic terrorist attacks in New York, Virginia, and Pennsylvania on September 11th. Our first priority should be ensuring that their needs are met and that they receive adequate compensation.

At the same time, the airline industry of this country is in grave danger of collapse. The industry has announced more than 100,000 layoffs. Insurance companies have reportedly contacted the airlines about lowering the terrorist-related protections in their policies. And they have warned that they are running out of cash. If Congress does not pass this legislation today, it is likely that all of our Nation's air carriers would cease service next Wednesday.

The bipartisan, bicameral legislation we are considering today provides \$5 billion in direct grants to cover the cost to the airlines from the closing of all the nation's airports after last week's terrorist attacks. The bill also provides \$10 billion in loan guarantees to help the airlines through their cash crunch, funds to be distributed within 14 days by a four-member Air Transportation Stabilization Board. Further, it extends the existing War Act, which protects airlines from liability during wartime for overseas flights, to cover domestic flights and include terrorist acts. Finally, it provides that the liability of the airlines involved in the terrorist-related airline crashes on

September 11, 2001, will be limited to the amount of the insurance coverage they have for such instances, and all legal cases stemming from these incidents will be consolidated in the United States District court for the Southern District of New York.

Most importantly, working with Majority Leader DASCHLE, Republican Leader LOTT, Speaker HASTERT, Congressman GEPHARDT, and Senators HATCH, KOHL, DEWINE, SCHUMER, and CLINTON, we have established a Victims Compensation Program to provide expedited payments to victims and their families. To be eligible for compensation, applicants will need to provide information about the harm they suffered or death linked to the terrorist attack, but they will not be required to prove negligence or liability. It is our responsibility to provide fair compensation to those most affected by this disaster. We have devised a plan that means prompt filing, quick review, and prompt payments to victims and families.

The Department of Justice will supervise the Victims' Compensation Fund that will be administered by a Special Master. The Special Master will make a final determination of an applicant's eligibility and level of compensation within 120 days of receiving a claim. All payments must be paid within 20 days after the determination. This is a simple and fair approach to put the victims and their families first. These payments will be tax free. Filing a claim under the program will preclude other civil remedies.

This program is targeted to help the neediest victims and their families. When making a determination, the Special Master will take into account any life insurance, death benefit, or other government payment received by the victims and their families.

The victims in this tragedy and the airline industry are in need of relief. The terrorists will win if victims continue to suffer and the airlines go under. Establishing the Victim Compensation Fund and giving the airlines the capital they need to continue operating are crucial first steps in our national healing process. I thank the leadership of both parties in both Houses of Congress for their cooperation in moving this essential legislation forward.

Madam President, again, the heart of every American aches for those who have died or have been injured because of the terrorist attacks in New York, Virginia, and Pennsylvania on September 11—and due to the ripple effect out to New Jersey and Connecticut and Maryland and the District of Columbia. It has been terrible. I think we have to ensure that the needs of those who suffered most directly are met, that they receive adequate compensation.

We also know that the airline industry in the country is in danger of collapse. They have announced, I believe, around 100,000 layoffs. Insurance companies reportedly have contacted air-

lines saying they will lower terrorist-related protections in their policies. They have said they are not going to be able to pay their bills. If we don't do something, we can literally see the terrorists shutting down the airlines next week. We have worked with Senators DASCHLE and LOTT, Speaker HASTERT and Congressman GEPHARDT, Senators HATCH, KOHL, DEWINE, SCHUMER, and CLINTON, and we put together a victims' compensation program to provide for victims and their families. It is going to be simple. It is a speeded-up process. In fact, the payments will be tax free, with prompt filing, quick review, and prompt payments to victims of families. We literally had children who kissed their parents good-bye in the morning and came home at night and found that they were orphans, and the mortgage is due in 2 weeks. We have to do something to help them. We can.

The victims in this tragedy are in need of relief. The airline industry is in need of relief.

The terrorists will have even a greater victory if we do not help. We can help.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER. Madam President, I yield 10 minutes to the senior Senator from West Virginia.

The PRESIDING OFFICER. The senior Senator from West Virginia has 15 minutes of his own time under the agreement.

Mr. ROCKEFELLER. Madam President, I revise my statement simply to say the senior Senator from West Virginia has 15 minutes under the unanimous consent agreement.

The PRESIDING OFFICER. The senior Senator from West Virginia.

Mr. BYRD. Madam President, the distinguished majority whip wishes me to yield time to him. How much time does he need?

Mr. REID. Three minutes.

