

state designated as a state sponsor of terrorism under section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371).

(2) The term "blocked asset" means any asset seized or frozen by the United States in accordance with law, or otherwise held by the United States without claim of ownership by the United States.

(3) The term "property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations" and the term "asset subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations" mean any property or asset, respectively, the attachment in aid of execution or execution of which would result in a violation of an obligation of the United States under the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations, as the case may be.

**THE PRESIDING OFFICER.** The majority leader.

**Mr. DASCHLE.** Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

**Mr. NELSON** of Florida. Mr. President, I voted today for passage of the Dodd-Schumer terrorism insurance bill. While it is not perfect, it provides temporary backstop to allow the private insurance marketplace to adjust to the new threat of terrorist attacks. Because I had serious concerns about a lack of consumer protection in the original bill, I offered two amendments, one to guard against price gouging, the other requiring the industry to separately disclose to policyholders the amount of premium due to terrorism risk. The first amendment was rejected by the Senate June 13. But the disclosure provision was added to the bill today. This provision gives regulators an essential tool to safeguard against excessive price hikes, and consumers more information upon which to base purchasing decisions.

**Mr. SARBANES.** Mr. President, I want to take this opportunity to express my appreciation to my colleague, Senator DODD for his efforts to move this bill along. We have just completed the Banking Committee's markup of the Public Company Accounting Reform and Investor Protection Act of 2002, which the committee reported favorably by a vote of 17-4. Returning to the matter pending before us, I simply want to acknowledge that the Senate has taken a considerable step forward in addressing the important issue of terrorism insurance.

The discussion over the last several days has clearly illustrated the dimensions of the problem. Many insurers are excluding coverage of terrorism from the policies they write. In those cases where terrorism insurance is available, it is often unaffordable, and very limited in the scope and amount of coverage.

The fact that so many properties are uninsured or underinsured against the risk of terrorism could have a negative effect on our economy and our recovery

if there were to be another terrorist attack. Insurance plays a vital role in our economy, by allowing businesses and property owners to spread their risks. As the U.S. General Accounting Office noted in a recent report, property owners on their own "lack the ability to spread such risks among themselves the way insurers do." In the event of another attack, many properties would have to absorb any losses themselves, without the support of insurance. As a result, the GAO concluded, "another terrorist attack similar to that experienced on September 11 could have significant economic effects on the marketplace and the public at large." The GAO noted that "These effects could include bankruptcies, layoffs, and loan defaults."

But even in the absence of another attack, the lack of insurance can hinder economic activity. In preparing its recent report, the GAO found that there are examples of "large projects canceling or experiencing delays . . . with a lack of terrorism coverage being cited as a principal contributing factor." This is a drag of economic activity that we can ill afford.

Most industry observers are of the opinion that, given time, the insurance industry will develop the capacity and the experience that will allow them to underwrite the terrorist risk. However, those conditions do not exist today. In the interim, a Federal reinsurance backstop of limited duration would give the insurance markets the necessary time to stabilize.

I know that there are still many steps between now and final enactment of the legislation. We look forward to continuing to work with the administration on this issue, as we have done since shortly after the attacks. Again, I want to underscore the importance of this legislation and of the actions that the Senate has taken today to move it forward.

#### VOTE EXPLANATION

• **Mr. KERRY.** Mr. President, due to a longstanding commitment I was necessarily absent for the vote on cloture on the Terrorism Reinsurance bill, S. 2600, and on final passage of the terrorism reinsurance bill. Although my votes would not have affected the outcome, had I been present, I would have voted for cloture on the bill and for final passage.●

#### MARITIME TRANSPORTATION ANTITERRORISM ACT OF 2002

**Mr. DASCHLE.** Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives with respect to S. 1214, the port security bill.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

*Resolved*, That the House insist upon its amendment to the bill (S. 1214) entitled "An Act to amend the Merchant Marine Act, 1936, to establish a program to ensure greater se-

curity for United States seaports, and for other purposes", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

*Ordered*, That the following Members be the managers of the conference on the part of the House:

From the Committee on Transportation and Infrastructure, for consideration of the Senate bill and the House amendment, and modifications committed to conference: Mr. Young of Alaska, Mr. Coble, Mr. LoBiondo, Mr. Oberstar, and Ms. Brown of Florida.

From the Committee on Ways and Means, for consideration of sections 112 and 115 of the Senate bill, and section 108 of the House amendment, and modifications committed to conference: Mr. Thomas, Mr. Crane, and Mr. Rangel.

