DISTRIBUTION OF FEDERAL TAX LIABILITY [1]—CALENDAR YEAR 2001—Continued

[Updated August 2, 2001]

Income category [2]	No. of returns [3]		Income		Federal tax liability	
	Millions	Percent	Billions	Percent	Billions	Percent
200,000 and over	3.8	2.7	1,999	24.5	547	32.4
Total, All Taxpayers	142.0	100.0	8,168	100.0	1,689	100.0
Highest 10%	14.2	10.0	3,431	42.0	890	52.7
Highest 5%	7.1	5.0	2,556	31.3	686	40.6
Highest 2%	1.4	1.0	1,402	17.2	391	23.2

[1] Federal taxes are equal to individual income tax (including the outlay portion of the EIC and child credit), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax and estate and gift taxes are not included due to uncertainty concerning the incidence of these taxes.

[2] The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2001 levels. The highest 10% begins at $107,455, the highest 5% at $145,199 and the highest 1% at $340,306.

[3] Includes filing and nonfiling units. Individuals who are dependents of other taxpayers with negative income are excluded.

Source: Joint Committee on Taxation. Detail may not add to total due to rounding.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Nebraska.

Mr. HAGEL. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Five minutes forty-five seconds.

Mr. HAGEL. I yield myself such time as I consume.

Mr. President, this debate in which our body has engaged over the last 5 days I believe has been helpful for our country because it has focused on a critical need, a need to come forward with a Medicare prescription drug plan, a plan that is focused on those who need it most and that is responsible.

None of the programs we have debated over the last few days have been perfect. The proposal that Senator ENSIGN and I and others have brought to the floor is not perfect. We were not given much of an opportunity to work through these issues where we normally have opportunities to work through issues, and that is in committee. So we debated something so critical to our seniors, to the future of our country on the floor of the Senate. When we do it that way, we have to rush. We slam things together. There are imperfections in that process, but nonetheless, again, I believe this has been an important, enlightened, educational, and helpful process.

We now have one option before us. We voted down two options yesterday. We have the Hagel-Ensign plan that we will vote on within the hour. What this plan does is give our seniors a very significant benefit. I ask: Would we really deny our seniors not only the benefit—the real, practical, relevant, tangible benefit—of this program, but also something maybe more important, and that is the peace of mind that they will not be ruined by catastrophic drug costs? Let's again review quickly what this amendment does.

This is immediate. It can be up and running on January 1, 2004. It is permanent, unlike the Democratic plan that we voted down yesterday.

It offers discount drug card programs with 20- to 40-percent discounts for all who enroll.

It is affordable. Seniors pay only a $25 annual fee and then a small copayment after they have reached their out-of-pocket expense level.

It provides catastrophic coverage. We use the market system. We do not invent more government, bigger government, impersonal government. We propose a real-world solution to a real-world problem with this proposal.

This bill gives our seniors the protection they need and for those who need it most. I encourage my colleagues to look seriously and closely at what we are proposing today.

It is accountable, it is responsible, it fits within the $300 billion budget resolution that we passed last year for a prescription drug plan over the next 10 years. We are giving the seniors an opportunity for peace of mind and real benefits that will enhance their quality of life and enhance the ability for not just this senior generation but future generations to pay for their health care costs, at the same time taking into consideration the generations ahead who will have to pay for this program.

Someone will pay for this program. We need a program, but let us use some common sense. Let us find a center of gravity, an equilibrium, and do it right. We believe our amendment accomplishes that.

I yield the floor.

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator from Massachusetts.

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

SUPPLEMENTAL APPROPRIATIONS ACT FOR FURTHER RECOVERY FROM THE RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES, 2002—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report accompanying H.R. 4775. The clerk will report the conference report.

The bill clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4775) making supplemental appropriations for further recovery from and response to terrorist attacks on the United States for the fiscal year ending September 30, 2002, and for other purposes, having met, have agreed that the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The report is printed in the House proceedings of the RECORD of July 19, 2002, at page 4935.)

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Madam President, how much time is allotted for debate on the conference report?

The PRESIDING OFFICER. Thirty minutes equally divided between the chairman and the ranking member.

Mr. BYRD. I thank the Chair. Madam President, Senator STEVENS is on his way. He is the ranking member on the Appropriations Committee and he will share the time with me. I have been informed he has indicated I should proceed immediately with my statement, and he will shortly reach the floor and speak on the conference report himself.

The Senate will then vote on the conference report for the fiscal year 2002 supplemental appropriations bill. This conference agreement provides critical investments in national defense, both at home and abroad. Let me say that again. This conference report provides critical investments in national defense, both at home and abroad. So let the world know that the Appropriations Committee has acted expeditiously, working with the House Appropriations Committee in conference, and that Senators on both sides of the aisle have worked hard with their staffs to provide for these investments in the Nation's defense, both at home and abroad.

This agreement is the result of true bipartisan, bicameral cooperation, and I urge its adoption.

Last fall, America was in shock. The World Trade Center and the Pentagon had been attacked. Thousands of Americans had lost their lives to the brutal terrorist attacks. Our eyes were opened to the new reality of war in the 21st century, a different kind of war. No longer were we immune from attack on the homeland that we all love. No longer did the great oceans shield our country from the violence that had scarred so many nations elsewhere in the world. The danger was real. The enemy was among us, not just in some foreign land on another continent. We could not ignore the massive gaps in our security any longer.

In response, within days of the attacks, Congress adopted a $40 billion emergency supplemental bill to fund our military efforts overseas and to protect Americans from further attacks at home. I say that again. Within 3 days, Congress adopted a $40 billion—not million but $40 billion—emergency supplemental bill to fund our military efforts overseas and to protect Americans from further attacks at home.

That funding helped our U.S. troops to bring the downfall of the Taliban, the shakeup of the terrorist al-Quida network, and the start of worldwide commitment to end terrorism—wherever it could end, if we could end it at home, that initial funding paid for more than 2,200 agents and inspectors to guard our long, porous borders with Canada and Mexico. The foreign student visa program, which has been identified as one of the Immigration and Naturalization Service's chief loopholes, is undergoing a tighter tracking system because of funding that Congress this body and the House included in that initial funding package.

Across the country, local police officers, firefighters, and emergency medical teams are receiving new training and equipment to handle threats that, before last fall, they hardly considered possible. Who would have imagined that their community fire department and paramedics would need training on how to respond to a chemical or biological or radiological attack? Bake sales and bingo nights could not possibly fund terrorist response efforts. Congress had a responsibility to respond, and Congress did respond. We responded within 3 days. We knew what our duty was. We knew where our duty lay—and we acted.

Federal law enforcement also benefited from the work of this Congress, from the work of this committee, this Appropriations Committee. Because of the funding contained in the initial supplemental bill, the FBI started to hire hundreds of new agents. Because the Appropriations Committees in both Houses appropriated the moneys, more than 300 additional protective personnel were hired to protect the Nation's nuclear weapons complex. Air marshals are coming on board to protect our planes. Madam President, 750 food inspectors were hired to ensure the safety of the meals served at America's kitchen table because—and they were able to do this—because this Appropriations Committees, which I chair, and which Senator TED STEVENS of Alaska has chaired before me, and on which he now sits as the ranking member, because this committee acted in a bipartisan way. No split; no aisle between the two parties on the Appropriations Committee. We joined together. We did not have to be told. We did not have to be ordered. We knew where our duty lay. So 750 food inspectors were hired.

These are just a few, just a few of the examples of the good work that came about because of the investments, the infusion of funds by Congress, starting with the Appropriations Committees, because of the commitment of the men and the women of this body to identify the gaps in homeland security and invest funds—your money, the taxpayers' money—to close those gaps.

In the months that followed that first supplemental, many congressional committees held hearings on homeland security. In the Senate Appropriations Committee, Senators STEVENS of Alaska and I convened 5 days of hearings. They were long. They were arduous. They were time consuming. They were tiring. Members heard from mayors. Members heard from Governors. Members heard from county officials. We received testimony from police officers, from firefighters, from local health officials, from terrorism experts, from experts on port security, from experts on water security and nuclear security. Seven Cabinet Secretaries and the Director of the Federal Emergency Management Agency, FEMA, appeared before this Appropriations Committee. The House Appropriations Committee did not hold a hearing. The Senate Appropriations Committee held a hearing. And Senator STEVENS and I joined in selecting everyone. Everything was done in a bipartisan way. So seven Cabinet Secretaries and the Director of the Federal Emergency Management Agency appeared before the Committee, as well as two former colleagues—Senator Sam Nunn of Georgia and Senator Warren Rudman of New Hampshire.

What we learned was eye opening. What we learned was that despite all of the efforts of Congress and of the men and women at the local level, the task before us was massive. As a result of the incredible backlog of homeland security needs, one truth was clearly evident; namely, this country was not prepared. We are vulnerable today.

Earlier this summer, it seemed the administration issued another terrorist warning to the American people almost daily. Those warnings only underscored the fact that the new enemy lives in our midst—here among us. So, as Christopher Wren would say, if you seek my monument, look about you. If you seek the enemy, look about you. He is somewhere. He is invisible. But he is sure in our midst.

So the enemy, the new enemy, lives among us, moving through our society with ease, crafting life-threatening weapons with everyday aspects of life: Tanker trucks, postal mail, airplanes, waste radiological material from hospitals and energy plants. Any of these, and more, we are told can be fashioned into weapons to cause death, destruction, fear, panic.

The Appropriations Committee of the Senate heard testimony that indicated America's adversaries could cripple the U.S. economy without great difficulty. That was one of the main objectives of the enemy. They could cripple the economy, but at a far greater cost than any corporate scandal even. The enemy can disrupt the economy without great difficulty and at far greater cost than even any corporate scandal, and the roots of a corporate scandal are running deep, as we know.

Yet what we do not know is the most vexing: Where will the terrorists attempt to strike next? And when? We may not know the answer to those questions until it is too late and the attacks are upon us.

What this Congress has a responsibility to do is to invest in protections that work to prevent attacks before they can occur, and we must help to train our emergency responders to be prepared should another attack strike within our border. We need to do more. We need to do more now. That is why the conference report before the Senate is so critical.

This afternoon, the Senate Governmental Affairs Committee is writing legislation to create a new Department of Homeland Security. But that Department, no matter how well crafted, will take time before it can be an effective tool against terrorism. I am thankful for the fact that the ranking member of the Senate Appropriations Committee, Senator STEVENS, sits on that committee.

We all know where the holes are in our protections—borders, ports, at our nuclear facilities, and throughout our transportation system. If we know where those holes are, then surely the terrorists know, don't you think?

We should not wait—we must not wait—for the next fiscal year or the next calendar year to plug the holes in our homeland security. Congress and the President should make the critical investments that will protect Americans now—today!—without delay.

This conference report makes those investments. It directs $6.7 billion for homeland security initiatives, including $3.85 billion for the Transportation Security Administration. Another $14.4 billion will allow the men and women in the Armed Services to continue to track down those responsible for the terrorist attacks almost 11 months ago. The conference report also fulfills Congress's promise to the people of New York to provide $20 billion to help them recover from the attacks on the World Trade Center with a final installment in this bill of $5.5 billion. The remainder of the funding will go toward other national emergencies including fire suppression in the West, flood recovery efforts in the Midwest and South, and veterans' health care. The shortfall in the Pell Grant program is resolved, and Amtrak, the nation's passenger rail service, will be able to stave off bankruptcy, because there are $2.5 billion included in this conference report for Amtrak.

This is a balanced bill, a responsible bill, and one that I hope the President will sign. I hope he will sign all of this emergency funding into law quickly.

Why do I say ''all of this emergency funding''? I say that because Congress gives the President a choice. We have stated that it is the Congress's position that these investments are an emergency and they should be made. If the President signs this bill, he will have 30 days to decide whether to agree with Congress and designate more than $5.1 billion in this legislation as an emergency. If he does not make the emergency designation, the funds cannot be spent.

How much time do I have?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BYRD. Madam President, I ask unanimous consent that I may proceed for an additional time not to exceed 7 minutes and that my partner, my fellow Senator, my colleague, may be also allowed that time, and that the time for the vote be changed accordingly.

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

Mr. BYRD. Within the $5.1 billion there is nearly $2.5 billion for homeland security. That includes funding for firefighters, police officers, port and border security, and airport security, search and rescue teams, food safety, drinking water safety.

Let me back up just a moment. The self-imposed interruption might cause listeners to lose sight of just where we were.

So we say the President has 30 days in which to decide whether to agree with Congress and designate more than $5.1 billion in this legislation as an emergency. If he doesn't make the emergency designation, the funds cannot be spent—I am talking about the President. If he doesn't make the designation, the funds can't be spent. Within the $5.1 billion—that is what we are talking about—included as emergencies, within that $5.1 billion which the President must agree to if it is to be spent, there is nearly $2.5 billion for homeland security. That includes funding for firefighters, police officers, port and border security and airport security, search and rescue teams, food safety, drinking water safety.

If the President does not make the emergency designation, he will block nearly $2.5 billion in homeland security investments. I hope that the President will join with Congress in this bipartisan approach to homeland security, declare these items to be an emergency, and make these important investments immediately to protect the American people from terrorist attacks.

In addition, if the President decides not to make the emergency designation, he also will block funding for the National Guard and Reserves; election reform; combating AIDS, tuberculosis; and malaria overseas; flood prevention and mitigation; embassy security; aid to Israel and disaster assistance to Palestinians; wildfire suppression; emergency highway repairs; and veterans health care.

These critical appropriations for the American people have been delayed for too long, sometimes as a result of Administration intervention, and the time has come for its speedy passage and the President's signature.

