Mississippi; to the Committee on Environment and Public Works.

By Mr. FRIST (for himself, Mr. ROCKEFELLER, Mr. BURNS, and Mr. HOLLINGS):

S. 1325. A bill to authorize appropriations for the Technology Administration of the Department of Commerce for fiscal years 1998 and 1999, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DASCHLE:

S. 1326. A bill to amend title XIX of the Social Security Act to provide for medicaid coverage of all certified nurse practitioners and clinical nurse specialists services; to the Committee on Finance.

By Mr. ROTH (for himself, Mr. HAGEL, Mr. THOMAS, Mr. KERRY, and Mr. AKAKA):

S. 1327. A bill to grant normal trade relations status to the People's Republic of China on a permanent basis upon the accession of the People's Republic of China to the World Trade Organization; to the Committee on Finance.

By Mr. INOUYE:

S. 1328. A bill to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TORRICELLI (for himself, Mr. GRAHAM, Mr. MACK, Mr. SARBANES, and Mr. LAUTENBERG):

S. 1321. A bill to amend the Federal Water Pollution Control Act to permit grants for the national estuary program to be used for the development and implementation of a comprehensive conservation and management plan, to reauthorize appropriations to carry out the program, and for other purposes; to the Committee on Environment and Public Works.

THE NATIONAL ESTUARY CONSERVATION ACT OF 1997

Mr. TORRICELLI. Mr. President, today, Senators GRAHAM, MACK, SARBANES, LAUTENBERG, and I are introducing the National Estuary Conservation Act. I rise to draw this country's attention to our nationally significant estuaries that are threatened by pollution, development, or overuse. With 45 percent of the Nation's population residing in estuarine areas, there is a compelling need for us to promote comprehensive planning and management efforts to restore and protect them.

Estuaries are significant habitat for fish, birds, and other wildlife because they provide safe spawning grounds and nurseries. Seventy-five percent of the U.S. commercial fish catch depends on estuaries during some stage of their life. Commercial and recreational fisheries contribute $111 billion to the Nation's economy and support 1.5 million jobs. Estuaries are also important to our Nation's tourist economy for boating and outdoor recreation. Coastal tourism in just four States—New Jersey, Florida, Texas, and California—totals $75 billion.

Due to their popularity, the overall capacity of our Nation's estuaries to function as healthy productive ecosystems is declining. This is a result of the cumulative effects of increasing development and fast-growing year-round populations which increase dramatically in the summer. Land development, and associated activities that come with people's desire to live and play near these beautiful resources, cause runoff and stormwater discharges that contribute to siltation, increased nutrients, and other contamination. Bacterial contamination closes many popular beaches and shellfish harvesting areas in estuaries. Also, several estuaries are afflicted by problems that still require significant research. Examples include the outbreaks of the toxic microbe, Pfiesteria piscicida, in rivers draining to estuaries in Maryland and Virginia.

Congress recognized the importance of preserving and enhancing coastal environments with the establishment of the National Estuary Program in the Clean Water Act Amendments of 1987. The program's purpose is to facilitate State and local governments preparation of comprehensive conservation and management plans for threatened estuaries of national significance. In support of this effort, section 320 of the Clean Water Act authorized the EPA to make grants to States to develop environmental management plans. To date, 28 estuaries across the country have been designated into the program. However, the law fails to provide assistance once plans are complete and ready for implementation. Already, 17 of the 28 plans are finished.

As the majority of plans are now in the implementation stage, it is incumbent upon us to maintain the partnership the Federal Government initiated 10 years ago to insure that our nationally significant estuaries are protected. The legislation we are introducing will take the next step by giving EPA authority to make grants for plan implementation and authorize annual appropriations in the amount of $50 million. To insure the program is a true partnership and leverage scarce resources, there is a direct match requirement for grant recipients so funds will be available to upgrade sewage treatment plants, fix combined sewer overflows, control urban stormwater discharges, and reduce polluted runoff into estuarine areas.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NATIONAL ESTUARY PROGRAM.

(a) GRANTS.—Section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)) is amended by striking paragraphs (2) and (3) and inserting the following:

''(2) PURPOSES.—Grants under this subsection shall be made to pay for assisting activities necessary for the development and implementation of a comprehensive conservation and management plan under this section.

''(3) FEDERAL SHARE.—The Federal share of a grant to any person (including a State, interstate, or regional agency or entity) under this subsection for a fiscal year—

''(A) shall not exceed—

''(i) 75 percent of the annual aggregate costs of the development of a comprehensive conservation and management plan; and

''(ii) 50 percent of the annual aggregate costs of the implementation of the plan; and

''(B) shall be made on condition that the non-Federal share of the costs are provided from non-Federal sources.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 320(i) of the Federal Water Pollution Control Act (33 U.S.C. 1330(i)) is amended by striking ''$12,000,000 per fiscal year for each of fiscal years 1987, 1988, 1989, 1990, and 1991'' and insert ''$50,000,000 for each of fiscal years 1999 through 2004''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 1998.

By Mr. KENNEDY (for himself and Mr. KERRY):

S. 1322. A bill to establish doctoral fellowships designed to increase the pool of scientists and engineers trained specifically to address the global energy and environmental challenges of the 21st century; to the Committee on Labor and Human Resources.

THE SENATOR PAUL E. TSONGAS FELLOWSHIP ACT

Mr. KENNEDY. Mr. President, it is a privilege to introduce the Paul E. Tsongas Fellowship Act. This bill commemorates an outstanding leader and former colleague in the Senate who was an impressive and dedicated advocate of technology and environmental protection. Congressman JOE KENNEDY is the sponsor of a companion bill in the House of Representatives.

As a Senator, Paul Tsongas worked skillfully to guarantee that technology and environmental concerns are at the forefront of our country's priorities. He was an extraordinary leader who understood the importance of addressing the serious energy and environmental challenges we face at home and around the world. Today, we honor his commitment to these important priorities by proposing a national fellowship program to support graduate students in science and engineering.

As a nation, we need to do more to encourage the best students to pursue graduate studies in these basic fields, which are so essential to a strong future for the Nation. As much as 50 percent of economic growth is attributed to technological innovation. The Paul E. Tsongas Fellowship will support the modern pioneers who will keep the Nation at the cutting edge of the technology revolution.

The fellowship is modeled on the successful Office of Naval Research Graduate Fellowship Program, which over the past 15 years has provided fellowships to 592 graduate students in 11 disciplines, and has made significant contributions to research. The Tsongas fellowships in science and engineering can

make a comparable contribution in these fields. They will enhance our efforts to improve educational opportunity for students, and strengthen our country's economy by investing wisely in the future.

The Tsongas fellowships will be a living memorial to one of the outstanding Senators of our time, and I hope that Congress will act quickly on this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1322

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Paul E. Tsongas Fellowship Act''.

SEC. 2. STATEMENT OF PURPOSE.

It is the purpose of this Act to encourage individuals of exceptional achievement and promise, especially members of traditionally underrepresented groups, to pursue careers in fields that confront the global energy and environmental challenges of the 21st century.

SEC. 3. DOCTORAL FELLOWSHIPS AUTHORIZED.

(a) PROGRAM AUTHORIZED.—The Secretary of Energy is authorized to award doctoral fellowships, to be known as Paul E. Tsongas Doctoral Fellowships, in accordance with the provisions of this Act for study and research in fields of science or engineering that relate to energy or the environment such as physics, mathematics, chemistry, biology, computer science, materials science, environmental science, behavioral science, and social sciences at institutions proposed by applicants for such fellowships.

(b) PERIOD OF AWARD.—A fellowship under this section shall be awarded for a period of three succeeding academic years, beginning with the commencement of a program of doctoral study.

(c) FELLOWSHIP PORTABILITY.—Each Fellow shall be entitled to use the fellowship in a graduate program at any accredited institution of higher education in which the recipient may decide to enroll.

(d) NUMBER OF FELLOWSHIPS.—As many fellowships as may be fully funded according to this Act shall be awarded each year.

(e) DESIGNATION OF FELLOWS.—Each individual awarded a fellowship under this Act shall be known as a ''Paul E. Tsongas Fellow'' (hereinafter in this Act referred to as a ''Fellow'').

SEC. 4. ELIGIBILITY AND SELECTION OF FELLOWS.

(a) ELIGIBILITY—Only United States citizens are eligible to receive awards under this Act.

(b) FELLOWSHIP BOARD.—

(1) APPOINTMENT.—The Secretary, in consultation with the Director of the National Science Foundation, shall appoint a Paul E. Tsongas Fellowship Board (hereinafter in this part referred to as the ''Board'') consisting of 5 representatives of the academic science and engineering communities who are especially qualified to serve on the Board. The Secretary shall assure that individuals appointed to the Board are broadly knowledgeable about and have experience in graduate education in relevant fields.

