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Senate

The Senate met at 2 p.m. and was called to order by the Honorable RICHARD BURR, a Senator from the State of North Carolina.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Our Heavenly Father, Creator and Sustainer of all things, we acknowledge You as the ultimate source of our lives and of all of the good that we know. We look to You to speak to the questions for which we shall never know the complete answers. We ask You only to reply in faith strengthened, hope renewed, and love deepened.

So bless our Senators today that their lives will be a testimony that old things have passed away and the new has come. Season their words with kindness and their spirits with humility. Remind them that honesty will keep them safe.

Help each of us to live with such integrity that trouble will flee. Give us the wisdom to remember that our future belongs to You. We pray in Your powerful Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable RICHARD BURR led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 20, 2005.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD BURR, a Senator from the State of North Carolina, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. BURR thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senate majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, today the Senate will resume consideration of the Energy bill, which we will complete this week. Chairman DOMENICI will be here to continue working through amendments. We made very good progress on the bill last week. We are on track to complete the bill later this week. As I announced at the end of last week, it may be necessary to file cloture on the bill tomorrow. If we file cloture tomorrow, the cloture vote would then occur on Thursday, which would allow us to complete the bill this week.

I hope we do not have to file cloture, but I think it is important for people to realize we are going to finish the bill this week. People had the opportunity at the end of last week to offer amendments. They will have the same opportunity today and over the course of this week. I do ask our Senators to work with the bill managers to expedite consideration of their amendments early in the week.

This evening, we will have a second cloture vote on the nomination of John Bolton to be ambassador to the United Nations. As announced earlier, the debate for that vote has been scheduled between 5 and 6. We plan on having that vote at 6 p.m. today. We have a very busy week as we move through the Bolton nomination and the Energy bill. I expect we will have votes every day this week, including Friday, as we wrap up work on the energy legislation; therefore, Senators should be prepared and should adjust their schedules accordingly to remain available until we complete passage of this important bill.

RECOGNITION OF MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senate minority leader is recognized.

Mr. REID. Mr. President, I agree with the distinguished majority leader. It would be good if we did not have to file cloture. Having said that, I do not know what it takes to get people to come over and offer amendments. Thursday afternoon, we were here. The two managers were willing to stay as long as necessary to meet whatever amendments were offered by Senators. I realize last week was somewhat disjointed because of the various events, but there was no reason on days and evenings when we were actually here and able to take amendments that people could not offer amendments.

Today, we have 3 hours to offer amendments on this bill. It will be interesting to see how many show up to offer amendments. I guess the alternative would be to see if we could get a finite list of amendments and have those the only amendments that would be in order prior to this bill's termination.

The other problem we have this week is that all over the country, there are base-closing hearings being held by the BRAC hearing commission. For Senators who are involved in these issues, they involve thousands of members of the military and thousands of civilians

who are tied to these bases, and they are going to leave and go to these hearings. Everyone should know that to wait around here and want to make sure that all of the Senators are here for a given vote—it will not work because I think there will be Senators gone virtually every day this week. I have received word from a couple of Senators who will not be here tomorrow. I know some of the hearings are going to be held in New Mexico, and I understand the two Senators from New Mexico are going to leave late in the afternoon on Thursday. They are the managers of the bill. So I hope that we can work into the night on this bill this week because if we have any hope of doing those appropriation bills next week, we have to finish this bill this week; otherwise, we will spend all next week on this bill, spending a lot of time in quorum calls waiting for people to come and offer amendments.

I am a little frustrated because I know there are people on both sides of the aisle who say they have amendments but they are not quite ready or they want to do it at a more convenient time. The convenient times are over. We will not have 100 Senators here on any day this week. That is the way it is going to be. So some of these very tough, tight amendments are going to have to be decided on the votes of less than 100 Senators.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. FRIST. Mr. President, I am happy to yield to the Senator from New Mexico.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

Mr. DOMENICI. I say to the majority leader and minority leader, I apologize; I was not here for the entire dialog between the two of them. I know there is this business of who is going to be absent which days, but I say to both Senators, I do not think that should keep us from continuing to insist that Senators who have amendments bring them forward. We have to see them.

Mr. REID. That is what we said.

Mr. DOMENICI. We need to know about them. There are two that we know of, one to strike the inventory of offshore assets. That will take a little while. Somebody should offer that before the day is out. That is an hour or two, and there will be a vote. We think Senator FEINSTEIN has one. We would hope that would come forth. I think over the evening and midmorning tomorrow something will filter out with reference to global warming. Whether it is one, two, or whatever, there will be a conclusion, and somebody will offer an amendment. That will be the longest one.

I do not know what the Senate leadership wants to do about the fact that it is probably real that there will not be 100 Senators each of the days, but I do not know that that ought to keep us from moving forward and getting some accord as to finishing this bill. I do not know which day, but we are not in the kind of problem we have been in the past. As both Senators know, we can get to the amendments pretty quickly.

The PRESIDING OFFICER. The majority leader.

Mr. FRIST. Mr. President, to clarify the comments that were going back and forth between the Senate Democratic leader and myself, we will finish the bill this week. We pay our respects to the Senator from New Mexico by saying he has been more than willing to be here to receive amendments. The fact that there were not a lot of people either on Thursday or today rushing to the floor to offer the amendments actually leads me to be very hopeful that we will complete this bill Thursday, although I know in all likelihood it is going to be Friday. We are down to just very few amendments.

We recognize that some people will not be here over the course of even today, voting tonight, tomorrow, and the next day. That is not going to slow us down at all in our obligation to address the Nation's business. When there are amendments, we will take them to the Senate floor to debate them. I think we are discouraged a little by the fact that people are not rushing down to offer amendments. On the other hand, it kind of gives me a little bit of encouragement. It means we are going to finish this bill. We are going to file cloture Tuesday in order to finish it, in all likelihood, unless we come to some agreement by both the managers.

I congratulate them for where we are today. We intend on finishing the bill with certainty this week.

The ACTING PRESIDENT pro tempore. The minority leader.

Mr. REID. I would be totally opposed to cloture being invoked if I felt the majority was somehow stopping us from offering amendments, but that has not been the case. There has been ample opportunity for people to offer amendments. So I think we either have to have a list of finite amendments the two managers can agree on or it appears cloture would have to be invoked.

Mr. DOMENICI. I thank the Senators for their comments.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

ENERGY POLICY ACT OF 2005

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 6, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 6) to ensure jobs for our future with secure, affordable and reliable energy.

Mr. DOMENICI. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I understand the distinguished Senator, Mr. WYDEN, is here and desires to speak.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Oregon.

AMENDMENT NO. 792

Mr. WYDEN. Mr. President, I thank the distinguished chairman of the committee, Senator DOMENICI. I ask unanimous consent to call up at this time an amendment I filed with Senator DORGAN, No. 792.

Mr. DOMENICI. Reserving the right to object, is there a pending amendment?

The ACTING PRESIDENT pro tempore. There is no pending amendment.

Mr. DOMENICI. He does not need consent to bring up the amendment.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico is correct.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. WYDEN] for himself and Mr. DORGAN proposes an amendment numbered 792.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for the suspension of strategic petroleum reserve acquisitions)

On page 208, strike lines 11 through 20 and insert the following:

(e) FILL STRATEGIC PETROLEUM RESERVE TO CAPACITY.—

(1) DEFINITION OF PRICE OF OIL.—In this subsection, the term ''price of oil'' means the West Texas Intermediate 1-month future price of oil on the New York Mercantile Exchange.

(2) ACQUISITION.—The Secretary shall, as expeditiously as practicable, without incurring excessive cost or appreciably affecting the price of gasoline or heating oil to consumers, acquire petroleum in quantities sufficient to fill the Strategic Petroleum Reserve to the 1,000,000,000-barrel capacity authorized under section 154(a) of the Energy Policy and Conservation Act (42 U.S.C. 6234(a)), in accordance with the sections 159 and 160 of that Act (42 U.S.C. 6239, 6240).

(3) SUSPENSION OF ACQUISITIONS.—

(A) IN GENERAL.—The Secretary shall suspend acquisitions of petroleum under paragraph (2) when the market day closing price of oil exceeds $58.28 per barrel (adjusted in accordance with the Consumer Price Index for all-urban consumers United States city average, as published by the Bureau of Labor Statistics) for 10 consecutive trading days.

(B) ACQUISITION.—Acquisitions suspended under subparagraph (A) shall resume when the market day closing price of oil remains below $40 per barrel (adjusted in accordance with the Consumer Price Index for all-urban consumers United States city average, as published by the Bureau of Labor Statistics) for 10 consecutive trading days.

Mr. WYDEN. I thank the distinguished chairman for his thoughtfulness.

Mr. DOMENICI. I wonder if the Senator would watch the floor for me while I leave for 10 minutes.

Mr. WYDEN. Absolutely. It is my intent to speak on this amendment I offer with Senator DORGAN and then lay it aside. My hope is we can work something out. I know Senator COLLINS and Senator LEVIN are working on something and desire to work with you, as well. If we bring it up now, we can start the discussion on it and work something out.

I see Senator BINGAMAN. He has been so thoughtful throughout the process as well.

Mr. President and colleagues, the reason I have come to the floor today is because oil prices per barrel are now at an all-time record high. If you scour this legislation, it is hard to find anything in it that would provide relief to the American consumer any time soon. It is my hope as we go forward with this debate, at a time when prices are in the stratosphere, that we work in a bipartisan way and at least provide some help in this legislation for the consumer who is getting clobbered by these historically high costs.

What especially concerns me is it seems to this Member of the Senate that the Federal Government actually makes the problem of high oil and gasoline prices worse every day. Every single day, the Federal Government, through its policies, is compounding the problem the consumers are seeing at the pump because it has been the policy of the Federal Government to fill the Strategic Petroleum Reserve at the worst possible time—when prices are at record-high levels.

When the prices are at a record-high level, it seems to me this is not the time to be taking oil out of the private market and putting it in the Government reserve. It just does not make economic sense to add more pressure to what is already a very tight oil supply. Reducing the supply of oil on the market, of course, leads to higher oil prices. That is simply supply and demand. Because oil accounts for 49 percent of the cost of gasoline, that means higher prices for consumers at the pump. For the life of me, I do not see how it makes sense for consumers, who are already paying sky-high prices at the pump, to then have their Government force them to pay higher prices by taking oil out of the private market and putting it into the Strategic Petroleum Reserve. So it does not make sense for the consumer, and, in my view, it does not make sense for taxpayers as well, who have to pay record-high prices for the oil that is taken off the market.

Now, this is not just my opinion. The Senate Energy Committee heard testimony last year by experts who said the policy with respect to filling the Strategic Petroleum Reserve when prices are so high jacks up costs. I asked John Kilduff, senior vice president of energy risk management at Fimat USA, whether the SPR fill rate of 300,000 barrels per day was contributing to oil price increases. Before the committee that day, which the distinguished Senator from New Mexico, Mr. DOMENICI, chairs, and our friend, Senator BINGAMAN, is the ranking minority Member, when we were all in our committee, the expert witnesses said they do believe these policies are contributing to oil price increases. Mr. Kilduff specifically stated:

> A fill rate of 100,000 represents, obviously, 700,000 barrels for a week. At 300,000 it is 2.1 million barrels. A 2.1 million barrel increase in U.S. commercial crude oil inventory in a particular weekly report would be a big build for the particular week and would help with downward pressure on crude oil prices.

So I would say to colleagues that this notion that this is something the Senate can just let the Secretary of Energy do what he wants is belied by the expert testimony we have had before the Senate Energy Committee where experts specifically said that a fill rate of several hundred thousand barrels per day is contributing to oil price increases.

As far as I can tell, under the policy we are now seeing at the Energy Department, it does not matter how high the prices are, they are just going to keep filling the Strategic Petroleum Reserve. They will continue to take oil off the private market no matter how high the prices get.

I would just like to say, Mr. President and colleagues, I am not talking about taking oil out of the Reserve. I know people very often bring that up. I am just saying it does not make sense to have the same fill rate when you are talking about historically high prices because that very high cost of filling it at that point directly hurts the consumer at the pump.

On Friday, and again today, when the price of oil skyrocketed to the highest price ever recorded on the New York Mercantile Exchange, our Government has continued to fill the Strategic Petroleum Reserve. Earlier this spring, when gasoline prices set an all-time record high of $2.28 for a gallon of gas, the Energy Department continued to fill the Strategic Petroleum Reserve. So I say to those who have reservations about what I am advocating, I would simply ask, how high do prices have to go before we stop pursuing policies that drive the prices even higher? At some point, there should be some limit when it comes to the Federal Government actually compounding the difficulties consumers are having at the pump.

Under the language currently in the bill, there are no limits. There seems to be some language about ''excessive'' costs, but there is nothing that actually blocks our Government from filling the Strategic Petroleum Reserve if the price goes even higher than the current record price of $59.23 per barrel. So I want to repeat that. Even if the price goes to $60 or $70 or $80, there is nothing that would force our Government to change its policy of filling the Strategic Petroleum Reserve at these very high prices. So with no restrictions in sight, I guess the Government can just continue indefinitely to fill the Reserve with these record prices.

To address this problem, my amendment directs that the Secretary of Energy suspend the filling of the Strategic Petroleum Reserve when the prices go above the record-high level in the market and stay above that record-high level for 10 consecutive trading days. The suspension of filling would continue until the price of oil falls back down for 10 consecutive days.

I also note the House of Representatives at least is trying to move in the direction of a bit of consumer protection because they have included a prohibition against continuing to fill the Strategic Petroleum Reserve until the price drops below $40 per barrel. Under my amendment, current SPR filling could go forward. But additional filling would be halted when prices are at record-high levels unless there is some consumer protection for our citizens.

The bottom line is we cannot continue to allow filling of the Strategic Petroleum Reserve when our economy suffers due to high gas and oil prices without providing some safety valve. Unless this amendment is adopted or unless we can work out a compromise with Senator COLLINS and Senator LEVIN and other colleagues who worked on this—unless we can get some legislation in place—there will be no standard for action or any certainty there will be some consumer protection for our citizens when oil prices are out of control.

Now, some may argue there should not be these kinds of price triggers for the Strategic Petroleum Reserve. I guess that argument is: Let's just leave it to the Secretary of Energy. Well, there are parts of this bill, such as section 313, that do not leave matters to the Secretary's discretion, such as when you are talking about price relief, royalty relief for oil and gas producers. Section 313 of the legislation has clear price levels for when the oil companies get a break from the normal royalty policy.

So what we have here is a double standard. There are price levels to protect oil and gas producers when it comes to their royalties but absolutely no protection for the consumer who is getting clobbered at the pump and who could get some relief if the Government simply did not fill the Strategic Petroleum Reserve at a time when prices are at a record-high level.

The last point I would make is suspending the fill of the Strategic Petroleum Reserve when prices are at a record-high level will not hurt this country's energy security. The Reserve already has more than 693 million barrels now in storage. That is the highest level in history. The Strategic Petroleum Reserve is expected to be filled to

its current authorized capacity by the end of the summer.

What is more, a 2003 study by the Senate Permanent Investigations Subcommittee found that increased filling of the Strategic Petroleum Reserve when prices were high did not increase overall U.S. oil supplies. Instead, because of the higher prices, oil companies took oil out of their own inventories rather than buy higher priced oil on the market. That does not increase our overall oil supply or our Nation's energy security.

So what we have is record prices for the consumer, record costs in terms of filling the Strategic Petroleum Reserve, and the Federal Government, in effect, providing free oil storage for high-priced oil in the Strategic Petroleum Reserve so oil companies can reduce their own inventories and storage costs. That is not energy security; that is just pounding the consumer and taxpayers once more.

For these reasons, I strongly urge colleagues to place some limits on when the Energy Department can fill the Strategic Petroleum Reserve. When prices are at an all-time high, it seems that to do otherwise denies consumers a fair shake and taxpayers a fair shake. It is my view the Senate can take pressure off the price of a barrel of oil and off consumers who are getting squeezed at the pump without compromising our national security. One way to do it is along the lines of the amendment I propose this afternoon.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I commend the Senator from Oregon for his comments and his amendment.

I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, my colleague, Senator WYDEN, just offered an amendment on his behalf and mine. He spoke in support of it. Obviously, I am a cosponsor so I support the amendment. It is an amendment that is very simple. We are putting oil away underground in something called the Strategic Petroleum Reserve or SPR. The purpose of putting oil underground at this point is in the event that we would have an emergency at some point in the future, we would have a substantial inventory of oil in the Strategic Petroleum Reserve.

That SPR is nearly full. As I understand, it is well over 98 percent filled at this point. Yet we are still, each day, taking about 100,000 barrels of oil off the market and putting it underground at a time when we are effectively paying the highest price ever for that oil in order to put it there.

There are two problems with that. No. 1, at a time when we have very high prices, which means we have lower supplies and higher demand, it makes no sense to have 100,000 barrels a day taken off the market and stuck underground. Even more than that, it makes no sense to do this, with the last increment to be put into the Strategic Petroleum Reserve, at a time when oil is $55, $57, $58 a barrel.

Our amendment is very simple. It would suspend the acquisition of oil at these inflated prices, suspend the acquisition of oil at a time when we need more supply, not less, and it would allow the acquisition to complete filling the SPR when the price of a barrel of oil reaches $40 per barrel or below.

My hope is the Senate will adopt the amendment. It is just common sense. It is not rocket science to believe that if you have a Strategic Petroleum Reserve almost filled, you should not go to the market and take $55 or $57 oil in order to take inventory off the market at a time when you have record prices. That doesn't make any sense.

We are asking that the Senate approve the amendment.

Before the Senator from New Mexico leaves the floor, I have another matter I wish to address, but I don't intend to address something in morning business that would interrupt the work on the bill. I ask unanimous consent to speak in morning business for up to 15 minutes with the understanding that if someone comes to the floor with an amendment on the Energy bill, I will defer. I don't want to delay the bill. I ask unanimous consent for 15 minutes in morning business with that understanding.

Mr. BINGAMAN. I don't think that is going to be any major obstacle to the progress we are making on the Senate floor this afternoon. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The remarks of Mr. DORGAN are printed in today's RECORD under ''Morning Business.'')

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, will the Senator yield to me for 1 minute?

Mr. BUNNING. Absolutely.

Mr. DOMENICI. Mr. President, the distinguished Senator, Mr. BUNNING from the State of Kentucky, is going to speak, and I assume he is going to talk about the Energy bill; is that correct?

Mr. BUNNING. That is correct.

Mr. DOMENICI. I wish to say as a preamble to his speech, for those who are going to listen to him, that he is a member of the Energy and Natural Resources Committee and has been for some time. Most of the time people think that the committee is a committee of interior, public land States, but it also has a lot to do with coal and our energy future, diversification of our energy resources.

We have had a marvelous committee. Part of it is because of Members such as Senator BUNNING. He has been a great participant. He comes to the meetings, he works hard, he offers amendments. He understands we need an energy bill. He does not win all the time, but he has his views, and he has been a strong proponent for us getting our house in order and to use as much American energy as possible for our future. I commend him for it.

I trust we will get a bill out of the Senate and out of conference, one he can vote with not just a ''yea'' but with a hearty ''yea,'' not just one of those softballs but one of those fastballs he used to throw. That is what we are looking for.

I yield the floor and thank the Senator.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky.

Mr. BUNNING. Mr. President, I thank Chairman DOMENICI for his extremely hard work in trying to get an energy policy for the United States since I have been in the Senate.

Many of us have spoken on this Senate floor several times about the need for our national energy policy. We have been here before debating an energy bill. To some, it may seem like the same old song and same old dance. But here we are again. I am more optimistic than I have ever been about finally getting an energy bill to the President's desk.

I commend Chairman DOMENICI for his leadership and determination in helping to put America on an independent path with this energy legislation. It is a pleasure to serve with him on the Energy Committee.

The Energy bill before us is a good starting point that attempts to strike a balance between conservation and production. In the past, Congress failed to make progress on energy policy because we tried to make a choice between conservation and production, but it does not have to be one or the other.

Many of us understand that a balanced and sensible energy policy must boost production of domestic energy sources as well as promote conservation. This Energy bill takes a good step toward striking a balance, and passing an energy bill is important now more than ever.

We all know the price of energy has risen very sharply in the last few years, and it is only going to keep rising. It goes without saying that energy costs touch every single part of our economy and our lives. The average

price of gasoline has risen, for unleaded regular around this country, to about $2.13 a gallon, and the price of oil is bumping up against $60 a barrel. Natural gas, coal, and other fuels have also seen record prices this year. This is hitting Americans in their wallets, especially now when so many families are hitting the road for vacations.

Higher energy prices also slow business growth and force businesses to pass increased pricing on to consumers with higher priced goods. While passing an energy bill might not help energy prices in the short term, it will make a big difference over the long term.

This bill's domestic energy production provisions and increased conservation provisions will help slow these spikes of price increases. But without a new energy policy, there is not much we can do about rising energy prices. Oil producers and production are at full capacity, and with China and India upping their demands for oil, the world oil supply will be drawn down while prices continue to rise. This means that we cannot just try to conserve our way out of any kind of energy problem. We must find other sources of reliable and low-cost fuels or our economy and national security will be at risk.

We continue to depend on oil from some of the most dangerous and unstable parts of the world. It is a recipe for disaster.

The stock market jumps up and down, all around, depending on the latest reports of pipeline sabotage in the Middle East. Everyone wonders where the next terrorist attack is going to hit. We also worry about Iran's developing nuclear weapons, and we are trying with our allies to figure out a diplomatic answer that will bring stability to the region. But the Iranians do not have a lot of incentive to deal when they are getting nearly $60 a barrel for their oil. In a way, our increasing need for energy is cutting our influence in the part of the world where we need it the most. We have to reduce our reliance on foreign oil and do a better job internally of taking care of our own energy needs.

Congress has been playing political football with this issue over the past few Congresses, and it is time to end the game. Our Nation and our national security continue to be at risk. We do not want the United States beholden to other countries just to keep our engines running and our lights turned on.

It impresses me to know that the bill contains some strengthened electrical provisions. We have outgrown our electrical system, and changes need to be made. One of the provisions in the bill is PUHCA repeal, which will go a long way in helping our energy system meet increasing demands.

Also, we desperately need to build new transmission lines. I am glad to see that this bill has some provisions which will help ensure that happens. Building a better electric system, however, should not require mandates for electricity companies to get into regional transmission organizations. States and companies should be able to decide on their own what is best for their consumers. So I am pleased to see a provision in the bill that explicitly prevents FERC from mandating RTOs.

The Energy bill will also help reduce our dependence on foreign oil by increasing domestic energy production. It also provides important conservation provisions which will help protect the environment. And because coal is such a key industry in Kentucky, I am pleased that this bill contains clean coal provisions that I have authored and been pushing for a long time. The clean coal provisions will help to increase domestic energy production and help improve the environment.

Coal is an important part of our energy plans. It is cheap, plentiful, and we do not have to go very far to find it. For my home State and the States of others, this means more jobs and a cleaner place to live. Clean coal technologies will significantly reduce emissions and sharply increase efficiencies in turning coal into electricity.

Previously, our Government overpromoted production of one source of energy—natural gas. This not only depleted our supply, but it created so much demand that it completely outstripped supply and left Americans to pay higher prices for just this one energy source.

A sound energy policy should promote the use of many different types of fuels and technologies instead of favoring just one source. As we have seen time and again, putting all our eggs in one basket simply does not work.

I am glad we are turning things around and taking steps toward making sure clean coal and other sources play a vital role in meeting our future energy needs.

This bill encourages research and development of clean coal technology by authorizing about $2.4 billion for the department of energy.

These funds will be used to advance new technologies to significantly reduce emissions and increase efficiency of turning coal into electricity.

And almost $2 billion will be used for the clean coal power initiative.

This is where the Department of Energy will work with industry to advance efficiency, environmental performance, and cost competitiveness of new clean coal technologies.

And the Finance Committee's energy tax package provides $2.7 billion to encourage the use of coal and deployment of clean coal technologies.

Coal plays an important role in our economy. It provides over 50 percent of the energy needed for our Nation's energy.

The Energy Information Administration expects coal will continue to remain the primary fuel for electricity generation over the next 2 decades.

As my colleagues can see, I am a little biased when it comes to coal.

It means so much to my State, and it is such an affordable and plentiful fuel to help America in her quest for energy independency.

The 21st century economy is going to require increased amounts of reliable, clean, and affordable energy to keep our Nation running, and clean coal can help fill that requirement.

With research advances, we have the know-how to better balance conservation with the need for increased energy production at home.

The diversity of this energy package to promote new fuels is quite impressive.

There are provisions for nuclear, hydro-power, solar, wind, bio-fuels and other renewable energy sources.

All this put together with the bill's conservation provisions will help America meet its sensible and long-term energy strategy and goals.

I look forward to the continued debate and consideration of this bill.

And I hope we can get it approved, conferenced and sent to the President's desk for his consideration.

The quicker we can do this, then the sooner we can help make our environment, economy, and national security stronger, and the sooner we can become more energy independent from other sources.

I yield the floor.

Mr. JEFFORDS. Mr. President, I want to address some statements made last week, during the debate on the Bingaman amendment No. 791, regarding community acceptance of renewable energy in Vermont. After I left the floor, one Senator tried to make a point in opposition to the creation of a national renewable portfolio standard by referencing some opposition to a wind power project in Vermont. I want to set the record straight: though we have had some siting issues, Vermonters overwhelmingly support renewable energy over nuclear, coal, or natural gas.

The Senate should not confuse local concerns about the appropriate location for wind power siting in Vermont as a monolithic objection to any new renewable energy in my State. In fact, the views are contrary to such a conjuncture, even in the case of wind power. Numerous polls throughout the last decade have consistently shown that Vermonters support wind energy. In fact, a survey in March 2004 found 74 percent of respondents said they would consider wind turbines along a Vermont mountain ridge either beautiful or acceptable. The same survey found 83 percent of Vermonters choose renewable energy from wind, solar, hydro and wood as preferable to other energy sources.

Lawrence Mott, Chair of Renewable Energy Vermont, which commissioned the energy poll said, ''It's clear, Vermonters want more renewable energy, including wind turbines, and that they find installation on ridgelines very acceptable.''

Vermont's history with wind power goes back to the turn of the century when farmers used windmills to pump

drinking water from their wells. One of the first great experiments in converting wind to energy was conducted atop a peak in Vermont called Grandpa's Knob in Castleton, Vermont. It was, at the time, the world's largest wind turbine and produced 1.25 MW with the first synchronous electric generator. I recall visiting this wind turbine with my grandfather, an architect, and we marveled at its beauty and ingenuity. It was the first time energy from a wind turbine was interconnected to the utility grid.

Vermont's interest in wind power has continued to grow since then. Just look at Green Mountain Power's wind farm in Searsburg, Vermont. Eleven wind turbines generate enough electricity to power more than 2,000 homes, reducing toxic air emissions by 22 million pounds compared to the impacts if that amount of electricity had been produced through combustion of fossil fuels.

Vermont has a tremendous capacity for wind power, as several of my colleagues have demonstrated with wind maps produced from the U.S. Department of Energy. Industry representatives in Vermont envision a handful of wind farms scattered about Vermont producing enough electricity to power about 50,000 homes, which would account for about 10 percent of the State's electricity needs.

Last week, Vermont Governor Jim Douglas signed a new renewable energy bill into law. He did so at the manufacturing plant of Northern Power Systems, a world leader in off-grid power systems. Northern Power is about to ship seven 100-kilowatt wind turbines to three communities in remote western Alaska, and the Governor used a 31-foot-long blade from one of these turbines as his writing table.

