

the Golan Heights. Security arrangements had not been quite worked out and the precise boundary form had not been laid, but they were very close.

Regrettably, with the assassination of Prime Minister Rabin and with other leadership in Israel, there was a time when the relationship was very difficult. In 1996, the Syrians had some maneuvers on their border near Israel at a time when Prime Minister Netanyahu said that Israel would hold Syria accountable for what was happening with Hezbollah in southern Lebanon. At any rate, the peace talks disintegrated.

When I had a chance to visit the new President, Bashar al-Assad, in March 2002, I suggested to him while the time might be not exactly right now, with the problems with Israel and the Palestinian Authority, those negotiations ought to be resumed at an early date. I reported that conversation to President George W. Bush and made the suggestion that President Bush might be determinative and influential, as President Clinton had been. While no commitment was made, that is something that would be considered by the Bush Administration when the time was right.

Edward Djerejian had been Ambassador to Syria, and when he visited President Bashar al-Assad early this year, he had a discussion with President al-Assad about having this United States-Syrian dialogue, and the James A. Baker III Institute hosted it. Former Ambassador Djerejian is the executive director there. Their plan is to have another Syrian-United States dialogue in the fall. I made the suggestion to the Syrians in attendance, former Secretary of State James Baker, who attended, and also former Ambassador Djerejian, that a good time to schedule another dialogue would be right after the elections this November, perhaps the Thursday following the Tuesday election. That is about the only time Members of Congress are somewhat uncommitted. I received a comment that they might be willing to consider that. So, in addition to the Presiding Officer, any of my colleagues who may be listening on C-SPAN, may reserve the Thursday after the elections to join a congressional delegation to travel to Syria and participate in these important discussions.

Regrettably, Damascus has not been a hot spot on congressional travel. However, I think that visits there could be very useful.

At the conference two weeks ago, the focus was in trying to define terrorism. It seems to me pretty clear that when civilians are targeted, that constitutes terrorism and that is unacceptable. There is a disagreement on that subject, a disagreement which I had with the Iranian Ambassador to the United Nations, who visited Washington. I hosted a small dinner for him several months ago as part of an effort to have a visit by Parliamentarians from the House and Senate with the Iranian

Parliamentarians, a suggestion which goes on again, off again. It is a little difficult right now with President Khatami responding in somewhat of an unfriendly tone to some of what the administration has had to say about Iran being part of the "axis of evil."

At any rate, the Iranian Ambassador to the UN emphasized the point that he thought Hezbollah had a right to undertake military activities against the Israelis because of what he terms "the occupation." It is a discussion which needs a lot of work. I think ultimately there can be a definition of terrorism to include attacks on civilians.

However, the issue of having a dialogue is one which is very important. The three-day session in Houston was closed to the press, but I think it is within the bounds to comment that terrorism was the focus of attention. It is always salutary when people get together and talk. It is my hope that we can have some influence on Syrian activities, having Hamas and Hezbollah and other organizations, which we consider terrorist organizations and on the terrorist list, to have them ultimately ousted.

There has been a recognition by the State Department about Syria's help on al-Qaida. There has been a recognition that Syrian assistance has, in fact, saved American lives. Much, much more needs to be done, but the dialogue at the James Baker Institute is a good start. If we could get a significant congressional delegation to go to Damascus in the fall, I think it would help that very important effort. I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOND. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

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

SUPPLEMENTAL APPROPRIATIONS ACT FOR FISCAL YEAR 2002—Continued

AMENDMENT NO. 3557

Mr. BOND. Madam President, when the shocking events of September 11 hit us, we all realized that major changes had occurred. The devastation and the death that was visited by the terrorists were truly shocking. But there was collateral damage as well in many areas. We are seeing small businesses that have been put out of business. We have worked hard to try to help them.

But, obviously, one of the most severely affected areas of our economy—really, the lifeline of our Nation's transportation system—the airline industry, was severely hurt by this action. Not only did we shut down flights

for a period of days, which cost the airlines literally billions of dollars, their insurance rates skyrocketed and put them at risk. And when you put the airline industry at risk, you put all of us at risk because ours is a very mobile country that depends upon a healthy, competitive airline industry.

I came to the floor on September 13 to urge my colleagues to take immediate action. Well, people in both Houses shared that view, and we did act. We adopted critical legislation to ensure that our airlines could continue to operate even as their insurance rates skyrocketed. This was a successful approach.

Then we embarked on another approach. We said we would set up a \$10 billion loan guarantee program to provide assistance to airlines that were doing well, that were "taking off," so to speak, but whose cash shortfall was exacerbated by the shutdown and the slow return of airline passengers. That \$10 billion loan guarantee program sounded like a good idea.

