

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

TIMING OF THE TRADE BILL

Mr. BAUCUS. Mr. President, at the end of the last session of Congress the Finance Committee reported three critical pieces of international trade legislation to the Senate calendar: An expansion of the Trade Adjustment Assistance Act, an extension of fast track trade negotiating authority, and an expansion of the Andean Trade Benefits program.

Each of these bills is time-sensitive and I believe that the Senate should take action on them as soon as possible. The Trade Adjustment Assistance Act, or TAA, first established in 1962, is the program that addresses the needs of workers and firms that are adversely impacted by trade.

The Senate Finance Committee bill expands TAA coverage to new groups of workers, including farmers and secondary workers; provides training and healthcare benefits to recipients; and experiments with a new concept of wage insurance, which aims to move the unemployed back into the labor force as quickly as possible.

Unfortunately, TAA was allowed to expire at the end of the last Congress. We need to not only extend TAA, but complete the expansion as soon as it is practical.

Although States have cooperated with the efforts of the Department of Labor to keep the program in operation, this stopgap cannot continue indefinitely. Congress must ensure that this critical safety net for working Americans is in place.

The extension of fast-track trade negotiating authority—sometimes called trade promotion authority—is also pending on the Senate calendar.

This measure is controversial, but Senator GRASSLEY and I were able to arrive at a bipartisan bill to extend fast track. And the bill passed the Finance Committee 18-3 with the support of both the majority leader and the minority leader.

This extension may not be as urgent as the extension of TAA, but many important international trade negotiations both bilaterally and multilaterally are pending or underway. This bill allows Congress to direct these negotiations and allows the President to credibly negotiate with our trading partners. It is time for Congress to extend fast track.

The Senate Finance Committee also reported an extension of the Andean Trade Promotion Act or ATPA. This measure has been actively supported by many Senators, including Senator BOB GRAHAM and the distinguished majority leader.

The legislation aims to shore up support among U.S. allies in the critical

Andean region and provide an alternative to the illegal drug trade to citizens in the region.

In addition, another critical international trade program, the Generalized System of Preferences, which provides important benefits to many developing countries, also expired at the end of the last Congress. This program should also be extended for some reasonable period of time, in my opinion, several years.

I have discussed with the majority leader and many of my colleagues combining all of these bills into a single vehicle, winning Senate passage for the legislation, and quickly moving to gain support for the legislation in the other body in the hopes that these measures might be signed into law as soon as possible.

The combined trade legislation has some detractors, but each component of the proposed trade legislation has bipartisan support. Each piece serves an important public policy purpose. And each piece is timely, if not overdue.

I know that the Senate calendar is crowded, but I would like to urge the majority leader and the minority leader to work with Senator GRASSLEY and myself to find time to take this legislation up shortly after the Senate returns from the coming recess.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I ask unanimous consent to address the Senate as in morning business.

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

THE ADMINISTRATION'S SPECTRUM PROPOSAL

Mr. MCCAIN. Mr. President, as ranking member of the Senate Committee on Commerce, Science and Transportation, I would like to discuss an issue I have discussed before, an issue that was addressed by the administration's proposal in the 2003 budget to delay the auction dates for spectrum being used by broadcasters.

In 1997, Congress ventured down a path that we hoped would lead to a revolution for the American consumer—digital television. Congress took action to support the transition to digital television, specifically high definition digital television, because of its potential to give Americans sharp movie-quality pictures and CD-quality sound, and took the extraordinary step of giving the broadcast industry a huge amount of spectrum for free—a \$70 billion gift.

During consideration of the Balanced Budget Act of 1997, broadcasters touted DTV technology as a competitive necessity that would preserve free over-the-air television in the new digital millennium. They sought legislation intended to speed and facilitate a transition from analog to digital television broadcasting. Their requests for special treatment were fulfilled.

At the time, the Wall Street Journal described Congress' action as a

“planned multibillion dollar handout for wealthy TV-station owners.” While other industries must purchase their spectrum in competitive auctions, in the case of digital TV, Congress decided to give away the spectrum. At the same time, Congress also decided that broadcasters could keep their old analog spectrum until 2006, or until 85 percent of TV homes in a market could receive digital signals.

