

home. Elmo and Nancy built their new abode on an acre of land nestled in the foothills of the beautiful Sierra Nevada Mountains in southwest Reno. It is a testament to both Elmo and Nancy that their retirement has produced some of the most exciting times of their lives.

It gives me great pleasure to offer my sincerest congratulations to Elmo and Nancy on the occasion of their golden wedding anniversary.

#### SERBIA AND THE HAGUE

Mr. LEAHY. Mr. President, today, March 31, is the deadline in our law for the Secretary of State to certify that the Federal Government of Yugoslavia—now the Government of Serbia and Montenegro—is meeting three conditions enumerated in Section 572 of the Foreign Operations Appropriations Act of 2004. The first of those conditions is that the Government of Serbia and Montenegro is “cooperating with the International Criminal Tribunal for the Former Yugoslavia including access for investigators, the provision of documents, and the surrender and transfer of indictees or assistance in the apprehension, including making all practicable efforts to apprehend and transfer Ratko Mladic.” I am informed by the State Department that the Secretary declined to certify that Serbia has met this condition. I applaud his decision.

This law, first enacted in 2000, was instrumental in pressuring Serbian authorities to apprehend Slobodan Milosovic and transfer him to the ICTY. It has also been the impetus for further arrests of other indictees.

But over the years, Serbia’s cooperation with The Hague has been inconsistent, often grudging, and usually only on the eve of a cut-off of U.S. assistance. President Kostunica has made no secret of his disdain for the tribunal. This is unfortunate, because unless the Serbian Government, and the Serbian people, support efforts by the ICTY to bring individuals accused of war crimes to justice, Serbia’s political and economic development will continue to suffer. The fact that Ratko Mladic, who was responsible for some of the worst atrocities of the Balkans war, remains at large, is unacceptable.

Senator McCONNELL, the Chairman of the Foreign Operations Subcommittee, and I have worked together to maintain U.S. assistance to Serbia in the Foreign Operations budget, subject to the conditions. I join him in commending the Secretary for declining to make the certification. I also agree with Senator McCONNELL that if Mr. Mladic is turned over to the ICTY, we should review the certification law. While it is necessary that the other indictees be apprehended and surrendered, the capture of Mladic would be a very important, positive step.

#### LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

On Saturday, March 13, 2004, nine large holes were punched in the windows of the only gay bar in Newport, RI, just 6 days after its opening. Mayor Richard C. Sardella said the incident was likely motivated by hate. A detective who is investigating the incident also stated that it didn’t appear to be random.

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

#### COAST GUARD AUTHORIZATION—2003

Mr. HOLLINGS. Mr. President, I am pleased that the Senate passed S.733, the Coast Guard Authorization bill of 2003, which I cosponsored. I am hopeful that the Senate can work quickly with the House and pass a final bill in both houses in the near future.

The Coast Guard has always taken on an impressive array of tasks that are important for our security, for the protection of our resources, and for the safety of our mariners. After the tragic events of September 11, 2001, we have asked the Coast Guard to take on even more in the area of maritime security, while asking them to continue to carry out their traditional missions as effectively as before.

This legislation provides authorizations for Coast Guard’s Fiscal Year 2004 and Fiscal Year 2005 budgets, and also includes important new authority for the Coast Guard to better carry out its missions. While the President’s budget request for these two years provided some increases, it was still far from adequate to ensure that the Coast Guard will be able to carry out all that we demand of it.

Thus, I am particularly pleased that I had the support of the Committee on Commerce, Science, and Transportation in adding to the Fiscal Year 2004 authorization \$491 million in authorizations not requested by the President. For Fiscal Year 2004, the bill authorizes approximately \$7.032 billion. This is a 15-percent increase for the Coast Guard’s budget over what Congress appropriated last year, and about 5 percent above the President’s request for fiscal year 2004. The bill includes authorizations of \$246 million in Fiscal Year 2004 for port security not re-

quested by the President, including \$100 million for operating expenses, to cover the increases in operating tempo that the Coast Guard has experienced over the past few years, \$70 million for analyzing port security plans, and \$36 million for three additional Marine Safety and Security Teams. These additional amounts are essential to the security of our ports and waterways, and of our maritime transportation industry.

