to promote the goal of affordable access to telecommunications services.

Under the McCain amendment, public elementary and secondary schools would be eligible for discounts, as would private, nonprofit schools without large endowments. Libraries would be eligible for discounts if they participated in State-based plans under title III of the Library Services and Construction Act, which coordinate library development within the State. Nonprofit rural health care providers would also be eligible for discounts.

This amendment meets the twin goals which I am sure are supported by most Members of this Senate. First, it guarantees affordable access to telemedicine and educational telecommunications services for those key institutions in our society which need assistance in order to take full advantage of the information age. Second, by targeting the discounts, this amendment ensures that the universal service fund is used wisely and efficiently.

Mr. President, the provision of the bill sponsored by myself, Senators ROCKEFELLER, EXON, AND KERREY, is in my view one of the most important provisions of the bill. We know that competition will bring an array of improved services and exciting new services at a lower cost. Technology allows the transmission of information across traditional boundaries of time and space, dramatically changing the way that American school children learn, and the way that health care is provided. The Snowe-Rockefeller-Exon-Kerrey provision in the bill ensures that competition ultimately achieves this goal for all Americans, regardless of where they live. I realize that the distinguished Senator from Arizona believes that a deregulated market will take care of everyone, but I simply do not share that belief. Furthermore, the stakes are too great to leave affordable access to the marketplace. Again, I appreciate Senator MCCAIN'S willingness to work with myself and Senators ROCKEFELLER, EXON, and KERREY to clarify how discounts should be targeted, and I urge my colleagues to support the McCain amendment.

Mr. PRESSLER. Mr. President, I note that we have limited time. I urge Senators to come early to make their statements, as we are on a time agreement at this point. Any Senator wishing to speak should come forth.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I ask unanimous consent to be recognized as in morning business.

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

CARRYING OUT THE MANDATE

Mr. INHOFE. Mr. President, I just want to make a few comments while we are waiting for those referred to by the Senator from South Dakota to come and be heard.

Those of us who are in the freshman class have recently had a number of town hall meetings back in our respective States. As a matter of fact, I think I lead the group. I have had 77 since January.

Last week, I had some, and I want to just reaffirm that, in spite of the fact there are many people who are here in the U.S. Senate who do not spend as much time back in the districts, back talking to real people, that the revolution that was voted on back on November 8, 1994, is very real and it is alive at home. Some people are skeptical and do not think things are going on the way they should be going on here.

So I just share with you that I sometimes have a difficult time in conveying to people that the Senate is actually doing some things here. They hear about the House, they hear about the Contract With America, and some of the personalities over there that have dominated the national media. I have to remind people that in the first 3 months of this year in the U.S. Senate, we passed a number of reforms: One being the unfunded mandates reform; one being congressional accountability, forcing us to live under the same laws that we pass for other people; we also did a line-item veto; a type of moratorium on endangered species; we are getting ready to do regulation reform, to get the Government off the backs of the people who are paying for all the fun we are having up here.

The Senate may be slower and more deliberate, but we are performing, and a revolution is going on here.

But I say, Mr. President, that the people at home are just as adamant today as they were on November 8, 1994. The people at home are demanding that we do something about and carry out the mandate to eliminate the deficit. I think that they are a little impatient with the fact that we passed a resolution that would do this in 7 years, by the year 2002. I find it rather interesting the response that we are having right now as to the President coming out with his revised budget a couple of days ago.

We have talked to people and told them the President had his budget before this body some 3 weeks ago, and it was the typical large tax-and-spend, high-deficit budget that was rejected by this body, the U.S. Senate, by a vote of 99–0, and then Republicans passed our budget resolution which would eliminate the deficit by the year 2002.

I think we were all taken aback and a little surprised when the President came out with his announcement a couple days ago. In essence, what he said was, Well, we tried my budget, and that did not work. I'll just join the Republicans. Some people thought maybe the train went by, but I do not think so. I think there is room on the caboose for the President, and he came out and said, ''Instead of that, let's not be quite as severe, let's do it over 10 years, not 7 years.''

