

Many Montana workers are now back at work and many firms are still in business thanks to TAA. Take for example, Montola Growers which is researching new markets for its safflower oil, Thirteen Mile Lamb and Wool Company which is designing new garments for manufacture by contract knitters, and Pyramid Lumber, which is improving its milling efficiency.

Expanded trade adjustment assistance will help Montana workers by streamlining the process and expanding the net of eligibility. More will be eligible. In addition, a new program will provide up to \$10,000 in cash assistance to Montana farmers and ranchers injured by imports. This should be a good incentive to keep Montana farmers and ranchers, their families, and future generations on the land.

Good jobs will be created in Montana if we are willing to give our negotiators the strong hand needed to secure sound trade agreements, open those markets, and knock down those barriers. I hope my colleagues will feel the same about their own constituencies and lend their support to this very important matter.

Mr. President, I ask unanimous consent that the full text of the letter I quoted be printed in the RECORD.

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

July 31, 2002.

Hon. MAX BAUCUS,  
U.S. Senate, Washington, DC.

RE: Unified Support for TPA Passage

DEAR SENATOR BAUCUS: On behalf of the Montana Farm Bureau Federation, The Montana Stockgrowers Association, the Montana Grain Growers Association and the Montana Chamber of Commerce we would like to reconfirm our support of Trade Promotion Authority (TPA). We ask for your support as well when the bill comes to the floor of the Senate later this week.

As you know, this bill has already overcome many hurdles, including passage in both the House and Senate. Just last week, the House approved the conference report. Passage in the Senate is the last hurdle before it goes to the President for signature.

We are aware that trade is not always free or fair. But we believe this legislation is vital in putting the United States on a similar playing field with agreements that are negotiated around the world. While we understand that trade promotion authority will not fully address inequities with existing trade agreements, we feel strongly that this is an important way of establishing long term agreements that will help return profitability back to the producer level.

It should be noted that Montana sold over half a billion dollars worth of exports last year to 100 foreign markets. Agriculture accounted for half of that value. We must find a way to put more money in the pockets of our farmers and ranchers or they will not be able to stay in business. The vast majority of ag producers recognize that increasing exports increases their bottom line.

Thank you for your continued strong support of Montana agricultural producers.

Sincerely,

JAKE CUMMINS,  
Executive Vice President,  
Montana Farm Bureau Federation.

STEVE PILCHER,

Executive Vice President,  
Montana Stockgrowers Association.

WEBB BROWN,  
President,  
Montana Chamber of Commerce.

RICHARD OWEN,  
Executive Vice President,  
Montana Grain Growers Association.

Mr. BAUCUS. Mr. President, I yield the floor.

#### DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2003

The PRESIDING OFFICER. Under the previous order, the hour of 2:20 p.m. having arrived, the Senate will now resume consideration of H.R. 5010, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5010) making appropriations for the Department of Defense for the fiscal year ending September 30, 2003, and for other purposes.

Pending:

McCain amendment No. 4445, to require authorization of appropriations, as well as appropriations, for leasing of transport/VIP aircraft.

The PRESIDING OFFICER. Who yields time?

The Senator from Arizona.

AMENDMENT NO. 4445 WITHDRAWN

Mr. MCCAIN. Mr. President, I ask unanimous consent to withdraw my amendment and, along with that unanimous consent agreement, that I be allowed 8 minutes and the Senator from Texas be allowed 5 minutes to speak on the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. I don't quite understand the request.

Mr. MCCAIN. I am requesting unanimous consent to withdraw the amendment but be allowed to speak for up to 8 minutes on the amendment and the Senator from Texas be allowed 5 minutes to speak on the amendment.

Mr. STEVENS. No objection.

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

(The amendment (No. 4445) was withdrawn.)

Mr. MCCAIN. Mr. President, could the Senator from Texas be allowed to be recognized first on this, and I then be recognized for my 8 minutes?

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I thank our dear colleague from Arizona. I thank him for his vigilance on this issue.

We have two issues before us, but they really boil down to the same principle, and I want to talk more about the principle than I do the interest.

The first issue has to do with the leasing of four 737s. I would have to say, this is a transaction I have not looked at very closely. This is some-

thing new to this bill. What I want to focus my attention on is the leasing of 100 Boeing 767s, which was contained in last year's appropriations bill, which was not competitively bid.

In looking at the economics of leasing these planes, to the best of my ability—to get data, and to understand it—it looks to me that if we need these planes as tanker replacements, we ought to buy the planes.

My concern is, we are going into leasing because we do not have the front-end costs in the appropriations process with leasing that we do with purchasing. If in fact my concern is legitimate, what it means is, we are having procurement dictated by how we score leasing versus procurement. I think if that in fact is the case, we are making a very big mistake.

I think something needs to be done about looking at these leasing contracts into which we are entering. They represent tens of billions of dollars of commitments of resources into the future. It seems to me that OMB and CBO need to work together to come up with a methodology to look at leasing versus buying. And this is something that ought to be looked at by the Defense authorization bill since the leasing of the 737s and the leasing of the 100 767s—neither of them was authorized by the Defense authorization bill.

I think it is imperative, before we go through this process again, that we have OMB and CBO develop for us a methodology of looking at leasing versus purchases, that we have hearings in the authorizing committee, and that we have authorizing legislation in this area.

I was very concerned, last year, with 100 Boeing 767s because the clear intent at that time, no matter what the economics were, was to basically help Boeing, given that they did not get the major defense contract of our era.

I do not think, given that we have a \$168 billion deficit, we ought to be in the business of simply gratuitously giving billions of dollars to companies that do not win contracts. The whole purpose for competing contracts is to choose the contractor that will do it best at the lowest possible price. The idea that losers have to be compensated is about as far away from the market principle as it can be.

So I would certainly urge that something be done to develop a methodology so that the Senate can make rational decisions about leasing versus buying.

I thank Senator MCCAIN for his leadership in this area. This is something we ought to be concerned about. We are talking about tens of billions of dollars. We are making commitments on economics that people have not looked at or understood. I think this is something we need to understand. And I hope to pursue, with Senator MCCAIN, a study by CBO and OMB to set the stage for the setting of a policy in the future.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I thank my friend from Texas, who understands the issues of economics and leasing and the machinations of various budget activities far better than I. I appreciate his support.

I remind my colleagues that the amendment I have withdrawn would have just simply required the authorization of appropriations of \$30.6 million—I repeat, \$30.6 million—for the four Boeing 737 congressional/executive VIP aircraft. That is all it did.

The language in the amendment is identical to language requiring authorization of appropriations for 100 Boeing 767 tanker aircraft that is included in the fiscal year 2003 Defense authorization bill. Whether that lasts through conference will be very questionable, given the enormous impact of the lobbying by Boeing Aircraft.

Last year, during conference negotiations on the Department of Defense Appropriations Act for fiscal year 2002, the Senate Appropriations Committee inserted into the bill unprecedented language to allow the U.S. Air Force to lease 100 Boeing 767 commercial aircraft and convert them to tankers, and to lease four Boeing 737 commercial aircraft for VIP airlift to be used by congressional and executive branch officials.

My colleagues will recall that Congress did not authorize these leasing provisions in the fiscal year 2002 National Defense Authorization Act, and in fact the Senate Armed Services Committee was not advised of this effort by the U.S. Air Force during consideration of that authorization measure.

Again, this year, without benefit of authorization, committee debate, or input, the Senate Appropriations Committee has added funding in the fiscal year 2003 Department of Defense appropriations bill for \$30.6 million to cover initial leasing costs for the four Boeing 737 congressional/executive VIP transport aircraft.

I am concerned that the impact of this 737 leasing provision has not been adequately scrutinized and the full cost to taxpayers has not been sufficiently considered. In fact, after review of the Air Force's proposed lease for the four 737s, and its comparison of leasing and purchase options for these aircraft, it appears that certain leasing costs are being hidden to make the leasing option appear more cost effective.

In addition, recent CBO and GAO analysis of the Air Force's 737 leasing proposal suggests that the lease could cost the Government, and ultimately the U.S. taxpayers, from \$13.5 million to \$20 million more than to purchase these aircraft. These CBO and GAO reports, it seems to me, lend credence to the view that additional scrutiny of the leasing proposal would be beneficial—and such scrutiny generally occurs during the congressional authorization process.

I repeat, my amendment only said that this insertion in the appropriations bill would have required authorization. It would not have stopped it.

This is the same kind of egregious behavior we often rail against here on the Senate floor when it comes to corporate scandals.

What is at risk in this series of unfolding circumstances is the trust Americans have in our Congress and in Government.

I am aware that the chairman of the Armed Services Committee has just a short time ago received a letter from OMB Director Mitch Daniels stating the administration's support for the lease of these four aircraft.

I know also that our committee has received a reprogramming request for the funds necessary to begin this lease. This reprogramming request, evidently, has addressed any concerns, my friends, the chairman and ranking member, might have had about the Appropriations Committee. Accordingly, Senators LEVINE and WARNER would have opposed my amendment insisting that our committee need not authorize these leases. I understood the reality and withdrew the amendment.

However, I want to make a couple of observations. I guess I don't know for certain why OMB has decided to support this lease—which will cost American taxpayers just about as much to rent four aircraft as it would to own them. I assume it is because the real need for these aircraft is negligible compared to our many other defense priorities, and to find the money to support a luxury in a time of enormous budget deficits it becomes necessary to engage in budgetary shell games and appropriations parlor tricks. But the American people should know and their elected officials should understand that the accounting tricks that we decry in the corporate world and that have so distressed our financial markets should not be any more acceptable in government spending decisions.

Lastly, I say to my friends, the chairman and ranking member of my committee, for whom I have great affection and respect—and I mean that: I remember a time when the members of the Senate Armed Services Committee considered their authorizing responsibilities to be considerably more onerous than simply receiving and acquiescing in the occasional reprogramming request for an unneeded, unaffordable, luxury acquired by resorting to spending gimmickry rather than insisting that the scarce resources available for our armed services—in an age of serious and multiple threats to our freedom—ought to be spent on our security and our security alone and not on the convenience of travelling members of Congress and the executive branch.

I yield the balance of my time.

The PRESIDING OFFICER. The majority leader.

#### UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. DASCHLE. Mr. President, we are making good progress in our effort to bring the debate on this bill to a close. I compliment the distinguished Senators, the managers of the bill, the chairman, and the ranking member. At a point when we are able to conclude the debate, I know Senator LEVIN would like to be recognized for a few minutes before that happens, we will go to final passage. There will then be an opportunity to vote on issues relating to the Executive Calendar—at this point I am not sure how many votes relating to the judicial nominations on the calendar, but it is my intention to go to many of the judges who are currently listed on the Executive Calendar.