Once again I want to thank my Ranking Member, Senator STEVENS, the former chairman of this committee, for his dedication, his assistance, and, indeed for his leadership on this bill. If it were not for Senator STEVENS, his work, this bill would not be here today. Without his hard work and constant efforts, we would not be here to present this conference report to the Senate today. I also thank our House colleagues, Chairman BILL YOUNG of Florida and Ranking Member DAVID OBEY of Wisconsin, for their cooperation and commitment to the well-being of the American people.

Between the supplemental bill last fall and this conference report, Congress has approved $15 billion for homeland security initiatives, $5.3 billion above the President's request. This legislation is a real victory for the American people. It speeds protections that are so desperately needed at our borders and our ports. It provides vital training for police, firefighters, and emergency medical personnel. Through this legislation, Congress is making investments today that will help to protect Americans from terrorist attack for many years to come.

I urge my colleagues to support this conference agreement, and I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Madam President, I am pleased to join the Chairman of our Committee, Senator BYRD, in recommending this conference report to the Senate. The consideration of this conference report today in the Senate, following its overwhelming adoption in the other body yesterday, reflects the true consensus that surrounds this agreement.

While not an easy process, the compromises reached on this bill meet the most vital Defense and Homeland Security needs facing our Nation.

In addition, this agreement fulfills the commitment of the Congress and the President to meet the needs of the victims of the attacks of September 11 of last year.

While passed in very different forms by both Houses of Congress, this conference report adheres to the priorities submitted to Congress by the President. With the funds added by Congress in the form of contingent emergency appropriations, the President will have even greater flexibility to address challenges not fully foreseen when his request was transmitted on March 21, if he approves the emergency designation.

Additional funds for the Department of Defense will address the mobilization of National Guard and Reserve personnel from around the Nation.

Funds for port security grants and the Coast Guard will protect our Nation's maritime commerce and trade.

Funds added in this bill for aids response in Africa will jump start the international effort to address that scourge.

The House and Senate Both included additional funds to assist Israel, and those prepared to join Israel in seeking a permanent and lasting peace.

The conference report makes an initial down payment to respond to dramatic flood and fire emergencies in several states, particularly in the West.

While many activities were reduced during the conference to meet the funding limit sought by the President, and the OMB, one component not touched was support for New York.

Governor Pataki and Mayor Bloomberg deserve our continued support for their leadership and determination to recover from the attacks last year. This bill keeps our word to New York and to those officials.

Despite suggestions from OMB, the conferees rejected any cut to the funding for reconstruction and renovation of the Pentagon.

Restoration of the sector of the Pentagon damaged on September 11 is on track for re-opening on the one year anniversary of the attack—really our Nation's center of military strategy. We will keep faith with those who died defending our Nation at the Pentagon as well as those in New York.

I want to commend our Chairman, Senator BYRD, and the House Chairman, BILL YOUNG, for their exceptional work to bring this conference report before the Congress.

Along with House Ranking Member OBEY, I have worked to ensure completion of this bill prior to the August recess and in time to make a difference during the remainder of this fiscal year.

If the President makes the certification that he has the authority to do within 30 days after passage of this bill, the moneys will be available to use for the contingent emergencies we have specified. The sooner that happens, the better it will be for our Nation.

But above all, I urge all Members of the Senate to approve this conference report and send it to the President as quickly as possible so it will be possible to get this money to our people—particularly to the Department of Defense and all our people in uniform—by the beginning of August.

Mr. KYL. Madam President, I rise today in support of an improved supplemental appropriations bill for fiscal year 2002. I am glad to see that the Senate conferees have reassessed their position and agreed to reduce the amount they had originally sought by more than $2.5 billion. The conference report now totals $28.9 billion, which is only $1.8 billion over the President's request, and an amount he said he would support.

Additionally, the vast majority of the funds will now be appropriated as a contingent emergency, giving the President discretion on whether they should be spent, instead of forcing him to designate ''all or none'' of the non-defense funding items as emergency items.

The bill has been improved in other areas as well, signifying a marked realignment of priorities by the conferees. For example, I am pleased that this report increases defense funding by $330.9 million. Although this is an increase over the President's request, the conferees used updated Department of Defense execution data to make many of their adjustments. They also made rescissions to un-executable programs and took back unobligated funds resulting from revised economic assumptions in order to offset much-needed increases to the defense budget. I note that the increase is primarily focused on operations and maintenance, $723.6 million, an area most critical to the Department.

Specifically, I support increases to the Navy flying hour account by $140 million, the ship operations account by $225 million, the Air Force airlift account by $626 million, and the Army's logistical support account by $1.03 billion. These increases will go a long way in helping our troops around the globe. In the procurement line, much of the funding is related to purchasing advanced C3I equipment. And in the Research and Development line, the conferees provided additional funds to upgrade existing C3I programs, increases that will be crucial to the successful execution of our war on terror.

Additionally, this bill includes the American Service Members' Protection Act language that was proposed by both Chambers, and it maintains the Senate's provision giving our military the flexibility to conduct operations in coordination with international efforts to pursue foreign nationals accused of war crimes, crimes against humanity, and genocide.

On the domestic front, I would also note that the conference report includes $100 million in disaster assistance for fires and floods, funds that are critically important to the State of Arizona. I strongly believe that this amount of funding is still woefully inadequate to address the dire circumstances surrounding the fires in the Western States; however, I am confident that there will be other legislative opportunities in which to adequately fund these firefighting efforts.

While this bill has improved in many ways, I still believe it spends too much money on low-priority programs that are not truly emergencies, for example, provisions dealing with another Amtrak bailout and numerous non-emergency pork projects such as coral reef mapping. That said, especially given the need to support our war on terrorism, the merits of this legislation now outweigh its deficiencies. Although not perfect, the bill deserves the support of my colleagues. President Bush has asked that we get this bill to his desk before August recess. I am glad that we will be able to do so.

Mr. WELLSTONE. Madam President, I support this important supplemental appropriations bill, which primarily contains crucial spending that is immediately needed for homeland security purposes. I commend the managers for their efforts on it. I know that the chairman of the Appropriations Committee and the ranking member worked hard and diligently, as did others, to complete this bill. And I know that they are not responsible for its delay. I am glad the bill will now go to the President, and this funding can go quickly to meet urgent national security needs.

I would like briefly to highlight three topics touched upon by the bill, items which are not the largest matters dealt with here, but which I consider to be very important. The issues are workforce development, disaster assistance and veterans' health care.

First, as chair of the Employment, Safety and Training Subcommittee, with jurisdiction over workforce development issues, I want to address the elimination of emergency funding for job retraining services through the Workforce Investment Act, WIA, which occurred late during the conference on this bill.

What has happened in connection with WIA programs is, I fear, just the tip of the budgetary iceberg. Although confronted with severe economic distress and uncertainty and record unemployment, we are being told by the administration that we lack the resources for key job-training services. Having spent our surplus on tax cuts for the well to do, we do not have the resources to fund services that are essential in helping displaced workers train for and find new employment and in helping businesses find the skilled workers they need to stay competitive in our global economy.

Yet investments in a skilled workforce are precisely what we need right now. As former Treasury Secretary Rubin recently said, to rebuild confidence in our financial markets and economic system, ''[b]udgeting priorities should heavily emphasize preparing our future workforce to be competitively productive in the global economy . . . ''

The irony is that additional support for WIA was in the President's initial fiscal year 2002 supplemental request. He proposed $750 million for WIA, including the restoration of last year's $110 million rescission of dislocated worker formula funds. The Senate and the House followed, both including WIA funding at lower levels.

But then, in the quest to reach the overall target the President and OMB Director Mitch Daniels set for the emergency supplemental, all of the WIA funding was cut.

Frankly, this seems to contradict what the President is saying elsewhere. Just yesterday the President was quoted as saying that his biggest concern about Sunday's record bankruptcy filing by WorldCom was the effect on employees who lose their jobs. Well, the best thing we can do for people who have lost their jobs through Enron, WorldCom, and the other bankruptcies is to help them retrain and retool to find new jobs.

And earlier this year when he submitted his supplemental request, we were told: ''The President's supplemental budget request provides the urgent assistance that is needed now to ensure that affected workers get the assistance and jobs they need.''

This decision is a harsh one for the tens of thousands of workers who will not get the training they need to retool their careers. Already they are finding that the courses they want to take are closed or they are put on endless waiting lists. Workers dislocated because of the impact of trade and certified to receive Trade Adjustment Assistance find they are unable to get training because States have run out of resources and the National Emergency Grant funds that typically see the States through such shortages are themselves depleted

It is harsh as well for businesses that cannot find the skilled workers to stay competitive and take advantage of market opportunities to help fuel our economic recovery.

And it also threatens to undercut WIA's key reforms. States and localities, along with their private sector partners are now at a critical stage in the process of building the new systems called for in WIA. Without adequate funding and without stable funding this essential systems building will be undermined.

Moreover, all of this is happening while the new WIA infrastructure is being stretched to its limits with demands for services triggered by the catastrophic after effects of September 11, the highest unemployment in years, and the continuing dislocations from the largest bankruptcies ever seen in this Nation's history.

This is why I am concerned. This is why I felt I had to speak out. I understand that we are not going to change the fiscal year 2002 emergency supplemental to address this problem. But I do want my colleagues to understand the full impact of the decisions that have been made in this bill concerning some very important priorities. I urge my colleagues to reflect on these implications so that when we take up the fiscal year 2003 Labor/HHS Appropriations bill, we will be especially careful not to further undermine the WIA programs that are so critical to American workers, businesses, and our economic recovery.

The second topic I would like to address is disaster assistance. As a result of severe flooding in Northwestern Minnesota 17 counties are under a federally declared disaster: Becker, Beltrami, Clay, Clearwater, Itasca, Kittson, Koochiching, Lake of the Woods, Mahnomen, Marshall, McLeod, Norman, Pennington, Polk, Red Lake, Roseau, and Wright.

In the 17 counties that are currently included in the federally declared disaster, 1,785 homes were damaged. In Roseau alone over 1,180 homes were damaged.

I am pleased that the supplemental includes some much needed funding for FEMA. The disaster assistance included here represents a down payment in terms of the assistance that the families, businesses and communities in my State will need as they move forward and begin the process of rebuilding their homes, offices and cities.

The Minnesota Recovers Task Force estimates that there will be over $85 million in disaster funding needs as a result of this spring/summer flooding. Of this amount, nearly $50 million will be eligible for FEMA funding. That will leave approximately $35 million in recovery needs that will not be covered by existing FEMA and SBA assistance programs.

I am working closely with my colleagues, Senator DAYTON and Representative PETERSON, to secure additional flood recovery funding in the fiscal year 2003 HUD Appropriations bill. This funding will be used for the distinct purpose of meeting unmet needs for buyouts, relocation, rehabilitation, long-term recovery, and mitigation to aid the business community of Roseau, MN and the surrounding counties that have received a Federal disaster declaration. The funding will be used in coordination with other Federal, State, and local assistance.

While these FEMA programs are very important, unfortunately they are not geared to handle agricultural losses. In Northwest Minnesota an extraordinary rich agriculture region now lies devastated. According to the Farm Service Agency, this season's crop losses are estimated at more than $267 million across 14 counties. Overall, total agricultural flood losses, including damage to agricultural small businesses, are estimated at more than $370 million.

That is why Senator DAYTON and I introduced legislation to provide disaster assistance to agricultural producers last week. This legislation is a starting point to providing the needed assistance to farmers, many of whom, without this emergency assistance will be driven off their farms.

I believe the supplemental appropriations bill would have been the appropriate place to add emergency agricultural disaster assistance to cover weather-related losses. However, the Bush administration continues to oppose any emergency appropriation to provide disaster assistance to farmers. The administration's position is that in order to provide any relief to family farmers who lost their crop due to a flood or drought, money must be taken away from commodity program supports that assist other farmers. In other words, they are saying that when the President signed the farm bill, that was going to be all farmers could expect until 2008, no matter what.

That doesn't work for Northwestern Minnesota. The farm bill was not a disaster-assistance bill. It is a 6-year policy to help stabilize farm income and rural economies. Its funding is absolutely needed for that purpose.

We tried to include separate, emergency weather-disaster assistance in the farm bill, but the administration opposed that, too. They also opposed it when we tried to include it in the supplemental appropriations bill. When Congress decides to help areas affected by hurricanes or fires, we don't tell people to pull their emergency assistance out of somebody else's highway fund. Sometimes the Federal Government just needs to be there for people. The President needs to change his position and help us get some assistance to Northwestern Minnesota.

Finally, the supplemental appropriation bill includes $417 million for veterans health care that I requested which was included in the Senate's bill. These funds are critically important to the veterans in Minnesota. The need for services has simply overwhelmed the VA and in some ways there is more of a crisis now in VA health care now than there was even during the era of flat-lined budgets.

The $417 million for Veterans health care in this bill will mean that Minnesota's Network, VISN 23, will get an additional $19 million to reduce waiting times, keep clinics open, open new clinics, and improve the quality of healthcare. This is very badly needed.

I want to thank Senators MIKULSKI and BOND on the VA–HUD Subcommittee especially, because I know they fought to keep this money in conference, as well as Senators BYRD and STEVENS. We did right by veterans in this supplemental.

Mr. DODD. Madam President, I rise to comment briefly about Title II, the American Service Members Protection Act of H.R. 4775 in order to clarify the Senate''s intent in insisting on the retention of Sec. 2015 of that Title which was added during Senate consideration of the supplemental.

I read with interest the remarks of Chairman HENRY HYDE during House consideration of the conference report on July 23. I am certainly not in any position to dispute his comments concerning the first 14 sections of Title II relating to the American Service Members Protection Act, ASPA, as I was not a party to those discussions. I leave it to the administration and to others involved in those discussions to make that judgment.