We should support this amendment that tries to preserve the full commitment we made to our airlines and to the traveling American public.

Now, we have a problem, specifically with the ATSB—that fine group of Federal servants—that decide what airlines get the money. So far, I think there have been seven applications; and they have only granted one. Even if all the applications were granted, I understand that \$10 billion would be more than enough to cover them.

I have had a real problem because we have a fine, growing airline, a new airline in Kansas City, called Vanguard Airlines. So far, the ATSB has formally denied three loan applications submitted by Vanguard. Actually, they have only approved one. That was for America West. We are very glad that our colleagues who fly on America West and the people served by America West will be helped.

The intent of this program was to help airlines such as America West and, I believe, such as Vanguard. When you look at the facts, Vanguard actually stacks up better than America West when you consider the necessary criteria. The airline was growing rapidly and consistently prior to September 11. The airline is trying to get back on its feet, has recently made new hires, is getting back on a growth track. It is increasing routes and hiring people. They wanted a private loan package that would allow them to purchase more aircraft, more Boeing MD-90s.

When I talked with one of the officials at ATSB, they said: Well, we don't have any collateral. If you don't have collateral, and you are going to use the loan to buy an airplane, guess from where the collateral is going to come? They are even bringing in equity funding that would come in with the loan if it were granted. If we fail to do that, the potential ripple effect will not only be on the airline industry but

on the entire Kansas City metropolitan area where Vanguard has become a major employer in the area.

I am reminded of a very old and very troubling definition. A friend of mine once said: A banker is a guy who loans you an umbrella and takes it back when it rains. If this loan fund were to be made available solely on the criteria by which a bank would issue a loan, we would not need it. If these airlines are healthy enough to go out and get loans—and many of them are—then they do not need the loan guarantee package.

We set up criteria which should be observed, but somehow those criteria have resulted in denying everybody except America West a loan.

I hope we adopt this amendment by the distinguished chairman and ranking member of the Appropriations Committee to knock out the rescission because we want to make sure airlines that are healthy, that have a good record, that have the potential to grow, are not killed in their infancy because of the cashflow problems, the insurance problems, and the short-term lack of confidence in airline travel that came about as a result of September 11.

I say to our friends who serve on the ATSB, we appropriated this money, we made available these loan guarantees for one simple purpose; and that is, to loan the money to airlines that could otherwise not stay in business and that would not meet bankable loan standards.

This is extremely important to the airline industry. It is important to my constituents in Kansas City. I hope we will support the amendment, and I strongly hope that one of these days they will figure out how to provide money to airlines that may not have bankable loan capabilities but which have the growth and which have the potential to get back on their feet after the tragedy of September 11.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Madam President, I rise to speak in favor of the amendment. I had the same amendment already drafted. I am the ranking member of the Aviation Subcommittee of the Commerce Committee. I was alarmed when I heard what had happened with regard to the fund that we set aside to stabilize the aviation industry. So I thank Senator BYRD and Senator STEVENS for making this accommodation, for offering this amendment. And I certainly want to be made a cosponsor of the amendment.

Madam President, I ask unanimous consent to be added as a cosponsor of the amendment.

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

Mrs. HUTCHISON. Madam President, our aviation industry lost thousands of jobs right after September 11, but it could have been hundreds of thousands if we had not come in and stabilized that industry. Because of repercussions

in other parts of the tourism industry—in the hotel industry, the rental car industry—so many other parts of our economy that are dependent on tourism would also have fallen. So we did the right thing.

It is essential that Congress keep its commitment. The deadline is June 28. And there can be applications. US Airways is said to be looking at perhaps making an application. America West already has a loan. There may be other airlines. They need to know that when Congress passes a law, they have the right to believe that law is going to be carried out and deadlines will be met.

If we revoked that deadline and said, if you have not come in now, we are going to take the money away, I think it would be a tragedy. So I think this is definitely the right approach.

It is also essential that the traveling public and the banking community know that the airline industry is going to be secured. Today, most airports are reporting about 90 percent of the traffic they had at this time last year. That is phenomenal after what happened on September 11: the cataclysmic event and the impact on our economy. That we are back to 90 percent I believe is the result of the airlines, the airports, the people of our country supporting our economy, and also Congress stabilizing the airlines, and then, secondly, coming in with the aviation security that assured the traveling public that everything was going to be done to secure these airlines. We are well on the way to securing airports and airlines. We have a way to go; there is no doubt about that. Those two factors have stabilized the industry.