**Mr. DASCHLE.** Mr. President, I ask unanimous consent that the Senate disagree to the House amendment, agree to the request for a conference on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

There being no objection, the Presiding Officer appointed Mr. HOLLINGS, Mr. INOUE, Mr. KERRY, Mr. BREAUX, Mr. WYDEN, Mr. CLELAND, Mrs. BOXER, Mr. MCCAIN, Mr. STEVENS, Mr. LOTT, Mrs. HUTCHISON, Ms. SNOWE, and Mr. SMITH of Oregon conferees on the part of the Senate; for matters in section 108 of the House amendment and sections 112 and 115 of the Senate bill, Mr. GRAHAM and Mr. GRASSLEY conferees on the part of the Senate.

#### AUCTION REFORM ACT OF 2002

**Mr. DASCHLE.** Mr. President, I ask unanimous consent the Senate proceed to the consideration of Calendar No. 380, H.R. 4560.

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

The senior assistant legislative clerk read as follows:

A bill (H.R. 4560) to eliminate the deadlines for spectrum auctions of spectrum previously allocated to television broadcasting.

The Senate proceeded to consider the bill.

#### AMENDMENT NO. 3893

**Mr. DASCHLE.** I understand Senators ENSIGN, KERRY, and STEVENS have a substitute amendment at the desk. I ask unanimous consent that the Senate consider and agree to the amendment, the motion to reconsider be laid upon the table, the bill as amended be read three times, passed, the motion to reconsider be laid on the table, and any statements relating thereto be printed in the RECORD without further intervening action or debate.

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

The amendment (No. 3893) was agreed to, as follows:

Strike all after the enacting clause and insert the following:

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Auction Reform Act of 2002".

#### SEC. 2. FINDINGS.

Congress finds the following:

(1) Circumstances in the telecommunications market have changed dramatically since the auctioning of spectrum in the 700 megahertz band was originally mandated by Congress in 1997, raising serious questions as to whether the original deadlines, or the subsequent revision of the deadlines, are consistent with sound telecommunications policy and spectrum management principles.

(2) No comprehensive plan yet exists for allocating additional spectrum for third-generation wireless and other advanced communications services. The Federal Communications Commission should have the flexibility to auction frequencies in the 700 megahertz band for such purposes.

(3) The study being conducted by the National Telecommunications and Information Administration in consultation with the Department of Defense to determine whether the Department of Defense can share or relinquish additional spectrum for third generation wireless and other advanced communications services will not be completed until after the June 19th auction date for the upper 700 megahertz band, and long after the applications must be filed to participate in the auction, thereby creating further uncertainty as to whether the frequencies in the 700 megahertz band will be put to their highest and best use for the benefit of consumers.

(4) The Federal Communications Commission is also in the process of determining how to resolve the interference problems that exist in the 800 megahertz band, especially for public safety. One option being considered for the 800 megahertz band would involve the 700 megahertz band. The Commission should not hold the 700 megahertz auction before the 800 megahertz interference issues are resolved or a tenable plan has been conceived.

(5) The 700 megahertz band is currently occupied by television broadcasters, and will be so until the transfer to digital television is completed. This situation creates a tremendous amount of uncertainty concerning when the spectrum will be available and reduces the value placed on the spectrum by potential bidders. The encumbrance of the 700 megahertz band reduces both the amount of money that the auction would be likely to produce and the probability that the spectrum would be purchased by the entities that valued the spectrum the most and would put the spectrum to its most productive use.

(6) The Commission's rules governing voluntary mechanisms for vacating the 700 megahertz band by broadcast stations—

(A) produced no certainty that the band would be available for advanced mobile communications services, public safety operations, or other wireless services any earlier than the existing statutory framework provides; and

(B) should advance the transition of digital television and must not result in the unjust enrichment of any incumbent licensee.

### SEC. 3. ELIMINATION OF STATUTORY DEADLINES FOR SPECTRUM AUCTIONS.

(a) FCC TO DETERMINE TIMING OF AUCTIONS.—Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) is amended by adding at the end the following new paragraph:

“(15) COMMISSION TO DETERMINE TIMING OF AUCTIONS.—

“(A) COMMISSION AUTHORITY.—Subject to the provisions of this subsection (including paragraph (11)), but notwithstanding any other provision of law, the Commission shall determine the timing of and deadlines for the conduct of competitive bidding under this subsection, including the timing of and deadlines for qualifying for bidding; conducting auctions; collecting, depositing, and reporting revenues; and completing licensing processes and assigning licenses.

“(B) TERMINATION OF PORTIONS OF AUCTIONS 31 AND 44.—Except as provided in subparagraph (C), the Commission shall not commence or conduct auctions 31 and 44 on June 19, 2002, as specified in the public notices of March 19, 2002, and March 20, 2002 (DA 02-659 and DA 02-563).

“(C) EXCEPTION.—

“(i) BLOCKS EXCEPTED.—Subparagraph (B) shall not apply to the auction of—

“(I) the C-block of licenses on the bands of frequencies located at 710-716 megahertz, and 740-746 megahertz; or

“(II) the D-block of licenses on the bands of frequencies located at 716-722 megahertz.

