

the Revenue Reconciliation Act of 1990) shall be applied for purposes of this section without regard to paragraph (4)(B) thereof (relating to short-term leases of property with class life of under 14 years).

“(9) APPLICATION.—This subsection shall apply to periods after the date of the enactment of this subsection and before January 1, 2009, under rules similar to the rules of section 48(m) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).”

(3) RECAPTURE.—Section 50(a) of such Code (relating to recapture in the case of dispositions, etc.) is amended by adding at the end the following new paragraph:

“(6) SPECIAL RULES FOR AIRCRAFT CREDIT.—

“(A) IN GENERAL.—For purposes of determining whether a qualified regional jet aircraft ceases to be investment credit property, an airport which was an underserved airport as of the date such aircraft was originally placed in service shall continue to be treated as an underserved airport during any period this subsection applies to the aircraft.

“(B) PROPERTY CEASES TO QUALIFY FOR PROGRESS EXPENDITURES.—Rules similar to the rules of paragraph (2) shall apply in the case of qualified progress expenditures for a qualified regional jet aircraft under section 48(c).”

(4) TECHNICAL AMENDMENTS.—

(A) Subparagraph (C) of section 49(a)(1) of such Code is amended by striking “and” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, and”, and by adding at the end the following new clause:

“(iv) the portion of the basis of any qualified regional jet aircraft attributable to any qualified investment (as defined by section 48(c)(5)).”

(B) Paragraph (4) of section 50(a) of such Code is amended by striking “and (2)” and inserting “, (2), and (6)”.

(C)(i) The section heading for section 48 of such Code is amended to read as follows:

“SEC. 48. OTHER CREDITS.”

(ii) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 48 and inserting the following new item:

“Sec. 48. Other credits.”

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods after the date of the enactment of this Act, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

(b) REDUCED PASSENGER TAX RATE ON RURAL DOMESTIC FLIGHT SEGMENTS.—Section 4261(e)(1)(C) of such Code (relating to segments to and from rural airports) is amended to read as follows:

“(C) REDUCTION IN GENERAL TAX RATE.—

“(i) IN GENERAL.—The tax imposed by subsection (a) shall apply to any domestic segment beginning or ending at an airport which is a rural airport for the calendar year in which such segment begins or ends (as the case may be) at the rate determined by the Secretary under clause (ii) for such year in lieu of the rate otherwise applicable under subsection (a).

“(ii) DETERMINATION OF RATE.—The rate determined by the Secretary under this clause for each calendar year shall equal the rate of tax otherwise applicable under subsection (a) reduced by an amount which reflects the net amount of the increase in revenues to the Treasury for such year resulting from the amendments made by subsections (a) and (c) of section \_\_\_\_ of the Wendell H. Ford Na-

tional Air Transportation System Improvement Act of 1998.

“(iii) TRANSPORTATION INVOLVING MULTIPLE SEGMENTS.—In the case of transportation involving more than 1 domestic segment at least 1 of which does not begin or end at a rural airport, the rate applicable by reason of clause (i) shall be applied by taking into account only an amount which bears the same ratio to the amount paid for such transportation as the number of specified miles in domestic segments which begin or end at a rural airport bears to the total number of specified miles in such transportation.”

(c) TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

(1) IN GENERAL.—Section 332 of the Internal Revenue Code of 1986 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

“(c) DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.”

(2) CONFORMING AMENDMENTS.—

(A) The material preceding paragraph (1) of section 332(b) of such Code is amended by striking “subsection (a)” and inserting “this section”.

(B) Paragraph (1) of section 334(b) of such Code is amended by striking “section 332(a)” and inserting “section 332”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distributions after May 21, 1998.

#### REED AMENDMENT NO. 3629

Mr. REED proposed an amendment to the bill, S. 2279, *supra*; as follows:

At the appropriate place in title II, insert the following:

#### SEC. 2. DISCRETIONARY GRANTS.

Notwithstanding any limitation on the amount of funds that may be expended for grants for noise abatement, if any funds made available under section 48103 of title 49, United States Code, remain available at the end of the fiscal year for which those funds were made available, and are not allocated under section 47115 of that title, or under any other provision relating to the awarding of discretionary grants from unobligated funds made available under section 48103 of that title, the Secretary of Transportation may use those funds to make discretionary grants for noise abatement activities.