During the debate on the Balanced Budget Act, I expressed my serious reservations with the spectrum provision. At the time I stated:

... when it comes to the bill's provisions on the analog turnback date, I fear that we have inadvisedly undercut the value this spectrum might otherwise bring at auction by including a waiver standard in this bill that unnecessarily signals to bidders in 2002 that the spectrum they're bidding on may not become available on any definitive date.

I was not alone in my concern. In October 2000, the New York Times wrote: By giving the new spectrum away instead of auctioning it off to the highest bidders, Congress deprived the Treasury, and thus taxpayers, of tens of billions of dollars. The giveaway also kept the new spectrum out of the hands of bidders eager to sell digital services. The new spectrum went instead to incumbent broadcasters, who have dawdled.

Moreover, if the broadcasters begin to use their digital spectrum primarily to broadcast multiple channels of standard definition, perhaps on a subscription basis, I believe that they will never relinquish the spectrum. This scenario was never mentioned by the broadcasters while they were lobbying Congress for the free spectrum they eventually received.

In 1997, Congress mandated that future FCC spectrum licensing should be performed through auctions, ensuring that the spectrum is allocated to parties that value most highly the opportunity to provide wireless products and services, and that compensate the public for the use of its resources. Yet, at the same time, Congress gave away billions of dollars in public assets at the broadcasters' urging and on the promise that the public would get it back, and get superior, free over-the-air service in the bargain. As the President's budget acknowledges, however, this is not happening.

The administration is also proposing that beginning in 2007, the broadcasters would be assessed a \$500 million annual lease fee for their use of the analog spectrum. If they return their analog spectrum by the 2006 deadline, they will be exempt from the fee. While this proposal has merits and may be justified, I believe that in all likelihood, the broadcasters will never pay. Be assured that a few years from now, the NAB will be marching up to Capitol Hill asking Congress for more time to complete the DTV transition.

We should not let this happen. I believe that Congress must address this issue legislatively to protect the American taxpayer and ensure that the DTV transition will become a reality. Congress devoted valuable public assets to

the DTV transition and ultimately has the responsibility for finding responsible solutions. The proposal before the FCC that enables broadcasters to further capitalize on the spectrum giveaway by allowing the broadcasters to negotiate to vacate the spectrum by 2006 for a price, is not, I note, a responsible solution.

In closing, I would like to read a quote from an article that appeared in *Business Week* last year.

Congress should also make broadcasters pay for their valuable real estate by attaching a price tag to the spectrum they now occupy. When they approached Congress hat-in-hand, broadcasters promised something they have yet to deliver. Now that this has become abundantly clear, they shouldn't get a free ride on taxpayers' backs. What they should do is fork over the going rate for whatever airspace they occupy. That's what cellphone companies are doing.

It has been almost 5 years since the spectrum giveaway and the transition to digital television has barely materialized. The American taxpayers first lost the auction value of the spectrum. Now, they have no real certainty of what they're likely to get in return, or when they are likely to get it. The situation is a mess, characterized by more finger pointing than progress. Regardless of who is to blame, this much is clear: By 2006, this country will not have the transmission facilities, the digital content, nor the reception equipment necessary to ensure that 85 percent of the population will be able to receive digital television.

In fact, recent statistics show that consumers have yet to embrace digital television. The Consumer Electronics Association reports that 1.4 million DTV sets were sold last year, of which 97,000 were integrated units containing digital tuners. However, we received testimony before the Senate Commerce Committee last year that over 33 million analog sets had been sold in 2000 alone. While DTV sales have been increasing each year, an overwhelming majority of Americans are still purchasing analog sets.

Given the uncertainty surrounding the return of the spectrum currently occupied by broadcasters, the administration has proposed shifting the auction for TV channels 60–69 from the elapsed 2000 deadline to 2004. Additionally, the proposal would shift the auction of TV channels 52–59 from 2002 to 2006. According to OMB projections, shifting the auctions to later dates would increase expected revenues by \$6.7 billion. The administration has concluded that if legislative action is not taken to shift the auction dates, potential auction participants may hesitate to bid for this spectrum without certainty of when the broadcasters may actually vacate it.