Clearly, Vermont's Governor and Vermont's legislators see the value of renewable energy. A large majority of Vermonters support wind energy and renewable energy. And I am very optimistic about the role wind energy can play in satisfying a growing proportion of this Nation's energy needs.

Last week the Senate defeated an important amendment that would have helped set this nation on a course to significantly reduce our reliance on foreign oil. It is unfortunate that a majority of my colleagues did not see fit to put the U.S. on the right course—to break our addiction to foreign oil.

H.R. 6 requires a 1 million barrel a day oil saving goal. Unfortunately, this goal would actually result in more oil being imported, not less. In fact, the U.S. will still be importing 14.4 million barrels a day under the underlying bill's goal. Slowing down the increased rate of consumption alone is not enough. We should be setting an ambitious goal that actually reduces imported oil, not a goal that will result in more oil being imported.

Instead, the Senate refused to set a national goal to reduce the Nation's addiction to foreign oil. The Cantwell amendment would have established that goal—to reduce U.S. dependence on foreign oil by 40 percent by 2025. By turning our backs on this goal, we are sending the wrong message. Reducing our addiction to foreign oil is essential to the economic security of our Nation. We cannot continue to rely on unstable foreign countries for the energy that runs the economic machine of this Nation.

Fluctuating energy prices and instability in the Middle East once again are prompting calls for energy independence for the U.S.

Federal efforts to ensure freedom from fluctuations in energy prices have been advocated by every President, both Republican and Democrat, since 1973 and the infamous oil boycott. As Americans we count on energy to protect our security, to fuel our cars, to provide heat, air conditioning and light for our homes, to manufacture goods, and to transport supplies. In all of these needs, we, as consumers, pay the price for fluctuations in the global energy market.

Reducing our reliance on foreign oil is essential and the most basic step we need to take to address this crisis. The Cantwell amendment would have resulted in about 7.6 million barrels per day less oil being imported in 2025. Those savings are equivalent to the amount of oil the U.S. currently imports from Saudi Arabia. We can and should stop the oil cartels from controlling the future of this Nation.

In addition, I believe setting an oil saving goal could have beneficial effects on our air quality. Since a vast majority of current oil consumption is from the transportation sector, I believe setting an oil saving goal would encourage auto manufacturers to voluntarily improve efficiency of cars and trucks. As our population continues to grow and more people are driving more miles, it is essential to our air quality to continue to improve fuel efficiency of the vehicles we drive.

As it stands now, this bill does not require auto manufacturers or others in the transportation sector—the plane, train and truck sector—to meet corporate average fuel economy standards. I believe increased fuel economy standards can and should also be included in this bill. But short of adding new standards, setting this goal would have been a significant step in that direction.

By failing to set an oil saving goal, I think we have failed to state one of the most basic goals of this bill—a real reduction the amount of foreign imported oil.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator is recognized.

AMENDMENT NO. 799

Mr. VOINOVICH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. VOINOVICH], for himself, Mr. CARPER, and Mrs. FEINSTEIN, proposes an amendment numbered 799.

Mr. VOINOVICH. I ask unanimous consent the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. VOINOVICH. Mr. President, I offer this amendment today as chairman of the Environment and Public Works Subcommittee on Clean Air, Climate Change, and Nuclear Safety. This amendment is a bipartisan piece of legislation that was introduced last Thursday. It is called the Diesel Emissions Reduction Act of 2005, or S. 1265.

This bill is cosponsored by Environment and Public Works Committee Chairman JIM INHOFE and Ranking Member JIM JEFFORDS and Senators TOM CARPER, JOHNNY ISAKSON, HILLARY CLINTON, KAY BAILEY HUTCHISON, and DIANNE FEINSTEIN. Focused on improving air quality and protecting public health, it would establish voluntary National and State-level grant and loan programs to promote the reduction of diesel emissions. Additionally, the bill would help areas come into attainment for the new air quality standards.

Developed with environmental, industry, and public officials, the legislation complements Environmental Protection Agency, EPA, regulations now being implemented that address diesel fuel and new diesel engines. I am pleased to be joined by a strong and diverse group of organizations and officials: Environmental Defense, Clean Air Task Force, Union of Concerned Scientists, Ohio Environmental Council, Caterpillar Inc., Cummins Inc., Diesel Technology Forum, Emissions Control Technology Association, Associated General Contractors of America, State and Territorial Air Pollution Program Administrators/Association of Local Air Pollution Control Officials, Ohio Environmental Protection Agency, Regional Air Pollution Control Agency in Dayton, OH., and the Mid-Ohio Regional Planning Commission.

The cosponsors and these groups do not agree on many issues, which is why this amendment is so special. I ask unanimous consent that letters of support from these organizations be printed in the RECORD.

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

CATERPILLAR INC.,
Mossville, IL, June 16, 2005.

Hon. GEORGE VOINOVICH,
U.S. Senate,
Washington, DC.

DEAR SENATOR VOINOVICH: Caterpillar is in full support of the Diesel Emissions Reduction Act of 2005. Thank you for assembling a broad coalition of stakeholders in this bipartisan effort to modernize and retrofit millions of diesel engines across the country. It is impressive to see such a strong coalition of environmental groups, regulators and industry representatives working hard to advance retrofit as a national energy and environmental policy issue.

As a company. Caterpillar has invested more than $1 billion in new clean diesel engine technology. No power source can match the reliability, efficiency, durability and cost effectiveness of the diesel engine. From the late 1980s to 2007, Caterpillar will have reduced diesel emissions in on-road trucks and school buses by 98 percent. When meeting Environmental Protection Agency Tier 4 regulations, Caterpillar will reduce emissions for off-road machines an additional 90 percent by 2014. This ensures that clean diesel engines will continue to be the workhorses of our economy for years to come.

Our customers who operate fleets of buses, trucks, construction machines and the equipment that safeguards our homes and lives in non-attainment areas are very interested in retrofit technology. However, they need a nationally consistent approach to address these challenges. Your bill, which focuses on grants and loans, wisely lets the market determine the right technologies for various product applications. Retrofitted engines last longer and, most importantly, have fewer emissions.

Thank you again for your commitment to this legislation. You can count on Caterpillar's support as the bill moves forward in Congress.

Sincerely,

JAMES J. PARKER,
Vice President.

ENVIRONMENTAL DEFENSE,
New York, NY, June 17, 2005.

Re Introduction of the Diesel Emission Reduction Act of 2005.

Hon. GEORGE V. VOINOVICH,
U.S. Senate,
Washington, DC.

DEAR SENATOR VOINOVICH, I am writing to express Environmental Defense's support for the Diesel Emission Reduction Act of 2005 which you are introducing today.

As you are aware the U.S. Environmental Protection Agency's regulations establishing new standards for diesel buses and freight trucks and new nonroad diesel equipment will slash diesel emissions by more than 80% from 2000 levels, ultimately saving 20,000 lives a year in 2030. But because these federal standards apply only to new diesel engines and because diesel engines are so durable, the high levels of pollution from existing diesel sources will persist throughout the long lives of the engines in service today.

Your legislation establishing a national program to cut pollution from today's diesel engines would speed the transition to cleaner diesel engines and achieve healthier air well in advance of that schedule. The program design principles embodied in your bill help ensure that the funds for diesel emission reduction projects will be spent in an equitable and efficient manner.

Environmental Defense has long been a proponent of smart policy design. We have promoted market-based and cost-effective programs such as cap-and-trade as a solution to a variety of environmental issues dating back to the 1990 Clean Air Act Amendment.

Environmental Defense commends you on your leadership in cleaning up the existing diesel fleet. We look forward to working with you and your staff to ensure the passage and funding of the Diesel Emission Reduction Act.

Sincerely,

FRED KRUPP,
President.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA,
Alexandria, VA, June 15, 2005.

Hon. GEORGE V. VOINOVICH,
U.S. Senate,
Washington, DC.

DEAR SENATOR VOINOVICH: The Associated General Contractors of America (AGC) thanks you for taking the lead in introducing The Diesel Emissions Reduction Act (DERA) to provide assistance for owners to retrofit their diesel powered equipment. The legislation would establish grant and loan programs to achieve significant reduction in diesel emissions. This initiative could prove to be extremely beneficial to local areas attempting to come into compliance with the Clean Air Act.

The construction industry welcomes this legislation because it will provide the needed assistance to help contractors retrofit their off road equipment. Contractors use diesel powered off road equipment to build projects that enhance our environment and quality of life by improving transportation system, water quality, offices, homes, navigation and other vital infrastructure. This equipment tends to have a long life, and therefore is in use for many years before it is replaced.

Reducing the emissions from the engines that power this equipment is a costly undertaking and is particularly burdensome for small businesses. Providing grants to aid contractors with the expense of retrofitting is a highly cost effective use of federal funds.

AGC applauds your efforts in taking an incentive approach to addressing environmental concerns. AGC urges that this legislation be enacted quickly so that environmental benefits can be achieved as soon as possible.

Sincerely,

STEPHEN E. SANDHERR,
Chief Executive Officer.

CUMMINS INC.,
Washington, DC, June 14, 2005.

Hon. GEORGE V. VOINOVICH,
U.S. Senate,
Washington, DC.

DEAR SENATOR VOINOVICH: Cummins Inc. strongly supports the Diesel Emissions Reduction Act of 2005, which establishes a voluntary national retrofit program aimed at reducing emissions from existing diesel engines, and congratulates you on your efforts to bring the diesel industry and environmental groups together on this effort.

The Diesel Emissions Reduction Act of 2005 recognizes the clean air challenges ahead of us and puts in place a system to help address them. In the near future, states must develop plans to address particulate matter and ozone emission reductions to meet the new air quality standards. A federally sponsored voluntary diesel retrofit initiative is a great tool to help states and communities meet these new air quality standards. Your legislation recognizes that one size does not fit all, and there are a number of technologies, which can be implemented to modernize diesel fleets. The term retrofit not only describes an after treatment exhaust device used to reduce key vehicle emissions but also refers to engine repair/rebuild, refuel, repower, and replacement.

The Diesel Emissions Reduction Act of 2005 represents a sound use of tax payer dollars. Diesel retrofits have proven to be one of the most cost-effective emissions reductions strategies. Furthermore, another advantage to retrofits is that reductions can be realized immediately after installation and can be particularly important in metropolitan areas where high volumes of heavy-duty trucks are prevalent and/or where major construction projects are underway for long periods of time.

Finally, I, again, wanted to congratulate you on your efforts to bring our industry together with the environmental community on this legislation. This legislation is truly a model on how to find solutions to environmental problems. It is our hope that the process, which you put together to craft this legislation, can be used to further address the older fleets as well as advance efforts, which recognize the energy efficiency and environmental benefits of clean diesel technologies.

Again, Cummins thanks you for your vision on these issues and looks forward to working with you to pass this legislation.

Very truly yours,

MIKE CROSS,
Vice President, Cummins Inc. and General Manager, Fleetguard Emission Solutions.

DIESEL TECHNOLOGY FORUM,
Frederick, MD, June 9, 2005.

Hon. GEORGE VOINOVICH,
U.S. Senate,
Washington, DC.

DEAR SENATOR VOINOVICH: We would like to recognize and thank you for your leadership in developing the Diesel Emissions Reduction Act of 2005. We are especially encouraged by the broad coalition of industry and environmental groups from whom you have successfully sought not just cooperation, but real collaboration in development and support of this important legislation.

As you know, the recent advancements in new clean diesel technology have been substantial. New emissions control devices such as particulate filters oxidation catalysts, and other technologies will play an important role in the clean diesel system of the future, allowing new commercial truck engines to be over 90 percent lower in emissions than those built just a dozen years ago. And, as we have learned over the last 5 years, these technologies can also be applied to some existing vehicles and equipment. Your legislation will play an important role in helping to deploy more clean diesel retrofit technologies to thousands of small businesses and equipment owners who might otherwise not be able to afford the upgrading of their equipment.

Because of its unique combination of energy efficiency, durability and reliability, diesel technology plays a critical role in many industrial and transportation sectors, powering two-thirds of all construction and farm equipment and over 90 percent of highway trucks. Diesel technology has played and will continue to play a vital role in key sectors of our economy. Thanks to your legislation, diesel technology will continue to serve these sectors and help assure this country's continued clean air progress.

We look forward to continuing to promoting a greater awareness of the benefits of clean diesel retrofits and your legislation.

Sincerely yours,

ALLEN R. SCHAEFFER,
Executive Director.

STATE OF OHIO
ENVIRONMENTAL PROTECTION AGENCY,
Columbus, OH, June 15, 2005.

Hon. GEORGE V. VOINOVICH,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR VOINOVICH: It has been a great pleasure to meet you and discuss air quality issues with you over these last few months. Ohio's air quality has improved dramatically over the last 30 years. However, as you are well aware, Ohio faces a significant challenge in achieving compliance with the new federal air quality standards for ozone and fine particle matter. We have 33 counties that don't meet the more stringent ozone standard, and all or part of 32 counties that don't meet the more stringent particulate standard.

Diesel emissions are part of the problem in both of those scenarios. That is why I am so encouraged by your efforts to develop bipartisan legislation to provide federal financial assistance for a voluntary diesel retrofit initiative. In many cases, lack of funding is the only thing keeping people from using the cleaner technology that is available.

As Ohio develops its clean air plans for ozone and particulate matter, we need to consider every tool available to us. A funding program to help reduce pollution from diesel engines is a valuable tool.

I look forward to the successful passage of your bill and the clean air benefits it bring to Ohio and the nation.

Sincerely,

JOSEPH P. KONCELIK,
Director.

OHIO ENVIRONMENTAL COUNCIL,
Columbus, OH, June 13, 2005.

Subject: Diesel Emissions Reduction Act of 2005.

Hon. GEORGE VOINOVICH,
U.S. Senate,
Washington, DC.

DEAR SENATOR VOINOVICH: The Ohio Environmental Council offers its hearty support for the Diesel Emissions Reduction Act of 2005. This landmark legislation will help clean up one of Ohio's and the nation's largest sources of dangerous air pollution; diesel engines.

From our initial meeting with you in April of 2004 to discuss the impacts of diesel pollution, we have been impressed by your leadership in addressing this significant contributor to Ohio's, and the nation's, air quality problems. As you know, approximately one-third of Ohio counties are failing federal air quality standards for ground-level ozone and fine particulate matter. Much of the nation faces a similar burden with an estimated 65 million people living in areas exceeding the fine particulate standard and 111 million people living in areas exceeding the 8-hour ozone standard.

Diesel engines contribute significantly to this problem with on-road and off-road diesel engines accounting for roughly one-half of the ozone contributing nitrogen oxide and fine particulate mobile source emissions nationwide. According to EPA, diesel exhaust also contains over 40 chemicals listed as hazardous air pollutants (HAPs), some of which are known or probable human carcinogens including benzene and formaldehyde. Numerous studies have suggested that diesel pollutants contribute to health effects such as asthma attacks, reduced lung function, heart and lung disease, cancer and even premature death.

Fortunately, unlike many complex environmental problems that have very complicated solutions, the clean-up of diesel air pollution is easy. Technologies are available today to retrofit existing diesel engines, reducing emissions from the tailpipe by 20–90%—reductions realized immediately after installation. In fact, due to EPA's Diesel Rules, starting in 2007 we will see the cleanest diesel engines ever coming off production lines. Unfortunately, those rules do not address the 11 million diesel engines in use today. In order to meet EPA's goal to modernize 100% of these existing engines by 2014, states and fleets will need assistance.

That is why the Diesel Emissions Reduction Act of 2005 is so imperative. It will establish an unprecedented $200 million annual national grant and loan program to assist states, organizations and fleets in reducing emissions from diesel engines. These efforts will serve to help counties in complying with federal air standards as well as minimize the health toll of diesel emissions on the public.

I am proud to offer the Ohio Environmental Council's support to you, Senator Voinovich, with the introduction of the Diesel Emissions Reduction Act of 2005.

Sincerely,

VICKI L. DEISNER,
Executive Director.

MID-OHIO REGIONAL PLANNING COMMISSION,
Columbus, OH, June 14, 2005

Hon. GEORGE V. VOINOVICH,
U.S. Senate,
Washington, DC.

DEAR SENATOR VOINOVICH: Our membership, comprised of 41 local governments in central Ohio, has identified our ozone and PM2.5 nonattainment status as one of the most daunting challenges facing our region. Numerous health studies demonstrate the negative health impacts of polluted air, especially for asthmatic children and older adults with heart disease. In addition to these, health impacts, failure to clean up our air could inhibit business expansion and investment in transportation.

Freight transportation is one of the primary growth sectors for central Ohio. Yet, we do not want growth at the expense of a diminished quality of life for our residents. Therefore, it is important that we do whatever we can to encourage public and private on and off-road fleets to improve emissions from existing diesel engines that will continue to operate for many years.

MORPC's Air Quality Committee is working diligently with a broad coalition of local governments, manufacturers, industry, health organizations, and environmental groups to identify and implement cost effective ways to reduce nitrogen oxide (NO_X) and particulate matter (PM) emissions that contribute to ozone and particle pollution in central Ohio. We strongly support the introduction of the Diesel Emissions Reduction Act of 2005 to provide federal funds to spur local investment in voluntary diesel emission reduction programs. This will be an invaluable tool to help us meet the Environmental Protection Agency's (EPA) ambient air quality standards.

We look forward to working with you to continue to develop support for the Diesel Emissions Reduction Act of 2005. Please let me know if we can be of any assistance.

Sincerely,

WILLIAM C. HABIG,
Executive Director.

CLEAN AIR TASK FORCE,
Boston, MA, June 16, 2005.

Re Letter of support for the Diesel Emissions Reduction Act of 2005.

Hon. GEORGE V. VOINOVICH,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR VOINOVICH: The Clean Air Task Force is proud to be one of the core members of a group of industry, environmental and government representatives that worked together on a collaborative effort to find ways of reducing harmful emissions of air pollution from existing diesel engines. We strongly support legislation that grew out of that effort, the Diesel Emissions Reductions Act of 2005. We thank you and your staff for your leadership on this important issue.

Heavy-duty diesel engines powering vehicles and equipment such as long-haul trucks, buses, construction equipment, logging and agricultural equipment, locomotives and marine vessels produce a wide variety of dangerous air pollutants, including particulate matter, nitrogen oxides and air toxics. These pollutants, emitted at ground level often in populated areas, produce substantial harm to human health and the environment, up to and including premature death.

Recently, EPA has determined that 65 million people live in areas where the air contains unhealthy levels of fine particulate matter ($PM_{2.5}$), areas that EPA has thus classified as nonattainment for the $PM_{2.5}$ NAAQS. In order for those areas to meet the attainment requirements in the Clean Air Act, substantial reductions of $PM_{2.5}$ emissions will be required. The largest local source of potential $PM_{2.5}$ reductions in most urban areas is the existing fleet of heavy-duty diesel engines. Although EPA has promulgated regulations to substantially reduce emissions from heavy duty highway and nonroad diesels, many of these engines are long-lived and the air quality benefits of EPA's new engine rules won't be fully realized for more than two decades—a full generation away and long past applicable NAAQS attainment deadlines.

Fortunately, efficient and cost-effective means of substantially reducing diesel emissions are readily available today. For example, diesel particulate filters can reduce diesel $PM_{2.5}$ emissions by about 90% from many heavy-duty diesel engines. Widespread use of such controls could dramatically reduce harmful diesel emissions in our cities and states, would save thousands of lives, produce billions of dollars of societal benefits, and help states meet their attainment obligations under the Clean Air Act.

One of the primary barriers to the widespread installation of diesel emission control technology is a lack of resources. Many heavy-duty diesel fleets, such as buses, refuse trucks, highway maintenance equipment, trains and ferries are owned or operated by public agencies with limited resources.

The Diesel Emissions Reduction Act of 2005 will provide $200 per year for the next 5 years to help fund reductions of air pollution from in-use diesel engines, including those operated by cash-strapped public agencies. This will produce human health and environmental benefits far in excess of the costs, and will provide timely assistance to many areas to help them achieve EPA's health based air quality standards for particulate matter and ozone.

CATF urges your support of the Diesel Emissions Reductions Act of 2005.

Very truly yours,

CONRAD G. SCHNEIDER,
Advocacy Director.

STATE AND TERRITORIAL AIR POLLUTION PROGRAM ADMINISTRATORS/ ASSOCIATION OF LOCAL AIR POLLUTION CONTROL OFFICIALS,
Washington, DC, June 14, 2005.

Hon. GEORGE V. VOINOVICH,
Chairman, U.S. Senate, Committee on Environment and Public Works, Subcommittee on Clean Air, Climate Change and Nuclear Safety, Washington, DC.

DEAR CHAIRMAN VOINOVICH: On behalf of the State and Territorial Air Pollution Program Administrators (STAPPA) and the Association of Local Air Pollution Control Officials (ALAPCO)—the national associations of state and local air pollution control agencies in 53 states and territories and more than 165 metropolitan areas across the country—I am pleased to offer support for the Diesel Emissions Reduction Act of 2005 and to commend your leadership in introducing this legislation and in working with a broad coalition of diverse stakeholders to draft it.

Emissions from dirty diesel engines pose serious threats to public health and the environment. These emissions are not only substantial contributors to unhealthful levels of ozone and fine particulate matter ($PM_{2.5}$), they cause or exacerbate unacceptably high levels of toxic air pollution in most areas of the country. Although our nation has taken significant action to reduce emissions from new highway and nonroad diesel engines, and additional federal measures are planned to address new diesel marine and locomotive engines, several critical opportunities remain for achieving further reductions in diesel emissions. Chief among them is cleaning up existing diesel engines by retrofitting these engines with new emission control technologies. By authorizing funds for grants and loans to states and other organizations for the purpose of reducing emissions from diesel engines, the Diesel Emissions Reduction Act of 2005 will help states and localities achieve their air quality goals, including attaining and maintaining health-based National Ambient Air Quality Standards for ozone and $PM_{2.5}$ and reducing exposure to toxic air pollution.

STAPPA and ALAPCO are pleased to support this bill and look forward to working with you and other stakeholders as it proceeds through the legislative process.

Sincerely,

S. WILLIAM BECKER,
Executive Director.

UNION OF CONCERNED SCIENTISTS,
Washington, DC, June 10, 2005.

The Union of Concerned Scientists, and our 140,000 members and activists nationwide, strongly support the Diesel Emissions Reduction Act of 2005. This landmark legislation will improve air quality across the country by providing $200 million in grants and loans to reduce pollution from diesel vehicles and equipment.

The exhaust from conventional diesel-powered engines may cause or exacerbate serious health problems such as asthma, bronchitis and cancer, and can even lead to premature death. In addition to its public health toll, diesel exhaust exacts enormous social costs, with escalating health care expenditures, loss of work and school days, and the most costly impact of all—the loss of human lives.

Although standards for new diesel engines offer important health benefits, they do not address the biggest polluters: existing diesel engines. The bulk of diesel pollution now and for the next decade or more come from engines already in use. Fortunately, there are a wide range of readily available cleanup technologies and strategies, including replacing high-polluting engines and retrofitting with emissions controls. The Diesel Emissions Reduction Act will help get diesel cleanup technologies off the shelf and onto today's vehicles and equipment.

USC is pleased to be part of a diverse coalition of groups—including environmental and health groups, the diesel industry, and public agencies—that is working collaboratively on reduciug diesel pollution. This unique mix of voices all agree that reducing pollution from diesel engines is a public health priority, and that federal and state funding is a key strategy to clean up diesel engines.

The Diesel Emissions Reduction Act will accelerate the public health benefits of the new engine emissions standards, and will help Americans breathe easier.

Sincerely,

PATRICIA MONAHAN,
Senior Analyst, Transportation Program.

REGIONAL AIR POLLUTION CONTROL AGENCY,
Dayton, OH, June 15, 2005.

Hon. GEORGE V. VOINOVICH,
Chairman, U.S. Senate, Committee on Environment and Public Works, Subcommittee on Clean Air, Climate Change and Nuclear Safety, Washington, DC.

DEAR SENATOR VOINOVICH: The Regional Air Pollution Control Agency (RAPCA) would like to express our support for the Diesel Emissions Reduction Act of 2005. RAPCA is a six county local air pollution control agency charged with protecting the residents of the Dayton/Springfield area from the adverse health impacts of air pollution. We would like to thank you and your staff for offering this vital piece of legislation which will greatly help the citizens of our area breathe healthier air.

Diesel emission reductions offer a significant opportunity in the effort to clean the nation's air. Diesel emissions represent approximately one-half of the nitrogen oxide and particulate matter emissions from the mobile source sector and numerous air toxics.

Like many areas across the county, the Dayton/Springfield area is nonattainment for both ozone and fine particulate matter. RAPCA strongly believes that this bill provides a unique opportunity to help the area attain these standards, especially fine particulates, as well as reducing the health risks associated with air toxics. Furthermore, many of the diesel vehicles that would be affected by this bill operate in the urban core, thus providing health benefits to many individuals.

Again we would like to express our sincere thanks to you for offering the Diesel Emissions Reduction Act of 2005, which will help millions of Americans breathe easier.

Sincerely,

JOHN A. PAUL,
Supervisor.

EMISSION CONTROL TECHNOLOGY ASSOCIATION,
Washington, DC, June 14, 2005.

HON. GEORGE VOINOVICH,
U.S. Senate,
Washington, DC.

DEAR SENATOR VOINOVICH: On behalf of the Emission Control Technology Association (ECTA), I would like to thank you for introducing the Diesel Retrofit Reduction Act of 2005, and advise you of our wholehearted support for this legislation. If enacted, this legislation will help states to reduce diesel engine emissions, thereby, strengthening the economy, public health, and the environment.

On-road heavy duty diesel vehicles and non-road diesel vehicles and engines account for roughly one-half of the nitrogen oxide (NO_X) and particulate matter (PM) mobile source emissions nationwide. These emissions contribute to ozone formation, fine particulate matter, and regional haze. With more than 167 million Americans living in counties that do not achieve the National Ambient Air Quality Standard (NAAQS) established by the Environmental Protection Agency, it is more important than ever that states and other organizations are given the means to address this growing problem. Clean diesel retrofits are a highly cost effective means of reducing these emissions, costing approximately $5,000 per ton equivalent of air pollution removed. The Diesel Retrofit Reduction Act of 2005 will ease the growing burden states are feeling as they strive to reach attainment of these national standards, by providing them with grants and loans for the purpose of reducing emissions from diesel engines.

There are several programs that demonstrate the achievements made by clean diesel retrofits. A prime example is the Metropolitan Transportation Commission (MTC) Retrofit Program in San Francisco, California. As part of the MTC program, more than 1,700 emission control systems were installed on diesel buses. It is estimated that 2,500 pounds of NO_X and 300 pounds per day of particulates will be eliminated as a result of the MTC transit bus retrofit program. We are certain that the Diesel Retrofit Reduction Act of 2005 will accomplish similar feats upon its passage.

ECTA thanks you for authoring this important legislation and for your leadership on this issue. We look forward to working with you and your staff to ensure its passage.

Sincerely,

TIMOTHY REGAN,
President.

Mr. VOINOVICH. The process for developing this legislation began last year when several of these organizations came in to meet with me. They informed me of the harmful public health impact of diesel emissions. On-road and non-road diesel vehicles and engines account for roughly one-half of the nitrogen oxide and particulate matter mobile source emissions nationwide.