For Fiscal Year 2005, the bill authorizes approximately \$7.787 billion, a 10-percent increase over Fiscal Year 2004 authorized and enacted levels, including for port security operations. This is \$327 million greater than the President proposed, over 4 percent higher than the President’s request.

I have also been a firm supporter of the need to provide the Coast Guard with the tools it needs to get the job done. The Coast Guard needs to upgrade its core assets, in particular, its aging fleet of cutters. The Integrated Deepwater Program is the Coast Guard’s program for achieving these upgrades, and the President has not requested sufficient funding in its budgets to even keep this program on its original track. I therefore strongly support the inclusion of an authorization of \$702 million for this program in Fiscal Year 2004, which is \$202 million above the President’s budget request, and \$708 million in Fiscal Year 2005, or \$30 million over the President’s request. These increases will allow the program to get back on its original schedule.

At the same time, I have significant concerns with respect to how well the Coast Guard is managing this procurement, and whether the unique method for procurement utilized by the Deepwater Program will be able to achieve the stated goals of minimizing costs and providing operational effectiveness. The Deepwater project is the single largest procurement program that the Coast Guard has managed to date. The Senate has voiced concerns about this program on numerous occasions over the past few years. A GAO analysis of the Deepwater project published in May 2001 entitled “Coast Guard: Progress Being Made on Deepwater Project, but Risks Remain” highlighted risks with the project, including concerns with the Coast Guard’s ability to control costs by ensuring competition among subcontractors, and the Coast Guard’s ability to effectively manage and oversee the acquisition phase of the project. GAO has identified the Deepwater Program as a “high risk” procurement.

GAO recently produced a new report on this subject, entitled “Coast Guard’s Deepwater Program Needs Increased Attention to Management and Contractor Oversight.” The report’s major conclusions indicate that there is a need for significant improvement of the program and its oversight by the Coast Guard. First, GAO found that over a year and a half into the Deepwater program, the Coast Guard has

not put into place the key components needed to provide adequate oversight of the prime contractor. For example, the Coast Guard had not even agreed on specific criteria to measure the contractor's performance, yet awarded the contractor nearly the total amount possible as a bonus for the first year of the contract.

Second, GAO found that there is no clear, transparent and predictable opportunity for competition of the subcontracts under the Deepwater program. While the prime contractor uses the "open business model" to decide whether to "make or buy" Deepwater assets, this guidance is a philosophy—not a formal process with clear criteria and specific decision points—that encourages, but does not require competition. In fact, over 40 percent of the funds obligated to the first-tier subcontractors, Lockheed Martin and Northrop Grumman, have either remained with those companies or been awarded to their subsidiaries.

Perhaps most disturbing, according to Deepwater officials within the Coast Guard, it is unrealistic to believe that the Coast Guard would change contractors after the first five years of the program. Thus, there is little incentive for the prime contractor to achieve the performance goal of minimizing total ownership costs. This obviously could have serious implications for the American taxpayer.

I have also long been concerned that the Deepwater Program meets not only the letter but the spirit of our Buy America laws. A number of the subcontractors that have either received awards under the Deepwater Program, and/or are included in the contractor's proposal, make all or most of their parts overseas. Buy America was intended to ensure that the U.S. Federal government, including the U.S. military, did not contribute to the loss of American manufacturing jobs, yet here we have a major acquisition program for our 5th branch of the military, the U.S. Coast Guard, that appears to be doing just that.

As a result of concerns about the program, the Commerce Committee included in S. 733, as reported, a requirement that the Coast Guard provide a report to Congress which would include an analysis of the prime contractor's performance in meeting the two key goals of providing operational effectiveness and minimizing total ownership costs. However, based on this latest GAO report, and the need to ensure that Buy America is fully implemented, additional Congressional oversight of this major procurement is clearly warranted. Unless there are significant changes to the way business is conducted on this contract, there will be enormous problems in the future that may, in the long run, undermine this program.

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

• Mr. KERRY. Mr. President, the Coast Guard Authorization Act authorizes

nearly \$15 billion in funding for the Coast Guard to carry out its mission for 2 years. This represents a significant increase in funding over previous years, and will go far to support an agency that has both civilian and homeland security responsibilities. The bill also includes funding for the Deepwater program, funding for port security measures, provisions aimed at preventing oil spills and helping fishermen, and protections for marine resources.

