provide today. Government is a gradual thing, and that is not bad. It is what American Government does best. We evolve. We cannot be stagnant.

More and more Americans look at Washington and wonder why it does not work as it should. Why do grown men and women fight and argue when solutions need to be reached? Especially is this true as a feeling among younger voters.

Let me conclude by pointing out that in the height of the Presidential election squabble in Florida, the Gallup organization asked Americans at that time, in a national poll, about their political affiliation. Shockingly, for some Americans, the poll came back and said that 42 percent of Americans identified themselves as Independents. That was more than who identified themselves as either Democrats or Republicans.

There is a message there: Americans do not want blame as a theme song for their Government. They want results. They want results that help them, and they do not particularly care who produces it.

I hope we can all learn from this experience. The greater challenges ahead can be solved only by working for the greater good. We can only do that by working together in order to achieve it.

I yield the floor.

Mr. MILLER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

Mr. DASCHLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. DASCHLE. Mr. President, I appreciate very much the Senator from Georgia allowing me to make a unanimous consent request.

UNANIMOUS CONSENT AGREEMENT—H.R. 3338 CONFERENCE REPORT

Mr. DASCHLE. Mr. President, we have been negotiating with a number of our colleagues regarding the Defense appropriations conference report. I would like to propound a unanimous consent request, with an expectation that it may need further clarification.

I ask unanimous consent that the Senator from Arizona, Mr. MCCAIN, be recognized; that the Senator from West Virginia, the chairman of the Appropriations Committee, be recognized; that the two subcommittee chairs, the Senator from Alaska and the Senator from Hawaii, also be recognized; and that the Senator from Michigan be recognized; that upon the recognition of those Senators and their remarks in regard to the Defense appropriations conference report, the Senate vote immediately on its final passage.

The ACTING PRESIDENT pro tempore. Is there objection?

Mrs. HUTCHISON. Reserving the right to object, I just ask the question, Will the subcommittee chairs be designating time from their time?

Mr. DASCHLE. The answer is yes. It is not necessarily in that order, I would clarify, Mr. President.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. DASCHLE. I thank all of my colleagues.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2002—CONFERENCE REPORT

The PRESIDING OFFICER (Mr. DODD). The clerk will report the conference report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3338) making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes, having met, have agreed that the House recede from its disagreement to the amendment of the Senate, agree to the same with an amendment, and the Senate agree to the same, signed by all conferees on the part of the two Houses.

(The conference report is printed in the House proceedings of the RECORD of December 19, 2001.)

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I am pleased to rise today to offer my unqualified support for the conference agreement that was just reported. I am pleased to present the recommendations to the Senate today as division A of this measure. The recommendations contain the result of lengthy negotiations between the House and Senate managers and countless hours of work by our staffs acting on behalf of all Members.

The agreement provides $317.2 billion, the same as the House and Senate levels, consistent with our 302(b) allocations.

In order to accommodate Members of the Senate, may I request that I be given the opportunity to now set aside my statement and yield to the Senator from Arizona for his statement. Upon his conclusion, I will resume my statement.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Chair recognizes the Senator from Arizona.

Mr. MCCAIN. Mr. President, I am not ready to give my statement yet. I am still having my people come over with information. As a matter of fact, we haven't even gotten through the entire bill yet. I will be ready shortly.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

Mr. STEVENS. Mr. President, I join the distinguished chairman of the defense subcommittee, Senator INOUYE, in presenting the fiscal year 2002 Department of Defense conference report to the Senate.

This bill enjoys my total support, and I urge all my colleagues to support this conference report, and the funds provided herein that are vital to our national security.

In addition to the base funding for the current fiscal year, this bill also includes the allocation of $20 billion in emergency supplemental funding provided by Congress immediately after the September 11 attack.

These funds fulfill the commitment made by Congress to respond to the needs of the victims of the September 11 attack. I commend the Governor of New York, the Mayor of New York City, and the two Senators from New York, for their stalwart work to ensure these funds meet the needs of their constituents.

The enhanced funding provided in Division B of this bill for homeland defense will also have a significant effect on the security of this nation.

It is appropriate that the homeland defense funding be included in this bill—in the war against terrorism, there are no boundaries.

The money in this bill to secure our borders, our airports, our ports, to protect against bioterrorism and to assist first responders will send a strong signal to our citizens, and our potential adversaries, of our determination to win this war on terrorism on every front.

Turning more specifically to the underlying defense bill in Division A, there are two matters in particular I wish to address today: missile defense and the tanker leasing initiative.

The Senate version of the bill provided the full $8.3 billion requested by Secretary Rumsfeld for missile defense programs. The House bill provided approximately $7.8 billion.

During our conference, we were informed of two major program changes in missile defense.

The Undersecretary of Defense for acquisition, on behalf of Secretary Rumsfeld, reported that the department would terminate the Navy area defense system, and the SBIRS-low satellite program.

Funding for these two programs, totaling more than $700 million, was realigned to other defense priorities within and outside missile defense.

For example, of the Navy area program funds, $100 million was reserved for termination liabilities for the program and $75 million was transferred to the airborne laser program.

From the SBIRS-low termination, $250 million is reserved for satellite sensor technology development—which could all be used for further work under the existing SBIRS-low contracts, if the department so chooses.

Addressing the significance of protecting our deployed forces, the conference agreement provides an additional $60 million over the budget request to accelerate production of the Patriot PAC–3 missile.

In his statement, the chairman of the subcommittee articulated his support for the air refueling tanker initiative, and I appreciate his kind words on my role in that effort.

Contrary to some reports, this provision was not a last minute industry bailout, hidden from public view. In fact, this responds to military need,

and unforeseen economic circumstances—and opportunities.

The effort to lease these aircraft reflects an extensive review of the Air Force's needs, and the crisis it faces in the air refueling fleet.

This lease provision, provides permissive authority for the Secretary of the Air Force to replace the 134 oldest KC–135E aircraft with new tankers.

These aircraft average 42 years of age, and have not received the comprehensive ''R'' model refurbishment.

All of these aircraft are operated by the Air National Guard, at bases throughout the Nation. The lease will provide the new tankers to the Air Force, and permit recently refurbished ''R'' models to cascade to the Guard.

This permits the National Guard to have a common fleet of aircraft, providing significant training and maintenance cost savings. They daily do the refueling operations for our Air Force planes nationally and throughout the world.

The KC–135E aircraft require extensive depot maintenance. Once every 5 years, we lose that aircraft for an average of 428 days, and many more than 600 days.

That means a squadron loses that aircraft for at least 15 months, up to 2 years.

At any one time, one third of the fleet is unavailable for service—redlined—putting that much more pressure on the rest of the force.

During peacetime, one might argue we can survive with an inadequate air refueling fleet. Now, in wartime, the price for that failure becomes clear.

Every sortie flown into Afghanistan requires at least two, and sometimes as many as four, aerial refuelings. This is the highest rate of sustained operations we have maintained since the gulf war.

In the 10 years since that conflict, we have not purchased one new tanker—we've watched the fleet age and deteriorate. I know the feeling of watching a fuel gauge determine the fate of an aircraft and crew. It is not a comfortable or pleasant one. I remember one time I ran out of fuel on landing and had to have the aircraft towed off the field.

This may sound like an arcane discussion, compared to the allure of new F–22's, or B–2 bombers, but let me give you an old transport pilot's perspective.

Our forces today have virtually no margin for error—an F–15 doesn't glide very long, and an F–18 that cannot make the carrier deck has little hope for survival.

We can buy the exciting, and needed, new weapons platforms but without the gas they'll never get home after the fight.

Some have suggested the leasing approach is not a good deal for the Government. That is simply wrong. This provision includes the most stringent requirements ever set for an aircraft leasing program.

The law states that the cost to the Air Force for the lease cannot exceed 90 percent of the fair market value of the aircraft. That means the Secretary cannot sign a contract if the lease cost would exceed that threshold.

The Secretary must report to the Congress all the details of any proposed contract in advance of signing any agreement. We will get to look at this contract before the deal is set.

Mr. President, nothing in the leasing authority provided in this bill is directive—the discretion rests solely with the Secretary of the Air Force.

I have had extensive discussions about this initiative with the Secretary, with the former Commander of the Transportation Command, Gen. Robertson, and other DOD officials.

All have endorsed this approach.

The language in this bill is the product of extensive discussions with CBO and OMB. No objection has been raised.

Secretary Rumsfeld's letter on the bill did not object to this initiative, nor did the Department's detailed appeals to the Appropriations Conference.

Since taking office, Secretary Rumsfeld has sought to chart a course to manage the Pentagon consistent with the best practices in the private sector.

This initiative seeks to do just that—give the Secretary all the tools we can to meet the Department's modernization needs, within the tight budget constraints he will face.

The airlines lease aircraft, private businesses lease aircraft, our ally Great Britain currently leases U.S. built C–17 aircraft.

In addition, Great Britain has issued a solicitation to lease air refueling tankers, and the Boeing 767 is the lead candidate.

We did not decide to choose the 767. The Air Force told us this is the right aircraft for the mission.

Gen. Jumper, the Air Force Chief, envisions moving the Air Force to a common wide body platform for a range of missions—he determined the 767 is the best platform.

Interestingly, two of our closest allies—Italy and Japan—have already signed contracts to purchase 767 tankers on a commercial basis.

Some have suggested that this provision should have opened the door to competition with Airbus.

The problem is that Airbus does not have a tanker on the world market. More telling, two of the Airbus founding partners—Britain and Italy—have both opted for the American-built tanker for their military.

Personally, I have complete confidence we can extend this authority to the Secretary of the Air Force, and he will only use it if he believes it is absolutely in the best interest of the Air Force.

I want to close by thanking again our Chairman, Senator INOUYE, for his leadership in moving this bill through committee, the floor and conference in only 15 days—an incredible achievement.

Also, our partners in the House, Chairman LEWIS and Mr. MURTHA, and the full committee chairman, Congressman BILL YOUNG and ranking member, DAVE OBEY, deserve tremendous credit for managing their bill in the House, and working out this package in conference.

Mr. President, I yield to the Senator from Texas, Mrs. HUTCHISON.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I thank Senator STEVENS and Senator INOUYE for the hard work they did on this bill. Since this bill was left to be the last appropriations bill passed this year, it had many difficulties. During this time, our Armed Forces were prosecuting a war on last year's budget. That is very serious and it is unacceptable. We must pass this bill today. It is a good bill.

Our armed services need the extra help that is in this bill. It provides $26 billion more in spending for the Department of Defense than was appropriated last year. That gives us the added equipment we need to be in Afghanistan and throughout the world, as we are today. It also reduces the military/civilian paygap by funding a pay raise of 5 percent across the board and up to 10 percent for targeted ranks with low-retention rates.

Thank goodness we are trying to address people who are leaving the armed services because we just can't compete with the private sector. Also, I want to mention the TRICARE For Life; $3.9 billion in this bill implements TRICARE For Life. This is something I worked on for a long time to make sure that those who have served in our military, who have done what we asked them to do for our country, will never be left without full medical care. That is something they deserve, it is something we promised, and it is a promise we must keep.

I am very pleased that, finally, Desert Storm veterans are getting the notice they deserve for the symptoms that one in seven of them have shown after returning to our country after serving in Desert Storm. One in seven of the people who served in the Desert Storm operation came back with symptoms and different stages of debilitation that they did not have when they went to serve our country.

But for years, the Department of Defense and the Department of Veterans Affairs have denied there was any kind of causal connection between these symptoms and their service. It just wasn't plausible.

I happened to learn about some research that was being done at the University of Texas, Southwestern Medical School, that did find a causal connection in a very small unit; it was the first research that really showed the causal connection between actual brain damage and service in the gulf war.

This last week, I am proud to say, the Secretary of Veterans Affairs, Secretary Principi, released a study indicating that gulf war vets are twice as

likely to get ALS; that is, Lou Gehrig's disease. To his credit, Secretary Principi immediately widened the gulf war presumption to cover victims of Lou Gehrig's disease. I have also extended for 5 years—and the President has signed the bill—the presumption that the people with these symptoms would still be able to get the benefits to which they are entitled, even though it hasn't been settled exactly what Desert Storm disease is.

So the bill before us today does have $5 million to continue the research that shows that causal connection. That will not only help keep our promise to the people who served in Desert Storm, but it will also help us understand those whom we are sending today into places where there could be chemical warfare and what we might do to give them the best protection against that chemical warfare. It will also help us to inoculate and treat those who might be affected by chemical warfare in the future. This is something I worked on in the bill, and I appreciate so much Senator INOUYE and Senator STEVENS supporting this particular cause because I think these veterans have been ignored for too long. It is time we treated them the way they deserve to be treated, and that is to give them the medical care and the research to find the cause of the debilitating disease that we see in so many of the people.

Finally, I am very pleased that the bill provides for missile defense. Clearly, we now have a cause to go forward on missile defense. I have always thought it was better to err on the side of doing more for defense, even if we weren't sure what the threats were. Now we know there are people throughout the world who will attack Americans just because we are Americans. So we must defend against that. That is what the missile defense system will prepare our country to do.

This bill provides for that. I close by saying there may be small things in this bill that people don't like. I am sure there are some things in this bill that some people would not support. But the big things are done right. It would be inexcusable for us not to fully fund the war, while we have troops on the ground fighting for the very freedom that we have in this country and that we enjoy in this country.

As we are leaving Congress to go home for the holidays with our families, we must show our appreciation to those who are in the caves in Afghanistan, in Uzbekistan and Pakistan, and who are on missions in Saudi Arabia and Kuwait, who are ready to go at the call of our country, if need be. We want to remember them. I think the most important way we can say thank you to those people is to fully fund their training, their equipment, and the support they deserve as they are going forward in the name of freedom and representing our country in the best possible way.

I thank Senator INOUYE for being the great leader that he is and Senator STEVENS for working in a bipartisan way to assure our troops that we appreciate them and we are going to give them everything they need to do the job they are doing.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. On behalf of Senator STEVENS and I, I express our gratitude to the Senator from Texas for her kind remarks.

UNANIMOUS CONSENT AGREEMENT—S. 1214

Mr. INOUYE. Mr. President, I ask unanimous consent that when the Senate considers Calendar No. 161, S. 1214, the port security bill, the only amendment in order be the Hollings-McCain-Graham substitute amendment, which is at the desk; that there be a time limitation for debate of 17 minutes to be divided as follows: 5 minutes each for Senators HOLLINGS, MCCAIN, and MURKOWSKI, and 2 minutes for Senator HUTCHISON; that upon the use or yielding back of time, the substitute amendment be agreed to, the bill, as amended, be read the third time and passed, and the motion to reconsider be laid upon the table, with no further intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. INOUYE. I yield 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Ms. STABENOW. I thank the Chair.

Mr. President, I rise to applaud a provision in the supplemental portion of the Defense appropriations conference report. This conference report includes a bill authored by myself and Senator KYL that will help honor the victims of the September 11 attacks. It is called the Unity in the Spirit of America Act, or the USA Act.

We all witnessed a great national tragedy 3 months ago. While the deaths and damage occurred in New York, Washington, and in the fields of Pennsylvania, a piece of all of us died that day. Many people came up to me in Michigan after the attacks and asked: What can I do? I have given blood, I have donated to relief efforts, but I want to do more.

We all shared in the horror and now everyone wants to share in the healing, but how? Then a constituent of mine, Bob Van Oosterhout, wrote me with an idea: Why not have the Federal Government devise a program that will encourage communities throughout the Nation to create something that will honor the memory of one of the victims lost in the attack, one by one by one. Together these local memorials to honor individuals would dot our Nation and collectively honor all of those who were lost in the attacks. What could be simpler or more moving?

From that idea came the Unity in the Spirit of America Act. Here is how it works:

Communities—they can be as small as a neighborhood block or nonprofit organizations, houses of worship, businesses or local governments—are encouraged to choose some kind of project that will unite and help their communities. It is a way they can give back to their community.

Applications and the assigning of names for each project will be handled by the Points of Light Foundation. Basically, we will see a project in a local community dedicated to one of the victims of September 11. The Points of Light Foundation will set up a Web site, applications, and procedures for this. This is privately funded. It is an opportunity for our neighbors, coworkers, and communities across the United States to decide what will be a living legacy to those who died by helping each other.

The Points of Light Foundation will track each project's progress on their Web site. The only rule is that qualified projects should be started by September 11, 2002. Then on that day, as all over America we gather to grieve over the first anniversary of the attack that enraged the world, we will be able to look over thousands and thousands of selfless acts that made our country better.

In our sadness, we can create thousands of points of light across our Nation and show the world that our resolve was not fleeting and our memories are not short. They will see the unity in the spirit of America.

I have many Members to thank for making the USA Act happen. First and foremost, I thank my chief cosponsor, Senator JON KYL, for his commitment and hard work. I thank the chairman and ranking member of the Appropriations Subcommittee on Defense, Senators INOUYE and STEVENS, for their support. I also express my gratitude to Senators MIKULSKI and BOND for their guidance in moving this legislation through the process. Finally, I thank all the cosponsors, who include our Senators from New York and Virginia.

I am very pleased we have come together on our last day in a bipartisan way to put forward this important living legacy to the victims of September 11.

Mr. President, I now yield to my colleague and friend who has been my partner in the USA Act, and that is Senator JON KYL.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I thank the Senator from Michigan for her leadership in this effort. It has been a pleasure to work with her on this legislation. It demonstrates a couple of things: First, that all Americans care about the victims of the tragedy of September 11. Second, that the U.S. Government can be a facilitator but does not have to be the financier of good works on behalf of the people of the country.

At the conclusion of my remarks, I will ask to print in the RECORD a letter

from Robert K. Goodwin who is the president of the Points of Light Foundation.

The president of the Points of Light Foundation points out that there are no Federal funds used in this project but, rather, that money has been raised by people from around the country to support these projects that literally will exist in every corner of this great country. Each one of these projects will be named for one of the victims of the September 11 tragedy.

What the Points of Light Foundation will do is help coordinate so there is a common listing of all the different projects, in which part of the country they are located, and coordinating with the names of the victims. This is a good project for the American people to demonstrate their support for the country, to do good works at the same time, and to memorialize the victims of the tragedy of September 11.

I compliment the cosponsor of the legislation and the chairman and ranking member of the committee for including this legislation in the Defense appropriations bill. I appreciate our colleagues' support for this important project.

Mr. President, I ask unanimous consent that the letter from the president of the Points of Light Foundation be printed in the RECORD.

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

POINTS OF LIGHT FOUNDATION,
Washington, DC, December 20, 2001.

Hon. JON KYL,
U.S. Senate,
Washington, DC.

DEAR SENATOR KYL: The Points of Light Foundation would like to take this opportunity to sincerely thank you for your support and leadership of the Unity in the Spirit of America (USA). We were informed last evening that it will indeed be a part of the FY 2002 Defense Appropriations Bill. We are excited and humbled by this opportunity to create living memorials through service and volunteering, to those who perished as a result of the September 11th terrorist attacks.

Please also let me extend my gratitude to your Legislative Director, Tom Alexander. His hard work in securing the necessary support was particularly appreciated as the bill made its way through several conference committees. His continued accessibility and hands-on approach were invaluable.

As the USA Act stipulates, no federal funds will be utilized in carrying out its provisions. We are extremely pleased to inform you that we have secured significant private and corporate donations to fulfill this most worthy project. In fact, The Walt Disney Company has made a substantial commitment, paving the way for countless community-based memorial service projects, as well as an expansive national media campaign. We look forward to continuing to work closely with yourself and Senator Stabenow in cultivating this important initiative.

In closing, please accept our gratitude and best wishes for a safe, happy and healthy holiday season.

Your very truly,

ROBERT K. GOODWIN
President & CEO.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask the distinguished Senator from Michigan if I may be a sponsor of the amendment. It is a very exciting amendment that we should be considering today.

Ms. STABENOW. It will be my honor, Mr. President, to add the distinguished Senator's name.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, pursuant to the agreement, will the Chair recognize the Senator from Arizona?

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, I do not yet seek recognition.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, since no one is seeking time, I ask unanimous consent that the Senator from New Mexico be allowed to speak for 5 minutes on the economic stimulus package.

The PRESIDING OFFICER. Is there objection?

Mr. REID. What is the pending business? What is the request?

The PRESIDING OFFICER. The Senator from New Mexico has asked to speak for up to 5 minutes on the economic stimulus package.