(2) DUTIES.—The Board shall—

(A) establish general policies for the program established by this part and oversee its operation;

(B) establish general criteria for awarding fellowships;

(C) award fellowships; and

(D) prepare and submit to the Congress at least once in every 3-year period a report on any modifications in the program that the Board determines are appropriate.

(4) TERM.—The term of office of each member of the Board shall be 3 years, except that any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed. No member may serve for a period in excess of 6 years.

(5) INITIAL MEETING; VACANCY.—The Secretary shall call the first meeting of the Board, at which the first order of business shall be the election of a Chairperson and a Vice Chairperson, who shall serve until 1 year after the date of their appointment. Thereafter each officer shall be elected for a term of 2 years. In case a vacancy occurs in either office, the Board shall elect an individual from among the members of the Board to fill such vacancy.

(6) QUORUM; ADDITIONAL MEETINGS.—(A) A majority of the members of the Board shall constitute a quorum.

(B) The Board shall meet at least once a year or more frequently, as may be necessary, to carry out its responsibilities.

(7) COMPENSATION.—Members of the Board, while serving on the business of the Board, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the rate of basic pay payable for level IV of the Executive Schedule, including travel-time, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(c) UNDERREPRESENTED GROUPS.—In designing selection criteria and awarding fellowships, the Board shall—

(1) consider the need to prepare a larger number of women and individuals from minority groups, especially from among such groups that have been traditionally underrepresented in the professional and academic fields referred to in section 2, but nothing contained in this or any other provision of this Act shall be interpreted to require the Secretary to grant any preference or disparate treatment to the members of any underrepresented group; and

(2) take into account the need to expand access by women and minority groups to careers heretofore lacking adequate representation of women and minority groups.

SEC. 5. PAYMENTS, STIPENDS, TUITION, AND EDUCATION AWARDS.

(a) AMOUNT OF AWARD.—

(1) STIPENDS.—The Secretary shall pay to each individual awarded a fellowship under this Act a stipend in the amount of $15,000, $16,500, and $18,000 during the first, second, and third years of study, respectively.

(2) TUITION.—The Secretary shall pay to the appropriate institution an amount adequate to cover the tuition, fees, and health insurance of each individual awarded a fellowship under this Act.

(3) ADMINISTRATIVE AND TRAVEL ALLOWANCE.—The Secretary shall pay to each host institution an annual $5,000 allowance for the purpose of covering—

(A) administrative expenses;

(B) travel expenses associated with Fellow participation in academic seminars or conferences approved by the host institution; and

(C) round-trip travel expenses associated with Fellow participation in the internship required by section 6 of this Act.

SEC. 6. REQUIREMENT.

Each Fellow shall participate in a 3-month internship related to the dissertation topic of the Fellow at a national laboratory or equivalent industrial laboratory as approved by the host institution.

SEC. 7. FELLOWSHIP CONDITIONS.

(a) ACADEMIC PROGRESS REQUIRED.—No student shall receive support pursuant to an award under this Act—

(1) except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, or

(2) if the student is engaging in gainful employment other than part-time employment involved in teaching, research, or similar activities determined by the institution to be in support of the student's progress toward a degree.

(b) REPORTS FROM RECIPIENTS.—The Secretary is authorized to require reports containing such information in such form and filed at such times as the Secretary determines necessary from any person awarded a fellowship under the provisions of this Act. The reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, or other research center, stating that such individual is fulfilling the requirements of this section.

(c) FAILURE TO EARN DEGREE.—A recipient of a fellowship under this Act found by the Secretary to have failed in or abandoned the course of study for which assistance was provided under this Act may be required, at the discretion of the Secretary, to repay a pro rata amount of such fellowship assistance received, plus interest and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this Act.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for this Act $5,000,000 for fiscal year 1998 and such sums as may be necessary for the succeeding fiscal years.

SEC. 9. APPLICATION OF GENERAL EDUCATIONAL PROVISIONS ACT.

Section 421 of the General Educational Provisions Act, pertaining to the availability of funds, shall apply to this Act.

SEC. 10. DEFINITIONS.

For purposes of this Act—

(1) The term ''Secretary'' means the Secretary of Energy.

(2) The term ''host institution'' means an institution where a Paul E. Tsongas Fellow is enrolled for the purpose of pursuing doctoral studies for which support is provided under this Act.

By Mr. HARKIN:

S. 1323. A bill to regulate concentrated animal feeding operations for the protection of the environment and public health, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE ANIMAL AGRICULTURE REFORM ACT

Mr. HARKIN. Madam President, today I am introducing the Animal Agriculture Reform Act, a bill that for the first time sets tough environmental standards governing how large livestock and poultry operations handle their animal waste. Animal waste pollution is a national problem that demands a national solution.

Nationwide, 200 times more animal manure is produced than human waste—five tons for every person in the

United States—making large livestock operations the waste equivalent of a town or city. For example, 1,600 dairies in the Central Valley of California produce more waste than a city of 21 million people. And right here outside of Washington, DC, the annual production of 600 million chickens on the Delmarva Peninsula leaves as much nitrogen as a city of almost 500,000 people.

The shrinking number of farms producing an ever greater share of animals means that too much manure is produced in some areas of the country to be put on land without causing water pollution. Nitrogen and phosphorous in animal manure are valuable crop nutrients—but in excessive levels in water they are serious pollutants.

High levels of nitrogen and phosphorous cause the excessive algae growth of algae, whose bacterial decomposition uses up oxygen in the water and kills fish. Animal waste also carries parasites, bacteria and viruses—and can pollute drinking water with nitrates, potentially fatal to infants.

While towns must have sewage treatment plants, excess waste from large-scale animal feeding operations is simply stored indefinitely or over-applied on land. That means water pollution from over-application, and the ongoing risk of pollution and even massive spills from stored waste.

In 1995 in North Carolina 35 million gallons of animal waste were spilled, killing 10 million fish. And last year more than 40 animal waste spills were recorded in Iowa, Minnesota and Missouri, up from 20 in 1992.

In 1997, the toxic microbe Pfiesteria, whose increased presence is linked to excessive nutrients in the water, killed approximately 30,000 fish in the Chesapeake Bay and approximately 450,000 fish in North Carolina. Major attacks by harmful microbes in U.S. coastal and estuarial waters between 1972 and 1995 have doubled—and excessive nutrients are the suspected catalyst.

In the Gulf of Mexico, farm runoff including animal waste is linked to the formation of a so-called ''dead zone'' of hypoxia (low oxygen)—up to 7,000 square miles of water that cannot support most aquatic life.

The Environmental Protection Agency's regulations in this area have not been revised since they were written in the 1970s, and they do not go nearly far enough to address current animal waste problems.

Animal waste management practices must include limiting the application of both phosphorous and nitrogen to amounts that can be used by crops. In addition, environmentally sound standards are needed for the handling, storage, treatment and disposal of excess animal waste.

Under my bill, large animal feeding operations must submit an individual animal waste management plan to USDA designed to minimize the risk of surface and ground water pollution. My bill would require that USDA work with farmers in developing plans to address potential problems before they happen. USDA will do this by establishing guidelines and providing technical assistance and information to develop farm-specific plans to be approved on an individual basis.

I am using the term animal waste, but it is important that we recognize that manure is a valuable resource for farmers who need nutrients for their crops. Promoting wise use of manure for crop nutrients is the guiding principle of my bill. For a plan to be approved, an operator must agree to apply animal waste to land only in amounts meeting crop nutrient requirements. Furthermore, liquid waste that cannot be safely used for nutrients or another environmentally sound use must be treated in accordance with waste water treatment standards.

My bill also applies sound technical standards to the construction of all new earthen manure lagoons to prevent leaks and spillage of animal waste. Existing earthen manure lagoons are given a reasonable phase-in period to meet appropriate standards.

In addition, my bill puts the burden of complying with these requirements on the animal owners. The bill would prevent animal owners from using contracts or similar arrangements to avoid responsibility for animal waste management.

The bill covers operations with an approximate one-time animal capacity above 1,330 hogs; 57,000 chickens; 270 dairy cattle; or 530 slaughter cattle. Each animal owner with at least that many animals must submit a waste management plan to USDA for approval, whether or not the animals are kept in one place. Animal feeding operations under those sizes will qualify under USDA's Environmental Quality Incentives Program for additional technical and cost-share assistance to implement animal waste management plans.

