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the world today. I hope that you will visit the exhibitions at one of its stops around the country over the next four years.

And, of course, we would be delighted to welcome you to San Antonio for the grand opening. I'm sure it will be an unforgettable experience.

ORIGINS AND MEANINGS CONTAINED IN U.N. RESOLUTIONS

Mr. MOYNIHAN. Mr. President, I have received a most thoughtful letter written by Ira Wolfe and Liane White to the editor of the New York Times. The letter discusses the significance of specific terms and phrases in U.N. resolutions relevant to the Arab-Israeli dispute. As we approach this complex and difficult situation, it is important to keep the origins and precise meanings of these resolutions in mind. All too often extravagant claims are made concerning these resolutions. I commend this letter to my colleagues and I ask unanimous consent that it be printed in the RECORD at this time.

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

NEW YORK, NY,
April 22, 1991.

SOMA GOLDEN,
National News Desk, The New York Times, New York, N.Y.

DEAR MS. GOLDEN: Clifford Krauss, in his April 16 article concerning Secretary of State James Baker's trip to the Middle East, incorrectly states that "United Nations Resolutions 242 and 338 . . . call on Israel to return Jordanian and Syrian lands it has occupied since the 1967 Arab-Israeli war."

Despite Mr. Krauss' characterization to the contrary, these resolutions do not specify withdrawal from Syrian or Jordanian territory. Resolution 242, adopted on November 22, 1967, calls for the "(w)ithdrawal of Israeli armed forces from territories occupied in the recent conflict" and the right of every state in the area to live "within secure and recognized boundaries free from threats or acts of force." Resolution 338, adopted on October 22, 1973 following the unprovoked Syrian and Egyptian attack on Israel during the Jewish holiday of Yom Kippur, calls upon all parties to immediately implement resolution 242.

Although Mr. Krauss implicitly assumes that the resolutions require Israeli withdrawal from apparently all territories occupied in 1967, the resolutions significantly do not specify withdrawal from "the territories" or "all territories." As Lord Caradon, the British ambassador to the United Nations who drafted resolution 242, told the House of Commons on December 9, 1969, "The omission of the word 'all' before the word 'territories' is deliberate. Arthur Goldberg, the U.S. ambassador to the United Nations when 242 was adopted, explained on May 8, 1973: "The notable omissions—which were not accidental—in regard to the withdrawal are the words 'the' or 'all' . . . the resolution speaks of withdrawal from occupied territories without defining the extent of withdrawal." Ambassador Goldberg has also noted that the phrase in the resolution calling for the right of every state in the region to "live in peace within secure and recognized boundaries" was specifically included because the parties were expected to make "territorial adjustment in their peace settlement encompassing less than a complete withdrawal of Israeli forces from the occupied territories, inasmuch as Israel's prior frontiers had proved to be notably insecure."

Arguably, Israel has already complied with 242 and 338 by withdrawing—as part of its peace treaty with Egypt—from over 90% of the land it captured. Any Israeli decision to return additional territory to Jordan or Syria must be based on those countries' unconditional and unequivocal recognition of Israel's right to exist, direct negotiations between the parties and detailed security arrangements. To assume that Israel is *a priori* obligated by 242 and 338 to return the territory it still occupies is not only incorrect; it would establish the dangerous precedent that nations could wage genocidal war—as the Arabs attempted in 1967—without fear of penalty. On May 18, two weeks before the six day war, Cairo Radio proclaimed, "the sole method we shall apply against Israel is a total war which will result in the extermination of the Zionist existence." On May 31, 1967 President Aref of Iraq declared, "The existence of Israel is an error which must be rectified . . . Our goal is clear—to wipe Israel off the map." The Golan Heights and West Bank provide crucial strategic depth, allowing Israel to absorb an Arab attack—as in 1973—regroup and counter-attack while mobilizing reserves. After centuries of Arab oppression, the extermination of European Jewry and wars in 1948, 1967 and 1973 aimed at the destruction of Jewish sovereignty, it is understandable if Israel hesitates to return areas of immense strategic importance to a Syrian despot who claims Israel as part of "southern Syria" or a Jordanian monarch recently allied with the "Butcher of Bagdad."

Mr. Krauss also errs in referring to the West Bank as "Jordanian land." Jordan invaded and brutally annexed the West Bank following its attempt to destroy the newly proclaimed State of Israel in 1948. Neither the United States nor any other country in the world (except Britain and Pakistan) has ever recognized this illegal occupation. It is absurd for The New York Times to refer repeatedly in its articles to the "Israeli-occupied" West Bank while describing the same territory as "Jordanian land" rather than land "seized by Jordan in the 1948 war" or "occupied by Jordan prior to 1967."