Mr. REID. I reserve the right to object and ask the Senator to amend his request so that the Senator from Georgia, Mr. MILLER, and the Senator from Nebraska, Mr. NELSON, have 5 minutes to speak on the economic stimulus package.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. How much time?

Mr. REID. Two Senators, 5 minutes each: Senators NELSON and MILLER.

Mr. DOMENICI. I have no objection.

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

ECONOMIC STIMULUS PACKAGE

Mr. DOMENICI. Mr. President, I rise to express my sincere disappointment with our seeming inability to consider a stimulus package; that is, a job-creating piece of legislation, for our people. Millions of Americans have lost their jobs over the last year. My fellow New Mexicans, as do all Americans, want and deserve action on this slowing economy.

Let me be very clear. While some would like a different stimulus package than the one the House passed in the early morning hours today, there are alternatives that were considered in this first session.

The House-passed bill will provide needed tax relief to millions of working Americans. It will provide tax relief to those individuals who make more than $28,000 and those who file joint returns making more than $46,000.

These are not rich people. These are hard-working Americans.

Along with provisions to encourage business investment with 30 percent depreciation and extending businesses net operating losses carry back for two years, and increasing expensing provisions for small businesses, the House-passed bill provides nearly $60 billion in tax relief to encourage growth in this weakened economy.

Further, addressing many of the concerns raised on the other side of the aisle, the House-passed bill is a significant improvement over an earlier bill in the area of providing needed help to the unemployed and dislocated workers.

The House-passed bill provides significant support for those who for reasons they do not control, find themselves without employment this holiday season—all totaled nearly $32 billion would be provided in the form of direct payments to low-income workers, extended unemployment benefits and health insurance assistance.

The House-passed bill provides cash payments for those who filed a tax return in 2000 but did not receive a rebate check earlier this year. These payments will be $300 for individuals and $600 for married couples.

The House-passed bill provides 13 weeks of extended unemployment insurance going back to those displaced from work from the beginning of this recession last March.

And including $8 billion in National Emergency Grants and Emergency Medicaid funding to the states, over $21 billion would be assist individuals and families with their health care costs immediately.

The House-passed bill is not perfect. But it is a major improvement over an earlier version, largely because of the input of a group of Senators know as the Centrists here and because of President Bush's willingness to work with them in crafting this package.

I hope that we do not let ''one man rule'' prevent us from even having a vote on this bill.

We need to pass something. But if we don't assure you I will be the first to be back here in January asking that we consider the ''payroll tax holiday'' proposal.

I will take the remaining few minutes and talk to my fellow Senators. Whatever the case and whoever could not reach accord, I believe we have to tell our fellow Americans we did not do them right in the waning days of this session. While Christmas is upon us and good will is everywhere, it is quite obvious the House and Senate, even with the President nudging and participating, did not and will not produce a stimulus package that will get America going again.

I wish we would have considered something in the Senate. I believe there was time for us to consider amendments and even vote on a stimulus package. I think that could have been worked out, and we could have passed something. I regret we have not. I say to the leadership in the Senate, they could have done better.

While I have great respect and, in some cases, admiration for our leadership, I believe in this case one-man rule prevailed, the Democratic majority

leader prevailed. He has what I would call a one-man rule because he can keep us from debating and considering the House-passed measure. He can do that all by himself. That is a very big undertaking by any one Senator, to say we are not going to consider a stimulus package this year in this Senate. That is one-man rule. That is a very big exercise of power.

While the Democratic majority leader has a very difficult job in the waning moments because of different ideas and different proposals and obviously some politics, I think we should have done better and he should have done better.

I close by saying I proposed, along with about 10 Senators, an idea for a holiday from the Social Security taxes imposed on both employee and employer, to do that for 1 month. Nobody suggested to me that is not a very good stimulus, to put before the American people a month that is picked in the near future to put $42 billion into the hands of every working man and woman and every employer across this land in a rather instant payment to them, or nonpayment to the Government, of Social Security withholding.

I believe if we start over with good will, and in a nonpartisan way, when we return because I do not believe the economy will improve and we will be back at this—I urge we consider it at a high enough level to let the country focus on this idea.

There is a lot of talk about the negative aspects of it, and most of them are untrue. If we have a chance to get this issue before a committee, or debate it in the Senate, we would have a great starting point to which we could add the social welfare aspects of the unemployment benefits, of some health care coverage, and all the other issues we are talking about. We would have as a basis a single powerful issue that would be building jobs and causing America to take a look and say we know how to do something very positive.

So I do not give up. If we are doing nothing, I assume this idea will come back and I assume, when we start thinking about it and analyze it well, it will be high on the agenda.

I say to all of my friends in the Senate, they worked very hard. I congratulate them. They worked either as a centrist member of the committee or member of the leadership, put in a lot of time, a lot of effort. I am hopeful even in the last moment it will work and somehow it will come out of the forest and be sitting there for us to look at.

If not, then I urge when we come back and consider how we stimulate, that we put this holiday back on the table with all the other things we have been considering.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. NELSON of Nebraska. Mr. President, I appreciate the opportunity to address the Chamber today and speak on a very important issue we have all been concerned about and we all have had comments about, continue to have thoughts about, and will continue to have them into the future. I speak of the stimulus package.

It is unfortunate we missed the opportunity to be able to conclude a package of the type the centrists put together based on what was supported by so many different individuals and groups. Unfortunately, the blame has already begun. So we are in a position where we are talking about would have, could have, should have. We will have an opportunity as time goes by over this holiday break to continue to talk and continue to look for solutions.

In January, something must in fact be done so we can move forward to protect the jobs of those who currently have them, help those individuals who have lost them, and help create new jobs. This is about three things: Jobs, jobs, jobs. And it is about the people who support them.

TERRORISM INSURANCE

Mr. NELSON of Nebraska. In addition to being concerned about the future of the stimulus package, there is an aspect of stimulus that is involved in another proposal that hopefully will be brought up today, and that is the terrorism insurance issue. It is not about insurers, it is about insureds. It is about the ability to be able to insure one's property, one's house, one's home, one's apartment, one's automobile. If one is a business owner, it is about insuring their storefront or their business. It is about having workers compensation insurance and liability insurance. It is about having insurance for the protection one needs.

There is a very important timeframe we must in fact look at, and that is January 1 of this coming year. I am hopeful we will be able to settle today on a bill and be able to pass something and send it on for reconciliation in conference, so we can match or in some way make it close enough to the House version that a reconciliation of the conference committee is possible, because if we fail to do that, there is a possibility, and perhaps even a strong likelihood, that on January 1 of this coming year 70 percent of the reinsurance that is currently available to direct writers will be affected. It may not provide for terrorism in the future.

I know for many people it seems sort of esoteric. It seems sort of complex and perhaps eyes-glazed-over thinking about insurance and reinsurance and whether there will be protection for terrorism or not, but it is a very real issue, a very real and present concern we must in fact have. It is not about simply insuring skyscrapers. It is about insuring small businesses. It is about apartment buildings, storefronts, and people's own personal residences, as well as their automobiles. It is about whether or not money will be available for lending or whether or not it will continue to be available for construction.

If we are concerned, as I think we are, about a worsening economy and at what point we will be able to see the economy turn around and be stimulated so it can be a robust economy, one of the things we must in fact be concerned about is anything that tips the scales against the economy we have today that can make it worse. In fact, failure to take action can make it worse by not taking the appropriate action to undergird and support it.

If we are unable to come together and make sure insurance continues to be available, as well as affordable, but certainly available to the public, if we fail to take that opportunity, then we might expect construction will be impeded, if not stopped, and that we may in fact see housing starts and other building starts stopped.

Unemployment can be affected. We could end up with more people unemployed, and the economic downturn could be accelerated. I say these things not to provide a scare tactic but simply to impress as to how important it is we solve this problem of availability of terrorism insurance in the near term so we can work for a longer term solution.

What has been offered to date is, in fact, a short-term solution, a backup, a compromise to work in the immediate term, the short term, with broad-based support. I hope we will take this up and move forward.

The PRESIDING OFFICER (Ms. CANTWELL). The Senator from Georgia.

Mr. MILLER. Madam President, I, too, will have a few remarks on the economic stimulus bill. I think a decision not to have a straight up-or-down vote on it and let the majority of this Senate prevail, regardless of the makeup of the majority, is a mistake. I know it is a loss for the country and the folks who need our help and need it immediately.

Why do we always have to act as if we are in a football game where one side, one team, has to win and the other team has to lose? Why can't we have both parties the winners, along with the American people?

Myself, when it gets down to the block, I am kind of a half-a-loaf man. Whether it is 75 percent, 65 percent, or 50 percent, when you get right down to it, that is always better than zero percent. You can eat half a loaf. Having no loaf at all may make a political point, but in the end somebody goes hungry.

This is not the House bill. I could never have supported that bill. I would never have voted for it. This compromise package does not include everything either side wanted. Instead, it represents a reasonable compromise.

Some say speeding up the reduction of the tax rates from 27 percent to 25 percent is just helping the wealthy. Nothing could be further from the truth. The folks who benefit from this are folks who earn as little as $27,000 a year, going up to $67,000 a year. For married couples, this rate reduction would help those who earn between $47,000 to $120,000 a year. Those are not the wealthy or the rich. Those are middle-income Americans. Many are our

friends and organized labor. This bill also includes a $300 rebate for those who did not get anything from the earlier tax cut.

On the health insurance area, we recognize the need to help the unemployed by providing health insurance for them. This is a very significant change. This is a dramatic change and should be welcomed by both Republicans and Democrats alike.

Some argue that the best way to give laid-off workers access to health care is to provide a 75-percent subsidy for COBRA premiums, as well as access to State Medicaid Programs. Others disagreed and preferred a broader tax credit for health insurance premiums. This package falls somewhere in between, providing a 60-percent advanceable, refundable tax credit for all health insurance.

It is not a whole loaf for anyone, but it represents a practical solution, and it is the best way to do what we all want; that is, to help the workers and help them before it is too late.

The package also includes help for State governments, something our Governors and legislators desperately need right now. It provides almost $5 billion in payments to State Medicaid Programs. This does not represent everything States or many of us wanted. I was hoping to get a fix for the upper payment limit but, again, it is half a loaf.

As it is, we have no loaf. We have no loaf at all. We do not even have a slice. Who was it who said, Let them eat cake?

I yield the floor.

The PRESIDING OFFICER (Mr. MILLER). The Senator from Arizona.

DEFENSE APPROPRIATIONS

Mr. MCCAIN. Madam President, I rise, once again, to address the issue of wasteful spending in appropriations measures; in this case, the bill funding the Department of Defense for fiscal year 2002.

In provisions too numerous to mention in detail, this bill, time and again, chooses to fund porkbarrel projects with little, if any, relationship to national defense at a time of scarce resources, budget deficits, and underfunded urgent defense priorities.

The Web site of the Senate Committee on Appropriations, in its opening sentence, states the following:

> Authorization laws have two basic purposes. They establish, continue, or modify Federal programs, and they are a prerequisite under House and Senate rules . . . for the Congress to appropriate budget authority for programs.

I will not go through all of the unauthorized programs that are in this legislation. I only mention those that relate to the committee of which I am proud to serve and be the ranking member, formally the chairman, the Commerce Committee. I and Senator HOLLINGS and members of my committee take our responsibilities very seriously.

Now we have seen, despite what apparently is the mission or the obligation of the Appropriations Committee—and that is to not appropriate funds for programs that are not authorized—just in the Commerce Committee alone, we have for the 2002 Winter Olympics, $93.3 million; port security grants, $90 million; airport and airways trust fund, payment to air carriers, $50 million; DOT Office of the Inspector General, $1.3 million; FAA operations, taken from the aviation trust fund, without authorization, $200 million.

Just as the appropriators are now taking away highway money appropriated under a formula passed by the full Senate and House and violating TEA–21, we are now taking away from the aviation trust fund for pet projects $200 million worth, to pet projects of the appropriators.

We have FAA facilities and equipment, $108.5 million; Federal Highway Administration, proposed operations, $10 million was requested by the administration, $100 million; capital grants to the National Railroad Passenger Corporation, $100 million; Federal Transit Administration capital investment gains, $100 million; restoration of broadcasting facilities, $8.25 million; National Institutes of Standards and Technology, $30 million; Federal Trade Commission, $20 million; FAA grants and aid for airports, $175 million; Woodrow Wilson Bridge project, $29 million.

Why did they have to do that? Because they took the money out of the highway funds in the Transportation appropriations bill, thereby shorting the Woodrow Wilson Bridge, so they had to add another $30 million to make up for the shortfall. Unfortunately, that was about $500 million that they took, and every other State in America—by the way, not represented by a member of the Appropriations Committee—had highway funds taken away from them.

Provision relating to Alaska in the Transportation Equity Act for the 21st century—it will be interesting to see the impact that has on the rest of America. We have the U.S. 61 Woodville widening project in Mississippi, $300,000; Interstate Maintenance Program for the city of Trenton, $4 million; international sports competition, $15.8, million, emergency planning assistance for 2002 Winter Olympics.

I have to talk for a minute before I get into the major issue, and that is the Boeing lease, and discuss the Olympics issue. It is now up to well over $1.5 billion that the taxpayers have paid.

I refer my colleagues to an article that was in Sports Illustrated magazine, December 10, 2001. The title of it is, ''Snow Job.''

I will not read the whole article. It is very instructive to my colleagues in particular and to our citizens about what has happened in the Utah Olympics. The headline is ''Snow Job.''

> Thanks to Utah politicians and the 2002 Olympics, a blizzard of federal money—a stunning $1.5 billion—has fallen on the state, enriching some already wealthy businessessmen.
>
> Is this a great country or what? A millionaire developer wants a road built, the federal government supplies the cash to construct it. A billionaire ski-resort owner covets a choice piece of public land. No problem. The federal government arranges for him to have it. Some millionaire businessmen stand to profit nicely if the local highway network is vastly improved. Of course. The federal government provides the money.
>
> How can you get yours, you ask? Easy. Just help your hometown land the Olympics. Then, when no one's looking persuade the federal government to pay for a good chunk of the Games, including virtually any project to which the magic word Olympics can be attached.
>
> Total federal handouts. The $1.5 billion in taxpayer dollars that Congress is pouring into Utah is 1½ times the amount spent by lawmakers to support all seven Olympic Games held in the U.S. since 1904—combined. In inflation-adjusted dollars.
>
> Enrichment of private interests. For the first time, private enterprises—primarily ski resorts and real estate developments—stand to derive significant long-term benefits from Games-driven congressional giveaways.
>
> Most government entities tapped for cash. With all that skill, grace and precision of a hockey team on a power play, Utah's five-member congressional delegation has used the Olympics to drain money from an unprecedented number of federal departments, agencies and offices—some three dozen in all, from the Office of National Drug Control to the Agriculture Department.
>
> Most U.S. tax dollars per athlete. Federal spending for the Salt Lake City City Games will average $625,000 for each of the 2,400 athletes who will compete. (Not a penny of it will go to the athletes.) That's a 996% increase from the $57,000 average for the 1996 Olympics. It's a staggering 5,582% jump from the $11,000 average for the 1984 Summer Games in Los Angeles.
>
> Parking lots are costing you $30 million. Some $12 million of that is paying for two 80-acre fields to be graded and paved for use as two temporary lots, then returned to meadows after the flame is extinguished.
>
> Housing for the media and new sewers are each costing you $2 million.
>
> Repaved highways, new roads and bridges, enlarged interchanges and an electronic highway-information system are costing you $500 million.
>
> Buses, many brought in from others states, to carry spectators to venues are costing you $25 million.
>
> Fencing and other security measures at the Veterans Administration Medical Center in northeast Salt Lake City—to protect patients and staff from the Olympia hordes—are costing you $3 million.
>
> A light-rail transit system that will ferry Olympic visitors around Salt Lake City is costing you $326 million.
>
> Improvement at Salt Lake City-area airports are costing you $16 million.
>
> The list goes on and on:
>
> Recycling and composting are costing you $1 million, and public education programs for air, water and waste management are costing you another $1 million.
>
> A weather-forecasting system being set up for SLOC is costing you $1 million. The money is going to the University of Utah to enable its Meterorology Department to provide data that will supplement forecasts provided to SLOC by the National Weather Service.
>
> New trees planted in Salt Lake City and other communities ''impacted'', as the funding legislation put it, by the Olympics are

costing you $500,000. Said Utah Senator Robert Bennett, who arranged for the money. ''We do the Olympics because it gets us together doing thinks like planting trees.''

''We do the Olympics because it gets us together, doing things like planting trees.''

Wow.

I want to repeat, I am all for whatever expenditure for security for the Salt Lake City Olympics. A good part of this $1.5 billion—and there is more in this appropriations bill—has nothing to do with security. It has to do with roadbuilding. It has to do with land swaps, worthless land for valuable land. It has to do with wealthy developers; it has to do with the enrichment of billionaires; and it really is quite a story. I hope every American will read that story that is in Sports Illustrated dated December 10 entitled ''Snow Job''—aptly entitled ''Snow Job.''

As I pointed out before, our nation is at war, a war that has united Americans behind a common goal—to find the enemies who terrorized the United States on September 11 and bring them to justice. In pursuit of this goal, our service men and women are serving long hours, under extremely difficult conditions, far away from their families. Many other Americans also have been affected by this war and its economic impact, whether they have lost their jobs, their homes, or have had to drastically cut expenses this holiday season. The weapons we have given them, for all their impressive effects, are, in many cases, neither in quantity nor quality, the best that our government can provide.

For instance, stockpiles of the precision guided munitions that we have relied on so heavily to bring air power to bear so effectively on difficult, often moving targets, with the least collateral damage possible, are dangerously depleted after only 10 weeks of war in Afghanistan. This is just one area of critical importance to our success in this war that underscores just how carefully we should be allocating scarce resources to our national defense.

Yet, despite the realities of war, and the responsibilities they impose on Congress as much the President, the Senate Appropriations Committee has not seen fit to change in any degree its usual blatant use of defense dollars for projects that may or may not serve some worthy purpose, but that certainly impair our national defense by depriving legitimate defense needs of adequate funding.

Even in the middle of a war, a war of monumental consequences and with no end in sight, the Appropriations Committee, Mr. President, still is intent on using the Department of Defense as an agency for dispensing corporate welfare. It is a terrible shame that in a time of maximum emergency, the U.S. Senate would persist in spending money requested and authorized only for our Armed Forces to satisfy the needs or the desires of interests that are unrelated to defense needs.

The Investor's Business Daily, on December 18, 2001, had this to say in an article titled At the Trough: Welfare Checks to Big Business Make No Sense:

Among the least justified outlays is corporate welfare. Budget analyst Stephen Slivinski estimates that business subsidies will run $87 billion this year, up a third since 1997, Although President Bush proposed $12 billion in cuts to corporate welfare this year, Congress has proved resistant. Indeed, many post-September 11 bailouts have gone to big business. Boeing is one of the biggest beneficiaries. Representative Norm Dicks, Democrat from Washington, is pushing a substantial increase in research and development support for Boeing and other defense contractors, the purchase of several retrofitted Boeing 767s and the leasing of as many as 100 767s for purposes ranging from surveillance to refueling. Boeing has been hurt by the storm that hit airlines, since many companies have slashed orders. Yet China recently agreed to buy 30 of the company's planes, and Boeing's problems predate the September 11 attack. It is one thing to compensate the airlines for forcibly shutting them down; it is quite another to toss money at big companies caught in a down demand cycle. Boeing, along with many other major exporters, enjoys its own federal lending facility, the Export-Import Bank. ExIm uses cheap loans, loan guarantees and loan insurance to subsidize purchases of U.S. products. The bulk of the money goes to big business that sell airplanes, machinery, nuclear power plants and the like. Last year alone, Boeing benefitted form $3.3 billion in credit subsidies. While corporate America gets the profits, taxpayers get the losses. . . .

As I mentioned last week when the Senate version of the Defense Appropriations bill was being debated—and now carried through the Conference Committee—is a sweet deal for the Boeing Company that I'm sure is the envy of corporate lobbyists from one end of K Street to the other. Attached is a legislative provision to the Fiscal Year 2002 Department of Defense Appropriations bill that would require the Air force to lease one hundred 767 aircraft for use as tankers for $26 million apiece each year for the next 10 years. Moreover, in Conference Committee the appropriators added four 737 aircraft for executive travel—mostly benefitting Members of Congress. We have been told that these aircraft will be assigned to the 89th Airlift Wing at Andrews Air Force Base.