I was pleased to hear that the administration had taken strong action with new diesel fuel and engine regulations, which were developed in a collaborative effort to substantially reduce diesel emissions. However, I was told that the full health benefit would not be realized until 2030 because these regulations address new engines and the estimated 11 million existing engines have a long life. Diesel engines have a very long life.

I was pleased that they had a constructive suggestion on how we could address this problem. They informed me of successful grant and loan programs at the State and local level throughout the Nation that are working on a voluntary basis to retrofit diesel engines.

I was also cognizant that the new ozone and particulate matter air quality standards were going into effect and that a voluntary program was needed to help the Nation's 495 and Ohio's 38 nonattainment counties—especially those that are in moderate nonattainment like Northeast Ohio.

Additionally, I have visited with University of Cincinnati Medical Center

doctors—as recently as earlier this month—to discuss their Cincinnati Childhood Allergy and Air Pollution Study. Some of the early results indicate disturbing impacts on the development of children living near highways because of emissions from diesel engines.

It became clear to me that a national program was needed. We then formed a strong, diverse coalition comprised of environmental, industry, and public officials. The culmination of this work was released last Thursday with the introduction of the Diesel Emissions Reduction Act of 2005.

The amendment that I am offering today is the same as this bill. It would establish voluntary national and State-level grant and loan programs to promote the reduction of diesel emissions. The amendment would authorize $1 billion over 5 years—$200 million annually. Some will claim that this is too much money and others will claim it is not enough—so probably it is the right number.

We should first recognize that the need far outpaces what is contained in the legislation. This funding is also fiscally responsible as diesel retrofits have proven to be one of the most cost-effective emissions reduction strategies. For example, let's compare the cost effectiveness of diesel retrofits versus current Congestion Mitigation and Air Quality program projects.

We are talking about the per ton of Nitrogen Oxides reduced, cost on average. We are talking about 1 ton of nitrogen oxides and how much it costs to reduce them: $126,400 for alternative fuel buses; $66,700 for signal optimization; $19,500 for bike racks on buses; and $10,500 for vanpool programs.

This is compared to $5,390 to repower construction equipment and $5,000 to retrofit a transit bus.

The bottom line is that if we want to clean up our air to improve the environment and protect public health, diesel retrofits are one of the best uses of taxpayers' money.

Furthermore, as a former Governor, I know firsthand that the new air quality standards are an unfunded mandate on our States and localities—and they need the Federal Government's help. We are going to find that out. Many Americans are not aware, because of the ozone and particulate standards that many communities are going to have a difficult time complying with these new ambient air standards.

This legislation would help bring counties into attainment by encouraging the retrofitting or replacement of diesel engines, substantially reducing diesel emissions and the formation of ozone and particulate matter.

The amendment is efficient with the Federal Government's dollars in several ways. First, 70 percent of the program would be administered by the EPA. The remaining 20 percent of the funding would be distributed to States that establish voluntary diesel retrofit programs. Ten percent of the amendment's overall funding would be set aside as an incentive for state's to match the Federal dollars being provided.

The hope is this amendment leverages additional public and private funding with the creation of State level programs throughout this country. The amendment would expand on very successful programs that now exist in Texas and California.

Second, the program would focus on nonattainment areas where help is needed the most.

Third, it would require at least 50 percent of the Federal program to be used on public fleets since we are talking about using public dollars.

Fourth, it would place a high priority on the projects that are the most cost effective and affect the most people.

Lastly, the amendment includes provisions to help develop new technologies, encourage more action through nonfinancial incentives, and require EPA to reach out to stakeholders and report on the success of the program.

EPA estimates this billion-dollar program would leverage an additional $500 million, leading to a net benefit of almost $20 billion with the reduction of 70,000 tons of particulate matter. This is a quite substantial 13–1 cost-benefit ratio.

The Diesel Emissions Reduction Act of 2005 enjoys broad bipartisan support and is needed desperately. I urge my colleagues to vote for this amendment.

I ask for the yeas and nays, and I ask unanimous consent 10 minutes be set aside prior to the vote on the amendment for sponsors to speak on its behalf.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

Mr. BINGAMAN. Mr. President, could I ask the Senator from Ohio a question about his amendment?

The ACTING PRESIDENT pro tempore. The Senator may.

Mr. BINGAMAN. Mr. President, if we could get copies of the amendment, Senator DOMENICI would be anxious to review it. I would, as well. It sounds very meritorious as described, but before actually agreeing to a unanimous consent as to the timing of the vote and the amount of time needed in anticipation of a vote, it would be better to get a copy at this point, if we could. That is just a suggestion.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

Mr. VOINOVICH. I withdraw the request for the 10 minutes until the ranking member has an opportunity to review the amendment, and we can discuss at that time how much time the Senator is willing to give.

Mr. BINGAMAN. That will be very good. I appreciate that opportunity. We will be back in touch with the Senator.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I will ask the Senator from Ohio a question. I walked in about two-thirds of the way through his remarks.

Do I understand that this is legislation that helps reduce sulfur in the air by retrofitting diesel engines so they comply with the new EPA requirements for low sulfur?

Mr. VOINOVICH. Right. This is one of the most effective ways, actually, to reduce nitrogen oxide and also particulate matter. In my remarks I mentioned the study at the University of Cincinnati on children. The negative impact is amazing on children who live very close to freeways with this diesel fuel. Retrofitting would be the most cost-efficient way of dealing with that problem.

This program fundamentally is a voluntary program. It is a program in which we encourage all of the States to participate. If they did, each State would get 2 percent of the money. If they didn't, those States that participated would benefit from this on a per capita basis, 30 percent of the program allocated to them and 70 percent of it would be distributed by the Environmental Protection Agency based on submissions submitted and also on the basis of giving priority to public requests for this money.

Mr. ALEXANDER. Mr. President, I commend the Senator from Ohio. He has spent a long time in this session working on clean air legislation.

As one Senator, I am extremely interested in that for our country. The Great Smoky Mountains—2 miles from where I live, and on the other side is the Senator from North Carolina, the Presiding Officer—is the most polluted National Park in America.

Many of our counties are not in attainment. Our biggest problem is sulfur. But NO_X is also a major problem. Of course, a major contributor is the big diesel trucks on the road.

One of the President's greatest accomplishments in terms of sulfur is tighter restrictions on the fuel that will be used in these trucks. They also are major contributors to NO_X, nitrogen oxide. My understanding from my visits and discussions with people who know about the big trucks is that the retrofitting of these older engines is not as good as a new engine, but it is a very substantial—70 or 80 percent as good as having a new engine.

I look forward to reading the legislation. The Clean Energy Act that we are working on is not the Clean Air Act that the Senator spent so much time on, but clean energy is the solution to the clean air problem. I am glad the Senator is bringing this to our attention. I look forward to reading it. It looks like a welcome contribution.

Mr. VOINOVICH. I thank the Senator from Tennessee. The administration should be complimented. The new diesel regulations will go into effect next year. The fact is, 11 million on- and off-road vehicles will still be on the road for many years to come. As the Senator pointed out regarding retrofitting,

we had a bus retrofit. We are talking about 85 percent reduction. The diesel fuel is fine, but if you do not have the retrofit, it will not give you the desired emissions control.

AMENDMENT NO. 800

(Purpose: To amend the Internal Revenue Code of 1936 to provide energy tax incentives, and for other purposes)

Mr. DOMENICI. On behalf of the leader, we have cleared the amendment at the desk. I ask unanimous consent that the pending amendment be set aside. I further ask that the Grassley-Baucus amendment No. 800 which is at the desk be considered and agreed to and the motion to reconsider be laid on the table.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment (No. 800) was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. BAUCUS. Mr. President, I strongly support the Finance Committee's energy tax language.

Why are the incentives proposed in this language so important? First and foremost, they are important because of the energy challenges facing the Nation.

Energy is critical to our Nation's economy and security. Our continuing dependence on foreign oil increasingly threatens our vital national interests.

As the world's demand for oil continues to grow at a record pace, the world's oil producers strain to meet consumption. Today, OPEC is pumping close to full capacity. Even so, refined products remain scarce.

The price of oil has soared to more than $55 a barrel. The price of gas at the pump is a daily reminder of the scarcity of energy. Increasing energy prices stifle economic growth.

Folks in my home State of Montana are hit hard by rising energy prices. High gas prices particularly hurt folks who have to drive great distances. And high energy prices hurt small businesses, ranchers, and farmers by raising the costs of doing business.

We can do more to provide reliable energy from domestic sources. That is our first challenge.

Our next great energy challenge is to ensure safe, clean, and affordable energy from renewable resources. Energy produced from wind, water, sun, and waste holds great potential. But that energy cannot currently meet our national energy demands. Technology is helping to bridge the gap. But further development requires financial assistance.

The energy tax incentives take an evenhanded approach to an array of promising technologies. We do not yet know which new technologies will prove to be the most effective. As we go forward and provide the needed incentives to develop these new technologies, we also need appropriate cost-benefit assessments to guide future investments.

The energy tax language reflects the incentives endorsed by the Finance Committee last Thursday. These incentives make meaningful progress toward energy independence. They provide a balanced package of targeted incentives directed to renewable energy, traditional energy production, and energy efficiency.

These incentives would encourage new energy production, especially production from renewable sources.

They would encourage the development of new technology.

And they would encourage energy efficiency and conservation.

To encourage production, the tax language provides a uniform 10-year period for claiming production tax credits under section 45 of the Tax Code. This encourages production of electricity from all sources of renewable energy. It would not benefit one technology over another.

In Judith Gap, MT, wind whips across the wheat plains. Wind is a great and promising resource in Montana. But future development of wind projects needs support, like that provided in the tax language.

The tax language recognizes the value of coal and oil to our economy. It provides tax incentives for cleaner-burning coal and much-needed expansion of refinery capacity.

The lack of refinery capacity is driving up the price of oil. And our lack of domestic capacity increases our vulnerabilities. A new refinery has not been built in the U.S. since 1976. The tax language would encourage the development of additional refinery capacity domestically by allowing the development costs to be expensed.

The tax language also rewards energy conservation and efficiency, and encourages the use of clean-fuel vehicles and technologies. It provides an investment tax credit for recycling equipment. These incentives are environmentally responsible. They reduce pollution. And they improve people's health.

The energy tax provisions would make meaningful progress toward energy independence. They are balanced and fair. I encourage my colleagues to support this legislation.

I yield the floor.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

NOMINATION OF JOHN ROBERT BOLTON TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS—Resumed

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to executive session for the consideration of Calendar No. 103, which the clerk will report.

The assistant legislative clerk read the nomination of John Robert Bolton, of Maryland, to be Representative of the United States of America to the United Nations.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 6 p.m. shall be equally divided between the two leaders or their designees.

The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, today the Senate again takes up the nomination of John Bolton to be U.S. Ambassador to the United Nations. This nomination has traveled a long road. I am hopeful that we can conclude the debate today.

I appreciate that several of my colleagues continue to be dissatisfied that their requests for information have not been granted in their entirety. Under the rules, clearly they can continue to block this nomination as long as 60 Senators do not vote for cloture. Although I acknowledge their deeply held opposition to this nominee, we urgently need an ambassador at the United Nations. A clear majority of Senators is in favor of confirming Secretary Bolton.

The President has stated repeatedly that this is not a casual appointment. He and Secretary Rice want a specific person to do a specific job. They have said that they want John Bolton, an avowed and knowledgeable reformer, to carry out their reform agenda at the United Nations.

Regardless of how each Senator plans to vote today, we should not lose sight of the larger national security issues concerning U.N. reform and international diplomacy that are central to this nomination. We should recall that U.N. reform is an imperative mission of the next ambassador. In fact, on Friday, our colleagues in the House of Representatives passed an extensive U.N. reform bill. This body is also working on various approaches to reform.

In 2005, we may have a unique opportunity to improve the operations of the U.N. The revelations of the oil-for-food scandal and the urgency of strengthening global cooperation to address terrorism, the AIDS crisis, nuclear proliferation, and many other international problems have created momentum in favor of constructive reforms at the U.N. Secretary General Kofi Annan has proposed a substantial

reform plan that will provide a platform for reform initiatives and discussions.

Few people in Government have thought more about U.N. reform than John Bolton. He served 4 years as the Assistant Secretary of State overseeing international organizations under the first President Bush. He has written and commented extensively on the subject. During his confirmation hearing, Secretary Bolton demonstrated an impressive command of issues related to the United Nations. Senator BIDEN acknowledged to the nominee at his hearing that, ''There is no question you have extensive experience in U.N. affairs.'' Deputy Secretary Rich Armitage has told reporters: ''John Bolton is eminently qualified. He's one of the smartest guys in Washington.''

This nomination has gone through many twists and turns. But now we are down to an issue of process. The premise expressed for holding up the nominee is that the Senate has the absolute right as a co-equal branch of Government to information that it requests pertaining to a nominee. Political scientists can debate whether this right actually is absolute, but there is a flaw in this premise as it applies to the Bolton nomination. This is that the Senate, as a body, has not asked for this information. The will of the Senate is expressed by the majority. A majority of Senators have voted to end debate. By that vote, a majority of Senators have said that they have the information they need to make a decision.

If Members are intent upon exercising their right to filibuster this nominee, they may do so. But they cannot claim that the Senate as an institution is being disadvantaged or denied information it is requesting when at least 57 Senators have supported cloture knowing that invoking it would lead to a final vote. Senate rules give 41 Senators the power to continue debate. But neither a filibuster nor a request from individual Senators counts as an expression of the will of the Senate.

Minds are made up on this nomination, as they have been for weeks. In fact, with few exceptions, minds have been made up on this nominee since before his hearing occurred. Nevertheless, the Foreign Relations Committee conducted an exhaustive investigation. I would remind my colleagues that Republicans on the Foreign Relations Committee assented to every single witness that the minority wanted to interview. The cases for and against Secretary Bolton have been made extensively and skillfully. In the context of an 11-week investigation involving 29 witnesses and more than 1,000 pages of documents culminating in 14 hours of floor debate, the remaining process dispute over a small amount of information seems out of proportion. This is particularly the case given that the ostensible purpose of obtaining documents and interviewing witnesses is to help Senators make up their minds on how to vote.

If we accept the standard that any Senator should get whatever documents requested on any nominee despite the will of the Senate to move forward, then the nomination process has taken on nearly limitless parameters. Nomination investigations should not be without limits. It is easy to say that any inquiry into any suspicion is justified if we are pursuing the truth. But as Senators who are frequently called upon to pass judgment on nominees, we know reality is more complicated than that. We want to ensure that nominees are qualified, skilled, honest and open. Clearly, we should thoroughly examine each nominee's record. But in doing so, we should understand that there can be human and organizational costs if the inquiry is not focused and fair.

I reiterate that the President has tapped Secretary Bolton to undertake an urgent mission. Secretary Bolton has affirmed his commitment to fostering a strong United Nations. He has expressed his intent to work hard to secure greater international support at the U.N. for the national security and foreign policy objectives of the United States. He has stated his belief in decisive American leadership at the U.N. and underscored that an effective United Nations is very much in the interest of U.S. national security. I believe that the President deserves to have his nominee represent him at the United Nations. I urge my colleagues to invoke cloture.

Mr. President, before I yield the floor, I ask unanimous consent that quorum calls be charged equally to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Delaware is recognized.

Mr. BIDEN. Mr. President, I state at the outset that the vote we are about to take is not about John Bolton. The vote we are about to take is about taking a stand—about the Senate taking a stand. The vote is about whether the Senate will allow the President to dictate to a coequal branch of Government how we, the Senate, are to fulfill our constitutional responsibility under the advice and consent clause. It is that basic. I believe it is totally unacceptable for the President of the United States, Democrat or Republican—and both have tried—to dictate to the Senate how he, the President, thinks we should proceed.

The fact that the President of the United States in this case says he does not believe the information we seek is relevant to our fulfilling our constitutional responsibility is somewhat presumptuous, to say the least. I am aware—as we all are on both sides of the aisle—of the sometimes admirable but most times excessive obsession with secrecy on the part of this administration. But notwithstanding that, we should not forfeit our responsibility in order to accommodate that obsession.

I do not hold John Bolton accountable for this administration's arrogance. John Bolton was gentleman enough to come see me. At the request of the Senator from Arizona, Mr. MCCAIN, who contacted me, I said I would be willing to sit with John Bolton last week and speak with him about what we were seeking and why we were seeking it. I did that. As a matter of fact, one of my colleagues, the Senator from Connecticut—although it wasn't his idea, and I caught him on the way to have dinner with his brother—was kind enough to come and sit with me and listen to John Bolton.

I believe Mr. Bolton would be prepared to give us this information. Whether that is true is, quite frankly, irrelevant, because the fact is we both told Mr. Bolton this dispute about the documents is not about him. I say to my colleague from Indiana, this is above his pay grade. He indicated under oath in our committee hearing that he was willing to let all of this information come forward. So I actually went to the extent of sitting with Mr. Bolton and suggesting how, as it related to a matter on which I have been the lead horse—on Syria—we could accommodate an even further narrowing and detailing of the information we are seeking and why.

Last month, after the Senate stood up for itself and rejected cloture on the Bolton nomination, the Democratic leader and I both promised publicly—and today I pledge again—that once the administration provides the information we have requested and information that no one thus far has suggested we are not entitled to—we will agree to vote up or down on the Bolton nomination.

At the outset, it should be emphasized that these are not—and I emphasize ''not''—new requests made at the 11th hour to attempt to derail a vote. Nobody is moving goalposts anywhere except closer, not further away.

The committee made these requests, the same two requests, back in April. First, we requested materials relating to testimony on Syria and weapons of mass destruction prepared by Mr. Bolton and/or his staff in the summer and fall of 2003.

We already know from senior CIA officials that Mr. Bolton sought to stretch the intelligence that was available on Syria's WMD program well beyond what the intelligence would support.

We think the documents we are seeking will bolster the case that he repeatedly sought to exaggerate intelligence data. Some who are listening might say: Why is that important? Remember the context in the summer of 2003. In the summer of 2003, there were assertions being made in various press accounts and by some ''outside'' experts and some positing the possibility that

those weapons of mass destruction that turned out not to exist in Iraq had been smuggled into Syria and that Syria had its own robust weapons of mass destruction program.

Remember, people were speculating about ''who is next?'' Newspaper headlines and sub-headlines: Is Syria next? Syria was at the top of the list—not the only one on the list. There was speculation, as I said, that the weapons of mass destruction we could not find in Iraq had been smuggled into Syria.

We know, at that same time, the CIA says Mr. Bolton was trying to stretch—stretch—the intelligence case against Syria on weapons of mass destruction.

The Syrian documents may also raise questions as to whether Mr. Bolton, when he raised his hand and swore to tell the truth and nothing but the truth, in fact may not have done that because he told the Foreign Relations Committee that he was not in any way personally involved in preparing that testimony. The documents we seek would determine whether that was true or not. It may be true, but the documents will tell us.

Second, we have requested access to 10 National Security Agency intercepts. That means conversations picked up between a foreigner and an American, where they may have relevance to an intelligence inquiry and where the name of the foreigner is always listed, but it says speaking to ''an American,'' or an American representing an American entity.

Mr. Bolton acknowledged, under oath, that he had sought—which is not unusual in the sense that it has never happened, but it is noteworthy—he sought the identities of the Americans listed in 10 different intercepts.

When I asked him why he did that, he said intellectual curiosity and for context. It is not a surprise to say—and I am not revealing anything confidential; I have not seen those intercepts—that there have been assertions made by some to Members of the Senate and the staff members of the Senate that Mr. Bolton was seeking the names of these individuals for purposes of his intramural fights that were going on within the administration about the direction of American foreign policy. These requests resulted in Mr. Bolton being given the names of 19 different individuals. Nineteen identities of Americans or American companies were on those intercepts.

Mr. Bolton has seen these intercepts. Mr. Bolton's staff has seen some of these intercepts, but not a single Senator has seen the identities of any of these Americans listed on the intercepts.

I might note, parenthetically, we suggested—I was reluctant to do it, but I agreed with the leader of my committee—that we would yield that responsibility to the chairman and vice chair of the Intelligence Committee. Later, the majority leader, in a genuine effort to try to resolve this issue, asked me what was needed. I said he should ask for the names—not the chairman—he should ask for the names. He said he did, and he said they would not give him the names either.

It has been alleged, as I said, that Mr. Bolton has been spying on rivals within the bureaucracy, both inferior and superior to him. While I doubt this, as I said publicly before, we have a duty to be sure that he did not misuse this data.

The administration has argued that the Syrian testimony material is not relevant to our inquiry. I simply leave it by saying that is an outrageous assertion. The administration may not decide what the Senate needs in reviewing a nomination unless it claims Executive privilege or a constitutional prohibition of a violation of separation of power. As my grandfather and later my mother would say: Who died and left them boss? No rationale has been given for the testimony.

Parliamentary inquiry, Mr. President: How much time have I consumed?

The ACTING PRESIDENT pro tempore. The minority has just under 18 minutes.

Mr. BIDEN. Mr. President, I have two colleagues who wish to speak. I will be brief. We have narrowed the request of the documents. We narrowed them on several different occasions. I am grateful to Chairman ROBERTS and Director Negroponte for accepting the principle that they can cross-check names on the list we have with the list of names on the intercepts. But I hope everyone understands, as my friend from Connecticut will probably speak to, that in offering to provide a list of names, we were trying to make it easier. We were not trying to move the goalposts; we were trying to make it closer for them.

The bottom line is, it is very easy to get this resolved. It is not inappropriate for me to say that I had a very good conversation not only with Mr. Bolton but with Mr. Card, who indicated he was sure we could resolve the Syrian piece of this. I indicated from the beginning that was not sufficient. We had two requests for good reason: One relating to intercepts and one relating to the Syrian matter. The Syrian matter is within striking distance of being resolved. I said in good faith to him: Do not resolve that if you think that resolves the matter, unless you are ready to resolve the matter of the issue relating to Mr. Bolton and the intercepts.

Absent that material being made available, I urge my colleagues to reject cloture in the hope that the administration will finally step up to its constitutional responsibility of providing this information to us.

I yield the floor and reserve the remainder of the time.

The ACTING PRESIDENT pro tempore. The Senator from Virginia.

Mr. ALLEN. Mr. President, I rise to speak in favor of actually voting on John Bolton's nomination. I listened to my colleague's arguments, and I listened to the studious and accurate statement of the chairman of the Foreign Relations Committee regarding this long-debated, long-considered nomination.

The Senate has had this nomination for 5 months. Ambassador to the United Nations is a very important post. In fact, it is a very important position at this particular time, as democracy is on the march, as freedom is on the march throughout the world, whether in Lebanon, Iraq, Afghanistan, or elsewhere.

It is important also to note that even the United Nations recognizes that it is time for reform. It is vitally important that the taxpayers of this country, who put in $2 billion every year into the United Nations, ought to have a man such as John Bolton leading our efforts. John Bolton is a reformer, and that is why the President nominated him.

The President was elected by the people of this country. A President needs to have the men and women he desires to effectuate his goals, his policies, and to keep the promises he made to the people of this country.

This nomination has been held up through obstructionist tactics. I am hopeful that my colleagues will review the thorough and extensive vetting process. I am hoping that they will actually take off their political blinders and look at this nomination, look at the record of performance, and look at all the evidence, all the charges, all the refutations, and look at the facts regarding Mr. Bolton.

I think it is highly irresponsible for the Senate to keep obstructing reform of the United Nations. And, Mr. President, that is what is happening. This obstruction of John Bolton's nomination, while a political effort, I suppose, in some people's point of view, clearly could be characterized as obstructing reform of the United Nations. Until we have our ambassador there with the strength and the support of the Senate and the people of this country, we do not have someone arguing for the American taxpayers, arguing for accountability, trying to stop the waste, the fraud, and the corruption in the United Nations.

We have gone through every germane argument and stretched allegation against John Bolton. Instead of talking about reforming the United Nations, we have been on a fishing expedition. Every time on this fishing expedition we end up seeing a dry hole.

First, there was concern about his general views in saying the United Nations needed to be reformed. Then the opposition recognized: Gosh, the American people also think the United Nations needs reforming.

Then there was a great fixation and focus on the drafting of speeches. And wasn't that very interesting, how speeches are crafted?

Then there was a worry about the sensibilities of some people being offended by John Bolton.

Then there was a worry about a woman—I forgot where it was,

Kazakhstan or Moscow—that was refuted as not being a fact.

Then there was a concern about a speech that John Bolton gave where he said that North Korea was a repressive dictatorship and that it was a hellish nightmare to live in North Korea. That was supposedly terrible for him to say, when in fact that is a pretty good description of North Korea.

Then there were worries about Great Britain and what John Bolton might have done with Great Britain. Within hours our British friends said: No, we had no problems whatsoever.

Then the other side said: We want a list of names; we want to see a cross-check, that request got to Senator ROBERTS and Senator ROCKEFELLER, the chair and cochair on the Intelligence Committee.

Then there were a few names cross-checked. There was nothing new there. What comes up? Now we want 3 dozen names cross-checked as the fishing expedition continues.

Now there is a fixation, an interest in the crafting of testimony or a speech dealing with Syria.

It is just going to continue and continue. It does not matter what the answers are. It does not matter what the truth is. It does not matter about the facts. What they want to do, unfortunately, is ignore the dire need for reform in the United Nations. The opposition seems to want to completely ignore John Bolton's qualifications and outstanding record of performance for the people of this country.

John Bolton has played a significant role in negotiating a number of treaties that will result in reducing nuclear weapons, or keeping them from falling into the hands of rogue nations and terrorist organizations. His work on the Moscow Treaty will reduce by two-thirds operationally deployed nuclear weapons in both the United States and Russia.

John Bolton also led the U.S. negotiations to develop President Bush's Proliferation Security Initiative, which garnered the support of 60 countries. This Proliferation Security Initiative is an important security measure to stop the shipment of weapons of mass destruction, their delivery systems, and related materials worldwide.

John Bolton also helped create the global partnership at the G8 summit, which doubled the size of the nonproliferation effort in the former Soviet Union. By committing our G8 partners to match the $1 billion-per-year cooperative threat reduction of the United States, or as we call it here, the Nunn-Lugar program. John Bolton also has proven that he can work well within the United Nations. He has previously served as Assistant Secretary of State for International Organizations, where he worked intensively on U.N. issues, including the repealing of the offensive United Nations resolution which equated Zionism to racism. That is one of the reasons B'nai Brith supports his nomination.

John Bolton has the knowledge, the skills, the principles, and the experience to be an exceptional ambassador to the United Nations. He has the right, steady, and strong principles to lead the U.S. mission at a time when the United Nations is in desperate need of reform.

I believe the people of America do not want a lapdog as our ambassador to the United Nations, they want a watchdog. They want to make sure the billions of dollars we are sending to the United Nations is actually helping advance freedom; helping to build representative, fair, just, and free systems in countries that have long been repressed. It is absolutely absurd and farcical that countries such as Syria, Zimbabwe, or other repressive regimes are on the Human Rights Commission. Even the United Nations recognizes they need reform. So that is why the President has sent forth an individual, John Bolton, to bring this organization into account and reform it.

Whether it is fraud or corruption, this country does not think the United Nations ought to be placating or rewarding dictators and oppressive tyrants. We have heard many absurd arguments since the President has sent John Bolton's nomination to the Senate 5 months ago. What my colleagues will see as they look at each and every one of these charges as the process has dragged on, is that they are wild, they are unsubstantiated, or they have been proven false. Some claims against Mr. Bolton have even been retracted.

