rights of U.S. persons abroad. But we are not willing to sacrifice the regulatory functions of our own Government in order to obtain that objective.

As the letters I quoted attest, getting clarity on this point is the number one priority for many of the organizations that have written about chapter 11. They make a fair point. Given the interests at stake, we must be crystal clear about the ground rules. U.S. negotiators must not conclude agreements that give foreign investors greater protection of their property rights than our own citizens already enjoy. Our well-developed law should define the ceiling. The amendment that we offer today makes that unmistakable.

The chapter 11 issues are some of the most challenging to confront us in the fast track debate. Important questions about the needs of Government and the rights of individuals are at stake. I believe that the Finance Committee bill struck a very good balance. I believe that the amendment we have laid down makes that balance even better, and I urge my colleagues to support it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I thank my distinguished colleague from Montana for offering this amendment. I think it helps improve what is already an excellent bill.

First, I want to make it clear that the bipartisan trade promotion authority bill currently pending in the Senate goes further than any prior bill to address concerns about potential abuse of the investor-State dispute process. At the same time, the bill recognizes that protecting U.S. investors abroad is also an extremely important objective. In short, the bill is balanced. Some people are attempting to undermine that balance. I think that is a mistake.

Foreign investment is closely interrelated to trade. Companies invest abroad to get closer to markets, acquire new technologies, form strategic alliances, and enhance competitiveness by integrating production and distribution. When they invest abroad, U.S. companies often become consumers of U.S. exports—either from affiliated entities or other U.S. companies.

The importance of international investment to the U.S. economy is large and growing. The United States receives more than 30 percent of worldwide investment. According to the U.S. Bureau of Economic Analysis, foreign investment in the United States grew sevenfold between 1994 and 2000, reaching almost $317 billion last year. As of 1998, foreign companies had invested over $3.5 trillion in the United States. They employed 5.6 million people and paid average annual salaries of over $46,000, well above the average salary for U.S. workers as a whole.

The ability of U.S. companies to invest abroad is also vital to U.S. economic growth and U.S. exports. Between 1994 and 2000, U.S. investment abroad doubled from $73 billion to $148 billion. U.S. investment abroad is critical to support a more dynamic and flexible U.S. economy, greater export flows and higher paying jobs for American workers.

For the last 25 years, each successive administration has recognized that it is critical to negotiate strong, objective and fair investment protections in our international agreements to continue to promote such investment. These traditional investment protections are largely based on U.S. law and policy and established international law rules of which the U.S. has been the chief architect and advocate.

The Senate Finance Committee gave very careful consideration to investment issues and some concerns expressed about NAFTA chapter 11 when we discussed H.R. 3005, the bipartisan Trade Promotion Authority Act.

Both Republican and Democratic members of the committee agreed to several improvements to the U.S. negotiating position on investment, which include: providing a mechanism for the early dismissal of frivolous claims, injecting greater transparency into arbitration proceedings, and establishing a review mechanism.

The bill and accompanying report also provide the committee's views on ensuring that U.S. investors abroad enjoy protections comparable to those available to foreign investors in the United States under existing U.S. law, while at the same time not making our own regulations unduly subject to treaty challenge on grounds that have no foundation in U.S. law and practice.

The degree of support for the final product is demonstrated by a strong bipartisan committee vote of 18 to 3 in favor of the bill.

These provisions represent a very careful balance between the political concerns raised by particular cases under the NAFTA chapter 11 process and the need to continue to provide U.S. citizens with strong investment protections overseas.

Yet, some Members still have concerns that foreign investors in the United States will receive greater rights under these provisions than U.S. investors in the United States receive. The amendment we are offering today makes it clear that this is not the case. It is a good improvement to an already excellent bill. I urge my colleagues to support it.

● Mr. KERRY. Mr. President, I want to speak just briefly about the chairman's amendment. I understand what the Senator is trying to do with this amendment, and I appreciate his efforts to seek common ground. He has not had an easy job trying to steer this omnibus trade package through very stormy seas.

I am grateful for the chairman's willingness to be responsive to some of the concerns that I—and others—have raised. However, on the issue of investor-State dispute settlement, I am afraid that substantial disagreement remains. The Baucus-Grassley amendment makes a minor change to the bill. It is certainly better than the current language, but it just does not do a good enough job of protecting the ability of Federal, State and local governments to enact legitimate public health and safety legislation.