Since the 10-year leases have yet to be signed, the cost of the planes cannot be calculated, but it costs roughly $85 million to buy one 737, and a lease costs significantly more over the long term.

The cost to taxpayers?

$2.6 billion per year for the aircraft plus $1.2 billion in military construction funds to modify KC–135 hangars to accommodate their larger replacements, with a total price tag of more than $30 billion over 10 years when the costs of the 737 leases are also included. This leasing plan is five times more expensive I repeat, five times more expensive to the taxpayer than an outright purchase, and it represents 30 percent of the Air Force's annual cost of its top 60 priorities. But the most amazing fact is that this program is not actually among the Air Force's top 60 priorities—it was not among their top 60 priorities—nor do new tankers appear in the 6-year defense procurement plan for the Service!

That's right, when the Air Force told Congress in clear terms what its top priorities were tankers and medical lift capability aircraft weren't included as critical programs. In fact, within its top 30 programs, the Air Force has asked for several essential items that would directly support our current war effort: wartime munitions, jet fighter engine replacement parts, combat support vehicles, bomber and fighter upgrades and self protection equipment, and combat search and rescue helicopters for downed pilots.

Let me say that again, within its top 30 programs, the Air Force has asked for several essential items that would directly support our current war effort: wartime munitions, jet fighter engine replacement parts, combat support vehicles, bomber and fighter upgrades and self protection equipment, and combat search and rescue helicopters for downed pilots.

This leasing program also will require $1.2 billion in military construction funding to build new hangars, since existing hangars are too small for the new 767 aircraft. The taxpayers also will be on the hook for another $30 million per aircraft on the front end to convert these aircraft from commercial configurations to military; and at the end of the lease, the taxpayers will have to foot the bill for $30 million more, to convert the aircraft back—pushing the total cost of the Boeing sweetheart deal to $30 billion over the ten-year lease. Mr. President, that is waste that borders on gross negligence.

I wrote a letter to the Director of OMB. Here is the answer I received:

DEAR SENATOR MCCAIN:

Thank you for your inquiry regarding the costs associated with the conversion of 767 aircraft tankers. According to the Air Force, the total cost for a program to lease 100 tankers is approximately $26 billion.

I ask unanimous consent that the letter from Mr. Mitchell Daniels, Director of OMB, be printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, December 18, 2001.

The Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: Thank you for your inquiry regarding the costs associated with the conversion of 767 aircraft to tankers. According to the Air Force, the total cost for a program to lease 100 tankers is approximately $26 billion. I have attached a summary of assumptions and costs they have identified. Please let me know if you require any additional information.

Sincerely,

MITCHELL E. DANIELS, JR.,
Director.

Mr. MCCAIN. Mr. President, I want to read a letter that I received recently. This letter is from the Americans for Tax Reform, Council for Citizens Against Government Waste, Congressional Accountability Project, Ronnie Dugger, Ralph Nader, National Taxpayers Union, Project on Government Oversight, Public Citizen, and Taxpayers for Common Sense.

All of these organizations are on the right and the left of the political spectrum.

They wrote the following letter:

DECEMBER 19, 2001.

DEAR SENATOR: Even as veteran observers of the Congressional appropriations process, we are shocked, and outraged, by the provision in the Defense Appropriations bill that would have the Air Force lease Boeing 767s at a price dramatically higher than the cost of direct purchase. We are writing to urge you to take to the floor to speak and vote against this specific siphoning of taxpayer money to the Boeing company.

Leave aside the serious questions about whether the Air Force wants or needs the 767s, and simply consider the economics of this sugar-coated deal:

Under the Boeing lease provision, the Air Force will lease 100 Boeing 767s for use as tankers, at a pricetag of $20 million per plane per year, over a 10-year period. This $20 billion expenditure is far higher than the cost of direct purchase. The government will accrue extra expenses because it will be obligated not only to convert the commercial aircraft to military configurations; when the 10-year lease is over, it will be required to convert them back to commercial format, at an estimated cost of $30 million apiece. Senator John McCain says the cost of the lease plan is five times higher than an outright purchase would be. Senator Phil Gramm says, ''I do not think, in the 22 years I have been here, I have ever seen anything to equal this.''

''I don't think, in the 22 years I have been here, I have ever seen anything to equal this.''

The letter goes on to say:

There is no conceivable rationale for such a waste of taxpayer resources. If some in Congress believe Boeing needs to be subsidized, then they should propose direct subsidies to the company, and let Congress fully debate and vote on the issue before the American people, following comprehensive public hearings on the proposal.

This is not a partisan issue. It is a basic test of whether Congress views itself as fundamentally accountable to the public interest, both procedurally and substantively.

There will obviously be a Defense Appropriations bill passed for the coming fiscal year. But it must not be one that includes such a gross exhibition of corporate welfare. We urge you to speak and vote against the bill; and to force consideration of a revised bill, stripped of this grotesquery.

Sincerely,

RALPH NADER,
GROVER NORQUIST,
President, Americans for Tax Reform.

I have never seen Ralph Nader and Grover Norquist on the same letter in all the years I have been in this town.

The letter is also signed by the following:

THOMAS A. SCHATZ,
President, Council for Citizens Against Government Waste.

GARY RUSKIN,
Director, Congressional Accountability Project.

RONNIE DUGGER,
Alliance for Democracy (organization listed for identification only).

PETE SEPP,
Vice President for Communications, National Taxpayers Union.

DANIELLE BRIAN,
Executive Director, Project on Government Oversight.

JOAN CLAYBROOK,
President, Public Citizen.

JOE THEISSEN,
Executive Director, Taxpayers for Common Sense.

Mr. President, I guess the obvious question that would then be asked is, How did this happen? On its face it is incredible.

Let me try to illuminate my colleagues on an article of December 12 in the New York Times entitled ''Boeing's War Footing; Lobbyists Are Its Army, Washington Its Battlefield.''

I will not read the entire article.

It says:

Staggered by the loss of the largest military contract in history and the collapse of the commercial airline market, Boeing has sharply intensified its efforts in Congress and the Pentagon to win an array of other big-ticket military contracts.

Mobilizing an armada of well-connected lobbyists, sympathetic lawmakers and Air Force generals, the company argues that by financing its contracts Congress would reduce the need for thousands of layoffs and help keep Boeing, the second-largest military contractor, healthy in a time of war:

It talks about losing the joint strike fighter to Lockheed Martin.

Those events sent Boeing reeling. But like battle-tested generals on the retreat, Boeing executives swiftly moved to recover their losses in a time-tested Washington way: wooing Congress and the Pentagon to support other contracts.

Few companies can rival Boeing influence in the capital. Its Washington office, headed by Rudy F. de Leon, the deputy secretary of defense in the final year of the Clinton administration, employs 34 in-house and more than 50 outside lobbyists.

One of the Boeing lobbyists' first moves after Sept. 11 was to prod the Air Force to reconsider the 767 lease deal, which had stalled months before. Though the Air Force has said it plans to replace its 40-year-old KC–135 tankers in the next decade or two, it has preferred to spend its money on elite fighter jets like the F–22.

But the war in Afghanistan has kept dozens of KC–135's in the air almost constantly, putting pressure on the Air Force to accelerate its replacement program. James Roche, the secretary of the Air Force, and Gen. John P. Jumper, the Air Force chief of staff, signed into the lease-purchase idea because it would spread the cost out into the future, Pentagon documents show.

Boeing next had to break down resistance to lease arrangements in Congress. According to one internal Pentagon study, a lease-purchase deal for 100 767's would cost 15 percent more than simply buying the planes. Moreover, federal rules discourage such deals by requiring that most of the entire contract cost be paid in the first year. To get around that, Boeing proposed having the Air Force simply lease the aircraft without a purchase option. But that would not cover the cost of adapting them for refueling and surveillance, or of ultimately buying them, as the Air Force is expected to do.

The company recruited the Congressional delegations from Washington and Missouri—the two states where it assembles most of its aircraft—to support the plan. And in the Senate, it found a powerful ally in Ted Stevens of Alaska, the ranking Republican on the Appropriations Committee, who is a fan of lease-purchase deals for the military.

Boeing lobbyists with Congressional experience—including Mr. de Leon, who also was a staff director for the House Armed Services Committee, and Denny Miller, a former chief of staff to the late Senator Henry M. Jackson of Washington—help negotiate the lease language.

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Mobilizing an armada of well-connected lobbyists, sympathetic lawmakers and Air Force generals, the company argues that by financing its contracts Congress would reduce the need for thousands of layoffs and help keep Boeing, the second-largest military contractor, healthy in a time of war. ''You've got the nation's leading exporter, and one of its leading military contractors, who has been hit hard,'' said Representative Norm Dicks, a Washington State Democrat who has led the charge for Boeing on Capitol Hill. ''We can really help them.''

The push underscores a broader trend for Boeing, company officials and analysts say. The company, with most of its production in the Seattle area, has suffered a sharp downturn in commercial aircraft business, which last year generated two-thirds of its $51.3 billion in sales. Boeing is expected to announce this week that production of its 717 commercial airliners will be cut by half, to as little as one plane a month from two, company executives said. As recently as a month ago, analysis predicted that the company would end all 717 production, in part because the Sept. 11 attacks have slowed demand for commercial jets.

As a result, Boeing is looking more than ever to its military and space divisions to bolster sagging revenue.

Last week, it won a big lobbying battle when the Senate approved a sharply contested plan for Boeing to lease to the Air Force 100 new 767 wide-body jets for use as refueling tankers and reconnaissance planes. The proposal next goes before a House-Senate conference committee.

At an estimated cost of more than $20 billion over 10 years, that plan has been attacked as a costly corporate bailout by critics led by Senator John McCain, a Republican from Arizona. But supporters say that it would not only significantly offset Boeing's loss of orders from ailing commercial airlines but also help the Pentagon by accelerating the replacement of aging midair refueling tankers and reconnaissance aircraft that both have been worn down by heavy use in the war in Afghanistan.

''Near term, it's a very nice financial salve to an immediate wound,'' said Howard Rubel,

a military industry analysis at Goldman Sachs.

The 767 plan is just one of several major Pentagon programs that Boeing is prodding Congress to sustain, expand or accelerate. The company is the lead contractor on more than a dozen major contracts accounting for well over $10 billion in the 2002 Pentagon budget alone. Those include the F/A–18 fighter jet for the Navy, the V–22 Osprey tiltrotor aircraft for the Marine Corps, the AH–64 Apache Longbow helicopter for the Army and the airborne laser for the Pentagon's Ballistic Missile Defense Organization.

In addition, Boeing has been trying for years to become the dominant player in an array of new businesses, including unpiloted aircraft, battlefield and cockpit communications, surveillance technology and precision-guided numitions. The war on terrorism has only underscored the Pentagon's need for more of those systems, Boeing and its allies assert.

''What we're about to see was the reason for the merger with McDonnell Douglas in the first place,'' said Gerald E. Daniels, president of Boeing's military aircraft and missile systems division. ''With the cyclical nature of the commercial business, building strong military and space units serves to tamp down those gigantic swings.''

In 1999, two years after the merger with McDonnell Douglas, Boeing delivered 620 commercial aircraft, for revenue of $38.5 billion. By next year, analysts estimate, deliveries are expected to tally only 367, with revenue down to $26 billion.

The collapse in the commercial market resulted, of course, from the suicide hijacking attacks of Sept. 11. Air travel plummeted and airlines canceled dozens of jet orders, prompting Boeing to announce plans to lay off 30,00 workers over the next two years.

Just when it seemed Boeing's fortunes could not be worse, in October the Pentagon awarded a $200 billion contract for the Joint Strike Fighter to Boeing's larger rival, Lockheed Martin. The stealthy jet is expected to become the mainstay fighter for the Navy, Air Force and Marine Corps in the next two decades, raising doubts about Boeing's future in the tactical fighter business.

Those events sent Boeing reeling. But like battle-tested generals on the retreat, Boeing executives swiftly moved to recover their losses in a time-tested Washington way: wooing Congress and the Pentagon to support other contracts.

Few companies can rival Boeing's influence in the capital. Its Washington office, headed by Rudy F. de Leon, the deputy secretary of defense in the final year of the Clinton administration, employs 34 in-house and more than 50 outside lobbyists.

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With Senator Patty Murray, a Washington Democrat, the Boeing president, Philip A. Condit, has repeatedly met with senior lawmakers like Daniel Inouye, the chairman of the Senate Appropriations subcommittee on the military, and the Senate majority leader, Thomas Dashle. Last week, Mr. Condit returned to discuss the deal with several leading skeptics in the House, including the speaker, J. Dennis Hastert, and Representative Jerry Lewis of California, the influential chairman of the House subcommittee on defense appropriations.

A spokesman for Mr. Lewis, Jim Specht, said the Congressman remained undecided on the lease deal, but added: ''There is the concern that because of the Joint Strike Fighter contract, something has to be done to make sure we support all of our industrial base.''

All the work, however, did not win over Senator McCain, who last week accused Boeing of ''playing victim, blaming its own job cuts, many of which occurred before Sept. 11, on the tragedy itself.''

Boeing seems to have won Congressional support for accelerating purchases of C–17's, the all-purpose cargo planes it builds in Long Beach, Calif., at a former McDonnell Douglas plant. Last spring, Boeing formally asked that the Pentagon buy 60 more planes at a cost of about $150 million each. Without that increase, the Long Beach production line is scheduled to close later this decade.

Boeing has also tried to wiggle its way into the Strike Fighter deal. The company has quietly hinted that it could urge Congress to buy more unmanned aircraft or its F/A–18 to take the place of Navy and Air Force versions of the Joint Strike Fighter if Lockheed did not agree to give it a substantial piece of the work.

It has urged Senator Christopher S. Bond, a Missouri Republican, to continue promoting legislation requiring Lockheed to split the Strike Fighter work with Boeing. Senator Bond withdrew his bill for lack of support, but on Friday he won Senate funds for a study into whether the Pentagon should have two manufacturers of tactical fighter aircraft.

''I want to make sure we maintain that production line in St. Louis, because it's in the national interest,'' Mr. Bond said in an interview.

Lockheed, however, notes that it already has two major partners, the British military contractor BAE Systems and Northrop Grumman. ''There is only so much work to go around,'' said Charles Thomas Burbage, director of the fighter project for Lockheed.

Boeing, with the help of Senator Bond and Representative Richard A. Gephardt, the House Democratic leader, who comes from the St. Louis area, is also pushing the Navy to replace its aging EA6–B Prowler radar-jamming planes with an electronic-warfare version of the F–18, a move that could help keep Boeing's St. Louis plant open longer.

Unmanned aircraft are another focus of Boeing lobbying. Last month, Boeing organized a new division headed by a senior executive from its Strike Fighter program, Mike Heinz, to help it expand into a market the company estimates will top $1 billion a year.

Boeing is already building a prototype unmanned fighter for the Air Force, a project that many industry officials say is Boeing's to lose. At a recent meeting of industry executives, Darleen A. Druyun, the principal deputy assistant secretary of the Air Force for acquisition and management, spoke glowingly about the future of unmanned aerial vehicles.

''I see a very bright future for Boeing when it comes to aviation,'' she said, ''particularly in the areas of UAV's and in sales of C–17's.''

Mr. MCCAIN. Mr. President, when the Department of Defense appropriations bill was on the floor, Senator GRAMM of Texas, I, and others decided that we would do what we could to oppose this being included in the legislation.

We were prepared to engage in extended debate on this and many of the other provisions of the Defense appropriations bill. After conversations with Senator GRAMM and Senator STEVENS, I agreed to an amendment on my behalf along with Senator GRAMM that would give the President the authority not to spend the money if we found other more compelling needs for national defense, which seems like a reasonable solution to the dilemma in which we found ourselves.

(Mr. CLELAND assumed the Chair.)

Mr. MCCAIN. I will admit to a certain degree of naivety. I believed that provision would be held in conference. Obviously, I was incredibly naive. That provision, I am told, was the first to go.

So now we have a situation—even though the Air Force in its top 60 priorities did not request additional tankers, but did have plans in the next 10 years or so to purchase aircraft with refueling capability—we now have a provision in law, which I obviously will not be able to reverse, without competition.

Maybe Airbus could have provided some tankers. Maybe some airlines with excess aircraft could have provided some tankers. But no competition is allowed. It directs that it be 767s.

Now, of course, to sweeten the pot, we have four 737s which will go out to Andrews Air Force Base and be part of the aircraft that are used for ferrying VIPs and Members of Congress around the world.

I think you could make an argument that Boeing needs to be bailed out, that they are in trouble. They are a major manufacturing company. They lost out on a new fighter aircraft competition. There may be some argument to that. I might even consider cutting them a check for some money. We cut checks for a lot of other interests around here.

But there was never a hearing in the Armed Services Committee—never a

hearing in the Armed Services Committee—of a $30 billion purchase here. It was never considered by the Armed Services Committee—not once. Never did it come up. No. No, Mr. President. Again, it was stuck in an appropriations bill, stuck into an appropriations bill without a single hearing. Not even in the Appropriations Committee did they have a hearing on this.

What I am saying is, this system has run amok. This system has run amok. We are now in the situation where anyone who is not on the Appropriations Committee becomes irrelevant, particularly at the end of the year.

Where is the relevancy of the Commerce Committee when $310 million in appropriations is added on a Defense appropriations bill? Where is the relevancy when billions of dollars on a Defense appropriations bill are put in that have nothing to do with defense?

Where is the relevancy of the authorizing committees when billions and billions and billions of dollars are added without a hearing, without consideration, and without authorization?

I suggest that the Appropriations Committee change their Web site, the one I quoted earlier, that says that only authorized appropriations will be made. It says:

> Authorization laws have two basic purposes. They establish, continue, or modify federal programs, and they are a prerequisite under House and Senate rules . . . for the Congress to appropriate budget authority for programs.

I strongly recommend that the Appropriations Committee remove that from or at least add: However, in practice, that is not the case.

We now have disabled veterans who are not receiving the money that they need. It is an effort that I and the Presiding Officer have engaged in for several years now. They do not have a very big lobby around here. They do not have Rudy de Leon and Denny Miller, and a lot of high-priced lobbyists. So veterans who have disabilities are being deprived money they should rightly have, that any other person stricken with a similar disability, under any other circumstance, would receive.

We still have men and women in the military living in barracks that were built during World War II and the Korean war.

We still have a situation, at least up until the surge of patriotism as of September 11, where there has been enormous difficulty in maintaining our noncommissioned officers and our midlevel career officers.

A recent study by the U.S. Army showed the greatest exodus of Army captains in the history of the U.S. Army, which is quite interesting, to say the least.

We will not take care of these veterans, but we will put about $3 billion out of the Commerce Committee—under the Commerce Committee jurisdiction—into this Department of Defense appropriations bill. We will take care of the special interests. We will take care of the big campaign contributors.

I am sure Boeing will be extremely generous at the next fundraisers that both the Republican and Democrat Parties have. They have already been incredibly generous. And, by the way, they are very schizophrenic in their political outlook because they give pretty much the same amount of money to both parties, which shows how ideologically driven they are.

And we will get 767s. I am sure they are nice airplanes. But who is going to pay? Who is going to pay for it? The average taxpayer, because the cost to the taxpayer of this little backdoor, backroom maneuver is billions of dollars more than it should have been.

I remind you, the average lifespan of a tanker is around 35 to 40 years. That is the average lifespan because they are relatively simple airplanes. They are really flying gas stations. So they last a long time.

So what are we going to do? Pay 90 percent of the cost of the airplane and, after 10 years, pay to have it de-engineered as a tanker and give it back to Boeing, at a minimum of one-third of the life of the tanker. With a straight face, how can we possibly do this?

I had a lot of other concerns about the porkbarreling, but I want to say this. One of two things is going to happen around here in the Senate: Either the Appropriations Committee controls the entire agenda and does the things that we continue to see in ever increasing numbers—and I have been tracking it for many years; every year the Appropriations Committee adds more and more projects that are not authorized every year; and this year it is a big jump—or we are going to stop it; or we are going to have a change in the rules that comports with the Web site of the Appropriations Committee; that is, that no appropriation will be made that is unauthorized and no appropriation will exceed the authorized level either in an appropriations bill or in a conference report.