Efforts by New York Times correspondents to explain the importance of U.N. resolutions 243 and 338 and to provide historical context in articles on the Middle East are laudable. However, when these resolutions are mischaracterized and language describing the region subtly distorted, the result is a disservice to your readers—and the truth.

Sincerely,

IRA B. WOLFF.
LIANE R. WHITE.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,270th day that Terry Anderson has been held captive in Lebanon.

PROPOSED AMENDMENT TO THE TELECOMMUNICATIONS EQUIPMENT RESEARCH AND MANUFACTURING COMPETITION ACT

Mr. PRESSLER. Mr. President, when we undertake consideration of S. 173, the Telecommunications Equipment Research and Manufacturing Competition Act of 1991, I shall propose an amendment on behalf of myself, Senators GRASSLEY, SASSER, BAUCUS, BURDICK, CONRAD, and others. I shall explain what that amendment is now and again when I offer the amendment. But I wanted to let my colleagues know of this amendment.

A number of small and rural telephone companies have expressed concerns to us about enacting S. 173 without adequate safeguards to ensure that rural areas continue to be served by a first-rate public telecommunications infrastructure. In 1988, I wrote an article in the UCLA Federal Communications Law Journal concerning universal telephone service which emphasized the need for a coordinated telecommunications policy between urban and rural and small city areas of this country.

Without universal service as a fundamental premise of our national telecommunications policy, we in rural parts of the country will be left far behind in the advancing information age. Of course, a manufacturing bill alone will not do the whole job. But, the universal service premise is at the heart of this amendment.

The manufacturing restriction relaxation envisioned in S. 173 should be accompanied by clear, explicit and enforceable statutory safeguards which would guarantee small and rural local exchange carriers nondiscriminatory access to the equipment and software they need.

This amendment would do the following:

First of all, it would require the Bell companies to make software and telecommunications equipment available to other local exchange carriers without discrimination or self-preference. S. 173 currently does not contain language requiring the Bell companies to sell software, which is the heart of modern telecommunications equipment, to other local exchange carriers. It would make any reciprocal requirements for other local exchange carriers that manufacture telecommunications equipment truly reciprocal.

S. 173 requires Bell company affiliates to make equipment available only to other local telephone companies and only for use with the public telecommunications network; other local telephone companies must make available any telecommunications equipment they or any of their affiliates manufacture to any Bell company that sells them equipment and to any of its affiliates, for any use.

Second, our amendment would require Bell companies that manufacture equipment to continue making available telecommunications equipment, including software, to other local telephone companies so long as reasonable demand for it exists. S. 173 contains no requirement to maintain availability to satisfy the reasonable continuing demand of other local telephone companies.

Small and rural companies are concerned that if the Bell companies are

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allowed into manufacturing, they would be much more likely to buy existing manufacturing operations than to start new ones. This is particularly true for switch manufacturing, which is very capital intensive. If the Bell companies refuse to supply software to independents, they can prevent the independents from providing new services. Then the Bell companies could market such services to the small company's large customers, emphasizing that the small company was unable to offer the service.

The concern we have is that the Bell companies could divert the traffic of selected large customers to their own facilities. This would leave behind costs that remaining residential customers would have to absorb through higher rates. A Bell company also could use this leverage if it wanted to acquire a neighboring small independent in a growing area. It could further its acquisition objective by depriving the target company of technology, thus stimulating consumer complaints to regulators.

Small and rural companies are also worried that a Bell company could acquire an existing manufacturer, change the product line to meet Bell plans and needs, and cease to support equipment and software installed by small companies. If new software is not made available, a rural company might have to choose between installing a new switch or depriving its subscribers of new services.

Third, our amendment would require the Bell companies to engage in joint network planning, design and operations.

S. 173 undercuts joint planning and widespread infrastructure availability because it only requires the Bell companies to: First, Inform other local telephone companies about their deployment of equipment; and second, report changes to protocols and requirements. The bill's requirements are too little too late. They will not lead to a nationwide, information-rich telecommunications infrastructure.

Small companies need a voice in the process to assure that the network is designed, implemented and operated jointly by all.

Small companies need a voice in the process to assure that the network is designed, implemented and operated jointly by all local telephone companies to meet the goal of nationwide access to information age resources.

Finally, our amendment calls for strong district court enforcement procedures, including damages. S. 173 provides only for FCC common carrier authority, which proved inadequate to remedy past refusals to provide equipment to small local telephone companies. If independents do not have the ability to go to district court with their complaints, they cannot reasonably have any confidence that the essential safeguards will be effective.