As my colleagues know by now, it is clear that NAFTA's investor-State dispute resolution process popularly known as ''Chapter 11''—will be the model upon which future such agreements are predicated. Chapter 11 is a flawed model, not a failed model. I believe that having an investor-State dispute settlement process in a trade agreement is vital to ensuring that U.S. investors are able to invest abroad with confidence—but it needs to be improved.

Regrettably, the Baucus-Grassley amendment does not despite what its proponents claim—effectively address the shortcomings in the chapter 11 model. Adopting the Baucus-Grassley language without other needed changes will still allow future chapter 11-like tribunals to rule against legitimate U.S. public health and safety laws using a standard of expropriation that goes well beyond the clear standard that the Supreme Court has established in all its expropriation cases.

The amendment before us does not give any assurances that the due process clause of the Constitution will be respected, nor does it provide safe harbor for legitimate U.S. public health and safety laws.

Without all of these safeguards, future investor-State dispute settlement bodies can run roughshod over the ability of State and local governments—or even the Federal Government—to make laws to protect the public. I have an amendment that I believe will make those improvements to the underlying bill, and I intend to offer that amendment soon.

I will not oppose the pending amendment because it does not make the underlying bill any worse. But let us be clear: the chapter 11 model is flawed. Any suggestions that the Baucus-Grassley amendment takes care of these problems are simply incorrect.

So I think we should adopt this amendment by unanimous consent, but I do believe that the Senate should have a thorough debate on this issue.●

## MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent the Senate now proceed to a period of morning business with Senators allowed to speak therein for a period not to exceed 5 minutes each.

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

## TRIBUTE TO JOHN MORAN

Mr. LOTT. Mr. President, I rise today to take a moment to recognize the public service of John A. Moran, who resigned from the Federal Maritime

Commission on April 15 to return to private life. While I want to congratulate John on his recent move, I also want to acknowledge and thank him for his service at the FMC.

John was born and raised in a port and shipbuilding community, something I consider a good start for any young man. I live in a port and shipbuilding community, and there is no better way to understand the importance of the maritime industry to the Nation's economy that to grow up in the presence of the businesses and people that daily bring the goods of our trading partners to our door and carry America's products to the world. While John was born in Hampton Roads, Virginia, not Mississippi, he is redeemed somewhat in my eyes by the fact that his parents and family are good Mississippians.

John developed an interest in maritime law at Washington and Lee University School of Law in Lexington, Virginia. This interest was encouraged during the year he clerked for the Honorable Richard B. Kellam in the United States District Court for the Eastern District of Virginia. Judge Kellam shared with John his own love and enthusiasm for Admiralty Law and encouraged John to continue to maritime studies at Tulane University School of Law in New Orleans, Louisiana.

I first met John when he served as Republican Counsel to the Merchant Marine Subcommittee and the National Ocean Policy Study of the Senate's Committee on Commerce, Science and Transportation. He came to this position after serving in the House of Representatives as Republican Counsel to the Merchant Marine and Fisheries Counsel and as Legislative Counsel to Virginia's Senator John Warner. While working for the Commerce Committee, John worked on issues as varied as the Oil Pollution Act of 1990, a review of the Shipping Act of 1984, cargo preference, the Jones Act, vessel safety and Coast Guard programs, the Magnuson Fisheries Conservation and Management Act, seafood safety and inspection, ocean driftnet legislation, the Coastal Zone Management Act, and the Marine Mammal Protection Act. John worked with Committee members from states as diverse as Mississippi, Louisiana, Texas, Alaska, Washington, Oregon, and Virginia. I always was impressed with John's knowledge and experience, and with is effort to make sure that the concerns of all of the Republican members of the Committee were understood and addressed.

John left the Commerce Committee in 1995, first working for the government and public affairs firm of Alcalde & Fay, and then for the American Waterways Operators, the trade association representing the United States tug, towboat, and barge industry. In 1998, Congress was nearing completion of the Ocean Shipping Reform Act of 1998 (OSRA). As I described it at the time, OSRA truly was a paradigm shift in the conduct of the ocean liner business and its regulations by the Federal Maritime Commission (FMC). Along with other members of the Commerce Committee who worked for over four years on OSRA, I wanted to ensure that there were Commissioners at the FMC who understood that Congress wanted to foster a more competitive and efficient ocean transport system by placing greater reliance on the marketplace. I thought of John and his interest and experience in maritime matters. John's experience and philosophy made him the right choice to help the FMC implement OSRA.

