

eration of Calendar Order No. 37, S. 271, the Western Union bill. I inquire of the minority leader if he is prepared to proceed to that at this time.

Mr. ROBERT C. BYRD. Mr. President, I am so prepared.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order No. 37, S. 271.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 271) to repeal section 222 of the Communications Act of 1934.

There being no objection, the Senate proceeded to consider the bill.

UP AMENDMENT NO. 170

(Purpose: To clarify certain provisions relating to international record carriers)

Mr. BAKER. Mr. President, I send to the desk an amendment by the distinguished Senator from South Carolina (Mr. THURMOND) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), on behalf of Mr. THURMOND, purposes an unprinted amendment numbered 170.

Mr. BAKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 2, strike lines 1 through 7 and substitute the following:

"Sec. 3. In addition to its responsibilities pursuant to the Communications Act of 1934, the Federal Communications Commission shall require domestic telegraph carriers to provide communications facilities to any international telegraph carrier which makes a reasonable request for such services or facilities upon terms and conditions which are just, reasonable, equitable, nondiscriminatory, and in the public interest.

"Sec. 4. Nothing in the Communications Act of 1934 shall be construed to prohibit the entry of international record carriers into the domestic market, and the Federal Communications Commissioner is directed to act expeditiously upon all applications filed by international record carriers to provide domestic telex service pursuant to the Communications Act of 1934.

"Sec. 5. The Federal Communications Commission shall exercise its authority under the Communications Act of 1934 to continue oversight over the establishment of just, reasonable, equitable, and nondiscriminatory distribution formulas for unrouted outbound telegraph or record traffic and the division of revenues. This provision shall cease to have any force or effect at the end of the three year period beginning on the date of enactment of this Act.

"Sec. 6. Notwithstanding any other provision of law, the Federal Communications Commission shall not be authorized to act upon any application to provide international telegraph or record service which is filed by a domestic telegraph carrier pursuant to the Communications Act of 1934 until 120 days after the date of enactment of this Act."

Mr. THURMOND. Mr. President, I am pleased to lend my support to S. 271, the International Record Carrier Competition Act of 1981. I believe that with the amendments I offer today, it is a much improved bill, and one to which I feel I can lend my support.

As you know, Mr. President, the Committee on the Judiciary has initiated a series of hearings on the issue of monopolization and competition in the telecommunications industry. In the first of those hearings, we addressed the competitive impact of Western Union's entry into international markets. We took extensive testimony and developed what we consider to be a thorough record and examination of the issues. As a result of this hearing, I have concluded that S. 271 is a commendable move in the direction of deregulation, a goal which I wholeheartedly support. The amendments that are offered today are designed to support that goal by helping to foster competition in international and domestic record services.

The amendments provide a new section 3 to S. 271. This provision recognizes the Commission's obligations under the Communications Act to insure Western Union's interconnection with the international record carriers. This new section adds further emphasis to Congress' insistence that the Commission act to insure that the international carriers are provided adequate interconnection on fair, reasonable, equitable, and nondiscriminatory terms. This section is not meant to go beyond the existing provisions of the Communications Act, but is intended to reinforce the standards set in it.

The new section 4 reflects a concern raised during our hearings that the FCC has failed to act upon pending domestic telex applications, filed by international record carriers. This troubles me, Mr. President. Entry by these carriers into the domestic market would serve to promote competition both domestically and internationally. I do not believe that the FCC should authorize entry by Western Union into international markets without permitting entry by the international carriers into the domestic record market.

The new section 5 simply reiterates Congress' concern that the FCC continue to oversee the formula by which unrouted international messages are distributed, and revenues divided. This is the formula by which Western Union is required to distribute unrouted traffic to each international record carrier in proportion to the routed traffic that each international record carrier generates. FCC oversight must always result in a formula that is just, reasonable, equitable, and nondiscriminatory. This provision shall cease to have any force or effect at the end of the 3-year period beginning on the date of enactment of this act.

Finally, a new section 6 reflects the concern that the present position of Western Union in the domestic market not provide it any unfair advantages when section 222 is repealed. This section seeks to assure that the international carriers will have an opportunity to get

a "head start" before Western Union is released by the FCC into the international arena. Thus, the amendments provide that the FCC must wait 120 days before acting upon any application filed by Western Union to enter the international record market.