Mr. BYRD. I yield 3 minutes of my time to the Senator.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I received a letter, as did all Senators, today addressed to the Honorable TOM DASCHLE, majority leader, and the Honorable TRENT LOTT, minority leader, of the U.S. Senate. The letter reads as follows:

DEAR SENATORS: The Association of Trial Lawyers of America (ATLA) commends the United States Congress and President Bush for their leadership and decision to put families victimized by our national tragedy first and to ease their pain by expediting appropriate relief to them through the "September 11th Compensation Act of 2001."

ATLA agrees with you that extraordinary situations demand extraordinary response.

At least seven thousand families are hurting more than any of us can imagine. And, because the first priority of every American should be prompt and full justice for the thousands of families who know first-hand the unspeakable horror visited upon the world on September 11, 2001, members of

ATLA will provide fine legal services to any family wishing to pursue justice through the fund established by this unprecedented, humanitarian legislation.

ATLA believes that 100% of the compensation from the fund should go directly to these families.

The officers and Executive Committee of ATLA have volunteered to be the first attorneys to provide legal services free of charge under this program.

God Bless America.

Sincerely,

Leo V. Boyle, President, on behalf of the 60,000 men and women of ATLA.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Madam President, the bill currently before the Senate provides \$5 billion in immediate direct cash assistance to the airline industry. It also provides up to an additional \$10 billion in loan guarantees for the airlines. This bill is not simply an authorization bill. It is also an appropriations bill which provides funding over and above the \$40 billion Emergency Supplemental Appropriations Bill that the Senate passed one week ago today.

The airline industry is essential to this Nation's commerce. It produces about \$125 billion annually and creates work for thousands of manufacturers and other companies. The Federal Government cannot allow this industry to fold without seriously disrupting the United States economy. That fact is not lost on this Senator.

However, we have now reached an important turning point in the relationship between the Federal Government and the airlines, and this should not go unnoticed. As of this day, the airlines are now required to live off the generosity of the general treasury. We are about to grant them several billion dollars of assistance, not from the Aviation Trust Fund, not from any ticket taxes from airline passengers, but from the general treasury. We are talking about money from people's income taxes, including the income taxes of millions of Americans who did not board a plane last year, who will not board a plane this year, and who will not board a plane next year perhaps.

Twenty-three years ago, the Senate passed the conference report on the airline deregulation bill on October 14, 1978 by a vote of 82-4, I believe. I was Majority Leader at the time. I was among the 82 Senators who voted for that bill. And as I have mentioned on the Senate floor many times, I have regretted that vote ever since.

My colleague at that time was Jennings Randolph. Jennings Randolph voted against deregulation. I voted for deregulation. He voted the right way at that time, and I voted the wrong way. I regret that vote because ever since deregulation, numerous airlines have pulled out of West Virginia and other rural states altogether. Many of them pulled out immediately following the vote. My constituents and millions of other Americans who live in smaller communities have been left with infrequent air service at astronomical

prices. Indeed, today, it is often cheaper to fly from Washington D.C. to London, England, than it is to fly from Washington D.C. to Charleston, WV. The quality and cost of service to many of our smaller airports in West Virginia and across the Nation are even worse.

Yesterday, as part of a Transportation Appropriations Subcommittee hearing with Secretary Mineta, I expressed my view that we should not be providing the airlines with billions of dollars from the income taxes of hard working Americans without requiring the air carriers to provide a reasonable level of service to those Americans. Now that this industry must live off the generosity of the U.S. taxpayer, at least for a while, I think we have a responsibility to ensure that the taxpayers are well served. But today, we find that the airlines are cutting back service and eliminating cities from their national network at the same time they have their hands out on Capitol Hill.

I recognize that the airlines find themselves in such precarious financial condition because of a recent tragedy of massive proportion. However, the airlines were not doing so well before that time. I am determined to make sure that the airlines do not use this incident as a rationale for abandoning or dramatically reducing service to communities that depend on that service to connect with the national economy.

Toward that end, I want to call the attention of the Senate to a critically important section of the bill. Under this bill, the Secretary of Transportation is granted broad new statutory authority to require an airline that receives direct financial assistance under this act to continue to provide service to any city that it was serving prior to the tragedy of September 11.

The bill also grants the Secretary the authority to require any airline taking assistance under this act to enter into agreements to ensure that all communities that had scheduled air service before September 11 continue to receive adequate air service.