I want to be clear that my bill does not interfere with the role of EPA and the States in monitoring pollution, or is it a substitute for EPA strengthening its current regulations. I see it as an essential part of a cooperative approach to the problem by both EPA and USDA—and I look forward to EPA's proposals in this area. I also look forward to reviewing the recommendations of the National Environmental Dialogue on Pork Production, which is working on these issues in great detail.

We must take strong action now to halt the pollution of our water from animal waste and other farm runoff. Other issues that are outside the scope of this bill also need to be addressed, including management of municipal and industrial wastewater and more careful application of commercial fertilizers. My proposal is one part of a national solution to our water quality concerns.

By Mr. LOTT:

S. 1324. A bill to deauthorize a portion of the project for navigation, Biloxi Harbor, MS; to the Committee on Environment and Public Works.

DEAUTHORIZATION LEGISLATION

Mr. LOTT. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1324

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BILOXI HARBOR, MISSISSIPPI.

The portion of the project for navigation, Biloxi Harbor, Mississippi, authorized by the River and Harbor Act of 1960 (74 Stat. 481), for the Bernard Bayou Channel beginning near the Air Force Oil Terminal at approximately navigation mile 2.6 and extending downstream to the North-South ½ of Section 30, Township 7 South, Range 10 West, Harrison County, Mississippi, just west of Kremer Boat Yards, is not authorized after the date of enactment of this Act.

By Mr. FRIST (for himself, Mr. ROCKFELLER, Mr. BURNS, and Mr. HOLLINGS):

S. 1325. A bill to authorize appropriations for the Technology Administration of the Department of Commerce for fiscal years 1998 and 1999, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE TECHNOLOGY ADMINISTRATION AUTHORIZATION ACT FOR FISCAL YEARS 1998 AND 1999

Mr. FRIST. Mr. President, I rise today to offer a bill to authorize appropriations for the Technology Administration [TA] of the Department of Commerce for fiscal year 1998 and 1999. This bill funds activities in the National Institutes of Standards and Technology [NIST].

I am keenly aware of my responsibilities to the American people for ensuring that the people's money is spent wisely. I have a responsibility to exercise prudent fiscal management over programs that cost taxpayers millions of dollars each year. Each program must be examined, and wasteful, ineffective programs must be changed or eliminated. I also have a responsibility to make appropriate long term investments that will help Americans create the technology and wealth of tomorrow. I view both of these duties as part of the principle of ''wise stewardship'. The TA legislation represents a challenging application of wise stewardship. This bill covers some of the most productive and necessary areas of governments, as well as a few of the most controversial.

There is no question that the work done by NIST's Standards Laboratory is essential to U.S. commerce. These laboratories house of the best scientific minds in the world. A perfect example is the award of the 1997 Nobel Prize for Science to Dr. William Phillips in the area of low temperature physics. His accomplishment, as well as the achievements of the world class scientific cadre at NIST are reminders of

the necessity for investment in the Standards Laboratory, the people most of all, but the buildings and infrastructure as well. This legislation provides for continued investment into this research and those services

The reauthorization bill contains a provision to add accountability and controls to the new Experimental Program to Stimulate Competitive Technology [EPSCoT] program. Modeled after National Science Foundation's successful and effective EPSoR program, the goal of EPSCoT is to increase the technological competitiveness of these States that have historically received less Federal research and development funds than the majority of the States. While I believe that the aims of this program are good, we cannot afford to put this or any other Federal grant program on automatic pilot. Our legislation contains a graduations criteria, that moves a State out of the program when that State has become competitive. The bill contains a provision that mandates periodic evaluation of this program. Using this data we can tell if and when the program ceases to be effective. If that happens we have the information needed to see if the program can be fixed, or should be terminated.

This legislation contains provisions for two programs that have been particularly contentious: the Advanced Technology Program [ATP], and the manufacturing Extension Program [MEP]. Both are technology enhancement programs designed with the intent of increasing the ability of U.S. firms to compete in the global marketplace.

Under existing law each MEP center is funded for a maximum of 6 years. This legislation removes the hard and fast sunset provision and replaces it with a 2-year renewal cycle. Each center must win renewal, and with it eligibility for Federal funds by receiving a satisfactory grade from this new biennial review. If the center is not fulfilling its expectation for assistance of manufacturing technology, then it will fail its review and will not be able to receive Federal funding.

The Advanced Technology Program has been improved under this legislation. Large companies will no longer be able to participate as single applicants. They must partner with one or more small businesses in order to be eligible to apply for an ATP grant. This provision maximizes the benefit of this program by encouraging the transfer of technology and expertise from large businesses to the most dynamic section of our economy—small business. The legislation also takes steps to ensure that ATP does not displace private venture capital. finally, the bill takes an important step to continued evaluation and possible evolution of the program. It instructs the Department of Commerce to commission the National Academy of Sciences to study the effectiveness of the Advanced Technology Program. In addition the study will investigate alternative methods for the Federal Government to help keep U.S. businesses competitive.

Finally, the TA NIST reauthorization bill creates a new educational resource for the country. There has never been a time in our country's history when science and technology has been more important. It is playing an increasingly critical role in our economy, and most of all to our economic future. It is all too clear that our children are not well enough prepared to take their places as part of the world's scientific leaders. As the recent NAEP and TIMSS science results show, there is a gap between our children's science abilities and those from other countries. In this bill, we have created the Teacher Science and Technology Enhancement Institute Program to help bridge that gap. The program is structured to afford primary and secondary educators the chance to become reacquainted with science. Armed with fresh experiences, the teachers will be better equipped to excite our children about technology and scientific inquiry. This is an investment that we cannot afford to pass up.

I believe that this legislation embodies the concept of wise stewardship. The bill reflects input that we have received from my colleagues in the Senate, the House and the administration. More importantly, we have heard from constituents from my own State of Tennessee, as well as businesses, professional groups and academia from around the country. I am sure that the result will not please everyone. I believe, however, that it represents a necessary step in the constant evolution of these Federal programs. I take my congressional oversight obligations extremely seriously. Creating responsible, fair, timely authorizing legislation is a key part of that obligation. I believe that this legislation meets these requirements. I hope you will join me in honoring our obligation to the American people by supporting this legislation.

Mr. ROCKEFELLER. Mr. President, I rise today to join my colleagues Senator FRIST, Senator HOLLINGS, Senator BURNS in introducing legislation to reauthorize the programs of the Technology Administration for fiscal years 1998 and 1999. This bill reauthorizes the Office of Science and Technology Policy as well as the NIST labs and facilities about the President's budget request. It also funds the Advanced Technology Program at $198 million and the Manufacturing Extension Program at $111 million.

It is noteworthy that after several hearings on ATP, and after assessing Secretary of Commerce Daley's detailed review of the program, we are now putting forward a bill that continues to authorize this important form of investment in America's economic competitiveness. As I, along with many others in this Chamber, have stated before, this program supports American industry's own efforts to develop new, cutting-edge technologies which create the new industries and jobs of the 21st century.

Let me remind my colleagues that ATP does not, and I repeat, does not fund the development of commercial products. Instead, this program provides matching funds to both individual companies and joint ventures for pre-product research on high-risk technologies which have the potential to place U.S. industry as the leader in new industrial areas. This high-risk, high-reward strategy has already led to the creation of new U.S. industries based on information transfer, biotechnology, and new materials synthesis.

In spite of the merits of this program ATP has been criticized by some Members for the past 4 years of the program's 6 years of existence. This year Secretary Daley undertook a 60-day review to assess the ATP's performance and evaluate these criticisms. The Department of Commerce solicited comments from more than 3,500 interested parties and took into account comments provided by both critics and supporters of the program. fact, Senators LIEBERMAN, DOMENICI, FRIST and I joined together and provided one of the 80-plus comments the Department received. I would like to take a moment and commend Secretary Daley for the job he did in undertaking this review. As we all know, there is not a department or program that can't be improved. And as a long time and avid supporter of ATP I believe, that after 6 years of operation, experience would suggest that there should be some areas that can be improved. This review has done just that. The recommendations that Secretary Daley has put forth further strengthens a strong and productive program. I agree with his suggestion to place more emphasis on small and medium-size single applicants, joint-ventures, and consortia. This bill adopts that recommendation by amending the National Institute of Standards and Technology Act to define a large business as one with gross annual revenues in excess of $2.5 billion and prohibits such businesses from participating in ATP programs as single applicants.