I would like to propound a unanimous consent request. It has been cleared by the distinguished Republican leader in regard to that matter.

I ask unanimous consent that immediately following the disposition of the Defense appropriations bill, the Senate proceed to executive session to consider Executive Calendar No. 862, Henry Autrey, to be U.S. District Judge; that there be 4 minutes for debate equally divided between the chairman and ranking member of Judiciary Committee; that upon the use or yielding back of that time, the Senate vote immediately on confirmation of the nomination; that the motion to reconsider be laid on the table; the President be immediately notified of the Senate's action; any statements thereon be printed in the RECORD; and the Senate then return to legislative session, with the preceding all occurring without any intervening action or debate.

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

Mr. DASCHLE. Mr. President, to repeat, there will be a vote on final passage, at least one, perhaps more votes on the judicial nominations that we have been able to clear. Then I would also note that we have one other vote at least after all of that, which is the vote on the final passage of the trade promotion authority conference report. There are Senators who had asked to be recognized for remarks prior to the time we have that vote. We will be consulting with them relating to the amount of time they will require.

I urge Senators to be aware that after this block of votes, there will be at least one, maybe other important votes this afternoon.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Michigan.

Mr. LEVIN. Mr. President, I wonder if one of the managers will yield 4 minutes to me.

Mr. INOUE. I yield 4 minutes.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, last year's Defense Appropriations Act contained a provision which authorized the Secretary of the Air Force to pursue

multiyear leases for two types of aircraft, up to four Boeing 737 aircraft and up to 100 Boeing 767 aircraft. That provision exempted these leases from the requirement for congressional authorization in sections 2401 of title X which I thought was an unfortunate action on the part of the Appropriations Committee. That was last year.

After the enactment of that provision by our good friends, the appropriators, the Secretary of the Air Force appeared before the Armed Services Committee and he made a personal commitment to us that he would not proceed with a lease without first coming to both the authorizing committee and the Appropriations Committee for approval of funding required for the lease.

In the case of the proposed Boeing 737 lease, the four planes, the Secretary lived up to that commitment. The Department of Defense submitted a request for reprogramming to both the Armed Services Committee and the Appropriations Committee. The Armed Services Committee met earlier today, about an hour and a half ago, to consider the reprogramming request from the Department of Defense. I emphasize, this reprogramming request is from the Department of Defense. My immediate response, when we received it, was to ask the Department of Defense some questions and to ask the OMB some questions.

The main question I was asking the Department of Defense was whether they considered this a precedent for any other reprogramming requests. The answer was no.

The question I asked the OMB was whether or not the OMB supports this request and if so why. The OMB has sent a letter now to us indicating that they support the Department of Defense reprogramming request, and they set forth their reasons.

I ask unanimous consent the letters from the Department of Defense and the OMB supporting the reprogramming request be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SECRETARY OF THE AIR FORCE,  
*Washington July 31, 2002.*

Hon. CARL LEVIN,  
*Chairman, Committee on Armed Services,  
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: This letter is in response to your questions regarding the Air Force's intent to award a contract to lease four Boeing 737 aircraft under the Multi-Year Aircraft Lease Pilot Program authorized by Section 8159 of the Fiscal Year 2002 Department of Defense Appropriations Act.

Our analysis shows that the least cost alternative is a lease program. Under the terms and conditions of the proposed lease contract negotiated with Boeing, the net present value of the lease is approximately \$3.9M less than a purchase over the same period.

With respect to your comment that you do not consider the proposed Boeing 737 lease to be a precedent for any other lease, I agree. Although the Air Force will use a similar methodology to determine the value of a 767 lease (if one can be successfully negotiated), in the end, the Air Force will only bring forward a lease proposal which shows a net present value that is advantageous to the American taxpayer.

Thank you for your prompt attention to this matter.

Sincerely,

JAMES G. ROCHE.

EXECUTIVE OFFICE OF THE PRESIDENT,  
OFFICE OF MANAGEMENT  
AND BUDGET,  
*Washington, DC, July 31, 2002.*

Hon. Carl Levin,  
*Chairman, Committee on Armed Services  
U.S. Senate, Washington, DC.*

DEAR SENATOR LEVIN: Thank you for your letter of July 30th concerning the proposed lease of Boeing 737 transport aircraft. You asked if the lease proposal is consistent with the criteria for an operating lease under OMB circular A-11 and with the requirements of Section 8159 of the FY 2002 DoD Appropriations Act.

We believe that the lease is consistent with A-11 and Section 8159, despite the fact that it includes an option to purchase the aircraft. In particular, the lease proposal meets two key requirements in A-11: (1) the lease payments constitute no more than 90% of the value of the asset (the aircraft); and (2) the asset is commercial in nature and not designed to meet unique government purposes. Under A-11, purchase options are allowable in operating leases as long as they do not commit the government to purchase and as long as the purchase is at the fair market value of the asset at the time the option is exercised. In this case the prices quoted in the contract are fair market value for this type of aircraft after five years of use. There-

fore, as long as the Air Force provides the required funding to purchase the aircraft upfront if and when it decides to exercise the option, it can do so without violating the A-11 requirements for an operating lease. The lease is also consistent with Section 8159 in this regard since the purchase option requires separate authority in order to be exercised.

Finally, all costs for FY 2002, including termination liability costs, are fully covered by the reprogramming request of \$37.2 million that was sent to the Congress. In future years, the program will continue to be scored according to guidelines for operating leases under A-11 thus requiring an annual appropriation.

In summary, we support the proposal worked out with the Air Force on the lease of 737s. Any future leases would be expected to comply with these standards. Thank you again for your interest.

Sincerely,

MITCHELL E. DANIELS, Jr.  
*Director.*

Mr. LEVIN. Mr. President, that relates only to the 737 lease which is the matter in the appropriations bill. There is no reference to the 767 lease, which is for the 100 tankers, in the appropriations bill before us. We need to address how that issue should be addressed.

In the authorization bill, which this Senate has passed and which is now in conference, we added a provision which states that before there is any lease, the Department of Defense must obtain authorization for that lease. This legislation will not only require the Department of Defense and the Office of Management and Budget to lay out the ground rules for any such lease but also to obtain the approval of the authorizing committees as well as the appropriators for any lease of Boeing 767 aircraft. That is the way in which I believe we have done the people's work in requiring the justification from the OMB and the Department of Defense for the reprogramming request relative to the four 737s and the way in which we will protect the public interest relative to any request for funding for a lease for the 767s and for the tankers.

Mr. President, I ask unanimous consent that a number of documents I referred to be printed in the RECORD.

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

Unclassified

## REPROGRAMMING ACTION — PRIOR APPROVAL

Page 1 of 2

<b>Subject:</b> C-40 Lease	<b>DoD Serial Number:</b> FY 02-11 PA
<b>Appropriation Title:</b> Research, Development, Test, and Evaluation, Air Force, 02/03 Aircraft Procurement, Air Force, 02/04 Operation and Maintenance, Air Force, FY 2002	<b>Includes Transfer?</b> Yes

Component Serial Number: FY 02-25 IR	(Amounts in Thousands of Dollars)							
	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
Line Item	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This action is submitted for prior approval because it initiates a new start program. This action uses general transfer authority, pursuant to section 8005 of Public Law 107-117, the DoD Appropriations Act, 2002; and section 1001 of Public Law 107-107, the National Defense Authorization Act for FY 2002. This action reprograms funding in support of a higher priority item, based on unforeseen military requirements, than that for which the funds were originally appropriated. This action meets all administrative and legal requirements of the Congress. This action also involves congressional special interest items.

**FY 2002 REPROGRAMMING INCREASES:** +37,200

**Aircraft Procurement, Air Force, 02/04** +31,200

Budget Activity 4: Other Aircraft

C-40 - - +31,200 31,200

Explanation. As authorized by section 8159 of Public Law 107-117, the DoD Appropriations Act, 2002, this funding will be used to establish the Boeing 737 Lease Pilot Program in FY 2002. Increased travel requirements resulting from events of September 11, 2001, mandatory retirement of aging aircraft, and on-going modernization programs result in a shortfall in airlift capacity in the Special Air Mission (SAM) fleet based at Andrews Air Force Base (AFB), Maryland. To offset this operational deficit, the Air Force plans to enter into a long-term operating lease of up to four Boeing 737 (C-40) aircraft under the Lease Pilot Program. The C-40 is the military variant of the commercial 737-700 Boeing Business Jet.

**Operation and Maintenance, Air Force, FY 2002** +6,000

Budget Activity 2: Mobilization

3,653,410 3,653,914 +6,000 3,659,914

Explanation. This requirement is for the operations and support costs incurred during FY 2002 to support the Boeing 737 Lease Pilot Program based at Andrews AFB, Maryland.

Approved (Signature and Date)

Dov S. Zakheim

JUN 27 2002

Unclassified

## REPROGRAMMING ACTION – PRIOR APPROVAL

Page 2 of 2

<b>Subject:</b> C-40 Lease						<b>DoD Serial Number:</b> FY 02-11 PA			
<b>Appropriation Title:</b> Research, Development, Test, and Evaluation, Air Force, 02/03 Aircraft Procurement, Air Force, 02/04 Operation and Maintenance, Air Force, FY 2002						<b>Includes Transfer?</b> Yes			
<b>Component Serial Number:</b> FY 02-25 IR		<i>(Amounts in Thousands of Dollars)</i>							
		<b>Program Base Reflecting Congressional Action</b>		<b>Program Previously Approved by Sec Def</b>		<b>Reprogramming Action</b>		<b>Revised Program</b>	
<b>Line Item</b>		<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
<b>a</b>		<b>b</b>	<b>c</b>	<b>d</b>	<b>e</b>	<b>f</b>	<b>g</b>	<b>h</b>	<b>i</b>
<b>FY 2002 REPROGRAMMING DECREASE:</b>						<b>-37,200</b>			
<b>Research, Development, Test, and Evaluation, Air Force, 02/03</b>						<b>-37,200</b>			
<b>Budget Activity 5: Engineering and Manufacturing Development</b>									
PE 0401318F CV-22		190,008		190,008		-37,200		152,808	
<p><u>Explanation.</u> This is a congressional special interest item. Funds were added in FY 2002 to manufacture two Engineering and Manufacturing Development test articles. The period of performance for this effort is from FY 2002 through FY 2005. As a result, \$37.2 million is not required in FY 2002 to cover costs incurred during the FY 2002-FY 2003 period of performance, but it is required in FY 2004 instead. Therefore, funds are available to fund higher prior requirements and will be budgeted in FY 2004 to complete the manufacture of the test articles consistent with congressional intent.</p>									
Approved (Signature and Date)									

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
Washington, DC, July 30, 2002.