This nomination has been considered for a long time. Throughout, new charges have been made, and each time they do not stand up when placed in the accurate context or studied fully. They have been shown to be misleading, exaggerated, false, or irrelevant.

This is the definition of a fishing expedition, and its sole goal is to bring down a nominee because of differing policy views. Many of those are leading very articulately, even if I disagree with them, on the Bolton nomination. The five leading most senior members of the Foreign Relations Committee, who talked about speeches and offending sensibilities of people, they all were against Mr. Bolton in 2001 before any of these accusations arose. So this is just a continuation of that opposition.

I hope Senators the other side of the aisle who are refusing to bring this issue to a close would note what Chairman ROBERTS noted, that they seem to be intent on preserving John Bolton's nomination as a way to embarrass our President.

The President was elected by the people of America. It is logical and it is important that our CEO, our President, be accorded the ability to bring in and to lead our efforts consistent with his principles, with people who are loyal to those views, and who will effectuate those goals.

There is little question that one of the most fair chairmen in this entire Senate is the Senator from Indiana, Mr. LUGAR. He has negotiated in good faith on this issue. Unfortunately, time after time some on the other side keep moving the goalpost. I know they do not like that term, but every time there is something answered, every time this gets ready for a vote, there is always a new allegation, a new request, something else to delay a vote on this nomination. Obstruction in this case, as in many others, has gone on for too long. It is time to vote on John Bolton's nomination. The continued delaying tactics can only be viewed as obstructionism for petty partisan reasons.

This nomination has received inordinate scrutiny and review. Yet opponents of voting up or down continue to demand even more information. This position has been vacant for 5 months, we need to have a conclusion. Mr. Bolton has an exemplary career in public service. The extensive oversight that the Senate has undertaken in considering this nomination means that Senators ought to have the guts to get out of these cushy seats and vote yes or vote no. Anyone who votes to continue to obstruct this nomination can be fairly characterized as delaying and obstructing the much needed, reforms in the United Nations. And it is also contrary to the will of the American people.

I yield the floor.

Mr. JEFFORDS. Mr. President, I will cast my vote today in opposition to ending the debate on the nomination of John Bolton to be the U.S. Ambassador to the United Nations.

I am distressed the administration has not provided the Congress with the documents it has requested that are essential for judging the quality of Mr. Bolton's performance in his past positions. When the President sends the Congress a request for approval of a nominee for a top position, the President must be prepared to assist Congress in a thorough inspection of that individual's prior Government service. Withholding information needed by Congress, even classified information that can be handled in a secure fashion, is detrimental to the successful functioning of our Government. The administration's full cooperation with Congress is not optional, but essential.

If Mr. Bolton's nomination comes to the full Senate for a vote, I plan to vote no. I do not oppose him because of his skeptical view of the UN. I do not oppose him because he believes the UN should be reformed. If the President wants to change U.S. policy toward the UN, he has the right to choose an ambassador who will attempt to do so. The Congress should evaluate that nominee on his or her ability to do the job for which the individual has been selected.

I am opposing Mr. Bolton because his past record leads me to believe he does not have the skills to do the job of Ambassador to the UN. As the second-ranking foreign policy job in any administration, it is very important that

this job be done right. My review of his prior experience leads me to conclude that Mr. Bolton is not a man who builds consensus, who appreciates consensus, or who abides by consensus. No matter what one thinks of the UN's performance, or how its functionality and mission ought to be reformed, one must be able to build support among our allies in order to effect change. As we have seen, nothing is accomplished at the UN by banging one's shoe on the podium. The work of the UN requires respect for national differences, searching for common ground, and development of consensus on what actions must be taken. It would be irresponsible to approve a UN ambassador who is not capable of performing these tasks.

The record shows that on occasion when his personal beliefs clashed with administration policy, Mr. Bolton has not hesitated to take matters into his own hands, to misuse secret materials, to threaten Federal employees with personal retribution and to endanger national security in order to advance his own view of a situation. This is not who we should be sending to the UN as our chief representative. We can, and we must, do better by an institution that should be an important part of a successful American foreign policy.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BIDEN. I yield 6 minutes on my time, and I am told the distinguished Senator from California has 5 minutes of leader time. I yield to the Senator from California.

The ACTING PRESIDENT pro tempore. The Senator from Delaware has 16 minutes in total remaining.

Mr. BIDEN. Yes.

The ACTING PRESIDENT pro tempore. Under the previous order, the time is equally divided until 6. Extending the time past 6 would take a unanimous consent request.

Mrs. BOXER. Senator REID gave me 5 minutes of his leader time, and I ask unanimous consent that I might add that to my 6 minutes.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous consent request?

Mr. LUGAR. Mr. President, I object.

The ACTING PRESIDENT pro tempore. The objection is heard.

The Senator from Delaware.

Mr. BIDEN. I yield 6 minutes on my time to the distinguished Senator from California.

The ACTING PRESIDENT pro tempore. The Senator from California.

Mrs. BOXER. Mr. President, I think we need to take a deep breath and a reality check. All this talk from Senator ALLEN about how obstructionist the Democrats are being—now, here is the truth: The Republicans run the Foreign Relations Committee. They did not even have the votes to vote John Bolton out of that committee and bring it to the floor with a positive recommendation.

This is a very divisive and controversial nomination. Since 1945, the Senate has confirmed 24 men and women to serve as U.N. ambassador. Never before has any President of either party made such a divisive and controversial nomination. In 60 years, only two nominees have had a single Senator cast a ''no'' vote against them. Andrew Young was one. He was confirmed 89 to 3 in 1977, and Richard Holbrooke was confirmed 81 to 16 in 1999. Every other time the nominee has been approved unanimously. I long for those days.

This is a President who said he wanted to be a uniter, not a divider. Yet in light of all the controversy, he sticks with this nominee. The fact is, 102 former diplomats, both Republican and Democrat, signed a letter opposing John Bolton. They wrote that his past activities and statements indicate conclusively that he is the wrong man for this position at a time when the U.N. is entering a critically important phase of democratic reforms.

Senator VOINOVICH said it well, and he is a Republican. He is a member of the committee. He said: Frankly, I am concerned that Mr. Bolton would make it more difficult for us to achieve the badly needed reforms we need.

John Bolton has said that there is no United Nations. He has said if the U.N. Secretariat Building in New York lost 10 floors, it would not make a bit of difference. How does someone with that attitude get the respect required to bring the reforms?

As we know, today is not about whether Senators should vote for or against John Bolton. Today is a different vote. It is a vote as to whether the Senate deserves, on behalf of the American people, to get the information that Senators BIDEN and DODD have taken the lead in asking for. By the way, Senator LUGAR, at one point in time, had signed some of those letters requesting the information.

Why is this important? It is important because every Senator is going to decide whether to vote up or down on Mr. Bolton. We need to know what this information will show. Yes, as Senator BIDEN has said, we get the information, we schedule a vote. But we will look at the information. What if the information shows that, in fact, John Bolton was trying to spy on other Americans with whom he had an ax to grind? What if the information shows that John Bolton did not tell the truth to the committee and that he had written a speech about Syria which was misleading and which could have, in many ways, made that drumbeat for war against Syria much louder than it was?

There is a third piece of information that Senators DODD and BIDEN did not think was that important, but I still think is important and we have asked for, which is the fact that Mr. Bolton has an assistant, someone he has hired, who has outside clients so that while he, Mr. Matthew Friedman, is getting paid with taxpayer dollars, he has outside clients.

Who are these outside clients? We cannot find out. We called Mr. Friedman's office. The secretary answered. This is a private office, his private business, and she said: Oh, yes, he is here. He will be right with you.

Then, upon finding out it was my office, suddenly Mr. Friedman was nowhere to be found and has not returned the call.

I represent the largest State in the Union. Believe me, it is a diverse State. We have conservatives and liberals and everything in between. We have every political party represented there, and many independent voters. But they all want me to be able to make an informed decision. This information is very important. Therefore, I think today's vote is crucial.

There is one more point I would like to make.

Mr. President, I ask how much time I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 1 minute.

Mrs. BOXER. This is the point. When we had the whole debate over a judge a long time ago, a judge named Richard Paez, at that time Dr. FRIST, Senator FRIST supported the filibuster against Judge Paez. What he said in explaining his vote was it is totally appropriate to have a cloture vote—as we are going to do today—when you are seeking information. That is totally appropriate.

I have the exact quote here, and I would like to read it. He said:

> Cloture, to get more information, is legitimate.

I agree with Senator FRIST. It is legitimate to hold out on an up-or-down vote, to stand up for the rights of the American people and the information they deserve to have through us.

I thank Senator DODD and Senator BIDEN for their leadership, and I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BIDEN. Mr. President, I yield the remainder of the time under my control to the Senator from Connecticut.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut has 9 minutes remaining.

Mr. DODD. Mr. President, I thank my colleague from Delaware, as well as my colleague from California for her comments. Let me say to the distinguished chairman of our committee, I know this has been a long ordeal, now going up to 2 months that this nomination has been before us. No one, except possibly the chairman of the committee, would like this matter to be terminated sooner rather than later more than I would. I am sure the Senator from Delaware feels similarly, as I know my colleague from California does as well.

But there is an important issue before this body that transcends the nomination of the individual before us. That is whether as an institution we have a right to certain information pertaining to the matter before us. Certainly the matter that we have requested—Senator BIDEN has and I have—regarding this nomination is directly on point when it comes to the qualities of this nominee.

For nearly a month since our May 26th cloture vote on this nomination, the administration has stonewalled our efforts to get the additional information we believe the Senate should have to make an informed judgment on this nomination.

Senator BIDEN and I have attempted to reach an accommodation with the administration on the two areas of our inquiry—draft testimony and related documents concerning Syria's weapons of mass destruction capabilities and the nineteen names contained in ten National Security Agency intercepts which Mr. Bolton requested and was provided during his tenure as Under Secretary of State for Arms Control and International Security. Senator BIDEN has narrowed the scope of his request related to Syria. I have offered to submit a list of names of concern related to the NSA intercepts to be cross checked by director Negroponte against the list of names provided to Mr. Bolton.

I am very puzzled, Mr. President, by the intransigent position that the administration has taken, particularly with respect to the intercept matter.

If the intercepts are ''pure vanilla'' as our colleague, Senator ROBERTS, has described them, then why does the administration continue to withhold the information from the Senate?

The answer is we don't know.

Was Mr. Bolton using the information from the intercepts to track what other officials were doing in policy areas he disagreed with?

Or was he simply utilizing the information in the normal course of carrying out his responsibilities?

Again, we don't know.

Under ordinary circumstances, I would not be inquiring whether a State Department official had sought access to sensitive intelligence for anything other than official purposes.

But we know from the Foreign Relations Committee investigation of this nominee—from interviews of individuals who served with Mr. Bolton in the Bush administration—that Mr. Bolton's conduct while at the State Department was anything but ordinary.

We learned how Mr. Bolton harnessed an abusive management style to attempt to alter intelligence judgments and to stifle the consideration of alternative policy options—all in furtherance of his own personal ideological agenda.

According to a story that appeared in today's Washington Post, we now know that Mr. Bolton's machinations weren't limited to Cuba or Syria weapons of mass destruction. It would seem he was the ''Mr. No'' of the Department on a wide variety of policy initiatives, acting as a major roadblock to progress on such important initiatives as U.S.-Russian cooperative nuclear threat reduction.

Mr. Bolton has done a disservice to the Bush administration and to the American people by putting his agenda ahead of the interests of the administration and the American people.

It is not only that he had his own agenda that is problematic. It is the manner in which he sought to advance that agenda by imposing his judgments on members of the intelligence community and threatening to destroy the careers of those with the temerity to resist his demands to alter their intelligence judgments.

In so doing, he breached the firewall between intelligence and policy which must be sacrosanct to protect U.S. foreign policy and national security interests.

That is not to say there should not be a vibrant and healthy disagreement where one exists. There ought to be, in fact, more disagreements where these matters have caused friction. But the idea that you would allow that friction, those disagreements to transcend the firewall where you would then seek to have people dismissed from their jobs because you disagreed with their conclusions, that goes too far. Mr. Bolton went to far and for those reasons, in my view, does not deserve to be the confirmed nominee as ambassador to the United Nations. That fact is painfully clear to all Americans following the serious and dangerous intelligence failures related to Iraqi weapons of mass destruction.

We know that Mr. Bolton's efforts to manipulate intelligence wasn't some anomaly because he was having a bad day. The entire intelligence community knew of his reputation.

We were fortunate to have individuals, like Dean Hutchings, Chairman of the National Intelligence Council from 2003–2005, who disapproved of and resisted Bolton's efforts to cherry pick intelligence.

We also know that Mr. Bolton needed adult supervision to ensure that his speeches and testimony were consistent with administration policy. Deputy Secretary Armitage took it upon himself to personally oversee all of Mr. Bolton's public pronouncements to ensure that he stayed on the reservation.

Is this really the kind of performance we want to reward by confirming this individual to the position of United States Representative to the United Nations?

Is Mr. Bolton the kind of individual who we can trust to carry out the United States agenda at the United Nations at this critical juncture?

I think not.

We all know that these are difficult times. Our responsibilities in Iraq and Afghanistan are significant and costly. Other challenges to international peace and stability loom large on the horizon: Iran, North Korea, Middle East Peace. Humanitarian crises in Africa and Asia cry out for attention.

The United States can not solve all these problems unilaterally. We need international assistance and cooperation to address them. And the logical focal point for developing that international support is the United Nations.

But international support will not automatically be forthcoming.

It will take real leadership at the United Nations to build the case for such cooperation. That United States leadership must necessarily be embodied in the individual that serves as the United States Ambassador to the United Nations. Based on what I know today about Mr. Bolton, I believe he is incapable of demonstrating that kind of leadership.

The United States Ambassador to the United Nations is an important position. The individual who assumes this position is necessarily the face of our country before the United Nations.

For all of the reasons I have cited—Mr. Bolton's management style, his attack on the intelligence community, his tunnel vision, his lack of diplomatic temperament—I do not believe that he is the man to be that face at the United Nations.

I hope that when it comes time for an up or down vote on Mr. Bolton that my colleagues will join me in opposing this nominee.

But this afternoon's vote is about who determines how the Senate will discharge its constitutional duties related to nominations. Will the executive branch tell this body what is relevant or not relevant with respect to its deliberations on nominations? Or will the Senate make that determination?

If you believe as I do that the Senate is entitled to access to information that is so clearly relevant in the case of the Bolton nomination, then I would respectfully ask you to join Senator BIDEN and me in voting against cloture.

But this vote isn't just about the nomination of Mr. Bolton, it is also about setting a precedent for future requests by the Senate of the executive on a whole host of other issues that may come before us—in this administration and in future administrations.

For that reason I strongly urge all of our colleagues to support us in sending the right signal to the administration by voting no on cloture when it occurs at 6 p.m.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. LUGAR. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FRIST. Mr. President, having listened to my Democrat colleagues discuss the Bolton nomination last week, I very briefly come to the floor to set the record straight.

The plain, simple truth is that some on the other side of the aisle are obstructing a highly qualified nominee and, I believe, by not allowing him to

assume this position yet, are doing harm to our country. I say that because John Bolton has a long record of successfully serving his country. He has been confirmed by this body no fewer than four times.

We have had 12 hours of committee hearings, 23 meetings with Senators, 31 interviews conducted by the staff of the Senate Foreign Relations Committee, and 157 questions for the record submitted by members of the committee. The committee has had nearly 500 pages of documents from State and USAID. After reviewing thousands of pages of material, the intelligence community has provided over 125 pages of documents to the Foreign Relations Committee. The nominee has had 2 days of floor debate. The list goes on and on.

The chair and vice chair of the Intelligence Committee have both reviewed the NSA intercepts. Both have concluded that there is nothing there of concern.

I am satisfied with their conclusions, and I am satisfied that the prerogatives of the Senate have been respected.

I have been more than willing to try and reach a fair accommodation with Senators DODD and BIDEN, but the goal posts keep moving from a handful of names to now, three dozen. What is going on here looks and smells like a fishing expedition.

I supported Senator ROBERTS' initiative last week to strike a compromise. 1t made sense. It fairly and appropriately allowed the Director of National Intelligence to review names.

The names Senator ROBERTS vetted with the DNI were taken straight from the minority report of the Foreign Relations Committee. They are also names of persons that were raised by Senator DODD and Senator BIDEN during committee hearings and deliberations.

The fact that none of these names was in any of the 10 intercepts confirms what Senator ROBERTS and Senator ROCKEFELLER have said previously. John Bolton did nothing improper in requesting these intercepts, and there is no reason for concern.

Last week, Senator DODD and Senator BIDEN stated again that they wanted to see earlier drafts of Secretary Bolton's 2003 Syria testimony before the House.

I don't believe those documents are necessary, because what really matters is the final draft.

That said, I have been working with the White House to make this happen, and to give Senator DODD and Senator BIDEN a chance to review these documents.

What is important is to get this process moving, to give John Bolton a fair up-or-down vote, and to get our Ambassador to the U.N.

We will find out today if that will happen and if Members will do what is right for our country or if pointless obstruction will continue to stymie the process and damage America's foreign affairs.

The United States has not had an ambassador at the U.N. for over 5 months now. It is time to stop the grandstanding and give this nominee a vote.

John Bolton is a smart, principled, and straightforward man who will effectively articulate the President's policies on the world stage.

We need a person with Under Secretary Bolton's proven track record of determination and success to cut through the thick and tangled bureaucracy that has mired the United Nations in scandal and inefficiency.

It is no accident that polling shows that most Americans have a dim view of the United Nations. In recent months, we have seen multiple negative reports about the world body.

We now know that Saddam Hussein stole an estimated $10 billion through the Oil-for-Food Program. The U.N. official who ran the operation stands accused of taking kickbacks, along with other officials.

Last month, the head of the Iraq Survey Group told the Council on Foreign Relations that as a result of the Oil-for-Food corruption, Saddam came to believe he could divide the U.N. Security Council and bring an end to sanctions.

He did divide us, but he didn't stop us.

The U.N. failed to stop the genocide in Rwanda in the 1990s. The U.N. now seems to be repeating that mistake in Darfur.

In the Congo, there are numerous allegations that U.N. peacekeepers have committed sexual abuse against the innocent, female war victims they were sent to protect.

Meanwhile, the U.N.'s Human Rights Commission, which is charged with protecting our human rights, includes such human rights abusers as Libya, Cuba, Zimbabwe, and Sudan.

These failures are very real and very discouraging. They can be measured in lives lost and billions of dollars stolen. And they can be measured in the sinking regard for an organization that should be held in some esteem.

America sends the United Nations $2 billion per year. Our contribution makes up 22 percent of its budget. We provide an even larger percentage for peacekeeping and other U.N. activities. It is no surprise that Americans are calling out for reform.

John Bolton is the President's choice to lead that effort. He possesses deep and extensive knowledge of the United Nations and has, for many years, been committed to its reform

Under Secretary Bolton has the confidence of the President and the Secretary of State, and it is to them he will directly report.

As Senator LUGAR has pointed out, Under Secretary Bolton has served 4 years in a key position that technically outranks the post for which he is now being considered.

This is a critical time for the United States and for the world. Because of the President's vision and commitment, democracy is on the march around the globe. The United Nations can and should play a central role in advancing these developments.

I believe in the U.N.'s potential if it is reformed and more rightly focused. It has been an important forum for peace and dialogue. And, like the President, I believe that an effective United Nations is in America's interest.

As we all know, there has been one cloture vote. Tonight, in a few minutes, we will have that second cloture vote.

Mr. President, John Bolton is the right man to represent us in the United Nations. He is a straight shooter, a man of integrity. He is exactly what we need at this time in the United Nations. He is exactly what the United Nations needs from us. A vote for John Bolton is a vote for change there. A vote for John Bolton is a vote for reform there. We have had dilatory tactics and obstructionism that has been thinly veiled in words of ''Senate prerogative.'' John Bolton deserves a vote, and the American people deserve a strong, principled voice in the United Nations.

Mr. President, I encourage our colleagues to vote for cloture tonight because John Bolton deserves an up-or-down vote as the nominee to the United Nations ambassadorship.

The ACTING PRESIDENT pro tempore. All time has expired.

Under the previous order, the motion to proceed to the motion to reconsider the failed cloture vote on this nomination is agreed to, the motion to reconsider the failed cloture vote is agreed to, and the Senate will proceed to a vote on the motion to invoke cloture on the nomination.

CLOTURE MOTION

Under the previous order, the clerk will report the motion to invoke cloture.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Executive Calendar No. 103:

William Frist, Richard Lugar, Richard Burr, Pat Roberts, Mitch McConnell, Jeff Sessions, Wayne Allard, Jon Kyl, Jim DeMint, David Vitter, Richard Shelby, Lindsey Graham, John Ensign, Pete Domenici, Robert Bennett, Mel Martinez, George Allen.

The ACTING PRESIDENT pro tempore. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on Executive Calendar No. 103, the nomination of John Robert Bolton, to be the Representative of the United States of America to the United Nations, shall be brought to a close? The yeas and nays are mandatory under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MCCONNELL. The following Senators were necessarily absent: the Senator from Montana (Mr. BURNS), the Senator from Minnesota (Mr. COLEMAN), and the Senator from South Dakota (Mr. THUNE).

Further, if present and voting, the Senator from Minnesota (Mr. COLEMAN) would have voted ''yea.''

Mr. DURBIN. I announce that the Senator from Wisconsin (Mr. FEINGOLD), the Senator from South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KERRY), the Senator from Wisconsin (Mr. KOHL), and the Senator from Michigan (Mr. LEVIN) are necessarily absent.

The PRESIDING OFFICER (Mr. CORNYN). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 54, nays 38, as follows:

[Rollcall Vote No. 142 Ex.]

YEAS—54

Alexander	Dole	McCain
Allard	Domenici	McConnell
Allen	Ensign	Murkowski
Bennett	Enzi	Nelson (NE)
Bond	Frist	Pryor
Brownback	Graham	Roberts
Bunning	Grassley	Santorum
Burr	Gregg	Sessions
Chafee	Hagel	Shelby
Chambliss	Hatch	Smith
Coburn	Hutchison	Snowe
Cochran	Inhofe	Specter
Collins	Isakson	Stevens
Cornyn	Kyl	Sununu
Craig	Landrieu	Talent
Crapo	Lott	Thomas
DeMint	Lugar	Vitter
DeWine	Martinez	Warner

NAYS—38

Akaka	Dodd	Murray
Baucus	Dorgan	Nelson (FL)
Bayh	Durbin	Obama
Biden	Feinstein	Reed
Bingaman	Harkin	Reid
Boxer	Inouye	Rockefeller
Byrd	Jeffords	Salazar
Cantwell	Kennedy	Sarbanes
Carper	Lautenberg	Schumer
Clinton	Leahy	Stabenow
Conrad	Lieberman	Voinovich
Corzine	Lincoln	Wyden
Dayton	Mikulski	

NOT VOTING—8

Burns	Johnson	Levin
Coleman	Kerry	Thune
Feingold	Kohl	

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 38. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The majority leader.

LEGISLATIVE SESSION

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

ENERGY POLICY ACT OF 2005—Continued

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, what is the parliamentary situation?

AMENDMENT NO. 799

The PRESIDING OFFICER. The pending amendment is No. 799, the Voinovich amendment.

Mr. NELSON of Florida. Mr. President, is it in order to ask unanimous consent to lay aside the pending amendment for the purpose of speaking on an amendment that will be offered by Senator MARTINEZ?

The PRESIDING OFFICER. The Senator may ask that consent.

Mr. NELSON of Florida. Mr. President, I will certainly be willing to have my colleague from Florida speak. I ask unanimous consent that I speak after the Senator from Florida, Mr. MARTINEZ, who will offer the amendment.

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

The Senator from Florida.

AMENDMENT NO. 783

Mr. MARTINEZ. Mr. President, I call up amendment No. 783.

The PRESIDING OFFICER. Without objection, the amendment is set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. MARTINEZ], for Mr. NELSON of Florida, for himself, Mr. MARTINEZ, Mr. CORZINE, Mrs. BOXER, Mr. LAUTENBERG, Mrs. FEINSTEIN, Mr. KERRY, Mrs. DOLE, and Mr. BURR, proposes an amendment numbered 783.

(Purpose: To strike the section providing for a comprehensive inventory of outer Continental Shelf oil and natural gas resources)

Beginning on page 264, strike line 1 and all that follows through page 265, line 12.

Mr. MARTINEZ, Mr. President, I appreciate the opportunity that the chairman, Senator DOMENICI, the ranking member, Senator BINGAMAN, and other members have given me to work on this important piece of legislation.

I came late to the work of this committee on this bill, having joined the Senate just this year. Much of the work had previously been done.

As the chairman himself has said, this bill will make a real difference in America's energy landscape.

I must tell my colleagues that I want to vote for this bill. I think it contains a lot of what this Nation needs.

I have grave reservations about one particular provision that calls for an inventory of the resources off this Nation's outer continental shelf.

It is for this reason that I rise today to oppose the inventory, offer an amendment to strike the inventory language, and ask for the support of my colleagues. The inventory language is opposed by both Senators from Florida and a number of coastal State Senators because it opens the door to the development of offshore drilling.

In my State of Florida, such an inventory off our coastlines would take place entirely within a Federal moratorium that bans offshore drilling.

I oppose the inventory because it encroaches on an area off of Florida's coast that we expect will remain under that drilling ban in perpetuity.

My colleagues should be aware that this proposed inventory will cost in excess of a billion dollars and the result will tell us much of what we already know.

I am asking my colleagues to strike the proposed inventory language contained in this bill and protect the rights of States that have no interest in drilling off their shores.

This provision offered by my colleague, Mr. Senator LANDRIEU of Louisiana, proposes to require a ''seismic survey inventory'' of all outer continental shelf areas, including within sensitive coastal waters long-protected from all such invasive activities by the 24-year bipartisan congressional moratorium.

I opposed this amendment in committee because it contains something we in Florida don't want and it opens the door to a number of problems, environmental problems, economic problems, and unnecessary challenges for our military.

Why would we inventory an area where we are never going to drill?

The inventory is a huge problem for Florida. It tantalizes pro-drilling interests. It basically puts the State at risk.

I have received assurances from my friends on the other side of this issue that States such as Florida, States that do not want drilling on their coast, will not have to do it. Fine. That is Florida's position.

I can clearly state that we do not want drilling now, and I do not see a scenario anywhere on the horizon where we would change that position. So why, given our objection to drilling, would we spend the resources, more than a billion dollars, and damage the environment in the eastern planning zone to do this inventory? I would also say to my colleagues that an inventory is not a benign thing.

Seismic surveys involve extensive acoustic disruption to marine ecosystems and fisheries. Recent scientific studies have documented previously-unknown impacts from the millions of high-intensity airgun impulses used in such inventories. These sudden, repetitive explosions bring about a potential for harm that is simply too great.

Seismic surveys are an invasive procedure, inappropriate for sensitive marine areas and economically important fishing grounds.

And if one looks at the cost of this inventory, the Minerals Management Service reports that using the most up-to-date technology to perform an inventory of this magnitude will cost between $75 million and $125 million for each frontier planning area. Nowhere in this legislation can I find a section that suggests how we recoup the cost of such an inventory.

So I ask my colleagues to strike the inventory. Going forward will encroach upon our coastal waters, waters covered by a drilling ban, and would do little more than act as enticement to oil companies that want our drilling moratorium lifted.

