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# Congressman Nick Rahall

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CONTACT: Jerry Burkot  
202-225-3452

Washington, D.C. -- Fourth District Rep. Nick Rahall (D-WV) today included an amendment to the Foreign Aid bill passed by the House which would establish under the auspices of the Secretary of Commerce a Federal Coal Export Commission.

"My amendment would establish this commission to stimulate U.S. coal exports," Rep. Rahall said. "The commission would be composed of both private sector and government representatives. The goal of this commission would be to increase the cooperation and coordination of those parties involved with U.S. coal exports. Among the commission's mandates would be the identification of diplomatic channels to increase coal exports, impediments to these exports and foreign markets for U.S. coal with an emphasis on those in developing nations."

The commission would be authorized for a two year period and be comprised of representatives of both the private sector and the government. "Only through a joint government-private sector venture such as this, can many of the impediments to the coal export trade be resolved," Rep. Rahall pointed out.

"I feel that the establishment of this commission would better enable small- and medium-sized coal producers to enter the export coal trade through Export Trading Companies," Rep. Rahall stated. "It will also assure foreign coal buyers that the U.S. Federal government is committed to maintaining and increasing the U.S. share of the world coal market."

The commission will also seek to identify innovative methods of financing U.S. coal exports.

"The importance of creating such a commission is due to the nature of the international coal trade, with many foreign buyers being government entities," Rep. Rahall pointed out.

The Foreign Aid Authorization, H.R. 1555, will now go to the Senate for that body's consideration.

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(Mr. LOTT asked and was given permission to revise and extend his remarks.)

Mr. LOTT. Mr. Chairman, this amendment was described by one of our Democratic colleagues in the other body as the "antichump" amendment, and I believe it is an amendment that all of us will be able to support. It requires the Soviet Union to submit to arbitration regarding U.S. claims for damages in the construction of the new U.S. Embassy in Moscow before the Soviet Union occupies their own new Embassy in Washington. I have discussed this amendment with the committee leadership on both sides and it has been accepted by both sides.

To explain further, Mr. Chairman, the United States has for several years been attempting to collect from the Soviet Union over \$20 million in damages incurred due to Soviet-imposed delays in the construction of the new U.S. Embassy in Moscow. That Embassy is being built under an agreement with the Soviet Union allowing a new U.S. Embassy here in Washington. From the start the bargain was unequal. The Soviets got the highest point of land in Washington, DC, an ideal listening post for various communications here in the Nation's Capital. The new U.S. Embassy in Moscow on the other hand is in a virtual swamp, in a very low-lying area.

In addition, the United States agreed that the new U.S. Embassy would be built by Soviet workers while their Embassy here was also built by Soviets, giving rise to security problems for the United States not faced by the Soviets.

In that agreement, we also consented to paying the Russians based on the costs of similar construction in Washington, DC, though construction costs are certainly lower in Moscow.

Other elements of this rotten deal include provisions which have allowed the Soviets to move into their new housing facilities in Washington while our own facilities in Moscow have not yet been completed.

The Soviets, however, have not even kept up their end of so one-sided a deal. In 1978, the State Department estimated that the new U.S. Embassy in Moscow would cost \$75 million and would be completed in July of 1982. Since that time, the State Department has come back to Congress five times for an additional \$72.2 million. This year they are coming back for another \$20.1 million, meaning that the project will cost well over twice the amount originally estimated.

Much of this additional cost is due to Soviet-caused delays in construction of the Embassy. Under the provisions of this agreement signed by both countries, claims for damages such as these I have described are to be submitted to international arbitration. Unfortunately, our own State Department has delayed in beginning the process of international arbitration, and, of course, the Soviets themselves

have been in no hurry to settle the damage claims. My amendment, therefore, does two things: First, it orders our own State Department to immediately begin the international arbitration process and it requires a report on the results of that process in 1 year. I would add that I fully expect that the arbitration process would be complete within 1 year and I will expect an extraordinary explanation in the report if the process is not completed.

The second thing my amendment does is to prohibit the Soviet Union from occupying their new chancery or any other new facilities in Washington until the damage claims have been settled and paid. If the Soviets want to occupy their new listening post in Washington they ought to at least adhere to the bargain they made to get it.

The amendment does allow the President to waive this no-move requirement if the waiver is in the national security interests of the United States and if most of the claims have been settled and satisfactory progress is being made on any remaining claims.

Mr. Chairman, if we can't hold the Soviets to their word on a simple agreement like this, it's no wonder that they flagrantly ignore arms limitation treaties and other agreements. This is one instance in which we have the leverage to force the Russians to live up to their promises, and we ought to do so.

I urge the adoption of this amendment.