Hon. JAMES G. ROCHE,  
Secretary of the Air Force, The Pentagon,  
Washington, DC.

DEAR SECRETARY ROCHE: On June 24, 2002, the Senate Armed Services Committee received a letter indicating your intent to award a contract to lease four Boeing 737 aircraft under the Multi-Year Aircraft Lease Pilot Program authorized by Section 8159 of the Fiscal Year 2002 Department of Defense Appropriations Act. The Committee subsequently received a request for reprogramming to enter into such a lease.

As the Committee considers this reprogramming request, I would appreciate your response to the following questions.

First, based on net present value calculations performed by the Air Force, do you believe that it will cost the Air Force more or less to lease the four aircraft than it would cost to purchase the same aircraft?

Second, as you know, Section 8159 authorizes the Secretary of the Air Force to investigate operating leases for both Boeing 737 aircraft and Boeing 767 aircraft. In my view, any proposed lease should be considered on its merits, and for that reason I do not consider the proposed Boeing 737 lease to be a precedent for any other lease, including a potential Boeing 767 lease. Do you agree or disagree?

Because your reprogramming request is currently pending before our Committee, I would appreciate a prompt response to these questions.

Thank you for your assistance in this matter.

Sincerely,

CARL LEVIN,  
Chairman.

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
Washington, DC, July 30, 2002.

Hon. MITCHELL E. DANIELS, Jr.,  
Director, Office of Management and Budget,  
The White House, Washington, DC.

DEAR MR. DANIELS: On June 24, 2002, the Senate Armed Services Committee received a letter from the Secretary of the Air Force informing us of the Secretary's intent to award a contract to lease four Boeing 737 aircraft under the Multi-Year Aircraft Lease Pilot Program authorized by Section 8159 of the Fiscal Year 2002 Department of Defense Appropriations Act. The Committee subsequently received a request for reprogramming "to enter into a long-term operating lease of up to four Boeing 737 (C-40 aircraft)" as authorized by section 8159.

Section 8159 states that "The Secretary shall lease aircraft under terms and conditions consistent with this section and consistent with the criteria for an operating lease as defined in OMB Circular A-11, as in effect at the time of the lease." It further states that "No lease entered into under this authority shall provide for . . . the purchase of the aircraft by, or the transfer of ownership to, the Air Force." An Air Force report to the Congress regarding the proposed contract terms and conditions states that "A price option to purchase the aircraft at residual value is included. Exercise of the options is subject to a separate authorization and appropriation."

I would appreciate if you would review the proposed contract terms and conditions and determine: (1) whether the terms and conditions are consistent with the criteria for an operating lease as defined in OMB Circular A-11; (2) whether the terms and conditions are consistent with the requirements of Section 8159; and (3) how the lease should be scored for budget purposes. I would also ap-

preciate your statement as to whether, in view of these terms and conditions, the Office of Management and Budget supports the proposed lease.

Because the Air Force reprogramming request is currently pending before our Committee, I would appreciate a prompt response to these questions.

Thank you for your assistance in this important matter.

Sincerely,

CARL LEVIN,  
Chairman.

Mr. LEVIN. Mr. President, if I may have an additional minute, I think a number of important points were raised by the Senator from Texas relative to the leasing issue. I hope that path will be followed, where the Department of Defense and the OMB will set forth some criteria, some guidelines, relative to leasing because there are some real risks when the leasing road is walked in terms of committing future resources.

We hope we have protected the taxpayers in this matter by looking at the reprogramming request very carefully. A majority in the committee has voted and approved formally the way we do reprogramming; nonetheless, it has approved the reprogramming request.

Senator WARNER has worked with me and fully concurs in the decision that we made to get the decision from the committee. Usually, reprogramming is done more informally, but we decided that because there were some differences, we would actually convene the committee and get a more formal response and polling of the committee relative to the Department of Defense's reprogramming request on the four 737s. That is completed now, and the reauthorization issue will now be addressed relative to the 100 tankers.

I thank my friends for the time. I thank Senator MCCAIN for withdrawing his amendment, and I hope we are on the right track.

THE PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, the Senator from Texas started his comments about this subject with the phrase "if" we need these planes. That is the point of departure, as far as I am concerned, from those who oppose what we have done to start leasing planes.

The tankers that we are replacing in the lease program, the 767s, have reached over 42 years of age. Senator INOUE and I have talked to pilots throughout the world who are flying our planes, and we found that, to a great extent, these planes are spending more time in the depot for maintenance than they are spending flying. The cost of maintaining a plane that old is irrelevant to the subject of what we are spending on these new planes. That doesn't figure in on the CBO. If you save money from maintaining a 42-year-old airplane, that doesn't count toward what it costs you to lease a plane to take its place.

Now, we have an unquestioned need for these planes. As I said last night, I cannot imagine that, in the time when

I was an Army and Air Corps pilot, anyone would have dared offer me a 1902 plane to fly in World War II. But that is equal to what we are doing now. We are not only offering it, we are forcing our people to fly planes that are, for the most part, older than the pilots who are flying them. It is costing us more to maintain them than the planes are worth. It is because of the failure of the Congress to face up to the problems of replacing our aging systems that we face this tremendous bow-wave of costs in front of us.

We are not able to lease combat equipment. We don't seek to lease combat equipment, but we do seek to lease those types of systems that are available in the competitive market and for which there will be a market at the end of the lease. I envision that we will go away from the point of having to spend dollars and dollars and dollars to maintain old planes to the point where we will turn these planes back after not more than 10 years, and then we will buy the next generation. This generation will go out into the general aviation sector of the world, and we will have a value. That value is not calculated in these systems either because they just assume we will keep leasing them, I guess, and envision us continuing to lease these planes until they, too, are 40 years old.

As a practical matter, we have faced this problem before, not just in this Congress. I remember the fights over the C-17. Even those were purchased, but the Congress, in three out of the four committees of the Congress, refused to proceed with the purchase of the C-17s. We saw the C-140s ready to be retired, and we had to have a replacement. It was our subcommittee that insisted on going ahead with the C-17s.

We see the problem of the cost of maintaining the tankers, of maintaining the C-9s. We call them the DC-9s. Those are being retired now. They average 30 years of age. The 727s, which we call the C-22, average 38 years of age.

Think of that, Mr. President. We have gone through three decades without thinking about how we keep planes so they are functional and costs do not get ever-increasing for maintenance. We look at money in a different way than the Armed Services Committee does; I admit that. We look at money as to how we can possibly get what we need without breaking the budget. We have proceeded to lease with that in mind.

It is not my judgment that we will increase the cost of flying these missions by leasing the planes, as compared to keeping planes that are in the 30-, 38- and 44-year-old age bracket.

Mr. President, I think one comment was made concerning the fact that one company—Boeing—was not awarded one of the contracts for the combat aircraft. That had nothing to do with our decision to try to lease these planes. It is totally immaterial, as far as I am

concerned. We weren't even sure whether they would decide to lease the planes. The fact was that we had to find planes, and the planes that were available at that time on the line were the 767s, which could be readily converted to tankers to replace these aging tankers that must be replaced if we are to continue our war against global terrorism.

Mr. President, it doesn't please this Senator to have this continued battle with the Armed Services Committee over the question of what is the best way to spend our money to keep our people in the military outfitted with the best possible equipment. But, in my judgment, we are proceeding along the right line.

I sort of wonder about the request that GAO do a study on whether or not the Congress was right in passing the law and the President was right in signing the law last year. We are discussing an issue we debated on the Senate floor. We prevailed on the floor, we prevailed in conference, and the President signed the bill. The system is moving forward that was intended to move forward. I seriously question what right anybody has to ask the GAO to study whether Congress made the right decision last year. Congress should be looking at the execution of the laws, not whether the laws represented the best possible solution.

I don't have a problem with them looking at the economics of it; I welcome that, provided they look at the cost of maintaining those old planes. They are not going to tell me that the taxpayers are saving money by keeping planes that are as old as the C-9s, C-22s, and tankers that are flying today.

Lastly, I remind the Senate that those tankers are still flying, almost nightly, in Afghanistan. Every plane that flies in that theater has to be refueled at least twice a night. We recently talked to the commander of our forces in Europe. We were told that when the AWACS NATO loaned us after 9/11 came to the United States, they flew 19,000 hours in less than 6 months. Now, those, too, are the old 707 bodies and they are aging. The engines are aging, and they are going to have to be replaced because of the heavy duty they got during that period they were on loan here.

There are all kinds of problems that have to be solved. We solve them by using money from the operation and maintenance account. We are not authorizing people to buy planes. That is the jurisdiction of the Armed Services Committee. But what happens to the O&M account, as far as I am concerned, is a matter for the Appropriations Committee to determine—they are consulted—but we have to find some way to make the money fit the need. I think we have done it in this bill.

I thank my friend from Hawaii for his courtesy in allowing me to speak ahead of him.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUE. Mr. President, I wish to associate myself with the remarks of my distinguished colleague from Alaska.

#### DEPOT MODERNIZATION

Mr. GREGG. Mr. President, I would like to express my appreciation to Mr. INOUE, the Chair of the Senate Appropriations Subcommittee on Defense, and to Mr. STEVENS, the Ranking Member of the Subcommittee, for the fine work they have accomplished in crafting this important Fiscal Year 2003 Department of Defense Appropriations Bill. It has been my pleasure, as a member of the Appropriations Subcommittee on Defense, to work with them on this bill, as well as on the defense portions of the recently passed Fiscal Year 2002 Emergency Supplemental Bill, H.R. 4775. They certainly do a masterful job of setting priorities and balancing competing needs.

I am also pleased that the Appropriations Committee chose to specifically provide \$90 million in the Fiscal Year 2002 Emergency Supplemental bill to accelerate the depot modernization period of the USS *Scranton* at the Norfolk Naval Shipyard from Fiscal Year 2003 to Fiscal Year 2002, as it will result in dramatically improved fleet readiness. In addition, it will free up \$90 million in Fiscal Year 2003, which had been programmed for the USS *Scranton*, to be used for other U.S. Navy critical submarine requirements. This could include returning back to Fiscal Year 2003 the important USS *Annapolis* depot modernization period at the Portsmouth Naval Shipyard, which the Navy was recently forced to slip from Fiscal Year 2003 to Fiscal Year 2004, because of a Navy funding shortfall.