#### WATER RESOURCES DEVELOPMENT ACT OF 1998

#### LEVIN AMENDMENT NO. 3630

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill (S. 2131) to provide for the conservation and development of water and related resources, to authorize the

Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes; as follows:

At the end, add the following:

#### TITLE \_\_\_\_—CONTAMINATED SETTLEMENTS

##### SEC. \_\_\_\_01. SHORT TITLE.

This title may be cited as the “Contaminated Sediments Management and Remediation Act of 1998”.

##### SEC. \_\_\_\_02. FINDINGS.

Congress finds that—

(1) contaminated sediments can pose a serious and demonstrable risk to human health and the environment;

(2) persistent, bioaccumulative toxic substances in contaminated sediments can poison the food chain, making fish and shellfish unsafe for humans and wildlife to eat;

(3) potential costs to society from contaminated sediments include long-term health effects such as cancer and children's neurological and intellectual impairment;

(4) contamination of sediments can interfere with recreational uses and increase the costs of and time needed for navigational dredging and subsequent disposal of dredged material;

(5) since the enactment of the amendments to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) made by the Great Lakes Critical Programs Act of 1990 (104 Stat. 3000) and the enactment of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102-580), the Nation has gained considerable experience with and understanding of sediment contamination;

(6) a report on the incidence and severity of sediment contamination in surface waters of the United States, required under section 503 of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271), identified 96 areas of probable concern where contaminated sediments pose potential risks to fish and wildlife and to people who eat fish from those areas;

(7) the assessment and remediation of the contaminated sediment program under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and subsequent studies have demonstrated that there are some effective tools for—

(A) determining the extent and magnitude of sediment contamination;

(B) assessing risk and modeling the changes that would result from remedial action; and

(C) involving the public in solutions;

(8) prompt response after discovery of sediment contamination can prevent subsequent spread through storm events, thereby minimizing environmental impacts and response costs;

(9) the United States needs a better understanding of the sources of sediment contamination in order to prevent subsequent recontamination and minimize the recurrence of environmental impacts and response costs;

(10) the response to releases of contaminated sediments should reflect the risk associated with the contamination, and remedies should reflect the potential for beneficial reuse of sediments;

(11) coordination in the use of government authorities and resources for remediation has not kept pace with the growth in knowledge of effective remediation measures, and responses have not been timely or adequately funded;

(12) the resources of the Federal Government should be brought to bear on the problems referred to in paragraph (11) in a well-coordinated fashion; and

(13) the Federal Government should use the funding and enforcement authorities of the Superfund program to respond to the serious environmental risks that can be posed by contaminated sediment sites.

#### SEC. 03. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) CONTAMINATED SEDIMENT.—The term "contaminated sediment" has the meaning given the term in section 501(b) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102-580).

(3) REMEDIAL ACTION.—The term "remedial action" has the meaning given the term in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

(4) SECRETARY.—The term "Secretary" means the Secretary of the Army.

(5) TASK FORCE.—The term "Task Force" means the National Contaminated Sediment Task Force established by section 502 of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102-580).

(6) WATER RESOURCES DEVELOPMENT ACTS.—The term "Water Resources Development Acts" means—

(A) the Water Resources Development Act of 1986 (100 Stat. 4082);

(B) the Water Resources Development Act of 1988 (102 Stat. 4012);

(C) the Water Resources Development Act of 1990 (104 Stat. 4604);

(D) the Water Resources Development Act of 1992 (106 Stat. 4797);

(E) the Water Resources Development Act of 1996 (110 Stat. 3658); and

(F) this Act.

#### SEC. 04. TASK FORCE.

(a) CONVENING.—The Secretary and the Administrator shall convene the Task Force not later than 90 days after the date of enactment of this Act.

(b) ESTABLISHMENT.—Section 502(a) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102-580) is amended—

(1) in paragraph (5), by adding "and" at the end;

(2) in paragraph (6)—

(A) in subparagraph (A), by striking "and"; and

(B) by adding at the end the following:

"(C) to remediate high priority contaminated sediment sites."; and

(3) by striking paragraph (7).

