

OHIOAN NAMED SMALL BUSINESS PERSON OF THE YEAR

• Mr. GLENN. Mr. President, I rise today to recognize the outstanding entrepreneurial achievement of a resident from my home state of Ohio, Mr. Ross O. Youngs. The President of Univenture Incorporated, Ross was recently named as Small Business Person of the Year. The decision was made by Vice President AL GORE and Aida Alvarez, Administrator of the Small Business Administration. Mr. Youngs was selected from a highly competitive field of 53 small businesses representing all 50 states, the District of Columbia, Puerto Rico and Guam.

Ross Youngs began Univenture 10 years ago with an idea, hard work, perseverance and a limited budget. In the long standing tradition of the American Entrepreneur, Ross took a \$20,000 personal bank loan and started a company in his basement. Over the following nine years, two Small Business Administration guaranteed loans helped Mr. Youngs expand production. Sales have risen in 10 years from \$111,000 to \$15 million. Ross Youngs' company Univenture has proven itself to be an outstanding example of American small business.

Univenture is not only a successful company but also a contributor to the community in a number of ways. The firm works with a local organization to employ people with disabilities, Univenture supports the Columbus Police Department's Shop-With-A-Cop Program to provide gifts for needy children during the holiday season and contributes to the Wexner Center for the Arts.

Mr. Youngs continues to be an example of outstanding achievement in business and his community. It is with great pride that I recognize Mr. Ross Youngs as the National Small Business Person of the Year during National Small Business Week. I extend my congratulations and wish him continued success.●

CRIME IDENTIFICATION TECHNOLOGY ACT

• Mr. ABRAHAM. Mr. President, I am pleased to rise today as an original cosponsor of the "Crime Identification Technology Act" recently introduced by my colleague from Ohio, Senator DEWINE. I applaud the Senator from Ohio's fine efforts in getting this important bill introduced and shepherding it through the Senate Judiciary Committee so quickly.

In my view S. 2022 will provide significant assistance to federal, state, and local law enforcement groups as they work to integrate their identification, information, communications, and forensic systems. Currently, federal, state, and local crime databases are not universally maintained in a format that makes them compatible with one another. Right now law enforcement officials often have trouble

accessing information and transferring it among themselves.

Important technologies such as the Integrated Automated Fingerprint Identification System (IAFIS) which is operated by the Federal Bureau of Investigation (FBI), the National Integrated Ballistics Network, and the National Incident-Based Reporting System all would be much more effective if all states and localities had compatible systems. The federal government has provided agencies with the funds necessary to create this technology. Unfortunately, a number of states, and local communities in particular, often have not had sufficient funds to implement them. Moreover, particular states and localities often lack sufficient incentive to standardize because standardization's benefits become clear only if all states and localities participate. Thus it is important that the federal government provide assistance in order to maintain a uniform national system.

The "Crime Identification Technology Act" will better enable federal, state, and local governments to work in tandem in the fight against crime. In a nutshell, this bill authorizes \$250 million in grant money over five years to states in conjunction with local governments and Indian tribes, to establish or improve information and identification technologies and make them more compatible with one another and with federal systems. Grants will be distributed by the Bureau of Justice Statistics, which will consult with the Governor of each state to determine how much money is needed and for which programs. For example, some states may feel they need better fingerprint-scanned devices while others may want to integrate their ballistics programs into the National Integrated Ballistics Network.

Federal and state governments share an interest in the interstate compatibility of these technology systems and in quickly identifying whether an individual has a federal, state, or local record. Ensuring the accuracy and accessibility of criminal history records must be a joint endeavor among law enforcement agencies at all levels. This legislation will be of critical assistance in bringing this about.