These provisions, if applied appropriately, will ensure that the small cities and the rural airports of America are not cut off from our national aviation system as the industry endures a downturn. The Committee on Appropriations, which I chair, will monitor carefully how Secretary Mineta implements these critically important provisions. He has been granted important new powers in this time of crisis, and I expect him to use these powers. The committee will also monitor carefully the actions of the airlines when it comes to discontinuing routes and reducing service. We must see to it that the small communities of our country are not relegated to the status of an economic backwater as the jets keep flying from New York to Los Angeles to London and to other far away ports.

I understand there are discussions that additional Federal assistance may

be needed for the airlines in later bills. The airlines should be on notice and the Department of Transportation should be on notice that if the provisions in this bill are not applied appropriately, and we see a pattern wherein the small communities of our Nation are not being treated fairly, we will be back with stronger legislative measures to address this problem. This issue will not go away with the passage of this bill.

As we stand poised to hand the airlines billions of dollars in general revenue tax dollars, we must ensure that taxpayers in all communities, small and large, have access to reasonable and affordable air service. During this time of national crises—during a time of war—we should require that there will be air service to all parts of America to ensure that there is mobility for all Americans.

I want to thank my colleague, Senator ROCKEFELLER, for the leadership he has demonstrated in this area of legislation. He has done a great piece of work. He is highly dedicated to the service of his constituents, who are my constituents, but in thinking of our constituents we are also thinking of Americans across this country who live in rural areas and who have been deprived of fairness in service and in connection with costs in flying.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Madam President, I yield 2 minutes to the Senator from Alabama, Mr. SESSIONS.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Madam President, I appreciate the work of our leadership in this Senate working together to produce legislation that each day, since this tragedy occurred, we have been virtually unanimous on. I want to keep that unanimity going. I express my appreciation to Senators DASCHLE, LOTT, NICKLES, REID, and the others who have worked on this legislation. I know there is a belief that there is a critical time period, and apparently there is, an insurance problem of monumental proportions that needs to be dealt with promptly.

However, I do believe, as Senator FITZGERALD from Illinois has said, we are rushing this matter, that this bill is not a perfect bill. It is far from a perfect bill. Maybe it is approximately correct, but we do not know all of that yet. I am not happy with how fast this is moving and how much money we are dealing with. I want to support our leadership. I know they have hammered it out. I know they have made some progress. I know they have made some agreements. I know Senator NICKLES has worked hard to bring as much accountability as he could in the time he had to make this a reality. So I salute them for it, but I am not convinced we are doing it the right way.

I was pleased to see trial lawyers say they would do work for free, but I am

not sure that, in the way we have crafted the bill, a client still does not need a lawyer that is loyal to them and that is paid by them. I would like to see us create a way to compensate people simply by who they are. If they are the widow of a person who has lost his life, they can make a claim and certify that and get their payment without any fees needing to be paid. Maybe we could do that in this kind of mass tort. We have not had time to think that through.

I know this bill is probably moving on to passage tonight. I am troubled by it. We are going to need to do some work on it in the future, and I expect we will be coming back and revisiting this. I think that should be made clear.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Texas.

Mrs. HUTCHISON. I am going to finish our 30 minutes of time by saying this is not a perfect bill. There are areas we have not addressed but that we will address in the future. Since September 11, 2001, a lot of things have been thrown at us, and we are going to handle every one of them as they come. We will keep the airlines flying. We will try to minimize the damage to the economy of layoffs from the airline industry and all the other people who are laid off from their jobs. We will take it one step at a time.

Senator ROCKEFELLER and I have worked hand-in-hand on this issue and on the security issue that we will have on the floor next week or the week after, because security is what will make the flying public feel safe in our skies. So we are going to address this issue and keep the airlines financially secure in the interim period while we are getting that security bill passed so America will not be in any way hampered in our freedom and our ability to have commerce and business as usual in our country. That is what we are all trying to accomplish.

I yield back the remainder of my time.

The PRESIDING OFFICER (Mrs. LINCOLN). The Senator from Oklahoma.

Mr. NICKLES. I yield to the Senator from West Virginia.

Mr. ROCKEFELLER. I commend the majority leader for his hard work in putting together an airline stabilization bill that will save our nation's airlines and our air transport infrastructure. I will strongly support this bill without amendment.

The terrorists who launched those despicable attacks on September 11 took thousands of American lives, and did billions of dollars of damage. It has also become clear in the past 10 days that they dealt a body blow to the U.S. airline industry, on which virtually all of our citizens depend to one degree or another.