I direct a question to my two friends, the Chair and the Ranking Member of the Defense Appropriations Subcommittee. Is it the Subcommittee's understanding that the appropriation of the additional \$90 million to accomplish the USS *Scranton* depot modernization period in Fiscal Year 2002, now gives the U.S. Navy flexibility to allocate the Fiscal Year 2003 USS *Scranton* funds to meet other critical submarine requirements?

Mr. INOUE. The distinguished Senator from New Hampshire is correct. It is the understanding of the Defense Subcommittee that the Fiscal Year 2003 \$90 million that the navy had requested for the USS *Scranton*, may now be available to the Navy to meet other critical submarine depot modernization requirements.

Mr. STEVENS. I tell the Senator from New Hampshire that it is also my understanding that the Navy now has the flexibility to reprioritize those Fiscal Year 2003 funds.

#### M13 CARRIER

Mr. SHELBY. Mr. President, as the Senator knows, one of the most versatile and successful programs in the history of the Army is the development and fielding of the M113 Family of Vehicles. The Army has been in the process of up-grading these vehicles so

that they can keep pace on the modern battlefield, improve survivability and drastically increase reliability. Notwithstanding the need to transform the Army, the fact remains that in 2016, at the time the Army intends to field the Objectives Force, there will be nearly 10,000 M113s remaining operational including 1,900 in the Counter Attack Corps.

Mr. INOUE. Yes, I am familiar with the success of the M113 Family of Vehicles and the role they play in today's Army.

Mr. SHELBY. Mr. President, as the chairman knows the FY 2003 budget request contained \$60.3 million for carrier modifications but only \$14.9 million of that total was allocated for M113 "A3" upgrades. I am supportive of transformation and understand the need to reallocate resources for that purpose. In this instance, however, I believe the Army's decision not to upgrade the remaining forward deployed 112 M113A2s of the 2nd Infantry Division in the Republic of Korea and the 352 M113A2s in Europe belonging to the 1st Infantry Divisions, will at a minimum, leave the soldiers in these front line units vulnerable in a potentially unstable and high threat environment.

Because of these concerns, I believe serious consideration should be given to using all the funds provided in this bill for M113 Carrier A3 upgrades and ask that you work with me on this issue during conference.

Mr. STEVENS. Mr. President, Senator SHELBY and I have discussed this matter and I also believe we should take a close look at using the funds recommended by the Committee solely for the conversion of M113A3 carriers and that we address this matter in conference.

Mr. INOUE. I thank my distinguished colleagues for sharing concerns about this program. I too support Army transformation and, most importantly, the protection of our soldiers. I would be happy to discuss the M113 issue further as we move toward conference.

#### BRILLIANT ANTI-ARMOR SUBMUNITION COLLOQUY

Mr. SHELBY. Mr. President I rise today with my good friend, Senator MIKULSKI, to discuss the Brilliant Anti-Armor Submunition BAT P<sup>3</sup>I. I want to express my disappointment with the \$152 million cut taken by the committee from the President's budget request for the BAT program. Despite increased emphasis being placed on precision guided munitions, this cut will cripple a promising program that has shown progress in testing and is nearing the end of its development phase.

Ms. MIKULSKI. I join my friend from Alabama in expressing my concern with this cut to the BAT program. The Department of Defense is currently creating a vision of precision munitions capabilities and transformation investments for our Armed forces and I believe BAT could play a significant role. The Army has already spent close



to \$1.9 billion developing this program and the President's fiscal year 2003 request is needed to complete development, testing and make this system production ready by 2005. That is well within the Army's schedule to support both the Army's Interim and Objective Transformational Forces. With adequate funding, BAT P<sup>3</sup>I is on track to be fielded 3 years sooner than any competing system.

Mr. SHELBY: I note that BAT P<sup>3</sup>I is the Army's only precision strike munition that can operate in inclement weather and effectively hit moving and stationary targets, including SCUD launchers capable of carry weapons of mass destruction. It is equally worth noting that recent tests of BAT and its P<sup>3</sup>I variant have proven to be effective against targets that were employing countermeasures. I applaud the Army's efforts to expand the delivery platform for BAT P<sup>3</sup>I beyond the ATACMS missile to include examining the applicability of putting the BAT on rockets and unmanned air vehicles, such as Predator and Hunter UAVs. I encourage the Army and its colleague services to continue this kind of innovative thinking to take full advantage of the flexibility that this all weather, precision guided weapons can provide.

Ms. MIKULSKI: I am informed of a positive trend, in that, the cost of the BAT submunition has decreased by approximately 10 percent each time a new order has been procured. I also understand the Army is working on an achievable cost reduction program for BAT P<sup>3</sup>I. Considering the points Senator Shelby and I have raised, it seems we should give more thought to this matter in conference. I ask both Chairman Inouye and Senator STEVENS if they might be willing to discuss this matter further as we move to conference on this bill.

Mr. SHELBY: I join the distinguished Senator from Maryland in requesting the assistance of Chairman INOUE and Senator STEVENS.

Mr. INOUE: I thank the Senators from Maryland and Alabama for their steadfast support for this program. I would be happy to review the committee's action and discuss the BAT program with them.

Mr. STEVENS: I join the chairman in thanking the distinguished Senators from Alabama and Maryland for their remarks. I would certainly be willing to discuss BAT program funding with my colleagues.

#### CHEMICAL AND BIOLOGICAL DEFENSE INITIATIVES

Ms. COLLINS. Mr. President, I rise today to discuss the very important issue of chemical and biological research. The threat of a chemical and biological attack is no longer an emerging threat: it is very real, and it affects not only our nation, but our allies as well. The risks associated with chemical and biological weapons are growing, and our capacity to assess, counter, and deter these threats needs to be addressed. That is why it is crit-

ical to see continued investments made in diagnostic tools for biowarfare-inflicted agents, chemical and biological detection devices, and sensors to ensure the safety of food and water supply.

Mr. STEVENS. I agree with the distinguished Senator from Maine that this research area needs a robust investment to ensure that promising technologies are not only explored, but that the technologies are transitioned to the field and operationally deployed.

Ms. COLLINS. I thank the distinguished Ranking Member for his leadership on Defense issues. And I am very pleased to see that the Defense Appropriations bill places a high priority on addressing the chemical and biological weapons threat that we face and provides additional funding beyond the President's request for a number of high priority research programs.

As the Senator knows, I have been actively supporting vigorous research efforts in this area since my first days in the Senate because the threat from these weapons is serious and it is growing day by day. I am pleased to see that the Committee is recommending to the Senate that a chem-bio defense initiatives fund be established with an initial funding increment of \$25 million. The Committee has listed a number of technology initiatives for consideration, but is providing the Secretary of Defense with the discretion to allocate the funds.

It seems logical to ensure that the most promising, maturing technologies are seen through to their completion, particularly if the technology shows a high potential to yield benefits in defending our troops, Nation, and our global interests. Is it the Committee's intent to ensure that such on-going programs that are nearing completion receive a priority for consideration of these funds?

Mr. STEVENS. The Senator from Maine is correct that this fund has been established for the distinct purpose of improving our military's ability to respond to chemical and biological warfare threats. It is the intent of this committee to see that the funds provided are wisely spent. I would say to the Senator from Maine that a program that has been supported by this committee in the past and is nearing completion should be appropriately considered for funding to ensure that the technologies are funded to completion, provided the technologies will enhance our ability to protect or deter a chemical and biological attack. To withhold funding for a promising, multi-year program just as it is achieving documented results would, in my view, be wasteful.

Ms. COLLINS. I thank the Senator for his illuminating words. If the distinguished ranking member would indulge me further, I would like to call to his attention a research initiative regarding food safety and security that is on the Committee's list of projects eligible for funding. This initiative is

one that holds great potential to protect our military from a chemical or biological threat. Does the Senator from Alaska share my view that this kind of a program ought to be a priority for the chemical and biological defense initiative fund?

Mr. STEVENS. I believe that threats to the food supply are very serious and they need to be addressed both in terms of protecting our deployed troops and also in terms of homeland security. We need to find a way to ensure that the food supply for our deployed troops is safe, just as we need to protect America's food supply. I definitely support a research initiative in this area.

Ms. COLLINS. Again, I thank the ranking member for his forthrightness, his knowledge and his determination to keep America strong. I also thank him for his continued leadership on defense and defense related issues. I believe that the Appropriations Committee deserves the thanks of the American people for the leadership the committee has shown in defending our nation from the threat of chemical and biological weapons. The chairman and ranking member are dedicated to America's defense and the committee staff have done outstanding work on this bill.

#### ENTERPRISE ARCHITECTURE

Mrs. FEINSTEIN. Mr. President, as the Senate considers the Fiscal Year 2003 Defense Appropriations Bill, I wanted to discuss briefly the current efforts at the Defense Department to design, install and implement an enterprise architecture to perform financial activities at the Department. This has been a major undertaking, and the ultimate goal is to have at the Department a modern, state-of-the-art, integrated system that will perform business processes and financial activities in numerous fields, including logistics, health care, accounting, finance, and personnel.

The financial management challenges at the Department are no secret to the Senate Defense Appropriations Subcommittee. Last year, Congress provided the Department \$100 million to start the financial management reform initiative, and this year, the Department requested more than \$96 million to continue the reform program. According to the Department, financial management reform would reduce the approximately 967 stand-alone systems currently generating financial data.

In the current fiscal year, we have seen signs of progress. On April 9, the Department selected International Business Machines to develop the financial management enterprise architecture. IBM, along with several leading information technology firms, and under the direction of the Department's Financial Management Modernization Program Office, will now design a blueprint for future Department investments in business management information technology. This blueprint is expected to be completed as early as March 2003.



While this is good news, the Committee report noted that this initiative has gotten off to a slow start. For example, a significant portion of the \$100 million provided last year was to go for systems improvements, and to undertake various pilot projects under these improved systems at the service branch level. However, despite the existence of these funds for these projects and with project teams already selected, they have not moved forward and the funds have not been spent.

With the IBM team engaged in architecture design, the current and next fiscal year would seem an appropriate opportunity to make the systems improvements, and undertake the various pilot projects that have already been funded. These pilots could enable the Department to test and analyze the nuts and bolts of integrated financial management processes. With problems already identified, solution sets, and "best practices" can be tested via the pilots and under the improved systems. This is consistent with one of the observations of the General Accounting Office, which noted, "it is critical to establish interim measures to both track performance against the department's overall transformation goals and facilitate near-term successes..." Also, at a recent conference here on Capitol Hill on Defense financial management modernization, a representative of IBM agreed that it was important to go forward on the pilot programs, stating that they were "vital" to the improvement of the business.

I see the distinguished chair and ranking member of the Defense Subcommittee on the floor, and would like to ask them if they agree with me that the Defense Department should utilize the funds previously provided by Congress to undertake needed systems improvements and pilot projects for financial modernization.