I urge my colleagues to join me, my colleague from Ohio, the Chairman and Ranking Member of the Judiciary Committee, and a number of other colleagues in supporting this important piece of legislation.●

TRIBUTE TO ADMIRAL CHARLES R. LARSON, UNITED STATES NAVY

• Ms. MIKULSKI. Mr. President, today I rise to honor a remarkable naval officer and good friend, Admiral Charles R. Larson. Having served a distinguished career in the United States Navy, Admiral Larson will enjoy a well deserved retirement after forty years of service. Over his forty years of service, Admiral Larson has served in 11 positions, span-

ning more than nineteen years as a flag officer. Admiral Larson is a man of honor, integrity, and patriotism.

For the past four years, Admiral Larson has served as the 55th Superintendent of the United States Naval Academy. It was in this position that I got to know and admire him. Under Admiral Larson's leadership, honor and discipline were restored following the most scandal-ridden period of the Academy's history. As a member of the Naval Academy Board of Visitors, I worked closely with Admiral Larson as he developed and implemented his successful reform agenda. I was highly impressed with the tough choices he had to make to change the Academy. Under his leadership, he led the full integration of women into the academy. He also initiated many new programs and improved the curriculum. Always he led the midshipmen by example.

We in Maryland are very proud of the United States Naval Academy. It is important to our state and our nation. The Board of Visitors recently conducted a comprehensive investigation of the Naval Academy. We concluded that while we must continue to improve the Naval Academy, this vital national resource is on the right track and will produce top-notch cadets for the twenty-first Century. Admiral Larson's leadership is what made this possible.

I would also like to take this opportunity to commend Admiral Larson's wife, Sally, and his family, who have greatly contributed to the success of his naval career. I ask my colleagues to join me in thanking Admiral Larson for his service to our nation. I wish Admiral Larson the very best for the future.●

HARBOR MAINTENANCE TAX

• Mr. BREAU. Mr. President, since colonial times, waterborne commerce has been key to the economic growth and vitality of our Nation. It has been especially important for my home state of Louisiana. The entire U.S. economy, and that of Louisiana, depends on an efficient and reliable transportation system to remain competitive in domestic and international markets. Navigable channels, railways, highways, and ports are links in the transportation chain that allow manufacturers, buyers, and sellers to send and receive goods quickly, safely, and efficiently. Congress has recognized the importance and need for promoting a system of seamless intermodal connections, from ship to shore, and then to rail or truck, and ultimately to the consumer's local retail store. The original ISTEA legislation, was named for intermodalism, in recognition of the importance of fostering and promoting intermodalism, and I am confident that ISTEA II will continue our efforts to expand and modernize the infrastructure needed to facilitate intermodalism.

Continued adequate investment in our Nation's transportation infrastructure, including federal navigation channels, is critical. In fact, in Louisiana we have literally hundreds of miles of navigable waterways crisscrossing our state. The resulting benefits of this waterway system are efficient access to a wide variety of products and services, internationally competitive exports, and lower costs for consumers. Maintaining deep draft navigation channels is one of the most important, and least understood, factors in maintaining an efficient national transportation system. The need for both maintenance and deepening of navigational channels will drastically increase as vessel operators continue to switch to newer and larger vessels.

The most modern and largest container ships available today are capable of carrying over 6,000 TEUs. By way of comparison, this cargo load would translate into a train length of over 27 miles. However, these vessels require navigable channels in excess of 45 feet of depth in order to get into port in a fully laden mode. We can have the greatest system of intermodal infrastructure available, but if the gigantic vessels that will be plying the seven seas cannot enter our ports, our importers and exporters will not benefit, and we will lose the competitive advantages of having cheap and safe transportation.

U.S. port development and maintenance is currently a shared responsibility of federal, state, and local governments, with extensive private sector participation. Under this relationship, rooted in the U.S. Constitution, the Federal government has maintained harbor access channels and contributed a share towards channel improvements, while individual ports construct and maintain the land-side terminal facilities, including developing rail and highway access, dredging their own shipping berths, and contributing to channel improvement cost-sharing programs.