Demand for air travel has virtually collapsed in the past week. Last weekend I flew back to West Virginia, and on the return flight Sunday night—usually a crowded flight from Charles-

ton to Dulles—I was the only passenger on the plane. Many of my colleagues have mentioned that they've had similar experiences in the past ten days. Flights are departing West Virginia airports with a load factor of 25 percent—only one in four seats filled. Unfortunately, this is not, like last week's closure of the New York Stock Exchange, a temporary phenomenon. Based on past air disasters or international conflicts—none of which was of the same massive scale as last Tuesday's attacks—airlines are predicting that passenger traffic will be down by almost half for the remainder of this year, and will take until next summer to return to normal levels. And those are optimistic estimates.

This kind of crisis could do irreparable harm to the ability of America's airlines to continue in business. Airlines lost \$300 million each day that they were shut down last week. They are set to lose billions more in the coming months. Their insurance rates have shot up, with some airlines telling us of a 600 percent increase in their insurance rates. Coming on top of what was already a difficult outlook because of our slowing economy, the nation's airlines—main line carriers and regional carriers alike—could be in bankruptcy within a few weeks and possibly out of business within a few months. Already we are seeing the first signs: a round of massive, painful layoffs for nearly 100,000 of our nation's hard-working airline employees. And huge cutbacks of around 20 percent to most airlines' schedules.

Some people have said, well, this is the market, and it's not the American way to interfere with the market. But I've been pleased, as chairman of the Senate's Aviation Subcommittee, to see a broad consensus among my colleagues that the air transport industry is not just a huge business and employer, but it's also a critical element of our nation's infrastructure. Nowhere is that more the case than in the smaller states and communities like West Virginia. When people think of the airline industry, they usually think of big hub airports like Hartsfield and O'Hare. But airline traffic is just as important—maybe more important—to smaller communities like Beckley and Bridgeport. Safe, convenient and affordable air service represents an important element of our efforts to attract development to our state. It's an important connection that allows our citizens and our businesses to overcome our state's historic isolation created by our mountainous terrain.

And when I see planes flying with one passenger, and learn that carriers are cutting back on their schedules, and hear that several carriers could be in bankruptcy within two weeks, I know that the first communities to be hit will be small communities like those in West Virginia that are at the end of the food chain, so to speak. That would be tragic. It would reverse the efforts

our communities have made to attract and retain air service, and turn their residents into aviation "have nots." It would also set in motion the slow implosion of the U.S. airline industry, which would spread to larger hubs and airports as well. And finally, it would give the terrorists who perpetrated last week's heinous attacks the ultimate victory, as their actions would lead to a severe curtailment of America's freedom of movement and mobility.

It is the shared consensus of this body that cannot be permitted to happen, and that has driven our remarkable efforts this past week to put together a stabilization package for our nation's airlines.

It will contain up to \$5 billion in immediate credits to reimburse airlines for the revenues they lost when the government shut down U.S. air space last week. It will also contain \$10 billion in loan guarantees so that our airlines can continue to obtain financing in the coming months.

It will limit airlines' liability for collateral damage incurred as a result of last week's terrorist attacks up to the amount allowable under their insurance policies—a key provision because our airlines might otherwise not be able to obtain or afford insurance.

It will set up a victim's compensation fund for the families of the innocent victims of last week's despicable attacks.

It will provide \$120 million in additional authorization authority for the Essential Air Service program, a key element in preserving air service to smaller communities.

This package is an important first step in stabilizing the U.S. airline industry and ensuring that air service to communities across the nation survives this crisis. But it does not address all the needs that this crisis has created.

One important issue we will need to take up in short order is the plight of the nearly 100,000 airline workers who will lose their jobs as a result of this week's cutbacks. We have already begun to see airline layoffs in West Virginia. Excellent workers who expected a promising career in a growing industry, until terrorists hijacked four planes and frightened Americans out of the skies. We must take measures to address their needs. We provide special assistance to American workers who have been displaced by foreign trade; we must provide the same level of assistance to American workers who have been displaced by foreign terrorism.

We must also be prepared to look at the needs of related industries, as well as the future needs of the airline industry. Many related industries—aircraft manufacturers, travel agents, and various travel-related businesses—have already begun to feel the effects of this attack. We will have to look carefully at the real needs of those industries, and be prepared to take bold measures where they are needed and appropriate.

One thing is certain: the survival of America's airlines is a key element of any solution. Their needs are real and urgent, and I congratulate the majority leader on his success in putting together a stabilization package that will address them.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. I thank the Chair.