Mr. INOUE. I thank the Senator from California for her comments, and agree with her assessment. As she pointed out, with the Defense Department now in the process of designing its financial management architecture, it can use this time to move forward on various pilot projects, already funded, in order to modernize and test systems, identify potential challenges and problems, and incorporate solutions in the planning process.

Mr. STEVENS. The Chairman of the Subcommittee, and the Senator from California, also a distinguished member of the Defense Appropriations Subcommittee, are correct. In fact, as they both know, the committee report that accompanies this legislation directs the Secretary of Defense to submit semi-annual status reports to the relevant congressional committees.

Mrs. FEINSTEIN. I thank the Chair and Ranking Member of the Subcommittee for their comments and for their leadership on this very critical reform effort at the Department of Defense.

#### RAPID RESPONSE SENSOR NETWORKING FOR MULTIPLE APPLICATIONS

Mr. GRAHAM. Mr. Chairman, I rise with my colleague from Florida, Senator NELSON, to engage in a colloquy with Senator INOUE, the Chairman of the Defense Appropriations Subcommittee.

Senator NELSON and I rise to note the critical importance of the Rapid Response Sensor Networking for Multiple Applications. The project will bring together the new concept of Impromptu Wireless Network Technology and emerging new sensors for use in detection and quantification of high priority biological and chemical materials in several nationally important settings—most significantly, for real time detection and response to biological and chemical materials which threaten public health and safety, environmental integrity or industrial processes. I yield to Senator NELSON for a few words about this important program.

Mr. NELSON. I thank the Senator for yielding. New sensors are being developed at the University of North Florida which use polymer membrane and dye combinations to create analytical sensors based on photo induced charge movements. These sensors can be combined into relatively inexpensive easily produced families of sensors which will be able to respond to a range of targeted analytes appropriate to a particular area of risk or interest. This makes possible and readily usable real time field-based sample preparation and analysis—it will process data and deliver it via wireless communication to create real time models of sensor responses and measurements which are combined in GIS applications and other decision making tools to enable real time highly effective responses. The applications of this approach are highly varied, and include: a wide range of environmental monitoring strategies; early warning applications to protect food, water, and other systems from bioterrorism attacks; and monitoring of industrial processes.

Mr. GRAHAM. Yes, Senator NELSON that is correct. The University of North Florida has requested \$750,000 for this important, new project and I request conference report language to identify this program to be eligible for funding from the Chem-Bio Defense Initiatives Fund.

Mr. INOUE. I appreciate hearing about both Senators support of this program. I will review your request and will work to include language in the conference report.

#### CENTER FOR SOUTHEASTERN TROPICAL ADVANCED REMOTE SENSING

Mr. GRAHAM. Mr. President, I rise with colleague from Florida, Senator NELSON, to engage in a colloquy with Senator INOUE, the Chairman of the Defense Appropriations Subcommittee.

Senator NELSON and I note the critical importance of the Center for Southeastern Tropical Advanced Remote Sensing, CSTARS, at the Univer-

sity of Miami, and are thankful for the support of this critical program. The university has initiated the acquisition and construction of this regional satellite collection, processing and analysis facility in partnership with the U.S. Southern Command and other academic institutions. The Center will offer unprecedented capability in the southeastern United States to link with a broad range of low-Earth satellite orbiting systems. When made available to regional as well as to key partners like the Southern Command, these resources will provide a unique and much-needed capacity for environmental observation, climatic prediction and resource analysis, watershed and ecosystem assessment, and natural hazards monitoring critical to effective emergency response. I yield to Senator Nelson for a few words about this important program.

Mr. NELSON. I thank the Senator for yielding. CSTARS is of critical importance to the state of Florida and will make a strong contribution to the Southern Command mission, including drug interdiction, civil defense, and natural disaster mitigation.

The core fiscal year 2003 objectives are to complete Phase II of the station infrastructure and operational capabilities and initiate prototype use by the U.S. Southern Command and the National Imagery and Mapping Agency NIMA. Funds would be used to ensure direct down linking with satellite orbiting systems, such as SPOT2, 4 and 5, ENVISAT, ADEOS-II, LANDSAT and TERRA/AQUA.

The program is authorized is authorized in the Senate fiscal year 2003 Defense Authorization bill and report and is funded at a level of \$2.5 million in the House fiscal year 2003 Defense Appropriations bill and report. I request support for a funding level at a minimum of \$2.5 million for this critical program in the conference negotiations. Funding reductions below that level will cause delays in the program and delay the benefits to SOUTHCOM and NIMA.

Mr. INOUE. I appreciate being made aware of both Senators' support of this program and will do what we can to find funding of a minimum of at least \$2.5 million in the conference negotiations.

#### CMIS

Ms. LANDRIEU. I would like to ask my friend, the Chairman of the Defense Appropriations Subcommittee, Senator DANIEL INOUE, to engage in a discussion of several defense programs that are of vital importance to my home state of Louisiana and our national security.

Mr. INOUE. I welcome a conversation with the junior Senator from Louisiana and the Chairwoman of the Emerging Threats and Capabilities Subcommittee to the Senate Armed Services Committee.

Ms. LANDRIEU. I have been impressed by recent efforts undertaken by the Navy to create an Internet capable

database that would catalogue and inventory all spare parts necessary for repairs to Navy aircraft. It is a fact of life that the high stresses Navy pilots place on their aircrafts will cause significant wear and tear and require repairs. The Navy, at times, has been plagued by difficulties in locating the whereabouts of necessary parts. To remedy this problem, the Navy began to work on the Configuration Management Information System, or CMIS, to catalogue and inventory Navy aircraft parts and their whereabouts. With CMIS, Navy mechanics around the world, will be able to search through an Internet database to ascertain if the needed parts can be found on site. If not, they will be able to quickly learn where the nearest replacement part is located. With this knowledge, mechanics know where to turn for parts rather than conducting scatter-shot searches throughout the Navy to look for the part.

The CMIS program was funded last year in the Senate Defense Appropriations bill at a level of \$4,000,000. This year, the Senate authorized \$13,500,000 for CMIS, and the House appropriated \$4,000,000 for CMIS. I would hope, Senator Inouye, that you would agree on the need to create a centralized database to quickly identify the location of necessary parts to make repairs to Navy aircraft, and I would hope that you would agree that this program should be supported in Conference.

Mr. INOUE. I agree with the Senator from Louisiana that we must find efforts to expedite the return of our aircraft to service. We should not face delays in repairs because of logistical problems that could be solved rather easily using modern information technology. I will take an interest in this matter when the House and Senate conference on this bill.

Ms. LANDRIEU. I appreciate your support, Mr. Chairman, for CMIS. I want to discuss another program that will greatly improve the efficiency in which our military can deploy across the globe, and in doing so, save millions of dollars. The Field Pack-Up unit, or FPU, is a containerized storage system that is 100% strategically and tactically mobile that far exceeds the current storage bins we use to transport materiel across the country and around the world. Senator Inouye, as you are well aware, one of the greatest factors in determining how quickly the U.S. military can deploy to a theater in order to respond to a threat is the simple fact that it can take several months to transport the materiel our troops need to succeed. The FPU will reduce that transportation time frame, decrease the logistics footprint, and allow the military to move swiftly and efficiently. In turn, these logistical efficiencies will save millions of dollars each year.

The 3rd Infantry Aviation Brigade at Hunter Army Airfield in Georgia conducted a field test between the FPU and currently used storage bins. The

3rd Infantry Brigade determined that if the entire Brigade deployed to Kuwait, 2 C-5s would be needed using the FPU. Using traditional storage bins, 8 C-5s would be necessary to mobilize to Kuwait. The FPUs would save at least \$3,000,000 per deployment, according to the 3rd Infantry Brigade.

I am concerned, however, that the Army has not dedicated funds toward this transformational program that will greatly reduce the logistics footprint and save millions of dollars each year. Last year, the Senate appropriated \$5,000,000 for the FPU, but neither the House nor Senate funded the program this year. Senator Inouye, I know you are a champion of transformation, and I hope you would be willing to consider the utility the FPU could provide to our Armed Forces.

Mr. INOUE. The FPU is a great improvement to our logistics capabilities and the money saving potential is quite promising. You are correct to note that the time in which we respond to threats is largely determined by the rate in which we can mobilize our troops and transport the materiel necessary for them to do their jobs. I do look forward to working with you in the future on this promising program.

Ms. LANDRIEU. Mr. Chairman, I am also concerned about a health and welfare issue for our troops on the battlefield. We must ensure that we are providing them with the most nutritional meals possible to optimize their war fighting capabilities. The fatigue and stresses on the bodies of our war-fighters are unlike anything the average person could imagine. We must provide our troops with nutritious foods that provide necessary energy and are tailored to meet the rigors of combat. We cannot place our troops in unnecessary danger because of equipment failures, nor because the food they are consuming in combat does not provide them with the proper nutrition.

For several years the United States Army has been working on a Food Nutrition Program in conjunction with the Pennington Biomedical Research Center. The focus of this research is to develop meals that can be eaten on the battlefield which provide our troops with the nutrients necessary to fuel their bodies to meet the grueling demands of war-fighting. Senator Inouye, would you agree that this research should continue so we can optimize the performance of our troops?

Mr. INOUE. While rations have improved significantly since my service in World War II, there is always room for improvement. Well nourished soldiers fight better. It is that simple. I believe that this research is valuable to ensuring the combat capability of our troops.

Ms. LANDRIEU. Mr. President, I know my friend, the senior Senator from Hawaii, shares my concern about the future threats to our military and nation. As chairwoman of the Armed Services Committee's Subcommittee on Emerging Threats, it has become

very clear to me that while the current threats seem to come from madmen with explosives, tomorrow's terrorists may very well use cyberwarfare. For this reason, Louisiana and Georgia have been participating in a program known as the Picket Fence Initiative. It has brought together the Department of Defense, the Louisiana State Government, the federal presence within the state, as well as industries with responsibility for critical infrastructure. Together, we have established a collaborative network that monitors the types and methodologies of ongoing cyber attacks against these systems. Through these efforts, the Department of Defense is learning about the nature and variety of attacks on Louisiana's critical information networks, while companies and the Louisiana State government benefit from improved security technology. It is the kind of cooperative enterprise that should be a model for future homeland defense efforts. This program was authorized this year for \$4.5 million, and has been appropriated \$2 million in the House mark. Although we were unable to find additional funds within our bill to fully fund this program, I hope the Chairman will help me to protect the \$2 million in the House mark, and look for any additional funds that may be made available during conference.