Last year, more than 74 million people visited Florida to enjoy its coastline, its wonderful climate, its excellent fishing. Families return year after

year to their favorite vacation spots to relax under our brilliant blue skies, our powdery white beaches, and our crystal-clear emerald waters.

The people of Florida share a love and appreciation of the Atlantic Ocean and the Gulf of Mexico, its coastal habitat and our wetlands, which make a very complex ecosystem, and also a very special place to live.

I share these facts for one reason: The people of Florida are concerned their coastal waters are coming under increased pressure to exploit possible oil and gas resources. The people of Florida do not want that to happen. Floridians are adamantly opposed to oil and gas exploration off our coastal waters. We have very serious concerns that offshore exploration will weaken the protections we have built over these many years. The inventory is but a foot in the door; it seriously threatens marine wildlife and the coastal habitat off the coast of Florida.

One other area of concern that perhaps has not been highlighted enough and I know my colleague from Florida shares my view, is that it has a tremendous impact on military uses of waters off Florida to conduct extensive training and testing. For whatever time it would take to conduct an inventory off our coastline, it would be the exact amount of time our military will be put at a disadvantage.

We must afford our military the most and best training possible for battle preparedness. Vieques used to give our men and women that capability. Now that Vieques is closed, Florida's Panhandle plays an increasingly significant role. Oil and gas exploration would have the potential to halt that important work for an indefinite period of time.

Here are just some of the current missions using our section of the Gulf: F–15 combat crew training; F–22 combat crew training; Navy cruise missile exercises; special forces training; carrier battle group training; composite and joint force training exercises; air-to-surface weapons testing; surface-to-air weapons testing; and mine warfare testing.

Any military mind knows that it takes months to schedule training opportunities when joint operations are involved. If we were to continue on this path of mandating an inventory in Florida's waters, we could bring a halt to a number of important exercises.

In fact, one of the main reasons the military uses this area so extensively is due to the protections currently in place. Here is what MG Michael Kostelnik, the base commander of Eglin Air Force Base, said in May of 2000:

> We continue to place the most severe restrictions in the eastern portion of the proposed sale area where oil and gas operations would be incompatible with military training and testing operations.

If we allow exploration there now, the military will suffer a setback in their training and preparedness.

As many of my colleagues know, Senator NELSON and I are working together to engage a coalition of Senators to help beat back any efforts to encroach upon our coastal waters. I am proud to say in doing so I follow in the footsteps of our predecessors, former Senators Connie Mack and Bob Graham, and a bipartisan Florida delegation, in our firm opposition to drilling off our coasts.

Let me again take a moment to praise Chairman DOMENICI and Ranking Member BINGAMAN for putting together a comprehensive, bipartisan, and significant energy policy that is forward looking, forward thinking, and a road map of where we as a Nation need to go in order to address the challenges that confront us today.

The problem is that this inventory language is a bad provision in a good bill. I cannot emphasize enough how damaging this will be to Florida, other coastal States, and our military training and testing operations in the Gulf. The inventory will have a chilling affect on all of these interests.

The amendment I offer here tonight is simple in that it strikes the language requiring a ''seismic survey inventory'' of all outer continental shelf areas. I believe striking this language makes the overall bill stronger and I ask for my colleagues to support such an amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, I rise to join my colleague from Florida, as we have introduced this amendment to strike the portion of the Energy bill that would set up an inventory on the Outer Continental Shelf.

I want to show how extensive this inventory is going to be. The Outer Continental Shelf is all of the west coast of the United States, the Pacific coast, the area in yellow off the coast of Washington, Oregon, and California. All of that area would be subject to the inventory. All of this area in the Gulf of Mexico is presently covered by the moratorium about which Senator MARTINEZ and I fought very hard last week to get an agreement from the two leaders and managers of the bill that they would not come in and support any amendments that would offer drilling in the Gulf of Mexico off Florida.

But look at the Outer Continental Shelf. It extends from Maine all the way down to Florida. We are talking about a huge area that would be inventoried. That sounds innocent enough, but let me tell you why I oppose it. I oppose it because it is unnecessary unless you are preparing to drill in areas off our coast that are currently subject to this moratorium; otherwise, why would we want to take an inventory if all of this Outer Continental Shelf is now under a moratorium so you cannot drill for oil and gas?

I oppose it also because it is harmful to marine life and commercial fish, and the Minerals Management Service already conducts inventories of the economically recoverable oil and gas reserves on the Outer Continental Shelf, including moratoria areas, every 5 years. In fact, the MMS will complete its next inventory this summer. Its last inventory came out in the year 2000. If that is the case, why do we need another inventory? How is the inventory in this bill different from the one that is already in effect? Two words: seismic exploration.

What is seismic exploration—in other words, what they call survey? It is an expensive, invasive, and harmful practice used by oil and gas companies to determine where to drill. Why doesn't MMS use seismic exploration currently to complete their inventory? Because it is too costly and it is considered a precursor to drilling.

If you are not going to drill, you should not be spending hundreds of millions of dollars to tell you where to put the drill. MMS estimates that these surveys would cost between $75 million and $125 million for each of the planning areas. Remember, in the Outer Continental Shelf, there are nine planning areas. At $75 million to $125 million apiece for seismic exploration, that means we would be having MMS spend $675 million to $1 billion to survey our moratorium areas, areas on our coastline that are under a moratorium until the year 2012, pursuant to a Presidential directive.

Let me tell you a little bit about what seismic exploration and surveying is. Oil and gas companies use seismic air guns. They are long, submersible cannons that are towed behind boats in arrays, firing shots of compressed air into the water every 10 seconds. Interestingly, these air guns have replaced dynamite as the industry's primary method of exploration. But they create sound rivaling that of dynamite. A large seismic array can produce peak pressures of sound that are higher than virtually any other manmade source, save for explosives like dynamite—over 250 decibels.

The oil and gas industry typically conducts several seismic surveys over the life of their offshore leases. They use these seismic surveys to determine the best placement of oil rigs and pipelines and to track fluid flows within the reservoirs. Seismic surveys are massive, covering vast areas of the ocean, with thousands of blasts going off every few seconds, in some cases over the course of days, weeks, months. The arrays towed by boats consist of 12 to 48 individual air guns, synchronized to create a simultaneous pulse of sound outputting a total of 3,000 to 8,000 cubic inches of air per shot. The sounds are so powerful because the array is attempting to generate echoes from each of several geologic boundary layers at the bottom of the ocean. Echoes produced by these seismic impulses are recorded, and they are analyzed by oil and gas companies to provide information on the subsurface geological features.

The noise pollution from these tests can literally be heard across oceans. If the sea floor is hard and rocky, the noise might be heard for thousands of miles. And the sound can mask the calls of whales and other animals that rely on the acoustic environment to breed and survive. Scientists are documenting more and more problems associated with the seismic surveys. Whales, dolphins, fish, sea turtles, and squid have all been impacted adversely by the seismic activity. I sure would not want to be a scuba diver in the water with one of these seismic blasts going off.

The 2004 International Whaling Commission's Scientific Committee, one of the most well-respected bodies of whale biologists in the world, concluded that increased sound from seismic surveys was a ''cause for concern'' because there is a growing body of evidence that seismic pulses kill, injure, and disturb marine life.

The impacts range from strandings to temporary or permanent hearing loss, to abandonment of habitat and disruption of vital behaviors such as mating and feeding.

Studies have also shown substantial impacts on commercial species of fish. Fishermen, beware. One series of studies demonstrated that air guns caused extensive and apparently irreversible damage to the inner ears of snapper, and the snapper were several kilometers from the seismic surveys.

The scientific community is not the one that is raising the alarm bells. Courts and governments are starting to realize the dangers posed by seismic exploration. In 2002, a California Federal court stopped a geologic research project in the Sea of Cortez, when two beaked whales were found dead with an undeniable link to the seismic activity.

The Canadian Government slowed a geologic project off its west coast and is looking closely at an oil and gas seismic survey off Cape Breton as a result of dangers posed by the surveys.

The Australian Government refused to issue permits for a survey near a marine park because the proponents of the survey could not prove it would not harm the marine park.

And the Bermuda Government refused to issue a permit for seismic geologic surveys off its coast, citing concerns for impacts on marine mammals.

Air gun activity associated with seismic surveys must be considered an invasive procedure, inappropriate for sensitive marine areas and economically important commercial fishing grounds.

We have to continue to remember that the United States has 3 percent of the world's oil reserves.

Yet the United States uses four times more oil than any other nation, according to the report from the National Commission on Energy Policy. According to Alan Greenspan in a speech he gave in April of this year, the 200 million personal vehicles currently on the U.S. highways consume 11 percent of the total world oil production. We cannot drill our way to energy independence.

Spending hundreds of millions of dollars on harmful exploration in areas whose economic livelihood depends on their fishing industry and their marine ecosystem could have devastating effects.

For these reasons, I must oppose this invasive, duplicative, and harmful exploration on the moratoria areas on the Outer Continental Shelf.

The bottom line is, if you have the Outer Continental Shelf under moratoria, why do we need to try to inventory all of that if you are not supposed to have any drilling under Presidential directive at least until the year 2012? Why go in with the risk to Mother Nature with this kind of seismic exploration?

I yield to my colleague from Florida.

The PRESIDING OFFICER (Mr. DEMINT). The Senator from Florida.

Mr. MARTINEZ. If the Senator will yield, I wonder if in any part of this bill the Senator noticed any area that would denote how the $1 billion, the cost of exploration, would be paid for?

Mr. NELSON of Florida. That is an excellent question. If you are going to do the seismic exploration which this bill would allow in the nine areas under the moratoria, it is going to cost between $650 million and $1 billion. In a Congress that is so concerned about budget deficits to the tune of almost half a trillion a year, where are we going to get that kind of money?

The Senator's point is well taken. I thank my colleague from Florida for making that point.

Mr. MARTINEZ. A further question: It seems to me, when we have a moratoria, drilling is prohibited right now. To do this inventory in that particular area, it certainly seems to me to be a waste of taxpayer dollars since there is no prospect of drilling with the congressional and Presidential moratoriums in place.

Mr. NELSON of Florida. The Senator is correct. Since a President of the United States established this moratorium on the Outer Continental Shelf and it is to run to 2012, why do we need to be spending money on seismic surveying on an area that is off limits to drilling, which the moratorium has in place until the year 2012?

I thank the Senator for joining to offer this amendment. I ask the Senate to consider helping continue to preserve the moratorium.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, we are on the eve of a turning point in the energy future of our country. As we move closer to voting on a comprehensive energy bill, we have a truly historic opportunity to transform the way we think about energy. We have an opportunity to make a decisive step away from dependence on foreign imports and fossil fuels and toward an independent future based on the abundant natural human and technological resources found right here within our borders.

As we wean ourselves from the oil fields of the unstable Middle East and other parts of the world and rely increasingly on field crops and fuel cells produced in America's heartland, we will build an energy future that will make us more secure and a future of which we can be proud.

This is the bottom line. When we talk about moving toward energy independence in this country, we are talking primarily about reducing America's dependence on imported oil. Petroleum accounts for more than 85 percent of our energy imports. As everyone is acutely aware, much of the 85 percent comes from some of the world's most unstable and, in some cases, openly hostile countries.

Today, rising global demand for petroleum is driving prices for gasoline and home heating oil to record levels. This year, China passed Japan as the world's second largest consumer of energy. China's use of oil is expected to grow exponentially over the next few years. So the focus of any national energy strategy must be to reduce our dependence on foreign oil in a sustainable way and as rapidly as possible.

By far, the largest use of petroleum in this country is in the transportation sector, and 97 percent of today's transportation fuel comes from petroleum. Thankfully, we know the solution. It is technologically feasible. We need to build vehicles that use less gasoline or no gasoline, and we need to make an aggressive transition to clean, renewable domestic fuels such as ethanol, biodiesel, and fuel cells.

The goal is a future of vehicles powered by fuel cells. The hydrogen is used to create the electricity to turn the motors that turn the wheels. The power from the fuel cell comes from hydrogen that will be made by renewable resources such as wind, photovoltaic, and other forms of renewable energy.

The biggest single step right now that we can take is to improve vehicle fuel economy. This bill takes a modest step in this direction, for example, by offering tax incentives for hybrid gas-electric vehicles, but we need improvements across the board, including raising the corporate average economy standard for vehicles.

Another commonsense way to reduce reliance on fossil fuels is to make greater use of clean and homegrown fuels. This bill has several provisions that take us in the right direction on this front, starting with the robust 8-billion-plus renewable fuel standard first proposed by Senator LUGAR and I and overwhelmingly approved by this Senate last week.

It is very disturbing that even with the price of ethanol well below that of gasoline, fuel blenders are still turning their backs on this cleaner, cheaper, homegrown alternative and turning instead to imports of refined gasoline.

This chart illustrates that. Right now, going back to 5 years ago, there has been a steady increase in the imports of gasoline. This is weekly total gasoline imports—thousands of barrels per day. From April 28 of 2000 until March of this year, gasoline imports increased 66 percent. This is not oil, this is gasoline. This is oil that has been refined in some foreign country, put on a tanker, and shipped to this country. So right now, we are up to just about a million barrels a day. Think about that, that is just gasoline. Not too many people know that. Most people think we are just importing oil. We are importing about a million barrels a day of refined gasoline into this country. That is at the expense of American dollars and jobs. This is taking us in the wrong direction.

A recent report by the Consumer Federation of America found consumers would be saving up to 8 cents a gallon at the pump if refiners were instead adding it to the gasoline at just 10-percent blends.

My consumers in Iowa, right now, are saving as much as 10 cents per gallon on ethanol-blended fuels, for an average savings of at least $100 a year for a typical family.

I believe Americans all across the country deserve the cost and clean air benefits that ethanol-blended fuels provide. It is imperative we insist on our strong 8-billion-gallon renewable fuels standard when this Energy bill goes to conference with the House.

In addition to the renewable fuels standard, this bill in front of us includes tax incentives for alternative motor vehicles and fuels. This is very important. But we need to act more aggressively. For example, I believe we need to mandate that gasoline vehicles sold in this country be flexible-fuel vehicles that can run on E–85; that is, 85 percent ethanol or some other biofuel.

Now, flexible-fuel vehicles only cost maybe, right now, between $100 and $200 per vehicle. That is with just a small amount that are being made. If every vehicle was a flexible-fuel vehicle, the cost per vehicle would drop way below $100 per vehicle. The savings a consumer would get on that few dollars extra added to the sticker price of a car would be more than made up for, probably within the first year or so of buying flexible fuels.

So I am saying, right now we do not have that many flexible-fuel vehicles. We need to mandate that cars sold in America—not made here, sold in America—be a flexible-fuel vehicle. You might say: Is that possible? Well, Brazil is planning on having all of its new cars flexible-fuel ready by 2008. I want to ask the question: If the Brazilians can do it, why can't we? If the Brazilians can do it, of course we can do it.

Now, of course, consumers need access to the renewable fuels. So I am glad the bill in front of us includes incentives for the installation of flexible-fuel pumps at fueling stations. So now the bill has in it, as I said, incentives for installing flexible-fuel pumps at fuel stations. But we do not have a mandate to build flexible-fuel cars.

Right now, there is a fuel savings credit that auto manufacturers get for making E–85 vehicles. It is called the CAFE credits. But it is on the assumption that these vehicles will run on E–85 at least half the time. In other words, an auto manufacturer gets the credits for building a flexible-fuel vehicle on the assumption the vehicle will use E–85 half the time.

But the truth is, most people who own flexible-fuel vehicles do not even know it. So E–85 does not get used at all for that reason, and for the reason there are not many pumps out there. So we call this the dual-fuel loophole because carmakers get the credit for alternative fuels even if no alternative fuel is used. We should close that loophole now by tying CAFE credits to the amount of flexible fuel that is actually used, or by simply letting the credit expire.

So what I am saying is we need a three-pronged approach. We have the incentives in the bill to add flexible-fuel pumps at fueling stations. Secondly, we need to provide these credits will go only—only—on the amount of flexible fuel that is actually used. Third, what I am saying is we actually need a mandate that cars sold in America be flexible fueled.

Now, another important provision of the Energy bill extends the income tax credit for the production of biodiesel, another excellent renewable fuel. Biodiesel offers tremendous energy savings by providing 3.5 times more energy than is used to produce it, and by offering improved air quality over traditional diesel.

In addition to investment in today's biofuels, we also need a strong investment in the future of bio-based fuels and products of all kinds. New technology is making it possible to produce biofuels and a host of industrial and commercial products out of biomass; that is, agricultural material such as corn stalks and wheat straw and switchgrass and wood pulp and things like that—dedicated energy crops that together are expected to produce 10 times the current volume of ethanol at prices equal to or less than that of gasoline, and, again, with tremendous benefits to our environment and our rural economy.

A recent study found that farmers can expect to earn an additional $35 per acre just by selling the excess biomass—the stalks and the straw—from traditional corn and wheat operations.

Now, ethanol made from this residual biomass is expected to have near zero or even negative net carbon dioxide emissions. How can that be? If you are using it, you are burning it, burning the fuel in a car, you put carbon dioxide into the atmosphere. That is true. But as these plants grow, they take carbon dioxide out of the atmosphere more than what is burned in the automobile. So biomass is a vital part of combating climate change.

Now, the biorefineries that produce this ethanol will also give us bio-based products to supplement or replace everyday products now made from petroleum. I have a couple of posters that indicate that. Shipping materials, building construction materials, roofing materials, elastomeric-type roofing materials, paints, hand sanitizers, and even carpets are made from renewable resources, biodegradable resources. For home and automotive use, just think of all the plastic cups, all these containers made out of petroleum now. And there are lubricants, soy oil. Even rubber tires are made out of renewable resources which are biodegradable. All of these things can be made from the biorefineries that will be producing the ethanol and the biodiesel that we will use in transportation. Many of these products are on the market, not in the future but today.

Tripling the use of bio-based products could add $20 billion in economic benefits just by the year 2010—5 years from now. Replacing the Nation's petrochemicals with bio-based equivalents would save some 700 million barrels of petroleum a year. Just replacing plastics with bio-based counterparts would save another 100 million barrels or more. So there is great potential here. We need to get serious about supporting these bio-based products, and the Federal Government needs to take the lead.

Now, I know we are talking about the Energy bill, and that is what I have been talking about. But I am just going to digress for a minute and talk about a provision that was in the farm bill that was passed in 2002 because it has a lot to do with this Energy bill. Keep in mind what I have been saying is, by getting the biorefineries going and making more ethanol and biodiesel, we have byproducts that can also be made. As I mentioned, they are the plastic containers and the building materials and things like that. There is an important provision in the farm bill, section 9002, that we worked very hard to get in the farm bill, passed and signed by the President 3 years ago this month. Section 9002 requires all Government Departments and Agencies to give a purchasing preference to bio-based products. Now, here is the exact wording. This is section 9002. This is law. It has been the law for 3 years:

Each Federal agency . . . shall—

It does not say ''may''—

shall, in making procurement decisions, give preference to such items composed of the highest percentage of bio-based products practicable . . . unless such items (A) are not reasonably available; (B) fail to meet performance standards; or (C) are available only at an unreasonable price.

So price, performance, and availability—as long as it meets those three criteria, each Federal agency shall buy them. That is what it says, period.

Think of all the plastic cups and forks used every day in the Senate cafeteria alone.

Think of the Department of Defense, think about all of the plastic materials they use in serving the troops every day. Think of the millions of gallons of metal-working fluids, lubricants, and paint used by the Department of Defense. Yet 3 years after the passage of the farm bill, we still do not have a bio-based procurement program in place in the Federal Government. That has been there. It has been the law. And we are still not doing it. McDonald's can go buy plastic cups made out of renewable resources. Good for them. Why can't the Department of Defense? Why can't the Department of Interior that operates in our national parks? Why aren't they using more biodegradable materials? The law says they are supposed to, but they are not doing it because USDA has yet to issue the rules.

Again, I bring that up because this is part and parcel of the Energy bill. This saves us energy because right now all this material is made from imported oil, or most of it. It could be made by homegrown products here in America. We need to have the Federal Government setting an example and leading the way in reducing dependence on products made from foreign oil. I am sorry to say that 3 years later we still are not doing it.

We also need to invest in research and commercialization of bio-based fuels and products. That is why a few weeks ago, I, along with Senators LUGAR, OBAMA, and COLEMAN, introduced the National Security and Bioenergy Investment Act of 2005. Our bill promotes targeted biomass research and development in order to expand the cost-effective use of bio-based fuels, products, and power. It provides incentives for the production of the first 1 billion gallons of biofuels from cellulosic biomass; that is, crop residues like corn stocks and wheat straw, or wood chips from lumber mills. It provides bioeconomy development grants to small bio-based businesses. It creates a new Assistant Secretary position at the Department of Agriculture to carry out energy and bio-based initiatives.

It requires the Capitol complex to lead by example by procuring bio-based products. This bill has the support of a broad coalition of agricultural producers, clean energy and environment groups, and national security experts. I have a number of letters from these organizations supporting the bill.

I ask unanimous consent that the letters be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. HARKIN. Mr. President, I am excited about this new bill. I hope my colleagues will get behind it. In fact, we may be offering an amendment to the Energy bill that would take a small part of that and add it to the Energy bill. I hope we can get that done this week.

America's dangerous dependence on fossil fuels extends beyond oil. Natural gas prices have skyrocketed, hurting everyone who uses gas to heat their home or fuel their appliances or to make fertilizer for our farmers. Americans now pay two to three times what Europeans pay for natural gas due to our ever-growing demand and limited availability. Farmers are hit hard. Our farmers rely on natural gas not only to heat homes and run much of their equipment but also for fertilizer in the fields. These impacts on farmers are severe and getting worse. We need an energy bill that looks for sensible ways to lower natural gas costs for all Americans. We need to look for environmentally sensitive ways to increase our supply.

That is why I keep saying, the House put in a bill to drill for oil in the Arctic National Wildlife Refuge, but we all know that oil doesn't amount to anything. Most of that oil—I could be corrected—I believe all of that oil is going to go to Japan. It is a drop in the bucket compared to what we use. But what else they have in Alaska is a lot of natural gas, and we need to pipe that natural gas from Alaska down to the lower 48. That has been on the drawing boards in the past to get that natural gas down here. And for various and sundry reasons that I don't need to go into here, it has been held up.

I call upon the Governor of Alaska to move expeditiously to reach the agreements that are necessary to get the natural gas pipeline constructed and built to deliver the natural gas down to the lower 48. They have been talking a lot about how they would pipe it down—they would liquefy it and then send it down to the west coast, or maybe to the Gulf States. That costs a lot of money when you liquefy natural gas, when we could build a pipeline that could be environmentally safe and bring that gas right down to the Midwest where it is needed, not only for the Midwest but for the upper part, the northern part of the United States. So we need to move ahead aggressively on that, and we are not doing it.

We need to look for all environmentally sensitive ways to increase supply, and we need to look for solar and biomass and wind. I am glad so many colleagues from both sides of the aisle joined together in approving the amendment offered by Senator BINGAMAN requiring 10 percent of this country's electricity to come from renewable resources by 2020. Wind power in particular has tremendous potential to provide clean, abundant energy in many parts of the country. Wind power generation can provide thousands of dollars in additional revenue to our farmers and ranchers and people in rural areas, while continuing to allow for crop production and grazing. Valuable incentives for wind power production exist in the section 45 wind production tax credit. However, development of this vital industry has been tied up by Congress's refusal to provide a long-term extension of this incentive.

In 2004, when extension of the production tax credit was delayed, more than $2 billion in wind power investment was put on hold. I am pleased a 3-year extension of the production tax credit for wind has been included in this bill. We could do more, much more. It should be extended longer than that, but at least this minimal amount should provide developers the certainty they need to move ahead with wind power projects.

We also need to make sure farmers and farmer co-ops can be full participants in wind power projects. The farm bill's energy title, section 906, is providing grants and loans to farmers and rural small businesses to install wind and other renewable energy systems on their property. It also supports energy-efficient improvements to farm and small business operations. This program has been a real success over the past several years. We expect it to grow substantially in the years ahead.

I have also introduced a bill, S. 715, to help more farmers and other rural citizens become active investors in wind energy by removing restrictions that are in the production tax credit. This bill I am sponsoring includes a pass through of the wind production tax credit to cooperative members, just like the small ethanol producer credit pass through right now. This will provide another needed boost to rural America's wind power development. Right now, if a co-op builds an ethanol plant, they can get the production tax credits passed through to their members. If a co-op wants to build windmills, however, they can't pass it through to their members. Hopefully, we can lift this restriction, and we can do it on this Energy bill before us.

Finally, we need to look to the longer term future, and we need to do it now by laying the groundwork. To deliver truly sustainable energy that will not add to climate change and global warming, that will not pollute the environment, we must invest in clean technologies. What I am talking about is hydrogen. It offers real potential for a clean, domestic, sustainable energy future. But only if it is produced from renewable resources. That is why we need to support research and demonstration of technologies to produce hydrogen from ethanol and other renewable resources. My bill, S. 373, the Renewable Hydrogen Transportation Act, would do just that, by funding the installation of an ethanol-to-hydrogen reformer, as well as the operation of hybrid electric vehicles converted to run on renewable hydrogen instead of gasoline.

Making hydrogen from ethanol and other renewable fuels makes a lot of sense for transportation—one, because we can use the existing ethanol production and distribution network; two, because it could well be the least expensive renewable hydrogen option available. I appreciate the willingness of the chairman and the ranking member to work with me to put this modest, but meaningful, initiative in the bill.

Again, to get to that sustainable future, we have to think about making hydrogen from renewable resources. You use the wind power. When the wind blows at night and you don't need all that electricity and you cannot store it, what do you do with it? You waste it. It is gone. But if you can use that wind at night to turn a turbine that makes electricity, and you can use that electricity to hydrolyze water—remember the old chemistry experiment where you put positive and negative in water, and off of one comes oxygen and off of the other comes hydrogen. There are two atoms for oxygen for every atom of hydrogen. As long as those turbines are turning, we can make hydrogen. You can store hydrogen. You can save it. You can compress it. You can pipe it. So, therefore, at times when you don't need a lot of electrical power and the wind is blowing, you can make hydrogen. You can store it and take the hydrogen and put it through a fuel cell to make the electricity when you need it. The beauty of doing that is you only get one product—H_2O, water. Nothing else. It doesn't pollute, doesn't add to global warming or anything. So that is the cycle that we need. Use the Sun, use the wind, hydropower, whatever is renewable, take that and make hydrogen, store it, compress it, put it through a fuel cell, and make the electricity, and the cycle starts all over again. I know a lot of this is some years down the pike. We cannot do it tomorrow. But we can start now by building assistance that will enable us to move to a renewable hydrogen-based economy in this country.

Mr. President, let me close by thanking Senator DOMENICI and Senator BINGAMAN for the extraordinary job they have done during the past months and during floor consideration of the bill. The bipartisan cooperation we are seeing is due largely to their example and impressive leadership, and the entire Senate owes them a debt of gratitude for a job well done.

Of course, we are not done yet. Hurdles remain. We are headed, though, toward concluding a strong, bipartisan bill that leads America decisively into the new world of clean, renewable, home-grown energy. When the time comes, we need to stand firm for the Senate provisions when we go to conference.

Mr. President, I yield the floor.

EXHIBIT 1

JUNE 9, 2005.

Re The National Security and Bioenergy Investment Act of 2005.