(The remarks of Mr. NICKLES pertaining to the submission of S. Con. Res. 73 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. NICKLES. Madam President, I have worked with some of our colleagues on the underlying bill that deals with assisting the airline industry to try to make a significant and positive impact, and I compliment both Democrats and Republicans, because we have worked together, and I think we are passing a bill tonight that will provide needed assistance to the airline industry.

This bill has several provisions some of our colleagues are somewhat familiar with, some maybe not, but it has a provision that provides for \$5 billion in cash assistance. Some people said that is too much. Actually, last Friday we were looking at a bill that was two and a half. The airline industry generates revenues of about \$2 billion per week, and this bill provides \$5 billion. Well, they were shut down for 2½ days, but certainly when they started again they had significant losses, and this \$5 billion is an attempt to offset the losses that will be incurred not only for the shutdown but for the resumption of service, and that is for the time period from September 11 through December 31.

Also, there are losses that have to be incurred. I would love to see ridership come up to a very full volume in a very short period of time and maybe that \$5 billion would not be necessary. In all likelihood it will be. The legislation also provides for \$10 billion of loan assistance. Some people have asked for details, but we left the regulations up to OMB, and some people have disputed whether it be cost share, whether it will be a guaranteed loan amount.

When we did the steel loan guarantees, that this Senator did not support but we put a percentage must be required, the Federal Government did not guarantee 100 percent. The Federal Government guaranteed up to a percentage, and I hope that would be the case in this bill. So it would not be a 100-percent Federal loan guarantee but up to 80, with those regulations to be determined by the Office of Management and Budget. They have 15 days to do so from date of enactment.

The legislation also has about a page and a half, or two pages, dealing with essential air service. It is my thought that should not be in the legislation, and it is because Senator BYRD and Senator ROCKEFELLER and others wanted to have it and said the Secretary should make efforts to endeavor that

communities that now have assistance in Federal air service would continue to receive it. In my opinion, it should not have been put in, but it is in and I am not that upset. It does give some discretion, but in some of these communities we have airplanes flying with two or three people on them and they cost a lot of money. They cost the airlines and taxpayers a lot of money, and I question whether we should mandate that it continue.

The language we have in the bill is less than a mandate. It does have some discretion, so hopefully common sense will prevail. That is not a particularly big provision.

Most importantly, the bill does provide some limitation on liabilities for the air carriers. If we did not have that, they probably would not be able to buy insurance. They probably would not be flying in a month. We did not want that to happen so we did put some liability protection, some limitations there. Carriers would be liable on September 11. The limitations for liability will be for the amount of insurance they have. So that was pretty well agreed upon.

The prospective liability, where the Government would assume additional liability if there were another act of war or terrorism, was pretty well agreed upon.

We also passed legislation, and it begins on page 19 and goes through page 30 in this legislation, called victims' compensation. It basically says that victims and/or their family survivors, people who were killed by the terrorist act of September 11, may receive financial assistance or at least have legal recourse. They can do it either by suing in a Federal district court or they can do it through a new system we are now creating in this legislation called the special master.

It was my hope this would not be included in this legislation, that we would defer it until we had a little more time to study it. This is very complex law. It deals with the State of New York law, it deals with Federal law, it deals with liability, and the liability of not only the airlines but also the building, the port authority, and other individuals and governments. It is very complicated and very complex.

Although I think the committees and the other people who worked on it did a pretty good job, the special master has enormous responsibility under this legislation, to be making determinations on what family survivors will receive, what injured members and individual will receive.

I am not against having a victims' compensation section, but when we put this together in a short period of time, I am not sure we did it the best way. I am not trying to be critical, and I have assurance from proponents of this, as late as last night: If we find it is in error and it needs adjustments, we will revisit it. I compliment my colleagues because we have operated in a bipartisan spirit, and we should continue to

do so. That is vitally important. We did it last week; we did it this week.

Some people said we want to rewrite unemployment compensation laws and make everybody whole on unemployment compensation because of the airline employees, because of restaurant employees, et cetera. We have to be cautious. The unemployment compensation system can be enormously expensive. We have an unemployment compensation system providing benefits in most cases for 26 weeks. I don't know that has such urgency we need to address it in the next week. Some said we need to do this next week. Almost everyone in every State of the Nation has unemployment compensation that will last at least for 6 months.

We have made good progress in providing stability for the airlines. They will be able to buy insurance; they will be able to continue flying. We provided cash assistance and provided loan guarantees to get them through, bridging this very difficult time as a result of the terrorist act and tragedy that happened on September 11.

I encourage my colleagues to vote in favor of this legislation.

For the information of our colleagues, a lot of people are wanting to get out of town. It is my intention to yield back the remainder of time and commence the rollcall in a very short period of time.