In addition, I was pleased to see the added emphasis by the Secretary on the need for an EPSCoT program, based on the EPSCoR model, which would enhance technology development in the 18 States that have traditionally been under-represented in Federal R&D funding. EPSCoT would provide the opportunity for States which have been able to build infrastructure capable of supporting high-tech research to use this infrastructure to its maximum advantage. Studies have shown that strengthening the competitive performance of research laboratories, usually universities, in an underdeveloped area, which is the purpose of EPSCoR, is often not sufficient to establish new, high-tech companies. EPSCoT seeks to assist in technology

transfer to the local economy by encouraging links between universities, local businesses, and local and State governments. Unlike ATP, which focuses on the national economic interest in research and development, EPSCoT focuses on allowing under-represented States the opportunity to participate in the technological revolution that is sweeping the global economy. In order to help the success of the program, Governors, business leaders and researchers were consulted about the importance of technology transfer for economic development. This bill provides statutory language to implement the Secretary's proposal of creating the EPSCoT program.

Secretary Daley's review could not have been done at a better time. After 6 years of existence, a thorough and complete review of the process has shown that is it competently managed, produces positive results and has been working to achieve it's stated objectives. The proposals set forth in this review strengthen a very strong program that is one of the cornerstones to the Nation's long-term economic prosperity. The bill we are introducing today provides the necessary changes to existing law to implement many of the recommendations. I encourage my colleagues to support this bill.

By Mr. DASCHLE:

S. 1326. A bill to amend title XIX of the Social Security Act to provide for Medicaid coverage of all certified nurse practitioners and clinical nurse specialists services; to the Committee on Finance.

THE MEDICAID NURSING INCENTIVE ACT

Mr. DASCHLE. Mr. President, today I am reintroducing the Medicaid Nursing Incentive Act, a bill to provide direct Medicaid reimbursement for nurse practitioners and clinical nurse specialists.

This legislation eliminates a groundless and counterproductive anomaly in Medicaid payment policy. Under current law, State Medicaid programs can exclude certified nurse practitioners and clinical nurse specialists from Medicaid reimbursement, even though these practitioners are fully trained to provide many of the same services as those provided by primary care physicians. This loophole is both discriminatory and shortsighted; it severs a critical access link for Medicaid beneficiaries.

The ultimate goal of this proposal is to enhance the availability of cost-effective primary care to our Nation's most needy citizens.

Studies have documented the fact that millions of Americans each year go without the health care services they need, because physicians simply are not available to care for them. This problem plagues rural and urban areas alike, in parts of the country as diverse as south central Los Angeles and Lemmon, SD.

Medicaid beneficiaries are particularly vulnerable, since in recent years an increasing number of health professionals have chosen not to care for them or have been unwilling to locate in the inner-city and rural communities where many of the beneficiaries live. Fortunately, there is an exception to this trend: nurse practitioners and clinical nurse specialists frequently accept patients whom others will not treat and serve in areas where others refuse to work.

Studies have shown that nurse practitioners and clinical nurse specialists provide care that both patients and cost cutters can praise. Their advanced clinical training enables them to assume responsibility for up to 80 percent of the primary care services usually performed by physicians, many times at a lower cost and with a high level of patient satisfaction.

Congress has already recognized the expanding contributions of nurse practitioners and clinical nurse specialists. For more than a decade, CHAMPUS has provided direct payment to nurse practitioners. In 1990, Congress mandated direct payment for nurse practitioner services under the Federal employee health benefits plan. The Medicare Program, which already covers nurse practitioners and clinical nurse specialist services in rural areas, was modified under this year's Balance Budget Act to provide coverage for these services in all geographic areas. The bill I am introducing today establishes the same payment policy under Medicaid.

Mr. President, the ramifications of this issue extend beyond the Medicaid Program and its beneficiaries: there is a broader lesson here that applies to our search to make cost-effective, high-quality health care services available and accessible to all Americans.

One of the cornerstones of this kind of care is the expansion of primary and preventative care, delivered to individuals in convenient, familiar places where they live, work, and go to school. More than 2 million of our Nation's nurses currently provide care in these sites—in home health agencies, nursing homes, ambulatory care clinics, and schools.

In places like South Dakota, nurses are often the only health care professionals available in the small towns and rural counties across the State.

These nurses and other nonphysician health professionals play an important role in the delivery of care. And, this role will increase as we move from a system that focuses on the costly treatment of illness to one that emphasizes primary and preventive care and health promotion.

But, first, we must reevaluate outdated attitudes and break down barriers that prevent nurses from using the full range of their training and skills in caring for patients. In 1994, the Pew Health Professions Commission concluded that nurse practitioners are not being fully utilized to deliver primary care services. The commission recommended eliminating fiscal discrimination by paying nurse practitioners directly for the services they provide. This step will help nurse practitioners and clinical nurse specialists expand access to the primary care that so many communities currently lack.

Mr. President, I hope my colleagues will support the measure I am introducing today, recognizing the critical role that nurse practitioners and other nonphysician health professionals play in our health care delivery system, and the increasingly significant contribution they can make in the future. I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 1326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MEDICAID COVERAGE OF ALL CERTIFIED NURSE PRACTITIONER AND CLINICAL NURSE SPECIALIST SERVICES.

(a) IN GENERAL.—Section 1905(a)(21) of the Social Security Act (42 U.S.C. 1396d(a)(21)) is amended to read as follows:

''(21) services furnished by a certified nurse practitioner (as defined by the Secretary) or clinical nurse specialist (as defined in subsection (v)) which the certified nurse practitioner or clinical nurse specialist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law), whether or not the certified nurse practitioner or clinical nurse specialist is under the supervision of, or associated with, a physician or other health care provider;''.

(b) CLINICAL NURSE SPECIALIST DEFINED.—Section 1905 of such Act (42 U.S.C. 1396d) is amended by adding at the end the following new subsection:

''(v) The term 'clinical nurse specialist' means an individual who—

''(1) is a registered nurse and is licensed to practice nursing in the State in which the clinical nurse specialist services are performed; and

''(2) holds a master's degree in a defined area of clinical nursing from an accredited educational institution.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective with respect to payments for calendar quarters beginning on or after January 1, 1998.

By Mr. ROTH (for himself, Mr. HAGEL, Mr. THOMAS, Mr. KERRY, and Mr. AKAKA):

S. 1327. A bill to grant normal trade relations status to the People's Republic of China on a permanent basis upon the accession of the People's Republic of China to the World Trade Organization; to the Committee on Finance.

THE CHINA TRADE RELATIONS ACT OF 1997

Mr. ROTH. Mr. President, I rise today for myself and Senators HAGEL, THOMAS, JOHN KERRY, and AKAKA to introduce legislation that will grant normal trade relations to the People's Republic of China on a permanent basis when China accedes to the World Trade Organization.

Today, President Jiang arrives in Washington for the first bilateral summit in 8 years. Exchange at the highest levels is critical to the maintenance of

any of our important bilateral relationships. It is even more crucial in our relationship with the world's largest country, fastest growing economy, and most important rising power.

Mr. President, this body has spent a great deal of energy debating United States policy toward China, cresting each year with the struggle over renewal of normal trade relations. I have always supported such renewal, and viewed the annual debate as a singularly unproductive means of moving the United States toward a coherent China policy. I say that because, besides regular high-level exchange, normal trade relations with China are essential to any coherent China policy, one that keeps our economy strong and engages Beijing in constructive reform.

Currently, the United States is negotiating with China over the package of measures Beijing must implement to comply with the strict market-based rules of the World Trade Organization. Until the United States is satisfied with commitments from China on such issues as lower tariff levels and enhanced market access, and assured that Beijing can and will carry out those commitments, China will not gain entry to the WTO.

The concessions China must make to gain United States approval are significant and will dramatically affect large segments of China's economy. The single most important economic benefit Beijing will derive from membership in the World Trade Organization is permanent normal trade relations—also known as most-favored-nation trading status—with every other WTO member. As a practical matter, however, every member economy of the World Trade Organization, except the United States, has already conferred on China permanent normal trade relations. Moreover, the United States has provided normal trade relations to China 1 year at a time for more than 15 years. However, until China is specifically removed from the limitations of title IV of the Trade Act of 1974, Beijing cannot receive permanent normal trade relations from the United States, whatever China's status in the WTO.

The resulting ambiguity over China's trade status with the United States hinders Beijing's willingness to make the significant concessions necessary to complete a commercially viable WTO accession package. A clear signal from the United States that China will, in fact, gain permanent normal trade relations upon its accession to the World Trade Organization will provide Beijing an incentive to make those concessions.