It is a pretty simple rule. And it would be subject to a point of order.

Now, there are times where appropriations have to be made, and that is where the point of order would come in. But unless we change the rules the way this body goes—I suggest to my colleagues that they understand we can have nice hearings.

We have some very interesting hearings in the Commerce Committee on a broad variety of subjects. It is great. It is the most intellectually stimulating experience I have ever had in my service on the Commerce Committee and on the Armed Services Committee, of which I have been a member since 1987.

I find it extremely enjoyable. The discussions are wonderful. I learn more about how our military is conducting their operations, how we are planning for the future. But do not think, as members of the authorizing committee, you will have the slightest effect on what is done in this body.

I am not going to take too much longer, but I will just make a reference. In 1997—since the Senator from Hawaii is here—there was a proposal put in an appropriations bill to build two ships in Mississippi. And certain waivers were made in those requirements. In return for that, those ships would operate from the State of Hawaii. About $1 billion worth of taxpayers' money was on the line.

I said, this is crazy. You can't do this. This is outrageous. Do you know what happened a few weeks ago? The company went bankrupt. There are two hulls sitting in the State of Mississippi. The taxpayers are already on the hook for $300-some million, and it will probably rise to $1 billion.

If that proposal had gone through the Commerce Committee, it never would have seen the light of day because, on its face, it was crazy. To give a 30-year or 20-year, or whatever it is, exclusivity to a cruise line in return for them being built with taxpayers' dollars, there was no way it was going to succeed. And I said so at the time.

So now the taxpayers are on the hook for $1 billion.

We are talking about real money. What is going on here? It is because we are violating the process and the rules for the way we should operate. Perhaps this Boeing deal would have gotten some consideration in a very different fashion. Probably what would have resulted is that we would have authorized the purchase of three or four 767s and then in the following year we would have authorized some more, depending on what the administration wanted. But now we are putting in 100 airplanes that weren't in the top 60 requirements the Air Force told the Congress and the American people they needed. After 10 years, one-third to one-fourth of their lifespan, we give them back. How does anybody justify this kind of procedure?

I suggest that the Senate look at itself. I can't speak for the House. The Senate ought to look at itself. What are we doing? What do we do here? I think I may be one of four or five Senators who has examined this bill. I may be one of four or five who has looked at this bill because I have about 10 staffers leafing through it trying to figure out what is in it. Everybody certainly wants to go home. I understand that. That is why I will not talk too much longer.

I said on the floor of the Senate that the Department of Defense appropriations bill would be the last bill we considered because it would have the most pork in it because everybody would want to go home and nobody would want to look at it. This is a bill that we received sometime this afternoon or late morning, this is the legislation, $343 billion. What is it full of? Does anybody know? I have had about 10 staffers trying to leaf through it and find out. We have already found billions of dollars of unauthorized projects.

This kind of behavior cannot go on. It can't go on. You will lose the confidence of the American people. You will lose their faith that you are representing them and their tax dollars and their priorities.

This is called war profiteering: On the 21st of December, the last bill, the last train loaded up, nobody has read it, and we vote for it. We all vote for it because, of course, we are in a war. We can't not do that. I won't. But the fact is, we better change the way we are doing business, and we ought to look at ourselves and see if we are proper stewards of the taxpayers' dollars.

More importantly, are we proper stewards of our Nation's defense? Are we placing our national priorities for our military and the men and women in the military and their needs first?

This is going to be a long war on terrorism. We can't afford to put all this stuff in a Defense appropriations bill that has nothing to do with defense. We can't load it up with all this pork for the Salt Lake City Olympics. We can't give sweetheart deals to cruise lines.

Early next year when we come back, I will propose a change in the rules of the Senate. I hope it will be considered by many of my colleagues. I know it probably won't be considered by those on the Appropriations Committee because now they have all the power. But I believe that this is a body of equals, of 100 equal Senators. Some are elected to our majority; some are chairmen and ranking members of committees and, obviously, have more power than others. But we are equals when it comes time to do what we should be able to do with the taxpayers' dollars.

The power is now in the hands of the Appropriations Committee and those members of the Appropriations Committees. You read these things. First you laugh, and then you cry. It is really unbelievable. I laughed when I saw $75,000 for the Reindeer Herders' Association. I cried when I saw $6 million for the airport in Juneau. We need to upgrade airports all over America.

I was very disturbed when I saw that for the byways program, last year 40 States got money for the Scenic Byways Program; this year it is 11. I was very disturbed when I saw the Transportation Appropriations Committee took $453 million out of the formula for highway fund distribution to the States and distributed it among the States of the appropriators. How do you justify that?

We debated for a week in the Senate on that formula. I didn't like the result because Arizona receives less money from Washington in our taxpayers' dollars than we send, but I accepted the verdict of the entire 100 Senators. Now hundreds of millions of dollars that should be fairly distributed under that formula were taken by the Transportation appropriators without a debate, without a hearing, and distributed to the States of the appropriators.

That kind of thing cannot continue. It cannot continue or it renders meaningless not only the nonappropriators but the debate we had. Why did we waste a week debating the TEA–21 formula. Because we thought it was important. We thought that was the way the money would be distributed. Then the Appropriations Committee takes that money and redistributes it, coincidentally, to the States of the members of the Appropriations Committee. We can't continue doing this.

I know the hour is late. I apologize to my colleagues if I have inconvenienced them. But I warned them weeks ago that the last train would be the Defense appropriations bill, and everybody would want to vote for it and leave.

I just hope that a document this big, with this much money, $343 billion in taxpayers' money, that before we vote on something such as this again, at least let's look at it and see what it contains.

I yield the floor.

Mr. HATCH. Mr. President, I want to take this opportunity to set the record straight with respect to a good deal of misinformation which has been circulating about Federal support for the 2002 Winter Olympic Games in Salt Lake City, Utah. In fact, earlier today, one of our colleagues took the floor to condemn the funding Congress has provided for the 2002 Olympics. I listened carefully to his remarks. I have to say that if his understanding of the situation were true, I could understand how he feels. Unfortunately, however, I believe he and others have relied on incomplete and distorted press accounts which are, simply, a disservice to the Olympic spirit that a majority of Americans have raced to embrace. Most of these distortions seem to have originated with an article in the December 10, 2001 edition of Sports Illustrated. The article, ironically entitled ''Snow Job,'' is in fact a snow job itself.

The thrust of the criticisms to which I refer appears to be an incorrect assumption that, in seeking support for the Olympic Games, the State of Utah is somehow attempting to enrich itself unfairly at the expense of American taxpayers. Nonsense. Poppycock. Malarky. What those who race to criticize our Olympic games fail to consider is that these are the world's Olympic Games, a time-honored tradition which our nation is so fortunate to be hosting in February. I find these slams against the Olympic Games particularly discouraging given the fact that tomorrow the Olympic torch will arrive on Capitol Hill. And I cannot fail to note that it was this very body, only days ago, that unanimously authorized the torch to be carried to our Capitol, and some are here today questioning our support for that effort.

Enthusiasm has been building across the country as the torch makes its way from Athens to Atlanta, and now from Atlanta to Washington to Salt Lake. Hundreds of thousands of spectators have been lining the streets, cheering on the torch-bearers as they carry the Olympic flame throughout the country. We have all been so heartened to see citizens from all walks of life passing the torch, honoring everyday heroes. The message of the Salt Lake 2002 Olympic Torch Relay is ''Light the Fire Within.'' The flame symbolizes the spirit and passion of individuals who inspire others. The young people who make great sacrifices to become Olympic champions are certainly heroes. The flame celebrates not only the Olympians, but people of all walks of life who have inspired others.

While the Torch Relay is only a part of the Olympics, it is symbolic of the fire and passion for excellence that the games are all about. it is ironic that a publication which has staked its reputation on America's passion for athleticism now just weeks before the opening ceremony seeks to diminish the glory of the games by sensationalizing an issue that has been scrutinized and laid to rest months ago. It is also personally discouraging to me that one of our colleagues would seize this one article, one story among a vast sea of positive journalism on the Olympics, as a populist club in a years-long crusade to curb unwise and unneeded Federal spending. Good motive. Wrong target.

Those of our colleagues who are interested in a fair and balanced analysis of Olympic spending should consult the November, 2001 General Accounting Office, GAO, report, ''Olympic Games Costs to Plan and Stage the Games in the United States.'' And if you have any problem getting a copy of the report, let me know and I'll send it right over. The GAO study debunks many of the criticisms and draws an accurate picture which should put into proper perspective many of the misconceptions that are circulating. As any fair-minded reader can glean from the extensive GAO analysis, the Sports Illustrated article compares apples to oranges when calculating the costs of the various Olympic planning events that have taken place in this country. For example, critics of Olympic spending often compare transportation improvements in Utah to those in Lake Placid, a small rural community.

The article also fails to take into consideration the passage of time and the changing scope of the Olympics as the international communities' participation in the Olympics has grown. Most disappointing, the article to fails to demonstrate an understanding of federal funding of state highway projects and the costs associated with highway projects already in the planning stages for federal funding.

Earlier, our colleague decried that the Olympic Games will cost about $1.5 billion. Wrong again. Actually, it is over that amount. But as the GAO report makes perfectly clear, Federal support only accounts for 18 percent of that total. In truth, as the GAO analysis makes clear, the total projected cost, both public and private, of staging the 2002 Winter Olympic and

Paralympic Games, excluding additional security requirements resulting from the September 11, 2001 terrorist attacks, is $1.9 billion. Of this total, GAO estimates that $342 million will be provided by the federal government, 18 percent. GAO also documents that the State of Utah will provide $150 million. That is eight percent, or almost half the Federal amount provided by the 50 States for this international effort.

Local governments alone are providing four percent, or $75 million. And the Salt Lake Organizing Committee has raised the vast majority of the funding, $1.3 billion. That is 70 percent. This represents the hard work of hundreds of people who have spent weeks and months raising private donations. This is a true public-private partnership, which shows America at its best. So why are we not racing to praise this effort, rather than condemn it? The GAO report levels the playing field by making more accurate funding comparisons with previous Olympic Games held in the United States. Rather than using a dollar to dollar comparison, a distorted calculation, the GAO report uses a percentage comparison, a better gauge to assess the true costs to the Federal government.

For the edification of my colleagues, I would like to point out that a second report will be published shortly that compares the 2002 Winter Salt Lake Winter Olympics with Olympic games in other countries. This report will be even more enlightening with regard to total cost growth for the Olympic games and to the extent other governments have subsidized the Olympics. The GAO report indicates that while the total costs for staging the U.S. Olympic games, particularly the winter games, have grown, the percentage of federal participation has remained fairly constant taking into consideration increasing security requirements due to the bomb incident in Atlanta and events since September 11, 2001.

In fact, the Sports Illustrated article attempts to throw a negative spin on security spending for the Olympics by stating that ''Surprisingly, all but $40 million of the $240 million in security spending was approved before September 11.'' Authors of the article fail to appreciate that a great majority of the security money was dedicated before September 11 because the intelligence community had knowledge of the growing terrorist threat in the world.

After September 11, the fact that security required little revision is testimony to the thoroughness in Olympic security planning and preparation. For any of my colleagues who still remain unconvinced, I urge you to review the GAO report and obtain a true picture of federal support for the Olympic Games.

I also want to address specifically the issue of federal funding for an area that has received the most attention in the press and elsewhere, yet is perhaps the least understood. This concerns federal funding for Utah transportation projects over the last five years. It has been a popular parlor game to criticize funding for Olympic transportation costs. Many naysayers have rushed to judgment incorrect judgment I might add assuming that any construction project underway in Utah must be a direct result of the Olympic Games and that the funding must be coming from sources outside Utah.

Nothing could be further from the truth. The indiscriminate and arbitrary inclusion of all transportation costs in federal funding figures for the 2002 Olympics have dramatically skewed the numbers to incorrectly support the allegation that Utah has gotten more than its fair share of Federal transportation dollars because of the Olympics. In fact, the Sports Illustrated article is particularly guilty of this erroneous assumption.

The article's $1.5 billion price tag for the Salt Lake Olympics includes well over $800 million in transportation projects that were not designed specifically for the Olympics. Let me address the three largest projects that have attracted considerable attention and set the record straight.

First, let me address the North/South Light Rail in Salt Lake City. Since 1983, the Utah Transit Authority has planed a light rail system to handle the increased traffic in and around Salt Lake City on a daily basis. The system design calls for two connected light rail lines one running north and south from downtown Salt Lake City south to Sandy City, and a second east/west line connecting downtown with Salt Lake International Airport and the University of Utah. The system is designed to be built in phases with the first phase winning approval by the Federal Transit Administration, FTA, through a rigorous competitive process, in 1996.

Under this process, FTA is required to rank proposed projects according to a number of objective criteria and to select those projects that are ranked highest. The criteria address such areas as ridership, mobility improvements, environmental benefits, operational efficiencies, and cost effectiveness. It is important to remember that the project must meet the FTA criteria before it is ever considered for federal funding and must compete with other projects. The first phase of the program, the North/South line, was found worthy and funded by both Federal and state transportation monies. This action was completely independent of the Olympics.

The North/South line was completed in December 1999 at a total project cost of $312.5 million, of which $241.3 million was paid by the federal government. The State of Utah paid $61.2 million which represents 20 percent of the bill. This is in keeping with the traditional split for state transportation projects, the state can fund as little as 20 percent and the federal as much as 80 percent of the project costs.

It is important to note that this light rail project benefits all Salt Lake City citizens. Not only does it help the poor who are unable to afford cars but it also draws commuters out of cars thus helping the environment. Everyone benefits from greater mobility and better air quality. From the opening of the line in 1999, ridership has far exceeded expectations and it has continued to rise. Again, this project was not built or funded as an Olympic project—it was approved by the Administration and Congress based on a detailed analysis of the merits of the project itself and the long-term transportation needs of the Salt Lake Valley.

The University Connector Light Rail is the second phase of the light rail program. It will run from downtown Salt Lake City to the University of Utah. In 2000, the Administration and Congress approved a full funding grant agreement, allowing the Utah Transit Authority to begin construction. The tremendous success of the North/South light rail line was a key factor in the decision by Congress and the Administration to approve construction. Like the first phase, this phase was approved by FTA pursuant to a rigorous evaluation process. However, once the project was deemed to qualify under the normal Federal guidelines, the Administration did choose to accelerate it based on a possibility that it could be completed before the Olympics. Nevertheless, everyone, including the Congress, recognized that there was a possibility that the segment would not be completed in time for the Olympic Games and, therefore, the agreement included provisions allowing for the temporary halt of construction with resumption following the Games.

Fortunately, UTA is on schedule to complete the project and therefore the extension will be operating during the Olympics. However, it is important to note that this project was never deemed necessary for the Olympic Games by the Salt Lake Organizing Committee; in fact, operations on the line will be suspended for opening and closing ceremonies at Rice-Eccles Olympic Stadium, which is served by the University Connector. The cost of the project will be $118.5 million with $84.0 million federally funded. Without a doubt, the most misunderstood of all the Utah transportation projects is the I–15 reconstruction. This $1.59 billion project has been characterized as an Olympic project funded by the Federal government. Not true.

It must be remembered that Utah is a crossroads of the West and the I–15 interstate highway is critical to regional shipping and other transportation needs. It benefits everyone in the region, including those in California, Nevada, Arizona, New Mexico, and Idaho. The project was planned long before the Games, in the mid-1980s in fact. The I–15 improvements address additional capacity needs resulting from normal growth in the Salt Lake Valley and correct some deplorable infrastructure problems such as cracks in

roadbeds and crumbling bridges. Critics also fail to recognize that the I–15 project has been a bargain for the Federal government by any analysis. The Federal taxpayer is only funding $210 million out of a $1.59 billion project. While the Federal government has authorized another $243 million in spending for this project in Utah for advance construction authority, these additional Federal funds may not be used.

Based on current projections, the most the Federal government may contribute is 25–30 percent of the project cost well below the customary 80 percent Federal share. Instead of criticizing our State, we should be applauded. Some here today might ask, ''Why did Utah pick up the lion's share of the I–15 reconstruction?''

Utah, though a relatively small state, is seriously committed to transportation improvements as demonstrated by the dedication of state funds for transportation projects. The Utah State Legislature, during the 1997 session, established an aggressive state funding program. The program, known as the Centennial Highway Fund, CHF, will provide for over $3 billion for transportation improvements across the entire state over a ten year period. The I–15 reconstruction project is the premier project funded under the CHF program. Clearly, the annual allocation of about $200 million per year in federal highway funds is insufficient to address all of the transportation needs of the state.

I want to point out that these three transportation projects, rather than a grab of federal money based on some loose association with the Olympics, are in fact long-planned and well thought-out projects to benefit the local community. The light rail system has been nationally noted as a shining example of urban/suburban Smart Growth. And interestingly, all three projects were considered and planned as a Joint Transportation Corridor which was one of the first in the country submitted for an environmental impact assessment. Today such joint corridors are common, but the Utah projects were first among this trend.

Finally, I take great exception with the Sports Illustrated article's sensational innuendos about some Utah businessmen. Did these businessmen benefit from road improvements due to the Olympic venues held on or near their property? Undoubtedly. However, we must remember that these are businessmen who have invested in property and infrastructure over the course of many years. They have taken risks by investing in the growth of the community.

As a result, many others have benefitted from their efforts. When federal money is spent on any state transportation project, the citizens of that state benefit. Some are richer; some are poorer than others. The Sports Illustrated article holds the rest of the United States to one standard and Utah to another. I do not consider this responsible journalism.

In closing, I want to express to my colleagues and the American people my appreciation for their overwhelming support of the Olympic Games. The Salt Lake Games promise to be a fantastic family event, one that I hope that the whole nation will enjoy. We should not let populist politics in Washington douse the Olympic flame in Utah.

PROCUREMENT OF SMOKELESS NITROCELLULOSE

Mr. TORRICELLI. I would like to take the opportunity to thank Senator INOUYE and Senator STEVENS and the Defense Appropriations Staff for their cooperation in securing $2 million for the procurement of smokeless nitrocellulose in this year's Department of Defense, DoD, Appropriations Bill. Indeed, the provision included in this legislation will help ensure that our nation will continue to have at least two domestic suppliers of smokeless nitrocellulose.

The $2 million direct procurement for this vital product will reestablish Green Tree Chemical Technologies of Parlin, New Jersey as a viable competitor for the DoD industrial base. Furthermore, this purchase will enable Green Tree to be viable for the long term. It will continue to produce the qualified material for DoD programs and provide the only other production base in the United States for what is a volatile product.

Mr. CORZINE. I concur with my colleague with regard to the importance of the smokeless nitrocellulose provision included in this year's defense spending bill. In fact the importance of this provision cannot be overemphasized because Green Tree now produces the qualified nitrocellulose for the Trident II, LOSAT, TOW and HELLFIRE missile programs. Had the provision providing the $2 million procurement of nitrocellulose been omitted, these important missile programs could have been disrupted because re-qualifying DoD materials can be costly and time consuming.

Mr. CARPER. My two colleagues from New Jersey are correct in their assessment of the importance of this $2 million appropriation for smokeless nitrocellulose. Earlier this year, an anti-competitive joint venture, which would have centralized the production of this key ingredient in Defense Department programs, threatened Green Tree. Indeed, had the Federal Trade Commission not found the joint venture to be monopolistic, Green Tree would have been forced to close its New Jersey plant. The provision was inserted to the conference report to serve the same purpose as an amendment added to the Senate DoD appropriations bill to provide Green Tree with a $2 million production grant.

By including this vital provision, Congress will ensure the survival of Green Tree and enhance and sustain the competitive domestic production base for smokeless nitrocellulose which plays a key role in many DoD weapons programs.

Mr. BIDEN. I join my colleagues in thanking Senator INOUYE and Senator STEVENS for their assistance in keeping this funding in the final bill. As my colleagues have indicated, smokeless nitrocellulose is a critical precursor for the ammunition of a number of vital weapons systems. By ensuring that more than one company produces it here in the United States, we are being both fiscally responsible and prudent.

SOUTHEAST MICHIGAN HEALTH ASSOCIATION DEVELOPMENT OF A HAND HELD WATER QUALITY DETECTION DEVICE

Mr. LEVIN. Mr. President, as the Senate considers the Fiscal Year 2002 Appropriations Act for the Department of Defense, I would like to emphasize the importance of portable water quality detection equipment in homeland security. Such devices are a important tools for ensuring a safe water supply for all Americans.