Mr. ROCKEFELLER. Madam President, the Senator from the State of Oregon has up to 5 minutes.

Mr. WYDEN. In a few hours the U.S. Congress is going to respond to the horrible tragedy in New York in an unprecedented way. The U.S. Congress is going to vote to send billions of dollars to the airline industry, while not making any funds available to the scores and scores of other businesses across this country affected by this tragedy that also teetered on bankruptcy.

The process that the U.S. Congress is using is also unprecedented. The number being used to send these billions of dollars of taxpayer money to the airline industry comes from the airline industry itself. There has not been an independent, third party review of the numbers and the projections on which this legislation tonight is based. It is a leap of faith. The Congress tonight is responding to the airline industry's assertion that because this tragedy is so dire and the circumstances so enormous, we should waive the traditional process of saying that someone independent should evaluate a piece of legislation such as this involving billions and billions of dollars.

But it is also unprecedented, the horror and the tragedy that the Congress must address. Tonight, in what has been one of the hardest decisions I have had to face, I am going to vote for this legislation because of one addition that has been made, and I am pleased to announce it tonight. Senator DASCHLE, the majority leader, has worked so hard on this legislation; Senator HOLINGS, chairman of the Commerce

Committee, has done yeoman work on this bill; Congressman DOGGETT; and a variety of Members have indicated they expect the General Accounting Office to give a briefing to the U.S. Congress by September 28 on this legislation.

I make it clear tonight, if it appears on September 28 or in the days that succeed that briefing that this legislation was in excess of what the airlines needed, I am going to come back on this floor and do everything in my power to send this money to the scores of other businesses across this country that teeter on bankruptcy tonight. This is unprecedented, first, because of the tragedy; second, because one class of those affected in the airline industry is receiving help while others are not; and third, because there has not been an independent analysis of what the claims actually constitute and what funds are truly needed.

Because the circumstances are so dire, the Congress is going to vote for this legislation over the next few hours. I want the Congress to know, that briefing on September 28 will be critical because it will be our first chance to get an objective analysis of whether the industry needs this sum of money and needs it for the claims that are being made.

I wrap up by saying in my view Senator ROCKEFELLER and Senator HUTCHISON have done a first-rate job on this legislation. This is, as we all know, just the beginning of the debate about how to deal with the financial consequences of the horror in New York, but it is a particularly difficult choice the Congress is making tonight. I assure my constituents and others who are following this debate that the way this money is going to be spent is something that is going to be scrutinized with as much care as any subject that has ever come before the U.S. Congress.

I yield the floor.

Mr. REID. Madam President, it is my understanding that all time is going to be yielded back on this matter.

Mr. ENZI. I rise to make a few remarks concerning the Air Transportation System Stabilization Act.

First, I would like to associate myself with the comments by the Senator from Alabama, Mr. SESSIONS and the Senator from Oklahoma, Mr. NICKLES.

I know we need to take immediate action to keep the airline industry in the air. The last few days have taught us that air travel is the heart of our economy. Many businesses have been hurt by the events last week. I am disappointed that help has not been offered particularly to the small businesses. But I realize that those businesses will be out of business if air travel ceases or is greatly reduced. Airlines are a lifeline for many occupations.

This morning I had many concerns about this bill. I am pleased that many of my suggestions were taken and now appear in the bill. Other parts of this

bill can and must be reworked in the days to come.

I am pleased at the recognition that will assure essential air service, help to airlines that serve small, rural communities throughout the nation.

I am pleased that we remembered the regional air carriers and proportionally helped them.

I understand the reluctance of the insurance companies to continue to insure air carriers, because of the uncertainty of the exposure, so I am pleased that an insurance provision was provided.

I am pleased that provisions were put into the bill that would remove concerns and provide assurance that the grant money will not be golden parachutes for highly paid executives.

I know the bill now has provisions for audits to be sure the money is spent within the criteria set out. I would feel more comfortable if the audits were mandatory instead of optional. Taxpayer money always comes with strings.

I understand the need for expediting compensation to victims, but I'm not sure that we have done that. Perhaps we have just opened up a trial lawyer's dream. I have been assured that section will be reworked to give assurance that the money will go to the victims and not just to attorneys, and that the taxpayer won't be the one providing all the compensation. I had hoped that the Federal obligation would be available only for those who took the expedited avenue of resolving their loss using the Special Master.

