

I am afraid this year, in this new century, we face a similar challenge. If Congress shirks its responsibility, if the administration does not accept its responsibility, we will continue to see a decline not only in the stock market but in the savings, the pensions, the nest eggs of American families across the board.

We really call on the leaders in the business community to step forward—and there are many honorable, hard-working people who have done such a fine job in creating good business, good enterprises, opportunities for people to work and profits to be made. They need to step forward and make it clear that the good people in the business sector will not tolerate what we are reading day in and day out in the Wall Street Journal about corporate activity.

Recently, we had a hearing before the Governmental Affairs Committee and brought in some of the people from Enron who made the decisions. One of them a person I have admired for many years, who is a medical doctor in the Houston area, was head of the compensation committee for Enron. We asked him during the course of the hearing: How in the world could you justify hundreds of millions of dollars to individual corporate officials at Enron at a time when the company was clearly misleading the public?

He said: We had to do it. We were the seventh largest corporation in America and we had to have the seventh highest salary in America for a CEO.

It turned out the performance of the corporate officers really wasn't the important issue here; the question was, within that click, that fraternity, whether they were being compensated as their peers would expect.

What happened to the old days when an entrepreneur not only engaged in risk but accepted the consequences when it didn't work out? You don't see that these days. People are being compensated hundreds of millions of dollars in stock options and, with that compensation, we look at the corporate records and find companies are losing money.

The board of directors seems oblivious to the obvious, the People leading these corporations are not doing a good job managing. They are not creating the profitability for shareholders, and they are being rewarded with outrageous sums for salaries and stock options.

My colleague, Senator LEVIN of Michigan, who is not in the Chamber, has been a leader in the whole question of stock options and the impact these options have on corporate America. They create incentives for greed, incentives for falsification in terms of companies' profitability. Time and again, we have seen that these incentives have led to a disastrous outcome, such as the situation with WorldCom.

We are also seeing a gross disparity between the amount of money being paid to the average American working for a company and the compensation

for officials at the highest levels. It is the greatest disparity in the history of our country. Truly, the rich are getting richer, the middle class is struggling, and the poor are getting poorer.

Kevin Phillips, who has written a book called "Wealth and Democracy" analyzes the disparity of wealth and income in America. Now, it is understood in this country that if you are willing to take a risk and work hard, you should be compensated. That is one of the great parts of America, part of the American dream. But we see at WorldCom and other corporations where they are falsifying their profitability, where the average person, whether buying a mutual fund or a share of this stock, could not have a clue as to the reality and honesty of the corporate books.

I say to President Bush and members of the administration: You cannot ignore this problem. This is a problem that calls for Presidential leadership and congressional leadership on both sides of the aisle. Those who want to take a hands-off, laissez-faire attitude toward this business crisis are inviting, unfortunately, even worse results in terms of our economy and our stock market.

There is a standing joke, I guess, some comedians talk about: My 401(k) has now become a 201(k).

I guess we can laugh a little about that, but the fact is many people I meet in my home State of Illinois talk about postponing retirement. They have to keep working because what they had hoped to rely on just isn't going to be there. Today, at end of the day, when we look at Dow Jones, and NASDAQ, and other reports from financial communities, I am afraid we are seeing that even more wealth in America has evaporated.

It is not because of this one corporation, WorldCom; it is because of this looming crisis in corporate responsibility, which is a specter over the economy of our Nation.

This calls on us to be honest and real in our dealings with corporate America. It is not just a matter of their reporting accurately as to whether they are profitable or losing money; it is a question of corporate conduct. We have to demand corporate responsibility when it comes to treating pensioners from their companies fairly. If a promise is made to someone that they will have health insurance and a pension, that corporation should not be allowed to escape that responsibility or that liability—to leave these poor people alone, after promises of a lifetime, and unprotected and unguarded with the perils of the economy literally at their door.