In Michigan, like the rest of the country, there is a vital need to implement responsible water quality monitoring and tracking due to serious threats to public health through raw sewage discharges into its lakes and the industrial outfalls that pollute lakes such as Lake St. Clair. Since September 11, this need is even more important. We must protect sources of drinking and recreational water for our citizens by developing technologies that can identify and quantify hazardous water pollutants in near ''real time''.

Four county health departments, Wayne, Oakland, Macomb and St. Clair, together with the U.S. Army Tank Automotive Research and Development Center, TARDEC, and Wayne State University, along with the support of the Michigan Department of Environmental Quality, comprise a consortium that is proposing to prove/develop methodologies to develop field portable equipment to detect chemical and biological contaminants including warfare agents. These technologies will accomplish the objectives of protecting public health and the health of our military by providing a valuable tool that can determine water quality.

September 11 has placed a new urgency on the need to implement a field detection program to ensure safe potable drinking water supplies for civilians as well as military personnel. Funding provided in this bill is essential to the Southeast Michigan Health Association's research and I would urge the Environmental Protection Agency to make this project a priority when distributing the funds provided in this bill.

Mr. BYRD. The Senator from Michigan has a very important point. I hope that the people at the Environmental Protection Agency will take note of his remarks.

Mr. LEVIN. I thank my friend from West Virginia and the committee for their hard work in putting together this important legislation.

OFFICE OF JUSTICE PROGRAMS

Mr. LOTT. Mr. President, the supplemental spending portion of the Department of Defense Appropriations bill for fiscal year 2002, H.R. 3338, including funding for the Department of Justice Office of Justice Programs' Justice Assistance account. Among the authorized uses of these funds are research and development to support counterterrorism technologies, training for first responders, and grants for State and local domestic preparedness support. The scope of events for which our communities are attempting to prepare is broad, including release of radiological, chemical or biological agents, explosions, armed confrontations, and hostage-taking. While the details of how these situations would affect a community and the appropriate responses differ due to local circumstances, weather, and topography, similar methods for planning for, detecting, and monitoring these events may apply nationwide.

It has come to my attention that technology and supporting online services are available to communities to provide emergency responders with the information necessary to manage and mitigate damage from such terrorist acts that have the potential to endanger individuals and entire communities. These systems are capable of monitoring from a remote location the release of radiological, chemical, and biological agents over open terrain or urban environments. Taking into consideration real-time weather conditions from multiple meteorological sensors, these systems can assess the need for evacuations and the potential for human loss or harm and physical damage.

I appreciate that the Office of Justice Programs works hard, both within its research and development arm, the National Institute for Justice, and in coordination with other Departments and agencies, to develop new technologies and standardized equipment and training to assist State and local responders with their preparations for these type of events. It seems an appropriate use the funds provided by this bill to the Office of Justice Programs to assess the capabilities of such systems and their utility for State and local entities with domestic terrorism responsibilities, and to work with other departments and agencies to include such systems in standard equipment lists for domestic terrorism response. I ask the Senator from New Hampshire, who is the ranking member on the appropriations subcommittee overseeing the Department of Justice, whether he agrees with that assessment.

Mr. GREGG. I agree that new technologies of the type described by the Republican Leader may indeed prove useful to local responders. I encourage the Office of Justice Programs to consider such systems and work to include such systems in its standard equipment list for domestic terrorism response if such systems prove effective.

Mr. LOTT. I thank my distinguished colleague for his assistance in this matter.

BOEING 767 LEASING PROVISION

Mrs. MURRAY. I rise to engage the Chairman and Ranking Member of the Senate Defense Appropriations Subcommittee in a colloquy regarding the Boeing 767 leasing provision included in the fiscal year 2002 Defense Appropriations bill.

Ms. CANTWELL. I rise to join my colleague from the State of Washington to discuss this matter.

Mr. INOUYE. I would be pleased to discuss this matter with the Senators.

Mr. STEVENS. As would I.

Mr. ROBERTS. This is a matter that is important to the Nation, our national security, and the great State of Kansas. I, too, would like to join with my colleagues to review the leasing issue.

Mrs. MURRAY. I agree with my colleague from Kansas. The aging of our military air refueling tanker fleet has become a critical military operations issue-one that requires a bold solution now. The Air Force's fleet of over 500 KC–135 air refueling tankers is, on average, more than 40 years old. In fact, the oldest of these tankers—100 KC–135E models—are close to 45 years in age. New 767 air refueling tankers are already under development and could begin replacing the KC–135 Es within 2 years. There would be no up-front development costs to the military.

Ms. CANTWELL. Of equal importance is the need to support our commercial and military industrial base in the wake of the September 11 terrorist attacks. The provision included in the fiscal year 2002 Defense Appropriations bill will allow the Air Force to meet a pressing military need and ensure continued, strong demand for the Boeing 767 aircraft. In this regard, it is my understanding that the provision included in the bill permits the leasing of up to 100 purpose Boeing 767 aircraft in a commercial configuration for up to 10 years. Is that correct?

Mr. INOUYE. That is correct. And contrary to some reports, this provision is permissive in nature. I believe this provision provides the right solution at the right time to address the Air Force's needs.

Mr. STEVENS. I agree with Senator INOUYE's remarks. Not only with this provisions allow for timely delivery of critical military assets, but it requires that the leasing costs be 10 percent less than the life cycle costs of the aircraft were they to be purchased outright.

Mr. ROBERTS. It is my understanding that Italy and Japan have selected the 767 tanker for their air forces and that 767s are being modified in Wichita already. Italy intends to buy four of the tankers and Japan intends to purchase at least one. I also know that this same tanker configuration is being offered commercially to other countries to meet their in-flight fueling requirements. Is that the Senator from Alaska's understanding as well?

Mr. STEVENS. It is. There are a number of other nations and at least one private company who have expressed an interest in procuring general purpose, commercially configured tanker aircraft.

Mrs. MURRAY. Then would you say that a commercial market exists for these aircraft?

Mr. STEVENS. I would.

Mrs. MURRAY. I ask the Senator from Hawaii, would you agree that a general purpose aircraft that will meet the general requirements of many customers; that can operate as a passenger aircraft, a freighter, a passenger/freighter ''combination'' aircraft, or as an aerial refueling tanker; and is available to either government or private customers meets the definition of a general purpose, commercially configured aircraft?

Mr. INOUYE. I believe that assessment makes sense.

Mrs. MURRAY. I thank the Senator.

Ms. CANTWELL. The opportunity has been presented to the Air Force and the Boeing company to come together to make this leasing provision work for the benefit of our national security and our industrial base. I urge them to do so quickly and cooperatively.

Mr. ROBERTS. I agree and pledge my support to making this effort a successful one.

Mr. STEVENS. I thank the Senators for their remarks and for their pledges of support.

Mr. INOUYE. I join with my friend, the Senator from Alaska, to thank you for your remarks and let you know that Senator STEVENS and I will closely follow the progress of this new program.

Mr. CONRAD. Mr. President, I rise to offer for the RECORD a preliminary scoring by the Budget Committee of the conference report to H.R. 3338, the Department of Defense Appropriations Act for fiscal year 2002. I will be submitting a final, official statement for the record after CBO completes its scoring of the conference report.

Preliminarily, the conference report provides $317.207 billion in nonemergency discretionary budget authority, almost all of which is for defense activities. That budget authority will result in new outlays in 2002 of $212.907 billion. When outlays from prior-year budget authority are taken into account, nonemergency discretionary outlays for the conference report total $309.256 billion in 2002. By comparison, the Senate-passed bill provided $317.206 billion in nonemergency budget authority, which would have resulted in $309.365 billion in outlays.

In addition, H.R. 3338 includes $20 billion in emergency-designated funding. That funding represents the second $20 billion previously authorized by and designated as emergency spending under Public Law 107–38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Attacks on the United States. An estimate of the impact on outlays from the

emergency funding is not available at this time.

The conference report to H.R. 3338 violates section 302(f) of the Congressional Budget Act of 1974 because it exceeds the subcommittee's Section 302(b) allocation for both budget authority and outlays. Similarly, because the committee's allocation is tied to the current law cap on discretionary spending, H.R. 3338 also violates section 312(b) of the Congressional Budget Act. The bill includes language that raises the cap on discretionary category spending to $681.441 billion in budget authority and $670.206 billion in outlays and the cap on conservation category outlays to $1.473 billion. However, because that language is not yet law, the budget committee cannot increase the appropriations committee's allocation by the amount of the pending cap increase at this time, putting it in violation of the two points of order.

In addition, by including language that increases the cap on discretionary spending, adjusts the balances on the pay-as-you-go scorecard for 2001 and 2002 to zero, and directs the scoring of a provision in the bill, H.R. 3338 also violates section 306 of the Congressional Budget Act. Finally, the bill violates section 311(a)(2)(A) of the Congressional Budget Act by exceeding the spending aggregates assumed in the 2002 budget resolution for fiscal year 2002.

The conference report to H.R. 3338 violates several budget act points of order; however, it is good bill that addresses the Nation's defense needs, including the defense of our homeland. The President and Congressional leaders from both parties agreed in the wake of the September 11 attack that more money was needed to respond to the terrorists and to protect our homeland. This report follows that bipartisan agreement and includes language that raises the cap on discretionary spending. I urge its adoption.

I ask unanimous consent that a table displaying the budget committee scoring of H.R. 3338 be printed in the RECORD.

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

H.R. 3338, CONFERENCE REPORT TO THE DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2002 PRELIMINARY SCORING

[Spending comparisons—Conference Report, in millions of dollars]

	General purpose [2]	Mandatory	Total
Conference report:			
Budget Authority	317,207	282	317,489
Outlays	309,256	282	309,538
Senate 302(b) allocation:[1]			
Budget Authority	181,953	282	182,235
Outlays	181,616	282	181,898
President's request:			
Budget Authority	319,130	282	311,224
Outlays	310,942	282	311,224
House-passed:			
Budget Authority	317,207	282	317,489
Outlays	308,873	282	309,155
Senate-passed:			
Budget Authority	317,206	282	317,488
Outlays	309,365	282	309,647
CONFERENCE REPORT COMPARED TO			
Senate 302(b) allocation:[1]			
Budget Authority	135,254	0	135,254
Outlays	127,640	0	127,640
President's request:			
Budget Authority	(1,923)	0	(1,923)
Outlays	(1,686)	0	(1,686)
House-passed [2]			
Budget Authority	0	0	0
Outlays	383	0	383
Senate-passed [2]			
Budget Authority	1	0	1
Outlays	(109)	0	(109)

[1] For enforcement purposes, the budget committee compares the conference report to the Senate 302(b) allocation.

[2] All but $3 million of the nonemergency budget authority provided in the conference report is for defense activities.

Notes.—Details may not add to totals due to rounding. Totals adjusted for consistency with scorekeeping conventions. In addition, the conference report includes $20 billion in emergency funding related to the September 11th attacks. An estimate of the outlay impact from the emergency spending is not available at this time.

Mr. MCCAIN. Mr. President, I rise once again to address the issue of wasteful spending in appropriations measures, in this case the bill funding the Department of Defense for fiscal year 2002. In provisions too numerous to mention in detail, this bill, time and again, chooses to fund pork barrel projects with little if any relationship to national defense at a time of scarce resources, budget deficits, and underfunded, urgent defense priorities.

As I pointed out previously to this body on December 7th, the massive Department of Defense Appropriations Bill Conference Report, totaling $343 billion, would be the last business in the Senate and so it is. Not because of its level of difficulty, but because it is so easy to hide the mother of all pork projects in a large massive bill or maybe it wasn't because we found it as well as many other groups. For example, let me read a few comments.

Our Nation is at war, a war that has united Americans behind a common goal—to find the enemies who terrorized the United States on September 11th and bring them to justice. In pursuit of this goal, our servicemen and women are serving long hours, under extremely difficult conditions, far away from their families. Many other Americans also have been affected by this war and its economic impact, whether they have lost their jobs, their homes, or have had to drastically cut expenses this holiday season. The weapons we have given them, for all their impressive effects, are, in many cases, neither in quantity nor quality, the best that our government can provide.

For instance, stockpiles of the precision guided munitions that we have relied on so heavily to bring air power to bear so effectively on difficult, often moving targets, with the least collateral damage possible, are dangerously depleted after only 10 weeks of war in Afghanistan. This is just one area of critical importance to our success in this war that underscores just how carefully we should be allocating scarce resources to our national defense.

Yet, despite the realities of war, and the responsibilities they impose on Congress as much the President, the Senate Appropriations Committee has not seen fit to change in any degree its usual blatant use of defense dollars for projects that may or may not serve some worthy purpose, but that certainly impair our national defense by depriving legitimate defense needs of adequate funding.

Even in the middle of a war, a war of monumental consequences, the Appropriations Committee is intent on using the Department of Defense as an agency for dispensing corporate welfare. It is a terrible shame that in a time of maximum emergency, the United States Senate would persist in spending money requested and authorized only for our Armed Forces to satisfy the needs or the desires of interests that are unrelated to defense needs.

The Investor's Business Daily, on December 18, 2001, had this to say in an article titled At the Trough: Welfare Checks To Big Business Make No Sense, ''Among the least justified outlays is corporate welfare. Budget analyst Stephen Slivinski estimates that business subsidies will run $87 billion this year, up a third since 1997, Although President Bush proposed $12 billion in cuts to corporate welfare this year, Congress has proved resistant. Indeed, many post-September 11 bailouts have gone to big business. Boeing is one of the biggest beneficiaries. Representative NORM DICKS, Democrat from Washington, is pushing a substantial increase in research and development support for Boeing and other defense contractors, the purchase of several retrofitted Boeing 767s and the leasing of as many as 100 767s for purposes ranging from surveillance to refueling. Boeing has been hurt by the storm that hit airlines, since many companies have slashed orders. Yet China recently agreed to buy 30 of the company's planes, and Boeing's problems predate the September 11 attack. It is one thing to compensate the airlines for forcibly shutting them down; it is quite another to toss money at big companies caught in a down demand cycle. Boeing, along with many other major exporters, enjoys its own federal lending facility, the Export-Import Bank. ExIm uses cheap loans, loan guarantees and loan insurance to subsidize purchases of U.S. products. The bulk of the money goes to big business that sell airplanes, machinery, nuclear power plants and the like. Last year alone, Boeing benefitted from $3.3 billion in credit subsidies. While corporate America gets the profits, taxpayers get the losses. . . .The Constitution authorizes a Congress to promote the general welfare, not enrich Boeing and other corporate behemoths. There is no warrant to take from Peter so Paul can pay higher corporate dividends. In the aftermath of September 11, the American people can ill afford budget profligacy in Washington. If Congress is not willing to cut corporate welfare at a time of national crisis, what is it willing to cut?''

As I mentioned last week when the Senate version of the Defense Appropriations bill was being debated and—now carried through the Conference Committee there is a sweet deal for the Boeing Company that I'm sure is the envy of corporate lobbyists from one end of K Street to the other. Attached is a legislative provision to the Fiscal Year 2002 Department of Defense Appropriations bill that would require the Air Force to lease one hundred 767 aircraft for use as tankers for $26 million apiece each year for the next 10 years. Moreover, in Conference Committee the appropriators added four 737 aircraft for executive travel mostly benefitting Members of Congress. We have been told that these aircraft will be assigned to the 89th Airlift Wing at Andrews Air Force Base. Since the 10-year leases have yet to be signed, the cost of the planes cannot be calculated, but it costs roughly $85 million to buy one 737, and a lease costs significantly more over the long term.

The cost to taxpayers?

Two billion and six hundred million dollars per year for the aircraft plus another $1.2 billion in military construction funds to modify KC–135 hangars to accommodate their larger replacements, with a total price tag of more than $30 billion over 10 years when the costs of the 737 leases are also included. This leasing plan is five times more expensive to the taxpayer than an outright purchase, and it represents 30 percent of the Air Force's annual cost of its top 60 priorities. But the most amazing fact is that this program is not actually among the Air Force's top 60 priorities nor do new tankers appear in the 6-year defense procurement plan for the Service!

That is right, when the Air Force told Congress in clear terms what its top priorities were tankers and medical lift capability aircraft weren't included as critical programs. In fact, within its top 30 programs, the Air Force has asked for several essential items that would directly support our current war effort: wartime munitions, jet fighter engine replacement parts, combat support vehicles, bomber and fighter upgrades and self protection equipment, and combat search and rescue helicopters for downed pilots.

Let me say that again, within its top 30 programs, the Air Force has asked for several essential items that would directly support our current war effort: wartime munitions, jet fighter engine replacement parts, combat support vehicles, bomber and fighter upgrades and self protection equipment, and combat search and rescue helicopters for downed pilots.

This leasing program also will require $1.2 billion in military construction funding to build new hangars, since existing hangars are too small for the new 767 aircraft. The taxpayers also will be on the hook for another $30 million per aircraft on the front end to convert these aircraft from commercial configurations to military; and at the end of the lease, the taxpayers will have to foot the bill for $30 million more, to convert the aircraft back—pushing the total cost of the Boeing sweetheart deal to $30 billion over the ten-year lease. Mr. President, that is waste that borders on gross negligence.

But this is just another example of Congress' political meddling and of how outside special interest groups have obstructed the military's ability to channel resources where they are most needed. I will repeat what I've said many, many times before—the military needs less money spent on pork and more spent to redress the serious problems caused by a decade of declining defense budgets.

This bill includes many more examples where congressional appropriators show that they have no sense of priority when it comes to spending the taxpayers' money. The insatiable appetite in Congress for wasteful spending grows more and more as the total amount of pork added to appropriations bills this year—an amount totaling over $15 billion.

This defense appropriations bill also includes provisions to mandate domestic source restrictions; these ''Buy America'' provisions directly harm the United States and our allies. ''Buy America'' protectionist procurement policies, enacted by Congress to protect pork barrel projects in each Member's State or District, hurt military readiness, personnel funding, modernization of military equipment, and cost the taxpayer $5.5 billion annually. In many instances, we are driving the military to buy higher-priced, inferior products when we do not allow foreign competition. ''Buy America'' restrictions undermine DoD's ability to procure the best systems at the least cost and impede greater interoperability and armaments cooperation with our allies. They are not only less cost-effective, they also constitute bad policy, particularly at a time when our allies' support in the war on terrorism is so important.

Secretary Rumsfeld and his predecessor, Bill Cohen, oppose this protectionist and costly appropriation's policy. However, the appropriations' staff ignores this expert advice when preparing the legislative draft of the appropriations bills each year. In the defense appropriations bill are several examples of ''Buy America'' pork—prohibitions on procuring anchor and mooring chain components for Navy warships; main propulsion diesel engines and propellers for a new class of Navy dry-stores and ammunition supply ships; supercomputers; carbon, alloy, or armor steel plate; ball and roller bearings; construction or conversion of any naval vessel; and, other naval auxiliary equipment, including pumps for all shipboard services, propulsion system components such as engines, reduction gears, and propellers, shipboard cranes, and spreaders for shipboard cranes.

Also buried in the smoke and mirrors of the appropriations markup is what appears to be a small provision that has large implications on our warfighting ability in Afghanistan and around the world. Without debate or advice and counsel from the Committee on Armed Services, the appropriators changed the policy on military construction which would prohibit previous authority given to the President of the United States, the Secretary of Defense, and the Service Secretaries to shift military construction money within the MILCON account to more critical military construction projects in time of war or national emergency. The reason for this seemingly small change is to protect added pork in the form of military construction projects in key states, especially as such projects have historically been added by those Members who sit on the Military Construction Appropriations Subcommittee, at the expense, Mr. President, of projects the Commander-in-Chief believes are most needed to support our military overseas.

Does the appropriations committee have any respect for the authorizing committees in the Senate?

I look forward to the day when my appearances on the Senate floor for this purpose are no longer necessary. There is nearly $2.5 billion in unrequested defense programs in the defense appropriations bill and another $1.1 billion for additional supplemental appropriations not directly related to defense that have been added by the Chairman of the Committee. Consider what $3.6 billion when added to the savings gained through additional base closings and more cost-effective business practices could be used for. The problems of our armed forces, whether in terms of force structure or modernization, could be more assuredly addressed and our warfighting ability greatly enhanced. The public expects more of us.

But for now, unfortunately, they must witness us, blind to our responsibilities in war, going about our business as usual.