In order to give full force to the spirit of the 120 day head start, the FCC is administered to actively utilize this period to move quickly on the applications filed by the international carriers to provide domestic telex service. It seems likely that 120 days is not an adequate time period for the international carriers to overcome Western Union's domestic competitive advantage, but it will be totally ineffectual if through regulatory delay, there is no effective period at all.

There is one final point that I would like to clarify. There has been some concern expressed by international carriers that other legislation under consideration by the Commerce Committee affecting the domestic common carrier industry would repeal provisions of the Communications Act that affect international telecommunications. I have been assured by the Commerce Committee that neither S. 898, the Telecommunications Competition and Deregulation Act of 1981, nor any other legislation which they are considering at this time, will affect international telecommunications issues in any way that will interfere with the substantive safeguards provided in S. 271, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee on behalf of the Senator from South Carolina.

The amendment (UP No. 170) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 271), as amended, was passed, as follows:

S. 271

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Record Carrier Competition Act of 1981".

Sec. 2. Section 222 of the Communications Act of 1934 is repealed.

Sec. 3. In addition to its responsibilities pursuant to the Communications Act of 1934, the Federal Communications Commission shall require domestic telegraph carriers to provide communications facilities to any international telegraph carrier which makes a reasonable request for such services or facilities upon terms and conditions which are just, reasonable, equitable, nondiscriminatory, and in the public interest.

Sec. 4. Nothing in the Communications Act of 1934 shall be construed to prohibit the entry of international record carriers into the domestic market, and the Federal Communications Commission is directed to act expeditiously upon all applications filed by inter-

national record carriers to provide domestic telex service pursuant to the Communications Act of 1934.

Sec. 5. The Federal Communications Commission shall exercise its authority under the Communications Act of 1934 to continue oversight over the establishment of just, reasonable, equitable, and nondiscriminatory distribution formulas for unrouted outbound telegraph or record traffic and the division of revenues. This provision shall cease to have any force or effect at the end of the three-year period beginning on the date of enactment of this Act.

Sec. 6. Notwithstanding any other provision of law, the Federal Communications Commission shall not be authorized to act upon any application to provide international telegraph or record service which is filed by a domestic telegraph carrier pursuant to the Communications Act of 1934 until one hundred and twenty days after the date of enactment of this Act.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

OMNIBUS RECONCILIATION ACT OF 1981

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order No. 171, S. 1377, a bill to provide for reconciliation pursuant to title III of the first concurrent resolution on the budget for fiscal year 1982.

Further, Mr. President, I ask that today no action be taken relative to S. 1377, except for the disposition of a so-called leadership amendment to strike extraneous subject matter from the bill, that such amendment be the only amendment in order today, and that the amendment not be divisible; further, Mr. President, that the time on the leadership amendment and on all other amendments in the first degree be reduced to 1 hour; that the time on all amendments in the second degree, debatable motions, appeals, points of order, if submitted, be reduced to one-half hour, and that no unanimous-consent agreement relative to these reductions or any other time limitations on amendments be deemed to waive the germaneness requirements imposed for a reconciliation bill under the Budget Act.

Further, Mr. President, I ask that at no later than 10:30 a.m., tomorrow, June 23, 1981, the Senate resume consideration of S. 1377.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1377) to provide for reconciliation pursuant to title III of the First Concurrent Resolution on the budget for fiscal year 1982 (H. Con. Res. 115, Ninety-seventh Congress).

There being no objection, the Senate proceeded to consider the bill.

UP AMENDMENT NO. 171

Mr. BAKER. Mr. President, I send to the desk a leadership amendment co-sponsored by the distinguished minority leader and me, the distinguished chairman of the Budget Committee, Senator DOMENICI, and the ranking member, Senator HOLLINGS.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) for himself, Mr. ROBERT C. BYRD, Mr. DOMENICI, and Mr. HOLLINGS, proposes an unprinted amendment numbered 171.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 148, delete lines 24 through 37. On page 165, delete everything beginning on line 23 through and inclusive of page 168, line 19.