(c) MEMBERSHIP.—Section 502(b)(1) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102-580) is amended by adding at the end the following:

"(G) The Council on Environmental Quality.

"(H) The Agency for Toxic Substances and Disease Registry."

(d) COMPENSATION FOR ADDITIONAL MEMBERS.—Section 502(b) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102-580) is amended by striking paragraph (5) and inserting the following:

"(5) COMPENSATION FOR ADDITIONAL MEMBERS.—The additional members of the Task Force selected under paragraph (2) shall, while away from their homes or regular places of business in the performance of services for the Task Force, be allowed travel expenses."

(e) STRATEGY.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Task Force shall publish a strategy to coordinate

the use of Federal authorities to prevent the contamination of sediments and to remediate existing contamination.

(2) CONTENTS.—The strategy shall include—

(A) specific recommendations for modifying regulatory programs (including modifications to law) and for improving the management and remediation of contaminated sediments to reduce risks to human health and the environment;

(B) specific recommendations to—

(i) help ensure that management practices and remedial actions taken for contaminated sediments reflect the degree of risk associated with the contamination and the costs and benefits of remediation; and

(ii) encourage the beneficial reuse of sediments; and

(C) specific implementation steps, consistent with budget submissions by the President with the appropriate spending requests, as part of an interagency plan to promote remediation of contaminated sediments and prevent recontamination.

(f) REPORTING ON REMEDIAL ACTION.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Task Force shall submit to Congress a report on the status of remedial actions at aquatic sites in the areas described in paragraph (2).

(2) AREAS.—The report under paragraph (1) shall address remedial actions in—

(A) areas of probable concern identified in the survey of data regarding aquatic sediment quality required by section 503(a) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271);

(B) areas of concern within the Great Lakes, as identified under section 118(f) of the Federal Water Pollution Control Act (33 U.S.C. 1268(f));

(C) estuaries of national significance identified under section 320 of the Federal Water Pollution Control Act (33 U.S.C. 1330);

(D) areas for which remedial action has been authorized under any of the Water Resources Development Acts; and

(E) as appropriate, any other areas where sediment contamination is identified by the Task Force.

(3) ACTIVITIES.—Remedial actions subject to reporting under this subsection include remedial actions under—

(A) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) or other Federal or State law containing environmental remediation authority;

(B) any of the Water Resources Development Acts;

(C) section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344); or

(D) section 10 of the Act of March 3, 1899 (30 Stat. 1151, chapter 425).

(4) CONTENTS.—The report under paragraph (1) shall provide, with respect to each remedial action described in the report, a description of—

(A) the authorities and sources of funding for conducting the remedial action;

(B) the nature and sources of the sediment contamination, including volume and concentration, where appropriate;

(C) the testing conducted to determine the nature and extent of sediment contamination and to determine whether the remedial action is necessary;

(D) the action levels or other factors used to determine that the remedial action is necessary;

(E) the nature of the remedial action planned or undertaken, including the levels of protection of public health and the environment to be achieved by the remedial action;

(F) the ultimate disposition of any material dredged as part of the remedial action;

(G) the status of projects and the obstacles or barriers to prompt conduct of the remedial action; and

(H) contacts and sources of further information concerning the remedial action.

#### SEC. 05. SEDIMENT QUALITY.

Not later than 1 year after the date of enactment of this Act every 2 years thereafter, the Administrator and the Secretary shall jointly publish a report that provides the status of the development and implementation of—

(1) methods to determine the threat to human health and the environment posed by contaminated sediments;

(2) guidelines or regulations designed to protect human health and the environment from contaminated sediments;

(3) guidelines or regulations designed to reduce the volume or toxicity of contaminants that are deposited in aquatic sediments; and

(4) guidelines or regulations that will encourage the beneficial use of dredged material.

#### SEC. 06. COST SHARE.

Section 401(a) of the Water Resources Development Act of 1990 (33 U.S.C. 1268 note; Public Law 101-640) is amended by striking paragraph (2) and inserting the following:

"(2) NON-FEDERAL SHARE.—Non-Federal interests shall contribute, in cash or by providing in-kind contributions, not less than 25 percent of costs of activities for which assistance is provided under paragraph (1)."