I ask unanimous consent that the list of earmarks from the fiscal year 2002 Department of Defense Appropriations Bill Conference Report be placed in the RECORD.

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

FY 2002 Defense appropriations pork

[In millions]

DIVISION A	
Operation and Maintenance, Army:	
Fort Knox Distance Learning Program	2.1
Army Conservation and Ecosystem Management	4.3
Fort Richardson, Camp Denali Water Systems	0.6
Rock Island Bridge Repairs	2.0
Memorial Tunnel, Consequence Management	16.5
FIRES Programs Data	6.8
Skid Steer Loaders	7.5
USARPAC Transformation Planning	8.5

FY 2002 Defense appropriations pork—Continued

USARPAC Command, Control, and Communications Upgrades	3.2
Hunter UAV	2.5
Field Pack-up Systems	2.5
Unutilized Plant Capacity	17.5
SROTC—Air Battle Captain	1.0
Joint Assessment Neurological Examination Equipment	2.6
Repairs Ft. Baker	1.0
Fires Program Data Capt.	6.8
Mobility Enhancement Study	0.5
Classified Programs, Undistributed	0.35
Operation and Maintenance, Navy:	
Naval Sea Cadet Corps	1.0
Shipyard Apprentice Program	7.8
PHNSY SRM	12.8
Warfare Tactics PMRF	20.4
Hydrographic Center of Excellence	2.5
UNOLS	1.5
Center of Excellence for Disaster Management and Humanitarian Assistance	4.3
Biometrics Support	2.5
Operation and Maintenance, Air Force:	
Pacific Server Consolidation	8.5
Grand Forks AFB ramp refurbishment	5.0
Wind Energy Fund	0.5
University Partnership for Operational Support	3.4
Hickam AFB Alternative Fuel Program	1.0
SRM Eielson Utilidors	8.5
Civil Air Patrol Corporation	3.2
PACAF Strategic Airlift planning	1.7
Elmendorf AFB transportation infrastructure	10.2
MTAPP	2.8
Operation and Maintenance, Defense-Wide:	
Civil Military programs, Innovative Readiness Training	8.5
DoDEA, Math Teacher Leadership	1.0
DoDEA, Galena IDEA	3.4
DoDEA, SRM	5.0
OEA, Naval Security Group Activity, Winter Harbor	4.0
OEA, Fitzsimmons Army Hospital	3.8
OEA Barrow landfill relocation	3.4
OEA, Broadneck peninsula NIKE site	1.0
OSD, Clara Barton Center	1.0
OSD, Pacific Command Regional initiative	6.0
OEA, Adak airfield operations	1.0
OSD, Intelligence fusion study	5.0
Free Markets	1.4
Trustfund for demining and mine eviction	14.0
Impact aid	30.0
Legacy	12.9
Operation and Maintenance, Army National Guard:	
Distributed Learning Project	25.5
ECWCS	2.5
Camp McCain Simulator Center, trainer upgrades	3.2
Fort Harrison Communications Infrastructure	1.0
Communications Network Equipment	0.209
Multimedia classroom	0.85
Camp McCain Training Site, roads	2.2
Full Time Support, 487 additional technicians	11.2
Emergency Spill Response and Preparedness Program	0.79

FY 2002 Defense appropriations pork—Continued

Distance Learning	30.0
SRM reallocation	25.0
Army Guard Education Program at NPS	2.0
Operation and Maintenance, Air National Guard:	
Extended Cold Weather Clothing System	2.5
Defense Systems Evaluation	1.7
Eagle Vision (Air Guard)	8.5
Bangor International Airport repairs	5.0
Military Techniques Costing Model	6.3
Angel Gate Academy	1.5
GSA Leased Vehicle Program	1.75
Camp Gruber Regional Trade Center	2.4
Information Technology Management Training	1.0
Rural Access to Broadband Technology	3.4
National Guard State Partnership Program	1.0
Aircraft Procurement, Army:	
Oil debris detection and burn-off system	3.5
ATIRCM LRIP	7.0
Guardrail Mods	5.0
Procurement of Weapons and Tracked Combat Vehicles, Army: Bradley Reactive Armor Tiles	20.0
Other Procurement, Army:	
Automated Data Processing Equipment	14.0
Camouflage: ULCANS	4.0
Aluminum Mesh Tank Liner	3.5
AN/TTC Single Shelter Switches w/Associated Support	26.5
Blackjack Secure Facsimile	7.0
Trunked Radio System	1.4
Modular Command Post	2.5
Laundry Advance Systems (LADS)	3.0
Abrams & Bradley Interactive Skills Trainer	6.3
SIMNET	10.5
AFIST	8.3
Ft. Wainwright MOUT Instrumentation	6.5
Target Receiver Injection Module Threat Simulator	4.0
Tactical Fire Trucks	4.0
IFTE	15.0
Maintenance Automatic Identification Technology	3.0
National Guard Distance Learning Courseware	8.0
Smart Truck	3.4
ULCANS	4.0
Floating Crane	7.0
2KW Military Tactical Generator	2.5
Firefighting Training System	1.2
Lightweight Maintenance Enclosure	1.2
GUARDFIST	3.0
Army Live Fire Ranges	3.5
USARPAC C–4 suites	7.2
Aircraft Procurements, Navy:	
JPATS (16 aircraft)	44.6
ECP–583	24.0
PACT Trainer	6.0
Direct Support Squadron Readiness Training	4.5
UC–45	7.5
Other Procurement, Navy:	
JEDMICS	11.5
Pacific Missile Range Equipment	6.0
IPDE Enhancement	4.2
Pearl Harbor Pilot	4.3
AN/BPS–15H Navigation System	6.3

FY 2002 Defense appropriations pork—Continued

Tactical Communication On-Board Training	4.5
Air Traffic Control On-Board Trainer	2.8
WSN–7B	7.0
Naval Shore Communications	48.7
Missle Procurement, Air Force:	
NUDET Detection System	19.066
Other Procurement, Air Force:	
CAP COM and ELECT	7.0
Pacific AK Range Complex Mount Fairplay	6.3
UHF/VHF Radios for Mont Fairplay, Sustina	3.0
National Guard and Reserve Equipment:	
Navy Reserve Misc. Equipment	15.0
Marine Corps Misc. Equipment	10.0
Air Force Reserve Misc. Equipment	10.0
Army National Guard Misc. Equipment	10.0
Air Guard C–130	219.7
Lasermarksmenship Training Center	8.5
UH–60 Blackhawk	8.7
Engage Skills Training	4.2
Multirole Bridging Compound	15.7
Braley ODS	51.0
Heavy Equipment Training System	2.5
Reserve Composition System	15.5
P19 Truck Crash	3.5
Weapons Procurement, Navy:	
Drones and Decoys	14.9
Shipbuilding and Conversion, Navy:	
Minehunter Swath	1.0
Yard Boilers	3.0
Research, Development, Test, and Evaluation, Army:	
Environmental Quality Technology Dem/Val	10.36
End Item Industrial Preparedness Activities	20.6
Defense Research Sciences Cold Weather Sensor Performance	1.0
Advanced Materials Processing	3.0
FCS Composites Research	2.5
AAN Multifunctional Materials	1.5
HELSTF Solid State Heat Capacity	3.5
Photonics	2.5
Army COE Acoustics	3.5
Cooperative Energetics Initiatives	3.5
TOW ITAS Cylindrical Battery Replacement	1.5
Cylindrical Zinc Air Battery for LWS	1.8
Heat Actuated Coolers	1.0
Improved High Rate Alkaline Cells	1.0
Low Cost Reusable Alkaline (Manganese-Zinc) Cells	0.6
Rechargeable Cylindrical Cell System	1.5
Waste Minimization and Pollution Research	2.0
Molecular and Computational Risk Assessment (MACERAC)	1.4
Center for Geosciences	1.5
Cold Regions Military Engineering	1.0
University Partnership for Operational Support (UPOS)	3.4
Plasma Energy Pyrolysis System (PEPS)	3.0
DOD High Energy Laser Test Facility	15.0
Starstreak	16.0
Center for International Rehabilitation	1.4
Dermal Phase Meter	0.6
Minimally Invasive Surgery Simulator	1.4

FY 2002 Defense appropriations pork—Continued

Minimally Invasive Therapy	5.0
Anthropod-Borne Infectious Disease Control	2.5
VCT Lung Scan	3.2
Tissue Engineering Research	4.7
Monocional Anti-body based technology (Heteropolymer System)	3.0
Dye Targeted Laser Fusion	3.4
Joint Diabetes Program	5.0
Center for Prostate Disease Research	6.4
Spine Research	2.1
Brain Biology and Machine Initiative	1.8
Medical Simulation training initiative	0.75
TACOM Hybrid Vehicle	1.0
N–STEP	2.5
IMPACT	3.5
Composite Body Parts	1.4
Corrosion Prevention and Control Program	1.4
Mobile Parts Hospital	5.6
Vehicle Body Armor Support System	3.3
Casting Emission Reduction Program	5.8
Managing Army Tech. Environmental Enhancement	1.0
Visual Cockpit Optimization	4.2
JCALS	10.2
Electronic Commodity Pilot Program	1.0
Battle Lab at Ft. Knox	3.5
TIME	10.0
Force Provider Microwave Treatment	1.4
Mantech Program for Cylindrical Zinc Batteries	1.8
Continuous Manufacturing Process for Mental Matrix Composities	2.6
Modular Extendable Rigid Wall Shelter	2.6
Combat Vehicle and Automotive technology	14.0
Auto research center	2.0
Hydrogen DEM fuel cell vehicle demonstration	5.0
Electronic Display Research	9.0
Fuel Cell Power Systems	2.5
Polymer Extrusion/Multilaminate	2.6
DoD Fuel Cell Test and Evaluation Center	5.1
Ft. Meade Fuel Cell Demo	2.5
Biometrics	5.1
Diabetes Project, Pittsburgh	5.1
Osteoporois Research	2.8
Aluminum Reinforced Metal Matrix Composition	2.5
Combat Vehicle Res Weight Reduction	6.0
Ft. Ord Celanup Demonstration Project	2.0
Vanadium Tech Program	1.3
ERADS	2.0
Advanced Diagnostics and Therapeutic Digital Tech	1.3
Artifical Hip	3.5
Biosensor Research	2.5
Brain Biology and Machine Initiative	1.8
Cancer Center of Excellence (Notre Dame)	2.1
Center for Integration of Medicine and Innovative Technology	8.5
Center for Untethered Healthcare at Worcester Polytechnic Institute	1.0
Continuous Expert Care Network Telemedicine Program	1.5
Disaster Relief and Emergency Medical Services (DREAMS)	8.0

FY 2002 Defense appropriations pork—Continued

Hemoglobin Based Oxygen Carrier	1.0
Hepatitas C	3.4
Joslin Diabetes Research-eye Care	4.2
LSTAT	2.5
Secure Telemedicine Technology Program	2.0
Memorial Hermann Telemedicine Network	9.0
Monoclonal Antibodies	1.0
Emergency Telemedicine Response and Advanced Technology Program	1.5
National Medical Testbed	7.7
Neurofibromatosis Research Program	21.0
Neurology Gallo Center-alcoholism research	5.6
Neurotoxin Exposure Treatment Research Program	17.0
Polynitroxylated Hemogolbin ..	1.0
SEAtreat cervical cancer visualization and treatment	1.7
Smart Aortic Arch Catheter	1.0
National Tissue Engineering Center	2.0
Center for Prostate Disease Research at WRAMC	6.4
Research, Development, Test, and Evaluation, Navy:	
Southeast Atlantic Coastal Observing System (SEA–COOS)	4.0
Marine Mammal Low Frequency Sound Research	1.0
Maritime Fire Training/Barbers Point	2.6
3-D Printing Metalworking Project	2.5
Nanoscale Science and Technology Program	1.5
Nanoscale devices	1.0
Advanced wateriet-21 project ...	3.5
DDG–51 Composite twisted rudder	1.0
High Resolution Digital mammography	1.5
Military Dental Research	2.8
Vector Thrusted Ducted Propeller	3.4
Ship Service Fuel Cell Technology Verification & Training Program	2.0
Aluminum Mesh Tank Liner	1.5
AEGIS Operational Readiness Training System (ORTS)	4.0
Materials, Electronics and Computer Technology	19.3
Human Systems Technology	2.6
Undersea Warfare Weaponry Technology	1.7
Medical Development	59.0
Manpower, Personell and Training ADV Tech DEV	2.0
Environmental Quality and Logistics AD Tech	1.4
Research, Development, Test, and Evaluation, Defense-Wide:	
Bug to Drug Identification and CM	2.0
American Indian higher education consortium	3.5
Business/Tech manuals R&D	1.5
AGILE Port Demonstrations	8.5
Defense Health Program:	
Hawaii Federal healthcare network	15.3
Pacific island health care referral program	4.3
Alaska Federal healthcare Network	2.125
Brown Tree Snakes	1.0
Tri-Service Nursing Research Program	6.0
Graduate School of Nursing	2.0

FY 2002 Defense appropriations pork—Continued

Health Study at the Iowa Army Ammunition Plant	1.0
Coastal Cancer Control	5.0
Drug Interdiction and Counter-Drug Activities, Defense:	
Mississippi National Guard Counter Drug Program	1.8
West Virginia Air National Guard Counter Drug Program	3.0
Regional Counter Drug Training Academy, Meridian MS ...	1.4
Earmarks:	
Maritime Technology (MARITECH)	5.0
Metals Affordability Initiative	5.0
Magnetic Bearing cooling turbin	5.0
Roadway Simulator	13.5
Aviator's night vision imaging system	2.5
HGU–56/P Aircrew Integrated System	5.0
Fort Des Moines Memorial Park and Education Center ...	5.0
National D-Day Museum	5.0
Dwight D. Eisenhower Memorial Commission	3.0
Clean Radar Upgrade, Clean AFS, Alaska	8.0
Padgett Thomas Barracks, Charleston, SC	15.0
Broadway Armory, Chicago	3.0
Advancer Identification, Friend-or-Foe	35.0
Transportation Mult-Platform Gateway Integration for AWACS	20.0
Emergency Traffic-Management	20.7
Washington-Metro Area Transit Authority	39.1
Ft. Knox MOUT site upgrades ..	3.5
Civil Military Programs, Innovative	10.0
ASE INFRARED CM ATIRCM LRIP	10.0
Tooling and Test Equipment	35.0
Integrated Family of Test Equipment (IFIE)	15.0
T–AKE class ship (Buy America)	
Welded shipboard and anchor chain (Buy America)	
Dwight D. Eisenhower Memorial	
Gwitchyaa Zhee Corporation lands	
Air Forces's lease of Boeing 767s	
Enactment of S. 746	
2002 Winter Olympics in Salt Lake City, Utah	
Nutritional Program for Women, Infants and Children	39.0
International Sports Competition	15.8
Animal and Plant Health Inspection Survey	105.5
Food and Safety Inspection	15.0
Total Pork in Division A (FY 2002 Defense Approps): $2.5 Billion ...	
DIVISION B	
Commerce related earmarks:	
Port Security	93.3
Airports and Airways Trust Fund, payment to air carriers	50.0
DoT Office of the Inspector General	1.3
FAA Operations (from aviation Trust Fund)	200.0
FAA Facilities and Equipment	108.5
Passenger Bag Match Demonstration at Reagan National Airport	2.0
Federal Highway Administration misc. appropriations ($10 m requested)	100.0
Capital Grants to the National Railroad Passenger Corporation	100.0
Federal Transit Administration Capital Investment Grants	100.0

FY 2002 Defense appropriations pork—Continued

Restoration of Broadcasting Facilities	8.25
National Institute of Standards and Technology	30.0
Federal Trade Commission	20.0
FAA Grants-in-AID for Airports	175.0
Woodrow Wilson Bridge Project	29.542
Provision relating to Alaska in the Transportation Equity Act for the 21st Century	
US–61 Woodville widening project in Mississippi	0.3
Interstate Maintenance Program for the city of Trenton/Port Quendall, WA	4.0
Interstate Sports Competition Defense	15.8
Utah Olympics Public Safety Command	0.02
FEMA support of the 2002 Salt Lake Olympic Games	10.0
Relocation costs and other purposes for 2002 Winter Olympics	15.0
Chemical and Biological Weapons Preparedness for DC Fire Dept	0.205
Response and Communications Capability for DC Fire Dept	7.76
Search and Rescue and Other Emergency Equip. and Support for DC Fire	0.208
Office of the Chief Technology Officer of the DC Fire Dept	1.0
Training and Planning for the DC Fire Dept	4.4
Protective Clothing and Breathing Apparatus for DC Fire Dept	0.922
Specialized Hazardous Materials Equipment for the DC Fire Dept	1.032
Total Commerce Related Earmarks:	$1.1 Billion
Total Pork in FY 2002 Defense Appropriations Conference Report:	$3.6 Billion

Mrs. MURRAY. Mr. President. I rise to lend my strong support to the Department of Defense Appropriations Conference Report.

And I do so with great admiration and respect for the leadership demonstrated by Chairman DANIEL INOUYE and Senator TED STEVENS. They have done great work, and I encourage the Senate to embrace this appropriations conference report.

I do want to briefly address the issue of tanker replacement which has been hotly debated here on the floor. I support the tanker leasing provisions in the bill, and I am again grateful to Senator INOUYE and Senator STEVENS for their work on the Boeing 767 leasing provisions. Many Senators worked on this issue. There were many hurdles to address and overcome. And we worked through them all together in a bipartisan fashion.

I want to again quote the Secretary of the Air Force from a letter he wrote to me in early December. Secretary James Roche says and I quote,

> The KC–135 fleet is the backbone of our Nation's Global Reach. But with an average age of over 41 years, coupled with the increasing expense required to maintain them, it is readily apparent that we must start replacing these critical assets. I strong endorse beginning to upgrade this critical warfighting capability with new Boeing 767 tanker aircraft.

The record is clear. The Air Force has been a contributing partner and fully supports the tanker replacement program contained in this appropriations bill.

The existing tankers are old and require costly maintenance and upgrades. The K–135s were first delivered to the Air Force in 1957. On average, they are 41 years old. KC–135s spend about 400 days in major depot maintenance every 5 years.

The tanker replacement program contained in this bill will save taxpayers $5.9 billion in upgrade and maintenance costs.

The record is clear. We need to move forward on tanker replacement. Our aging tankers have flown more than 6000 sorties since September 11. Our ability to project force depends on our refueling capabilities. We can no longer ignore these old and expensive aircraft.

The record is also clear on my State of Washington. This will help the people of my state. Washington now has the highest unemployment rate of any state in the nation. I am here to do everything I can to help my constituents. Any Senator, including critics of the leasing provisions in this bill, would do the same thing.

But this is not just about my State. Every state involved in aircraft production will benefit.

In addition, it is in our national interest to keep our only commercial aircraft manufacturer healthy in tough times, to keep that capacity and to keep that skill set.

The Air Force has identified this as a critical need. We rely on refueling tankers. Now is the time to move forward with tanker replacement. I again commend Senator INOUYE, Senator STEVENS, Senator CANTWELL, Senator CONRAD, Senator ROBERTS and the many others who worked so hard to move this program forward.

Shortly, we are all going to go home for the holidays to be with our families. Senators can go home knowing that they have sent a very powerful message to the families of our service members. We have acted today with this bill to equip our personnel now and in the future with best equipment and the best technology available to our armed forces. I will proudly vote for this conference report.

Mr. BIDEN. Mr. President, I rise today to thank my Senate colleagues for their support of two important aviation needs and to express my disappointment that the House did not support those decisions. I know that it is always difficult to reconcile the decisions made in the Senate with those made in the House, but this case, I am very sorry to see that the Senate's wisdom was not sustained.

When the Defense Appropriations bill left the Senate, it included full-funding for two important aviation assets—C–5 avionics modernization and 10 additional Blackhawks for the Amy National Guard. Unfortunately, the bill that we have before us does not include those items. Instead, the C–5 avionics funding is cut by $70.50 million and there are only 4 Blackhawks going to the Army National Guard.

Let me first review the importance of the C–5 Avionics Modernization Program which was not only fully funded in the Senate's Defense Appropriations bill, but which both the House and Senate Armed Services Committees fully supported in their bills.