Confirmed by the Senate in October, 1998, John's efforts during the past three and a half years, especially his contributions during the FMC's rulemaking, helped establish the foundation making the paradigm shift possible. John worked closely with Chairman Harold Creel and the other commissioners, the staff of the FMC, the carriers, shippers, and transportation intermediaries to implement OSRA as Congress intended. I am pleased to report that, under the Commission's administration, the reforms are working much as Congress hoped. John should be proud of his work and the contribution he made during his tenure as a Commissioner.

I congratulate John for his exemplary career at the FMC and salute his contributions to the maritime industry. He is to be commended for the productive use of his insights and talents and appreciated for his years of public service. As he returns to private life, where he will continue working on the maritime issues he loves, I wish John, his wife Medina, and their two children fair winds and following seas.

## REQUEST FOR SEQUENTIAL REFERRAL—S. 2506

Mr. LEVIN. Mr. President, I ask unanimous consent that the following letter be printed in the RECORD.

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

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, DC, May 13, 2002.*

Hon. TOM DASCHLE,
*Majority Leader, U.S. Senate,*
*Washington, DC.*

DEAR SENATOR DASCHLE: Pursuant to section 3(b) of S. Res. 400 of the 94th Congress, we request that S. 2506, the Intelligence Authorization Act for Fiscal Year 2003, be sequentially referred to the Committee on Armed Services for a period not to exceed thirty days.

Best wishes,
Sincerely,

JOHN WARNER,
*Ranking Member.*
CARL LEVIN,
*Chairman.*

## CHANGES TO H. CON. RES. 83 PURSUANT TO SECTION 314 BASED ON REVISED ESTIMATES FROM THE CONGRESSIONAL BUDGET OFFICE

Mr. CONRAD. Mr. President, section 314 of the Congressional Budget Act, as amended, requires the chairman of the Senate Budget Committee to make adjustments to budget resolution allocations and aggregates for amounts designated as emergency requirements pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

On May 1, 2002, I submitted revisions to H. Con. Res. 83 pursuant to section 314 as a result of an emergency designation in P.L. 107–147, the Job Creation and Worker Assistance Act of 2002. This measure was enacted into law on March 9. Since that date, CBO has revised the cost estimate for this legislation and these revisions are reflected in the adjustments submitted today.

Mr. President, I ask unanimous consent to print the following table in the RECORD, which reflect the changes made to the allocations provided to the Senate Committee on Finance and to the budget resolution budget authority and outlay aggregates enforced under section 311(2)(A) of the Congressional Budget Act, as amended.

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

| | *($ millions)* |
|---|---|
| Current Allocation to the Senate Finance Committee: | |
| FY 2002 Budget Authority | 709,955 |
| FY 2002 Outlays | 709,195 |
| FY 2002–06 Budget Authority | 3,773,234 |
| FY 2002–06 Outlays | 3,770,699 |
| FY 2002–11 Budget Authority | 8,336,431 |
| FY 2002–11 Outlays | 8,330,074 |
| Adjustments: | |
| FY 2002 Budget Authority | 65 |
| FY 2002 Outlays | 65 |
| FY 2002–06 Budget Authority | 134 |
| FY 2002–06 Outlays | 134 |
| FY 2002–11 Budget Authority | 11 |
| FY 2002–11 Outlays | 11 |
| Revised Allocation to the Senate Finance Committee: | |
| FY 2002 Budget Authority | 710,020 |
| FY 2002 Outlays | 709,260 |
| FY 2002–06 Budget Authority | 3,773,368 |
| FY 2002–06 Outlays | 3,770,833 |
| FY 2002–11 Budget Authority | 8,336,442 |
| FY 2002–11 Outlays | 8,330,085 |
| Current Aggregate Budget Authority and Outlays: | |
| FY 2002 Budget Authority | 1,680,499 |
| FY 2002 Outlays | 1,645,934 |
| Adjustments: | |
| FY 2002 Budget Authority | 65 |
| FY 2002 Outlays | 65 |
| Revised Aggregate Budget Authority and Outlays: | |
| FY 2002 Budget Authority | 1,680,564 |
| FY 2002 Outlays | 1,645,999 |

## LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The