

nuclear secrets, then this is a great system. But if other Members are like me and the majority of Americans, then they are very, very concerned. What are we thinking? How do we lose nuclear secrets? They show up magically behind a Xerox machine, a Xerox machine that has already been searched twice? And everybody is supposed to feel good about the fact that they did not leave the building?

Maybe there was not espionage. We do not know that yet. But what we do know is there is total incompetence, and we as Congress cannot have much confidence in the way our nuclear secrets are being guarded. I think it is incumbent on this Congress to put pressure on the Department of Energy and the Secretary of Energy to make some very, very drastic changes to get this addressed, because we simply cannot misplace nuclear secrets.

Just think about the time frame: from as long as April 7 to May 7 they were unaccounted for; and then from May 7 to June 1 no one even told the Secretary of Energy they were gone. Yet not one person has been fired because of that. This is an outrage. This is scary.

This is not partisan rhetoric. I am glad to say a number of Democrats, including the ranking member of the committee, the gentleman from Missouri (Mr. SKELTON), has said the Keystone Kops are guarding our nuclear secrets. The gentleman from Michigan (Mr. DINGELL) has passed a letter which has been signed by 50 Democrats saying fire the University of California, who is involved in the security of that. I probably would have signed that letter, given the opportunity.

So I am glad to see that this is not getting trapped into some situation where it is Republican versus Democrats, because when it comes to the security of the United States of America, it does not matter what party we are a member of; it only matters that our shores are secure and safe. So I just wanted to bring that up, Mr. Speaker.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Ms. MCKINNEY) is recognized for 5 minutes.

(Ms. MCKINNEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

ON USEC DECISION TO CLOSE PORTSMOUTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, a very sad and tragic thing happened today, and I think the American people need to know about it. But before I explain that in detail, I would like to give a little history regarding this occurrence.

From the mid-1950s, there have been two facilities in this country that have

produced enriched uranium, first of all for our nuclear arsenal and, more recently, for fuel for our nuclear power plants. Approximately 23 percent of our Nation's electricity is generated through nuclear power, and most of the fuel that generates that electricity is produced in these two domestic plants.

A couple of years ago, this Congress and the administration unwisely decided to privatize this vital industry. At the time of privatization, the private company was obligated to continue to operate these two facilities through the year 2004. Today, this privatized company and their irresponsible and parasitic leadership and their board of directors decided to close one of those two facilities. I would like to share with my colleagues why that is so unwise and so unacceptable.

We know what happens to our country when we are overly dependent upon foreign sources for energy. We see that in the high gas prices that we are all experiencing today. What will it be when 23 percent of the electricity in this country is dependent upon foreign sources?

To their credit, the Department of Energy sent an emergency letter to the director of the United States Enrichment Corporation and the members of the board of directors today explicitly asking them not to take this action. I would read from the letter from Under Secretary Gary Gensler. He said, "I am writing to urge you and the other members of the board not to vote to initiate a plant closing at today's board meeting."

In addition to this letter, Secretary Richardson sent a very strongly worded letter to this CEO and to the members of the board asking that they not proceed. Unbelievably, unbelievably, this industry, which was privatized less than 2 years ago, and has very definite public policy purposes and obligations, decided to thumb their nose at the Department of Treasury and the Department of Energy, the governor of Ohio, multiple Members of this House, and Ohio's two Senators and they proceeded to vote to close this vital facility.

USEC's announcement that it will seek to close this facility is unwise, unwarranted and unacceptable; and I serve notice that I will fight this plant closure with every fiber of my being. The thousands of working families in my part of Ohio who depend on this industry for their livelihood deserve better from this government and from this corporation. For generations these brave men and women have sacrificed for our national security, and now they are being abandoned by a USEC management that is driven more by short-term profit and self-preservation than by common sense.

USEC appears to be dead set on decimating America's ability to produce the fuel that supplies 23 percent of our Nation's electricity. There is a clear solution to this problem, however. I will introduce legislation in this Con-

gress to direct the Federal Government to buy back USEC and to continue operating both the Portsmouth, Ohio, and Paducah, Kentucky, plants.

I am also calling for an Inspector General investigation into this decision and into USEC's privatization. It is becoming more and more apparent that national security, energy security, and thousands of hardworking southern Ohioans are suffering as a result of the decisions of this corporation. I cannot overstate my anger at this decision or my ironclad commitment to protect our workers and to make sure that all responsible parties are held accountable.

Earlier today, after USEC made this announcement, Secretary Richardson responded, and I read from his response. He says, "I am extremely disappointed by the United States Enrichment Corporation's decision to close the uranium enrichment plant in Portsmouth, Ohio. First and foremost, I am very concerned about the effect of this closure on the workers. They deserve better treatment than they are getting from USEC."