Since 1789, the Federal Government has authorized navigation channel improvement projects, and the General Survey Act of 1824 established the U.S. Army Corps of Engineers as the agency responsible for the Nation's navigation system. Relying in good faith on this long-standing partnership, local port authorities spend approximately \$1.3 billion annually to construct and maintain the land-side facilities. These local investments have been paid for through state taxes and bonds and have resulted in a port system that can be relied on to meet our country's national defense needs and accommodate our ever growing international trade.

Traditionally, the Federal Government funded maintenance dredging of federal navigation channels from General Treasury revenues. However in 1986, Congress enacted the Harbor Maintenance Trust Fund to pay for a portion of channel maintenance dredging. Revenue for this trust fund is gen-

erated by assessing a fee, the "Harbor Maintenance Tax" or HMT, on the value of export, import, and domestic cargo moving through the nation's deep draft ports. At the same time, local cost-sharing was instituted for funding new construction projects. These projects allow a Port to either widen or deepen navigable channels. By way of contrast, on the inland waterways, operations and maintenance costs are paid out of the General Treasury, and new construction costs are funded, in part, by an inland waterways fuel tax.

THE FUNDING FOR MAINTENANCE DREDGING IS IN JEOPARDY

Recently, the Supreme Court has ruled that the Ad Valorem nature of the HMT and the surplus of revenues in the HMT makes it a tax rather than a user fee, and that the collection of the HMT violates Article I, section 9, clause 5 of the U.S. Constitution which restricts Congress from enacting taxes or duties on U.S. exports. As a result of this determination, the U.S. Customs Service has been forced to cease collection of the HMT on exports. In addition, previous to the determination of the Supreme Court, the European Union challenged the HMT as a tariff barrier and an unfair trade practice under GATT. It will be unlikely that we will now be able to prevail in a GATT panel in a challenge to the HMT given that we only would collect the HMT for imported items.

THE FEDERAL GOVERNMENT MUST RESUME RESPONSIBILITY FOR CHANNEL MAINTENANCE

The debate over the creation of a user fee in 1986 to fund maintenance dredging was a long and acrimonious one and one that divided the port, shipper, and carrier communities. Congress recognized and considered that the assessment of a tonnage fee on cargo or vessels would have severely affected bulk commodities, such as grain or coal, which compete in international markets where even the slightest price fluctuation can make or break a sale. The final product, assessing an Ad Valorem fee on cargo, ending up adding hundreds of dollars to the cost of shipping a single container of high value cargo, such as electronic equipment or computers, has caused traffic to be diverted to non-U.S. ports to avoid payment. For instance, the imposition of the HMT caused a railcar-carrier service on the Great Lakes to go out of business.

When the HMT was enacted in 1986, Congress tried to be sensitive to the impact of a user fee on trade, and set the HMT at a level to collect 40 percent of the costs thought to be required to cover maintenance dredging. However, in 1990 in the budget agreement, Congress tripled the fee with very little debate, and since then the trust fund has accumulated a \$1.2 billion surplus and that surplus has been projected to grow to \$1.9 billion by the end of fiscal year 1999.

The cost of maintenance dredging is expensive, and many U.S. ports could

not perform routine maintenance dredging programs given the scope of the need of certain ports and the hydrographical particulars of certain channel waterways. Without routine maintenance dredging, many of these channels would be rendered unnavigable. It should be remembered that the prime beneficiaries of adequately maintained navigation channels are not the ports themselves, although local port communities do benefit from the economic activity generated through the port, but U.S. producers and consumers. In fact, the beneficiaries include the entire national economy, as well as the Federal Government, as well as the vessels of the U.S. Navy, Coast Guard, and other public agencies which travel our navigable channel waterways—all benefit from the public sector payments into the HMT to defray maintenance dredging costs.

Without today's access to ports, there would be fewer and more expensive transportation options. U.S. exports would suffer as producers' transportation costs increased, thus decreasing our international competitiveness and the availability or accessibility of certain imports. Since 95% of U.S. international trade moves through our ports, the channels and harbors must be kept safe and navigable through essential routine maintenance by removing sediment that can clog shipping lanes.