We are not out of the woods. June 28 is 3 weeks away. We need to allow that time for companies already in the process of making their applications. It is a pretty arduous process. We are not just guaranteeing loans that don't have any substantiation or any reason to believe that they would be able to be repaid, but we are guaranteeing loans, as we said we would, for a company that meets the very stringent criteria.

I hope this amendment passes overwhelmingly. I believe it will. I certainly appreciate that we have gone forward to put this amendment in place. I thank Senator BYRD and Senator STEVENS for immediately acting when it became known that this was actually going to cut off companies that were in the process that could then go into bankruptcy and cause a rippling effect throughout the economy.

We want to support US Air and any other airlines that might want to come in that meet the criteria. We want to try to keep our aviation industry stable as we go into vacation time, the summer months, so that hopefully by September 11, 2002, we will have a good report for the people of America that our economy has been stabilized and that the aviation and tourism industry are a part of that. This amendment will be one more step in that direction.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ALLEN. Madam President, I ask unanimous consent to speak for up to 5 minutes on the pending amendment.

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

Mr. ALLEN. Madam President, I rise in support of the amendment. The amendment, introduced by Senators BYRD and STEVENS, is a logical one relating to the aviation loan guarantee language in the emergency supplemental appropriations bill. As my colleagues might recollect, last year we voted unanimously to extend an immediate cash infusion and loan guarantees to airlines struggling as a result of the September 11, 2001 attacks and the resulting closure of the nationwide aviation network. I wish to associate myself with the remarks of Senator HUTCHISON of Texas and Senator BOND of Missouri in their views and statements on the history.

Access to these funds is necessary for many airlines to continue operation and vital to the future of our nationwide aviation network.

My colleagues might recollect that all of our airports were shut down for several days, but one in particular, Reagan National Airport, stayed closed for an extended period of time. Even today, commercial aviation is still getting up to full capacity and general aviation is still shut down. I hope that soon will change with some reasonable regulations for private or general aviation.

With the phased reopening over many months of Reagan National Airport, there was one airline, US Airways, which was particularly adversely affected. US Airways intends to work through all of the requirements they have with labor and management and put forward an application for the loan guarantee program in an effort to avoid bankruptcy.

The proposed language, in limiting the total funds available and eliminating any more loans for 2002, would be truly detrimental to the survival of this airline and very possibly other major carriers. The language in the bill, in this present form, represents a broken promise.

There was a time frame for which airlines, if they wanted to avail themselves of this assistance, would be able to make that effort. It is not easy to go through the whole loan guarantee process. To change the deadline at this point would clearly be a breach of trust and very unwise. When we passed the stabilization bill, the airlines were given until June 28, 2002 to apply for these loans. The funds were to be available through the end of the year.

I applaud the work of my colleagues in addressing this proposed injustice and appreciate the amendment offered by the chairman, Senator BYRD, and Senator STEVENS. I urge all Senators to vote for the amendment.

The amendment will not only correct an error, but will also provide the opportunity for our nation's air carriers,

as they try to address the aviation security quandary in a much better way than is currently being done, to protect the jobs of tens of thousands of hard-working Americans. We are also trying to keep competition in aviation and trying to get Americans and America's airways flying again.

I thank my colleagues and urge their support for this very important amendment for jobs, for the commercial aviation industry, and for the traveling public. This amendment also puts the Senate on record as keeping our word to this very important part of our economy.

Thank you and I yield the floor.

Ms. SNOWE. Mr. President, I rise in support of the Byrd-Stevens amendment that would protect the funding for the airline financial support program established by the Air Transportation Safety and System Stabilization Act of 2001.

Congress and the President moved swiftly after September 11, 2001 terrorist attacks to provide the airline industry with critical financial support to avoid a crisis in our national transportation network and in our economy.

The Air Transportation Safety and System Stabilization Act signed into law on September 22, 2001 was designed to give airlines access to up to \$15 billion in assistance. It included \$5 billion for direct aid to pay for industry losses associated with the results of the World Trade Center and Pentagon attacks. It also included \$10 billion for loan guarantees.

The Fiscal Year 2002 supplemental appropriations bill which we are debating this week would have reduced the size of the loan guarantee provision to \$4 billion. The Byrd-Stevens amendment before the Senate for consideration this afternoon would strike the provision in the supplemental and restore the program to the full \$10 billion level.