Mr. INOUE. Mr. President, I share Senator Landrieu's concern about cyber-security, and agree that cooperative efforts like Picket Fence are an effective way for us to address the problem. I hope that we may find additional resources for this program at a later date.

Ms. LANDRIEU. I thank the distinguished Chairman and Senior Senator from Hawaii for taking time to participate in this colloquy. His leadership and management of this bill have been excellent. The people of Louisiana, Hawaii, and the United States are grateful for his lifetime of service to our Nation.

#### ARMED PILOTS

Mr. SMITH of New Hampshire. Mr. President, if I could have the attention of the Republican Leader for just a moment. I say to the leader, I had considered offering my armed pilots amendment on this bill, but after our discussions, and with the assurances that to the extent possible this would be one of the first items of business when we consider the homeland defense bill, I have agreed to withhold.

Mr. LOTT. I thank the senior Senator from New Hampshire. He has led the charge on the issue of arming pilots. I agree that this should be one of the first items that we consider on the homeland defense bill. It is my intention that this would be one of the first amendments offered from our side on the homeland defense bill.

Mr. SMITH of New Hampshire. I thank the leader. I know he is as concerned about safety in our skies as I am, and I appreciate his support. I look

forward to passing this important bipartisan initiative when we return from the August recess.

Mrs. FEINSTEIN. Mr. President: It is widely recognized that the Coast Guard is the nation's principal defense against illicit drug shipping and must become a barrier to terrorist attacks in which explosives or weapons of mass destruction may be headed for an American city on a ship or fast boat. I join with the distinguished Chair of the Defense Subcommittee, in commending the Senator from Alaska for his leadership role in establishing the HITRON mission in the United States Coast Guard.

The current fleet of eight MH-68A helicopters is stationed in Jacksonville, Florida and is active in the Caribbean. The fleet was temporarily deployed at the U.S. Coast Guard Station in San Diego for a demonstration. It was a complete success and as a result, Congressman BOB FILNER recently wrote the Commandant urging that he extend the current lease of eight or more MH-68A helicopters until a permanent DeepWater replacement is selected.

Both Congressman FILNER and I agree there is a critical requirement for off shore drug interdiction along the Mexican-Southern California coastline. Further, these helicopters can add anti-terrorist protection for the Port of San Diego. Therefore, based on the assumption the Coast Guard has the legal authority to enter this lease, I urge my colleagues to support extension of 5-year lease for eight MH-68 helicopters.

Mr. CONRAD. Mr. President, I rise to offer the Budget Committee's official scoring of H.R. 5010, the Department of Defense Appropriations Act for Fiscal Year 2003.

H.R. 5010 provides \$355.139 billion in discretionary budget authority, all classified as defense spending, which will result in new outlays in 2003 of \$239.472 billion. When outlays from prior-year budget authority are taken into account, nonemergency discretionary outlays for the Senate bill total \$349.777 billion in 2003.

The Appropriations Committee voted 29-0 on June 27 to adopt a set of non-binding sub-allocations for its 13 subcommittees totaling \$768.1 billion in budget authority and \$793.1 billion in outlays, which the committee subsequently increased to \$803.891 billion in outlays following the passage of the 2002 emergency supplementary bill. While the committee's subcommittee allocations are consistent with both the amendment supported by 59 Senators last month and with the President's request for total discretionary budget authority for fiscal year 2003, they are not enforceable under either Senate budget rules or the Balanced Budget and Emergency Deficit Control Act. While I applaud the committee for adopting its own set of sub-allocations, I urge the Senate to take up and pass the bipartisan resolution, which would make the committee's sub-allocations

enforceable under Senate rules and provide for other important budgetary disciplines.

For the Defense Subcommittee, the full committee allocated \$355.139 billion in budget authority and \$350.549 billion in total outlays for 2003. The bill reported by the full committee on July 18 is fully consistent with that allocation. In addition, H.R. 5010 does not include any emergency designations or advance appropriations.

I ask for unanimous consent that a table displaying the budget committee scoring of H.R. 5010 be printed in the RECORD.

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

H.R. 5010, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2003

[Spending comparisons—Senate-Reported Bill (in millions of dollars)]

	Defense	Mandatory	Total
Senate-reported bill:			
Budget Authority .....	355,139	278	355,417
Outlays .....	349,777	278	350,055
Senate committee allocation: <sup>1</sup>			
Budget Authority .....	355,139	278	355,417
Outlays .....	350,549	278	350,827
House-passed bill:			
Budget Authority .....	354,446	278	354,724
Outlays .....	349,315	278	349,593
President's request: <sup>2</sup>			
Budget Authority .....	366,592	278	366,870
Outlays .....	354,754	278	355,032
SENATE-REPORTED BILL COMPARED TO:			
Senate committee allocation:			
Budget Authority .....	0	0	0
Outlays .....	-772	0	-772
House-passed bill:			
Budget Authority .....	693	0	693
Outlays .....	462	0	462
President's request:			
Budget Authority .....	-11,453	0	-11,453
Outlays .....	-4,977	0	-4,977

<sup>1</sup> The Senate has not adopted a 302(a) allocation for the Appropriations Committee. The committee has set non-enforceable sub-allocations for its 13 subcommittees. This table compares the committee-reported bill with the committee's sub-allocation to the Defense Subcommittee for information purposes only.

<sup>2</sup> The President requested total discretionary budget authority for 2003 of \$768.1 billion, including a proposal to change how the budget records the accrual cost of future pension and health retiree benefits earned by current federal employees. Because the Congress has not acted on that proposal, for comparability, the numbers in this table exclude the effects of the President's accrual proposal.

In addition, the President requested \$10 billion in unspecified War Reserve funds in his 2003 budget. On July 3, the President transmitted more information to the Congress regarding his request for those funds. Pending its review of the President's July request, the Appropriations Committee has reserved the \$10 billion in additional defense funds in its Deficiencies Subcommittee.

Notes: Details may not add to totals due to rounding. Totals adjusted for consistency with scorekeeping conventions.  
Prepared by SBC Majority Staff, 7-31-02.

Mr. BURNS. Mr. President, there is no problem which more directly affects the security of our forces in the Middle East and particularly in Afghanistan than our ability to communicate with the local population. To solve this problem we must enhance DoD support on two technologies that are being sorely neglected—digital satellite radios and the solar panels which can permanently power them anywhere.

As a result of two satellites launched in the past three years there is now complete 64 channel digital radio satellite coverage of the entire middle east, Asia, and Africa. In parts of the Middle East such as Afghanistan there is double satellite coverage and therefore 128 clear highest fidelity radio broadcast channels are available. Unfortunately until now our government has made little use of this technology

which the private sector has already bought and paid for. This means that a superior method of communicating in the Middle East is not being used to support our troops who are or will be serving there.

What is virtually needed is a DoD program to jump start the dissemination of these satellite radio receivers to the local population surrounding our troops so that our messages of democracy and freedom can be brought to them in a variety of formats. Our troops vitally need the added security that the resulting increased local support for their mission will bring. Our troops also need periodically the ability to communicate directly with these people.

A jump start DoD program of adequate size to buy and disseminate or subsidize the price of receivers would lower their price to the point where the market would complete the job. Failure to start this process now would be tragically shortsighted.

A second private sector technology now being inadequately supported or neglected by our government is the solar panel technology which can permanently power these receivers wherever they are located. Both solar panels and widely available kerosene can be used to power these receivers in a region where both batteries and electricity are both critically scarce.

Afghanistan is a communications wasteland. Barely 30 percent of the population can read. Only 3 people in every 1,000 have a TV set; only 6 in every thousand have a radio. Given these statistics it is little wonder that a central government has so little power and regional warlords are so great a threat. The warlords have the megaphone and the security of our troops is severely imperiled as a result.

By contrast in both Iran and Iraq are over 70 TV's and 200 radios for each thousand people—still very low by western standards, but a huge multiple of the mass media now available in Afghanistan. In those countries we face different problems—a hostile state-controlled media and hostile governments which can jam our terrestrial transmissions. These are problems which increased DoD and U.S. government support for satellite radio could also solve.

I do not claim that our current efforts are non-existence. They are just hopelessly inadequate to the task at hand. When we first went into Afghanistan we dropped leaflets and relief packages containing single channel short wave radios many of which broke when they hit the ground. In a country where illiteracy rate is so high, the impact of any written material seems questionable. We sent C-130's to fly over areas where our troops were to broadcast to the single channel radios that survived the air drop. Now we are also spending considerable amounts of DoD and other money to build terrestrial transmitters to broadcast to the few radios that do exist in the country. These are laudable efforts but demonstrably inadequate to confront the task

before us. The comparative superiority of satellite radio in remote Afghanistan was demonstrated early this year by the enthusiastic response of our troops there who listened to the Superbowl thanks to 1,000 privately donated satellite receivers.

I earnestly request my chairman and ranking member to address this urgent matter of support for satellite radio both in the conference and in the conference report. I had planned to offer an amendment to begin to achieve the needed results. However, I realize we are not earmarking money as the House did in its bill. I do know that there is substantial support the House and the administration for satellite radio as an essential weapon in the war to combat terrorism and increase the security of our troops abroad. The investment required is small compared to the additional expense required on arms where we do not have adequate local support.

I also know existing programs and special interests will swallow up as much money as they can get. Thus a vital technology and existing capability like satellite radio will very likely suffer from inattention and neglect to the vast impairment of our overall war effort without some specific direction from us. I urge my colleagues in the conference not to let this happen. Please give satellite radio technology the specific and concrete support it needs and deserves.

Ms. LANDRIEU. I would like to express my strong support for Senator BURNS' remarks on the importance of DoD support for satellite radio technology and to get satellite receivers disseminated to the local populations where our troops are located. Their security and support is obviously of paramount concern to each and every one of us. This is one area upon both of our parties are in complete agreement.

I urgently hope that the conferees will work in the DoD bill to enhance and strengthen this superior method of mass communication via satellite radio which offers such promise in so many ways and in so many areas of the third world. Our existing approaches clearly fall critically short of meeting the urgent need to get our message heard. The time for action is now. We will pay a high price for any further delay.

I come to the floor today to join in discussion of a very important issue with the Chairman of the Defense Appropriations Subcommittee, the distinguished Senator from Hawaii, Senator INOUE.

The Defense Appropriations bill before us will provide \$20,470,000 for historically black colleges and universities. This is a relatively small part of the overall defense bill, but an important part, beneficial to both the Defense Department and the universities.

Senators from many states, particularly those from states which are home to a historically black college or university, have always come together to

support any initiative which would greatly benefit our young African Americans and thus, our country. Just such an opportunity was presented to us recently by the Air Force Research Laboratories at Wright-Patterson Air Force Base in Ohio.