#### HISTORY OF THE NEW MOSCOW EMBASSY COMPLEX

1969: Agreement reached between the United States and the Soviet Union to provide for an exchange of sites to construct new diplomatic complexes in Washington, D.C. and Moscow. This agreement gave the Soviets property at one of the highest points in Washington, D.C.—a spot ideal for intelligence collection. The Soviets, in turn, gave us a plot in a swamp at one of the lowest points in the Moscow area.

1972: Agreement reached between the United States and the Soviet Union on the conditions of construction of the new embassy complexes.

1977: Protocol with the Soviet Union was signed, calling for a fixed price contract with the Soviet Union for their portion of the construction. The United States agreed to accept Washington, D.C. construction costs as the basis for unit costs of our complex in Moscow. The protocol called for construction to begin by May 15, 1978 and work to be completed by July 1, 1982. At this point in time, the estimated cost of the project was \$75 million.

1978: Contract negotiated with the Soviet Union. In return for the Soviets reducing their contract bid to levels comparable to Washington, D.C. construction costs (as they had agreed to in the 1977 Protocol), the State Department allows the Soviets to occupy new housing at the Washington, D.C. site in 1979. Additional housing for U.S. diplomats in Moscow will not be completed until late 1986. The State Department maintained that total cost of the project would be around \$75 million and completion was projected for July 1982.

1979: Cumulative appropriations reach \$91.5 million.

1981: Cumulative appropriations reach \$103.5 million.

1982: Cumulative appropriations reach \$135.2 million. State Department estimates completion in 1984.

1983: Cumulative appropriations reach \$139.8 million.

1984: Cumulative appropriations reach \$147.0 million—the Department of State claims project will be completed in 1984.

1985: State Department requests \$20.1 million supplemental. Complex expected to be completed in 1988. Total cost expected to exceed \$167 million.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I am glad to yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding.

Mr. Chairman, I would just like to rise in support of this amendment and say that the committee and the subcommittee have looked very closely at this. I agree fully with the intent.

I think every Member of this House is sick and tired of the delays that we have had and the problems we have had with the Soviet Union, and we are going to try to require them to submit to arbitration. I hope it is successful, but at least this is a solid intent, well written, by the House of Representatives as to our concern about what is going on; that we want our Embassy; that we want to move in, and we want the Soviets to pay for the increased cost that they have caused against us by the delay.

I commend the gentleman and I thank the gentleman for working with the subcommittee and the full committee in the writing of this amendment.

Mr. LOTT. I thank the gentleman for his cooperation and for his support.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I am glad to yield to the ranking member on this side, the gentleman from Michigan.

Mr. BROOMFIELD. I thank the gentleman for yielding.

Mr. Chairman, we also, on this side, strongly support the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. LOTT].

The amendment was agreed to.

#### AMENDMENT OFFERED BY MR. RAHALL

Mr. RAHALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAHALL: Page 154, after line 24, insert the following new section:

#### SEC. 1208. FEDERAL COAL EXPORT COMMISSION.

(a) ESTABLISHMENT.—The Secretary of Commerce shall establish, within ninety days after the date of enactment of this Act, a Federal Coal Export Commission (hereafter in this section referred to as the "Commission").

(b) MEMBERSHIP.—The Commission shall be composed of thirty members appointed by the Secretary of Commerce, as follows:



(1) **FEDERAL GOVERNMENT REPRESENTATIVES.**—Ten members shall be representatives of the International Trade Administration, the Department of Energy, the Department of State, the Department of Transportation, the Office of the United States Trade Representative, and a Federal institution involved in export financing.

(2) **PRIVATE SECTOR REPRESENTATIVES.**—

(A) Five members shall be representatives of export coal producers, including traders and brokers.

(B) Five members shall be representatives of coal labor.

(C) Five members shall be representatives of transporters of export coal, including representatives of rail and barge carriers and port authorities.

(D) Five members shall be representatives of institutions having a substantial interest in United States export coal financing.

(c) **EXPENSES.**—Members of the Commission shall serve without pay. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(d) **COOPERATION.**—All Federal departments and agencies are authorized to cooperate with the Commission and to furnish information, appropriate personnel, and such assistance as may be agreed upon by the Commission and the Federal department or agency involved.

(e) **ACTIVITIES.**—The Commission shall convene not less than four times a year for consultation on activities leading to increased cooperation among entities involved in United States coal exports, with the goal of expanding the United States share of the international coal market. Activities of the Commission shall include, but are not limited to, the identification of—

(1) diplomatic channels to facilitate the exportation of United States coal and methods to increase the coordination of diplomatic efforts relating to such exports;

(2) domestic and international impediments to coal exports;

(3) foreign markets for United States export coal, with emphasis on increasing United States coal sales to developing nations and expanding the participation of the United States International Development Cooperation Agency in such an effort;

(4) availability of, and methods of, financing United States coal exports, including the feasibility of increasing Federal export financial and economic assistance; and

(5) methods to promote, market, and coordinate United States coal on the international market.