At the same time, however, even if we act to change the dates, I also believe that years from now Congress is likely to again find itself attempting to shift the auction dates because the broadcasters will still occupy the spectrum. I hold this view because last

year, the Commerce Committee held hearings on the transition to digital television. During that hearing I asked the National Association of Broadcasters, NAB, whether or not they believed they were going to reach 85 percent of the homes in America by 2006. The NAB's response, "Originally, the expectations and the projections that [we] looked at, was for that transition to take as long as possibly 2015."

I believe that there's not a snowball's chance in Gila Bend, AZ, that the broadcasters will vacate this spectrum by 2006, or that, despite my best efforts, that broadcasters will be penalized for squatting, as the President has proposed, if they occupy this spectrum after 2006. Some broadcasters have suggested that they may use their digital spectrum to multicast standard definition signals and provide other "ancillary" services, competing against companies and technologies that had to pay for the spectrum they use. I worry that if broadcasters provide "ancillary" services using the spectrum they received for free, they will have a distinct competitive advantage over wireless companies who pay the public for the use of its spectrum.

I yield the floor.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001—Continued

The PRESIDING OFFICER. Who seeks recognition?

Mr. MURKOWSKI. Mr. President, the Senator from Idaho is prepared to offer a second-degree amendment clarifying Senator BINGAMAN's amendment No. 3016. I am in support of his amendment.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank my colleague, the ranking member of the Energy Committee, Senator MURKOWSKI.

Mr. President, I ask unanimous consent to set the pending amendment aside for the purpose of consideration of this amendment.

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

AMENDMENT NO. 3049 TO AMENDMENT NO. 3016

Mr. CRAIG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report. The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. CRAIG] proposes an amendment numbered 3049 to amendment No. 3016.

Mr. CRAIG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To clarify the definition of biomass)

On page 6, strike line 9 and all that follows through line 15 and insert the following:

"The term 'biomass' means any organic material that is available on a renewable or recurring basis, including dedicated energy

crops, trees grown for energy production, wood waste and wood residues, plants (including aquatic plants, grasses, and agricultural crops), residues, fibers, animal wastes and other organic waste materials, and fats and oils, except that with respect to material removed from National Forest System lands the term includes only organic material from—

"(A) thinnings from trees that are less than 12 inches in diameter;

"(B) slash;

"(C) brush; and

"(D) mill residues."

Mr. CRAIG. Mr. President, I rise today to introduce an amendment that would modify the definition of biomass from national forests by clarifying that biomass may come from slash, brush, or mill residue from any size tree that may be harvested, as well as from thinning trees that are less than 12 inches in diameter.

The Bingham amendment defines the term "biomass" on national forest lands as only that material generated from tree commercial thinning or slash or brush.

Our respective staffs have worked out language that is acceptable to the managers. I appreciate his staff's cooperation in addressing these concerns.

Both Senator MURKOWSKI and I have been concerned that mill residue, slash and brush from normal harvest activities did not qualify under the construct of Bingham amendment No. 3016.

I have also expressed concern about smaller logs that are sold as commercial timber that could be utilized as biomass in some market conditions but would not qualify under Bingham amendment No. 3016.

This amendment I am now offering addresses all of our concerns.

We have 39 million acres of national forest land at high risk of catastrophic fire. We have an additional 24 million acres that have suffered insect and disease attacks making them highly susceptible to fire as well.

There are over 49.5 million acres of trees in the 9- to 12-inch diameter class that need to be thinned to reduce the risk of catastrophic fires and to allow those trees to grow to full and productive maturity.

I am pleased that we have addressed the fundamental problems that cause so many of my constituents concern. I have several biomass co-gen operations in my State that are fed largely from hog fuel off the public lands—the national forest land.

I think this clarifies the issue. I thank the chairman for his cooperation.

Mr. BINGAMAN. Mr. President, this does clarify the intent on both sides. I think this additional definitional language is useful. We have no objection to the amendment.

Mr. MURKOWSKI. Mr. President, I thank Senator BINGAMAN for his cooperation.

I want to make sure that we all understand some of the terminology used, and the words "hog fuel." I know what it is. It is the waste.