Hon. TOM HARKIN,
U.S. Senate,
Washington, DC.
Hon. RICHARD LUGAR,
U.S. Senate,
Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: The National Corn Growers Association (NCGA), the American Soybean Association (ASA), and the Renewable Fuels Association are writing to express our support for the National Security and Bioenergy Investment Act of 2005. In particular, we strongly support the increased procurement of biobased products by Federal agencies and all Federal government contractors. Biobased products represent a large potential growth market for corn and soybean growers in areas such as plastics, solvents, packaging and other consumer goods to provide markets for U.S.-grown crops. The biobased product industry has already started to grow, bringing new products to consumers, new markets to growers and new investments to our communities.

The procurement of biobased products promotes energy and environmental security. Products made from corn and soybeans could replace a variety of items currently produced from petroleum, and aid in reducing dependence on imported oil. Already the production of ethanol and biodiesel reduces imports by more than 140 million barrels of oil. The production of biobased products generates less greenhouse gas than traditional petroleum-based items. There are also tremendous opportunities for grower-owned processing facilities and rural America and agriculture as a whole. New jobs and investments will be brought into rural communities, as new processing and manufacturing facilities move into those communities to be near renewable feedstocks.

NCGA, ASA and RFA applaud your continued efforts to promote the use of biobased I products that will encourage the development of new markets for corn and soybeans and ultimately help to revitalize rural economies and the agriculture industry as a whole. We have been avid supporters of the biobased products industry, and we look forward to working with you as you continue to provide vision and direction for this emerging industry.

Sincerely,

LEON CORZINE,
President, National Corn Growers Association.
NEAL BREDEHOEFT,
President, American Soybean Association.
BOB DINNEEN,
President, Renewable Fuels Association.

GOVERNORS' ETHANOL COALITION,
June 9, 2005.

Hon. TOM HARKIN,
Hart Senate Office Building,
Washington DC.
Hon. BARACK OBAMA,
Hart Senate Office Building,
Washington DC.
Hon. RICHARD LUGAR,
Hart Senate Office Building,
Washington DC.
Hon. NORM COLEMAN,
Hart Senate Office Building,
Washington DC.

DEAR SENATORS: On behalf of the thirty members of the Governors' Ethanol Coalition, we strongly support and endorse the National Security and Bioenergy Investment Act of 2005, as well as your efforts to expand development of other biofuels and co-products. The Governors' Ethanol Coalition is pleased that this bill embodies the recommendations developed by the Coalition in Ethanol From Biomass: America's 21st pi Century Transportation Fuel. When signed into law, this act will catalyze needed research, production, and use of biofuels and bio-based products, thereby enhancing our economic, environmental, and national security.

The Coalition believes that the nation's dependency on imported oil presents a huge risk to this country's future. The combination of political tensions in major oil-producing nations with growing oil demand from China and India is seriously threatening our national security. Moreover, as we import greater amounts of oil each year, we are draining more and more of the wealth from our states.

The key provisions contained in your bill bring focus and resources to biomass-derived ethanol research and commercialization efforts. The result, over time, will be the replacement of significant amounts. of imported oil with domestically produced fuels—improving our rural economies, cleaning our air, and contributing to our national security. Of particular importance is the bill's aim to broaden ethanol production to include all regions of the nation so that many more states will reap the benefits of biofuels.

Again, thank you for inclusion of the Coalition's recommendations in this landmark legislation. Please let us know how the Coalition can help with the passage of this very important legislation. The continued expansion of ethanol production and use, particularly biomass-derived fuels, and the accompanying economic growth and environmental benefits for our states is essential to the nation's long-term economic vitality and national security.

Sincerely,

TIM PAWLENTY,
Chair, Governor of Minnesota.
KATHLEEN SEBELIUS,
Vice Chair, Governor of Kansas.

NATURAL RESOURCES DEFENSE COUNCIL,
Washington, DC, June 7, 2005.

DEAR SENATORS HARKIN AND LUGAR: The Natural Resources Defense Council strongly supports the National Security and Bioenergy Investment Act of2005, which you introduced today. This important bill would expand and refine research, development, demonstration and deployment efforts for the production of energy from crops grown by farmers here in America. The bill would also expand and improve the Department of Agriculture's efforts to promote a biobased economy, federal bio-energy and bioproduct purchasing requirements, and federal educational efforts.

The Research and Development (R&D) title of this bill continues your tradition of leadership in this area by updating the Biomass Research and Development Act of2000, which you also crafted. This title will not only extend the provisions of the original bill and greatly increase the funding for these provisions, it will also refine the direction of this funding. Taken together, these changes maximize the impacts of R&D on the greatest challenges facing cellulosic biofuels today.

Your bill also creates extremely important production incentives for the first one billion gallons of cellulosic biofuels. The production incentives approach taken by the bill a combination of fixed incentives per gallon at first, switching over to a reverse auction will maximize the development of cellulosic biofuels production while minimizing the cost to taxpayers.

In addition, the bill creates an Assistant Secretary of Agriculture for Energy and Biobased Products. Coupled with the bill's development grants, tax incentives, biobased product procurement provisions, and educational program, the bill would make a huge contribution to developing a sustainable biobased economy, reducing our oil dependence and improving our national security.

The technologies advanced by this bill will undoubtedly make important contributions to reducing our global warming pollution and the air and water pollution that comes

from our dependence on fossil fuels. We are concerned, however, that the eligibility provisions for forest biomass do not exclude sensitive areas that need protecting, including roadless areas, old growth forests, and other endangered forests, and do not restrict eligibility to renewable sources or prohibit possible conversion of native forests to plantations. We know that you do not want to see this admirable legislation applied in ways that exploit these features, and will be happy to work with you in the future to take any steps needed if abuses arise.

Sincerely,

KAREN WAYLAND,
Legislative Director.

ENERGY FUTURE COALITION,
Washington, DC, June 8, 2005.

Hon. TOM HARKIN,
Hon. RICHARD G. LUGAR,
U.S. Senate,
Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: On behalf of the Energy Future Coalition, I am writing to commend your leadership and vision in drafting the National Security and Bioenergy Investment Act of 2005.

In our judgment, America's growing dependence on foreign oil endangers our national and economic security. We believe the Federal government should undertake a major new initiative to curtail U.S. oil consumption through improved efficiency and the rapid development and deployment of advanced biomass, alcohol and other available petroleum fuel alternatives.

With such a push, we believe domestic biofuels can cut the nation's oil use by 25 percent by 2025, and substantial further reductions are possible through efficiency gains from advanced technologies. That is an ambitious goal, but it is also an extraordinary opportunity for American leadership, innovation, job creation, and economic growth.

You took an important step forward by introducing S. 650, the Fuels Security Act, incorporated into the Senate energy bill during Committee markup. This legislation is another important step, authorizing the additional research and development and federal incentives needed to accelerate the adoption of biobased fuels and coproducts. We are pleased to support it.

Sincerely,

REID DETCHON,
Executive Director.

NATIONAL FARMERS UNION,
Washington, DC, June 9, 2005.

Hon. RICHARD LUGAR,
Hart Senate Office Building,
U.S. Senate, Washington, DC.
Hon. TOM HARKIN,
Hart Senate Office Building,
U.S. Senate, Washington, DC.

DEAR SENATORS LUGAR AND HARKIN: On behalf of the family farming and ranching members of the National Farmers Union, we are writing to express our strong support for your bipartisan, National Security and Bioenergy Investment Act of 2005 legislation. The provisions within this act contain crucial measures that will benefit not only rural, but all of America.

Importantly, your legislation would create an Assistant Secretary for Energy and Biobased Products position at USDA, which we feel would complement and reinforce initiatives created by the energy section of the 2002 Farm Bill.

We also applaud your proposals for promoting the usage of biobased products within the U.S. government, which will expand future development of these technologies. These products, and their use, are an asset to the rural producers of the commodities used in the production of these commonly used items. Also, the more we increase the use of these items, the better it will be environmentally for future generations.

We wholeheartedly support your legislation and look forward to working with you to promote the expansion of biobased products.

Sincerely,

DAVID J. FREDERICKSON,
President.

BIOTECHNOLOGY
INDUSTRY ORGANIZATION,
Washington, DC, June 8, 2005.

Senator TOM HARKIN,
Ranking Democratic Member,
Senator RICHARD LUGAR,
Member, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: The Biotechnology Industry Organization (BIO) Industrial and Environmental Section fully supports the National Security and Bioenergy Investment Act of 2005. We greatly appreciate your vision and initiative to expand the Biomass Research and Development Act and to create new incentives to produce biofuels and biobased products.

America's growing dependence on foreign energy is eroding our national security. We must take steps to drastically increase production of domestic energy. As an active participant in the Energy Future Coalition, BIO believes this country needs a major new initiative to more aggressively research, develop and deploy advanced biofuels technologies. With sufficient government support, we can meet up to 25% of our transportation fuel needs by converting farm crops and crop residues to transportation fuel.

The National Security and Bioenergy Investment Act of 2005 will boost the use of industrial biotechnology to produce fuels and biobased products from renewable agricultural feedstocks. With the use of new biotech tools, we can now utilize millions of tons of crop residues, such as corn stover and wheat straw, to produce sugars that can then be converted to ethanol, chemicals and biobased plastics. These biotech tools can only be rapidly deployed if federal policy makers take steps to help our innovative companies get over the initial hurdles they face during the commercialization phase of bioenergy production, and your bill will help get that job done.

We are pleased to endorse this visionary legislation.

Sincerely,

BRENT ERICKSON,
Executive Vice President.

ENVIRONMENTAL LAW & POLICY CENTER,
Chicago, IL, June 8, 2005.

Hon. TOM HARKIN,
Hon. RICHARD G. LUGAR,
U.S. Senate,
Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: The Environmental Law and Policy Center (''ELPC'') is pleased to support the National Security and Bioenergy Investment Act of 2005, and we commend you for your leadership and vision in introducing this legislation. This bill would accelerate research, development, demonstration and production efforts for energy from farm crops in the United States, especially cellulosic ethanol. It also will expand and prioritize the United States Department of Agriculture's leadership responsibilities to promote clean and sustainable energy development, and it will increase procurement of biobased products.

By significantly expanding the development and production of clean energy ''cash crops,'' this legislation will improve our environmental quality, stimulate significant rural economic development, and strengthen our national energy security. ELPC also appreciates that this legislation reflects your longstanding support for farm-based sustainable energy programs. ELPC strongly supported your successful efforts to create the new Energy Title in the 2002 Farm Bill, which established groundbreaking new federal incentives for renewable energy and energy efficiency, while renewing existing programs such as the Biomass Research and Development Act of 2000.

The National Security and Bioenergy Investment Act of 2005 is a natural complement to the 2002 Farm Bill Energy Title programs, and it will help to strengthen support for the right bioenergy production programs in the 2007 Farm Bill. Accordingly, ELPC is pleased to support this legislation.

Very truly yours,

HOWARD A. LEARNER,
Executive Director.

INSTITUTE FOR LOCAL SELF-RELIANCE,
June 6, 2005.

Senator TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR TOM HARKIN: Congratulations on your bill, National Security and Bioenergy Investment Act of 2005. It is a breakthrough piece of legislation. Your well-conceived bill, combining needed executive branch changes, welcome increases in research and development funding and innovative commercialization techniques, can move the use of plants as a fuel and industrial material from the margins of the economy to the mainstream. I urge everyone with an interest in our environmental, agricultural and economic future to support this bill.

Sincerely,

DAVID MORRIS,
Vice President.

The PRESIDING OFFICER. The Senator from New York is recognized.

AMENDMENT NO. 805

Mr. SCHUMER. Mr. President, first, I thank my colleague from Iowa for his being always thoughtful. We even want to produce ethanol plants and wind in New York. We just don't want to transport it over to Iowa. I am not from Iowa. In any case, I am not here to talk about that.

Mr. President, I ask unanimous consent that the pending amendment be laid aside, and I send an amendment to the desk.

Mr. DOMENICI. Reserving the right to object.

Mr. SCHUMER. This is the sense of the Senate amendment on the Strategic Petroleum Reserve.

Mr. DOMENICI. We will temporarily set it aside, and then we will return to where we were. I have no objection.

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

Mr. SCHUMER. Mr. President, I believe the amendment is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. SCHUMER] proposes an amendment numbered 805.

Mr. SCHUMER. 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:

(Purpose: To express the sense of the Senate regarding management of the Strategic Petroleum Reserve to lower the burden of gasoline prices on the economy of the United States and circumvent the efforts of OPEC to reap windfall profits)

On page 208, after line 24, add the following:

SEC. 303. SENSE OF THE SENATE REGARDING MANAGEMENT OF SPR.

(a) FINDINGS.—Congress finds that—

(1) the prices of gasoline and crude oil have a direct and substantial impact on the financial well-being of families of the United States, the potential for national economic recovery, and the economic security of the United States;

(2) on June 13, 2005, crude oil prices closed at the exceedingly high level of $55.62 per barrel, the price of crude oil has remained above $50 per barrel since May 25, 2005, and the price of crude oil has exceeded $50 per barrel for approximately ⅓ of calendar year 2005;

(3) on June 6, 2005, the Energy Information Administration announced that the national price of gasoline, at $2.12 per gallon, could reach even higher levels in the near future;

(4) despite the severely high, sustained price of crude oil—

(A) the Organization of Petroleum Exporting Countries (referred to in this section as ''OPEC'') has refused to adequately increase production to calm global oil markets and officially abandoned its $22–$28 price target; and

(B) officials of OPEC member nations have publicly indicated support for maintaining oil prices of $40–$50 per barrel;

(5) the Strategic Petroleum Reserve (referred to in this section as ''SPR'') was created to enhance the physical and economic security of the United States;

(6) the law allows the SPR to be used to provide relief when oil and gasoline supply shortages cause economic hardship;

(7) the proper management of the resources of the SPR could provide gasoline price relief to families of the United States and provide the United States with a tool to counterbalance OPEC supply management policies;

(8) the Administration's policy of filling the SPR despite the fact that the SPR is nearly full has exacerbated the rising price of crude oil and record high retail price of gasoline;

(9) in order to combat high gasoline prices during the summer and fall of 2000, President Clinton released 30,000,000 barrels of oil from the SPR, stabilizing the retail price of gasoline;

(10) increasing vertical integration has allowed—

(A) the 5 largest oil companies in the United States to control almost as much crude oil production as the Middle Eastern members of OPEC, over ½ of domestic refiner capacity, and over 60 percent of the retail gasoline market; and

(B) Exxon/Mobil, BP, Royal Dutch Shell Group, Conoco/Philips, and Chevron/Texaco to increase first quarter profits of 2005 over first quarter profits of 2004 by 36 percent, for total first quarter profits of over $25,000,000,000;

(11) the Administration has failed to manage the SPR in a manner that would provide gasoline price relief to working families; and

(12) the Administration has failed to adequately demand that OPEC immediately increase oil production in order to lower crude oil prices and safeguard the world economy.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should—

(1) directly confront OPEC and challenge OPEC to immediately increase oil production; and

(2) direct the Federal Trade Commission and Attorney General to exercise vigorous oversight over the oil markets to protect the people of the United States from price gouging and unfair practices at the gasoline pump.

(c) RELEASE OF OIL FROM SPR.—

(1) IN GENERAL.—For the period beginning on the date of enactment of this Act and ending on the date that is 30 days after the date of enactment of this Act, 1,000,000 barrels of oil per day shall be released from the SPR.

(2) ADDITIONAL RELEASE.—If necessary to lower the burden of gasoline prices on the economy of the United States and to circumvent the efforts of OPEC to reap windfall crude oil profits, 1,000,000 barrels of oil per day shall be released from the Strategic Petroleum Reserve for an additional 30 days.

Mr. SCHUMER. Mr. President, I thank my friend from New Mexico for his grace, as usual. I will be brief as I make a statement on the amendment.

I rise to offer this amendment, which will express the sense of the Senate that the Federal Government should take long, overdue action to curb the record-high gasoline prices that are plaguing American consumers at the pump. As my colleagues are well aware, for weeks, oil and gasoline prices have been placing an immense burden on working families and threatening our fragile economic recovery, and it is time that this body took action to protect our Nation's economic security from the sky-high oil prices and the whims of the OPEC cartel.

This amendment would urge the administration to provide the American consumer with relief by releasing oil from the Strategic Petroleum Reserve through a swap program in order to increase the supply, quell the markets, and bring down prices at the pump. Of course, the other side of the swap is that we would buy back the oil when the price was lower and put it back in the Strategic Petroleum Reserve, which is now just about full.

Mr. President, what we are faced with here is simple market economics of supply and demand. If demand goes up, price goes up. If supply goes up, price goes down. At a time facing record-breaking gasoline prices, it is hard to believe that the Federal Government would be taking oil off the market and exacerbate the high energy costs to working families.

The price of crude oil has remained at near record highs for over one-third of 2005, with oil having traded at over $50 a barrel since May 25. Just today, we saw the biggest jump yet, with oil closing at almost $60 a barrel. OPEC used to claim it was interested in helping to keep prices under $30 a barrel. That is when it went from a $22 to $28 rate. It may be fun to double down in Las Vegas but not in the oil market, and certainly not at the gas pump.

These prices have already burdened Americans in New York and in the rest of the Northeast. We get a double whammy because we have high home heating oil prices, as well as high gasoline prices because we depend on heating oil more than most parts of the country. Other parts are warmer or use more natural gas. I know these families were hoping for a quick spring so they could enjoy a brief respite from the high energy prices.

Unfortunately, that hasn't been the case, as the increased burden of oil costs has just moved from the home to the highway. As Americans are beginning to plan for their road trips and summer vacations, the national price of gasoline has seemingly reached a new record high every week. Last week, the Energy Information Administration reported that prices had increased for the second straight week, to $2.13 for regular self-service. That is an increase of almost 49 cents from last year. Unfortunately, it could give way to even higher prices in the future.

We know who is being hurt by these oil prices, and we know who is benefiting—OPEC. Last year, OPEC made $300 billion in oil revenue. They stand to gain much, much more if the price of oil stays as high as it is—stratospheric levels. In order to institutionalize the profits from these spikes, OPEC agreed to abandon their longstanding price target of $22 to $28 a barrel, as I mentioned before, and some of its members say they could be comfortable with oil remaining at $40 to $50 permanently. I know who will not be comfortable—American families who depend on affordable oil to commute to work, heat their homes, and provide for their energy needs.

Some of my colleagues may be asking: Didn't OPEC agree to increase production in March by 500,000 barrels a day?

The reality is that OPEC's pledge to increase production on paper has not reduced prices at the pump. OPEC, after having cut production by 1 million barrels in the face of rising oil prices—it is not that amazing—claimed that they would increase production by half the previous cut. While this would seem like a step in the right direction, the reality is they were already producing 700,000 barrels over their quota, so as a result this paper increase added no oil to U.S. markets.

These are exactly the type of shell games that the OPEC cartel uses to take money out of Americans' pockets to put toward OPEC profits.

We have to act to stop it. Once again, OPEC is talking about another 500,000-barrel increase. We will see if they actually follow through.

Instead of standing up to OPEC, what has this administration done? It has continued, incredibly enough, taking oil off the market and placing it in the SPR. This policy, which further tightens oil markets by taking much needed supplies out of commerce, is slated to take an average of almost 85,000 barrels per day off the market during the height of the driving season, between April and the end of August, despite the fact that the SPR is almost completely full.

I understand that some of my colleagues think the SPR should never be

touched, even to safeguard our economic security. I would argue that concerns to this degree do not properly balance America's physical security needs against its economic security needs. With the SPR almost full, we can easily reduce 30 million barrels through a swap and still have an effective safeguard against a physical supply disruption.

Initiating a swap of oil from the SPR to increase the supply of oil is a proven way to reduce the price of gasoline and heating oil. In the fall of 2000, the Clinton administration announced a swap of 30 million barrels over 30 days, causing crude oil prices to quickly fall by over $6 a barrel and wholesale prices to fall 14 cents a gallon. Under a swap, the Federal Government could decide on a set quantity of oil to release from the SPR and accept bids from private companies for the rights to that oil. The companies would then bid on how much oil they would be willing to return, in addition to the oil they would receive under the swap, to the SPR at a later date.

The administration has had these tools in its hands and could have acted more quickly, earlier, to stand up for the American consumer, but it has not. Instead, despite repeated urgings from Members of this body, among others, it has steadfastly refused to intervene and to allow oil prices to soar. It has been good for oil companies, it has been good for OPEC and bad for the American consumer.

This amendment says enough is enough and gives this body an opportunity to do what others have refused by hitting the breaks to stop runaway gasoline prices.

An oil swap would result in a win-win situation where gasoline prices are lowered and long-term contributions to the SPR are augmented at no additional cost to the taxpayers. The SPR is intended to provide relief at times when American families are struggling to make ends meet. The time is now. The summer driving months are just beginning.

I urge my colleagues to join me in protecting the pocketbooks of working families from OPEC profiteering by supporting this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, we will not argue our case against the case of the Senator from New York yet. We will do that tomorrow. Suffice it to say we are talking about a reserve. It is there as a safety valve in the event something were to happen, and we will talk about the perils of that and why the amendment should not be adopted.

For now, it looks as if we are lining up a number of amendments for tomorrow, including some amendments that should be in place with reference to global warming and some agreements and understanding regarding them. Later on, an amendment about the inventory of offshore assets, resources, will be discussed and when that amendment to strike will be taken up. So we might have some understanding by morning on a series of votes.

For now, I do not think we are going to do anything else other than wrap up business, and we will take care of that in due course.

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

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

MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak for up to 10 minutes each.

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

CORPORATION FOR PUBLIC BROADCASTING

Mr. DORGAN. Mr. President, I want to speak about the Corporation for Public Broadcasting. My understanding is their board of directors is meeting today. I don't know whether they are going to select a new president for the corporation, but I know that was at least announced as the intention today of the Corporation for Public Broadcasting. Let me go all the way back to Big Bird. Everyone who grows up watching Sesame Street and Children's Television Workshop understands that Cookie Monster, Big Bird, and all of those things represent learning devices and the wonderful characters on Sesame Street. The Corporation for Public Broadcasting was created a long while ago as a part of an approach to do something unique.

The Corporation for Public Broadcasting, Public Television, and National Public Radio have been pretty remarkable. Every week 94 million Americans watch public television or some portion of public television and 46 million people listen to public radio. That is a remarkable statistic. Public radio and public television are available to over 90 percent of American homes. We have come a long way since President Johnson signed the Public Broadcasting Act of 1967.

It is the case that public broadcasting will tackle issues that other broadcasters don't tackle. I admit you won't see Fear Factor on public television. You won't tune in and see someone sitting in front of a bowl of maggots to see whether they can eat an entire bowl in 15 or 30 seconds. That is not the kind of television I watch. But occasionally when you are browsing through the television routine, you tune in to programs that have that kind of approach. You wonder what has become of good television. Or you might tune in to another program where you see a couple of women or men engaged in a fist fight over some romance that turned sour, where on that program day after day they hold this imperfection up to the light and say: Isn't this ugly? Let's entertain ourselves with everyone else's dysfunctional behavior.

You won't find that on public broadcasting. They sink their teeth into some pretty interesting things. I mentioned Big Bird. I suppose could you say Big Bird isn't quite so serious, but a lot of children grow up with Sesame Street watching Big Bird and the lessons therein. Frankly, it is wonderful television—more than television for children, I will give you an example of the kinds of things public broadcasting tackles that others will not.

Do you think ABC, CBS, NBC or FOX is going to tackle the question of concentration in broadcasting? There are no more than five or six companies and people that control what we see, hear, and read. Because we see all of these concentrations of television stations and radio stations, the Federal Communications Commission decided in their ruling, which the court subsequently stayed, that it is OK to open this up. And the Federal Communications Commission said: We believe that in one major American city, one company ought to be able to own eight radio stations, three television stations, the cable company, and the dominant newspaper. We think that is fine.

It is not fine with me. It is limiting what people can see and read and hear. The controversy surrounding public television, public radio, the Corporation for Public Broadcasting saddens me. My hope is that perhaps actions taken in the next couple of days might resolve that.

There is apparently a board meeting this afternoon and apparently another meeting of some type tomorrow where they will choose a new president. This all is with the backdrop of the chairman of the Corporation for Public Broadcasting, who has consistently and publicly said that public broadcasting, public television, public radio has a liberal bias. There have been all of those allegations over some long period of time. A liberal bias, it is easy to say. It doesn't have a liberal bias. It is just independent television which most people appreciate.

Let me talk for a moment about my concern about where we are heading. Press accounts from last week noted that the House Appropriations Committee approved a spending bill on Thursday that would slash spending for public television and radio by nearly half. That includes a 25-percent cut in financing for the Corporation for Public Broadcasting and a total of $112 million in additional cuts for programs that provide continuing children's programming.

Just the news coming out of the Appropriations Committee in the House is

ominous. But more than that, inside the organization, the chairman of the Corporation for Public Broadcasting hired a consultant to evaluate the bias in public broadcasting. He hired a consultant to go after the program called ''NOW with Bill Moyers.'' He hired that consultant without notifying the board of directors. This is the chairman of the board. He hired that consultant with public funds.

As an appropriator, I asked him: Would you provide me with the information that the consultant provided you.

This is what I received. I received a substantial amount of what he called raw data. It didn't include any summary, just raw data. I was struck and disappointed to see that a consultant was hired, and this is a summary of April 4 to June 4, just to pick one. And they go through the list of programs, and they label anti-Bush, anti-Bush, anti-DeLay. I guess if he reported on the controversy about TOM DELAY, it is anti-DeLay programming.

It says, ''anticorporation.'' In fact, they did a program about some waste. It might have been about Halliburton, although I have done hearings on Halliburton. I guess that would then be declared anticorporation. It is really not. Again, it reads anti-Bush, anti-Bush, pro-Bush.

I am struck that it is way out of bounds to be paying money for a consultant who decides to evaluate public broadcasting through the prism of whether or not it supports the President. That is not the role of public broadcasting, to decide whether it supports the President of the United States. If we ever get to the point where you can't be critical of public policy, Democrats and Republicans, Congress and the President, then there is something wrong.

Interestingly enough, they used another approach on another set of programming, and they divided these segments that were shown into either liberal or conservative segments. And there was a segment on June 7 last year and Senator HAGEL from Nebraska, a conservative Republican, was on that segment and apparently said something that wasn't completely in sync with the White House. So he is labeled as a liberal. A conservative Republican Senator from Nebraska is labeled a liberal by the consultant for the Corporation for Public Broadcasting. Why? Because he said something liberal? No, apparently he just didn't have the party line down and said something that was perhaps at odds with policy coming out of the White House.

This list goes on and on. My guess is my colleague Senator HAGEL is going to be mighty surprised to discover that a consultant hired by the Corporation for Public Broadcasting views his appearances on public broadcasting as appearances that contribute to a liberal bias because a conservative Republican Senator from Nebraska shows up on public broadcasting.

I don't mean to make light of this. I think it is serious. In addition to all of this, an allegation of bias—a relentless allegation of bias by the chairman of the Corporation for Public Broadcasting, in addition to his hiring a consultant to do this kind of thing—evaluate programming, whether it is anti-Bush or pro-Bush—in addition to all of that, there is now a discussion and potentially even a vote today in which they would select a new president of the Corporation for Public Broadcasting, and the leading candidate for that job is a former cochairman of the Republican National Committee.

I would not think it appropriate for a former cochair of the Democratic National Committee to assume the presidency of the Corporation for Public Broadcasting; nor would I think it would be wise for Mr. Tomlinson, the chairman of the board, to usher in a former partisan as president of the Corporation for Public Broadcasting.