Mr. Speaker, this is a serious matter. I call it to attention of this House, and I am submitting for the RECORD additional documents relating to this topic.

[News Release from Congressman Ted Strickland, June 21, 2000]

STRICKLAND STATEMENT ON URANIUM PLANT CLOSURE

WASHINGTON, D.C.—USEC's announcement that it will seek to close the Portsmouth Uranium Enrichment Plant is unwise, unwarranted and unacceptable. I will fight this plant closure with every fiber of my being. The thousands of working families in our part of Ohio who depend on this industry for their livelihood deserve much better. For generations these brave, hard-working men and women have sacrificed for our national security. Now they are being abandoned by a USEC management that is driven more by short term profit and self-preservation than by common sense. USEC appears to be dead set on decimating America's ability to produce the fuel that supplies 23 percent of our nation's electricity. There is a clear solution to this problem: I will introduce legislation in Congress to direct the Federal Government to buy back USEC and continue operating both the Portsmouth and Paducah plants. I will also call for an Inspector General investigation into this decision and USEC's privatization. It is becoming more and more apparent that this is simply a case of insider enrichment for USEC's management—enrichment at the expense of national security, energy security and thousands of hard-working southern Ohioans. I cannot overstate my anger at this decision or my ironclad commitment to protect our workers and make sure that all responsible are held accountable.

DEPARTMENT OF THE TREASURY,
Washington, DC, June 21, 2000.

Mr. JAMES R. MELLOR,
Chairman of the Board, USEC, Inc., Bethesda,
MD.

Mr. WILLIAM H. TIMBERS,
President and Chief Executive Officer, USEC
Inc., Bethesda, MD.

DEAR MESSRS. MELLOR AND TIMBERS: I have received Mr. Timbers' letter dated Friday, June 16, 2000, in which he wrote to inform Treasury that the Board of Directors, of

USEC Inc. "must contemplate the termination of enrichment operations at one plant" and that the next meeting of the Board is scheduled for today.

I am writing to urge that you and the other members of the Board vote not to initiate a plant closing at today's Board meeting. It is deeply disturbing that the USEC Board is even considering the precipitous step of initiating a plant closing less than two years after USEC privatization. Before any closing, every possible alternative should be pursued. The Board should give full consideration to the impact of its actions on affected communities and USEC's employees.

Sincerely,

GART GENSLER.

[DOE News, June 21, 2000]

STATEMENT OF SECRETARY BILL RICHARDSON
ON USEC DECISION TO CLOSE PORTSMOUTH

"I am extremely disappointed by the United States Enrichment Corporation's (USEC) decision today to close the uranium enrichment plant at Portsmouth. First and foremost, I am very concerned about the effect this closure will have on USEC workers. Many of these men and women spent their entire working lives helping our nation win the Cold War. They deserve better treatment than they are getting from USEC.

"The decision is just the latest in a series of short-sighted decisions aimed at bolstering the corporation's near-term standing on Wall Street. The decision announced today leaves unanswered fundamental questions affecting the employees, the Corporation's future and USEC's ability to carry out important national security obligations to the United States.

"This decision was not inevitable. When USEC was privatized in 1998, it inherited a healthy business with a bright future. A series of decisions by the corporation's present management have weakened the Corporation and the domestic uranium industry and, coupled with a faltering long-term business strategy, have led to this unfortunate outcome that will result in several hundred Ohioans being put out of work.

"We have opposed layoffs from the start. Earlier this year, when USEC announced it would be downsizing at Paducah and Portsmouth, I urged USEC to provide early retirement and other benefits to help these workers, but the company refused. Now they're leaving even more workers up in the air by announcing closure of this plant, without any credible indication of their commitment or ability to deploy a replacement enrichment technology, necessary for long-term viability. The Energy Department has worked hard to increase funding for its cleanup activities at these sites and for workers displaced from USEC's downsizing to move to the cleanup.

"The administration is committed to doing all it can to mitigate the effects of this action on the workers and the community. We will be reviewing all our options in the days ahead and intend to vigorously pursue every possible means to mitigate the impacts of USEC's management failures on the workers at Portsmouth. I will also recommend fundamental changes in the future relationship between the U.S. government and USEC, including serious consideration of replacing USEC as executive agent for the Russia deal."

THE SECRETARY OF ENERGY,
Washington, DC, June 21, 2000.

Mr. WILLIAM TIMBERS,
Chairman and CEO, United States Enrichment Corporation, Bethesda, MD.