The program assigns defense research projects to historically black universities, including Southern University in Baton Rouge, Louisiana, and other universities in Texas, Alabama, and Georgia to undertake work identified by the Defense Department. These universities and their students also team with small businesses to accomplish a major portion of the work.

The benefits of this program are many, beginning with greater opportunities for these schools, and extending the range of options students have for their career choices. There may even be the added benefit that these students may choose to join their military peers full time. We know that by 2006, two out of every five federal employees will be eligible for retirement. We will have to find a new pool of talent who wants to work in federal service.

We also know that only 15 percent of African Americans are earning college degrees. For comparison, this percentage is two-thirds higher for white Americans. We also know that African Americans who earn an advanced degree can nearly double their annual average salary. Clearly, steering more African American students into the science and engineering field is one way to accomplish this goal. The U.S. government will also benefit by bringing these students into the field of defense research.

I ask the Chairman, wouldn't you agree that this is the kind of program that should be funded through appropriations for HBCU?

Mr. INOUE. The Senator from Louisiana is correct. This program certainly seems to be in line with the types of projects funded under HBCU. I would encourage the Department of Defense to support the program the Senator from Louisiana has identified.

Ms. LANDRIEU. I thank the Chairman. I also thank Southern University for the wonderful work they do. This college started in 1880 with just 12 students and 5 faculty. It has grown to become a university with three campuses, offering 152 degree programs and a law school.

This is typical of the huge success stories we find among many of the historically black colleges and universities all over the United States. This program which I encourage today, will allow them to take an even greater step into uncharted territory and be a competitive force in the defense research field.

Ms. CANTWELL. Mr. President, I rise to join my colleagues, the esteemed chair and ranking member of the Defense Appropriations Subcommittee in supporting the withdrawal of the McCain amendment, which would unwisely scuttle an im-

portant program that was approved last year on this same bill by the Senate in an overwhelming 94-4 vote.

I further applaud the Senator for the amendment that he successfully included into this bill that would require that the transport lease program will be fair, open and competitive and conform to the Competition and Contracting Act.

However, I think that the Senator from Arizona is off the mark in his attempts to undermine this particular program. The transport plane lease program approved last year is a much-needed priority, and it has been specifically requested by the Department of Defense and the Air Force.

These transport planes are a crucial element of an efficient deployment of our national security strategy and they are in dire need of modernization.

At any given time, world events may require the Nation's leaders to be dispatched simultaneously on diplomatic missions. These missions are essential in peace and war when diplomacy and negotiation become critical to the settlement of conflict, whether in the Middle East, the sub-continent, Bosnia, or the myriad other hot spots in which U.S. leadership is necessary to calming conflict and saving lives.

To get these leaders to the places, we need transport aircraft that are efficient, modern and up to the task.

Both physical and communications security are integral to the mission because principals and their staffs must conduct business en route. In addition, mission protocol dictates the frequent use of civilian airports, which require commercial planes.

The Air Force and the Administration needs these planes, and the Air Force and our esteemed colleagues in the Defense Appropriations Subcommittee have developed a creative and effective solution that will meet this need: an operating lease.

The leasing option would allow the Air Force to amortize the majority of upfront acquisition costs over the life of lease, and at no additional cost, since the leasing money comes from existing operation and maintenance funds. This allows flexibility by allowing the Air Force to purchase the aircraft at any point in the lease, and also accelerates the acquisition while maintaining existing procurement priorities.

We need planes, and particularly given the current geopolitical context, including crises in Iraq, Afghanistan, Pakistan, Iran, and the Middle East, we need them now. The leasing program that was overwhelmingly by this Chamber last year was the right thing to do then and it continues to be the right thing to do.

Mrs. MURRAY. Mr. President, I rise to support the withdrawal of the amendment offered by the Senator from Arizona.

I am opposed to the McCain amendment which would attempt to redefine an issue the entire Congress has already endorsed and the President has signed into law.

I spoke about this amendment last evening and will only make brief remarks today.

I want to begin by associating myself with the remarks of Senator STEVENS and Senator INOUE. Both of these Senators have committed an enormous amount of time to work on this important issue. I know, all Senators know, that when Senator DAN INOUE and Senator TED STEVENS speak about tankers, their ultimate interest is the safety of the men and women in uniform who are protecting our country. I am proud to have worked closely with Senator INOUE and Senator STEVENS to win approval for the leasing provisions in last year's Defense Appropriations measure.

Senator MCCAIN ask the Senate to again require authorization for the lease of aircraft. Senator MCCAIN's language is specific to the proposed 737 lease but his rhetoric and his ultimate objective is to scuttle any potential lease deal regardless of whether it is for a 737 aircraft or 767 aircraft.

As I stated last evening, I am puzzled that this issue continues to come up.

Not long ago, the Senate considered the Defense Authorization legislation. The Senator from Arizona sits on the committee. That was the bill to have this debate. This Senator complains that the Appropriations bill is the wrong place to authorize. Yet, here we are considering an authorizing amendment offered by the Senator from Arizona on an appropriations bill. It makes little sense to me. This is the wrong place to have this debate.

The Senator wants to scuttle the 737 lease recently announced by the Air Force. Importantly, that lease deal has been sent to the Armed Services Committee and the Defense Appropriations Subcommittee in both the House and Senate for review and comment. And, it is my understanding, that all four panels have reviewed and approved of the lease and the Air Force justification for the lease.

Last year, both the Senate and the House supported the language in the Defense Appropriations bill giving the Air Force the authority to move forward with lease discussions. The President signed the bill into law after the provisions were carefully scrutinized by the Office of Management and Budget. And now, with an actual lease deal proposed, the four relevant panels have signed off on an actual deal.

Yet, the Senator from Arizona persists in his attempts to scuttle an Air Force lease. Senator MCCAIN has succeeded in making sure that this issue is thoroughly reviewed. It has been reviewed. The Senator clearly does not like the outcome of the review and he now wants the Senate to start the process over again and give him additional time to delay a legitimate need of our military.

The Senator also talks about competition. Here's what is really at stake. The Senator from Arizona wants to open the doors to the Air Force and the

Department of Defense to Airbus. One U.S. company manufactures commercial aircraft of this type. One and only one U.S. company can meet the Air Force needs.

The Senator is not talking about asking the Air Force to choose between Ford and Chevrolet. The Senator from Arizona is asking the Senate to decide whether U.S. workers or European workers will manufacture U.S. military aircraft. That's a simple choice for me. U.S. taxpayers should not be asked to undermine the lone U.S. manufacturer of aircraft. U.S. taxpayers should not be asked to subsidize Airbus.

I want to remind my colleagues again what the Secretary of the Air Force, James Roche, wrote to me in a letter on the tanker issue, quote: "The KC-135 fleet is the backbone of our Nation's Global Reach. But with an average age of over 41 years, coupled with the increasing expense required to maintain them, it is readily apparent that we must start replacing these critical assets. I strongly endorse beginning to upgrade this critical warfighting capability with new Boeing 767 tanker aircraft."

Those are the words of the Secretary of the Air Force. The Air Force wants to move forward with the lease option. Congress voted for the lease last year. The President signed the lease option into law. And the relevant committees have just approved the lease terms proposed by the Air Force for 737 aircraft.

I encourage my colleagues to again support this important option to lease aircraft, to get assets into the field that are of great importance to our men and women in uniform.

Mr. WELLSTONE. Mr. President, I rise to address the subject of our Nation's security needs in the context of the Defense appropriations bill presently before the Senate.

I believe we must provide the best possible training, equipment, and preparation for our military forces, so they can effectively carry out whatever peacekeeping, humanitarian, warfighting, or other missions they are given. They deserve the targeted pay raises of 4.1-6.5 percent, the incentive pay for difficult-to-fill assignments, and the reduced out-of-pocket housing costs from the current 11.3 percent to 7.5 percent contained in this bill. The bill would also fully fund active and reserve end strengths, including an additional 724 positions for the Army National Guard, which will hopefully ease the current burden on our overstretched men and women in uniform. For many years running, those in our armed forces have been suffering from a declining quality of life, despite rising military Pentagon budgets. The pressing needs of our dedicated men and women in uniform, and those of their families, must be addressed as they continue to be mobilized in the war against terrorism. This bill goes far in addressing those needs, and I will vote for it today.

I am also supporting the bill because it contains two important amendments that I offered. The first would bar any funds in this bill from being used to enter defense contracts with U.S. companies who incorporate overseas to avoid U.S. taxes.

Former U.S. companies who have renounced their citizenship currently hold at least \$2 billion worth of contracts with the Federal Government. I do not believe that companies who aren't willing to pay their fair share of taxes should be able to hold these contracts. U.S. companies, who play by the rules, who pay their fair share of taxes, should not be forced to compete with bad actors who can undercut their bids because of a tax loophole.

In the last couple of years a number of prominent U.S. corporations, using creative paperwork, have transformed themselves into Bermuda corporations purely to avoid paying their share of U.S. taxes. These new Bermuda companies are basically shell corporations: they have no staff, no offices, and no business activity in Bermuda. They exist for the sole purpose of shielding income from the IRS.

U.S. tax law contains many provisions designed to expose such creative accounting and to require U.S. companies that are foreign in name only to pay the same taxes as other domestic corporations. But these bad corporate former-citizens exploit a specific loophole in current law so that the company is treated as foreign for tax purposes, and therefore pays no U.S. taxes on its foreign income.

The loophole gives tens of millions of dollars in tax breaks to major multinational companies with significant non-U.S. business. It also puts other U.S. companies unwilling or unable to use this loophole at a competitive disadvantage. No American company should be penalized staying put while others renounce U.S. "citizenship" for a tax break.

Well, the problem with all this is that when these companies don't pay their fair share, the rest of American tax payers and businesses are stuck with the bill. I think I can safely say that very few of the small businesses that I visit in Detroit Lakes, MN, or Mankato, in Minneapolis, or Duluth can avail themselves of the Bermuda Triangle.

They can't afford the big name tax lawyers and accountants to show them how to do their books Enron-style but they probably wouldn't want to anyway if it meant renouncing their citizenship. So the price they pay for their good citizenship is a higher tax bill.

My amendment closes this loophole. We all make sacrifices in a time of war, the only sacrifice this amendment asks of Federal contractors is that they pay their fair share of taxes like everybody else.

The bill also contains a second amendment which would significantly improve the Department's response to domestic violence. I was deeply concerned to hear about the four domestic

violence homicides that occurred over the past six weeks at Fort Bragg in North Carolina. But these incidents, while unusual in that they are clustered within such a short time, are not unique. The military reports 207 domestic violence homicides since 1995.