Mr. President, it is crucial that we understand that China's membership in the WTO under commercially viable terms is wholly in the interest of the United States. That is because China will be forced to open its markets significantly to American trade and investment. And more fully open markets represent the best approach to reducing our current trade deficit with China. China's membership in the World Trade Organization will also make Beijing fully subject to the market-oriented disciplines of the WTO. Finally, our bilateral trade disputes with China will be subject to multilateral resolution mechanisms, in addition to the means we already have available under United States trade law.

China is the world's 10th largest trading country. It is the largest economy not in the World Trade Organization. Regardless of its WTO status, China will have a major influence on the future development of the world trading system. I believe the time has come for Congress to recognize the importance of integrating China into the global economy.

Our bilateral economic relationship is the most important means we have of integrating China fully into the world economy and the international political order. The United States is one of the top five sources of foreign investment in China. That investment is not limited to the special economic zones, but now takes place throughout China and across every major industry. Our businesses are linked in investment and in trading relationships that provide a vehicle for common effort and common understanding at the most practical and personal levels.

China also represents a growing economic and political influence in a region of critical importance to the United States. The Asia-Pacific region now represents over 40 percent of world trade and 53 percent of world gross national product. Trans-Pacific trade is more than twice as large as trans-Atlantic trade. The Asia-Pacific region economies, including the United States and China, are becoming increasingly interdependent. The region now represents the largest market for United States exports—over $130 billion by some estimates. The predicate to our ability to encourage China to play a constructive role in the region is our willingness to redefine our bilateral economic relationship through the WTO accession process and the normalization of our trade relations under United States law.

A China more fully immersed in global capitalism is more likely to behave in ways compatible with American interests and international norms. We have seen this reality throughout Asia as countries have made major reforms in opening their economies and joined us at the table of democratic freedom. Moreover, without permanent normal trade relations, not only will we have less influence over the role China chooses to play on the global stage, we will also be left on the sidelines of China's economic growth.

We cannot passively accept abuses of human rights, religious persecution, or the many other problems we have with China that must be addressed and corrected. But neither must we neglect the many issues and problems where our interests converge, including the stability in the Asia Pacific that undergirds the region's economic growth, peaceful resolution of the urgent troubles on the Korean Peninsula, and addressing the transnational concerns posed by environmental degradation, narcotics trafficking, and crime.

A relationship premised on cooperation in areas of shared interest also provides us a better opportunity to discourage Beijing from transferring missiles and other arms to Iran, Iraq, Burma, and other rogue regimes, persuade China to reduce tensions in the Taiwan Straits, and encourage Beijing to maintain freedoms in Hong Kong and foster greater human rights in China.

Mr. President, Congress and the American people must understand what is at stake in the bilateral relationship and how best to move China in a direction that is in our best interest and the best interest of the American and Chinese people. The summit taking place this week and this legislation, I believe, can provide the United States and China the impetus to move toward a far more mutually productive relationship.

Mr. HAGEL. Mr. President, today I am pleased to join with the distinguished chairman of the Finance Committee, Senator ROTH, as an original cosponsor to his legislation to strengthen the President's hand in opening up China's market to American exports. I commend Chairman ROTH for his leadership on trade issues. This bill would extend permanent most-favored-nation trading status to China upon that country's accession to membership of the World Trade Organization under commercially viable terms.

Mr. President, I believe that the annual debate over so-called most-favored-nation trading status for China has become counterproductive. It is time for the United States and China to transcend this flawed process. It is time for trade relations between our two countries to be based on the normal commercial standards that one would expect between two of the world's great trading powers.

This legislation would greatly strengthen the President's hand in achieving trade negotiations with China. It would do this by giving the President the authority to grant China permanent MFN status upon that country's accession to the WTO under normal commercial arrangements. As long as the Congress merely promises to consider granting permanent MFN status after China has agreed to accept WTO obligations, the President's leverage in trade negotiations with China will be weakened.

I would like to emphasize that I do not support China's entry into the World Trade Organization under any special arrangement that would allow China to avoid full compliance with WTO standards. However, China's accession to the WTO under normal commercial arrangements would be good

for the United States and good for the world trading system. It would require China to adhere to international trading standards. And should China fail to live up to its WTO obligations, we would then have access to the WTO's multilateral dispute resolution mechanisms. As long as China remains outside of the WTO, our only recourse for resolving our trade disputes with China is through the threat of often less effective bilateral actions, such as threats of section 301 trade sanctions.

But once China becomes a member of the WTO under a viable commercial protocol, the rules of the WTO require other WTO nations to grant permanent MFN to China. If we do not, we lose much of the benefit of getting China to accept WTO rules. This is because the United States would be denied access to the WTO's dispute resolution process for forcing China to live up to its agreements. That is why this bill is so important.

There are a great number of common misunderstanding over the annual debate on so-called most-favored-nation trading status for China. First of all, the archaic term ''most favored nation'' is itself misleading. MFN status is not, as many believe, some special trade benefit. It is not even the most favored trading status that we maintain with other countries. The United States grants much more favorable trade status to many other countries, including Canada, Israel, Mexico, the countries of the Caribbean, and a host of other nations—more than 130 in all—that benefit from special trade programs. All MFN status means is that we are willing to maintain some semblance of regular trade relations with that country. This is demonstrated by the fact that only six countries in the world do not have MFN status.

What is more, under current trade laws, there is no middle ground between full MFN trading status with average tariffs of 4 percent, and the disastrous 1930's-era Smoot-Hawley tariffs that average over 50 percent. Let there be no doubt about the consequences of repealing MFN trading status for China: it would mean a virtual end to United States-China trade relations.

United States trade with China is important. Throughout the ages, commerce has been a driving force of modernity and the spread of western ideas. Withdrawing from China will not bring the kind of change we are all seeking in that still autocratic system. Isolating China economically would have a disastrous and counterproductive result.

Nevertheless, there are serious trade issues between the United States and China that need to be resolved. This bill will make their resolution more likely. Nebraska is a major exporting state, with total exports last year of $2.45 billion of which $1.5 billion was food or agricultural products. Nebraska's meat exports to the world, primarily beef, grew 89 percent in the first half of this decade. United States beef exports to China, however, are severely constrained by China's 80 percent tariffs. These levels must come down in the context of the WTO negotiations. China also maintains a wide range of trade restrictions that are illegal under WTO rules. These illegal trade barriers include unscientific health laws that entirely prohibit certain types of U.S. wheat exports.

Mr. President, aggressive United States efforts to negotiate China's entry into the WTO under normal commercial arrangements is clearly in our national interest. The United States continues to run a large, persistent trade deficit with China. Last year, our deficit reached $39 billion, and it is expected to be higher this year. But the way to reduce that deficit is not by closing off our borders and cutting off export markets, but to work aggressively to open those markets, particularly the China market.

Export jobs pay 13–16 percent more than average American jobs. Exports are the future of our Nation, and we need to have China's market opened to American goods, services, and agricultural commodities.

By Mr. INOUYE:

S. 1328. A bill to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE COMMUNICATIONS SATELLITE COMPETITION AND PRIVATIZATION ACT OF 1997

Mr. INOUYE. Mr. President, today I introduce the Communications Satellite Competition and Privatization Act of 1997. This bill amends the Communications Satellite Act of 1962 in order to promote full competition in the global satellite communication services market by fully privatizing satellite communications. It is my intention that the introduction of this bill in the Senate will spur debate on this important issue. It is my goal to work with all of my colleagues and all other interested parties to address the issues presented in this bill.

In 1962, the United States and other countries around the world recognized the increasingly important role the new and emerging satellite technology could play in facilitating worldwide communications. In enacting the Communications Satellite Act of 1962, Congress sought to improve the global communications network by implementing a global, commercial communications satellite system, expeditiously. INTELSAT, Inmarsat, and Comsat emerged as the network that would connect Americans to countries throughout the world.

INTELSATE, Inmarsat, and Comsat have undoubtedly fulfilled their missions and have provided us with valuable services. Through their communications network, they have connected us whether we are on land or on water, by voice, video, and data transmissions, and across continents. They have also played a pivotal role in pioneering the delivery of satellite communications.

However, in the 35 years since the act has been adopted, the marketplace has changed and the time is now ripe for us to revisit the act and put in place a policy that will take the industry and the American consumers into the future. Today, many U.S. and foreign satellite systems participate in the global satellite marketplace. There are also an increasing number of satellite systems seeking authority to participate in the marketplace. As additional satellite systems enter the marketplace, competition must continue to flourish and consumers must obtain needed services at reasonable prices. The treaty-based status and intergovernmental structure of INTELSAT, Inmarsat, and Comsat must not hinder the ability of these carriers to effectively compete in the future and must not distort competition in the marketplace.