Let me begin by discussing the authorization included in the bill. The fiscal year 2005 budget authorization is 4 percent higher than what the President has requested. This difference represents \$327 million, and the authorization itself is a \$700 million increase over what the Congress appropriated for the current fiscal year. The funding increases in the bill will help the Coast Guard meet all of its missions. The Coast Guard has stretched its resources dramatically since September 11, and traditional missions such as enforcement of fishing and marine resource laws as well as search and rescue missions are still below pre-September 11 levels.

This legislation includes over \$700 million for both fiscal year 2004 and fiscal year 2005 for the Coast Guard's Deepwater program, well over the \$500 million in fiscal year 2004 and the \$678 million in fiscal year 2005 requested by the President. Deepwater is an important program that will allow the Coast Guard to purchase new ships, planes, and navigation equipment and integrate those resources into its existing infrastructure.

This legislation also addresses security at our ports. Unfortunately, many of our Nation's ports and waterways remain vulnerable to terrorist attacks. Implementation of the Maritime Transportation Security Act is expected to take years. Therefore, it is important that the Coast Guard, the main Federal agency charged with port security, have adequate resources to meet current homeland security responsibilities. The bill includes \$70 million to assess port security plans as well as \$100 million for expenses that the Coast Guard incurs when the Government issues homeland security alerts. The bill also authorizes \$36 million for three new maritime safety and security teams, MSSTs. The MSSTs have already become a vital security force for many of the Nation's busiest ports. Major port cities such as New York, Boston, and Los Angeles have benefitted from the deployment of MSSTs, and I am pleased that this legislation will allow other ports to receive the same level of protection. The bill also includes \$40 million for the automatic identification system, AIS. Mandated by the Maritime Transportation Security Act, the AIS will allow the Coast Guard to track and monitor certain vessels that could pose a threat to port security. It is essential that this system operates at full capacity.

The fiscal year 2005 authorizations include an overall 10-percent increase for operating expenses and general capital costs to ensure that port security priorities continue to be funded at appropriate levels.

I am pleased that the bill includes a number of environmental provisions, aid for fishermen affected by oil spills, and protections for living marine resources. In response to last year's oil spill in Buzzards Bay, MA, we included in this bill a provision that requires the Coast Guard to study the feasibility of speeding up the deadline for companies to start using double-hull tankers to transport oil. Also in the bill is a mandate for the Coast Guard to issue a report outlining the cost and benefits of requiring vessels to have electronic navigational equipment on board. In addition, to ameliorate the effects of oil spills on fishermen, we added language to the bill that will allow fishermen to receive loans from the oil spill liability trust funding during the period immediately following an oil spill.

The bill also addresses the issue of ship strikes of one of the most endangered whales in the world—the North Atlantic right whale. There are only about 300 individuals left in this entire species, and ship strikes are the No. 1 cause of mortality. While lobstermen and other fishermen in the Northeast have shouldered significant regulatory requirements to avoid entanglement of these whales in fishing gear, no actions have been taken to address the risks from ship strikes. The bill would require the Coast Guard to undertake studies to examine options for minimizing vessel strikes of North Atlantic right whales in accessing ports where this is an issue. In addition to these studies, the bill would require the Coast Guard to submit a report to Congress on the effectiveness and costs of such measures.

In conclusion, we have crafted a balanced bill that will benefit the Coast Guard and enhance our domestic security. The Congress has a responsibility to oversee the Coast guard and provide it with direction and resources. With this bill, we have met that responsibility. I urge my colleagues to support it. Mr. President, I would like to acknowledge the hard work of Senator MCCAIN, Senator HOLLINGS, and Senator SNOWE in helping to draft this legislation. I respect and appreciate their dedication to these issues. Thank you.●

#### JOBS, PROTECTIONISM, AND FREE TRADE

Mr. INOUE. Mr. President, one of the primary issues today is jobs, and one insight into the problem was outlined by my friend, Senator FRITZ HOLLINGS, in an article that appeared in the Washington Post's Outlook section on Sunday, March 21, 2004. The article was headlined "Protectionism Happens To Be Congress's Job." I ask unanimous consent that the article be printed in the RECORD.