I applaud my colleagues and the Administration in expediting aid to the nation's airlines under this bill for damages arising out of the September 11, 2001 terrorist attack. This initial funding will provide the resources necessary to assure continuity and stabilization of the airline industry. By including direct cash assistance, loan guarantees, increased air transportation safety, and prospective and prior liability provisions, the bill will ensure the safety of the American public and restore confidence in our economic foundations. The provisions of this bill are designed to restore the confidence of airline customers and industry investors and provide a bridge of assistance to the new environment in which the industry will need to operate.

I am pleased that the bill states that the U.S. Department of Transportation Secretary should take appropriate action to ensure that all communities, both rural and urban communities, that had scheduled air service before September 11, 2001, continue to receive adequate air transportation service and that essential air service to small communities continues without interruption. In addition, the bill authorized an appropriation of \$120 million for the Essential Air Service program. This additional funding in the EAS program will greatly benefit the rural communities in Wyoming.

Resumption of normal air travel is essential for our commerce and the mo-

bility for our way of life. We have to act to keep our airlines flying without throwing the free market out of the window. These businesses need to show that their requests for assistance are tied to the recent terrorist attacks and not debts incurred prior to September 11, 2001. They also need to show that the financial assistance they receive will be used wisely, keeping their planes flying and their employees working.

I believe that the airlines should submit a business plan to the U.S. Department of Transportation to justify why they need the grant funding and loan guarantees and what the funds will be used for. Within the business plan, the airlines should state specific provisions that executive management of the airlines should not receive pay increases greater than the cost-of-living adjustment and they should not receive any bonuses due to the funding allocated to them by this bill. I believe this emergency funding for the airlines should help all airline employees, not just the executive management.

I have been assured there will be specific criteria when directing federal funding to the airlines in the form of a loan guarantee. For example, the bill gives the President the authority to issue the \$10 billion in loan guarantees to the airline industry subject to terms and conditions as he seems necessary. We must assure there is no abuse and that the bill protects the federal government who is the U.S. taxpayer from incurring costs from the possible defaulting on the loans.

Traditionally, loan guarantee programs ensure that the General Accounting Office, GAO, can exercise its authority by auditing the business that receives a loan guarantee. The administration should include a provision that mandates the GAO act as the auditor of this loan guarantee program. At present, an audit may be conducted by the GAO and U.S. Department of Transportation if the Comptroller General and Transportation Secretary deem necessary. We have to ensure that the funds are spent accordingly in relation to the intended purpose of this bill.

Furthermore, the bill should more directly address the higher costs incurred by commuter and short-haul carriers and issues arising from recent changes in air transportation availability to small- and medium-sized communities. These regional airlines provide the only air service between the major airports and the more than a hundred small- and medium-sized communities in the West.

I am committed to supporting an economically strong airline industry for the West and the nation. Due to last week's tragic events, we have realized that interdependence is key to keeping our economy strong, if planes are flying, then the motels are being occupied and the restaurants are being utilized. I look forward to supporting my colleagues in restoring public confidence in the fact that the United

States has the strongest and safest airline system in the world.

UNANIMOUS CONSENT AGREEMENT—NOMINATION OF KIRK VAN TINE, OF VIRGINIA, TO BE GENERAL COUNSEL FOR THE DEPARTMENT OF TRANSPORTATION

Mr. REID. I ask unanimous consent that on Monday, September 24, at 2 p.m., the Senate proceed to executive session to consider Calendar No. 385, the nomination of Kirk Van Tine to be general counsel of the Department of Transportation; that the Senate vote immediately on confirmation of the nomination; that the motion to reconsider be laid on the table, and any statements thereon appear at the appropriate place in the RECORD and the President be immediately notified of the action, and the Senate return to legislative session.

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

Mr. REID. As in executive session, I ask for the yeas and nays on that nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

UNANIMOUS CONSENT AGREEMENT—H.R. 2603

Mr. REID. I ask unanimous consent on Monday, September 24, at 12 noon, the Finance Committee be discharged from further consideration of H.R. 2603 and that the Senate then proceed to its immediate consideration under the following limitations: That no amendments or motions be in order; the debate be limited to 2 hours, with 1 hour under the control of Senator GRAMM of Texas and 1 hour under the control of Senator BAUCUS or his designee; following the use or yielding back of the time, the bill be read a third time and passed, and the motion to reconsider be laid on the table, all with no intervening action or debate.

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

AIR TRANSPORTATION SAFETY AND SYSTEM STABILIZATION ACT—Continued

Mr. NICKLES. We yield back the remainder of our time.

Mr. REID. I yield 1 minute to the Senator from Washington.