Secondly, we have to insist that corporations, when it comes to their conduct involving world trade, do the responsible thing for America. When Stanley Tools recently announced they were going to move their corporate operations to Bermuda to avoid American income taxes, this consumer said I will

never buy another one of their products because, as far as I am concerned, if they can go to that Bermuda Triangle where their tax liability and American jobs disappear, they may as well disappear, too, as far as I am concerned.

That is the kind of corporate misconduct that has become rampant and is creating a cynicism among Americans about many corporate leaders, and that has to change.

In addition, when it comes to the whole question of the environment, time and time again, we find corporations that have created a toxic impact on the environment—those that have left behind toxic waste, for example, that are trying to escape liability.

It is an issue being debated over Superfund sites. A Superfund site is a place in America where a corporation has done business and left behind dangerous toxic waste. The question is, Who should pay to clean it up? I think the answer is simple. The polluters should pay it; the person who makes the mess should pay it. That is not what we are hearing from this administration. We are hearing: No, no, you cannot ask the businesses and corporate community to be responsible for their misconduct; the taxpayers in general should pay for the cleanup.

That is wrong, just plain wrong. That is not fair and it is not just.

This issue of corporate responsibility is rising as the Dow Jones falls. People across America are understanding that the great corporations and the great businesses that are truly the backbone and strength of our economy have to stand up and be responsible in their conduct.

As I said earlier, there are good ones. I know many great business leaders. In my State of Illinois and the city of Chicago, I can list dozens of them for you. But there are some who are bringing shame on this sector of the economy and the people who are dedicated to American business.

I hope this WorldCom scandal which has been announced this morning in the Wall Street Journal is a wake-up call not only for the President but for Congress as well.

I yield the floor.

AMERICA CANNOT AFFORD AN AMTRAK SHUTDOWN

Mrs. FEINSTEIN. Mr. President, I rise today to reiterate my steadfast and unwavering support for Amtrak.

I believe that President Bush, Transportation Secretary Norm Mineta, Amtrak President David Gunn, and the Congress need to work together immediately to prevent our passenger rail system from grinding to a halt and stranding millions of commuters coast to coast.

Amtrak's passenger rail service is an essential link in our transportation system and our economy.

Every day Americans use Amtrak and local commuter rail systems that

depend on Amtrak to get to and from work. And as we approach the July Fourth holiday, more and more Americans are relying on Amtrak trains for their vacation travel, especially this year because of security changes at our Nation's airports.

I cannot think of a worse time for Amtrak to have run out of money and I find it unconscionable that Members of Congress and the President are not unified to see that our trains continue to run.

What will happen if Amtrak shuts down? You can be sure the roads will jam up even more and air travel will become an even greater headache.

I agree with Secretary Mineta when he said Monday night that the burden is not on President Bush alone to save the rail system from bankruptcy. However, it is important to point out that President Bush alone can keep Amtrak out of bankruptcy by announcing today that he will approve the company's application for a \$200 million loan guaranty and support an additional appropriation of \$200 million in the supplemental appropriations bill that is now in conference negotiations.

Here is how I believe we must respond to the current situation. First, I believe the \$200 million emergency loan guaranty that Amtrak needs to keep the trains running must be approved immediately. This \$200 million will allow Amtrak to again find private financing that has dried up over the past several months because of the company's deteriorating financial condition.

Second, the members of the conference committee on the supplemental appropriations bill are trying to include a \$200 million emergency appropriation for Amtrak. If this bill can emerge from conference negotiations this week and if the President agrees to sign the legislation, the funds will get to Amtrak before the July Fourth holiday.

Third, I have joined many of my colleagues in a commitment to work for \$1.2 billion for Amtrak in fiscal year 2003. This is the amount Amtrak needs and I believe it is the amount Congress should deliver.

I cannot understand why President Bush continues to stand by his paltry budget request of \$521 million and threaten to veto the Transportation appropriations bill if more than that amount is provided to Amtrak.