Again, I only say that, going back some 35 years and more, I think public broadcasting has been a real service to our country. Public television and public radio tackle things other interests will not tackle in this country. They are, in fact, independent. That is precisely what drives some people half-wild. My hope is that the actions of Mr. Tomlinson, the chairman, the actions of the board, whatever they might be today—my hope is that those actions will not further contribute to injuring public broadcasting.

We fund public broadcasting because we think it is a great alternative to commercial television. If you tune in—nothing against broadcasts in the evening on the commercial station, but I happen to think Jim Lehrer has one of the best newscasts in our country. He covers both sides aggressively. I think it contributes to our country and I think, in many ways, public broadcasting is a national treasure. I regret that I have to describe these things—consultants who evaluate whether or not something is anti-Bush. That is not the prism through which one should evaluate whether something makes sense. I will wait to see what happens today at the meeting taking place of the board. My hope is that they will not take action that will further injure and be detrimental to public broadcasting.

25TH ANNIVERSARY OF ANDRE'S FRENCH RESTAURANT

Mr. REID. Mr. President, I rise today to congratulate Chef Andre Rochat, the Dean of Las Vegas Chefs. Twenty-five years ago, he opened the doors to his first restaurant, Andre's French Restaurant. In the decades since, he has served patrons—including my wife Landra and I—the finest French cuisine in the city.

I first encountered Andre in the 1970s—a few years before he opened Andre's. At that time, he was operating the Savoy French Bakery and selling the most wonderful pastries you could find. Bolstered by the bakery's success, he opened Andre's in 1980 in a converted Spanish-style home one block east of Las Vegas Boulevard. It was an unlikely location for a restaurant—but he quickly found success.

Twenty-five years later, Andre's has become what some have called the ''most honored, awarded and respected restaurant in Las Vegas.'' The restaurant's intimate dining rooms, wonderful food and outstanding service have made it a landmark.

Andre's arrival in our city was the result of hard work and determination.

He was born in the Savoie region of the French Alps and inherited a love for his trade from his parents, who owned a delicatessen and butcher shop. At 14, Andre left home and began an apprenticeship at Leon de Lyon, in Lyon, France. After serving in the French Navy, Andre came to the United States in 1965, landing in Boston with just $5 and his knives. Eventually, he made his way to Las Vegas and forever changed the city's dining scene.

Today Las Vegas is home to many great chefs. But Andre was one of the first. He now has two more restaurants in the city, and both of them continue in the award winning tradition begun by Andre's French Restaurant 25 years ago.

I congratulate Andre on 25 great years and thank him for sharing his outstanding gifts. Las Vegas is privileged to be able to enjoy his world-renowned talents, and it won't be long before Landra and I return to Andre's to enjoy our favorite meal, the Imported Dover Sole Sauteed Véronique with Lemon Tarts for dessert.

TRIBUTE TO DRAKE DELANOY

Mr. REID. Mr. President, I rise today to congratulate Drake DeLanoy of Las Vegas, NV as he reaches two incredible milestones in life: his 55th wedding annirersary and his 77th birthday. For four decades, Drake has been a friend and mentor of mine, and I wish him and his wife Jackie all the best as they mark these two occasions.

Drake DeLanoy was raised in Reno. He graduated from the university of Nevada, Reno, and married Jackie on June 19, 1950. Drake earned his law degree from Denver University.

Following law school, Drake served in the United States Air Force and eventually returned to Nevada to practice law, which is where I had the good fortune of working with him.

Drake and I practiced together for 13 years, beginning in the mid-1960s. When we started working together, I was right out of law school and an inexperienced attorney. But Drake and his partners William Singleton and Rex Jameson took me under their wing.

These three men were great teachers who gave me the freedom to learn and grow. They let me take the legal cases I wanted to pursue, and they allowed me to watch them in the courtroom

and observe them work during trials. They also gave me the opportunity to be politically involved, and I have no doubt that the freedom and support I enjoyed with them allowed me to serve and now be in the U.S. Senate.

At the age of 77, Drake DeLanoy continues to build on his strong career. As an appointee of the Governor, Drake now serves on the Governing Board of the Tahoe Regional Planning Agency, which protects and preserves the beauty of the Tahoe basin.

I will forever be grateful to Drake DeLanoy. The lessons he taught and the experiences he provided have stayed with me all these years.

As Drake and Jackie celebrate their 55th anniversary and Drake looks forward to another year, I congratulate them both and wish them many more years of happiness together.

HONORING OUR ARMED FORCES

LANCE CORPORAL CHAD MAYNARD

Mr. SALAZAR. Mr. President, I rise today to remember one of Colorado's fallen heroes, Marine LCpl Chad Bryant Maynard who was killed last week in Ar Ramadi, Iraq. He was only 19 years old.

Lance Corporal Maynard hailed from Montrose, CO, on the Western Slope. Growing up, it was his dream to serve his country. Chad Maynard's deep patriotism was a family tradition—his father served in the Marines, and his brother Jacob returned from his second tour in Iraq a few months ago.

As a high school student, Chad had secretly contacted recruiters when he was 16 about his wish to join the Marines. His parents remember him sneaking recruiting brochures into the house. The recruiters had to ask him to stop contacting them until he was 18.

But Lance Corporal Maynard was determined to serve his country. He joined the junior ROTC at Montrose High School. One of his friends once quipped, ''God rested on the seventh day and on the eighth day made Maynard for the Marines. . . .'' He worked hard at his classes so he could graduate early to go to boot camp. At his 2004 graduation from Montrose High, Chad Maynard stood proudly in his Marine Corps dress uniform.

Lance Corporal Maynard's friends and instructors remember him as a young man who took his commitment to his country very seriously. On September 11, Lance Corporal Maynard organized a prayer around the flagpole at school. He sought out the Marines because he wanted to be on the front lines, making a difference for his country.

Today in Montrose is the funeral for Lance Corporal Maynard. Just 1 year and 6 days after he picked up his diploma, Chad Maynard was taken from us, a life of extraordinary promise snuffed out all too soon. He served his Nation with honor and distinction.

LCpl Chad Maynard set an example for all those around him to follow and left a positive mark on every life he touched. Chad's brave and selfless actions have made the world a better and safer place for all of us and we owe him a debt of gratitude which we will never be able to pay. To his wife Becky and their soon-to-be-born child, I send my humble thanks for Chad's sacrifice on our behalf. Your family will remain in my thoughts and prayers.

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, I speak about the need for hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

A 17-year-old transgender woman and her 18-year-old friend were shot in the head while sitting in a SUV, which was set on fire. The SUV was found in an isolated parking lot after the two had been missing for a day. Their bodies were burned beyond recognition. The perpetrator allegedly killed the two victims when he discovered that one of them was a crossdresser.

The Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

CRIMES AGAINST HUMANITY IN DARFUR

Mr. CORZINE. Mr. President, Senator BROWNBACK and I have submitted a resolution to designate July 15–17, 2005 as a National Weekend of Prayer and Reflection to draw attention to the genocide and Crimes Against Humanity occurring in Darfur, Sudan, and to find a solution to this great moral challenge. The resolution calls upon the people of the United States to pray and reflect. Churches, synagogues, mosques, other communities of faith, and all individuals of compassion will join together to acknowledge, observe, and reflect upon the crimes against humanity that continue to occur in Darfur, so that we can together end the genocide and bring about lasting peace to Sudan.

The Congress and administration have already defined the atrocities in Darfur as genocide. Estimates of the death toll range from 180,000 to 400,000. More than two million people have been displaced from their homes, including over 200,000 refugees in Chad. Recent accounts of these atrocities, as reported by Doctors without Borders, include documented rapes by soldiers and government-backed militia.

Many religious and human rights leaders, communities, and institutions throughout the world have already spoken out, and called for an end to the genocide. In my own state, thousands participated in a Darfur Sabbath Weekend on May 14–15, 2005, when clergy and congregations throughout New Jersey addressed this crisis during their worship services. With my friend and colleague Representative DONALD PAYNE, I was privileged to visit a mosque, a synagogue, a Catholic rectory, an African American Baptist Church and a United Methodist Church during those two days.

Whatever the denomination, we spoke to each other in the same language, and committed ourselves to the same determination to act according to our words and the dictates of our universal conscience. That profound experience impels me to this broader outreach. I want to take this opportunity to urge my fellow members of Congress to join me in saying, ''never again.'' Never again, will we accept the slaughter of fellow human beings. Never again, will we stand by as systematic crimes are inflicted upon humanity. I ask that you join me, Senator BROWNBACK and people all across the globe in supporting this unified movement to tell the world that humanity will never again allow genocide to occur.

NATIONAL HISTORY DAY

Mr. ALEXANDER. Mr. President, I salute today the students who participated in the National History Day national contest that was held last week at the University of Maryland. More than 700,000 students in grades 6 through 12 from all over the country chose topics, researched, and presented their projects at State and local competitions this year. I am proud that 52 students from Tennessee made it to Washington. I especially want to recognize two of those students, Daniel Jordan and Tyler Sexton, eighth graders at St. John Neumann School in Knoxville.

Their National History Day project is a documentary on Sequoyah's Syllabary, which they presented at the Smithsonian American Art Museum. Sequoyah was a Cherokee warrior who was born in east Tennessee and created a syllabary, which is often called the Cherokee alphabet. He was born in 1776 in the village of Tuskeegee, which was very near Vonore, TN, where the Sequoyah Birthplace Museum is located.

Daniel and Tyler say the seed for their documentary was planted during a visit to the Sequoyah Birthplace Museum. The two boys got tired and decided to sit on several bales of hay in the center of a field. After a few minutes, two Cherokee approached the boys and explained that they were sitting on a holy prayer circle. The boys apologized profusely and removed themselves, but not before they learned

more from Star Medicine Woman and Elk Dreamer about the Cherokee Indians, especially Sequoyah and the relation to present-day culture. The boys were fascinated and appreciated the kindness shown to them.

Along with congratulating these outstanding students, I also recognize their teacher, Judy Buscetta, who is the winner of the National History Day in Tennessee's Teacher of the Year award. Daniel said it best in a letter he wrote to me to let me know he was going to be in Washington. He said: Without good teachers, we do not have a chance.

I am proud of Judy and Daniel and Tyler. Students and teachers like them are who I had in mind when I introduced legislation along with the distinguished minority leader to put the teaching of American history and civics back into our classrooms, so our children grow up learning what it means to be an American. I am proud that the Presidential academies for teachers and congressional academies for students in American history and civics through the Department of Education are beginning this summer as a result of Congress passing and the President signing that bill into law.

I have also introduced legislation with Senator EDWARD KENNEDY of Massachusetts to create a 10-State pilot study to provide State-by-State comparisons of U.S. history and civics test data for 8th and 12th grades administered through the National Assessment of Educational Progress, NAEP, to assess and improve knowledge of American history.

I appreciate National History Day and its commitment to improving the teaching and learning of American history in our schools. I also appreciate Daniel, Tyler and Judy, fellow Tennesseans, who are working to keep history alive.

ELIGIBILITY FOR AUTOMATIC COMPENSATION

Mr. HARKIN. Mr. President, I have come to the floor today to celebrate a landmark achievement for former nuclear weapons workers in Iowa. Today marks the completion of an administrative process whereby workers from the Iowa Army Ammunition Plant, who assembled some of the most significant nuclear weapons in this Nation's history and subsequently developed devastating forms of cancer, will become eligible for automatic compensation.

Reaching this point has been an example of both the best and the worst in our system of government. I first started working on this issue back in 1997 when I received a letter from a constituent, Bob Anderson, who wrote about how he and many of his former coworkers had become ill after working on nuclear weapons in Burlington, IA. I shake my head every time I think of what Bob's reaction must have been when he got a letter back from me, telling him that the Department of the Army had assured my office that they never made nuclear weapons in Burlington!

In fact, the list of weapons that were made by Bob and 4,000 other Iowans includes many familiar names: Polaris, Titan, Pershing, Minuteman the list just goes on and on. It's a tribute to the workers in Burlington that while the Cold War was going on, no one beyond the workers at the plant—including me—ever had a clue about the work that was occurring. They did their job with excellence, and they did it at great personal peril. The men and women of Burlington truly were on the front lines of the Cold War. They received no medals, no thank-you's, no special pay. Instead, they paid a terrible price. The levels and types of cancer that have afflicted this workforce are shocking. And along with these illnesses have come financial hardships—pain and suffering—which family members have witnessed and nursed loved ones through—and, in too many cases, premature death.

Today, finally, workers from IAAP, including Bob Anderson, at long last, will receive compensation. Equally importantly, at long last, they have some measure of justice.

This has been a long process. It seems like more than seven years since I brought then-Secretary of Energy Bill Richardson to the plant to meet with workers. It seems like more that six years since I got a team from the University of Iowa School of Public Health to track and analyze the illnesses that workers had developed. And it has been almost five years since Congress passed the Energy Employees Occupational Illness Compensation Act to actually provide compensation to these workers.

For almost five years we have struggled through one of the worst bureaucratic processes that I have ever seen. We have been required to demonstrate that no documents existed that would allow the radiation doses the workers received to be accurately reconstructed. It has been mind-boggling that a program designed to compensate people who had been deceived by the government, could put those same people through a second bureaucratic nightmare.

But today is a day to celebrate. It is also a time to say thank you for the marvelous team effort that has made this day possible. IAAP was the first facility to file a petition for automatic compensation, and only the 2nd in the Nation to be approved. While I have worked hard to make that happen, it simply could not have happened without the workers themselves, as well as the University of Iowa scientists.

I would like to say a special thank you to Jack Polson, Sy Iverson, Paula Graham, and Vaughn Moore. It was their willingness to repeatedly challenge the assumptions that were made about the work performed at the plant, and about how that work was done, that forced the Government to acknowledge that the documents from the plant were just inadequate to accurately reconstruct the levels of radiation that workers were exposed to.

I also want to thank Joe Shannon, Laska Yerington, Sharon Shumaker, Marge Foster and Nancy Harman for there service on the Advisory Board here in Burlington and Shirley Wiley and Ed Webb for their help with the petition.

No thank-you is complete without acknowledging how fortunate we were to have the help of the University of Iowa team: Laurence Fuortes, Bill Field, Kristina Venske, Howard Nicholson, Christina Nichols, Marek Mikulski, Phyllis Scheeler, Stephanie Leonard, and Laura McCormick.

I would also like to thank my own staff. Alison Hart, my staffer in Davenport, Iowa, has put her heart into helping hundreds of workers and their families navigate this whole process.

I would also like to thank Peter Tyler, Lowell Unger, Michelle Evermore, Jenny Wing, Ellen Murray, and Beth Stein of my Washington, DC, staff for their years of sustained work on this effort. And a special thank you is owed to Richard Miller of the Government Accountability Project for his assistance and his commitment to making this compensation program work.

Finally, I would like to thank Bob Anderson and his wife Kathy. Bob and Kathy have weathered the ups and downs of this process with patience, good humor, and great fortitude. It will be a proud day for me when they actually receive a compensation check in hand from the Treasury. It speaks volumes that a letter from one Iowan can set in motion a monumental process that, in the end, will bring acknowledgement, compensation, and a measure of justice to so many.

While more than 700 former workers are still seeking compensation, today marks our first significant victory. The people who will now be receiving compensation include at least 364 of those who got the most serious illnesses from their work at IAAP. Unfortunately, this group includes far too many workers who are no longer with us. In their honor and in their memory, I thank all of the former workers of the Iowa Army Ammunition Plant for their patience, their persistence, and their service to America. They are genuine patriots.

COMMEMORATING 142 YEARS OF WEST VIRGINIA STATEHOOD

Mr. ROCKEFELLER. Mr. President, today I commemorate 142 years of statehood for my State of West Virginia. In doing so, I believe that it is important to note my State's motto, ''Mountaineers Are Always Free.'' This phrase, as relevant today as it was 142 years ago, truly embodies a people who have done so much to contribute to our great Nation and a State so abundant in natural beauty.

Historically, West Virginia's magnificent landscape has nurtured and inspired her inhabitants, endowing willing adventurers the freedom to explore, experience, and utilize her natural wonders. Native Americans came to West Virginia over 9,000 years ago and established the State's first permanent settlement in present-day St. Albans. Their ancient artifacts and impressive monuments, such as the Grave Creek Burial Mound, in Moundsville, serve as lasting tributes to the land's eternal contributions to mankind.

Today, the people of West Virginia remain free to explore and enjoy the State's unspoiled, majestic terrain. Mountainous views extend for miles in every direction, and blend seamlessly with glades of rhododendron and deep river valleys.

Hundreds of thousands of acres of forests, such as the Monongahela National Forest, blanket our State with lush plant life. West Virginia has over 50 State and national parks that protect our natural habitat and provide recreation to millions of visitors each year. Nearly 20 different species of endangered or threatened animals, including the bald eagle, have found refuge within our ecosystem.

Pocahontas County's pristine rivers and streams provide some of the best trout fishing in the State, and offer those who visit countless opportunities to escape into the serenity of the Appalachian Mountains. The county is known as the ''Birthplace of Rivers'' because 8 different rivers have headwaters there, with their only source of water being the fresh mountain rain.

In addition to the freedoms provided by West Virginia's natural environment, the citizens of West Virginia have fostered a social climate of acceptance, where all are free to express their thoughts and beliefs and take advantage of the benefits of a good education.

Booker T. Washington, following President Abraham Lincoln's emancipation proclamation, sought refuge in West Virginia and was raised in a small mining town called Malden. It was there that he was encouraged to follow his dream of education, and there that he developed the skills to become one of our country's foremost educators and leaders.

Another location, the Sumner School in Parkersburg, became the Nation's first free school for African-American children below the Mason-Dixon. It was operated until school segregation ended in 1954 and currently houses the Sumnerite African-American History Museum.

In addition to these advances to freedom and education made within our home State, West Virginians have consistently and overwhelmingly devoted their lives to protect the ideals on which this Nation was founded—liberty and equality.

Five hundred thousand West Virginians, since the time of the Civil War, have fought to protect our country in battles and conflicts all over the world. There are currently 200,000 veterans in West Virginia, giving my State the highest per capita ratio of veterans in the Nation.

Such an impeccable record of devotion to freedom is not surprising from a State with origins like West Virginia. It was born out of the Civil War in 1863 and became the ultimate manifestation of a State's loyalty to our young country.

For 142 years West Virginians have been selfless in our love for this Nation, and our contributions to this country are best reflected in President Abraham Lincoln's own words. As our great President Lincoln said:

> We can scarcely dispense with the aid of West Virginia in this struggle . . . Her brave and good men regard her admission into the Union as a matter of life and death. They have been true to the Union under very severe trials.

The meaning of these words, and the contributions of my State in the development of this country's freedom, continue to hold immense importance with West Virginians today. I am proud to be a West Virginian. So, today, as we celebrate West Virginia's 142nd birthday, we remember our history, celebrate our present, and look with hope toward the future of our truly wonderful State.

ADDITIONAL STATEMENTS

100TH ANNIVERSARY OF FORBES, NORTH DAKOTA

● Mr. CONRAD. Mr. President, today I salute the North Dakota community of Forbes as it celebrates its centennial this July 2–4. Its 100th anniversary is a testament to the resilience and dedication of the 64 residents who call this North Dakota town home.

Located in Dickey County a few miles east of the Coteau Hills and on the North Dakota border with South Dakota, Forbes is a town rich in North Dakota history even though it is the youngest town in the county. It boasts the Schulstad Stone House Museum, a stone house built in 1907 and furnished to that time period, and the Shimmin Tveit Museum, which has displays of historical artifacts from American Indians and early settlers. From railroad agent and town merchant, S.F. Forbes, for whom the town bears its name, to current mayor, Troy Anliker, this town has been a home on the prairie for several generations of farmers, ranchers, and business people.

The southern Dickey County area where Forbes is located boasts a diversified agricultural economy. The area has farmers who plant and harvest wheat, barley, corn, sunflowers, and soybeans, along with ranchers who manage several prominent cattle operations. Like most of rural North Dakota, the area has a rich heritage in farming and ranching.

As a part of the community's celebration, organizers have planned to honor Forbes' centennial with food, a pickup pull, a demolition derby, dancing, beard and dress judging, crafts, team penning, fireworks, a beer garden, a pancake breakfast, and plenty of games for kids.

Again, I salute the current and past residents of Forbes as they celebrate this momentous occasion, and urge my colleagues to congratulate Forbes and its residents on their first 100 years and wish them well through the next century.●

100TH ANNIVERSARY OF NEKOMA, NORTH DAKOTA

● Mr. CONRAD. Mr President, today I wish to honor a community in North Dakota that is celebrating its 100th anniversary. On July 9 and 10, the residents of Nekoma, ND, will celebrate their community's history and founding.

Nekoma is a small town in the northeastern part of North Dakota with a population of 51. Despite its small size, Nekoma holds an important place in North Dakota's history. Charles B. Billings was the postmaster of the town's first post office, which opened in 1898. The town was nearly named Polar, but it changed after the Soo Line Railroad townsite was plotted in 1905. The name Nekoma was selected by the Postal Department from a list of names submitted by the first appointed postmaster, Orzo B. Aldrich.

Nekoma is the site for America's only Safeguard ABM and Missile Site Radar military installations. Nicknamed the ''prairie pyramid,'' the inactive installation site is just northeast of the town. The SALT treaty between the United States and the former Soviet Union, stated that only two safeguard sites were allowed—one of which was the site in Nekoma, ND, and the other in Washington, DC.

Mr. President, I ask the Senate to join me in congratulating Nekoma, ND, and its residents on their first 100 years and in wishing them well through the next century. By honoring Nekoma and all the other historic small towns of North Dakota, we keep the pioneering frontier spirit alive for future generations. It is places such as Nekoma that have helped to shape this country into what it is today, which is why Nekoma is deserving of our recognition.

Nekoma has a proud past and a bright future.●

100TH ANNIVERSARY OF GARRISON, NORTH DAKOTA

● Mr. CONRAD. Mr. President, today I wish to recognize a community in North Dakota that will be celebrating its 100th anniversary. On June 30–July 3, the residents of Garrison will gather to celebrate their community's history and founding.

Garrison is a vibrant community in west-central North Dakota, along the edge of beautiful Lake Sakakawea. Garrison holds an important place in North Dakota's history. Founded by two brothers, Cecil and Theodore Taylor in 1903, Garrison, like most small

towns in North Dakota, got its start when the railroad stretched throughout the State. The post office was established in June 17, 1903, and Garrison was organized into a city on March 20, 1916. In its early years, Garrison was known as a town ''bustin' at the seams'' with gun carrying rascals.

Today, Garrison is a magnet for sports fisherman who venture to tap into the abundance of walleye prevalent in Lake Sakakawea. Garrison is the host for the North Dakota's Governor's Cup Walleye Tournament that attracts hundreds of serious sports enthusiasts from across the country.

For those who call Garrison home, it is a comfortable place to live, work, and play. It is certainly true, as its residents say, that it is ''a town worth knowing from the start.'' The people of Garrison are enthusiastic about their community and the quality of life it offers. The community has a wonderful centennial weekend planned that includes an all school reunion, parade, pitch fork fondue, street dance, fireworks, games, and much more.

Mr. President, I ask the Senate to join me in congratulating Garrison, ND, and its residents on their first 100 years and in wishing them well through the next century. By honoring Garrison and all the other historic small towns of North Dakota, we keep the great pioneering frontier spirit alive for future generations. It is places such as Garrison that have helped to shape this country into what it is today, which is why this fine community is deserving of our recognition.

Garrison has a proud past and a bright future.●

100TH ANNIVERSARY OF ALSEN, NORTH DAKOTA

● Mr. CONRAD. Mr. President, I rise today to honor a community in North Dakota that is celebrating its 100th anniversary. On July 2, 2005, the residents of Alsen, ND, will celebrate their community's history and founding.

Alsen is a small town in the northeastern part of North Dakota with a population of 68. Despite its size, Alsen holds an important place in North Dakota's history. In August 1905, this Soo Line Railroad townsite was founded. Originally named Storlie when it was established on April 6, 1899, the township was named after Halvor Storlie, who was the county clerk and postmaster. On August 31, 1905, officials of the Tri-State Land Co. plotted a town site in another area of Storlie Township, and named it Alsen for the local settlers, who had come from Alsen Island off of the coast of Denmark. The village of Alsen was incorporated in 1920 and reached its peak population of 358 in 1930.

Alsen's citizens are very proud of the Alsen Farmers' Elevator, the Swiss Mennonite Church, and the Alsen Post Office.

Mr. President, I ask the Senate to join me in congratulating Alsen, ND, and its residents on their first 100 years and in wishing them well through the next century. By honoring Alsen and all the other historic small towns of North Dakota, we keep the great tradition of the pioneering frontier spirit alive for future generations. It is places such as Alsen that have helped to shape this country into what it is today, which is why Alsen is deserving of our recognition.

Alsen has a proud past and a bright future.●

HIGHLAND HIGH SCHOOL WE THE PEOPLE COMPETITION

● Mr. DOMENICI. Mr. President, it is with great pleasure that I rise before you today to commend the hard work and dedicated spirit of the students from Highland High School in Albuquerque, NM. These fine students competed in the National Finals of the We the People: The Citizens and the Constitution contest in Washington DC, from April 30–May 2, 2005 against more than 1,200 students from across the United States.

The We the People competition is a national tournament designed to forge a strong understanding of the U.S. government in the minds and hearts of our future leaders. Students compete to demonstrate their knowledge, not simply of how the government works, but of why it works, and how it is best able to provide for the protection of its people and their natural liberties.

Programs such as this help to ignite the noble flame of civic duty and democratic spirit in the souls of our young people, and it is with great pride that I wish to commend the students of Highland High School for their placing in the top 10 of the Nation and received an honorable mention. These fine students and their teachers have demonstrated to everyone that the spirit of our founding fathers is alive and well today.

I would like to congratulate Chad Adcox, Joseph Baca, Sarah Bellacicco, Hannah Doran, Katye Ellison, David Estrada, Stephen Ford, Elizabeth Jackson, Mia Kimmelman, Paul Kruchoski, Graceila Lopez, Joshua McComas, Samuel Montoya, Samantha Morris, Ngoc-Giao Nguyen, Maria Osornio, Martha Ramirez, Leon Richter-Freund, Julie Russell, Benjamin Trent and teachers Steve Seth and Bob Coffee.

May Albuquerque, and New Mexico as a whole, continue to produce such fine examples for the youth of America, and may they use the knowledge and experience they gained with this program to help lead us all into the next generation of American freedom, prosperity, and honor.●

HONORING THE COMMUNITY OF ARLINGTON, SOUTH DAKOTA

● Mr. JOHNSON. Mr. President, today I wish to honor and publicly recognize the 125th anniversary of the founding of the city of Arlington, SD. On July 29, 2005, citizens of Arlington will celebrate their city's proud past and look forward to a promising future.

Located near the eastern border of South Dakota in Kingsbury County, Arlington is only 35 miles from the Minnesota line. Like many towns in South Dakota, Arlington got its start with help from the railroad in 1880. In fact, the town's original name, Nordlund, was given by the Dakota Central Railroad, inspired by the large number of Scandinavians who settled in the area. In 1884, however, the Western Town Lot Company objected and the county commissioner renamed the town Denver. That title was also short lived, as one year later, in 1885, the local post office insisted on again renaming the community. This time, the Dakota Central Railroad chose Arlington, and 120 years later, its name endures.

Arlington's spirited residents live in the midst of some of South Dakota's most fertile farmland, as this rural community is a dependable corn producer. Additionally, Arlington's 1,000 residents have come to count on The Sun, founded in 1885, for quality and accurate reporting on local events.