I do, however, know something about the intent behind Sec. 2015 as I was the author of the amendment that was ultimately included in the Senate passed version of ASPA. A review of the Senate debate makes clear that I was offering the second degree amendment because of my concern with respect to the complexity of the House passed language which was offered as a first degree amendment by Senator WARNER. As written, I was concerned that it unduly restricted the ability of the President to cooperate with international efforts to bring to foreign nationals accused of genocide, war crimes or crimes against humanity to justice if he chose to do so.

Sec. 2015 makes clear that regardless of the other sections contained in Title II, the President is not prohibited from rendering assistance to any such international efforts, including to the International Criminal Court. An amendment to exclude cooperation with the ICC was proposed during the conference on H.R. 4775, but was rejected by the conferees. Therefore, as the language now stands the President has the discretion to cooperate with any and all international efforts to bring such criminals to justice.

I thank my colleagues for the opportunity to clarify an important addition to the House version of ASPA.

FUNDING OF HUMANITARIAN GOODS THROUGH COMMERCIAL SHIPPING

Mr. STEVENS. Madam President, the supplemental provides language supporting the shipment of humanitarian supplies to poor nations. My friend from Alabama was the initiator of this language and I was hoping he could provide the Senate with more information on this topic.

Mr. SESSIONS. Madam President, I would be glad to discuss the national Forum Foundation's TRANSFORM Program. With the help of my good friend from Alaska, I offered an amendment to the supplemental that was accepted by the Senate. I understand that it was modified during conference—but will now permit organizations, such as the National Forum Foundation's TRANSFORM program, to receive the much needed authority to receive funds to pay for administrative expenses.

TRANSFORM began 3 years ago as a natural extrapolation of the Denton Program. The Denton Program allows U.S. Air Force Transport aircraft under the control of CINCTRANS to deliver overseas on a space available basis, humanitarian aid donated by 501(c)(3) charity organizations.

In analyzing the transportation of humanitarian aid, the National Forum Foundation has learned that commercial ships have 2000 times the space than our Air Force aircraft and with the export-import imbalance, are usually relatively empty departing our ports.

The TRANSFORM program brings the 501(c)(3) charitable organizations, which collect and wish to distribute these goods, to the commercial shipping lines willing to carry them space-available. The charity has to be indoctrinated to conform to the loading dates and times, port locations and the specific loading manner required by the ship-line. TRANSFORM exercises special means to ensure no delays in ports or customs issues.

Finally, TRANSFORM's system has a leverage of 250–1 meaning that for every dollar of its budgetary expenses, TRANSFORM gets $250 to needy recipients.

Mr. STEVENS. Madam President, may I make an inquiry to my friend from Alabama? Is it correct that the TRANSFORM program recently gained global recognition of its activities at a transportation conference hosted by USAID? I understand that in speaking of its activities, the World Food Programme's representative praised the program and offered it the use of spare space on their ships. This spurred others to offer their vessels—such as American President Line, Maersk and CSX.

Mr. SESSIONS. My friend from Alaska is correct. And I must commend him for the work that he did with the help of the House foreign Operations Subcommittee on this issue. The conferees were able to ensure that organizations that are working for the benefit of developing communities on behalf of the United States government and charitable organizations receive the assistance they need to execute their much laudable goals. I am very grateful to him for this support.

Mr. STEVENS. I am optimistic that the larger this program becomes, the more humanitarian aid will be delivered to those in need around the world. Gain, I thank my friend for bringing this amendment and look forward to its future success.

(At the request of Mr. STEVENS, the following statement was ordered to be printed in the RECORD.)

● Mr. HELMS. Madam President, I commend Senators BYRD and STEVENS and the entire Appropriations Committee, as well as the leadership of Senators WARNER and MILLER for ensuring that American soldiers, sailors, aviators and marines will not be subject to the jurisdiction of the International Criminal Court (ICC). (I, unfortunately, could not be here to offer an amendment on June 6 as I was recovering from surgery to replace a valve in my heart.) With inclusion of the American Servicemembers Protection Act, ASPA, in the emergency supplemental appropriations bill we can all be proud that the Congress put these brave men and women at the top of our priority list.

During Senate action on the emergency supplemental appropriations bill, Senator WARNER offered a unanimous consent request to include section 2015 in ASPA as generous gesture in the face of concerns raised about the spirit of the legislation. I have been assured by Senator WARNER that he did not intend to limit in any way the applicability of the bill or the binding nature of its substance. The hortatory nature of section 2015 was plain at the time it was adopted, and confirmed by the fact that, during debate shortly before ASPA was overwhelmingly approved, no Senator uttered a word—not a single word—to suggest that section 2015 made any substantive change to ASPA whatsoever.

Section 2015 was not part of ASPA language negotiated with the Administration. It merely reiterates that ASPA applies only to the International Criminal Court. It does not apply to other international efforts to bring to justice foreign nationals accused of genocide, war crimes, or crimes against humanity.

Section 2015 must be read in line with ordinary canons of statutory construction. Our courts have long affirmed that in interpreting laws the specific controls the general unless otherwise provided. There are many very specific provisions in ASPA about what is permitted and what is forbidden regarding the International Criminal Court. Had the Senate wished to weaken ASPA's restrictions through section 2015—thereby weakening its protections for American servicemembers—it would have had to amend them, strike them, or not withstand them directly. However, this would have been completely inconsistent with the plain language of the legislation, and the intent of its supporters.

The full text of sections 2004, 2006, and 2011, along with other provisions of the American Servicemembers' Protection Act, was adopted by the Senate by a vote of 78–21 when I offered an amendment to the Defense Appropriations for fiscal year 2002 bill on December 7, 2001. When Senator WARNER offered these same provisions as an amendment to this supplemental appropriations bill, the Senate had essentially the same debate it had on December 7th of last year. No Senator suggested that section 2015, which was included by voice vote during the final minutes of debate, was intended to alter the legislation that passed the Senate previously. The final vote in favor of the ASPA amendment, 75–19, reflected complete uniformity with the December 7, 2001 legislation.●

Mr. McCONNELL. Madam President, the conference agreement includes bill language recommending that $1 million should be provided by the Administration for programs and activities which support the development of independent media in Pakistan. This action was taken by the conferees in recognition of the important role independent media will play in improving democracy in Pakistan. I am aware of the excellent work that has been done by Internews in this area and urge that their experience be used in the development of this project.

I also want to note that the agreement includes report language encouraging the United States Agency for International Development and the Department of State to provide $1 million for programs and activities that provide professional training for journalists from the Middle East. My colleagues and the Administration should know that Internews and Western Kentucky University have jointly conducted similar training for journalists from Indonesia and Southeast Asia. This has been a very successful partnership, and I expect that funding provided in the supplemental bill will be used to expand these efforts to the Middle East, particularly Egypt.

Mr. HARKIN. Madam President, I come to the floor today deeply disappointed by the outcome of the final agreement on the supplemental appropriations bill, which deleted the Senate recommendation of $400,000,000 for dislocated worker assistance under the Workforce Investment Act.

I know that to break the impasse with OMB to get this supplemental enacted, with vitally important items for national defense and homeland security, the leadership of the House and Senate had to agree to reduce the overall size of this supplemental. Our leadership was hard-pressed by the administration to accept unpopular cuts. Sadly, the final agreement eliminated all supplemental funding for dislocated worker assistance.

Most disturbing was the elimination of the $110,000,000 component which had been requested by the administration, and included in both House and Senate versions of the supplemental, to restore last year's rescission of dislocated worker funding. This rescission was enacted when it appeared there was sufficient unspent carryover funding in a brandnew workforce system, and Congress needed to offset an emergency supplemental for Low-Income Home Energy Assistance. Since that time, spending by local workforce agencies has accelerated, while the economic downturn has resulted in a continuing, nagging rise in unemployment. In the last year, more than 2 million workers have lost their jobs.

Fortunately, July marks the beginning of a new program year under the Workforce Investment Act, and $1,549,000,000 in new dislocated worker funding will be available for the next 12 months. Of this amount, the law provides that the States receive $1,239,200,000, or 80 percent, with the remaining $309,800,000 available for the Secretary of Labor to target areas particularly hard hit by mass layoffs. Nevertheless, I am fearful that the deletion of supplemental funding will send the wrong message to local sponsors of job training projects that will cause them to slow down spending of funds that are so desperately needed by the growing numbers of dislocated workers. As chairman of the Labor-HHS-Education Appropriations Subcommittee, I intend to do my best to send a strong message that Workforce Investment Act funding will be maintained despite the attempt of the President to slash more than $500 million out of the fiscal year 2003 budget. At my recommendation, the Senate Appropriations Committee has fully restored these proposed cuts in the fiscal year 2003 budget, recommending a total of $5,633,364,000 for job training for the program year beginning in July of 2003. We rejected the President's proposal to cut dislocated worker assistance by $177,500,000, maintaining the appropriation at $1,549,000,000. We also fully restored the President's proposed cuts of $362,000,000 in youth job training programs, recognizing that young adults, ages 16 to 24, have been disproportionately affected by the decline in total employment over the past year. I wish we could have done more, but our subcommittee's allocation was extremely tight.

In conclusion, let me say I am not at all satisfied with the level of resources devoted to employment and training services, and I intend to work with my colleagues to explore every means to further augment assistance for the more than 8 million Americans who are now unemployed.

Mr. MCCAIN. Madam President, I rise today to speak about the conference report for the Supplemental Appropriations bill for fiscal year 2002. When we debated the Senate version of this bill in June, I stated my strong opposition to any item included that was not for the stated purpose of the bill: the "further recovery from and response to terrorist attacks on the United States." As I said before, using the guise of responding to the terrorist attacks of September 11th to spend federal funds on items that obviously have nothing to do with fighting terrorism is war profiteering.

The conference report before us today contains $28.9 billion in federal spending. That is about $1.8 billion over the President's budget request of $27.1 billion—a request, I might add, he made over three months ago—but at least it is lower than the $31.4 billion in the Senate-passed bill.

Even so, I have reviewed the conference report to determine whether the bill contains items that are low-priority, unnecessary, wasteful, or have not been appropriately reviewed in the normal, merit-based prioritization process. I understand that some of these provisions may be meritorious, or included in unfunded priority lists for certain agencies. However, I have listed them because they were not requested by the President or should not be considered an "emergency" for funding purposes on this bill or are unrelated to our war on terrorism and should be considered for funding in the regular appropriations process. All told, I have identified approximately $5 billion in such spending in the conference report.

Before I proceed, I want to especially commend the Director of the Office of Management and Budget, Mitch Daniels, for his valiant charge to reign-in the free-spending ways of Congressional appropriators. In this town, the louder the opposition gets, the more sense you are making, so keep up the good work Mr. Daniels—and let them howl.

In the absence of a Senate-passed budget resolution, we need fiscal discipline now more than ever. Where we once saw surpluses as far as the eye could see, now we have mounting deficits, a national debt clock that is again ticking, and both houses of Congress voting to raise the government's debt limit by $450 billion. You don't have to be a five-time Jeopardy winner to grasp the bottom line: With the tremendous demands on the federal budget today and with the coming retirement of the Baby Boom generation, we must be even more prudent about where we devote limited taxpayers' dollars.

According to the Congressional Budget Office, the government is running a deficit of $122 billion for the first nine months of this fiscal year, a sharp reversal from the $169 billion surplus recorded for the same period a year ago. And the Office of Management and Budget recently unveiled their mid-year review of the budget showing that there will be a $165 billion deficit for the entire fiscal year. It doesn't take an Nobel Prize-winning economist to conclude that at the rate we are increasing spending, this sizable deficit will increase proportionately in the years to follow.

It is unfortunate that in a time of war, my colleagues cannot curb their appetite for non-emergency, wasteful spending. At this moment, the national interest must prevail over politicians' parochial concerns. Unfortunately, as this conference report and the recent Farm Bill attests, this message has still not gotten through to Congress.

For example, the recent Farm Bill contained an astounding $83 billion above the baseline in new spending for farm programs. This increase brought the total level of spending in the legislation to a mammoth $183 billion for the 10-year life of that bill. It ranks amongst the most expensive in recent history for farm legislation. As has been the trend of previous farm bills, this legislation lacked any payment restrictions to prevent most of the subsidy funding from continuing to benefit large farms and agribusinesses. Widely available information has also shown the overwhelming disparity of farm payment distributions. The General Accounting Office has shown that over 80 percent of farm payments primarily benefited large and medium-sized farms. Other studies have similarly found that the top 10 percent of big farmers and agribusiness consumed about 80 percent of farm benefits, leaving small farmers out in the cold. And yet, despite the evidence of the great inequity in distribution of the farm payments and their whopping price tag, the Senate passed it by a vote of 64–35.

Now the bulk of the supplemental conference report does contain provisions that have been designated as emergencies in response to the terrorist attacks of September 11th, but the story doesn't end there, Mr. President. Can anyone say with a straight face that everything in this conference report, which is officially titled the "2002 Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks on the United States," is directly related to the bill's stated purpose?

There is a long list of items under the Commerce Committee's jurisdiction that were not requested by the President or have been earmarked.

I am particularly concerned about the funding allocation and directives made by the appropriators with respect to the Transportation Security Administration, TSA. The funding level provided falls short of the President's request for $4.4 billion. Further, the conference agreement would take away the TSA's flexibility to allocate the funds to areas its considers to be transportation security priorities and instead earmarks nearly $1 billion for expenditures considered important to the appropriators.

While these directives may not sound unreasonable, much of the funding is being directed toward unauthorized programs. How do the appropriators know if these are the most important transportation security priorities and that the level of funding they provided is correct?

The conference report goes so far as to prohibit TSA from using federal funds to recruit or hire the personnel the Administration says it needs to meet the statutory directives in the Aviation Security Act, including the directive to, by year end, inspect all baggage. If we do not give them the resources, how can we possibly expect the TSA to meet its statutory directives?