Fourth, I believe the Senate should take up Senator HOLLINGS' legislation to fund Amtrak for the next 5 years. The National Defense Rail Act would authorize \$4.6 billion annually from 2003 to 2007 for passenger rail service. The legislation, which passed the Commerce Committee by a vote of 20-3 in April would fund rail security improvements, high speed rail development, and operational costs for existing rail routes.

I believe Congress must take each of these four steps to preserve and improve Amtrak.

I strongly believe that Amtrak is not a failure, it is the government that has failed Amtrak. If we do not properly fund our rail system, how do we expect it to thrive?

Since 1971, when Amtrak was founded, only \$25 billion has been spent on passenger rail, compared to over \$750 billion that has been invested in highways and aviation. The Federal Government has made a commitment to fund road construction and expand aviation capacity, but we have always come up short to provide fair funding for our rail system.

The Federal Government provided \$15 billion in payments and loan guaranties to aid the airlines after the September 11 terrorist attacks. Why can't we provide \$200 million to keep our trains running?

Imagine the chaos that will ensue if Amtrak does shutdown this summer. There will be even more traffic on our roads and air travel will slow down if trains are not an option for commuters heading to work or travelers on vacation.

On Monday, Senator BOXER and I wrote President Bush to ask him to approve Amtrak's \$200 million loan guaranty. This letter illustrates how important Amtrak is to California and why a shutdown would threaten the State's economy.

As we mention in the letter, last week a transportation think tank declared southern California and the Bay Area as the two urban areas of the country with the longest traffic delays. Californians do not need any more gridlock.

Yet if Amtrak shuts down, thousands of people in California who depend on Amtrak service every day will be stranded. Amtrak trains that travel throughout the State and regional commuter trains could both grid to a halt if the \$200 million loan guaranty is not forthcoming.

Since most rail lines in California are run by Amtrak or depend on Amtrak, everything is in jeopardy. These include three Amtrak routes funded by the State and the Federal Government: 1. the Capitol Corridor route between San Jose and Auburn; 2. the San Joaquin route between Oakland and Bakersfield; 3. the Pacific Surfliner route between San Diego and San Luis Obispo.

These are three of the most successful routes in the United States. In fact, all three are among the top five intercity rail corridors and the Pacific Surfliner is the fastest growing route in the nation. Overall the State of California has added 28 new daily trains since 1995 and over 1.5 million new passengers.

But a shutdown will also threaten some of California's largest regional transportation systems including: 1. Caltrain, the rail service between San Francisco and San Jose 2. Metrolink, Southern California's regional transit system 3. The Coaster, San Diego County's regional train.

In fact, on Monday Metrolink passengers in Southern California found these flyers on their seats. The flyer updates commuters on the imminent Amtrak shutdown and tells them to "explore other commute options."

This week I also received a letter from the North County Transit District on the impact an Amtrak shutdown will have on San Diego County's Coaster Commuter Rail Service.

It is clear to me that a shutdown of Amtrak will be devastating for rail passengers across the Nation. I believe we must act immediately to avoid it. I urge President Bush to provide a \$200 million loan guaranty to prevent a shutdown of Amtrak service in California and the rest of the country.

I ask unanimous consent to print additional material in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, June 24, 2002.

Hon. GEORGE W. BUSH,
President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to urge you to approve a \$200 million federal loan guaranty to allow Amtrak to continue to operate. Amtrak is extremely important to California. After New York, California has the second highest ridership in the country. Without this funding, thousands of people in California who depend on Amtrak service every day will be stranded.

Just last week, a respected analyst rated Los Angeles and San Francisco-Oakland as the two urban areas of the country with the longest annual delays per rush-hour driver. Californians have gridlock. Without Amtrak, the 69,000 daily commuters that use the three Amtrak commuter train systems will not be able to get to work. These services also have financial support from the state of California, which spent \$72 million in the state's fiscal year 2002.