I cannot speak for the people of America, but I can speak for the people of Oklahoma. I am talking about Democrats and Republicans alike. People in Oklahoma think that even 7 years is too long. When you stop and realize what goes with high deficits, that means more Government involvement in our lives.

Today, I will be going over and testifying in the other body on a Superfund bill. That is just one area of overregulation in our lives, of abuse, of bureaucracy on the businesses and the industries that are paying taxes to support this monster in Washington, and it is going to change.

So I would like to give the assurance that there has been a change in the majority party that is controlling both the Senate and the House, and the Republicans are now in charge.

As we talk to our fellow Republicans and remind them that the mandate that gave the Republicans a majority in the House and a majority in the Senate cannot be ignored, because if we ignore it we cannot fulfill the provisions of that mandate—that is, less Government in our lives, a balanced budget we can see in the near future, and the Government more in concert with what was foreseen by our Forefathers many years ago—if we do not carry out that mandate, the Republicans will not be in power.

Right now, I honestly believe we are on schedule to carry out the mandates. I think the whole United States, and I know my State of Oklahoma, is rejoicing in this.

It is not that the people who want more Government involved in our lives are bad people—they are not bad people; they are well-meaning people—but they have just forgotten what this country is all about.

So we have a new era, and we are providing the leadership in that era. I was very pleased to see the President of the United States joining us 2 days ago when he came with his revised budget.

I yield the floor. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COATS). THE CLERK WILL CALL THE ROLL.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT

The Senate continued with the consideration of the bill.

Mr. PRESSLER. Mr. President, I urge Senators to come to the floor to use the time. Mr. President, is time running on amendments if Senators are not present?

The PRESIDING OFFICER. Time is not running.

Mr. PRESSLER. Time only runs when they actually speak?

The PRESIDING OFFICER. The 30 minutes allocated to Senators for discussion of amendments is running only when those Senators are on the floor speaking as to that amendment.

Mr. PRESSLER. In view of the fact that the majority leader has stated a desire to vote by about noon, I hope that Senators will come to the floor.

Mr. President, I ask unanimous consent to speak as in morning business for 5 minutes on a separate subject.

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

Mr. PRESSLER. Let me emphasize, that upon the arrival of any Senator with business on the telecommunications bill, I will immediately yield the floor.

UNITED STATES-JAPAN AVIATION DISPUTE

Mr. PRESSLER. Mr. President, I rise today to discuss a matter of great importance to the Group of Seven summit meeting to be held this week in Canada. I refer to the current aviation dispute between the United States and Japan. The United States must stand firm in this dispute. It is vital to our long-term U.S. international aviation policy. It is critical to the future of our passenger and cargo carriers. The millions of consumers who use air passenger and cargo services in the Pacific rim deserve the best possible service at competitive prices set by the market.

In recent months, many Senators have expressed views on the bilateral aviation negotiations between the United States and the United Kingdom. That interest was well-placed. In 1994, revenue for United States carriers between the United States and the United Kingdom was approximately $2.5 billion. To put the significance of the United States-Japan aviation dispute in perspective, in 1994 the total revenue value of passenger and freight traffic for United States carriers between the United States and Japan was approximately $6 billion.

First, let me put to rest a misconception. The United States-Japan aviation dispute is a bona fide, stand alone trade issue. It unquestionably is a separate trade issue. Commentators who suggest our current aviation disagreement is inextricably linked to our automobile dispute with Japan are wrong. Others who cynically suggest it is more than coincidence that the aviation dispute has come to a head at the same time as the automobile dispute obviously do not know the recent history of the United States-Japan aviation relations.

Plain and simple, this dispute arose as a result of actions by the Government of Japan to protect its less efficient air carriers from competing against more cost-efficient United States carriers for service beyond Japan to points throughout Asia. The issue is straightforward: Should the United States allow the Government of Japan to unilaterally deny United States carriers rights that are guaranteed to our carriers by the United States-Japan bilateral aviation agreement? As chairman of the Commerce, Science, and Transportation Committee, I believe the clear and unequivocal answer is ''no.''