Yesterday, Secretary Mineta testified before the House Aviation Subcommittee expressing grave concerns over the fact that TSA is not being provided its full request and that the earmarks will have a serious impact on TSA's ability to meet its statutory obligations with regard to baggage screening and other directives. Specifically, Secretary Mineta said in his prepared statement:

> The Administration's Emergency Supplemental request was the amount we needed to do the job. No more, no less. Last Friday, the appropriations Conference Committee voted to cut $1 billion from the $4.4 billion requested by President Bush and to impose new restrictions on our ability to get the job done. Here are five facts about the Conference report:
>
> First, it eliminates $550 million off the top; second, it sets aside $480 million in a so-called contingency fund that may not be available to TSA; third, it imposes $445 million in numerous earmarks not requested or supported by the Administration; fourth, it limits the total number of full-time TSA employees to 45,000—at least 20,000 employees short of what TSA needs to meet its statutory mission; and finally, report language severely restricts my discretionary authority to manage TSA.
>
> In short: TSA's budget was cut by at least $1 billion, possibly up to $1.5 billion. That is a whopping 34 percent cut from the President's request.
>
> Here is the dilemma Congress has created. You have not yet changed TSA's mission,

yet the budget to do the job is apparently on the way to being radically diminished while new restrictions and mandates are being imposed. What can be done? The amount of money Congress is about to approve simply will not support the mandates and timetables for aviation security that Congress set last Fall for TSA.

Less money with no flexibility means fewer TSA employees, less equipment, longer lines, delay in reducing the hassle factor at airports, and/or diminished security at our nation's airports. Frankly, these conflicting signals sent by Congress have forced us to regroup and revise the TSA business plan. That will likely take several more weeks. It will involve complex negotiations, and a review of literally thousands of TSA commitments and plans.

These are not my words. These are the words of the Secretary of Transportation. I hope my colleagues pay close attention to the Secretary's concerns. When the TSA is unable to meet its statutory deadlines and fully address critical security issues, we should all know it will largely come back to this funding measure.

Other questionable provisions regarding the TSA should also be mentioned. For example, in the Statement of Managers, the appropriators have earmarked money for the field testing of a particular security technology referred to as Pulsed Fast Neutron Analysis (PFNA). There is only one company that has developed this technology: Ancore Corporation of Santa Clara, California. Unfortunately, earlier this month, the National Research Council (NRC), concluded that PFNA is not ready for airport deployment or testing. Even though the main role for PFNA is the detection of explosives in full cargo containers, the appropriators are directing money for field testing on checked bags. This earmark could be a total waste of critical research money that should be contributing to our effort to increase aviation security.

Further, the Statement of Managers directs that the TSA "be attentive to the needs" of Seattle-Tacoma International Airport, Anchorage International Airport, and Kansas City International Airport when allocating resources provided above the Administration's request for the costs of physical modifications of airports for installing explosive detection systems. This directive is just another thinly veiled attempt at earmarking. I am sure there are many airports that have significant needs in terms of physical alterations that must be made to permit the effective use of bomb detection machines. We should not elevate three airports for special attention. The TSA should be attentive to the needs of all airports and should have the flexibility to establish priorities on how best to meet those needs.

I note that the conference report would take $150 million out of the Airport and Airway Trust Fund to reimburse airports for costs associated with new security requirements imposed on or after September 11. Let me point out there is no statutory authorization to use the Trust Fund for such purposes, nor was this funding requested by the President. While I'm not opposed to reimbursing airports, if it is for emergency purposes it should come out of the General Fund, as was authorized in last year's aviation security bill. Once again, the jurisdiction of the Commerce Committee is being circumvented.

It comes as no surprise that there is funding in the bill for Amtrak $205 million to keep Amtrak operating through September. We all know Amtrak is again in financial crisis, nearly $4.6 billion in debt. Amtrak's independent accountant concluded this year—after 31 years of losses—that a company that loses over a billion dollars annually is not a going concern. Imagine. The upshot is that Amtrak hasn't been able to access a line of credit from its banker, so once again, Congress must make up the shortfall.

I accept, although reluctantly, that Congress must provide assistance. It would not be in the best interest of the country for Amtrak to shut down its entire system in the next few weeks, particularly since Amtrak has not prepared any type of contingency plan to keep its corridor trains, which are paid for by the states, and commuter operations, which are also paid by the states, in operation even if it were to shut down its intercity service. But I regret that the conferees opted to give more money directly to Amtrak in the form of a straight appropriation.

After providing a $100 million loan earlier this month, the Administration requested that it be allowed to provide Amtrak another loan in the amount of $170 million. By providing a loan rather than a grant, the Administration could better control how the funds are used and at least try to protect the interests of the American taxpayers. Instead, Amtrak is being given another infusion of cash without any real restrictions on how it is spent.

Not only are we not holding Amtrak and its Board of Directors responsible for the current crisis, we're not even making an attempt to ensure these funds are spent wisely. I question the need to expend emergency funds for planning a new route to Las Vegas or investing in high-speed rail projects when the Northeast Corridor has a capital backlog of over $5 billion and the tunnels under New York's Penn Station need $1 billion in safety and reliability improvements. But Amtrak is spending its emergency funds on the Las Vegas route and other projects that sure don't sound like emergency expenditures to me.

While I support the intent of the conferees to ensure that Amtrak provides Congress the same information it is now required to supply DOT as a condition of its $100 million loan, I believe this information should also be coming to the authorization committees, not just the appropriators. The Senate Commerce Committee and the House Transportation and Infrastructure Committee are responsible for setting policy with respect to Amtrak not the Appropriations Committees.

Perhaps one of the more egregious provisions in the conference report deals with earmarked highway projects. My colleagues may recall the enormous controversy raised late last year when the appropriators took the unprecedented action in the FY 2002 DOT Appropriations Bill in which every state lost a portion of their highway funding that was to be allocated by formula under the Transportation Equity Act for the 21st Century, TEA–21. The appropriators redirected the states' formula funding to projects primarily in the appropriators' home states. Well, they are at it once again.

The conference report includes language making eligible 49 projects earmarked in the FY 2002 DOT Appropriations Bill that, under TEA–21, are not eligible to receive the earmarked funds. It is very troubling that the authorizing Committee of jurisdiction is not more concerned about maintaining the integrity of the multi-year highway funding formula law. Even more than I, the members whose states lost the predominant share of their formula and RABA funds to projects in the appropriators' states, should be vehemently objecting to this latest overreach.

Does anyone even know how their state fared as a result of the appropriators' handiwork last year? Of course, it should come as no surprise that the big winner was the state of West Virginia, which received $96.7 million in highway funding earmarks through the funding re-directives. This is followed by Kentucky which received $70 million; Washington which received $61 million; Mississippi which received $60.7 million; and Alabama which received $60.6 million.

Compare this to other states, such as Delaware, which received $100,000 but suffered a reduction of its formula funds of $2.496 million. Many other states also took substantial hits because of the appropriators' funding redirection efforts, including:

State	New Earmarks (millions)	Cut in Formula/RABA funds (millions)
Wyoming	+$1	−$4.387
Georgia	+8.2	−22.4
Michigan	+17.3	−21.397
New Jersey	+16.1	−18.153
North Carolina	+15.9	−17.598
North Dakota	+2.9	−3.684
Ohio	+20.5	−24.624
Oregon	+7.750	−9.815
Pennsylvania	+13.97	−40.325
Tennessee	+10.6	−16.656

I will ask at the end of my remarks that two charts showing the winners and losers based on information provided by the Federal Highway Administration be printed in the RECORD. I will also include the list of the projects being deemed TEA–21 eligible projects in the conference report.

The conference report would also ensure funding distributed under the highway trust fund for the upcoming fiscal year will not be reduced by the statutory requirements under TEA–21 to adjust the program based on adjustments to the revenue aligned budget authority provisions of the Act. Instead of following the law, the conference report provides for an additional $4.4 billion over the President's budget request for fiscal year 2003. I think all of us have known this funding would be provided even though the President's budget request actually fulfilled the requirements that so many members voted for when TEA–21 was passed in 1998. But why does this provision need to be included in this emergency supplemental legislation?

With respect to funding provided for the Coast Guard, the conference report directs $12.1 million, above the President's request of $26 million, to acquire, repair, renovate or improve vessels, small boats and related equipment. The Statement of Managers further indicates the funding shall be used for the procurement of additional 87-foot Barracuda class coastal patrol boats. The conference report further directs $200 million, not requested by the President, to acquire new aircraft and increase aviation capability; and $50.171 million above the President's request of $12 million, for shore facilities and aids to navigation facilities. Unfortunately, we are provided little other information to explain the purpose of these funds. $200 million is a significant funding level and we have no clear understanding of this provision.

The conference report provides $33.1 million over the President's request for ''Scientific and Technical Research and Services'' for emergency expenses resulting from new homeland security activities and increased security requirements of which $20 million is for a cyber-security initiative.

It is also worth noting that a provision pertaining to the Advanced Technology Program at the Department of Commerce was also included. The supplemental bill would change the program which currently imposes a ceiling of $60.7 million on the amount of new grants that can be awarded by the end of the fiscal year, to establishing a floor of $60.7 million that can be awarded in new grants by the end fiscal year 2002. The President did not request this change and why it is necessary, I do not know.

The conference report also includes $400 million for election administration reform, contingent upon completion of the ongoing conference on election reform legislation. Since it is highly unlikely a conference agreement can be reached before the August recess, I question why we need to include this funding in this emergency supplemental measure. Instead, we should appropriate the funding upon completion of the conference report and as part of the Fiscal Year 2003 Appropriations process.

The conference report would provide so-called technical corrections for the Fisheries Finance Program Account. Specifically, it would authorize up to $5 million for Individual Fishing Quota Loans and up to $19 million for traditional loans under the direct loan program authorized by the Merchant Marine Act of 1926. As I mentioned when the Senate considered the supplemental in June, these are authorizations which have not been considered by the Senate Commerce Committee. Further, with some limited exceptions, Individual Fishing Quota Programs are not allowed under current law. Therefore, this funding will only help fisheries where a Quota Program already exists, such as the halibut fishery in Alaska.

The conference report also amends the Oceans Act of 2000 to extend the deadline for the Ocean Commission's report by an additional 11 months. The Oceans Act of 2000 was drafted in the Commerce Committee and any amendments should start there, yet we were not even consulted on this provision.

The conference report directs $2.5 million of funding provided in the Commerce, Justice State Appropriations Bill for Fiscal Year 2002 to now be dedicated to conducting coral mapping in the waters of the Hawaiian Islands. We debated this issue on the floor in June. While my amendment to strike the earmark failed, that doesn't mean the funding proposal is meritorious. This directive was not requested by the President and the funding would be earmarked for the National Defense Center of Excellence for Research in Ocean Sciences.

The conference report also includes $2 million to address what the appropriators call ''critical mapping and charting backlog requirements'' and $2.8 million for backup capability of the National Ocean and Atmospheric Administration, NOAA, satellite products and services. None of this funding was requested by the President and even though it falls within the jurisdiction of the Senate Commerce Committee, again we were not consulted. Moreover, this funding has no relation that I can see to address emergency homeland security needs which is the purported purpose of this bill.

The conference report also includes a total of $11 million for economic assistance to New England fishermen and fishing communities. This funding was not requested by the President, although I understand it is in response to unforeseen circumstances resulting from a federal court order which restricts the number of days that fisherman can fish. The Statement of Managers then earmarks that funding based on the Senate report, as follows:

Maine, $2 million; New Hampshire, $2 million; Massachusetts, $5.5 million; and Rhode Island, $1.5 million.

The conference report places a limitation on apparel articles that are eligible for preferential treatment under the Caribbean Basin Initiative, CBI, and the Andean Trade Preferences Act, ATPA. Under this provision, all dyeing, printing, and finishing of knit and woven fabrics must take place in the United States in order for nations under CBI and ATPA to benefit from reduced-rate treatment.

This measure is one in a series of protectionist actions recently undertaken by the United States. The U.S. textile industry has carved out a protective shell around itself to avoid competition at all costs. In this case, the Caribbean Basin and the Andean region nations are the victims along with American consumers.

Due to recent political and special interest pressures, House appropriators inserted this protectionist provision into the supplemental limiting the dyeing, printing and finishing of certain apparel articles to United States manufacturers, with no objection from the Senate appropriators. Caribbean nations received greater access to the United States' apparel market through the Caribbean Basin Economic Recovery Act. This law granted the Caribbean Basin nations similar privileges as those afforded Mexico under the North American Free Trade Agreement, NAFTA.

This provision will scale back the Caribbean Basin Initiative, preventing their growing industry access to the U.S. apparel market. In addition, it would preclude the Andean Trade Preferences Act, ATPA, beneficiary nations from entering the apparel market to begin with.

Moreover, this is yet another example of the appropriators legislating on an appropriations bill. While a trade bill that would, among other things, extend and expand the expired ATPA, sits mired in conference, the appropriators have reached their own conclusions regarding provisions of that bill which would hopefully allow Andean beneficiary nations greater access to U.S. apparel markets. Despite a letter objecting to the actions of the appropriators from the Chairman and Ranking Member of the Senate Finance Committee, the Committee that holds jurisdiction over ATPA, this provision remained.

This is an unfortunate turn of events that is becoming all too common: Leaders of the U.S. rhetorically expounding their commitment to free trade while actively pursuing protectionist policies.

The reorganization of our armed services was, of course, an extremely important subject before September 11th, and it is all the more so now.

In the months ahead, no task before the Administration and the Congress will be more important or require greater care and deliberation than making the changes necessary to strengthen our national defense in this new, uncertain era. Needless to say, this transformation process will require enlightened, thoughtful leadership, and not the pork barreling of military funds, if we are to best serve America in this time of rapid change in the global security environment.