USER FEES FOR DREDGING HURT OUR INTERNATIONAL TRADE COMPETITIVENESS

Imposing new taxes on trade to fund maintenance dredging would run counter to our government's trade promotion efforts. Our nation cannot hope to reap the economic benefits of the global marketplace without providing the infrastructure necessary to transport those goods as cheaply and efficiently as possible. A 1993 General Accounting Office study found that 12 Federal agencies already levy 117 assessments on waterborne trade. Making our exports more expensive through additional fees makes the U.S. less competitive in international markets.

U.S. ports annually handle more than one billion metric tons of international trade cargo valued in excess of \$600 billion. Customs revenues in FY 1996 totaled \$22.3 billion, of which roughly 70 percent (or \$15.6 billion) is attributable to seaport activity. International trade's impact on the U.S. Gross Domestic Product (GDP) is growing by astronomical bounds. In 1970, trade represented only 13 percent of U.S. GDP. By 1996, trade had grown to account for 30 percent of GDP, or about \$2.3 trillion. More than 11 million U.S. jobs now depend on exports, and this figure represents an increase of 1.5 million jobs in just four years. Significantly, the wages earned by workers manufacturing goods for export are, on average, 13-17 percent higher than non trade-related jobs.

WHY DREDGE?

Over 90 percent of the nation's top 50 ports in foreign waterborne commerce, including ports in Louisiana, require regular maintenance dredging. Together these ports move nearly 93 percent of the volume of all U.S. waterborne commerce. Routine maintenance dredging is necessary in many parts of the country to remove sediment from rivers and harbors that builds up due to tidal and other hydrographical forces. Without dredging, many port facilities and navigation channels would be rendered unsafe and non-navigable to users in less than a year. For example, the Columbia River accumulates sediment at a rate of five to six feet a year in some areas. Without routine dredging, areas of the navigation channel that serves the water highway for many ports in Oregon and Washington State could change from a 40-foot to a 35-foot deep channel in one year. Since 90% of the ship traffic use the maximum depth of the channel, such a dramatic change would prohibit many ships from entering the channel or force ships to carry only a fraction of their intended load, making their voyages expensive and inefficient.

Failure to adequately maintain navigation channels affects not only the local economy around the port, but has far-reaching impacts throughout the country. For example, agricultural and natural resource products such as grain or timber will be unable to reach export markets. In addition, imports such as clothing, consumer electronics, and automobiles will become more scarce and expensive. Since ships and ports provide the means to facilitate the flow of interstate and international commerce, the Federal Government should bear a large portion of the responsibility to ensure that these trade conduits remain viable.

THE ECONOMIC BENEFITS OF WATERBORNE SHIPPING ARE PLENTIFUL

The economic benefit of our waterborne system is nationwide: goods from 27 states leave the country through the ports in Louisiana alone. Midwestern grain supplies the Pacific rim market through ports in the Pacific Northwest. Crude oil that is brought to and refined in New Jersey and Pennsylvania reaches consumers on the entire East Coast—from Maine to Florida. Steel that travels to major Midwestern industrial centers is delivered cheaply and efficiently through ports on the Great Lakes. Ports on the West Coast handle high value goods destined for consumers throughout the country.

Costs associated with waterborne shipping are three to four times less per ton-mile than any other freight transportation, and waterborne shipping is the most cost effective method of freight movement. Our waterborne transportation efficiency contributes mightily to our ability to compete in the price sensitive bulk commodity markets. Grain and coal are just two examples of price-sensitive bulk commodities. Because shipping contracts

can hinge on a few tenths of a cent per bushel of grain or ton of coal, transportation costs can be the deciding factor for foreign buyers choosing between American or foreign bulk products.

Maintaining the right channel depth allows U.S. commodities to stay competitive. For each foot of draft vessel depth not dredged, vessels carry less product—making each voyage less efficient and more costly. For instance, maintaining a channel at 43 feet instead of 44 feet may mean the difference of 750 tons of additional coal capable of being loaded on a ship. Properly maintained channels can make or break a contract in the international marketplace.

