

return honor, discipline, and a sense of commitment to the 4,000 midshipmen, in the wake of the most trying scandals that the Naval Academy has faced in its 152-year history. As background, on September 27, 1993, the Naval Academy Board of Visitors created the Honor Review Committee, known as the Armitage Committee, named after the Chairman, Ambassador Richard L. Armitage. The Armitage Committee was charged with reviewing the concept, process, and effectiveness of the Naval Academy Honor Concept, particularly in light of the December 1992 compromising of an Electric Engineering exam at the Academy. One significant recommendation of the Armitage Committee was to increase the Superintendent's Academy tour length to four years and make the Superintendent a more senior flag officer than the two-star admirals who had previously served in that position. Admiral Larson was the top choice among several stellar candidates given his maturity, four-star rank, experience, academic background, outstanding character and integrity, and his known ability to reach out and unify all Academy efforts aimed at improving character development: administration, academic departments, athletic department (including varsity athletics), extra-curricular activities, the Office of Chaplains, and the Brigade Honor Committee.

As a member of the Naval Academy's Board of Visitors, I can report that we recently conducted a comprehensive investigation of every aspect of the Naval Academy. We concluded that the Naval Academy is fundamentally sound and on the right track for the 21st century. For that positive endorsement, we have Admiral Larson to thank. I would like to cite a few of the significant changes that Admiral Larson has instituted at the Naval Academy, which I believe will have positive effects for the future of our service academies:

Established a New Leadership Curriculum. The leadership curriculum has been completely revamped, emphasizing a continuum of leadership both in the classroom and in the fleet.

Established a New Ethics Course. A three-credit course, "Moral Reasoning for Naval Leaders," provides a weekly lecture by a faculty philosopher and seminars taught by senior officers with extensive fleet experience.

Instituted Integrity Development Seminars. During these monthly sessions, midshipmen work to define and clarify their basic moral values, and to determine the importance of those values and their significance to a career as a military officer.

Established Distinguished Chair of Ethics. A world-renowned ethicist has been appointed, who adds considerable expertise to all of the Naval Academy's character development efforts.

Established a Distinguished Professor of Leadership. The current Professor of Leadership is focusing efforts on

improving how leadership is taught and practiced, both in the Division of Professional Development and in Bancroft Hall.

Reaffirmed Honor Concept and Education. Midshipmen ownership of the Naval Academy's Honor Concept has been reaffirmed, and efforts to educate all midshipmen about the history, significance, and value of the Naval Academy Honor Concept have been strengthened.

Returned to a Traditional Plebe Summer. With an emphasis on leadership by example, Admiral Larson returned the Naval Academy to a more traditional summer training period for new midshipmen, challenging them to reach new heights in physical, intellectual, and moral performance, and emphasizing the importance of respect for the dignity of others.

Established a Masters Program for Company Officers. This program allows exceptional junior officers from the fleet to spend their first year in an intense academic environment where they will earn a master's degree in leadership. After being awarded an academic degree, the officers would then use this knowledge, combined with their fleet experience, to become more effective leaders and models for the midshipmen.

Instituted Company Chief Petty Officers. Each Company has been assigned a senior chief petty officer or a Marine Corps gunnery sergeant who provides considerable first-hand fleet experience to the young officers-in-training.

Renewed Accreditation of Academic Program. Under Admiral Larson's leadership, the Naval Academy received renewed academic accreditation in 1986 and 1996. His direction of the academic program for the long term engendered laudatory comments by the inspection teams.

Key Brigade Accomplishments in Academic Year 1996-1997:

74 Midshipmen from the Class of '97 were selected or nominated for graduate education programs, 10 of whom were women—a record number of female participants.

Midshipmen participated in over 16,000 hours of community service, a new record. This effort represents the exponential growth of community service in the Brigade.

Fifteen varsity athletes were named All-Americans for '96-'97. Two of 15 were also GTE Academic All-Americans.

Mr. President, my good friend Chuck Larson, his wife Sally, and daughters Sigrid, Erica, and Kirsten have made many sacrifices during his 40-year naval career, and have contributed significantly to the outstanding naval forces upon which our country relies so heavily. Admiral Larson is a great credit to both the Navy and the country he so proudly serves. As this truly history-making officer now departs for another career, I call upon my colleagues from both sides of the aisle to wish him fair winds and following seas. He will be greatly missed. '58 is great! •

THE ALARM INDUSTRY

• Mr. HARKIN. Mr. President, just over two years ago I stood on this floor as the Senate voted overwhelmingly in support of a historic rewrite of the 1934 telecommunications act. We were told at that time that the act would bring the benefits of competition in local telephone exchange service—better service and lower prices for the American consumer.