Again, I question the requirement for certain items in the defense portion of this supplemental appropriations bill. We are waging war against a new enemy. The dangers in Afghanistan to our service members are real. However, I do not believe that our ''special forces'' units are threatened by any perceived torpedo attack that would cause the appropriators to include in the conference Report a provision to include $1 million for the Tripwire Torpedo Defense Program or $1 million for the Undersea Warfare Support Equipment AN/SLQ 25A.

The conference report improves on the Senate-passed language regarding U.S. policy in Colombia by providing the Departments of State and Defense with the authority to support the Colombian government's unified campaign against narcotics trafficking and terrorism. However, I regret that the final language imposes a burdensome requirement on the President of Colombia to commit in writing to a series of benchmarks regarding his policy and reform plans. I also regret that the conferees have seen fit to cut the President's peacekeeping requests by nearly $28 million—at a time when America's global presence, and the importance of standing shoulder to shoulder with our allies in defense of our common interests, matters.

I do applaud this legislation's requirement for reports setting forth a strategy for meeting the security needs of Afghanistan to ensure effective delivery of humanitarian aid, build the rule of law and civil order, and support the Afghan government's efforts to bring stability and security to its people. History shows that America cannot walk away from Afghanistan if we are to protect our interests there. Our first requirement in this post-war phase must be to help the Afghan government bring basic security and order to all parts of the country. America must do more, not less, to consolidate our victory in Afghanistan by helping to build an environment in which our values can flourish.

Let there be no doubt that this war will be long. Therefore, we should not frivolously spend today like there is no tomorrow. For when tomorrow comes, we must have the fiscal resources to not only fight this war to victory, but to provide for our nation's other priorities including tax relief for the lower- and middle-income Americans, adequate funding for Social Security and Medicare, and significant debt reduction.

I ask unanimous consent to print in the RECORD the information I earlier referenced.

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

FY2002 Designated Discretionay Projects -- Statutorily Ineligible

State	Project	Amount	State Total
Alabama	I-10 Irvington Interchange	$ 800,000	
	I-65 and Valley Dale Road interchanges	$ 8,000,000	$ 8,800,000
Arkansas	Great River Bridge	$ 7,500,000	$ 7,500,000
California	I-10 Riverside Avenue interchange	$ 500,000	
	I-5 Corridor arteries	$ 1,000,000	
	I-5 HOV/general purpose lanes	$ 4,000,000	
	Tippecanoe/I-10 interchange	$ 2,500,000	
	Gerald Desmond	$ 4,000,000	$ 12,000,000
Connecticut	Cross Road	$ 3,500,000	
	Peral Harbor Memorial Bridge	$ 5,000,000	$ 8,500,000
Florida	A. Max Brewer	$ 3,000,000	$ 3,000,000
Hawaii	Sand Island	$ 5,000,000	$ 5,000,000
Illinois	US-30 Morrison/Whiteside County expansion, IL	$ 750,000	$ 750,000
Iowa	US 34/Plattsmouth	$ 1,500,000	$ 1,500,000
Kansas	Topeka Avenue	$ 2,000,000	$ 2,000,000
Louisiana	I-49 southern extension from I-10	$ 1,000,000	
	I-12 interchange at LA 1088	$ 1,500,000	
	I-12/Northshore Blvd. interchange	$ 2,000,000	
	US 167/I-20 interchange	$ 1,000,000	
	Kerner	$ 1,000,000	
	Leeville	$ 3,000,000	$ 9,500,000
Maine	City of Brewer waterfront redevelopment shoreline stablilization, ME	$ 1,000,000	
	I-95 Northern Maine	$ 4,500,000	
	I-295 Connector, Commercial Street	$ 500,000	$ 6,000,000
Massachusetts	Padanarim	$ 1,500,000	$ 1,500,000
Michigan	Pennsylvania Avenue	$ 3,300,000	$ 3,300,000
Nevada	I-215 Southern Beltway to Henderson	$ 500,000	$ 500,000
New Jersey	Sandy Hook ferry terminal, NJ	$ 1,000,000	
	Jersey City Pier redevelopment and terminal construction project	$ 2,000,000	$ 3,000,000
New York	145th Street	$ 5,800,000	
	I-84/Delaware	$ 2,000,000	
	Warren County scenic byway	$ 30,000	$ 7,830,000
Ohio	Cleveland Trans-Erie Ferry Service	$ 800,000	$ 800,000
Oklahoma	I-40 crosstown expressway realignment	$ 5,500,000	$ 5,500,000
Pennsylvania	I-180 Lycoming Mall Road interchange	$ 2,000,000	
	I-79/SR 910 interchange	$ 250,000	
	I-79/Warrendale Technology Park Interchange	$ 1,750,000	
	I-80 Exit at Stoney Hollow Road	$ 3,000,000	
	State Route 0039 & I-81interchange	$ 750,000	
	Route 113 Heritage Corridor, PA	$ 170,000	$ 7,920,000
Rhode Island	Sand Point dock, RI	$ 250,000	$ 250,000
South Dakota	US 61/Missouri River	$ 1,000,000	$ 1,000,000
Texas	Leon River	$ 1,500,000	$ 1,500,000
Vermont	Blueberry Lake road improvements, Green Mountain National Forest, VT	$ 500,000	
	Missiaquoi	$ 4,000,000	$ 4,500,000
Washington	Oak Harbor Municipal Pier terminal, WA	$ 200,000	$ 200,000
West Virginia	I-79 Bridgeport to Meadowbrook	$ 10,000,000	
	I-79 Connector	$ 4,800,000	
	I-81 South Martinsburg I/C Bridge, Berkeley County	$ 7,000,000	$ 21,800,000
TOTAL		**$ 124,150,000**	**$ 124,150,000**

State-by-State Earmarks of Revenue Aligned Budget Authority (RABA) Funding in the Transportation Appropriations Act Shifted from States Highway Formula Programs & Allocated Highway Programs

(Chart reflects total earmarked amount and number of projects per state per program)

	Ferry Boats & Ferry Terminal Facilities	National Corridor Planning & Development & Corridor Border Infrastructure	Transp. & Community & System Preservation Pilot Program	Interstate Maintenance Discretionary	Bridge Discretionary	Public Lands Discretionary	**Total for Allocated Programs Earmarks with $ Bolstered by RABA cuts to State formula programs & Allocated Programs**	**Total Number of Projects**
AL		$27 m; (6)	$24 m; (13)	$ 8.8 m; (2)		$ .825; (2)	**$60.625 million**	**23 projects**
AK	$10 m; (1)	$16 m; (2)	$ 1.6 m; (2)			$ 6.8 m; (7)	**$34.4 million**	**12 projects**
AZ						$11 m; (2)	**$11 million**	**2 projects**
AR		$27.750 m; (4)	$ 3.250 m; (3)		$ 7.5 m; (1)		**$38.5 million**	**8 projects**
CA	$ 2.9 m; (3)	$22.5 m; (8)	$16.925 m; (18)	$ 8 m; (4)	$ 6.3 m; (3)	$10 m; (4)	**$66.625 million**	**40 projects**
CO			$ 2.250 m; (2)	$ 5 m ; (1)		$ 4.2 m; (2)	**$11.45 million**	**5 projects**
CT	$ 1.5 m; (1)	$2.3 m; (1)	$ 4.750 m (5)	$1.5 m; (1)	$ 8.5 m; (2)		**$18.55 million**	**10 projects**
DE			$ .100; (1)				**$ .100**	**1 project**
FL	$ 1.6 m; (3)	$28.5 m; (4)	$13 m; (10)	$ 2.5 m; (1)	$ 3 m; (1)	$ 1 m; (1)	**$49.6 million**	**20 projects**
GA	$ 1 m; (1)	$ 1 m; (1)	$ 6.2 m; (2)				**$8.2 million**	**4 projects**
HI			$ 6 m; (2)		$ 5 m; (1)	$ 6 m; (1)	**$17 million**	**4 projects**
ID		$10 m; (2)	$. 105; (1)			$ 4.5 m; (2)	**$14.605 million**	**5 projects**
IL		$17.5 m; (4)	$ 6.420 m; (10)		$ 6 m; (1)	$ .750; (1)	**$30.67 million**	**16 projects**
IN		$ 7.836 m; (5)	$ 3.915 m; (4)	$ 2.5m; (1) (includes KY)			**$14.251 million**	**10 projects**
IA		$ .700 m; (1)	$ 3 m; (1)	$ 6 m; (1)	$ 1.5 m; (1)		**$11.2 million**	**4 projects**
KS		$ 5 m; (2)	$ 2.6 m; (2)		$ 2 m; (1)	$ 1.5 m; (1)	**$11.1 million**	**6 projects**
KY		$43.220 m; (18)	$18.567 m; (15)	$ 2.375 m; (2)		$ 5.895 m; (4)	**$70 .057 million**	**39 projects**
LA	$ 1.2 m; (1)	$30.8 m; (5)	$1.665 m; (4)	$ 5.5 m; (4)	$ 4 m; (2)		**$43.165 million**	**16 projects**
ME	$ 1 m; (1)	$ 3.5 m; (1)	$ 1.6 m; (2)	$ 5 m; (2)	$5 m; (1)	$ 1 m; (2)	**$17.1 million**	**9 projects**
MD		$ 1 m; (1)	$ 3.5 m; (2)	$ 8 m; (1)			**$12.5 million**	**4 projects**
MA	$ 1.45 m; (1)	$ 5.5 m; (2)	$ 2.3 m; (5)		$ 3 m; (2)	$ .963; (2)	**$13.213 million**	**12 projects**
MI		$ 9 m; (1)	$ 1.5 m; (2)	$ 3.5 m; (1)	$ 3.3 m; (1)		**$17.3 million**	**5 projects**
MN		$10 m; (2)	$ 7.350 m; (3)		$ 7 m; (1)		**$24.35 million**	**6 projects**
MS	$ .500; (1)	$34.500 m; (7)	$ 8.4 m; (5)	$ 8.9 m; (1)		$ 8.4 m; (2)	**$60.70 million**	**16 projects**
MO		$15.250 m; (5)	$ 8 m; (2)	$20 m; (4)	$ 2.5 m; (2)		**$45.75 million**	**13 projects**
MT		$ 3.5 m; (1)	$ 2.9 m; (4)	$ 1 m; (1)		$10.9 m; (6)	**$18.3 million**	**12 projects**
NE			$ 4.6 m; (3)			$ .325; (1)	**$4.925 million**	**4 projects**
NV				$ .500; (1)		$12 m; (2)	**$12.5 million**	**3 projects**
NH		$ 1 m; (1)	$ 3.550 m; (5)				**$4.550 million**	**6 projects**
NJ	$ 3 m; (2)		$ 7.150 m; (11)		$ 5 m; (2)	$ 1 m; (1)	**$16.150 million**	**16 projects**
NM		$ 1 m; (1)	$ 5 m; (1)	$ 6.5 m; (2)		$ 3.150 m; (4)	**$15.65 million**	**8 projects**
NY	$ 9.34 m; (8)	$10.350 m; (4)	$16.275 m; (19)		$ 9.6 m; (3)	$ .280; (1)	**$45.845 million**	**35 projects**
NC	$ 2.139 m; (2)	$3.5 m; (1)	$ 5.35 m; (5)	$ 5 m; (2)			**$15.989 million**	**10 projects**
ND			$ 1.5 m; (2)			$ 1.4 m; (2)	**$2.9 million**	**4 projects**
OH	$ 1.3 m; (2)	$ 7 m; (3)	$ 7.5 m; (4)	$ 1.5 m; (2)	$ 2.750 m; (2)		**$20.5 million**	**13 projects**
OK		$ 1.5 m; (1)	$ 1.450 m; (3)	$ 5.5 m; (1)			**$8.45 million**	**5 projects**
OR		$ 5 m; (1)		$ 1.0 m; (1)		$ 1.750 m; (1)	**$7.750 million**	**3 projects**
PA	$ 2 m; (2)	$1 m (includes NY); $.550;(3)	$ 2.5 m; (4)	$ 7.750 m; (5)		$ .170; (1)	**$13.97 million**	**15 projects**
RI	$ .250; (1)		$ 1 m; (1)	$ 4 m; (2)	$ 4 m; (1)	$ 2.150 m; (2)	**$11.4 million**	**7 projects**
SC			$17 m; (5)		$ 7 m; (1)		**$24 million**	**6 projects**
SD		$12 m; (1)	$ .250; (2)		$ 1 m; (1)	$ 5.650 m; (3)	**$18.9 million**	**7 projects**
TN		$ 1 m; (1)	$ 9.6 m; (5)				**$10.6 million**	**6 projects**
TX	$ .200; (1)	$20.4 m; (9)	$ 6.790 m; (9)	$25.9 m; (5)	$ 1.5 m; (1)	$ 5.5 m; (2)	**$60.29 million**	**27 projects**
UT			$ 2 m; (1)	$ 6 m; (2)		$ 2.250 m; (3)	**$10.250 million**	**6 projects**
VT			$ 4.5 m; (3)		$ 4 m; (1)	$ .500; (1)	**$9 million**	**5 projects**
VA		$ .600; (2)	$2.480 m; (4)			$14.150 m; (6)	**$17.23 million**	**12 projects**
WA	$ 4.2 m; (2)	$34 m; (5)	$10.3 m; (6)	$ 2 m; (2)	$10.5 m; (3)		**$61 million**	**18 projects**
WV		$54 m; (4)	$ .400; (1)	$21.8 m; (3)	$17 m; (2)	$ 3.5 m; (1)	**$96.7 million**	**11 projects**
WI		$17 m; (3)	$13.5 m; (4)		$ 7.5 m; (1)		**$38 million**	**8 projects**
WY			$ 1 m; (1)				**$ 1 million**	**1 project**
DC			$ 2.5 m; (2)				**$2.5 million**	**2 projects**
TOTAL FY02 Approps	$43,579,000	$492,256,000	$276,092,600	$176,025,000	$134,450,000*	$127,508,000	$1,249,910,600	540 projects

TOTAL FY02 Approps	$43,579,000	$492,256,000	$276,092,600	$176,025,000	$134,450,000*	$127,508,000	$1,249,910,600	540 projects
FY02 Funding includes:								
TEA21 auth. for FY02	$18,000,000	$140,000,000	$25,000,000	$100,000,000	$100,000,000	$82,385,400	$465,385,400	
TEA-21 RABA for FY02	$ 5,059,012	$ 18,633,932	$3,324,822	$13,310,772	$13,310,772	$0	$ 53, 639,310	
**Additional RABA $ per DOT Approps.	$20,519,988	$333,622,068	$247,767,778	$62,714,228	$21,139,229	$45,122,600	$730,885,890	
	33 projects; 17 states	123 projects; 38 states	221 projects; 47 states + DC	55 projects; 27 states	*38 projects; 25 states	70 projects; 30 states	100% Earmarked	

*Chart does not include two earmarks in the Bridge Discretionary Program (totaling $28 million) which are not designated for site/state specific projects.