The C–5 is what the military uses when it needs to deploy quickly with as much equipment as possible. This was confirmed once again in Operation Enduring Freedom where the Air Force reports that C–5s have hauled forty-six percent of the cargo during the operation while only flying approximately twenty-eight percent of the sorties. This plane is a vital part of our military success. It is also a key player in our nation's humanitarian efforts, so critical to the long-term success of our national security strategy.

Taking $70.5 million from the President's funding request means that critical Secretary of Defense directed Flight and Navigation Safety modifications and Global Air Traffic Management modifications will be delayed by up to a year or more. Delays in installing the safety equipment continue to place aircrews at risk at a time when they are engaged around the world in the war on terrorism and humanitarian missions. Delays also prevent the C–5 from being fully employed in certain parts of the world as AMP modifications are necessary to comply with new GATM regulations.

At a time when we are asking our military to do so much, to deny our aircrews and military planners C–5s that have the safety upgrades and operational improvements that the AMP will provide does not make sense. Again, I am sorry that the House did not agree with the Senate. I hope we can reverse this problem next year by accelerating the program with increased funding. I will certainly fight to do that and I hope that other colleagues who have been supportive in the past will join me in that fight next year.

My other concern with this bill is that the Army National Guard's need for additional UH–60 Blackhawk helicopters has not been properly addressed. Today, the Army National Guard comprises fifty percent of the Army's total utility airlift capability. Unfortunately, only twenty-seven percent of the fleet is usually flyable. On a regular basis a full seventy-three percent of the utility helicopters in the Guard are grounded because of a lack of parts or safety of flight concerns! Virtually every state confronts significant shortages, and some states, like Delaware, have absolutely no modern helicopters, relying instead on one or two Vietnam-era helicopters.

This means that regular state missions cannot be executed. Pilots and maintenance personnel cannot remain proficient. These skilled personnel are

not able to do their job, get frustrated, and decide not to stay in the military. Meanwhile, the Army is simply unready in this area. In normal times, these are unacceptable realities. Today, when the Guard has been asked to do so much more, it is unfathomable to me that we would not do more to fix these problems.

The Senate recognized the need to do more and provided a first installment of ten new Blackhawk helicopters for the Army Guard. Unfortunately, this bill only provides four. Today, many in utility aviation units do not have even the bare minimum they need to stay proficient, let alone do their missions. This is certainly true in Delaware and I know it also true for at least five other states. This bill does not even allow the Guard Bureau to put one new Blackhawk in each state that needs seven to ten!

The men and women who serve in the Guard every day, both in their states and overseas, deserve to have the equipment they need to perform their missions. I am sorry the House did not agree to do more to address their aviation needs this year and I will work with my colleagues again next year to try to improve this situation.

Mr. President, this bill includes a number of important items that will benefit our military and I support it. But, I want to put my colleagues on notice that next year I will be fighting to accelerate C–5 modernization and to get additional UH–60s for the Army National Guard. The Senate spoke wisely last week in fully funding both of these aviation needs and I am sorry that the House was unwilling to sustain that wisdom.

Mr. ALLARD. Mr. President, being that I was not able to discuss the Fiscal Year 2002 Defense Authorization Act last Thursday, I wanted to take a few minutes to discuss a few aspects of this very important bill.

I strongly support the Fiscal Year 2002 Defense Authorization Act. I want to congratulate Chairman LEVIN and the Ranking Member WARNER for the good work and the way they have moved this important bill for our men and women in the military. I believe this is a balanced bill which provides a much needed and deserved increase for our military men and women. After years of declining budgets, this bill continues the increase in resources which started 2 years ago.

The bill provides $343.3 billion in budget authority, plus authorizes the $21.2 billion in emergency supplemental appropriations as requested by the President in order to respond to the terrorist attacks. The bill also adds over $779.4 million above the request for the Department of Energy's environmental cleanup programs and nuclear weapons activities.

When I became the Personnel Subcommittee Chairman in 1999, the subcommittee provided the first major pay raise for our troops in over 20 years and I am glad that this year's bill continues this trend. The bill provides a targeted pay raise effective January 1, 2002, ranging 5 to 10 percent, with the largest increase going to junior officers and non-commissioned officers.

While no member enjoys having bases closed in their State, or even the possibility of closure, it is that time that we recognize we do have excess capacity and that is time to consider another round of base closings as requested by the administration. After much negotiating, the conferees authorized a round of base closings in 2005, with established criteria based on actual and potential military value that the Secretary of Defense must use to determine which bases to recommend.

As the rulemaking member of the Strategic Subcommittee, I would like to congratulate my chairman, Senator REED, for his good work on this bill. He worked in a bipartisan and even handed manner. While we disagreed on the missile defense programs, Senator REED and I were in agreement on most of the remaining major issues before the subcommittee.

While many in Congress may disagree on funding levels of missile defense, no one can argue that ballistic missiles, armed with nuclear, biological, or chemical warheads, present a considerable threat to U.S. troops deployed abroad, allies, and the American homeland. The consequences of such an attack on the United States would be staggering; yet the United States currently has no system capable of effectively stopping even a single ballistic missile headed toward the American homeland or depolyed U.S. troops.

To end this vulnerability, the President requested a significant increase in funding for ballistic missile defense programs which was an important first step toward protecting all Americans against ballistic missile attack. The conference provided up to $8.3 billion, $3 billion more than the fiscal year 2001 level, for the continued development of ballistic missile defenses. In addition, the conferees provided flexibility for the President to use up to $1.3 billion of these funds for programs to combat terrorism.

In an effort to increase the efficiency and productivity of the missile defense programs, the administration requested to fundamentally restructure the nation's ballistic missile defense programs into six primary areas: Boost, Midcourse, Terminal Defenses, Systems Engineering, Sensor, and Technology Development. This new approach will provide the flexibility to allow programs that work to mature but the ability to cancel programs that do not. Plus, the program will provide enhanced testing and test infrastructure.

A major testing initiative included in the President's request is the 2004 Pacific missile defense test bed, the conferees supported the request, for $786 million for the including $273 million for construction primarily at fort Greely, Alaska and other Alaska locations. Beginning in 2004, the Pacific missile test bed will allow more challenging testing in a far wider range of engagement scenarios than can be accommodated today.

The conferees provided the following levels for the restructured programs: $780 million for BMD system activities including battle management, communications, targets, countermeasures, and system integration; $2.2 billion (matching the President's request) for terminal defense systems, including Patriot Advanced Capability-3 (PAC–3), Medium Extended Air Defense System (MEADS), Navy Area (which has now been cancelled by the Administration), Theater High Altitude Air Defense (THAAD), and international missile defense programs, including the Arrow program; $3.9 billion (matching the President's request) for mid-course defense systems, including ground-based (formerly known as national Missile Defense) and sea-based (formerly known as Navy Theater Wide Defense) missile defense programs; $685 million (matching the President's request) for boost phase systems, including the Airborne Laser (ABL) and Space-Based Laser (SBL); $496 million (matching the President's request) for the Space-Based Infrared System (SBIRS) and international sensor programs, including the Russian-American Observation Satellite project; $113 million (matching the President's request) for development of technology and innovative concepts necessary to keep pace with evolving missile threats;

However, the conferees did not support the President's request to transfer PAC–3, Medium Extended Air Defense System, and Navy Area programs from BMDO to the military services. The bill requires the Secretary of Defense to establish guidelines for future transfers, and to certify that transferred programs are adequately funded in the future year defense program.

Just as the President moves to reduce our nuclear forces the conferees repealed the statute that prohibits the U.S. from retiring or dismantling certain strategic nuclear forces until START II enters into force. As part of this effort, the conferees increased funding for the retirement of the Peacekeeper ICBM.

The Strategic Subcommittee also has oversight over two-thirds of the Department of Energy's budget as it relates to our nuclear forces and defense nuclear cleanup programs.

During the subcommittee's hearings, we heard from DOE that one of the major shortfalls of the Department is the conditions of the infrastructure of our DOE labs and plants, the need for a principal deputy administrator at the National Nuclear Security Administration, and an increase in DOE's environmental cleanup programs and nuclear weapons activities.

Therefore the conferees provided $6.2 billion for DOE environmental cleanup and management programs including: $3.3 billion for work at facilities with

complex and extensive environmental problems that will be closed after 2006; $1.1 billion for the Defense Facilities Closure Project; $959.7 million for construction and site completion at facilities that will be closed by 2006; $216 million ($20 million more than the President's request) for the Defense Environmental Restoration and Waste Management Science and Technology programs; and $153.5 million ($12 million more than the President's request) for Defense Environmental Management Privatization.

In regards to the National Nuclear Security Administration conferees provided $7.1 billion for managing the nation's nuclear weapons, nonproliferation and naval reactor programs, including: $1 billion for stockpile life extension and evaluation programs; $2.1 billion for focused efforts to develop the tools and knowledge necessary to ensure the safety, reliability, and performance of the nuclear stockpile in the absence of underground nuclear weapons testing. Included in this, the conferees provided $219 million to fully fund plutonium pit manufacturing and certification; $200 million to begin to recapitalize the nation's nuclear weapons complex infrastructure, much of which dates to the post-World War II era; $688 million for the naval reactors program, which supports operation, maintenance and continuing development of Naval nuclear propulsion systems.

There is one issue that I am very proud to say is included in this bill and that is the creation of the Rocky Flats National Wildlife Refuge. This effort has been done in a bipartisan manner with Congressman UDALL and more than 2 years worth of work by local citizens, community leaders, and elected officials. Its passage has ensured that our children and grandchildren will continue to enjoy the wildlife and open space that currently exists at Rocky Flats. However, even with its passage, my primary goal remains the safe cleanup and closure of Rocky Flats.

I would like to mention a few of the following high points of the bill.

Rocky Flats will remain in permanent federal ownership through a transfer from the Department of Energy to the U.S. Fish and Wildlife Service after the cleanup and closure of the site is complete;

Secondly, we understand the importance of planning for the transportation needs of the future and have authorized the Secretary of Energy and the Secretary of the Interior the opportunity to grant a transportation right-of-way on the eastern boundary of the site for transportation improvements along Indiana Street;

The third point is one of the most important directives in this Act and it states that ''nothing . . . shall reduce the level of cleanup and closure at Rocky Flats required under the RFCA or any Federal or State law.'' I believe it is important to reiterate that the cleanup levels for the site will be determined by the various laws and processes set forth in the Rock Flats Cleanup Agreement and State and Federal law; and

Fourth, we firmly believe that access rights and property rights must be preserved. Therefore, this legislation recognizes and preserves all mineral rights, water rights and utility rights-of-ways. This act does, however, provide the Secretary of Energy and the Secretary of Interior the authority to impose reasonable conditions on the access to private property rights for cleanup and refuge management purposes.

I would also like to highlight another section of the bill which encourages the implementation of the recommendations of the Space Commission, which concluded that the Department of Defense is not adequately organized or focused to meet U.S. national security space needs. There are four major sections of the provision.

The first provision requires the Secretary of Defense to submit a report on steps taken to improve management, organization and oversight of space programs, space activities, and funding and personnel resources.

The second provision requires the Secretary of Defense to take actions that ensure space development and acquisition programs are jointly carried out and, to the maximum extent practicable, ensure that offers of the Army, Navy, Marine Corps, and Air Force are assigned to and hold leadership positions in such joint program offices.

Third, the conferees request that the Comptroller General report back to Congress on the actions taken by the Secretary of Defense to implement the recommendations contained in the Commission report.

Fourth, due to the concerns of the ''tripled hatted'' nature of the Commander-in-Chief, U.S. Air Force Space Command, the bill states that the position should not serve concurrently as commander of the North American Air Defense Command and as Commander-in-Chief, U.S. Space Command. Plus, the bill provides the needed flexibility in general officer limits to ensure that the commander of Air Force Space Command will serve in the grade of general.

Finally, even though I strongly support the Fiscal Year 2002 Authorization Act, I am very disappointed that this bill ignored real shortcoming as it relates to our military's voting rights.

While my original bill went much further in implementing the Space Commission report, I believe this is a first good step and, if needed, I hope we can revisit this issue next year to ensure that space management and programs get the senior level support it deserves.

Finally, even though I strongly support this bill, I am very disappointed that this bill ignored a real shortcoming as it relates to our military voting rights.

When I introduce S. 381, my Military Voting Rights Bill, I sought to improve the voting rights of overseas military voters in six key ways. And this Senate agreed to include that bill in our version of the defense authorization. But I am severely dismayed that the conference report contained none of the most important provisions relating to military voting.

Considering the egregious acts of last November, with the memory of campaign lawyers standing ready with preprinted military absentee ballot challenge forms, we needed to respond. And yet the House of Representatives, led by the House Administration Committee, refused to accept the sections of the Senate passed bill that would most effectively ensure the voting rights of our military men and women and their families.

In September, the GAO released a 92-page report entitled ''Voting Assistance to Military and Overseas Citizens Should Be Improved.'' I will not read the entire thing, but let me read one of the summary headers: ''Military and Overseas Absentee Ballots in Small Countries Were Disqualified at a Higher Rate Than Other Absentee Ballots.''

I also have an article from the Washington Post, page A17, November 22, 2000 that reads in part '' . . . lawyers spent a contentious six hours trying to disqualify as many as possible of the absentee ballots sent in by overseas military personnel.''

Let me also read from a Miami Herald article, November 19, 2000: ''Forty percent of the more than 3,500 ballots in Florida were thrown out last week for technical reasons, and elections observers are wondering whether the State's election laws are fair, especially to military personnel.''

Two main flaws in the military voter system—flaws that we have concrete proof were exploited—could have been fixed last week by sections of the Military Voting Rights bill that the House refuses to accept.

The first section prohibits a State from disqualifying a ballot based upon lack of postmark, address, witness signature, lack of proper postmark, or on the basis of comparison of envelope, ballot and registration signatures alone—these were the basis for most absentee ballot challenges.

There has been report after report of ballots mailed—for instance form deployed ships or other distant postings—without the benefit of postmarking facilities. Sometimes mail is bundled, and the whole group gets one postmark, which could invalidate them all under current law. Military ''voting officers'' are usually junior ranks, quickly trained, and facing numerous other responsibilities. We can not punish our service personnel for the good faith mistakes of others.

And military voters who are discharged and move before an election but after the residency deadline cannot vote through the military absentee ballot system, and sometimes are not able

to fulfill deadlines to establish residency in a State. There are roughly 20,000 military personnel separated each month. Our section allowed them to use the proper discharge forms as a residency waiver and vote in person at their new polling site. This brings military voters into their new community quicker. But the House rejected this section as well.

The Senate moved to address these problems. The Houses refuses to do so. This is an issue I, and those who feel as strongly as I do, such as our nation's veteran and active duty service organizations, will continue to press.

Mr. BOND. Mr. President. I rise to raise some significant concerns about S. 1389, the Homestake Mine Conveyance Act of 2001, which has been attached to the Department of Defense-Supplemental conference report.

This legislation will have serious adverse implications for the Federal Government most notably, the National Science Foundation (NSF) and the Environmental Protection Agency (EPA)—due to its unprecedented legal protections provided to the State and the Homestake Mining Company and its potentially significant budgetary costs.

While some modifications to the original have been made to the bill to address many of the problematic legal and programmatic issues, these changes were modest at best and the bill as a whole still has significant legal, budgetary, and policy implications that could negatively impact NSF and EPA. This bill is an improvement over the original legislation introduced by the senators from South Dakota, but it is still problematic and troubling.

As the ranking member of the VA-HUD Appropriations Subcommittee, I believe in deferring to the scientific expertise and judgment of the NSF and its Science Board in determining which projects had scientific merit and deserved funding. The Congress should not be in the business of legislating what is scientifically meritorious. The Homestake legislation totally circumvents the merit review process long-established and followed by the agency.

The reality of this matter is that the South Dakota Senators are using NSF as a means to save jobs that will be lost from the closing of the mine. While I appreciate the effort to save people's jobs, it should not be done by undermining the scientific merit review process. This is simply the wrong approach and creates a new, dangerous precedent.

Further, the broad indemnification provisions in the bill, even with the proposed modifications, are sweeping. The Federal Government would also be required to provide broad indemnification to both the Homestake Mining Company and the State for PAST and FUTURE claims related to the site. The sweeping and unprecedented language is in conflict with, and greatly expands, the Federal Government's potential tort liability well beyond provided in the Federal Tort Claims Act. The Federal Government's liability with respect to environmental claims would also be potentially unlimited. It is unclear whether the bill affects Homestake's obligations under court-approved Consent Decrees (CD) that the Federal Government has already entered into. These CDs address certain remediation and natural resource damage claims. There are additional legal issues related to the Anti-Deficiency Act and tort law concerning compensation after the fact of injury.

Funding this costly project would also potentially sap funding for other current and new initiatives that have scientific merit and which the Congress and Administration fully support. Critically important scientific research initiatives such as nanotechnology, information technology, and biotechnology initiatives may be significantly impaired. Major research projects related to astronomy, engineering, and the environment could be cut back or not funded.

I hope my colleagues will be sensitized to the dangerous legal, budgetary, and policy implications of the Homestake legislation. I am extremely troubled by this legislation and hope that political pressure does not influence the ultimate outcome of the proposed project in the Homestake bill.

Mr. DASCHLE. Mr. President, I am delighted that the Congress has incorporated S. 1389, the Homestake Mine Conveyance Act of 2001, as amended, into the fiscal year 2002 Department of Defense Appropriations conference report.

This important legislation will enable the construction of a new, world-class scientific research facility deep in the Homestake Mine in Lead, SD. Not only will this facility create an opportunity for critical breakthroughs in physics and other fields, it will provide unprecedented new economic and educational opportunities for South Dakota.

Just over a year ago, the Homestake Mining Company announced that it intended to close its 125-year-old gold mine in Lead, SD, at the end of 2001. This historic mine has been a central part of the economy of the Black Hills for over a century, and the closure of the mine was expected to present a significant economic blow to the community.

In the wake of this announcement, you can imagine the surprise of South Dakotans to discover that a committee of prominent scientists viewed the closure of the mine as an unprecedented new opportunity to establish a National Underground Science Laboratory in the United States. Because of the extraordinary depth of the mine and its extensive existing infrastructure, they found that the mine would be an ideal location for research into neutrinos, tiny particles that can only be detected deep underground, where thousands of feet of rock block out other cosmic radiation.

Earlier this year, I met with several of these scientists to determine how they planned to move forward. They told me they intended to submit a proposal to the National Science Foundation for a grant to construct the laboratory. After a thorough peer review, the National Science Foundation would determine whether or not it would be in the best interests of science and the United States for such a laboratory to be built. The scientists also explained that since the National Science Foundation normally does not own research facilities, the mine would need to be conveyed from Homestake Mining Company to the State of South Dakota for construction to take place. For the company to be willing to donate the property, and for the state to be willing to accept it, both would require the Federal Government to assume some of the liability associated with the property.

The purpose of the Homestake Mine Conveyance Act of 2001 is to meet that need. It establishes a process to convey the mine to the State of South Dakota, and for the Federal Government to assume a portion of the company's liabilities. This Act will only take effect if the National Science Foundation selects Homestake as the site for an underground laboratory. Only property needed for the construction of the lab will be conveyed, and conveyance can only take place after appropriate environmental reviews and after the Environmental Protection Agency certifies the remediation of any environmental problems. If the mine is conveyed, the State of South Dakota will be required to purchase environmental insurance for the property and set up an environmental trust fund to protect the taxpayers against any environmental liability that may be incurred.

I believe this process is fair and equitable to all involved. It will enable the laboratory to be constructed and the environment to be protected.

I am not a scientist, and the decision to build this laboratory must be made by the scientific community. However, it is helpful to review some of the information I have received from the team of scientists supporting this project to better understand why we would take the unusual step of conveying a gold mine to a state with federal indemnification.

Dr. John Bahcall is a scientist at the Institute for Advanced Study in Princeton, NJ. He was awarded the National Medal of Science in 1998. He is a widely recognized expert in neutrino science and an authority on the scientific potential of an underground laboratory. Recently, I received a letter from him explaining the research opportunities created by an underground laboratory. In the letter, he explained, ''There are pioneering experiments in the fields of physics, astronomy, biology, and geology that can only be carried out in an environment that is

shielded from the many competing phenomena that occur on the surface of the earth. These experiments concern such fundamental and applied subjects as: How stable is ordinary matter? What is the dark matter of which most of our universe is composed? What new types of living organisms exist in deep underground environments from which sunlight is excluded? How are heat and water transported underground over long distances and long times?''