#### SEC. 07. ENVIRONMENTAL DREDGING AND REMEDIATION.

Section 312 of the Water Resources Development Act of 1990 (33 U.S.C. 1272) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) REMOVAL NOT IN CONNECTION WITH A NAVIGATION PROJECT.—The Secretary may remove and remediate contaminated sediments from the navigable waters of the United States for the purpose of environmental enhancement and water quality improvement if—

"(1) removal and remediation is requested by a non-Federal sponsor; and

"(2) the non-Federal sponsor agrees to pay not less than 25 percent of the cost of the removal or remediation (including the costs of off-site disposal).";

(2) by striking subsection (d); and

(3) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

#### SEC. 08. TECHNOLOGY GUIDANCE AND DEMONSTRATION.

(a) GUIDANCE.—

(1) IN GENERAL.—The Administrator, in consultation with the Task Force, shall develop guidance for selecting appropriate remedial actions for contaminated sediments on a facility-specific basis.

(2) PURPOSES.—The guidance shall assist in deciding whether off-site treatment, in-place treatment, in-place capping, or natural attenuation is an appropriate remedial action, consistent with statutory authorities that are commonly used for remediating contaminated sediments.

(b) DEADLINE.—The Administrator shall—

(1) not later than 18 months after the date of enactment of this Act, publish interim guidance under subsection (a); and

(2) not later than 5 years after the date of enactment of this Act, publish final guidance.

(c) TECHNOLOGY DEMONSTRATION.—The Administrator, in consultation with the Secretary, shall carry out technology demonstration projects related to the remediation of contaminated sediments to assist in developing guidance for remedial actions under subsection (a).

(d) TECHNOLOGY DEMONSTRATION AUTHORITIES.—The technology demonstration shall

include projects required to be identified under—

(1) section 401 of the Water Resources Development Act of 1990 (33 U.S.C. 1268 note; Public Law 101-640);

(2) section 312 of the Water Resources Development Act of 1990 (33 U.S.C. 1272);

(3) section 311(b) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9660(b)); and

(4) other appropriate authorities.

#### SEC. 109. PILOT PROGRAM ON PREVENTION.

(a) FINDINGS.—Congress finds that—

(1) the costs of dredging for navigational purposes are increased by contamination, including contamination from ongoing activities;

(2) sediment quality problems are not solely the legacy of past discharges;

(3) the "polluter pays" principle has not been consistently applied to contamination of sediments, because parties contributing to the contamination have not necessarily been held responsible for their share of the increased costs of dredging or remediation attributable to the contamination;

(4) prevention measures that control the volume or toxicity of sedimentation should lower the costs of dredging that eventually becomes necessary;

(5) it may be easier and less expensive to prevent contamination of sediment than to remedy it;

(6) the relationship between prevention measures and remediation needs to be better understood;

(7) an improved understanding of the sources of contamination and an improved ability to link sedimentation and contamination to their sources are needed; and

(8) there should be a closer linkage between actions to prevent sediment contamination and the cost savings that can be attained when future remediation becomes unnecessary.

(b) PILOT PROGRAM.—The Task Force shall establish a pilot program to—

(1) improve the understanding of the relationship between upstream prevention and control measures; and

(2) provide incentives for upstream measures that can lower the costs of dredging, disposal, or treatment or reuse of dredged materials.

(c) COMPETITIVE GRANTS.—

(1) IN GENERAL.—The pilot program shall provide for competitive grants to be administered by agencies represented on the Task Force with experience in developing and managing programs that address upstream concerns.

(2) PURPOSES.—The grants shall provide assistance for—

(A) development of plans for reduction in sediment contamination;

(B) technical support for implementing those plans;

(C) measurement of impacts of implementation measures, in comparison to baselines; and

(D) coordinating the use of available authorities to reduce further contamination of sediments.

(3) ELIGIBILITY.—The grants shall be awarded to States or substate organizations that can develop and implement the plans described in paragraph (2) on a watershed basis.

(4) CRITERIA.—The Secretary and the Administrator shall develop criteria for evaluating grant proposals under this subsection.