**Additional RABA funding was also provided for Long-term Pavement ($10,000,000) and for State Border Infrastructure ($56,300,000) programs, but is not designated for site/state specific projects.

Note, depending on final computation of the funds available to stay within the total obligational authority available for FY'02, the actual amounts distributed, in all likelihood, will be less than the specific amounts shown.

Total RABA dollars shifted: $825,185,890 (comprised of $449,445,030 from state highway formula programs and $375,850,860 from allocated programs (including $236,671,037 from High Priority Projects and $139,179,823 from other allocated programs). Note, it can also be viewed in the context of this chart as $730,885,890 + $28,000,000 + $10,000,000 + 56,300,000 = $825,185,890.

State-by-State Impact of Transportation Appropriations Cuts of Revenue Aligned Budget Authority (RABA) Funding from State Highway Formula Programs & TEA-21 High Priority Projects

	RABA Reductions from State Highway Formula Programs	RABA Reductions from TEA- 21 Projects	TOTAL RABA reductions: State Highway Formula & TEA 21 Projects
AL	(8,461,327)	(5,190,512)	(13,651,839)
AK	(5,829,941)	(1,741,836)	(7,571,777)
AZ	(7,729,419)	(1,531,711)	(9,261,130)
AR	(5,955,806)	(3,875,677)	(9,871,483)
CA	(41,475,828)	(22,334,954)	(63,810,782)
CO	(6,092,240)	(1,721,986)	(7,814,226)
CT	(7,149,904)	(3,237,793)	(10,387,697)
DE	(2,268,322)	(224,234)	(2,492,556)
FL	(20,220,425)	(7,154,508)	(27,374,933)
GA	(15,251,592)	(7,177,923)	(22,429,515)
HI	(2,171,286)	(1,286,515)	(3,457,801)
ID	(3,112,998)	(2,964,757)	(6,077,755)
IL	(13,965,042)	(9,389,587)	(23,354,629)
IN	(10,772,904)	(5,111,418)	(15,884,322)
IA	(5,489,664)	(2,762,724)	(8,252,388)
KS	(4,893,976)	(2,812,739)	(7,706,715)
KY	(7,342,459)	(3,842,350)	(11,184,809)
LA	(7,652,445)	(4,475,708)	(12,128,153)
ME	(2,247,308)	(1,188,431)	(3,435,739)
MD	(7,989,589)	(3,340,023)	(11,329,612)
MA	(8,220,727)	(5,584,742)	(13,805,469)
MI	(13,612,972)	(7,784,478)	(21,397,450)
MN	(6,767,624)	(4,508,409)	(11,276,033)
MS	(5,923,344)	(2,914,185)	(8,837,529)
MO	(10,584,023)	(6,488,102)	(17,072,125)
MT	(5,123,563)	(503,313)	(5,626,876)
NE	(3,367,832)	(618,977)	(3,986,809)
NV	(3,104,508)	(860,500)	(3,965,008)
NH	(2,397,302)	(1,715,640)	(4,112,942)
NJ	(10,818,293)	(7,334,770)	(18,153,063)
NM	(4,570,032)	(2,016,540)	(6,586,572)
NY	(22,418,882)	(15,062,102)	(37,480,984)
NC	(11,947,529)	(5,651,117)	(17,598,646)
ND	(3,162,499)	(521,848)	(3,684,347)
OH	(15,893,797)	(8,731,177)	(24,624,974)
OK	(6,534,095)	(3,018,793)	(9,552,888)
OR	(5,434,066)	(4,381,392)	(9,815,458)
PA	(20,095,856)	(20,229,756)	(40,325,612)
RI	(2,755,082)	(728,053)	(3,483,135)
SC	(7,883,348)	(2,694,477)	(10,577,825)
SD	(3,304,789)	(2,153,254)	(5,458,043)
TN	(11,222,191)	(5,434,368)	(16,656,559)
TX	(33,430,729)	(12,506,040)	(45,936,769)
UT	(3,266,491)	(2,040,562)	(5,307,053)
VT	(2,301,880)	(535,249)	(2,837,129)
VA	(13,052,845)	(5,093,819)	(18,146,664)
WA	(7,348,768)	(5,020,263)	(12,369,031)
WV	(5,010,811)	(4,620,722)	(9,631,533)
WI	(8,393,502)	(4,126,031)	(12,519,533)
WY	(3,656,131)	(731,619)	(4,387,750)
DC	(1,659,044)	(785,066)	(2,444,110)
Total	(449,335,030)	(235,760,750)	(685,095,780)[1]

[1] Chart does not include $910,287 in RABA cut from American Samoa, Puerto Rico, and the Virgin Islands. Further, Chart does not include $139,179,823 in RABA cut from other allocated Federal-Aid Highway Programs which are discretionary programs that cannot be broken out on a state-by-state basis.

Total RABA dollars shifted: $825,185,890 (comprised of $685,095,780 + $910,287 + $139,179,823)

Mr. GRASSLEY. Madam President, today, I rise to object to the Dyeing and Finishing Provision found in the 2002 supplemental appropriations bill, H.R. 4775, that is now going through the conference process within the Senate and will soon be voted on by this body.

This provision is of serious concern to me because it falls within the jurisdiction of the Finance Committee and it was not voted on nor reviewed by the committee.

Senator BAUCUS and I sent a joint letter in June expressing our deep concern about the inclusion of this provision in the bill and asked the chairman of the Appropriations Committee to oppose this provision due to our jurisdiction concerns.

Section 1405 of the House bill pertains language that will amend two U.S. trade preference programs: the Caribbean Basin Economic Recovery Act and the Andean Trade Preference Act.

The amendment requires certain fabric to be dyed and finished in the United States in order for apparel sewn from such fabric in the Carribean or Andean region to enter the United States duty-free.

Regardless of how my colleagues feel about the requirement for fabric to be dyed and finished in the United States to qualify for duty-free treatment they should respect the jurisdiction of the Finance Committee under the trade laws of this Congress.

Our committee has oversight over carefully balanced programs that were developed after years of close study and deliberations in the Finance Committee and the House Committee on Ways and Means.

During the debate of the Bipartisan Trade Act of 2002 when Senator BYRD asked for Senator BAUCUS and I to respect the jurisdiction of the Appropriations Committee by striking all authorization language in the trade bill while we were debating the legislation on the floor.

Senator BAUCUS and I addressed the Senator's concerns by stopping the debate and revising the legislation so as to not encroach upon the jurisdiction of the Appropriations Committee.

I am deeply dismayed about the Finance Committees' concerns not seriously being considered about the dyeing and finishing provision which is clearly in our jurisdiction.

I would hope my colleagues would be more considerate of the problem we have with the House being able to slip provisions in the supplemental hoping to sneak it through the legislative process otherwise the legislative process will become a free-for-all.

If the provision is a good piece of legislation then my colleagues in the House should be willing to have an open dialogue with the Finance Committee members and address our concerns.

Alarms should go off when people try to slip legislation by hoping that no one will catch it.

I am disappointed because this is not the way we are suppose to do business around here.

There are several good reasons why committees were established and given jurisdiction over specific issues.

The Finance Committee members are the experts on trade, therefore all issues involving trade should come through our committee.

I am just asking my colleagues to respect the rules established by the Senate. I am disappointed that the chairman of the Appropriations Committee did not respect our jurisdiction.

This is bad policy and I oppose it.

I also want to strongly emphasize how important it is that we do not set a precedent allowing Members to thwart the committee process and smuggle legislation through the Senate under the radar screen.

Mr. STEVENS. Madam President, a provision I have worked on with my Alaska colleagues, Congressman DON YOUNG and Senator FRANK MURKOWSKI, is included in this bill as section 3002. In conversations with air carriers in Alaska and the Postal Service, we have found that there are serious problems with mail delivery to rural Alaska under the current bypass mail system. This provision, titled the Rural Service Improvement Act of 2002, is derived from S. 1713 in the Senate and H.R. 3444 in the House. It contains several technical changes that will resolve these problems.

The bypass mail system is unique to my State: It was created by section 5402 of title 39 of the U.S. Code, and attempts to ensure reliable and affordable passenger service and the delivery of food, goods, and basic consumer necessities to rural Alaska communities.

I have stated on numerous occasions during Postal Service hearings before the Senate Governmental Affairs Committee that the establishment and maintenance of post offices and post roads applies to my State as it does the rest of the Union. As a member of the committee with oversight over Postal operations, I take the responsibilities of the Postal Service very seriously. As an Alaskan, I am even more concerned. Almost every item found on the shelf of a rural Alaska general store arrives via the bypass mail system. This system was created through legislation originated by the Senate in 1970 and today it is the lifeline of rural Alaska.

In addition to ensuring delivery of food and goods, the bypass mail system assured that passenger seats would be available to rural Alaskans. The revenues paid to air carriers to transport the bypass mail helps underwrite the cost of this passenger service. The Federal Government's vast ownership of lands in Alaska and the limited access to those lands means that air transportation is the only way to reach most rural communities in Alaska. We are prohibited by the Federal Government from building roads to connect most of our communities and this system assures access by air.

In recent years there has been an explosion in the number of carriers eligible to carry bypass mail in Alaska because the threshold requirements for eligibility have been very low. However, few of these new carriers operate in ways that reflect the intent behind the bypass mail program. Instead of providing air transportation to passengers, these carriers use the system to underwrite a portion of their total business plan. Other mail-only carriers use it as the basis of their entire operation. They provide little to no passenger service to Alaska's rural communities.

The bypass mail system is divided into two categories: mainline routes and bush routes. Mainline routes are flown by carriers operating larger aircraft capable of carrying many pallets of food and goods. These pallets usually weigh a minimum of 1,000 pounds. To be qualified as a mainline carrier under the current regulations, carriers must operate aircraft certified to carry at least 7,500 pounds of payload capacity. These mainline carriers take bypass mail from one of two acceptance points, Anchorage or Fairbanks, and carry it to ''hubs'' such as Bethel, Barrow, and Nome. From these hubs the mail is distributed to bush communities by smaller bush aircraft. To operate properly and efficiently the system needs healthy mainline and bush carriers.

The Rural Service Improvement Act of 2002 resolves many of the problems with mainline operations. It clarifies who is eligible to be a mainline carrier, stabilizes mainline markets, and supports increased passenger service. It limits the entry of new all-cargo carriers to mainline markets where current cargo service is deficient. This bill also gives existing carriers 30 days to correct problems with mail delivery, schedule adherence, or repeated mail damage that the Postal Service deems unacceptable. If no improvements are made new mainline carriers would be eligible to offer service on these routes.

In addition, the bill allows new carriers to enter otherwise closed mainline routes if they provide substantial passenger service. This determination will be made on a route-by-route basis. To qualify, a new carrier must regularly make available to the public at least 75 percent of the number of passenger seats on the largest carrier on a give route for 6 consecutive months. After a new carrier is certified as a mainline carrier it must carry 20 percent of the actual passengers on the route to remain qualified. Carriers will design their business plans around passenger service, not just bypass mail. This will enable the bypass mail system to fulfill our original intent: to provide mail and air transportation to Alaskans.

The bill also addresses a current problem on routes that receive subsidies from the Department of Transportation's Essential Air Service, EAS, program. Currently DOT establishes a subsidy rate based on a combination of factors, including the size of the community, the desired level of service an show much revenue the EAS carrier can expect to earn from other sources. However, DOT has no role in determining how much mail is carried by EAS carriers. This act addresses this flaw by requiring all nonpriority mail and nonpriority bypass mail be tendered to the contracted EAS carrier on each route, as long as the needs of the Postal Service are being met. This will reduce the cost of the EAS program in Alaska and ensure mail is delivered in a timely fashion. First class and priority mail will still be carried by the Postal Service's preferred provides based on premium delivery standards on these routes.

This bill also ensures adequate passenger service for under served communities. Under this act, a new passenger carrier may immediately be tendered bypass mail on a mainline route if all passenger carriers operating under Federal Aviation Rules part 121 leave the market or no part 121 passenger service is available. These provisions mean that under such conditions a new 121 carrier will not have to wait 6 months to provide services. It will get bypass mail immediately in mainline markets with no passenger service. This change will provide mainline communities with quality passenger service as mail revenues underwrite passenger transportation.

In addition, this bill addresses a serious problem for rural Alaska. Currently, some rural markets are classified as mainline by the Postal service but have no mainline passenger or bypass mail service. This bill allows bush carriers currently serving those routes to continue carrying bypass mail even if a mainline carrier begins service there. The bush carriers will be paid the lower mainline rate which will reduce costs for the Postal Service while preserving existing passenger service on the those routes. To preserves bush passenger and non-mail freight service on rural routes, if a mainline carrier beings providing service on a traditional bush route, existing bush passenger and on-mail freight carriers may continue to receive bypass mail if they agree to be paid the lower mainline rate.