Amtrak is important and growing outside the Northeast Corridor. For example, California has the second most traveled line in the country: the "Pacific Surfliner"—from San Diego to Los Angeles. Amtrak West has increased the daily number of trains from 36 intercity trains in 1995 to 64 intercity trains in 2001, which is a 78 percent increase. All but three of these are in California. The number of passengers has increased by 52 percent and passenger related revenues have increased by 49 percent during the same period of time.

We strongly believe that the federal government must continue to support Amtrak and the partnership with the State of California for a viable national intercity passenger rail service. Again, we urge you to provide a \$200 million loan guaranty to prevent a shutdown to Amtrak service in California and the rest of the country.

Sincerely,

DIANNE FEINSTEIN,
United States Senator
BARBARA BOXER,
United States Senator

METROLINK COMMUTER

June 24, 2002.

DEAR METROLINK COMMUTERS: Within the last few weeks, the nation learned that Amtrak is facing urgent financial challenges to continue national passenger rail services through the end of the federal fiscal year (October 2002). As of June 19, 2002, Amtrak

had not been able to secure a needed \$200 million bank loan. David L. Gunn, the newly appointed Amtrak CEO, testified before a U.S. Senate Sub-committee on that day that failure to obtain \$200 million in federal loan guarantees or cash by July 1 would leave him no choice but to begin an orderly shutdown of rail passenger service nationwide, to place the company into bankruptcy, and to place the corporation's assets under a court appointed trustee.

You may be aware that Metrolink dispatchers, locomotive engineers and conductors are provided under a contract with Amtrak. Our contract with Amtrak is similar to many other passenger rail operator contracts with Amtrak throughout the country. The Metrolink contract, which expires on June 30, 2004, covers all Amtrak costs of providing the 145 Amtrak employees needed to dispatch trains and to operate Metrolink's 138 weekday trains and 32 weekend trains.

At this time, we have no additional information as to exactly how a shutdown of Amtrak passenger rail service would affect Metrolink. Metrolink sent Amtrak and federal officials a letter on June 10th stating that no federal subsidies are used for the Metrolink contract and that there should be no cash flow concerns for Amtrak by continuing to provide the contract services. To date, Amtrak has not provided a response. We have also begun to explore the limited options we have to try to avoid an interruption in Metrolink services in case Amtrak is unable or unwilling to meet its contractual obligations. In order to ensure uninterrupted safe operation of Metrolink, we need the continued availability of the existing Amtrak certified and qualified employees.

While we encourage you to purchase your July Metrolink fare media as usual, you should also explore other commute options. Should Metrolink services be interrupted we will reconcile any fare payment issues. We also will provide updated information through the media, on our website (www.metrolinktrains.com), and with fax and email updates to the employee transportation coordinator that participate in our Corporate Pass Program. You may also call (800) 371-LINK.

We apologize for any inconvenience or uncertainty that this potential Amtrak action may have. We have hope that Amtrak and the federal government can secure the needed funding to avert the crisis.

DAVID SOLOW, CEO

Hon. DIANNE FEINSTEIN,
U.S. Senate, Hart Building, Room 331, Washington, D.C.

DEAR SENATOR FEINSTEIN: On behalf of the Southern California Regional Rail Authority, operators of Metrolink, I am writing to urge your support for an immediate Amtrak loan guarantee. We contract with Amtrak to provide our commuter rail service throughout six counties of Southern California. If bridge funds are not provided to Amtrak, our service is at risk for shutting down as well.

As you are probably aware, David Gunn, Amtrak's new president recently announced that Amtrak needs a \$200 million loan guarantee by June 30th from Congress or the company will have to begin an orderly shutdown of all services. Metrolink dispatchers, locomotive engineers and conductors are provided under a contract with Amtrak. Our contract with Amtrak is similar to many other passenger rail operator contracts with Amtrak throughout the country. The Metrolink contract, which expires on June 30, 2004, covers all Amtrak costs of providing the 145 Amtrak employees needed to dispatch trains and to operate Metrolink's 138 weekday trains and 32 weekend trains.