One part of that legislation in which I had a personal interest were the provisions concerning the burglar and fire alarm industry—a highly competitive industry still dominated by small businesses. Many of us, both in the House and the Senate, feared that allowing the Regional Bells to enter the market prior to real competition in the local telephone exchanges would result in the Bells using their business monopolies and vast financial resources to drive small alarm dealers out of business.

That is why Congress adopted a five year transitional waiting period before the Bells could enter the alarm monitoring business. The bill made an exception for Ameritech.

The Ameritech exception was included because Ameritech had already purchased two large alarm companies—before the bill was passed. However, these acquisitions were quite controversial because they were made during a time when all of the Bells had agreed not to enter this line of business until the legislative rules had been established. Only Ameritech broke that understanding. Nonetheless, the Congress felt it was better to grandfather those acquisitions rather than to force a divestiture.

However, in order to insure that we were not granting a five year competitive advantage to Ameritech over the other Bells, who had kept their pledge not to enter the business, we specifically prohibited further growth by acquisition during the five year transition period. We, in effect, told Ameritech that it could stay in the alarm monitoring business, but that its growth would be restricted to direct marketing to customers.

And, to make our intentions crystal clear, several Senators, including then Majority Leader Bob Dole, engaged in a floor colloquy on the subject when the bill was being considered. At one point I said:

There is one issue which deserves some additional clarification. The bill and the report language clearly prohibit any Bell company already in the industry from purchasing another alarm company for 5 years from date of enactment. However, it is not entirely clear whether such a Bell could circumvent the prohibition by purchasing the underlying customer accounts and assets of an alarm company, but not the company itself. It was my understanding that the conferees intended to prohibit for 5 years the acquisition of other alarm companies in any form, including the purchases of customer accounts and assets.

The two managers of the bill, Commerce Committee Chairman PRESSLER

and Ranking member HOLLINGS, both agreed on the record that my understanding was correct.

Despite that clarification in the formal proceedings, Ameritech disregarded Congressional intent. Soon after passage of the bill, Ameritech went out and purchased the customer accounts and assets of Circuit City's alarm monitoring division.

When the alarm industry challenged Ameritech's action, a divided FCC Committee supported Ameritech. For reasons I don't understand, all the commissioners—except for Susan Ness in a vehement dissent—said that purchasing the customer accounts and assets was permissible so long as Ameritech did not purchase any of the stock.

This opened the flood gate. During the next 16 months, Ameritech purchased over 550,000 customers by acquiring the assets and customer accounts of: Republic Industries alarm division, the 7th largest company in the alarm industry; Rollins, the 10th largest company in the industry; Masada, the 20th largest company in the industry; Central Control and Alarm, the 40th largest company in the industry; and Norman, the 46th largest company in the industry.

This acquisition binge was exactly what Congress wanted to avoid when it created the five year transitional waiting period. The industry's fears of market domination by those companies which control the local telephone exchanges—the alarm industry's life-line—have proven to be justified.

In the late 1980's and early 1990's, just before Congress embarked on its effort to transform the telecommunications industry, there were approximately 13,000 alarm companies in this country employing over 120,000 workers. By 1997, that number had dropped dramatically to 10,750 companies and 90,000 workers—according to an industry source, Freeman & Associates.

At the same time, there was significant consolidation among the top 100 alarm companies. Most industry experts agree that several top 100 companies have concluded that they would have to consolidate to compete with the rapidly expanding Ameritech. This hastened the demise of many small alarm companies, driven out of business by having to compete with the new giants in the industry, especially Ameritech.

At the same time that small companies were being driven out of business, there have been dramatic layoffs in the companies Ameritech acquired. Just last year, Ameritech's SecurityLink alarm division announced layoffs of over 1,500 workers out of a workforce of 8,000.

One example of this can be found in Lancaster, Pennsylvania. About 20 years ago, my friend Patrick Egan started his own small alarm company, Commonwealth Security Systems, Inc. He built his company into a significant regional player with 11 offices and a

central monitoring station in Lancaster. He employed over 200 people in Lancaster alone.