This act allows for equalization on those mainline routes with no current mainline service and on traditional bush routes where a mainline carrier enters. It specifically prohibits bush carriers from entering or operating on mainline routes with existing mainline service, except under specialized circumstances, to ensure that larger aircraft capable of carrying many pallets fly full to the hubs. The act allows the Postal Service to tender bypass mail to bush carriers on mainline routes with existing mainline service if three conditions are met. First, the bush carrier must meet the minimum technical requirements of the operating statute. Second, no similar service is available on the route by the existing mainline carriers. Third, the Postal Service determines that the tender of mail to a bush carrier on the mainline route will not decrease the efficiency of the hub or increase costs for the Postal Service. This test will be applied by the Postal Service on a case-by-case basis.

Another feature of the bill is the explicit authorization of ''composite equalization,'' to protect and enhance passenger service. Currently almost all bypass mail flows from an acceptance point to a hub and then on to a bush point. This act allows bush carriers to receive mail at the acceptance point for a direct flight to bush villages without first stopping in the hub. Bush carriers are paid based on what they would have flown to the hub point at the lower mainline rate and then based on what they would have flown from the hub point to the bush village at the lowest bush rate. The provision also recognizes routes where composite equalization or direct flights bypassing the hub exist today. The intent is to promote additional savings for the Postal Service and to preserve existing direct flights for rural Alaskan residents.

The act also allows for the creation of future routes at composite rates if carriers meet a four-part test. First, a carriers seeking tender at composite rates must meet the minimum passenger service requirements of the bill. Second, the carriers must qualify to be tendered mail in the hub point being bypassed by the proposed direct route. Third, the carrier must prove that carrying bypass mail on direct routes will not reduce the efficiency of the entire hub operations. Lastly, the Postal Service must determine that allowing the direct flight will save money for that portion of the system. The Postal Service will take into account the cost of flying the mail directly to the bush village from the acceptance point along with the cost of not flying the mail through the hub in terms of payments to other carriers, especially the mainline carriers.

The act restricts entry of new cargo-only capacity in mainline markets. All new mainline carriers must also meet the passenger requirements of the bill to be tendered mainline bypass mail. A carrier otherwise qualified to be tendered non-priority bypass mail on January 1, 2001, but not engaged in the regular carriage of mainline bypass mail on that date, is not qualified as an existing carrier. A carrier not qualified as a mainline carrier on January 1, 2001, which has since become qualified does not fulfill the definition of an existing carrier for the purposes of carrying mainline bypass mail. Likewise, a carrier that was tendered mainline bypass mail on January 1, 2001 in improperly sized aircraft does not qualify as an existing carrier.

The Rural Service Improvement Act of 2002 also resolves problems with bush community operations. Currently any carrier meeting very minimum qualifications may be tendered bush bypass mail. In a community with 10 qualified carriers each carrier receives approximately 10 percent of the bypass mail on that route. Not all of those carriers also provide passenger or non-mail freight service. This act intends to change this situation by establishing rural mail pools on a route-by-route basis.

First, 70 percent of the mail will be tendered to those carriers which provided at least 20 percent of the passenger service on a given route. Twenty percent of the mail will go to non-mail freight carriers which provide at least 25 percent of the non-mail freight service on a given market. The remaining 10 percent of the bypass mail will go to the remaining carriers on the route. After 3 years this 10 percent mail pool will terminate and its mail will be divided among the remaining two pools. The amount of mail in the passenger pool should increase to 75 percent; the remaining 25 percent of bypass mail will go to non-mail freight carriers. The creation of these pool for passenger and non-mail freight carriers should ensure competition in each market without having the mail revenue split between an infinite number of carriers.

Based on advice from the department of Transportation, this act includes provisions to increase safety standards. It permits markets to convert from operations under part 135 of the Federal Aviation Rules to part 121 if a part 121 carrier becomes qualified to receive bypass mail in a given market. If this happens, all 135 carriers in the market have 5 years to convert to operations under part 121 in order to continue receiving bypass mail. The bill defines part 121 operations as aircraft carrying passengers and non-priority bush bypass mail on aircraft type certificated to carry at least 19 passengers, which according to the Department of Transportation, are the most efficient aircraft on an air-ton-mile basis that are still reasonably sized for use in rural Alaska. For the purposes of part 121 operators, the bill focuses on the aircraft which actually carry the mail.

All carriers in Alaska are put on notice of the requirements of conversion from part 135 to part 121. After a 6-year period if a 121 carrier becomes eligible for bypass mail on any route, 135 carriers on that route have one year to convert to part 121 to continue receiving mail.

Saving the Postal Service money by requiring the use of more efficient and larger aircraft, because of conversion to part 121 is an important goal of this bill. This also improves passenger service and safety. In a market which can physically support 121 operations, all passenger carriers in that market should be encouraged to provided increased safety and efficiency.

Some markets in Alaska may not receive 121 passenger service due to a lack of ground infrastructure or the population base to support 19-seat passenger aircraft. In these communities smaller airplanes operated under part 135 are an integral part of the Alaska transportation system. Also, if a 121 carrier begins service in a market and withdraws, 135 carriers in that market need not convert 121 in order to carry bypass mail in the market.

The bill encourages passenger competition in bush markets. Where there is only one qualified passenger carrier under the bill, meaning it carries at least 80.01 percent of the passengers on a given route, then no other carrier could qualify as a passenger carrier in that market. As an incentive for other passenger carriers to enter the market to become the second largest carrier, thus increasing competition, the act requires the Postal Service to tender 20 percent of the 70 percent mail pool to the next largest passenger carrier during the first three years of the act, 14 percent of the overall bypass mail volume for the market. After the first 3 years the Postal Service may provide 20 percent of the 75 percent pool to the next largest passenger carrier, or 15 percent of the bypass mail for the market.

As previously stated, carriers operating under part 121 must use aircraft type-certificated to carry at least 19 passengers. Carriers operating under part 135 must use aircraft type-certificated to carry at least five passengers. Finally, recognizing the special needs of markets with water-only airports the bill requires water-landing aircraft to be type-certificated to carry at least three passengers. These requirements do not require these seats to be installed at all times. Rather, carriers must use minimum sized aircraft to increase efficiencies for the Postal Service and, passenger seats must be installed and insured when needed on such aircraft. A carrier may fly an extra section with only cargo or mail as long as the plane meets the minimum size requirements and the carrier otherwise qualifies to carry mail as a qualified passenger or non-mail freight carrier under the Act.

Under provisions in the bill, to avoid over-concentration in the markets, no carrier which qualifies both as a passenger carrier and a non-mail freight carrier may get mail under both the 70 percent—75 percent pool in 3 years—and the 20 percent pool—25 percent in 3 years—at the same time unless no other carrier qualifies in the market.

A substantial amount of the savings for the Postal Service comes from the creation of new bush rates for the carriage of mail. After collecting all of the carriers' cost data the Department of Transportation should first calculate the costs for all bush part 121 passenger carriers, then for 135 carriers, and finally for 135 carriers where only water landings are available to create a new rate for each class of carrier. In markets with qualified 121 carriers, all passenger carriers will be paid the 121 rate, including all 135 passenger carriers operating in those markets. For markets with only 135 carriers and water landing markets the new 135 rate will be applied evenly.

The act provides significant penalties for carriers which substantially misstate data just to qualify for bypass mail. However, it also gives DOT and the Postal Service the flexibility they need. Under this bill, both DOT and the Postal Service may grant waivers for otherwise unqualified passenger carriers if the carriers are operating in good faith, meaning they are making great efforts to provide passenger or non-mail freight service and are not using the bypass mail revenues as the primary means of their business. In addition, if the Postal Service or DOT determines a carrier meets all of the technical qualifications to operate in the system, but is not providing another substantial service, i.e. passenger or non-mail freight service, then it may be removed from the system. When making this determination DOT and the Postal Service should look at the quantity and quality of existing service in the community, including passenger carriage, and the proposed quality and quantity of service for the carrier seeking a waiver, to allow a 121 passenger carrier to become qualified if it reduces costs for the Postal Service and improves passenger service in a market, even if it has not provided a full 12 months of service in the market at the required levels under the Act.

To allow the Postal Service and DOT to collect 12 months of T–100 data from the carriers before establishing the new tender policy and setting new rates, most of the bush provisions will not take effect for 15 months from the date of enactment. Also, the bill requires the DOT to review the need for a bush rate case at least every 2 years. To maximize the savings for the Postal Service initial rate reviews by DOT should be performed expeditiously. All carriers in the State are allowed at least 1 year to begin providing additional services to the communities before reductions in mail tender go into effect.

Stating 6 months after the enactment date, the act permits the Postal Service and DOT to remove a carrier from the bypass mail program if the carrier was not attempting to qualify as a passenger or non-mail freight carrier.

The bill intends to promote safety by empowering the Secretary of Transportation to shut down any operation where substantial evidence exists that the carrier is flying in an unsafe manner to qualify for the tender of bypass mail. Such evidence includes flying in unsafe conditions or without proper training and equipment, especially with passengers on board.

The bill allows for the merger or acquisition of airlines. If two or more airlines merge, the two carriers' data for the previous period of time may be counted together for the purpose of qualifying for bypass mail. The merged carrier must show it is otherwise qualified to carry bypass mail under the provisions of the act. Also, where two or more air carrier certificates merge into one certificate, the carriers cannot later be split up and operated separately.

To allow the Postal Service to deliver the mail in the most efficient manner possible, under the provisions of this act, and under its internal statutory and regulatory provisions, the Postal Service may remove a carrier from the bypass mail system if it does not meet the requirements of this act. The act states previous carriage of bypass mail does not create a contract for guaranteeing future tender of bypass mail. Rather, the tender of bypass mail is only a contract for the carriage of each particularly batch of mail.

In summary, this bill intends to reduce the Postal Service's losses on the bypass mail program while improving safety and stabilizing passenger service. The full Senate Governmental Affairs Committee agreed, unanimously voting to pass the bill out of Committee on May 22, 2002. While some may argue this is re-regulation of the airline industry in Alaska, it is not. This bill requires carriers seeking eligibility to carry the bypass mail in Alaska to meet basic tests and minimum requirements. This is the time to correct the problems with the Alaska system before it collapses completely. To do otherwise would be to turn our backs on the rural communities of Alaska and the commitments the Federal Government has made to them as a result of broad Federal land ownership in Alaska.

Mr. CONRAD. Madam President, I rise to offer for the record the Budget Committee's official scoring of the conference report to H.R. 4775, the 2002 Supplemental Appropriations Act for Further Recovery and Response to Terrorist Attacks on the United States.

The conference report provides $29.356 billion in net, new discretionary budget authority, of which $14.492 billion if for defense activities and $14.864 billion is for nondefense activities. That additional budget authority will increase outlays by a total of $7.8 billion in 2002. Of the total spending authority provided, H.R. 4775 designates $29,886 billion as emergency spending, which will increase outlays by $7.783 billion in 2002. Per section 314 of the Congressional Budget Act, I have adjusted the Appropriations Committee's allocation for 2002 by the amount of that emergency funding. The conference report is within the committee's revised section 302(a) and 302(b) allocations for budget authority and outlays.

The conference report to H.R. 4775 is subject to several budget points of order. First, by including language increasing the 2003 cap on highway spending, the conference report violates section 306 of the Congressional Budget Act, which requires that such language be reported by the Budget Committee. Second, by amending the Caribbean Basin Economic Recovery

Act, H.R. 4775 decreases revenues by $60 million in 2003 and $785 million over the 2003–2012 period. Because the Congress has already breached the revenue aggregates under the 2002 budget resolution, the conference report violates section 311 of the Congressional Budget Act. Finally, H.R. 4775 violates section 205 of H. Con. Res. 290, the Concurrent Resolution on the Budge for Fiscal Year 2001, by including a number of emergency designations for spending on nondefense activities.

I ask for unanimous consent that two tables displaying the Budget Committee scoring of H.R. 4775 be inserted in the record at this point.

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

TABLE 1.—CONFERENCE REPORT TO H.R. 4775, 2002 SUPPLEMENTAL APPROPRIATIONS ACT FOR FURTHER RECOVERY FROM AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES (Spending comparison—302(a) Allocations to Appropriations Committee)

[In millions of dollars]

	Current Level Plus Supplemental	Senate Allocations	Difference
General purpose:			
BA	733,597	734,126	−529
OT	694,579	700,500	−5,921
Highways:			
BA	0	0	0
OT	28,489	28,489	0
Mass Transit:			
BA	0	0	0
OT	5,275	5,275	0
Conservation:			
BA	1,758	1,760	−2
OT	1,392	1,473	−81
Mandatory:			
BA	358,567	358,567	0
OT	350,837	350,837	0
Total			
BA	1,093,922	1,094,453	−531
OT	1,080,572	1,086,574	−6,002

Note: Details may not add to totals due to rounding. The conference report includes $29,886 million in emergency BA and $7,783 million in emergency outlays.