SAFETY AND ENVIRONMENTAL BENEFITS OF DREDGING

Making waterways safe for navigation is one of the most important benefits of routine maintenance dredging. Deepened channels that accumulate sediment become dangerous because they increase the chance of ships running aground. Groundings are expensive not only in cargo and time lost, but groundings may also pollute the environment if ships' hulls are breached and cargo is spilled. The cost of responding to and cleaning up oil pollution impacts everyone. Well-maintained channels eliminate any surprise shoalings or buildups that may cause mishaps harmful to the environment.

When waterways are not regularly dredged, ships have to be lightered; that is, they have enough cargo removed to smaller, shallower vessels so that the primary ship is light enough to enter the harbor safely. Aside from the additional handling costs associated with the practice and the loss of time and potential productivity, lightering of bulk liquids increases the chance of spillage and pollution.

Waterborne freight transportation is also the most efficient mode of surface transportation in terms of fuel use per ton-mile. Waterborne commerce contributes the least amount of pollution in terms of hydrocarbons, carbon monoxide, and nitrous oxide emitted per ton-mile, and is also the safest in terms of death or injury per ton-mile. Waterborne shipping emits five times fewer hydrocarbons than trains and seven times fewer than trucks. A shift of less than 1 million tons of cargo from ship to truck would increase fuel use by a factor of ten, and probable accidents by a factor of six annually.

FUTURE ROLE OF U.S. AT STAKE

Since the first wooden vessels arrived on our shores, this nation has relied on and prospered due to its access to water and thereon to the rest of the world. Both economically and strategically, thereby are no greater national assets than our ports and federal navigation channels—our water connections to the global marketplace and our means of projecting our national defense.

Until 1986, the Federal Government fully funded the maintenance of our Nation's navigation channels, main-

taining a partnership with state and local port authorities. Contributing to, and relying on this partnership, these local port agencies have invested billions of dollars in land-side terminals to develop the array of ports along our three sea coasts, Great Lakes, and inland waterways. The HMT, instituted in 1986 to recover first 40%, then 100%, and more, of dredging maintenance costs, has been ruled unconstitutional as applied to exports by the U.S. Supreme Court. Based both on this decision and the rancorous debate during the 1980s, any alternative trade tax/user fee funding mechanism will have significant legal and political challenges to overcome.

With the United States' future role in the global economy at stake, it is critical that we approach this issue delicately, and I would urge the Administration to carefully review this issue and not rush to any judgment. This issue has too many different constituencies with an important stakeholder interest.

Accordingly, I have written to Secretary Slater to request his assistance in establishing a private sector task force to review the issues confronting any reformulated approach to maintenance dredging. At a minimum, this task force should include various carrier and shipper interests and port and port-related labor interests and should allow the affected interests to air their concerns and make recommendations. The problem that we face with the potential elimination of the HMT is severe, and any action to replace it, or reformulate it, should be done only after an informed airing of the issues from affected parties. Mr. President, this issue is critical not only to Louisiana but to the entire country. I look forward to working with all interested parties to develop a workable solution.●

PRESIDENT CLINTON NAMES CLYDE J. HART AS ADMINISTRATOR OF THE MARITIME ADMINISTRATION

● Mr. TORRICELLI. Mr. President, I rise today in support of Clyde J. Hart's nomination as Administrator of the Maritime Administration. Mr. Hart is originally from my home state of New Jersey and I am proud to stand with him as he prepares for his confirmation process before the Senate.

Mr. Hart is currently the senior Democratic Counsel for the Committee on Commerce, Science, and Transportation, Surface Transportation and Merchant Marine Subcommittee in the Senate. I have had the great privilege of working with him in the past on the issue of hazardous waste transportation, and have found him to be very intelligent and extremely effective.

Before coming to work for the Senate, Mr. Hart had extensive experience in a variety of fields. He has practiced law here in Washington, D.C., taught courses at the University of Virginia