On page 183, delete lines 11 through 35. On page 184, delete lines 24 through 35. On page 288, delete lines 27 through 31. On page 322, delete lines 30 through 34. On page 170, on line 9, strike the phrase, "nor may there be obligated budget authority."

On page 170, strike line 10, beginning with the word "nor" and continuing through "\$1,298,813,000".

On page 171, on line 23, strike the phrase, "nor may there be obligated budget authority."

On page 171, on line 24, strike the phrase "nor shall outlays be in excess of \$23,000,000."

On page 169, line 5, strike beginning with the second comma and continuing through the end of the sentence and insert "in excess of \$1,590,000."

On page 171, strike lines 29 through 30, beginning with the word "nor" and ending with the word "authority" and insert in lieu thereof, "budget authority."

On page 172, strike lines 9 through 10, beginning with the word "nor" and ending with the second "\$5,000,000", and insert in lieu thereof, "in excess of \$5,000,000."

On page 172, strike lines 24 through 25, beginning with the word "nor" and ending with "\$8,523,293,000", and insert in lieu thereof, "in excess of \$8,762,069,000."

On page 184, strike lines 15 through 16, beginning with the word "nor" and ending with the word "\$36,387,000" and insert in lieu thereof, "in excess of \$31,552,000."

On page 181, strike lines 1 through 2, and insert in lieu thereof "in excess of \$21,038,000."

On page 182, strike lines 22 and 23, beginning with the word "nor" and ending with "\$4,518,801,000", and insert in lieu thereof, "in excess of \$3,881,224,000."

On page 188, strike lines 20 through 22, and insert in lieu thereof:

"(d) Notwithstanding any other provision of law, there is authorized to be appropriated not to exceed \$322,000,000 for fiscal year 1981 for programs of the Economic Development Administration."

On page 188, strike lines 26 through 29 and insert in lieu thereof:

"(b) Notwithstanding any other provision

of law, there is authorized to be appropriated not to exceed \$22,838,000 for fiscal year 1981 to the Secretary of Commerce for programs for regional development."

On page 186, strike lines 29 through 36. On page 189, strike lines 9 through 12 and insert in lieu thereof:

"(b) Notwithstanding any other provision of law, there is authorized to be appropriated for fiscal year 1981 not to exceed \$14,700,000 to the President for area development programs of the Appalachian Regional Commission."

On page 189, strike lines 14 through 19. On page 75 strike lines 38 through 40 and insert in lieu thereof,

"Sec. 333-12. Notwithstanding any other provision of law, the authorizations for appropriations for programs and activities administered by the Secretary for Housing and Urban Development in fiscal year 1981 are reduced by \$5,552,000,000."

On page 181, strike lines 31 through 32, beginning with the word "nor" and ending with the word "be".

Mr. BAKER. Mr. President, with the reconciliation bill now before us, the Senate stands at the edge of an enormous legislative achievement. This measure responds to the demands of the American electorate that Federal spending be contained and controlled. It answers affirmatively the strong majority of voters who want the size of Government to be reduced. It is a vigorous, positive reply to the mandate of 1980.

Such a redirection is long overdue. And reconciliation is an appropriate mechanism for that purpose. Without a reconciliation process, the changes set forth in this bill would have been delayed, diluted, or would never have occurred.

Reconciliation is a means of looking at those changes in a total package rather than in a series of separate bills whose spending and programmatic implications are considered in isolation of one another. Packaging these measures provides a necessary coherence to our policy redirection. Without reconciliation, neither packaging nor coherence would have been possible.

Aside from its salutary impact on the budget, reconciliation also has implications for the Senate as an institution. So long as a preponderance of its subject matter has a budgetary impact, a reconciliation bill could contain nonbudgetary amendments to substantive law, and still be protected under the Budget Act. That notwithstanding, I believe that including such extraneous provisions in a reconciliation bill would be harmful to the character of the U.S. Senate. It would cause such material to be considered under time and germaneness provisions that impede the full exercise of minority rights. It would evade the letter and spirit of rule XXII.

It would create an unacceptable degree of tension between the Budget Act and the remainder of Senate procedures and practice. Reconciliation was never meant to be a vehicle for an omnibus authorization bill. To permit it to be treated as such is to break faith with the Senate's historical uniqueness as a forum for the exercise of minority and individual rights.

For principally these reasons, I have