Today, many individuals in the government and in industry, nationally and worldwide are working on the privatization of INTELSAT and Inmarsat. There is a recognition that the status quo will not benefit the marketplace nor will it benefit INTELSAT and Inmarsat, or Comsat. My introduction of this bill is intended to establish a framework in which the Senate can begin a larger discussion of the issues and ultimately craft legislation that promotes the delivery of state-of-the-art satellite communications and brings innovations and cost reductions to the public. I encourage my colleagues to join with me in supporting a policy that will continue to allow our satellite industry to grow and flourish and for consumers to receive the benefits of such advancements.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1328

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Communications Satellite Competition and Privatization Act of 1997''.

TITLE I—USE OF FEDERAL COMMUNICATIONS COMMISSION LICENSING REQUIREMENTS TO SECURE COMPETITION AND PRIVATIZATION

SEC. 101. PURPOSE.

It is the purpose of this Act to promote a fully competitive global market for satellite communication services for the benefit of consumers and providers of satellite services and equipment by fully privatizing the intergovernmental satellite organizations, INTELSAT and INMARSAT.

SEC. 102. REVISION OF COMMUNICATIONS SATELLITE ACT OF 1962.

(a) ADDITION OF NEW TITLE.—The Communications Satellite Act of 1962 (47 U.S.C. 101) is amended by adding at the end the following new title:

"TITLE VI—COMMUNICATIONS COMPETITION AND PRIVATIZATION

''SUBTITLE A—ACTIONS TO ENSURE PROCOMPETITIVE PRIVATIZATION

SEC. 601. FEDERAL COMMUNICATIONS COMMISSION LICENSING.

''(a) LICENSING FOR SEPARATED ENTITLES.—

''(1) COMPETITION TEST.—The Commission may not issue a license or construction permit to any separated entity, or renew or permit the assignment or use of any such license or permit, or authorize the use by any entity subject to United States jurisdiction of any space segment owned or operated by any separated entity, unless the Commission determines that such issuance, renewal, assignment, or use will not harm competition in the telecommunications market of the United States. If the Commission does not make such a determination, it shall deny or revoke authority to use space segment owned or operated by the separated entity to provide services to, from, or within the United States.

''(2) CRITERIA FOR COMPETITION TEST.—In making the determination required by paragraph (1), the Commission shall use the licensing criteria in sections 621 and 623, and shall not make such a determination unless the Commission determines that the privatization of any separated entity is consistent with such criteria.

''(b) LICENSING FOR INTELSAT, INMARSAT, AND SUCCESSOR ENTITIES.—

''(1) COMPETITION TEST.—The Commission shall substantially limit, deny, or revoke the authority for any entity subject to United States jurisdiction to use space segment owned or operated by INTELSAT or INMARSAT or any successor entities to provide non-core services to, from, or within the United States, unless the Commission determines—

''(A) after January 1, 2002, in the case of INTELSAT and its successor entities, that INTELSAT and any successor entities have been privatized in a manner that will not harm competition in the telecommunications markets of the United States; or

''(B) after January 1, 2001, in the case of INMARSAT and its successor entities, that INMARSAT and any successor entities have been privatized in a manner that will not harm competition in the telecommunications markets of the United States.

''(2) CRITERIA FOR COMPETITION TEST.—In making the determination required by paragraph (1), the Commission use the licensing criteria in sections 621, 622, and 624, and shall not make such a determination unless the Commission determines that such privatization is consistent with such criteria.

''(c) PREVENTION OF EXPANSION.—Pending privatization in accordance with the licensing criteria in subtitle B, the Commission shall not—

''(1) issue an authorization, license, or permit to, or renew the license or permit of, any provider of services using INTELSAT or INMARSAT space segment, or authorize the use of such space segment, for additional services (including additional applications of existing services) or additional areas of business; or

''(2) otherwise assist the expansion of INTELSAT or INMARSAT services, including through authorizing COMSAT's investment in new INTELSAT or INMARSAT satellites or registering for orbital slots intended for INTELSAT or INMARSAT provision of additional services (including additional applications of existing services) or additional areas of business.

"SEC. 602. INTELSAT OR INMARSAT ORBITAL SLOTS.

''Unless, in a proceeding under section 601(b), the Commission determines that INTELSAT or INMARSAT have been privatized in a manner that will not harm competition, then—

''(1) the President shall oppose, and the Commission shall not assist, any registration for new orbital slots for INTELSAT or INMARSAT orbital slots—

''(A) with respect to INTELSAT, after January 1, 2002, and

''(B) with respect to INMARSAT, after January 1, 2001, and

''(2) the President and Commission shall, consistent with the deadlines in paragraph (1), take all other necessary measures to preclude procurement, registration, development, or use of new satellites which would provide non-core services.

''SUBTITLE B—FEDERAL COMMUNICATIONS COMMISSION LICENSING CRITERIA: PRIVATIZATION CRITERIA

"SEC. 621. GENERAL CRITERIA TO ENSURE A PRO-COMPETITIVE PRIVATIZATION OF INTELSAT AND INMARSAT.

''The President and the Commission shall secure a pro-competitive privatization of INTELSAT and INMARSAT that meets the criteria set forth in this section and sections 622 through 624. In securing such privatizations, the following criteria shall be applied as licensing criteria for purposes of subtitle A:

''(1) DATES FOR PRIVATIZATION.—Privatization shall be obtained in accordance with the criteria of this title of—

''(A) INTELSAT as soon as practicable, but no later than January 1, 2002, and

''(B) INMARSAT as soon as practicable, but no later than January 1, 2001.

''(2) INDEPENDENCE.—The successor entities and separated entities of INTELSAT and INMARSAT resulting from the privatization obtained pursuant to paragraph (1) shall—

''(A) be entities that are national corporations; and

''(B) have ownership and management that is independent of—

''(i) any signatories or former signatories that control access to national telecommunications markets; and

''(ii) any intergovernmental organization remaining after the privatization.

''(3) TERMINATION OF PRIVILEGES AND IMMUNITIES.—The preferential treatment of INTELSAT and INMARSAT shall not be extended to any successor entity or separated entity of INTELSAT or INMARSAT. Such preferential treatment includes—

''(A) privileged or immune treatment by national governments;

''(B) privileges or immunities or other competitive advantages of the type accorded INTELSAT and INMARSAT and their signatories though the terms and operation of the INTELSAT Agreement and the associated Headquarters Agreement and the INMARSAT Convention; and

''(C) preferential access to orbital slots.

''(4) PREVENTION OF EXPANSION DURING TRANSITION.—During the transition period prior to full privatization, INTELSAT and INMARSAT shall be precluded from expanding into additional services (including additional applications of existing services) or additional areas of business.

''(5) CONVERSION TO STOCK CORPORATIONS.—Any successor entity or separated entity created out of INTELSAT or INMARSAT shall be a national corporation established through the execution of an initial public offering as follows:

''(A) Any successor entities and separated entities shall be incorporated as private corporations subject to the laws of the nation in which incorporated.

''(B) An initial public offering of securities of any successor entity or separated entity shall be conducted no later than—

''(i) January 1, 2001, for the successor entities of INTELSAT; and

''(ii) January 1, 2000, for the successor entities of INMARSAT.

''(C) The shares of any successor entities and separated entities shall be listed for trading on one or more major stock exchanges with transparent and effective securities regulation.

''(D) A majority of the board of directors of any successor entity or separated entity shall not be subject to selection or appointment by, or otherwise serve as representatives of—

''(i) any signatory or former signatory that controls access to national telecommunications markets; or

''(ii) any intergovernmental organization remaining after the privatization.

''(E) Any transactions or other relationships between or among any successor entity, separated entity, INTELSAT, or INMARSAT shall be conducted on an arm's length basis.

''(6) REGULATORY TREATMENT.—Any successor entity or separated entity shall apply through the appropriate national licensing authorities for international frequency assignments and associated orbital registrations for all satellites.

''(7) COMPETITION POLICIES IN DOMICILIARY COUNTRY.—Any successor entity or separated entity shall be incorporated and headquartered in a nation or nations that—

''(A) have effective laws and regulations that secure competition in telecommunications services;

''(B) are signatories of the World Trade Organization Basic Telecommunications Services Agreement; and

''(C) have a schedule of commitments in such Agreement that includes non-discriminatory market access to their satellite markets.

''(8) RETURN OF UNUSED ORBITAL SLOTS.—INTELSAT, INMARSAT, and any successor entities and separated entities shall not be permitted to warehouse orbital slots that do not have satellites that are providing commercial services, and any orbital slots of INTELSAT or INMARSAT which are not in use or brought into use providing commercial services as of May 12, 1997, or thereafter, shall be returned to the International Telecommunication Union for reallocation.