I voted for the legislation that established this important financial assistance program in order to ensure the financial viability of the airline industry—which generates 3 percent of the gross domestic product, almost \$273 billion. There is no question as to the significance of airline service not only to our quality of life, but also our national economy. In my home state of Maine, over 56,000 jobs, \$1.29 billion in payroll, and \$3.73 billion in sales are tied to the availability of scheduled commercial air service.

In the wake of the attacks of September 11, thousands of airline employees lost their jobs and remain laid-off. Most major airlines continue to operate more limited schedules than before September 11. United Airlines and American Airlines both announced layoffs of 20,000 personnel and schedule reductions of about 20 percent.

The airlines have begun to re-hire some employees and restore service, but we are still not where we were prior to September 11. Approximately 750 to 1,000 aircraft that were in oper-

ation before the terrorist attacks are out of service to this day.

According to the Air Transport Association, the airlines suffered losses of about \$1.4 billion during the aviation system lockdown that followed the tragic events of September 11. And they have continued to lose money. Before September 11, the airline industry was expected to lose \$1 to \$2 billion in 2001. In the aftermath of September 11, the losses exceeded \$7 billion, and could have been even worse if not for the financial assistance package passed by Congress and signed by the President.

US Airways, the only commercial carrier to serve all six of Maine's commercial airports, warns that without the loan guarantees, it may be forced into bankruptcy. US Airways is a major carrier providing service along the Northeast corridor, and with some hub operations based at Ronald Reagan Washington National Airport, suffered significantly as a result of increased security requirements and reduced service levels to Washington.

I think the numbers speak for themselves. I believe it is critical that we restore this funding, and I urge my colleagues to join in a strong show of support of this amendment.

Mr. KENNEDY. Mr. President, I wish to thank our distinguished chairman of the Appropriations Committee, Senator BYRD, and Senator STEVENS for this amendment, which is so very important to tens of thousands of airline industry employees across the country.

This amendment will restore the integrity of the loan guarantee fund we established in the Air Transportation and System Stabilization Act of 2001, and ensure that airlines suffering from the continued effects of September 11 will be able to remain strong and competitive.

I greatly appreciate the efforts of Senator BYRD and STEVENS to put the U.S. Senate on record with this issue as the fiscal year 2002 emergency supplemental appropriations bill moves to conference with the House of Representatives. Their leadership is so very important, because the House bill has a provision that would cripple the loan guarantee fund, a provision that may well bankrupt more than one major U.S. air carrier.

I also want to recognize the thousands of airline industry workers who made their voices heard on this issue over the Memorial Day recess. These workers united in a most impressive way to lobby on behalf of their companies. I found their commitment inspiring, and I want to congratulate them on this great victory they have won on the Senate floor today.

Mrs. CARNAHAN. Mr. President, I support the Byrd-Stevens amendment, which will preserve the loan guarantee program that we established last year.

We acted swiftly and in a bipartisan fashion to respond to the September 11 attacks.

We authorized the use of force, we appropriated funds to start rebuilding, we

bolstered security efforts, and we took important action to assist the aviation industry.

As part of our initiative to promote the ongoing stability of the aviation industry, we created the Air Transportation Stabilization Board, ATSB, to ensure that airlines would continue to have access to capital.

Now, after the ATSB has approved just one airline's application, the bill before us is seeking to impose new limits on this extremely important program.

I think this is unwise, and I am supporting this amendment to strike these new limits from the bill.

When we enacted the airline stabilization bill last year we essentially made a promise of assistance to struggling airlines.

Limiting this program now would be unfair to airlines that are counting on it to help them in their efforts to regain sound financial footing.

One airline that is particularly in need of assistance is Kansas City-based Vanguard Airlines.

As a member of the Senate Commerce Committee, I understand how important low-fare competitors are in our aviation system.

As a low-fare airline operating out of Kansas City, Vanguard contributes substantially to keeping airfares competitive in Kansas City and throughout the Midwest.

Not only did September 11 have a devastating financial impact on Vanguard, but it severely limited the company's ability to obtain private financing as well.

Vanguard's approximately 1,000 employees have been fighting diligently to improve the company's financial standing.

But securing additional capital is absolutely essential to the company's long-term health.

I have been extremely frustrated and disappointed by the ATSB's reluctance to approve Vanguard's application.

I am committed to ensuring that the loan guarantee program is maintained in its current form.

Moreover, I plan to continue working with Vanguard as it re-submits its application in an effort to achieve a positive outcome.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:35 having arrived, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:35 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. EDWARDS).

VOTE ON AMENDMENT NO. 3557

The PRESIDING OFFICER. The question is on agreeing to the Byrd-Stevens amendment.

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

The assistant legislative clerk called the roll.