DEAR MR. TIMBERS: I am in receipt of a copy of your response of June 20 to my re-

cent letter concerning the HEU agreement, the impacts of the proposed commercial SWU deal on domestic production, your ability to sustain the Treasury agreement, and USEC's need for a future enrichment technology.

While I have yet to receive a formal reply to my letter, I must assume that the copy I received from the press constitutes your views on these matters. As such, I would like to comment on some of your key points.

The privatization of USEC in July 1998 was premised on USEC's judgment that the HEU Agreement was an asset to USEC, that it would keep two plants open until 2005, and that it would develop a future enrichment technology. USEC was provided many assets to this end. Your letter, in contrast, now reports that you consider the HEU Agreement to be a burden, that you have long contemplated closing a plant, and that you require substantial federal assistance for a different enrichment technology.

I am pleased that you share our views about the national security importance of the HEU Agreement. I am confused, however, by the assertion in your letter that the important nonproliferation objective of the HEU agreement "... has succeeded at the expense of USEC." Last December, USEC made a decision to continue as sole executive agent for the Russian HEU agreement. Presumably this reflected your business judgment that continuing on as the executive agent was in the best business interests of your company and USEC stockholders. Actions speak louder than words.

DOE remains concerned about the impacts of the proposed commercial SWU deal on our domestic industry. As you know, the HEU Agreement was put together to balance carefully national security and energy security objectives, a balance that could be upset by the proposed commercial SWU side deal. While DOE supports the effort to move toward a new pricing mechanism with Russia for the HEU Agreement, given the potential impacts, we continue to maintain that the commercial SWU proposal deserves serious and thoughtful review.

Also, I must make clear that we do not agree with your characterization of the commercial SWU proposal as conforming to guidance from the subcommittee of the EOC on commercial SWU levels that affect the domestic industry. Further, we were surprised by your characterization of the domestic impact of the proposed commercial SWU deal as "modest," since USEC recently filed objections to the introduction of even smaller amounts of SWU from another foreign country, based specifically on concerns about its impacts on the domestic market.

In my view, your meeting with me last January in no way provided a justification for early plant closure. In addition to the potential energy security impacts of such an action, I remain deeply concerned about its regional employment and economic impacts. The same management decisions that led you to notify Treasury of USEC's downgraded credit rating, and your lack of follow through on the very commitments that engendered broad support for USEC privatization in the first place, could ultimately mean ongoing efforts on USEC's part to receive open-ended federal assistance without reciprocity on significant public policy concerns.

On the development of enrichment technology, I would note that DOE has never been provided an analysis supporting the discontinuation of AVLIS, in which, as a government-owned corporation, USEC spent several hundred million dollars of public money. DOE is now being asked to start down a new path of public investment but has yet to receive a comprehensive proposal from USEC,

let alone a strategic plan on its proposed path forward for centrifuge technology development.

While we do not know how you specifically intend to proceed on technology development, this is what we do know: USEC wants DOE to invest outright \$50 million in centrifuge technology development; USEC wants \$1.2 billion in federal loan guarantees for building a centrifuge facility; USEC wants use of DOE's GCEP facility (which would save USEC \$300 million but cost DOE \$150 million), and; USEC wants a gas centrifuge CRADA with DOE (which I note our organizations have been negotiating for at least two months).

USEC's list of "wants" from the federal government is a long one and is not backed up by a reasoned plan to justify such a significant investment of the public's money. Surely you must acknowledge that if DOE and other agencies in the federal government are going to invest substantial public funds in a private enterprise, we are owed more than piecemeal requests for federal assistance.

Many of the questions I asked in my original letter to you remain unanswered or were answered as indirectly as the avenue through which I received your response. I hope to receive more enlightening answers to my concerns and ask that the views I expressed in this letter will be shared with your board members immediately.

We look forward to hearing from you.

Yours sincerely,

BILL RICHARDSON.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

(Mr. METCALF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

REVISIONS TO ALLOCATION FOR
HOUSE COMMITTEE ON APPRO-
PRIATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KASICH) is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, pursuant to Sec. 314 of the Congressional Budget Act, I hereby submit for printing in the CONGRESSIONAL RECORD revisions to the allocations for the House Committee on Appropriations printed in House Report 106-683.

Floor action on H.R. 4635, the bill making fiscal year 2001 appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, removed the emergency designation from \$300,000,000 in budget authority contained in the House-reported bill. Outlays flowing from the budget authority totaled \$13,000,000. Accordingly, the allocations to the House Committee on Appropriations are reduced to \$601,180,000,000 in budget authority and \$625,735,000,000 in outlays. Budgetary aggregates become \$1,529,385,000,000 in budget authority and \$1,494,956,000,000 in outlays.

INDIA IS VICTIM OF PAKISTANI-
EXPORTED TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.