(d) TECHNICAL ASSISTANCE.—Using the data gathered under section 516(e) of the Water Resources Development Act of 1996 (33 U.S.C. 2326b(e)), after entering into an interagency agreement with the Administrator, the Secretary of Agriculture, and the Secretary of

the Interior, the Secretary may provide technical assistance to communities in reducing contamination of sediments.

#### SEC. 110. AUTHORIZATION OF APPROPRIATIONS.

(a) TASK FORCE AND PRIORITY SETTING.—There are authorized to be appropriated such sums as are necessary to carry out section 109.

(b) TECHNOLOGY DEMONSTRATION.—There is authorized to be appropriated to carry out section 108 \$50,000,000.

(c) PILOT PROGRAM.—There is authorized to be appropriated to carry out section 109 \$5,000,000.

• Mr. LEVIN. Mr. President, I am submitting for the RECORD and my colleagues' consideration an amendment to S. 2131, the Water Resources Development Act (WRDA) of 1998, which I hope will be included in that legislation. It is a relatively simple measure. Contaminated sediments are a serious problem in our nation's waterways and ports and a potential threat to human and environmental health. S. 2131 presents a long overdue and perfectly appropriate opportunity to begin addressing this problem.

The EPA submitted a report to Congress this year on the quality of sediments across the nation, pursuant to WRDA of 1992. The report shows that we have cause to worry. Ninety-six areas of probable concern are identified where public and environmental health may be threatened by contaminated sediments. Yet, we have at least six different Federal statutes with implementation responsibilities spread over seven Federal agencies, including a great many specific provisions regarding the Army Corps of Engineers' duties in recent WRDAs, two major programs—Superfund and Clean Water—within EPA, and numerous state and local governments coming at the problem of contaminated sediments in a variety of ways. The inefficiency of this setup and the lack of information exchange and data availability reduces the chances of an expeditious solution. My amendment is intended to improve communication and cooperation among agencies, affected parties and all levels of government, and motivate them to address the problem sooner rather than later.

My amendment requires the National Contaminated Sediment Task Force, as authorized in section 502 of WRDA of 1992 but never funded, to actually meet and make recommendations on how to improve contaminated sediment management practices. Also, this Task Force would have to report on the status of remedial actions on contaminated sediment sites across the nation, including Superfund sites, within one year. This report would also have to identify remediation status, programs and funding for cleanup, the nature and sources, etc. of contaminated sediments.

EPA and the Army Corps would jointly publish a recurring report on ways to assess the threat of contaminated sediment, on the status of any guidelines issued designed to protect

human and environmental health or to reduce deposition of toxics into sediment, and on guidelines issued intended to encourage the beneficial use of dredged material.

Finally, the amendment makes modifications to cost-share provisions for environmental dredging, remediation technology assistance, and establishes a pilot program to give grants to communities that try to reduce contamination of downstream sediments.

Mr. President, there have been years of inaction on contaminated sediments. My amendment is primarily intended to gather information and stimulate the agencies with jurisdiction to take this matter seriously and begin working together. If the information I am seeking is prepared in a timely way, the reauthorizations of Superfund and the Clean Water Act will be greatly enhanced from an environmental perspective, insofar as my colleagues would like to truly address the multi-media threat posed by contaminated sediments. •

#### WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

##### FAIRCLOTH (AND OTHERS) AMENDMENT NO. 3631

Mr. MCCAIN (for Mr. FAIRCLOTH for himself, Mr. HOLLINGS, and Mr. HELMS) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

#### SEC. 5. TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term "air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(2) BERMUDA II AGREEMENT.—The term "Bermuda II Agreement" means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(3) CHARLOTTE-LONDON (GATWICK) ROUTE.—The term "Charlotte-London (Gatwick) route" means the route between Charlotte, North Carolina, and the Gatwick Airport in London, England.

(4) FOREIGN AIR CARRIER.—The term "foreign air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(5) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(b) FINDINGS.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Charlotte-London (Gatwick) route;

(2) the Secretary awarded the Charlotte-London (Gatwick) route to US Airways on September 12, 1997, and on May 7, 1998, US Airways announced plans to launch nonstop service in competition with the monopoly held by British Airways on the route and to provide convenient single-carrier one-stop service to the United Kingdom from dozens of cities in North Carolina and South Carolina and the surrounding region;