My amendment, which is based on the recommendations of the Department's Defense Task Force on Domestic Violence, would ensure that funds are available to establish an impartial, multi-disciplinary Domestic Violence Fatality Review Team at the Military Community and Family Policy Office. It would also help the Department ensure that there are victim's advocates at every military installation to provide confidential support and guidance exclusively to victims, by providing \$10 million for this purpose. Finally, the amendment would require that the Secretary report to Congress on progress in implementing the recommendations of the Task Force.

In the introduction to its first report, the Task Force wrote, "Domestic Violence is an offense against the institutional values of the Military Services of the United States of America. It is an affront to human dignity, degrades the overall readiness of our armed forces, and will not be tolerated in the Department of Defense." I do not think anyone who has followed the recent events in North Carolina would disagree.

I also believe the bill addresses some of the serious flaws in the process by which the Defense Department summarily terminated the Crusader Artillery system. I strongly believe in fair, transparent, and informed government-decision making processes, which did not occur in the case of the Crusader. Three Defense secretaries, three Army secretaries, and three Army chiefs of staff, as well as numerous administration officials, testified in support of the Crusader. Yet within a few weeks of this testimony, the Secretary of Defense abruptly terminated the Crusader. The decision was made without consultation with the Joint Chiefs of Staff, without consultation with the Army, and without consultation with members of Congress. The Defense Authorization bill then required the Army Chief of Staff and Secretary of Defense to conduct a serious study of the best way to provide for the Army's need for indirect fire support. At the same time, it provided the Secretary of Defense, following the study, a full range of options. These include termination to continued funding of Crusader, to funding alternative systems to meet battlefield requirements. That report having been completed, the bill before us expresses concern about the way the termination was proposed, and instructs the Army to move forward with a follow-on contract immediately to leverage the Crusader technology to field a lighter, more mobile cannon in 2008. This is good news for the workers and officials at the United Defense Industries plant in Minnesota, whose ad-

vanced skills and expertise will be necessary for the success of this new cannon.

I also have concerns about the bill, especially about its missile defense provisions. The Defense Authorization bill reported out by the Armed Services Committee would have cut total funding for missile defense from \$7.6 billion to \$6.8 billion. Unfortunately, the Senate adopted an amendment to restore the entire \$814 million, with the President given the option of spending funds on either missile defense programs or on counter-terrorism. This bill retains this change. I would have preferred that the cut be restored, and if not, that the President at least be required to use the funds solely for counter-terrorism.

I've long been a critic of Ballistic Missile Defense, BMD, and I still have strong reservations about the feasibility, cost and rationale for such a system. When I addressed missile defense on the Senate floor on September 25, just 2 weeks after terrorists destroyed the World Trade Center, I argued that pressing ahead on BMD would make the U.S. less rather than more secure. Instead, I suggested the Senate give homeland defense the high priority it deserves by transferring funds to it from missile defense programs. But the administration obviously didn't agree and approved only \$26 million.

In conclusion, I believe in maintaining a strong national defense. We face a number of credible threats in the world today, including terrorism and the proliferation of weapons of mass destruction. We must make sure we carefully identify the threats we face and tailor our defense spending to meet them. We could do a better job of that than this bill does, and I hope that as we move to conference, the committee will make every effort to transfer funds from relatively low-priority programs to those designed to meet the urgent and immediate anti-terrorism and defense of our forces.

Mr. BURNS. Mr. President, I rise today to speak about an issue that is of great importance to me, the retention of key military personnel in our Armed Forces. It has been brought to my attention that in order for us to retain top notch military personnel, we need to, among other things, improve the quality of family life on our military bases. I believe that we need to do everything in our power to improve the morale and welfare of our military personnel and their families. I also commend the President and the managers of this bill, as I believe this year's Department of Defense appropriations bill goes a long way to this end.

In working toward this, we should do what we can to provide our Armed Forces with access to training in cutting-edge technologies. We can improve the quality of military family life, while at the same time provide military personnel and their families with valuable lifelong employable techno-

logical skill sets. This may even have the ancillary benefit of providing families and service personnel technology training applicable in both military and civilian settings and could help provide service personnel and their family members with the technological currency critical to excelling in today's society as Web designers, 3-D animators, programmers, media artists.

The men and women of our Armed Forces, whether they be active duty, Guard or Reserve, stand ready to aid both State and Nation when called upon. They come from all walks of life and all corners of this great country. They sacrifice time with their families, so that when they are called upon, both here and abroad, they honor the call and give their very best to those they serve. I believe that it is our duty to honor their commitment to us by providing them with the tools they need to be their best and the resources they need to compete in today's competitive environment.

Unfortunately due to funding constraints and the numerous worthy programs included in this year's bill, funding was not available for a couple of projects which may have value in this regard. I hope Congress gives consideration to these programs next year.

I want to make sure that during this time, when we are spending so much funding on equipment, ammunition, etc., and rightly so, that we do not lose sight of the importance of quality of life issues. We can have all of the cutting-edge technology and fancy machinery that money can buy, but it means nothing and is useless without our brave men and women behind it.

Mr. INOUE. Mr. President, in a few moments, Senators will be called upon to cast their votes on the Defense appropriations bill. At this moment, I wish to express my gratitude to the Senator from Alaska for his cooperation in moving this bill through the Senate.

This is a massive spending bill totaling more than \$355 billion. With the cooperation of Senator STEVENS and his Republican colleagues, we were able to work through the issues of this bill with comity and a minimum of controversy. The defense of our Nation is too important to be a matter of partisan politics. My friend, Senator STEVENS, knows that and follows that in all of his actions, and so I thank him and his staff for all their hard work: His chief assistant, Mr. Steve Cortese, and Ms. Sid Ashworth, Mr. Craig Siracuse, Ms. Alycia Farrell, and Ms. Nicole Royal.

Finally, Mr. President, I wish to acknowledge the hard work of my staff. They put in very long hours year round but especially as we seek to act on the annual appropriations bill. I express my deep gratitude to them as well: Mr. Charles Houy, Mr. David Morrison, Ms. Susan Hogan, Ms. Mazie Mattson, Mr. Tom Hawkins, Ms. Lesley Kalen, Ms. Menda Fife, and Ms. Betsy Schmid.



Mr. President, finally I say to all my colleagues, this is a very good bill, and I urge all Senators to vote for it.

I am prepared to yield back the remainder of my time.

Mr. BYRD. Mr. President, will the Senator yield me a minute?

Mr. INOUE. I am pleased to yield.

Mr. BYRD. I thank the Senator. Mr. President, Scriptures say:

Seest thou a man diligent in his business? he shall stand before kings. . . .

These two Senators are diligent in their business. They are experienced legislative craftsmen, and they have studied this subject for many years. In defense of our country, they have traveled all over the globe searching for answers to questions, searching for solutions to problems, and coming back to the Senate and applying their experience, their knowledge to the problems at hand. The Senate is in their debt.

I personally thank them for the good work they have done on this bill, the good work they always do. The Nation is in their debt. I thank them both.

Mr. INOUE. I thank my chairman.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I yield back my time.

Mr. INOUE. Mr. President, I yield back the remainder of our time.

The PRESIDING OFFICER. All time is yielded back. Under the previous order, the committee-reported substitute is agreed to.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. INOUE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The PRESIDING OFFICER. The question is, Shall the bill, H.R. 5010, as amended, pass? The clerk will call the roll.

The senior assistant bill clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

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

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote "yea".

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

The result was announced—yeas 95, nays 3, as follows:

[Rollcall Vote No. 204 Leg.]

#### YEAS—95

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

#### NAYS—3

Feingold	McCain	Voinovich
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#### NOT VOTING—2

Akaka	Helms
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The bill (H.R. 5010), as amended, was passed, as follows:

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendments and requests a conference with the House on the disagreeing votes of the two Houses.

The Presiding Officer appointed Mr. INOUE, Mr. HOLLINGS, Mr. BYRD, Mr. LEAHY, Mr. HARKIN, Mr. DORGAN, Mr. DURBIN, Mr. REID, Mrs. FEINSTEIN, Mr. KOHL, Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. MCCONNELL, Mr. SHELBY, Mr. GREGG, and Mrs. HUTCHISON conferees on the part of the Senate.

#### ORDER OF PROCEDURE

Mr. DASCHLE. I ask unanimous consent the next vote be 10 minutes in duration.

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

#### EXECUTIVE SESSION

#### NOMINATION OF HENRY E. AUTREY, OF MISSOURI, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF MISSOURI

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to consider the nomination of Henry E. Autrey, of Missouri, to be United States District Judge, which the clerk will report.

The assistant legislative clerk read the nomination of Henry E. Autrey, of Missouri, to be United States District Judge for the Eastern District of Missouri.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, the Senate Judiciary Committee moved expeditiously to consider Judge Henry Autrey despite the poor treatment of President Clinton's nominees in the same circumstances. I mention this because this vacancy is special. It is a vacancy to which Justice Ronnie White should have been confirmed. But in October of 1999, my friends on the other side of the aisle, the Republicans, marched from a closed-door meeting to vote lockstep against Justice Ronnie White, the first African American Justice of the Missouri Supreme Court, after his nomination to the District Court had been kept waiting for 2 years—2 years here in the Senate; actually kept on the Executive Calendar pending for 9 months.

I mention this because, with all the unfair criticism of Majority Leader DASCHLE, who has been moving judges through at a much faster pace than was done prior to him becoming majority leader, I just want to contrast the difference between that action and the one on this nomination, where we are going to confirm Judge Autrey to the Federal bench in Missouri.

It shows, also, Senator CARNAHAN showed far more grace in helping us move this nominee forward.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Missouri.

Mr. BOND. Mr. President, first my appreciation to the President for nominating Judge Autrey. My thanks to Chairman LEAHY and the Senate Judiciary Committee for voting unanimously to confirm him.

We will have discussions about other procedures and other activities in a different forum. In this forum, I express my strongest support and highest confidence that this candidate respects the role of judges in our system of government—the job being to interpret the job rather than to legislate it.

Permit me to tell you that Judge Henry Autrey currently serves as a circuit court judge for the 22nd Judicial Circuit for the State of Missouri, City of St. Louis. Judge Autrey served with distinction as an associate circuit judge beginning in 1986, a position to which he was appointed by then-Governor, John Ashcroft. He was later promoted to the full circuit bench by then-Governor of Missouri, Mel Carnahan.

As a sitting judge for over 15 years, Judge Autrey has displayed an unwavering commitment to honesty and approachability, earning a reputation as a thoughtful and hard-working judge with a judicious temperament.

Prior to his service on the bench, he served as a prosecutor in the City of