As Dr. Bahcall's letter makes clear, the laboratory would provide an opportunity for a wide variety of important research. For that reason, it is receiving strong support in the scientific community. For example, every six to seven years, the Nuclear Science Advisory Board and the Nuclear Physics Division of the American Physical Society develop a Long Range Plan that identifies that the major priorities of American nuclear physicists for coming years. After a series of meetings, these scientists ranked the creation of a National Underground Science Laboratory as one of their top priorities in their Long Range Plan.

In a recent letter to the National Science Foundation, members of the Nuclear Science Advisory Committee explained their support for the creation of an underground laboratory at Homestake: ''[T]here is presently an outstanding opportunity for the United States to assume world leadership at the frontier of underground science through the acquisition and development by the National Science Foundation of the Homestake mine in South Dakota to create a deep underground (7000 meter of water equivalent (m.w.e.)) laboratory. . . . In the last decade, fundamental progress has been made in underground experiments in such diverse areas as nucleon decay, atmospheric neutrino oscillations, solar neutrino oscillations, and searches for dark matter. These studies not only have increased our understanding of the fundamental properties of the universe, but have pointed to new and even more challenging frontiers of compelling scientific interest. To explore these frontiers, the next generation of experiments (e.g. solar neutrino, double beta decay, etc.) will require a deep underground laboratory to reduce cosmic ray-related backgrounds, which constitute the limiting factor for high sensitivity experiments. A National Underground Science Laboratory at a depth of 7000 m.w.e., at the Homestake Mine site would constitute a world class facility, with a dedicated infrastructure to insure [sic] U.S. leadership in underground studies well into the next century.''

While there are two other locations under consideration in the United States for the construction of an underground laboratory, scientists have stated that the Homestake Mine, because of its unique characteristics, is the best location in the country to conduct this research. Dr. Wick Haxton of the Institute for Nuclear Theory put together the team's findings in a report entitled, ''The U.S. National Underground Science Laboratory at Homestake: Status Report and Update.''

I'd like to share some of their report: ''The announcement on September 11, 2000, that the historic Homestake Gold Mine would soon close presented a remarkable opportunity for creating a dedicated multipurpose deep underground laboratory in the U.S. Among its attributes are:

Homestake has very favorable physical properties. It is the deepest mine in the U.S. The rock is hard and of high quality: even at depth there is an absence of rock bursts common at sites of comparable depth. Large cavities built at depths of 7400 and 8000 feet have been shown to be stable over periods of a decade or more. The mine is dry, producing only 500 gallons/minute of water throughout its 600 km of drifts.

Homestake has shafts that can be adapted to provide unprecedented horizontal access. The replacement cost of the Ross and Yates shafts and the No. 6 winze, which access the proposed laboratory site, is approximately $300 million. The shaft cross sections are unusually large, 15 x 28 feet, and the Yates hoist, powered by two 1250 hp Nordberg motors, can lift nearly 7 tons. This makes it possible to lower cargo containers directly to the underground site. Finally, there are several existing ventilation shafts as well as an extensive set of ramps that connect the levels, providing important secondary escape paths.

Homestake is a site with remarkable flexibility. There are drifts approximately every 150 feet in depth, allowing experiments to be conducted at multiple levels and opening up possibilities for an unusually broad range of science. Coupled with the extensive ventilation system—including a massive cooling plant with four York compressors and 2300 tons of refrigeration—this allows a wide range of experiments to be mounted, including those involving flammables, cryogens, or other substances best sequestered and separately vented.

The flexibility to accommodate a very wide range of science is important because significant advantages will accompany a single multipurpose national laboratory. There are economies of scale in infrastructure and safety, including the development of common specialized facilities (like a low-background counting facility). This reduces costs and saves human scientific capital. Concentration also produces a stronger scientific and technical environment. It allows synergisms between disciplines to grow.

The proposed principle site of the laboratory is the region at 7400 ft between the Ross and Yates shafts. The site is accessible now: extensive coring studies of the site will be performed to verify its suitability, prior to any expenditures for major construction.

The mine is fully permitted for safety and rock disposal on site, and is located in a state supportive of mining.

The mine includes surface buildings, extensive fiber optics and communications systems, a large inventory of tools and rolling stock that may be transferable to the laboratory, and skilled engineers, geologists, and miners who know every aspect of the mine.''

This is not the first time that Homestake, or other mines, have been used to support this kind of research. In fact, underground scientific research at the Homestake mine dates back to 1965, when a neutrino detector was installed in the underground mine at the 4850-foot level. Research from that experiment is acknowledged as critical to the development of neutrino astrophysics. Similar experiments have continued in the Soudan mine in Minnesota, and in underground laboratories outside of the United States, leading to important discoveries and developments in particle physics and theory.

As I've stated, the purpose of the legislation passed by the Senate is to allow the conveyance of the property needed for the construction of the laboratory from Homestake Mining Company to the State of South Dakota. I'd like to take a moment to explain why it is necessary for the Federal Government to transfer the mine to the State, and to indemnify the company and the State in order for this conveyance to take place.

The National Science Foundation, which is reviewing a $281 million proposal to construct this laboratory, does not operate its own research facilities. Instead, it provides grants to other entities to operate facilities or to conduct experiments. In keeping with this tradition, the proposed laboratory would not be owned by the Federal Government, but instead would need to be operated by an entity other than the NSF. Since it is not practical for the company to retain ownership of the site as it is converted into a laboratory, Homestake expressed a willingness to donate the underground mine and infrastructure to the State of South Dakota, together with certain surface facilities, structures and equipment that are necessary to operate and support the underground mine, provided that it could be released from liabilities associated with the transfer and the future operation of its property as an underground laboratory.

Relief from liability is necessary because the construction of the lab will require the company to forgo certain reclamation actions that it would normally take to limit its liability in the mine. For example, in connection with closing the underground mine, Homestake planned to remove electric substations, decommission hoists and other equipment, turn off the pumps that dewater the mine, and seal all openings. Were the pumps to be turned off, the mine workings would slowly

fill with water, rendering the mine unusable laboratory.

The Act establishes a specific procedure that will be followed in order for conveyance to take place and Homestake to be relieved of its liability. First, the Act does not become effective unless the National Science Foundation selects Homestake Mine as the site for a National Underground Science Laboratory. This means that conveyance procedures will not begin until it is clear that the NSF supports the construction of a laboratory. Second, a due diligence inspection of the property will be conducted by an independent entity to identify any condition that may pose an imminent and substantial endangerment to public health or the environment. Third, any condition of the mine that meets those criteria must be corrected before conveyance takes place. Homestake may choose to contribute toward any necessary response actions. However, Section 4 of this Act includes a provision that limits Homestake's contribution to this additional work, if necessary, to $75 million, reduced by the value of the property and equipment that Homestake is donating. In addition, the State, or another person, may also assist with that action. Only after the administration of the Environmental Protection Agency has certified that necessary steps have been taken to correct any problems that are identified can the conveyance proceed.

Since some of the steps required to convert the mine into a laboratory go above and beyond normal reclamation, the company is not obligated to deliver the property in a condition that is suitable for use as a laboratory. However, those portions of the mine that require the most significant reclamation, including the tailings pond and waste rock dumps, are specifically prohibited from being conveyed under this Act and will remain Homestake's responsibility to reclaim.

Under normal circumstances, the mine would close in March of 2002. Since it must be kept open beyond that date to leave open the option to construct the laboratory, Congress has already appropriated $10 million in the VA-HUD Appropriations bill to pay for expenses needed for that purpose.

It is important that all aspects of the conveyance process be completed in a timely fashion. To facilitate the construction of the laboratory, the inspections, reports and conveyance will need to proceed in phases, with the inspections being initiated after Homestake has completed the reclamation work that may otherwise have been required. While the Act sets no specific deadline for the completion of these procedures, it is important that the entire process be completed in no more than eight months from the date of passage of the Act. The timeframes in the Act for public comment on draft reports and on EPA's review of the report are intended to emphasize the need for timely action.

S. 1389 also contains important provisions to protect taxpayers from any potential liability once the transfer of the mine takes place. First, South Dakota must purchase property and liability insurance for the mine. It may also require individual experiments to purchase environmental insurance. Second, the bill requires that South Dakota establish an Environment and Project Trust Fund to finance any future clean-up actions that may be required. A portion of annual Operations and Maintenance funding must be deposited into the fund, and the state may also require individual projects to make a deposit into the fund. The insurance and trust fund provisions of this bill will help to provide a firewall between the taxpayers and any future environmental clean-up that may be required.

I want to thank all of those who have been involved in the development of this legislation. I particularly appreciate the hard work and support of Governor Bill Janklow of South Dakota. I also want to thank my colleague, Senator JOHNSON, a cosponsor of this bill, for all of his work, particularly to secure the $10 million in transition funds that will bridge the gap between Homestake's closure and the establishment of the laboratory. And, I would like to thank officials from Homestake and Barrick.

This legislation will provide an opportunity for the United States to conduct scientific research and will provide important new educational and economic opportunities for South Dakota. I thank my colleagues in Congress for their support of this bill.

I ask unanimous consent that both a letter from the Nuclear Science Advisory Committee to the National Science Foundation and a section-by-section analysis of the bill be printed in the RECORD.

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

FISCAL YEAR 2002 DEPARTMENT OF DEFENSE APPROPRIATIONS CONFERENCE REPORT

DIVISION E—MISCELLANEOUS PROVISIONS

Title I—Homestake Mine Conveyance

Section-by-Section Analysis

Section 101. Short Title. Names bill as ''Homestake Mine Conveyance Act of 2001.''

Section 102. Findings. States that Homestake Mine has been selected by a committee of scientists as the preferred location for a National Underground Science Laboratory. While Homestake Mining Company is willing to transfer the mine to the State of South Dakota, both must be indemnified against future liability in order to do so.

Section 103. Definitions. Defines the following terms: Administrator, Affiliate, Conveyance, Fund, Homestake, Independent Entity, Laboratory, Mine, Person, Project Sponsor, Scientific Advisory Board and State.

The term ''Mine'' refers to the property to be conveyed from Homestake to South Dakota pursuant to the Act. This property consists of only a portion of Homestake's property in Lawrence County, South Dakota. The ''Mine'' is defined to include the underground workings and infrastructure at the Homestake Mine in Lawrence County, South Dakota and all real property, mineral and oil and gas rights, shafts, tunnels, structures, in-mine backfill, in-mine broken rock, fixtures, and personal property to be conveyed for establishment and operation of the laboratory, as agreed upon by Homestake and the State. ''Mine'' is also defined to include any water that flows into the Mine from any source. The real and personal property that is to be conveyed will be subject to further discussions among Homestake, the State and the laboratory. The laboratory has identified parts of the surface, real property, equipment, facilities and structures that will be necessary or useful in the operation of the laboratory. Homestake will determine if the identified property can be included in the conveyance. The definition of ''Mine'' excludes certain features, including the ''Open Cut,'' the tailings storage facility and existing waste rock dumps. These are not part of the ''Mine'' and cannot be conveyed under the Act. Homestake remains responsible for reclamation and closure of all property that is not conveyed under this Act.

Section 104. Conveyance of Real Property. The bill establishes several requirements as conditions for conveyance. Once conveyance is approved, the mine is transferred to the state ''as-is'' via a quit-claim deed.

Inspection. Prior to the conveyance, the Act provides for a due diligence inspection to be conducted by an independent entity. The independent entity is to be selected jointly by the Administrator of the EPA, the South Dakota Department of Environment and Natural Resources and Homestake. In consultation with the State and Homestake, the Administrator of the EPA will determine the methodology and standards to be used in the inspection, including the conduct of the inspection, the scope of the inspection and the time and duration of the inspection. The purpose of the inspection is to determine whether there is any condition in the Mine that may pose an imminent and substantial endangerment to public health or the environment. The inspection will not attempt to document all environmental conditions at the Mine, and will not inspect or evaluate any environmental conditions on property that is not part of the conveyance.

Report. After conducting the inspection, the independent entity must prepare a draft report on its findings that describes the results of its inspection and identifies any condition of or in the mine that may pose an imminent and substantial endangerment to public health or the environment.

This draft report must be submitted to the EPA and made available to the public. A public notice must be issued requesting public comments on the draft within 45 days. During the 45-day comment period, the independent entity shall hold at least one public hearing in Lead, South Dakota. After these steps are taken, the independent entity must submit a final report that responds to public comments and incorporates necessary changes.

Review to Report. Not later than 60 days after receiving the report, the EPA shall review it and notify the state of its acceptance or rejection of the report. The Administrator may reject the report if one or more conditions are identified that may pose an imminent and substantial endangerment to public health or the environment and require response action before conveyance and assumption by the Federal Government of liability for the mine. The Administrator may also reject the report if the conveyance is determined to be against the public interest.

Response Action. If the independent entity's report identifies no conditions that may pose an imminent and substantial threat to human health or the environment, and EPA

accepts the report, then the conveyance may proceed. If the report identifies a condition in the Mine that may pose an imminent and substantial endangerment to public health or the environment, then Homestake may, but is not obligated to, carry out or permit the State or other persons to carry out a response action to correct the condition. If the condition is one that requires a continuing response action, or a response action that may only be completed as part of the final closure of the laboratory, then Homestake, the State or other persons must make a deposit into the Environment and Project Trust Fund established in Section 7 that is sufficient to pay the costs of that response action. The amount of the deposit is to be determined by the independent entity, on a net present value basis and taking into account interest that may be earned on the deposit until the time that expenditure is expected to be made. Homestake may choose to contribute toward the response actions. However, Section 4 includes a provision that limits Homestake's contribution to this additional work, if necessary, to $75 million, reduced by the value of the property and equipment that Homestake is donating. Funds deposited into the Fund to meet this requirement may only be expended to address the needs identified in the inspection.

Once any necessary response actions have been completed, or necessary funds have been deposited, then the independent entity may certify to the EPA that the conditions identified in the report that may pose an imminent and substantial threat to human health or the environment have been corrected.

Final Review. Not later than 60 days after receiving the certification, the EPA must make a final decision to accept or reject the certification. Conveyance may proceed only if the EPA accepts the certification.

Section 105. Assessment of Property. Section 5 sets forth the process for valuing the donated property and services. For purposes of determining the amount of Homestake's potential contribution toward response actions identified in Section 4(b)(4)(C), the property being donated by Homestake is to be valued by the independent entity according to the Uniform Appraisal Standards for Federal Land Acquisition. To the extent that some property, such as underground tunnels, only has value for the purpose of constructing a laboratory, that entity is directed to include the estimated costs of replacing the facilities in the absence of Homestake's donation, and the cost of replacing any donated equipment. The valuation is to be submitted to the Administrator of the EPA, the state and Homestake in a separate report that is not subject to the procedures in Section 4(b). If it is determined that the conveyance can most efficiently be processed in several phases, then the valuation report is to accompany each of the due diligence reports.

Section 106. Liability

Assumption of liability. Upon conveyance, the United States shall assume liability for the mine and laboratory. This liability includes damages, reclamation, cleanup of hazardous substances under CERCLA, and closure of the facility. If property transfer takes place in steps, then the assumption of liability shall occur with each transfer for those properties.

Liability protection. Upon conveyance, neither Homestake nor the State of South Dakota shall be liable for the mine or laboratory. The United States shall waive sovereign immunity for claims by Homestake and the State, assume this liability and indemnify Homestake against it. However, in the case of any claim against the United States, it is only liable for response costs for environmental claims to the extent that response costs would be awarded in a civil action brought under the Federal Water Pollution Control Act, the Solid Waste Disposal Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or any other Federal environmental law. In addition, claims for damages must be made in accordance with the Federal Tort Claims Act.

Exceptions. Homestake is not relieved of liability for workers compensation or other employment-related claims, non-environmental claims that occur prior to conveyance, any criminal liability, or any liability for property not transferred, unless that property is affected by the operation of the lab.

Section 107. Insurance Coverage

Requirement to Purchase Insurance for mine. To the extent such insurance is available, the state shall purchase property and liability insurance for the mine and the operation of the laboratory to provide coverage against the liability assumed by the United States. The requirement to purchase insurance will terminate if the mine ceases to be used as a laboratory or Operations and Maintenance funding is not sufficient to operate the laboratory.

Terms of Insurance. The state must periodically consult with the EPA and the Scientific Advisory Board and consider the following factors to determine the coverage, type and policy limits of insurance: the nature of projects in the laboratory, the cost and availability of commercial insurance, and the amount of available funding. The insurance shall be secondary to insurance purchased by sponsors of individual projects, and in excess of amounts available in the Fund to pay any claim. The United States shall be an additional insured and will have the right to enforce the policy.

Funding of insurance purchase. The state may finance the purchase of insurance with funds from the Fund or other funds available to the state, but may not be compelled to use state funds for this purpose.

Porject insurance. In consultation with the EPA and the Scientific Advisory Board, the State may require a project sponsor to purchase property and liability insurance for a project. The United States shall be an additional insured on the policy and have the right to enforce it.

State insurance. The State shall purchase unemployment compensation insurance and worker's compensation insurance required under state law. The State may not use funds from the Fund for this purpose.

Section 108. Environment and Project Trust Fund

Establishment of fund. On completion of conveyance, the State shall establish an environment and Project Trust Fund in an interest-bearing account within the state.

Capitalization of Fund. There are several streams of money that will capitalize the fund, some of which have restrictions on the way they may be spent.

Annual Portion of Operation and Maintenance Spending. A portion of annual O&M funding determined by the State in consultation with the EPA and the Scientific Advisory Board shall be deposited in the Fund. To determine the annual amount, the State must consider the nature of the projects in the facility, the available amounts in the Fund, any pending costs or claims, and the amount of funding required for future actions to close the facility.

Project Fee. The state, in consultation with NSF and EPA, shall require each project to pay an amount into the Fund. These funds may only be used to remove projects from the lab or to pay claims associated with those projects.

Interest. All interest earned by the Fund is retained within the Fund.

Other funds. Other funds may be received and deposited in the Fund at the discretion of the state.

Expenditures from Fund. Funds within the Trust Fund may only be spent for the following purposes: waste and hazardous substance removal or remediation, or other environmental cleanup; removal of equipment and material no longer used or necessary for use with a project or a claim association with that project; purchases of insurance by the State (except for employment related insurance; payments for other costs related to liability; and the closure of the mine.

Federal Authority. To the extent the United States is liable, it may direct that amounts in the Trust Fund be applied toward costs it incurs.

Section 109. Waste Rock Mixing. If the State, acting in its capacity overseeing the laboratory, determines to dispose of waste rock excavated for the construction of the laboratory on land owned by Homestake that is not conveyed under this legislation, then the State must first receive approval from the Administrator before disposing such rock.

Section 110. Requirements for Operation of Laboratory. The laboratory must comply with all federal laws, including environmental laws.

Section 111. Contingency. This Act shall be effective contingent upon the selection of the Mine by the National Science Foundation as the site for the laboratory.

Section 112. Obligation in the Event of Nonconveyance. If the conveyance does not occur, then Homestake's obligations to reclaim the mine are limited to the requirements of current law.

Section 113. Payment and Reimbursement of Costs. The United States may seek payment from the Fund or insurance as reimbursement for costs it incurs as the result of the liability it has undertaken.

Section 114. Consent Decrees. Nothing in this title affects the obligation of a party to two existing consent decrees.

Section 115. Offset. Offset for title.

Section 116. Authorization of appropriations. Such funds as are necessary to carry out the Act are authorized.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS CONSENT AGREEMENT—H.R. 2884

Mr. DASCHLE. Mr. President, there is a matter that has some urgency associated with it only because I know the House is waiting to receive the language. So in the interest of expediting consideration of this particular piece of legislation, I now ask unanimous consent that the Chair lay before the Senate a message from the House on H.R. 2884, that the Senate concur in the amendment of the House with a further amendment which is at the desk.

The PRESIDING OFFICER. Is there objection?

Mr. MCCAIN. Reserving the right to object, what is 2884?

Mr. DASCHLE. Mr. President, 2884 is the Victims Relief Fund, the legislation dealing with victims of terrorism.

Mr. GRAMM. What is the amendment, Mr. President?

Mr. DASCHLE. I yield to the Senator from New Jersey.

Mr. TORRICELLI. I thank the majority leader for yielding. When the Senate unanimously passed this legislation