We are currently discussing this amendment with the authors of the bill and we hope we can include this as part of the package we bring to the floor. I urge my colleagues to support this amendment to ensure that rural companies have reasonable, enforceable and continuing access to the equipment and joint network planning they need so that all Americans, urban and rural alike, can share in a nationwide, information-rich telecommunications network.

TELECOMMUNICATIONS EQUIPMENT RESEARCH AND MANUFACTURING COMPETITION ACT

The PRESIDING OFFICER (Mr. REID). Under a previous order, the hour of 3 p.m. having arrived, the Senate will now proceed to the consideration of S. 173, which the clerk will now report.

The legislative clerk read as follows:

A bill (S. 173) to permit the Bell Telephone Companies to conduct research on, design, and manufacture telecommunications equipment, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italics.)

S. 173

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 "Telecommunications Equipment Research and Manufacturing Competition Act of 1991".

SEC. 2. FINDINGS.

The Congress finds that the continued economic growth and the international competitiveness of American industry would be assisted by permitting the Bell Telephone Companies, through their affiliates, to manufacture (including design, development, and fabrication) telecommunications equipment and customer premises equipment, and to engage in research with respect to such equipment.

SEC. 3. AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934.

Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

"REGULATION OF MANUFACTURING BY BELL TELEPHONE COMPANIES

"SEC. 227. (a) Subject to the requirements of this section and the regulations prescribed thereunder, a Bell Telephone Company, through an affiliate of that Company, notwithstanding any restriction or obligation imposed before the date of enactment of this section pursuant to the Modification of Final Judgment on the lines of business in which a Bell Telephone Company may engage, may manufacture and provide telecommunications equipment and manufacture customer premises equipment, except that neither a Bell Telephone Company nor any of its affiliates may engage in such manufacturing in conjunction with a Bell Telephone Company not so affiliated or any of its affiliates.

"(b) Any manufacturing or provision authorized under subsection (a) shall be conducted only through an affiliate (hereafter in this section referred to as a 'manufacturing affiliate') that is separate from any Bell Telephone Company.

"(c) The Commission shall prescribe regulations to ensure that—

"(1) such manufacturing affiliate shall maintain books, records, and accounts separate from its affiliated Bell Telephone Company which identify all transactions between the manufacturing affiliate and its affiliated Bell Telephone Company and, even if such manufacturing affiliate is not a publicly held corporation, prepare financial statements which are in compliance with Federal financial reporting requirements for publicly held corporations, file such statements with the Commission, and make such statements available for public inspection;

"(2) consistent with the provisions of this section, neither a Bell Telephone Company nor any of its nonmanufacturing affiliates shall perform sales, advertising, installation, production, or maintenance operations for a manufacturing affiliate; except that institutional advertising, of a type not related to specific telecommunications equipment, carried out by the Bell Telephone Company or its affiliates shall be permitted if each party pays its pro rata share;

"(3)(A) such manufacturing affiliate shall conduct all of its manufacturing within the United States and, except as otherwise provided in this paragraph, all component parts of customer premises equipment manufactured by such affiliate, and all component parts of telecommunications equipment manufactured by such affiliate, shall have been manufactured within the United States;

"(B) such affiliate may use component parts manufactured outside the United States if—

"(i) such affiliate first makes a good faith effort to obtain equivalent component parts manufactured within the United States at reasonable prices, terms, and conditions; and

"(ii) for the aggregate of telecommunications equipment and customer premises equipment manufactured and sold in the United States by such affiliate in any calendar year, the cost of the components manufactured outside the United States contained in the equipment does not exceed 40 percent of the sales revenue derived from such equipment;

"(C) any such affiliate that uses component parts manufactured outside the United States in the manufacture of telecommunications equipment and customer premises equipment within the United States shall—

"(i) certify to the Commission that a good faith effort was made to obtain equivalent parts manufactured within the United States at reasonable prices, terms, and conditions, which certification shall be filed on a quarterly basis with the Commission and list component parts, by type, manufactured outside the United States; and

"(ii) certify to the Commission on an annual basis that for the aggregate of telecommunications equipment and customer premises equipment manufactured and sold in the United States by such affiliate in the previous calendar year, the cost of the components manufactured outside the United States contained in such equipment did not exceed the percentage specified in subparagraph (B)(ii) or adjusted in accordance with subparagraph (G);

"(D)(i) if the Commission determines, after reviewing the certification required in subparagraph (C)(i), that such affiliate failed to make the good faith effort required in subparagraph (B)(i) or, after reviewing the certification required in sub-

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