TABLE 2.—CONFERENCE REPORT TO H.R. 4775, 2002 SUPPLEMENTAL APPROPRIATIONS ACT FOR FURTHER RECOVERY FROM AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES (Spending comparisons—Conference Report)

[In millions of dollars]

	Defense	Nondefense	Mandatory	Total
Conference Report: [1]				
Emergency:				
Budget Authority	15,008	14,878	0	29,886
Outlays	5,444	2,339	0	7,783
Nonemergency:				
Budget Authority	−516	−14	0	−530
Outlays	−100	117	0	17
Total:				
Budget Authority:	14,492	14,864	0	29,356
Outlays	5,344	2,456	0	7,800
Senate-passed bill:				
Emergency:				
Budget Authority	13,932	17,690	0	31,622
Outlays	5,286	3,161	0	8,447
Nonemergency:				
Budget Authority	0	−107	0	−107
Outlays	0	190	0	190
Budget Authority	13,932	17,583	0	31,515
Outlays	5,286	3,351	0	8,637
House-passed bill: [2]				
Emergency:				
Budget Authority	16,074	12,955	0	29,029
Outlays	5,632	2,441	0	8,073
Nonemergency:				
Budget Authority	−54	1,112	0	1,058
Outlays	−7	261	0	254
Total:				
Budget Authority	16,020	14,067	0	30,087
Outlays	5,625	2,702	0	8,327
President's request: [3]				
Emergency:				
Budget Authority	14,048	13,095	0	27,143
Outlays	5,310	2,491	0	7,801
Nonemergency:				
Budget Authority	0	1,262	0	1,262
Outlays	35	232	0	257
Total:				
Budget Authority	14,048	14,357	0	28,405
Outlays	5,345	2,723	0	8,068
Conference Report Compared To: Senate-passed bill:				
Emergency:				
Budget Authority	1,076	−2,812	0	−1,736
Outlays	158	−822	0	−664
Nonemergency:				
Budget Authority	−516	93	0	−423
Outlays	−100	−73	0	−173
Total:				
Budget Authority	560	−2,719	0	−2,159
Outlays	58	−895	0	−837
House-passed bill:				
Emergency:				
Budget Authority	−1,066	1,923	0	857
Outlays	−188	−102	0	−290
Nonemergency:				
Budget Authority	−462	−1,126	0	−1,588
Outlays	−93	−144	0	−237
Total:				
Budget Authority	−1,528	797	0	−731
Outlays	−281	−246	0	−527
President's request:				
Emergency:				
Budget Authority	960	1,783	0	2,743
Outlays	134	−152	0	−18
Nonemergency:				
Budget Authority	−516	−1,276	0	−1,792
Outlays	−135	−115	0	−250

TABLE 2.—CONFERENCE REPORT TO H.R. 4775, 2002 SUPPLEMENTAL APPROPRIATIONS ACT FOR FURTHER RECOVERY FROM AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES (Spending comparisons—Conference Report)—Continued

[In millions of dollars]

	Defense	Nondefense	Mandatory	Total
Total:				
Budget Authority	444	507	0	951
Outlays	−1	−267	0	−268

[1] In addition to its increase in spending, the conference report retains the House-passed provision amending the Caribbean Basin Economic Recovery Act, which decreases revenues by $60 million in 2003 and $785 million over 10 years.
[2] The table removes directives of the House Budget Committee to the Congressional Budget Office on how to score certain provisions in the House-passed supplemental bill.
[3] Includes the President's request, transmitted with his 2003 budget, to provide supplemental funding in 2002 for Pell grants.

Notes: Details may not add to totals due to rounding. The conference report is within both the Committee's 302(a) and 302(b) allocations and the statutory caps on discretionary spending for 2002.

Mr. INHOFE. Madam President, I am pleased that the supplemental bill contains $75 million additional funding for the Federal Aviation Administration's operational account. It was facing some severe cutbacks in service without this funding.

In particular, the FAA had reduced funding for proficiency and developmental training of air traffic controllers. This funding was reduced by about $10 million without reprogramming approval from the Transportation Appropriations Subcommittee. It is my hope and desire that the FAA add back at least $2 Million to the Air Traffic Instructional Services program. This is a vital program that should never have been cut back. It provides ongoing in-service developmental training all across the country. It has proven to lower error rates by air traffic controllers, thus making the skies safer for the flying public. I believe they should restore the funding immediately.

Ms. CANTWELL. Madam President, I have come to the floor today to discuss an item that is not in the conference report that we will soon vote on, but is critical for our national defense, our future economic vitality, and the ability of our workers to turn this national disaster into new opportunities.

As my colleagues know, the Senate supplemental bill contained $400 million for job training and employment assistance for our Nation's workers.

These are funds that were requested by the administration and supported by a bipartisan group of Senators, and are critically needed throughout our Nation.

Unemployment nationwide has hovered around 6 percent throughout most of this year, and in my State, it is been considerably higher than the national average. With the loss of nearly 20,000 commercial aviation jobs in Washington State and severe slowdowns in other major industries, we are likely to suffer secondary layoffs that extend throughout the next 2 years.

But throughout the Nation, we are seeing more and more workers who are unable to find employment for extended periods of time.

A report released last week by the National Employment Law Project found that long-term employment is higher now than in any of the last four recessions.

The number of workers unemployed for more than 26 weeks has grown over 140 percent from March of 2001,

Former Treasury Secretary Robert Rubin wrote on Sunday in the Washington Post that, to get our economy on a sound footing and restore the prosperity of the '90s, we need to do three things: one, look seriously at our nation's long term fiscal position; two, expand trade by granting trade promotion authority; and three, invest in the training of our workers . . .

Mr. Rubin went on to say that "Budgeting priorities should heavily emphasize preparing our future workforce to be competitively productive in the global economy."

I have supported this bill and I still believe that we need to get these funds out there to replenish vital defense accounts and to implement immediate improvements in homeland security.

But in trimming the bill down to reach the level of spending the President feels necessary, I believe that this bill does a disservice to the workers in this nation trying to upgrade or learn new skills and identify new opportunities, and continues to short-change the systems that we have established to support those efforts.

While we are experiencing massive layoffs throughout the nation, businesses continue to find a serious skills shortage in our workforce, which slows our economic recovery.

Reducing WIA funding at this time by allowing last year's rescission to be enacted, will seriously impede our ability to get workers the training they need to secure high-paying jobs and strengthen U.S. competitiveness in the global economy. Such cuts would be short-sighted at a time when long-term unemployment is at a record high.

So I am disappointed that these funds have fallen through at the eleventh hour.

We are facing a tidal wave of demand for job training services. One-stop centers throughout this nation are experiencing record visits by displaced workers and those seeking to upgrade their skills.

In my State, the Renton "Worksource Center" is serving over 4,500 workers per month; and the Benton-Franklin County center recently served 991 job seekers in a single day last month;

And our one-stop systems are already producing results. In Washington, we have estimated that, for every dollar invested in programs for dislocated workers and youth training, we get $8 in participant earnings growth and taxes collected.

As these programs get further institutionalized, and as workers get to know the one-stop sites created throughout our States, we will see even greater usage by workers seeking to upgrade their skills or find a more ideal job.

But it won't happen if we don't commit to getting the system up and running. If we continue to short-change workforce development systems, the effects will be felt on our economy for years to come.

That is why I and over 50 of my colleagues joined together in requesting an increase in funding in the regular Labor-HHS appropriations bill currently under consideration by the committee. Despite my concerns about the immediate needs, I am pleased that the committee has decided to restore last year's rescission and provide increases in job these training accounts.

I urge my colleagues on the committee to work with us in ensuring that those funds are protected and maintained as we proceed to moving that bill through both Houses, and that we expeditiously reach consensus on that bill in the interest of our Nation's future.

I ask unanimous consent to print the Washington Post article by Robert Rubin in the RECORD.

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

[From the washingtonpost.com, July 21, 2002; Page B07]

TO REGAIN CONFIDENCE

(By Robert E. Rubin)

There has been much confusion and uncertainty among investors and in Washington about the economy and the stock market, and about what to do in response to a seemingly significant loss of confidence in our system. Much of the focus has been on accounting and corporate governance. These issues are important, but I think the restoration of confidence and the establishment of sound fundamentals going forward require a much broader focus.

To address accounting and corporate governance first: Clearly reforms are needed to deal with the systemic issues revealed by the recent spate of corporate problems, as are specific enforcement actions where appropriate. The accounting and corporate governance bill passed recently by the Senate seems to me on the whole sensible and responsive to these needs. Similarly, the New York Stock Exchange has issued thoughtful proposals on corporate governance. Expensing of stock options is, in my view, worth serious consideration, though practical problems such as valuation need to be resolved. And the conflicts between research and investment banking need a dispositive, industry-wide solution.

These accounting and corporate governance problems developed over time—as seems to happen after extended good times—but only really came to the fore during the past year. From the time the magnitude of the problems became clear, the need was for a response that was energetic, effective and as rapid as possible. But that response—both in regulatory and legislative changes and in enforcement—should be balanced and appropriate. Our accounting and corporate governance systems have great strengths—in allowing for decisive management decisions, rapid change and agility, experimentation and risk taking—and those strengths should not be unwisely eroded.

Having said that, these accounting and corporate governance issues—though very important—are only part of a much broader question of how to best promote confidence and strong fundamentals, for the short and the long term.

That was exactly the question the new administration faced in the beginning of 1993, and the strategy then put in place contributed centrally to the remarkably strong economic conditions and sound economic fundamentals for the balance of the 1990s. Unemployment fell from over 7 percent to 4 percent and was under 5 percent for 40 consecutive months; private investment in productive equipment grew at double-digit rates for eight years; annual productivity growth more than doubled by the end of the period; inflation was low; GDP growth averaged roughly 4 percent per annum, and 20 million new private-sector jobs were created. Moreover, instead of the huge 10-year deficits projected by the Office of Management and Budget at the end of 1992, deficits were reduced and in time surpluses began.

Certain imbalances did develop—for example, the levels of consumer and corporate debt, the level of the stock market, and excess capacity—as they always do after extended good times, and an adjustment period was inevitable. How difficult that period was going to be would be affected by many factors, very much including the actions of government. Also, the legacy of the 1990s provided strong fundamentals to ameliorate this adjustment, e.g., a large fiscal surplus, strong productivity growth, low unemployment, more open markets around the world and a healthy banking system.

In my view, we need to restore the sound, broad-based strategy that was so central to the prosperity of the '90s. More specifically, I would focus especially on the following:

(1) Virtually the entire $5.6 trillion surplus projected by the nonpartisan Congressional Budget Office in January 2001, including $2.5 trillion of Social Security surplus, has now been dissipated. I wrote when last May's 10-year tax cuts were being debated that their direct cost—later estimated by the CBO as $1.7 trillion including debt service—and even more important, their indirect cost in undermining political cohesion around fiscal discipline, threatened the federal government's long-term fiscal position. And that is precisely what has happened.

Long-term fiscal discipline and a sound long-term fiscal position contribute substantially, over time but also in the short term, to lower interest rates, increased consumer and business confidence, and to attracting much-needed capital from abroad to our savings-deficient country. In addition, a sound long-term fiscal position would far better enable us to meet our long-term Social Security and Medicare commitments.

The portion of the 10-year tax cut that occurred in the short-term may well serve a useful expansionary purpose at a time of economic weakness. But the great preponderance of this tax cut occurs in outer years. Moreover, nobody is talking about a tax increase; the question is whether the cuts enacted for later years should be canceled. In my view, all matters pertaining to taxes and spending should be on the table, with a commitment to reestablishing a sound long-term fiscal position for the federal government.

(2) Trade liberalization and our own open markets contributed greatly to our economic well-being during the 1990s, and are critically important looking forward. The president should be given trade promotion authority, and the recently adopted steel tariffs and agricultural subsidies—which present such a threat to global trade liberalization and to business confidence in the outcome of the struggle over continued globalization—should be corrected. Also—a related matter—we should be prepared to engage in and lead en effective and sensible response to financial crisis abroad when our interests can be affected.

(3) Budgeting priorities should heavily emphasize preparing our future workforce to be competitively productive in the global economy, including improving our public school system and equipping the poor to join the economic mainstream.

Finally, we must deal effectively—building on the strong response to the terrible attack of Sept. 11—with the immensely complex challenges of terrorism and geopolitical instability that are of enormous importance to our economy as well as to our national security.

Much of this is difficult, substantively and politically, but the willingness to deal with exceedingly difficult public issues was central to our economic well-being in the '90s and is centrally important today and for the years and decades ahead.

The writer was head of the National Economic Council from 1993 to 1994 and secretary of the Treasury from 1995 to 1999. He is now director and chairman of the executive committee of Citigroup Inc.

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

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

Mr. STEVENS. Madam President, I yield any time on our side. The Senator from West Virginia authorizes me to yield back all time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the conference report. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES, I announce that the Senator from North Carolina (Mr. HELMS), is necessarily absent.

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

The result was announced—yeas 92, nays 7, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—92

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

NAYS—7

Feingold	Santorum	Voinovich
Fitzgerald	Specter	
McCain	Thomas	

NOT VOTING—1

Helms

The conference report was agreed to.

GREATER ACCESS TO AFFORDABLE PHARMACEUTICALS ACT OF 2001—Continued

AMENDMENT NO. 4315

The PRESIDING OFFICER. Under the previous order, there will now be 5 minutes of debate, equally divided, on the Hagel amendment No. 4315 prior to the vote on or in relation to the amendment.

Who yields time?

Mr. KENNEDY. Madam President, as I understand it, we are on the Hagel amendment and we have 5 minutes evenly divided. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I imagine the Senator from Nevada would want recognition to make a statement in favor of his amendment.

Madam President, I will yield myself 2½ minutes and ask to be notified of the last 15 seconds.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Madam President, yesterday we voted in the Senate on whether we were going to deal with a comprehensive prescription drug program for our senior citizens—the 13 million who have none, the 10 million who have employer-based systems and are losing it, and the 4 million who have HMO coverage but have caps of $500 and $750. We debated that.

I strongly supported the Graham-Miller proposal because it is built upon the Medicare model, a tried and tested program. It was comprehensive, affordable, and it would have met the needs of our senior citizens. I differed with our Republican friends on this particular proposal, but they believe they would achieve the same goal.

That isn't what the Hagel proposal is all about. It will only amount to 10 or 12 cents out of every health care dollar.