Ms. CANTWELL. Madam President, I do appreciate the time before the vote. I thank the leadership of Senator DASCHLE, Senator KENNEDY, Senator CARNAHAN, and Senator MURRAY for working on what is part of this package that we will discuss next week and that is worker compensation.

Last week's terrorist attacks murdered thousands of innocent Americans, and left thousands more grieving

for friends and loved ones. Those people are the first and most visible victims of the unprovoked terrorist attacks—but they are not the only ones.

Already tens of thousands of workers at major U.S. airlines have lost their jobs due to the economic fallout of the terrorist attacks on September 11. Current projections are for a total of 100,000 airline jobs to be cut this year—nearly 10 percent of the industry workforce. Boeing, America's leading aircraft manufacturer, has announced it will lay off up to 30,000 employees by the end of 2002.

These workers and their families are secondary victims of the terrorists who attacked the World Trade Center and the Pentagon, and Congress should not leave them to bear a disproportionate share of the economic burden of terrorism.

I am supportive of the overall intent of this bill and the need to shore up the airline industry, but I still have some concerns.

The current airline relief package is good as far as it goes—but it does not go far enough.

The airline relief package does nothing to ensure that airlines will uphold their contractual obligations and other commitments to employees. Those should be fundamental qualifications for any airline seeking government assistance.

The airline relief package does nothing to directly benefit the thousands of airline and aircraft manufacturing workers who are being laid off as a result of the recent terrorist attacks.

In this speech to the nation last night, President Bush told the American people "justice will be done." If Congress passes an airline relief package without addressing worker assistance, we will have done a grave injustice to thousands of American workers and their families who are suffering from the aftermath.

In the meantime, I think that the industry needs to step up to the plate. I am very concerned about reports that some airlines are considering invoking the war clause to avoid contractual obligations to their workers. That would be a tragic failure of their obligation to the American people to act in good faith. Let's be clear; American taxpayers are shouldering the burden of this relief package, and I think they will be angry if workers are not treated fairly while the airlines get relief.

I have worked with several of my colleagues over the past several days to develop a reasonable package of worker assistance provisions, and I believe that we have a proposal that makes a great deal of sense and would take at least a small step toward helping those workers get back on their feet. That package would extend income supports, pay for the extension of healthcare coverage and provide training assistance to the affected workers. I am deeply disappointed that those provisions were not ultimately included in the bill, but pleased that the majority

leader has committed to continue his work on this critical component in the days to come.

For the past 10 days, ever since the terrorist attacks my congressional colleagues have spoken eloquently and with great emotion about the courage, compassion and commitment of the relief and rescue teams who have reached out a helping hand to victims of terrorism. Today, we have our own chance to help thousands of other Americans who have been harmed by terrorism. We must not turn away.

Mr. REID. I appreciate very much the comments of the Senator from Wyoming and the Senator from Washington. The majority leader has asked me to note for everyone the first vote Monday will be at 2 p.m. on the Kirk Van Tine nomination.

Senator WARNER and Senator LEVIN, the managers of the Defense authorization bill, have indicated there will also be votes throughout the day. They are moving that legislation as quickly as possible.

We yield all time on our side.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Wyoming (Mr. THOMAS), the Senator from Texas (Mr. GRAMM), and the Senator from Colorado (Mr. CAMPBELL) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 1, as follows:

[Rollcall Vote No. 284 Leg.]

YEAS—96

Akaka	Dodd	Levin
Allard	Domenici	Lieberman
Allen	Dorgan	Lincoln
Baucus	Durbin	Lott
Bayh	Edwards	Lugar
Bennett	Ensign	McCain
Biden	Enzi	McConnell
Bingaman	Feingold	Mikulski
Bond	Feinstein	Miller
Boxer	Frist	Murkowski
Breaux	Graham	Murray
Brownback	Grassley	Nelson (FL)
Bunning	Gregg	Nelson (NE)
Burns	Hagel	Nickles
Byrd	Harkin	Reed
Cantwell	Hatch	Reid
Carnahan	Helms	Roberts
Carper	Hollings	Rockefeller
Chafee	Hutchinson	Santorum
Cleland	Hutchison	Sarbanes
Clinton	Inhofe	Schumer
Cochran	Inouye	Sessions
Collins	Jeffords	Shelby
Conrad	Johnson	Smith (NH)
Corzine	Kennedy	Smith (OR)
Craig	Kerry	Snowe
Crapo	Kohl	Specter
Daschle	Kyl	Stabenow
Dayton	Landrieu	Stevens
DeWine	Leahy	Thompson