The Commission shall also examine the potential for small- and medium-sized coal companies to enter the export coal trade through export trading companies with respect to the marketing, transportation, and financial services which such trading companies may provide pursuant to the Export Trading Company Act of 1982 (Public Law 97-290).

(f) **REPORT.**—The Commission shall submit to the President and the Congress, within two years after its first meeting, a report which details its findings pursuant to subsection (e) and, based upon such findings, makes recommendations which would lead to the expansion of the United States share of the international metallurgical and steam coal market.

(g) **TERMINATION.**—The Commission shall cease to exist upon submission of its report pursuant to subsection (f).

Mr. RAHALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

(Mr. RAHALL asked and was given permission to revise and extend his remarks.)

Mr. RAHALL. Mr. Chairman, the amendment I am offering is noncontroversial and simply seeks to establish under the auspices of the Commerce Secretary a Federal Coal Export Commission.

The goal of this Commission would be to increase the cooperation and coordination of those parties involved with U.S. coal exports. Among the Commission's mandates would be the identification of diplomatic channels to increase coal exports, impediments to these exports and foreign markets for U.S. coal with an emphasis on those in developing nations.

Further, the Commission would seek to identify innovative methods of financing U.S. coal exports.

The importance of creating such a commission, which would be authorized for a 2-year period and consist of representatives from both the Federal Government and the private sector, is due to the nature of the international coal trade with many foreign buyers being governmental entities.

The U.S. Federal Government must show these foreign buyers that it is committed to maintaining and increasing the U.S. market share of international coal demand. It can only be through such a joint Government-private sector effort that many of the impediments to the coal export trade will be resolved.

Of special importance, and I would like to highlight this portion of the amendment, is the work the Commission would do with respect to examining areas of coal export financing, insurance and the U.S. foreign aid program to developing nations who have growing coal requirements as they further their efforts to industrialize.

The agency for International Development has undertaken activities to help developing nations reduce their dependence on imported oil while also assisting these nations to increase their use of coal.

The agency has stated that one of its principle objectives in this effort is to assist countries to develop methods to increase their use of coal in such a way so as to increase opportunities for U.S. coal exporter. I would submit that AID's efforts in this regard have not been overly successful to date and would be enhanced by its participation in the Federal Coal Export Commission.

The same benefit would be enjoyed by the U.S. Export-Import Bank which has sent millions of dollars overseas to coal projects which will

compete with U.S. coal on the world market and even in this country itself, but has only seen fit to expend a paltry \$250 million last year through its Export Credit Insurance Program to assist U.S. coal exports.

Problems such as these—which are basically due to lack of cooperation and coordination among Federal agencies and the private sector—are those which would be addressed by the Commission established by this amendment. I ask for its adoption.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. RAHALL. I am glad to yield to the chairman of the full committee, the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Chairman, we have examined this amendment on this side. We agree with the gentleman on the need for this, and we accept the amendment.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. RAHALL. I yield to the ranking minority member, the gentleman from Michigan.

Mr. BROOMFIELD. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has also explained the amendment to us, and we accept it, too, on this side.

Mr. RAHALL. I thank both gentlemen for their agreement to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. RAHALL].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GRAY OF PENNSYLVANIA

Mr. GRAY of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gray of Pennsylvania: Page 154, after line 24, insert the following new section:

SEC. 1208. REPRESENTATION OF MINORITIES AND WOMEN IN THE FOREIGN SERVICE

(a) **DEVELOPMENT OF PROGRAM.**—The head of an agency using the Foreign Service personnel system shall develop, to the extent practicable, an affirmative action effort designed to increase significantly the number of members of minority groups and women in the Foreign Service in that agency.

(b) **EMPHASIS ON MID- AND SENIOR-LEVELS.**—The affirmative action efforts developed pursuant to this section shall place particular emphasis on achieving significant increases in the numbers of minority group members and women who are in the mid-levels and senior-levels of the Foreign Service.

(c) **GOAL.**—The goal of the program developed pursuant to this section shall be to have the representation of minority groups and women in the Foreign Service at least equivalent to those groups' respective proportions within the labor force of the United States.

(d) **REPORTS TO CONGRESS.**—The head of an agency shall report annually to the Congress on the affirmative action effort developed pursuant to this section as part of the report required to be submitted pursuant to section 105(d)(2) of the Foreign Service Act of 1980. Subsequent reports pursuant to that section shall include reports on the im-