''(9) APPRAISAL OF ASSETS.—Before any transfer of assets by INTELSAT or INMARSAT to any successor entity or separated entity, such assets shall be independently audited for purposes of appraisal, at both book and fair market value.

"SEC. 622. SPECIFIC CRITERIA FOR INTELSAT.

''In securing the privatizations required by section 621, the following additional criteria with respect to INTELSAT privatization shall be applied as licensing criteria for purposes of subtitle A:

''(1) NUMBER OF COMPETITORS.—The number of competitors in the market served by INTELSAT, including the number of competitors created out of INTELSAT, shall be sufficient to create a fully competitive market.

''(2) PREVENTION OF EXPANSION DURING TRANSITION.—Pending privatization in accordance with the criteria in this title, INTELSAT shall not expand by receiving additional orbital slots, placing new satellites in existing slots, or procuring new or additional satellites, except for specified replacement satellites for which construction contracts have been executed as of May 12, 1997, and the United States shall oppose such expansion—

''(A) in INTELSAT, including at the Assembly of Parties,

''(B) in the International Telecommunication Union,

''(C) through United States instructions to COMSAT,

''(D) in the Commission, through declining to facilitate the registration of additional orbital slots or the provision of additional services (including additional applications of existing services) or additional areas of business; and

''(E) in other appropriate fora.

''(3) TECHNICAL COORDINATION AMONG SIGNATORIES.—Technical coordination shall not be used to impair competition or competitors, and coordination under Article XIV(d) of the INTELSAT Agreement shall be eliminated.

''SEC. 623. SPECIFIC CRITERIA FOR INTELSAT SEPARATED ENTITIES.

''In securing the privatizations required by section 621, the following additional criteria with respect to any INTELSAT separated entity shall be applied as licensing criteria for purposes of subtitle A:

''(1) DATE FOR PUBLIC OFFERING.—Within one year after any decision to create any separated entity, a public offering of the securities of such entity shall be conducted.

''(2) PRIVILEGES AND IMMUNITIES.—The privileges and immunities of INTELSAT and its signatories shall be waived with respect to any transactions with any separated entity, and any limitations on private cause of action that would otherwise generally be permitted against any separated entity shall be eliminated.

''(3) INTERLOCKIG DIRECTORATES OR EMPLOYEES.—None of the officers, directors, or employees of any separated entity shall be individuals who are officers, directors, or employees of INTELSAT.

''(4) SPECTRUM ASSIGNMENTS.—After the initial transfer which may accompany the creation of a separated entity, the portions of the electromagnetic spectrum assigned on the date of enactment of this Act to INTELSAT shall not be transferred between INTELSAT and any separated entity.

''(5) REAFFILIATION PROHIBITED.—Any merger or ownership or management ties or exclusive arrangements between a privatized INTELSAT or any successor entity and any separated entity shall be prohibited until 15 years after the completion of INTELSAT privatization under this title.

''SEC. 624. SPECIFIC CRITERIA FOR INMARSAT.

''In securing the privatizations required by section 621, the following additional criteria with respect to INMARSAT privatization shall be applied as licensing criteria for purposes of subtitle A:

''(1) MULTIPLE SIGNATORIES AND DIRECT ACCESS.—Multiple signatories and direct access to INMARSAT shall be permitted.

''(2) PREVENTION OF EXPANSION DURING TRANSITION.—Pending privatization in accordance with the criteria in this title, INMARSAT should not expanded by receiving additional orbital slots, placing new satellites in existing slots, or procuring new or additional satellites, except for specified replacement satellites for which construction contracts have been executed as of May 12, 1997, and the United States shall oppose such expansion—

''(A) in INMARSAT, including at the Council and Assembly of Parties,

''(B) in the International Telecommunication Union,

''(C) through United States instructions to COMSAT,

''(D) in the Commission, through declining to facilitate the registration of additional orbital slots or providing new services or uses for existing slots, and

''(E) in other appropriate fora.

''(3) NUMBER OF COMPETITORS.—The number of competitors in the markets served by INMARSAT, including the number of competitors created out of INMARSAT, shall be sufficient to create a fully competitive market.

''(4) REAFFILIATION PROHIBITED.—Any merger or ownership or management ties or exclusive arrangements between INMARSAT or any successor entity or separated entity and ICO shall be prohibited until 15 years after the completion of INMARSAT privatization under this title.

''(5) INTERLOCKING DIRECTORATES OR EMPLOYEES.—None of the officers, directors, or employees of INMARSAT or any successor entity or separated entity shall be individuals who are officers, directors, or employees of ICO.

''(6) SPECTRUM ASSIGNMENTS.—The portions of the electromagnetic spectrum assigned on the date of enactment of this Act to INMARSAT—

''(A) shall, after January 1, 2006, or the date on which the life of the current generation of INMARSAT satellites ends, whichever is later, be made available for assignment to all systems (including the privatized INMARSAT) on a non-discriminatory basis; and

''(B) shall not be transferred between INMARSAT and ICO.

''SUBTITLE C—DEREGULATION AND OTHER STATUTORY CHANGES

''SEC. 641. DIRECT ACCESS; TREATMENT OF COMSAT AS NONDOMINANT CARRIER.

''The Commission shall take such actions as may be necessary—

''(1) to permit providers or users of telecommunications services to obtain direct access to INTELSAT telecommunications services as soon as practicable, but no later than January 1, 2001;

''(2) to permit providers or users of telecommunications services to obtain direct access to INMARSAT telecommunications services as soon as practicable, but no later than January 1, 2000; and

''(3) to treat COMSAT as a nondominant carrier for the purposes of the Commission's regulations on the effective date of the actions taken pursuant to paragraphs (1) and (2), respectively.

''SEC. 642. SIGNATORY ROLE.

''(a) MULTIPLE SIGNATORIES PERMITTED.—

''(1) INTELSAT.—As soon as practicable, but no later than January 1, 2001, multiple signatories shall be permitted to represent the United States in INTELSAT.

''(2) INMARSAT.—As soon as practicable, but not later than January 1, 2000, multiple signatories shall be permitted to represent the United States in INMARSAT.

''(b) ELIMINATION OF COMSAT PRIVILEGES AND IMMUNITIES.—Notwithstanding any other law or executive agreement, COMSAT shall not be entitled to any privileges or immunities under the laws of the United States or any State on the basis of its status as a signatory of INTELSAT or INMARSAT.

''(c) PARITY OF TREATMENT.—Notwithstanding any other law or executive agreement, the Commission shall have the authority to impose similar regulatory fees on the United States signatory which it imposes on other entities providing similar services.

''SEC. 643. ELIMINATION OF PROCUREMENT PREFERENCES.

''Nothing in this Act or the Communications Act of 1934 shall be construed to authorize or require any preference, in Federal Government procurement of telecommunications services, for the satellite space segment provided by INTELSAT, INMARSAT, or any successor entity or separated entity.

''SEC. 644. USE OF ITU TECHNICAL COORDINATION.

''The Commission and United States satellite companies shall utilize the International Telecommunication Union procedures for technical coordination with INTELSAT and its successor entities and separated entities, rather than INTELSAT procedures.

''SEC. 645. TERMINATION OF COMMUNICATIONS SATELLITE ACT OF 1962 PROVISIONS.

''Effective on the dates specified, the following provisions of this Act shall cease to be effective:

''(1) Date of enactment of this title: Sections 101 and 102; paragraphs (1), (5) and (6) of section 201(a); section 301; section 303; section 304; section 502; and paragraphs (2) and (4) of section 504(a).

''(2) On the effective date of the Commission's order that establishes direct access to INTELSAT space segment: Paragraphs (1), (3) through (5), and (8) through (10) of section 201(c).

''(3) On the effective date of the Commission's order that establishes direct access to INMARSAT space segment: Subsections (a) through (d) of section 503.

''(4) On the effective date of the Commission order determining under section 601(b)(2) that INMARSAT privatization is consistent with criteria in sections 621 and 624: Section 504(b).

''(5) On the effective date of a Commission order determining under section 601(b)(2) that INTELSAT privatization is consistent with criteria in sections 621 and 622: Paragraphs (2) and (4) of section 201(a); section 201(c)(2); subsection (a) of section 403; and section 404.

''SEC. 646. REPORTS TO THE CONGRESS.

''(a) ANNUAL REPORTS.—The President and the Commission shall report to the Congress within 90 calendar days of the enactment of this Act, and not less than annually thereafter, on the progress made to achieve the objectives and carry out the purposes and provisions of this Act. Such reports shall be made available immediately to the public.