Our commuter rail services are obtained through cost-reimbursement contracts. This

means we are not subsidized by Amtrak. Nonetheless, Amtrak has been unable to ensure continued Metrolink commuter rail service. In order to ensure uninterrupted safe operation of Metrolink, we need the continued availability of the existing Amtrak certified and qualified employees.

Metrolink operates in the nation's most congested region. Shutting down our service will not only impact our ridership—34,000 daily—but also contribute to increased peak hour congestion on the highways. Metrolink removes one lane of traffic during peak hours on the highways we parallel. Without our service, those lanes will be flooded again with frustrated drivers.

Please contact President Bush to request his support for Amtrak's request of \$200 million in loan guarantees. We respectfully urge you to work with Congress to ensure continued operation of passenger rail and the contract services upon which Metrolink depends.

Sincerely,

DAVID SOLOW,
Chief Executive Officer.

Hon. DIANNE FEINSTEIN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: I am writing to you on behalf of the North San Diego County Transit Development Board to request your support for Amtrak and its provision of NCTD's "Coaster" Commuter Rail Service in San Diego County.

David Gunn, Amtrak's new President, has recently announced that unless Amtrak receives a \$200 million loan guarantee by the end of this month, the company will have no choice but to shut down all passenger train services nationwide. NCTD, along with three other public agencies in California, contract with Amtrak for the operation of critical commuter rail and inter-city rail services. Our commuter rail services are obtained through cost-reimbursement contracts and do not contribute to the national subsidy requirements for Amtrak's overall network. Nevertheless, Amtrak has been unable to provide assurance of continued commuter rail service operation for the Coaster.

The shutdown of commuter rail service in San Diego County would severely impact 5,000 Coaster passengers per day, add significantly to peak hour freeway congestion, and reduce regional mobility. Due to the complex requirements of railroad operations, Amtrak's services cannot be readily replaced overnight if Amtrak shuts its doors.

Please contact the President to request his support for Amtrak's request for \$200 million in loan guarantees, and work with Congressional leaders to ensure continued operation of passenger rail and the contract services upon which Coaster operations depend.

Sincerely,

THOMAS P. WALTERS,
Washington Representative.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred July 4, 2000 in Casper, WY. A man was arrested on

charges of firing shots at a group of people watching a Fourth of July fireworks display in what police described as a hate crime. Johnny Lee Hodge, who is white, was being held on \$100,000 bond after firing a shotgun at least three times at several black men and pointing a gun at the head of a teenage Indian girl, authorities said. Hodge made racial slurs before shooting at the group.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

ADDITIONAL STATEMENTS

10TH ANNIVERSARY OF THE TOWNSHIP OF PRINCETON, NEW JERSEY AND THEIR SISTER CITY PETTORANELLO, ITALY

● Mr. TORRICELLI. Mr. President, I rise today to recognize the 10th anniversary of the renewed sister city relationship between the Township of Princeton, NJ, and the village of Pettoranello, Italy. Over the past 10 years the township and village have formed a strong bond and benefitted greatly from their relationship.

Giuseppe Perna and Achille Carnevale, sons of the village of Pettoranello, came to Princeton in the 1850s. They, along with the many immigrants who followed, built much of the Princeton community and University that still stands today. The people of Pettoranello had a great influence on the Princeton community that continues to be felt. Those first immigrants from Pettoranello brought not only their families, but also their traditions while maintaining strong ties to their village in Italy.

In 1994, a group of Princeton citizens led by Mayor Phyllis L. Marchand visited Mayor Antonio Camillo Paolino and the village of Pettoranello, renewing the special sister city relationship between the two municipalities. Over the years, the Township of Princeton continues to recognize the ties that bind the Princeton community and the village of Pettoranello, Italy. The two sister cities have gained a great deal from each other through the exchange of music, athletics, medicine and literature.

So, I join with people of the Township of Princeton, NJ, and Pettoranello, Italy, in saluting the 10th anniversary of the renewed sister city relationship between these two municipalities. May their spirit of friendship and continued exchange of ideas and goods be a model for all of us to admire and emulate.●