The dispute relates to our bilateral aviation agreement which has been in effect for more than 40 years. Over the years, that agreement has been modified and otherwise amended to reflect changes in the aviation relationship between our two countries. Pursuant to the United States-Japan bilateral agreement, three carriers have the right to fly to Japan, take on additional passengers and cargo in Japan, and then fly from Japan to cities throughout Asia. the U.S. carriers who are guaranteed fifth freedom rights, or so-called beyond rights, are United Airlines, Federal Express, and Northwest Airlines.

Recently, Federal Express and United Airlines tried to exercise their beyond rights and notified the Government of Japan that they would start new service from Japan to numerous Asian cities. The Government of Japan refused to authorize these new routes. The bilateral agreement requires that such requests be expeditiously approved. In violation of the bilateral agreement, the Government of Japan has said it will not consider these route requests until the United States holds talks aimed at renegotiating the bilateral agreement.

Mr. President, the consequences of the Government of Japan's unilateral denial of beyond rights have been significant. For example, Federal Express, relying on its rights under the bilateral agreement, invested millions of dollars in a new, Pacific rim cargo hub at Subic Bay in the Philippines. The Subic Bay hub is scheduled to be fully operational in several weeks. The Government of Japan's refusal to respect the terms of the bilateral agreement threatens Federal Express' multi-million-dollar investment. Similarly, United Airlines has already essentially lost the chance to provide service between Osaka and Seoul during the busy summer season.

There is no doubt that the economic impact of Japan's refusal to recognize Federal Express and United Airlines' beyond rights has already been great for each of these carriers. The burden has also been shouldered by consumers who have been denied the benefits of a more competitive marketplace. As each day passes, the costs become more significant. Yesterday, Federal Express was forced to postpone for 30 days its proposed July 3, 1995, opening of its Subic Bay cargo hubs.

I point out to the Senate, that is a great loss not only for Federal Express but to the United States. It is our rights of moving our airplanes around the world, as we allow other countries to move them into our country.

How did the United States and Japan get to the brink of an aviation trade war? Let me first dispel three myths.

First, the aviation dispute has nothing to do with a bilateral aviation agreement that is fundamentally unfair to Japan. Nor does it really have anything to do with so-called imbalances in treaty rights that must be remedied. Yet, United States carriers do have an approximately 65 percent share of the transpacific between the United States and Japan. However, this is due to market forces. It has nothing to do with fundamental imbalances in the bilateral agreement.

Since this goes to the heart of the issue, let me reiterate this point. The reason United States carriers have a larger share of the transpacific market than Japan carriers is due to market forces. Just 10 years ago, under the very same bilateral agreement that the Government of Japan now criticizes, Japanese carriers had a larger market share on transpacific routes than United States competitors.

Japanese carriers lost transpacific market share and they lost it fast. The reason why is simple economics. The root of this dispute also is simple economics. Japanese carriers have operating costs nearly double United States air carriers and they cannot compete with our carriers. For example, a passenger flying from New York to Tokyo on a Japanese carrier pays approximately 23 to 33 percent more for that service. Japanese carriers have priced themselves out of market share. Passengers have, so to speak, voted with their feet and selected U.S. carriers that have significantly lower air fares.

Second, the aviation dispute has nothing to do with unequal beyond rights for Japanese carriers to serve beyond markets from the United States. Yes, Japan only has the right to serve on destination beyond the United States while United States carriers currently have the right to serve 10 points beyond Japan. This, however, is a statistic without any real significance. Higher operating costs would prevent Japanese carriers from competing for traffic beyond the United States even if Japanese carriers had a greater right to do so.

The beyond markets the Government of Japan truly wants are the Asian markets. These markets, particularly service from Japan to China, are cash cows for Japanese carriers. There is nothing the Japanese want less on these routes than a good dose of American competition.

U.S. air carriers are not the only victim of this protectionist effort to restrict competition in the Asian beyond markets. Consumers, including Japanese citizens, are big losers. For example, service on Japanese carriers between Hong Kong and Tokyo, a beyond route, is approximately 24 percent higher than on a United States carrier. Air fares on a Japanese carrier between Tokyo and Seoul are approximately 20 percent higher.