In January of 1997, believing that he had won the battle against Ameritech purchasing alarm monitoring companies, Patrick sold his business to Republic Industries. He sold with the understanding that all of his employees would be retained, monitoring would continue in Lancaster, and he would remain on as President of Republic Industries' Mid-Atlantic operations. During the short period Republic owned Commonwealth Security Systems, they significantly expanded operations and doubled the size of its workforce from 200 to 400.

However, thirty four weeks later, Ameritech's SecurityLink came in and purchased all the customer accounts and assets of Republic's alarm division. That day, Ameritech chose to let Patrick go. Then, it proceeded to layoff nearly 100 of the Lancaster-based employees. More layoffs are expected as SecurityLink eliminates its Lancaster monitoring station as well as 22 others across North America. Not only are jobs lost, but also the industry is convinced that safety is compromised.

Last December 30, however, the United States Court of Appeals for the District of Columbia Circuit stepped in and vacated the FCC's ruling that precipitated the buying binge in the first place.

In its ruling, the Court said, "When the purported (by the Commission) 'plain meaning' of a statute's word or phrase happens to render the statute senseless, we encountering ambiguity rather than clarity. . . . So [it is] here." The Court continued: "The Commission's interpretation means that although Section 275 (a) (2) precluded Ameritech from acquiring even one share of Circuit City's stock, Ameritech was free to acquire the company's entire alarm monitoring services division—lock, stock, and barrel. We asked the Commission counsel at oral argument what possible rationale Congress could have had in mind if this is what it intended." The FCC's counsel has not provided a cogent answer to the court's question.

I share the court's confusion. I know what we meant when we adopted Section 275 and Ameritech certainly knew what we meant. But that did not stop Ameritech's management. It has been their intention all along to push as far and as hard as they could while they had their unique advantage over the other Bells. They would hope that either the FCC or the courts would sustain their position. They have deep financial pockets which they have relied upon in the hope that they could drive the alarm industry into submission.

But that's not going to happen. The Court has signaled that an interpretation of Section 275 which circumvents the prohibition on purchases by specifying the method of purchase does not adhere with what Congress intended. The Court has directed the FCC to

issue an interpretation of Section 275 which makes sense. It is my hope that the Commission in its next ruling will send a clear and unambiguous message to Ameritech that it must cease and desist from flaunting the law and should be ordered to divest itself of any customer accounts or assets it acquired after the passage of the Telecommunications Act of 1996.

Congress clearly intended to prohibit Ameritech from acquiring all or any part of an alarm monitoring company in any form. It's time for Ameritech to realize that. The only way they will, though, is if the FCC forces them to follow the law.●

TRIBUTE TO FIRST LADY OF VIRGINIA ROXANNE GILMORE

● Mr. WARNER. Mr. President, I rise today to pay tribute to the First Lady of the Commonwealth of Virginia, Mrs. Roxanne Gilmore. I had the distinct pleasure of joining Mrs. Gilmore for a luncheon honoring her prior to the Governor's Inauguration. Mrs. Gilmore is a remarkable woman of uncommon character and an accomplished education professional. She is setting a wonderful example for all Virginians and bringing tremendous talent, energy, and leadership to the position of First Lady.

Mr. President, I ask that First Lady Gilmore's remarks be printed in the RECORD.

The remarks follow:

REMARKS OF MRS. ROXANNE GILMORE

I want to thank each of you for being here today, especially with the weather having taken a turn for the worse. It means a lot to Jim and me that you all would choose to be a part of our inaugural festivities—we wanted to share this experience with as many Virginians as possible. That's why we have traveled to so many wonderful places in the Commonwealth this week—to revisit the beautiful places that we saw during the campaign, and most importantly, to see so many of our friends who sustained us over the last several months.

It's with many differing emotions that I address you this afternoon. I am deeply honored that a man of the stature of Senator John Warner would host this event today. He is truly one of Virginia's finest sons, and his service and commitment to the people of Virginia overshadows what small service I hope to give the people over the next four years.

I am thankful that so many of our close friends and family are here and that they were able to weather the roads to make it to Richmond today. You all have understood when we had to say No, we can't come this time, and you sustained us during the rough times. I particularly want to thank Bessie Scott of the VFRW for their tireless efforts on our part during this campaign. There was not a time when they refused to help, and I am proud that I can claim a long-standing membership in such a worthwhile group. I also want to thank the Mills E. Godwin High School Chorus for providing special music for our enjoyment. Our son, Jay, has enjoyed being a "Godwin Eagle" this year, and I appreciate the warmth that the Godwin student body has extended to us all.

Then, indeed, I am somewhat terrified of giving this speech since I see some of my