''(b) CONTENTS OF REPORTS.—The reports submitted pursuant to subsection (a) shall include the following:

''(1) Progress with respect to each objective since the most recent preceding report.

''(2) Views of the Parties with respect to privatization.

''(3) Views of industry and consumers on privatization.

''SEC. 647. CONSULTATION WITH CONGRESS.

''The President's designees and the Commission shall consult with the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate prior to each meeting of the INTELSAT or INMARSAT Assembly of Parties, the INTELSAT Board of Governors, the INMARSAT Council, or appropriate working group meetings.

''SEC. 648. SATELLITE AUCTIONS.

''Notwithstanding any other provision of law, the Commission shall not have the authority to assign by competitive bidding orbital slots or spectrum used for the provision of international or global satellite communications services. The President shall oppose in the International Telecommunication Union and in other bilateral and multilateral fora any assignment by competitive bidding of orbital slots or spectrum used for the provision of such services.

''SUBTITLE D—NEGOTIATIONS TO PURSUE PRIVATIZATION

''SEC. 661. METHODS TO PURSUE PRIVATIZATIONS.

''The President shall secure the pro-competitive privatizations required by this title in a manner that meets the criteria in subtitle B.

''SUBTITLE E—DEFINITIONS

''SEC. 681. DEFINITIONS.

''(a) IN GENERAL.—As used in this title:

''(1) INTELSAT.—The term 'INTELSAT' means the International Telecommunications Satellite Organization established pursuant to the Agreement Relating to the International Telecommunications Satellite Organization (INTELSAT).

''(2) INMARSAT.—The term 'INMARSAT' means the International Mobile Satellite Organization established pursuant to the Convention on the International Maritime Organization.

''(3) SIGNATORIES.—The term 'signatories'—

''(A) in the case of INTELSAT, or INTELSAT successors or separated entities, means a Party, or the telecommunications entity designated by a Party, that has signed the Operating Agreement and for which such Agreement has entered into force or to which such Agreement has been provisionally applied;

''(B) in the case of INMARSAT, or INMARSAT successors or separated entities, means either a Party to, or an entity that has been designated by a Party to sign, the Operating Agreement.

''(4) PARTY.—The term 'Party'—

''(A) in the case of INTELSAT, means a nation for which the INTELSAT agreement has entered into force or been provisionally applied; and

''(B) in the case of INMARSAT, means a nation for which the INMARSAT convention has entered into force.

''(5) COMMISSION.—The term 'Commission' means the Federal Communications Commission.

''(6) INTERNATIONAL TELECOMMUNICATION UNION.—The term 'International Telecommunication Union' means the intergovernmental organization that is a specialized agency of the United Nations in which member countries cooperate for the development of telecommunications, including adoption of international regulations governing terrestrial and space uses of the frequency spectrum as well as use of the geostationary satellite orbit.

''(7) DIRECT ACCESS.—The term 'direct access' means arrangements for purchase of space segment capacity from, or investment in (or both), INTELSAT or INMARSAT by means other than through a signatory.

''(8) SUCCESSOR ENTITY.—The term 'successor entity'—

''(A) means any privatized entity created from the privatization of INTELSAT or INMARSAT or from the assets of INTELSAT or INMARSAT, but

''(B) does not include any entity that is a separated entity.

''(9) SEPARATED ENTITY.—The term 'separated entity' means a privatived entity to whom a portion of the assets owned by INTELSAT or INMARSAT are transferred prior to full privatization of INTELSAT or INMARSAT, including in particular the entity whose structure was under discussion by INTELSAT as of May 12, 1997, but excluding ICO.

(10) ORBITAL SLOT.—The term 'orbital slot' means the location for placement of a satellite on the geostationary orbital are as defined in the International Telecommunication Union Radio Regulations.

''(11) SPACE SEGMENT.—The term 'space segment' means the satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment used to support the operation of satellites owned or leased by INTELSAT, INMARSAT, or a separated entity or successor entity.

''(12) NON-CORE.—The term 'non-core services' means, with respect to INTELSAT provision, services other than public-switched network voice telephony and occasional-use television, and with respect to INMARSAT provision, services other than global maritime distress and safety services or other existing maritime or aeronautical services for which there are not alternative providers.

''(13) ADDITIONAL SERVICES.—The term 'additional services' means Internet services, high-speed data, non-maritime or non-aeronautical mobile services, Direct to Home (DTH) or Direct Broadcast Satellite (DBS) video services, or Ka-band services.

''(14) INTELSAT.—The term 'INTELSAT' means the International Telecommunications Satellite Organization.

''(15) INTELSAT AGREEMENT.—The term 'INTELSAT Agreement' means the Agreement Relating to the International Telecommunications Satellite Organization (INTELSAT), including all its annexes (TIAS 7532, 23 UST 3813).

''(16) HEADQUARTERS AGREEMENT.—The term 'Headquarters Agreement' means the International Telecommunication Satellite Organization Headquarters Agreement (November 24, 1976) (TIAS8542, 28 UST 2248).

''(17) OPERATING AGREEMENT.—The term 'Operating Agreement' means—

''(A) in the case of INTELSAT, the agreement, including its annex but excluding all titles of articles, opened for signature at Washington on August 20, 1971, by Governments or telecommunications entities designated by Governments in accordance with the provisions of the Agreement, and

''(B) in the case of INMARSAT, the Operating Agreement on the International Maritime Satellite Organization, including its annexes.

''(18) INMARSAT CONVENTION.—The term 'INMARSAT Convention' means the Convention on the International Maritime Satellite Organization (INMARSAT) (TIAS 9605, 31 UST 1).

''(19) NATIONAL CORPORATION.—The term 'national corporation' means a corporation the ownership of which is held through publicly traded securities, and that is incorporated under, and subject to, the laws of a national, state, or territorial government.

''(20) COMSAT.—The term 'COMSAT' means the corporation established pursuant to title III of the Communications Satellite Act of 1962 (47 U.S.C. 731 et seq.)

''(21) ICO.—The term 'ICO' means the company known, as of the date of enactment of this Act, as ICO Global Communications, Inc.

''(b) COMMON TERMINOLOGY.—Except as otherwise provided in subsection (a), terms used in this Act that are defined in section 3 of the Communications Act of 1934 have the meanings provided in such section.'.

ADDITIONAL COSPONSORS

S. 153

At the request of Mr. MOYNIHAN, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 153, a bill to amend the Age Discrimination in Employment Act of 1967 to allow institutions of higher education to offer faculty members who are serving under an arrangement providing for unlimited tenure, benefits on voluntary retirement that are reduced or eliminated on the basis of age, and for other purposes.

S. 644

At the request of Mr. D'AMATO, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 644, a bill to amend the Public Health Service Act and the Employee Retirement Income Security Act of 1974 to establish standards for relationships between group health plans and health insurance issuers with enrollees, health professionals, and providers.

S. 651

At the request of Mr. GRAMS, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 651, a bill to amend the Internal Revenue Code of 1986 to provide that the conducting of certain games of chance shall not be treated as an unrelated trade or business.

S. 912

At the request of Mr. BOND, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from Alabama [Mr. SESSIONS] were added as a cosponsors of S. 912, a bill to provide for certain military retirees and dependents a special medicare part B enrollment period during which the late enrollment penalty is waived and a special medigap open period during which no under-writing is permitted.

S. 943

At the request of Mr. SPECTER, the name of the Senator from Illinois [Mr. DURBIN] was added as a cosponsor of S. 943, a bill to amend title 49, United States Code, to clarify the application of the Act popularly known as the ''Death on the High Seas Act'' to aviation accidents.

S. 995

At the request of Mr. LAUTENBERG, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Nevada [Mr. REID], were added as cosponsors of S. 995, a bill to amend title 18, United States Code, to prohibit certain interstate conduct relating to exotic animals.

S. 1045

At the request of Mr. DASCHLE, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1045, a bill to prohibit discrimination in employment on the basis of genetic information, and for other purposes.

S. 1133

At the request of Mr. COVERDELL, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 1133, a bill to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses and to increase the maximum annual amount of contributions to such accounts.

S. 1204

At the request of Mr. COVERDELL, the names of the Senator from Alaska [Mr. MURKOSWKI], the Senator from Alabama [Mr. SESSIONS], and the Senator from Louisiana [Mr. BREAUX] were added as cosponsors of S. 1204, a bill to simplify and expedite access to the Federal courts for injured parties whose rights and privileges, secured by the United States Constitution, have been deprived by final actions of Federal agencies, or other government officials or entities acting under color of