“(ii) ELIGIBLE BIDDERS.—The entities that shall be eligible to bid in the auction of the C-block and D-block licenses described in clause (i) shall be those entities that were qualified entities, and that submitted applications to participate in auction 44, by May 8, 2002, as part of the original auction 44 short form filing deadline.

“(iii) AUCTION DEADLINES FOR EXCEPTED BLOCKS.—Notwithstanding subparagraph (B), the auction of the C-block and D-block licenses described in clause (i) shall be commenced no earlier than August 19, 2002, and no later than September 19, 2002, and the proceeds of such auction shall be deposited in accordance with paragraph (8) not later than December 31, 2002.

“(iv) REPORT.—Within one year after the date of enactment of this paragraph, the Commission shall submit a report to Congress—

“(I) specifying when the Commission intends to reschedule auctions 31 and 44 (other than the blocks excepted by clause (i)); and

“(II) describing the progress made by the Commission in the digital television transition and in the assignment and allocation of additional spectrum for advanced mobile communications services that warrants the scheduling of such auctions.

“(D) RETURN OF PAYMENTS.—Within one month after the date of enactment of this paragraph, the Commission shall return to the bidders for licenses in the A-block, B-block, and E-block of auction 44 the full amount of all upfront payments made by such bidders for such licenses.”.

(b) CONFORMING AMENDMENTS.—

(1) COMMUNICATIONS ACT OF 1934.—Section 309(j)(14)(C)(ii) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)(C)(ii)) is amended by striking the second sentence.

(2) BALANCED BUDGET ACT OF 1997.—Section 3007 of the Balanced Budget Act of 1997 (111 Stat. 269) is repealed.

(3) CONSOLIDATED APPROPRIATIONS ACT.—Paragraphs (2) and (3) of section 213(a) of H.R. 3425 of the 106th Congress, as enacted into law by section 1000(a)(5) of an Act making consolidated appropriations for the fiscal year ending September 30, 2000, and for other purposes (Public Law 106-113; 113 Stat. 1501A-295), are repealed.

### SEC. 4. COMPLIANCE WITH AUCTION AUTHORITY.

The Federal Communications Commission shall conduct rescheduled auctions 31 and 44 prior to the expiration of the auction authority under section 309(j)(11) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)).

### SEC. 5. PRESERVATION OF BROADCASTER OBLIGATIONS.

Nothing in this Act shall be construed to relieve television broadcast station licensees of the obligation to complete the digital television service conversion as required by section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)).

### SEC. 6. INTERFERENCE PROTECTION.

(a) INTERFERENCE WAIVERS.—In granting a request by a television broadcast station licensee assigned to any of channels 52-69 to utilize any channel of channels 2-51 that is

assigned for digital broadcasting in order to continue analog broadcasting during the transition to digital broadcasting, the Federal Communications Commission may not, either at the time of the grant or thereafter, waive or otherwise reduce—

(1) the spacing requirements provided for analog broadcasting licensees within channels 2-51 as required by section 73.610 of the Commission's rules (and the table contained therein) (47 CFR 73.610), or

(2) the interference standards provided for digital broadcasting licensees within channels 2-51 as required by sections 73.622 and 73.623 of such rules (47 CFR 73.622, 73.623),

if such waiver or reduction will result in any degradation in or loss of service, or an increased level of interference, to any television household except as the Commission's rules would otherwise expressly permit, exclusive of any waivers previously granted.

(b) EXCEPTION FOR PUBLIC SAFETY CHANNEL CLEARING.—The restrictions in subsection (a) shall not apply to a station licensee that is seeking authority (either by waiver or otherwise) to vacate the frequencies that constitute television channel 63, 64, 68, or 69 in order to make such frequencies available for public safety purposes pursuant to the provisions of section 337 of the Communications Act of 1934 (47 U.S.C. 337).

The amendment was ordered to be engrossed, the bill (H.R. 4560), as amended, was read the third time and passed.

## NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2003

Mr. DASCHLE. Mr. President, I now ask unanimous consent the Senate proceed to Calendar No. 370, S. 2514, the Department of Defense authorization bill; that there be debate only on the bill during today's session; further, that the Senate resume consideration of the bill at 11 o'clock on Wednesday, June 19.

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

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2514) to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, for military construction, for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, in behalf of the Armed Services Committee, I am pleased to bring the National Defense Authorization Act for Fiscal Year 2003 to the floor.

This bill would fully fund the fiscal year 2003 budget request of the administration of \$393.3 billion for the national security activities for the Department of Defense and the Department of Energy.

In the first 41 days of congressional session this year, the Armed Services Committee held 41 hearings to examine the administration's budget request and related issues. Last month, after meeting in markup for 3 days, the committee approved S. 2514, the National Defense Authorization Act for Fiscal Year 2003.