In the twelve and a half decades since its founding, Arlington has proven its ability to flourish and serve farmers and ranchers throughout the region. Arlington's proud residents celebrate its 125th anniversary on July 29, 2005, and it is with great pleasure that I share with my colleagues the achievements of this great community.●

HONORING THE TOWN OF WAUBAY, SOUTH DAKOTA

● Mr. JOHNSON. Mr. President, today I wish to publicly recognize the 125th anniversary of the founding of the city of Waubay, South Dakota. On July 2, 2005, Waubay citizens look back on their city's proud past and look forward to a promising future.

Platted on November 16, 1880, the community was first known as Station #50 until later that year, when crew members of the Milwaukee Railroad Company named it Blue Lake. It was not until 1885 that the town took on its current name of Waubay, meaning ''Nesting place of the birds,'' given by the Sioux Indians. One hundred twenty five years later, Waubay thrives as the oldest city in Day County.

Waubay, like many South Dakota towns and communities, got its start with the help of the railroad. Although the rail tracks that pass through the town ran as far as Bristol and were ready for travel in 1880, the first train to ever pass through Waubay didn't arrive until May, 1881. A severe blizzard hit the region in October of 1880, and the snow and subsequent run-off in the spring rendered the rail line impassable.

The town, which was incorporated as a village in 1894 and as a city in 1920, grew rapidly in its early years. Station #50 began with only 50 residents, yet

Waubay swelled to a population of 1,007 in 1925; currently, about 625 South Dakotans live in the town. By the early 1900s, the community boasted a general store, a lumber yard, a corner drug store, a livery barn, a railroad depot, several coal sheds, the Waubay Clipper, The Advocate, a power company, several banks, a creamery, several grain elevators, a school, and many stores.

In May of 1890, the Waubay Clipper, owned by Charles W. Stafford and his son, published the paper's first issue. It was the only newspaper in town for two decades, until The Advocate began under the direction of Major Maynard in 1910. However, in December 1917, the Clipper purchased The Advocate and merged the two, again returning the Clipper's status as Waubay's sole news publication. Despite management turnover over the years, Waubay residents still rely on the Clipper for quality and accurate reporting on local events 115 years later.

Prior to 1910, most Waubay residents lacked the convenience of electricity. However, in 1884, officials partitioned the town into wards, which Roy Thompson used to his advantage in 1900 when he devised a lighting system utilizing windmill power. In 1910, Dr. Park Jenkins, a prominent Waubay resident, established an electricity plant in back of the Yellowstone Garage. Although the plant was quite successful during the early portion of the 20th century, the Ottertail Power Company ultimately became the primary service provider for Waubay, and still maintains that role to this day.

Waubay was home to South Dakota's State Board of Health in the early 1900s. Headed by Dr. Park Jenkins, who in 1913 was appointed Board Superintendent, the office employed 22 people at its peak. The board moved to Pierre, SD in 1933.

Today, Waubay is a multicultural community that includes many residents of Sisseton-Wahpeton Oyate, as well as those of European descent. It is also home to Waubay National Wildlife Refuge, managed by the U.S. Fish and Wildlife Service. Waubay's location near several area lakes makes it a prime location for fishermen. Blue Dog State Fish Hatchery is just one mile north of Waubay, producing walleyes, northerns, perch, bass, bluegills, crappies, and trout.

In the twelve and a half decades since its founding, Waubay's innovative and resourceful residents have proven their ability to thrive as a community. It is with great pleasure that it share with my colleagues the admirable, pioneer spirit still present in these wonderful South Dakotans, as they celebrate Waubay's 125th anniversary on July 2, 2005.●

HONORING THE CITY OF EGAN, SOUTH DAKOTA

● Mr. JOHNSON. Mr. President, today I wish to honor and publicly recognize the town of Egan, South Dakota as it celebrates its 125th anniversary on July 4, 2005. It is at this time that I would like to draw to my colleagues' attention the achievements and history of this charming town on the prairie. Egan stands as an enduring tribute to all those who had the courage to pursue their greatest dreams on the plains of South Dakota.

Egan is a small community nestled amongst the fertile farmland of southeastern South Dakota. It was founded in 1880 to service the Milwaukee Railroad as it made its way west through Dakota Territory. The town was first incorporated by Joe Enoe, Alfred Brown, and John Hobart. Rectangular in shape, Egan grew quickly and soon included seven square miles of Moody County, thereby encompassing a new mill on the Big Sioux River and the small village of Roscoe—which was, by the way, a different community than the Roscoe, SD that exists in Edmunds County today.

Roscoe had been started four years earlier, in 1876, when Decatour D. Bidwell chose the spot on the Big Sioux River for his new mill. Roscoe also served as a stopping point for the numerous travelers who used a nearby river crossing, one of the best fords for many miles. Soon the town of Roscoe boasted two restaurants, a store, a saloon, a newspaper, and the first courthouse in Moody County. However, due to Egan's increasing growth and popularity, in addition to the railroad's new sturdy and reliable bridges that phased out Roscoe's river crossing, all that remains of the pioneer village of Roscoe is a small pasture scattered with pieces of millstone.

The Baptist and Methodist Episcopal churches were the first to be built in the town of Egan. These two churches were constructed by all members of the community, regardless of faith or profession, in response to a promise made by Mr. Egan, the prominent railroad official for whom the city is named. Mr. Egan promised a church bell to the first church with a belfry equipped to receive it. The Baptist Church was the first completed, and therefore received the much-desired bell. While the bell now hangs in the tower of the Methodist Church, it is still used to call worshippers to services every Sunday morning.

Egan experienced a great deal of economic prosperity in the early twentieth century. In 1904, Egan boasted nearly seven hundred people and more than fifty prosperous business enterprises. These included a state bank, three hotels, two hardware stores, an implement house, four grain elevators, six general stores, a flourishing mill, two lumber yards, two doctors, a newspaper, a furniture store, and an opera house.

The curtailment of the railroad, better roads providing alternate routes that sidestepped Egan, and the rise of more modern methods of transportation fostered travel to larger towns in the state, thus making it more difficult for businesses in Egan to draw in customers. Nevertheless, technology and progress can never undermine the firm resolve and remarkable work ethic that is characteristic of the great people of this country's heartland. The vision of those individuals who had the courage to make a home for themselves on the plains of the Dakotas serves as inspiration to all those who believe in the honest pursuit of their dreams. On July 4, 2005, the 257 proud residents of Egan will celebrate their vibrant history and the legacy of the pioneer spirit with the 125th anniversary of the city's founding.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams: one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO THE RISK OF NUCLEAR PROLIFERATION CREATED BY THE ACCUMULATION OF WEAPONS-USABLE FISSILE MATERIAL IN THE TERRITORY OF THE RUSSIAN FEDERATION—PM–13

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, stating that the emergency declared with respect to the accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation is to continue beyond June 21, 2005. The most recent notice continuing this emergency was published in the *Federal Register* on June 18, 2004 (69 FR 34047).

It remains a major national security goal of the United States to ensure

that fissile material removed from Russian nuclear weapons pursuant to various arms control and disarmament agreements is dedicated to peaceful uses, subject to transparency measures, and protected from diversion to activities of proliferation concern. The accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, I have determined that it is necessary to continue the national emergency declared with respect to the accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation and maintain in force these emergency authorities to respond to this threat.

GEORGE W. BUSH.
THE WHITE HOUSE, *June 17, 2005.*

MESSAGE FROM THE HOUSE

At 3:29 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2745. An act to reform the United Nations, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker of the House of Representatives has signed the following enrolled bill:

H.R. 483. An act to designate a United States courthouse in Brownsville, Texas, as the ''Reynaldo G. Garza and Filemon B. Vela United States Courthouse''.

The enrolled bill was signed subsequently by the President pro tempore (Mr. STEVENS).

MEASURES READ THE FIRST TIME

The following bill was read the first time:

H.R. 2745. An act to reform the United Nations, and for other purposes.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on June 17, 2005, she had presented to the President of the United States the following enrolled bill:

S 643. An act to amend the Agricultural Credit Act of 1987 to reauthorize State mediation programs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–111. A concurrent resolution adopted by the Legislature of the State of Hawaii relative to Social Security reform; to the Committee on Finance.

SENATE CONCURRENT RESOLUTION NO. 76

Whereas, Social Security is our country's most important and successful income protection program and provides economic security to workers, retirees, persons with disabilities, and the surviving spouses and keiki of deceased workers; and

Whereas, Social Security provides essential benefits to over 195,000 people in Hawaii, including 139,300 retired workers, 16,090 widows and widowers, 16,790 disabled workers and 13,630 children; and

Whereas, Social Security has reduced the poverty rate of our kupuna from over thirty per cent down to 10.2 per cent in the last forty years, and without Social Security, thirty-four per cent of elderly women in Hawaii would be poor; and

Whereas, six out of ten of today's beneficiaries derive more than half of their income from Social Security, and in most low-income households of retirement age, Social Security represents eighty per cent or more of their retirement income; and

Whereas, the Social Security Trust Fund is large enough to pay one hundred per cent of promised benefits until 2042, and after that, seventy-three per cent of benefits could still be paid; and

Whereas, proposals are being considered in Washington, D.C. that would privatize Social Security and threaten the retirement security of millions of Americans and their families; and

Whereas, diverting more than one-third of the 6.2 per cent of wages that workers currently contribute to Social Security into private accounts drains money from Social Security and will cut guaranteed benefits; and

Whereas, diverting money from Social Security will increase the national debt by almost $2 trillion over the next ten years—a debt that will be passed on to future generations; and

Whereas, privatization is particularly harmful to women and minorities who rely most on Social Security by replacing a portion of a secure benefit with investment risk—a risk that they cannot afford; and

Whereas, widows would experience enormous cuts under privatization—reducing their Social Security from $829 to $456 per month, which is only sixty-three per cent of the poverty level, even when proceeds from private accounts are included in the total; and

Whereas, private accounts do not provide the lifetime, inflation-adjusted benefit that Social Security does, and they can be depleted by long life and market fluctuation; and

Whereas, Social Security needs to be strengthened now for our children and grandchildren, but the solution should not be worse than the problem; and

Whereas, the Social Security System also needs to be changed sensibly in order to honor obligations to future generations: Now, therefore, be it

Resolved, by the Senate of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2005, the House of Representatives concurring, That the Hawaii State Legislature opposes the privatization of Social Security and urges Hawaii's congressional delegation to reject such proposed changes to the Social Security System; and be it further

Resolved, That certified copies of this Concurrent Resolution be transmitted to the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives, and each member of Hawaii's congressional delegation.

POM–112. A resolution adopted by the House of Representatives of the Legislature of the State of Hawaii relative to the privatization of Social Security; to the Committee on Finance.

HOUSE RESOLUTION NO. 100

Whereas, people throughout human history have faced uncertainties, especially those uncertainties brought on by death, disability, and old age; and

Whereas, prior to the turn of the twentieth century, the majority of individuals living in the United States lived and worked on farms, relying in part on immediate and extended family, friends, and neighbors to provide them with economic and social security; and

Whereas, as the United States moved through the Industrial Revolution and became an industrial power, increasing numbers of individuals began moving to the cities and suburbs where employment opportunities abounded; and

Whereas, this migration from the farmlands to the industrial centers of the United States reduced the degree to which a person's immediate and extended family and neighbors could augment the economic security of those living in the cities and suburbs; and

Whereas, with the stock market crash in 1929 and the beginning of the Great Depression, the United States found its economy in crisis and individuals in this country, especially elder Americans, were faced with economic hardships never before seen; and

Whereas, in an address to Congress on June 8, 1934, President Franklin Delano Roosevelt stating that he intended to provide a program for the social security of Americans, subsequently created, by Executive Order, the Committee on Economic Security (Committee), with instructions to study the problem of economic insecurity and make recommendations for legislative consideration; and

Whereas, in 1935, six months after its establishment, the Committee made its report to the President and Congress, who after deliberations and compromise, enacted the Social Security Act of 1935, which created a social insurance program designed to pay retirees age 65 or older a continuing income after retirement, and to keep these retirees out of poverty; and

Whereas, Social Security taxes were collected for the first time in 1937, with initial lump-sum payments being made that first month and regular monthly benefit payments being made beginning in January, 1940; and

Whereas, today, Social Security provides a guaranteed income for more than 147 million retirees, family members of workers who have died, and persons with disabilities; and

Whereas, Social Security beneficiaries earn their benefits by paying into the system throughout their years of employment, and currently serves as the main source of income for a majority of retirees, with over two-thirds of retirees currently dependent on Social Security for financial survival; and

Whereas, for the past 70 years Social Security has remained solvent and has been able to pay benefits to millions of Americans with few adjustments; and

Whereas, although the Social Security trustees state that in its present form, Social Security has enough funds in its reserve to be able to meet 100 percent of its obligations until 2042 and, there is concern over the solvency of the current Social Security system and whether it will be able to pay benefits for the millions of Americans scheduled to retire over the next decade; and

Whereas, individuals who support efforts to reform Social Security are currently reviewing a three-prong approach including raising of the retirement age, increasing the maximum annual earnings subject to Social Security tax, and allowing the establishment of voluntary private investment accounts; and

Whereas, the current focus on the national level has been the establishment of private investment accounts to allow taxpayers to put a portion of their social security tax into stocks, bonds, and other investments that may pay them a higher return and increase their retirement benefits; and

Whereas, contrary to the original purpose of Social Security, which established a comprehensive and secure safety net to keep retirees out of poverty, private investment accounts may result in Social Security beneficiaries with poor returns on their investments to fall through the cracks of the system; and

Whereas, the costs of transitioning to this system of private investment accounts may effectively scuttle the current Social Security system; and

Whereas, it has been estimated that transitioning to a system of private investment accounts will generate costs as high as $2–$3 trillion, which will degrade any investment earnings of these private accounts; and

Whereas, diverting a portion of Social Security money to private accounts will leave fewer dollars available to pay Social Security benefits, and reduce system reserves and the cash on hand to pay beneficiaries; and

Whereas, it has further been estimated that by allowing for the establishment of private investment accounts, the current Social Security trust fund reserves could be wiped out by 2021, a full 20 years sooner than if the system had been left alone; and

Whereas, arguments have also been made that the way to ''fix'' Social Security is not to change the system and its purpose, but rather to help individuals establish their own private pensions and retirement savings accounts such as Individual Retirement Accounts, to supplement the guaranteed benefit of Social Security; and

Whereas, with the myriad of difficult choices to be made to keep the Social Security system solvent, and given the fact that the Social Security system will still be solvent for a good number of years, the issue of strengthening Social Security and making any changes or adjustments to the system should be carefully studied and planned to ensure that future generations will be provided the retirement security received by past generations; now, therefore, be it

Resolved, by the House of Representatives of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2005, that this body hereby urges President George W. Bush to reconsider his plans to hurriedly enter into a Social Security privatization plan; and be it further

Resolved, that this body also urges President George W. Bush to carefully study the effects that privatization may have on the basic purpose of Social Security, and on the welfare of current and future beneficiaries, and to consider privatization within a comprehensive review of alternative methods of adjusting Social Security, such as raising the retirement age, increasing the maximum annual earnings subject to Social Security tax, and helping more individuals establish supplementary private pension and retirement savings accounts; and be it further

Resolved, that certified copies of this Resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the members of Hawaii's congressional delegation, and the Governor.

POM–113. A resolution adopted by the House of Representatives of the Legislature of the State of Utah relative to the privatization of Social Security; to the Committee on Finance.

HOUSE RESOLUTION 3

Whereas, demographic changes and cost increases will drain the existing Social Security system;

Whereas, without significant changes to the system, costs will exceed revenues starting in 2018 and the system may not be able to pay any benefits by 2042;

Whereas, anyone born after the year 1970 will not receive full Social Security benefits if changes are not made to the system;

Whereas, not reforming the system will require a tax increase on every working American or a benefit cut; and

Whereas, allowing younger workers to invest a portion of their income in personal retirement accounts will avoid any benefit cuts or tax increases: Now, therefore, be it

Resolved, that the House of Representatives of the State of Utah urges Utah's congressional delegation to oppose increases in payroll taxes and cuts in Social Security benefits; and be it further

Resolved, that the House of Representatives urges Utah's congressional delegation to support optional Social Security Personal Retirement Accounts; and be it further

Resolved, that a copy of this resolution be sent to the members of Utah's congressional delegation.

POM–114. A resolution adopted by the House of Representatives of the Legislature of the State of Utah relative to the United States entering into a Free Trade Area of the Americas; to the Committee on Finance.

HOUSE RESOLUTION 9

Whereas, the United States of America has always been the world leader in pushing for free trade, which is a hallmark of our capitalistic society;

Whereas, free trade only thrives where there is a level playing field of government regulations between trading partners;

Whereas, the 1993 North American Free Trade Agreement (NAFTA) was supposed to bring additional prosperity to the United States and level the playing field with Canada and Mexico, thus perpetuating free trade between our nations;

Whereas, notwithstanding the good intentions of NAFTA, our nation has suffered the loss of almost 900,000 jobs due to NAFTA, many of them coming in the manufacturing sector;

Whereas, manufacturing jobs in the United States have plunged from 19.3 million in 1980 to only about 14.6 million today, in large part because of these types of trade issues;

Whereas, the United States has gone from a trade surplus with Mexico prior to NAFTA to a substantial trade deficit;

Whereas, the United States is a current member of the World Trade Organization (WTO), which has been called ''The United Nations of World Trade'';

Whereas, the United States consistently bows to the wishes of the WTO, only proving the words of Texas Congressman Ron Paul to be prophetic: ''The most important reason why we should get out [of the WTO] is to maintain our nation's sovereignty. We should never deliver to any international governing body the authority to dictate what our laws should be. And this is precisely the kind of power that has been given to the WTO.'';

Whereas, both the WTO and NAFTA, through the use of trade tribunals, now claim the sovereign authority to overrule decisions of American courts and make awards to foreign businesses for violations of trade agreements;

Whereas, Abner Mikva, a former chief judge on the federal appellate bench and a former congressman, has stated: ''If Congress had known there was anything like this in NAFTA, they never would have voted for it.'';

Whereas, the United States is considering entering into a new 34–member Free Trade Area of the Americas (FTAA) in 2005; and

Whereas, based upon the experience that the United States has had with NAFTA and the WTO, United States membership in the planned FTAA would increase manufacturing flight in the state of Utah and throughout the United States: Now, therefore, be it

Resolved, that House of Representatives of the state of Utah respectfully but firmly urges all members of the United States Congress to vote no on any agreement for the United States to enter into a Free Trade Area of the Americas (FTAA); and be it further

Resolved, that the House of Representatives of the state of Utah urges the United States Congress to not enter into the FTAA until the United States has had more experience with and a greater understanding of the impacts of NAFTA and the World Trade Organization (WTO); and be it further

Resolved, that a copy of this resolution be sent to the Majority Leader of the United Sates Senate, Speaker of the United States House of Representatives, the members of Utah's congressional delegation, the World Trade Organization (WTO), and the Free Trade Area of the Americas (FTAA).

POM–115. A joint resolution adopted by the House of the Legislature of the State of Utah relative to United States trade negotiations; to the Committee on Finance.

HOUSE JOINT RESOLUTION

Whereas, although the United States Constitution places the regulation of trade with foreign countries within the prerogative of the Federal Government, the primary responsibility for protecting public health, welfare, and safety is left to the states;

Whereas, the United States Congress has consistently recognized, respected, and preserved the states' power to protect the health, welfare, and environments of their states and their citizens in a variety of statutes, such as the Clean Air Act, Clean Water Act, and Safe Drinking Water Act;

Whereas, it is vital that the Federal Government not agree to proposals in the current negotiations on trade in services that might in any way preempt or undercut this reserved state authority;

Whereas, proposed changes should not, in the name of promoting increased international trade, accord insufficient regard for existing regulatory, tax and subsidy policies, and the social, economic, and environmental values those policies promote;

Whereas, statutes and regulations that the states and local governments have validly adopted, that are plainly constitutional and within their province to adopt, and that reflect locally appropriate responses to the needs of their citizens, should not be overridden by federal decisions solely in the interests of increased trade;

Whereas, states are concerned about retaining a proper scope for state regulatory authority in actual commitments in agreements with one or more United States' trading partners;

Whereas, it is crucial to maintain the principle that the United States may request, but not require, states to alter their regulatory regimes in areas over which they hold constitutional authority;

Whereas, if the United States makes broader offers later in the negotiations and the legislation is ''fast tracked,'' there will be little opportunity for states to have improper positions reversed;

Whereas, it is critical that there be full and effective coordination and consultation

with the states before the United States Trade Representative (USTR) makes any binding commitments;

Whereas, while the State Point of Contact system was meant to create a clearly marked channel for two-way communications, the reality has not lived up to those intentions;

Whereas, a broader and deeper range of contacts with a variety of state entities, particularly with those bearing regulatory and legislative authority, must be improved and maintained over the next several years;

Whereas, it is important for state authorities to engage with the USTR in the communications process and to respond to timely requests in any equally timely manner;

Whereas, as negotiations with other nations continue, they should also be conducted in ways that will avoid litigation in world courts;

Whereas, the United States is the signatory to the World Trade Organization's General Agreement on Trade in Services (GATS);

Whereas, the United States Trade Representative has published proposals that would apply trade rules under GATS to regulation of electricity by state and local governments;

Whereas, these proposals would cover regulation of services related to transmission, distribution, and access of energy traders to the grid and, if implemented, might conflict with state energy policy and alter the balance of domestic authority between states and the Federal Energy Regulatory Commission (FERC);

Whereas, concerns include the impact of market access rules on the structure of Regional Transmission Organization (RTO), state jurisdiction over utilities that are part of an RTO, RTO contracts for reliability of the electricity grid, and potential roles for the RTO to structure or facilitate wholesale trade and brokering services;

Whereas, another question is the impact national treatment rules may have on tax incentives to produce wind energy, and market access rules that may impact renewable portfolio standards that mandate minimum quotas for acquisition from renewable sources;

Whereas, another question is the impact that GATS rules on domestic regulation may have on rate setting and the public interest standard for exercising regulatory authority by state public utility commissions; and

Whereas, in early 2004, a working group of state and local officials consulted three times with staff of the USTR who described the meeting as timely, productive, and unprecedented; Now, therefore, be it

Resolved, that the Legislature of the state of Utah urges the United States Trade Representative to conduct trade negotiations in a manner that will preserve the responsibility of states to develop their own regulatory structures and that will avoid litigation in world courts, and be it further

Resolved, that the Legislature of the state of Utah urges the USTR to take further steps to enhance the level of consultation before negotiations commence on any trade commitments under the World Trade Organization's General Agreement on Trade in Services (GATS); and be it further

Resolved, that the Legislature of the state of Utah commends the USTR staff for its willingness to consult with the working group and learn about the potential impact of GATS rules on state and local regulation of the energy sector; and be it further

Resolved, that the Legislature urges the USTR to disclose to the public the United States' requests for GATS commitments from other nations, and be it further

Resolved, that the Legislature urges the USTR to give prior notice of the next United States' offer or counter offer for GATS commitments so that state and local governments have time to discuss its potential impact; and be it further

Resolved, that the Legislature urges the USTR to participate in public discussions of trade policy and energy; and be it further

Resolved, that a copy of this resolution be sent to the United States Senate Finance Committee, the House Ways and Means Committee, the Senate Subcommittee on International Trade, the House Subcommittee on Trade, the Secretary of the Department of Energy, the United States Trade Representative, the National Association of Attorneys General, the National Conference of State Legislatures, the President of the United States, and Utah's Congressional delegation.

POM–116. A resolution adopted by the Senate of the Legislature of the State of Utah relative to the United States entering into a Free Trade Area of the Americas; to the Committee on Finance.

SENATE RESOLUTION 1

Whereas, the United States of America has always been the world leader in pushing for free trade, which is a hallmark of our capitalistic society;

Whereas, free trade only thrives where there is a level playing field of government regulations between trading partners;

Whereas, the 1993 North American Free Trade Agreement (NAFTA) was supposed to bring additional prosperity to the United States and level the playing field with Canada and Mexico, thus perpetuating free trade between our nations;

Whereas, notwithstanding the good intentions of NAFTA, our nation has suffered the loss of almost 900,000 jobs due to NAFTA, many of them coming in the manufacturing sector;

Whereas, manufacturing jobs in the United States have plunged from 19.3 million in 1980 to only about 14.6 million today, in large part because of these types of trade issues;

Whereas, the United States has gone from a trade surplus with Mexico prior to NAFTA to a substantial trade deficit;

Whereas, the United States is a current member of the World Trade Organization (WTO), which has been called ''The United Nations of World Trade'';

Whereas, the United States consistently bows to the wishes of the WTO, only proving the words of Texas Congressman Ron Paul to be prophetic: ''The most important reason why we should get out [of the WTO] is to maintain our nation's sovereignty. We should never deliver to any international governing body the authority to dictate what our laws should be. And this is precisely the kind of power that has been given to the WTO'';

Whereas, both the WTO and NAFTA, through the use of trade tribunals, now claim the sovereign authority to overrule decisions of American courts and make awards to foreign businesses for violations of trade agreements;

Whereas, Abner Mikva, a former chief judge on the federal appellate bench and a former congressman, has stated: ''If Congress had known there was anything like this in NAFTA, they never would have voted for it'';

Whereas, the United States is considering entering into a new 34-member Free Trade Area of the Americas (FTAA) in 2005; and

Whereas, based upon the experience that the United States has had with NAFTA and the WTO, United States membership in the planned FTAA would increase manufacturing flight in the state of Utah and throughout the United States: Now, therefore, be it

Resolved, that the Senate of the state of Utah respectfully but firmly urges all members of the United States Congress to vote no on any agreement for the United States to enter into a Free Trade Area of the Americas (FTAA) at this time; and be it further

Resolved, that the Senate of the state of Utah urges the United States Congress to not enter into the FTAA until the United States has had more experience and greater understanding of the impacts of NAFTA and the World Trade Organization (WTO); and be it further

Resolved, that a copy of this resolution be sent to the Majority Leader of the United States Senate, the Speaker of the United States House of Representatives, the members of Utah's congressional delegation, the World Trade Organization (WTO), and the Free Trade Area of the Americas (FTAA).

POM–117. A joint resolution adopted by the Legislature of the State of Utah relative to Medicaid reform; to the Committee on Finance.

SENATE JOINT RESOLUTION 15

Whereas, the Medicaid program provides access to health care for Utah's most vulnerable citizens, including low-income children, parents, pregnant women, people with disabilities, and senior citizens;

Whereas, growth in Medicaid spending per capita has remained relatively low when compared to private health insurance premiums;

Whereas, current federal and state Medicaid expenditures are growing at a rate of 12% per year and averaging almost 22% of states' annual budgets primarily because of the recent economic downturn, rising health care costs, and an increase in the aging population; and

Whereas, new funding challenges for state government will become more acute as states absorb new costs to help implement the Medicaid Modernization Act: Now, therefore, be it

Resolved, that the Legislature of the state of Utah urges the United States Congress to reject any budget reduction and budget reconciliation process for fiscal year 2006 related to Medicaid reform that would shift additional costs to the states; and be it further

Resolved, that the Legislature urges the United States Congress to reject any cap on federal funding for the Medicaid program, whether in the form of an allotment, an allocation, or a block grant; and be it further

Resolved, that the Legislature urges the United States Congress to work with state policymakers to enact reforms that will result in Medicaid cost savings for both the states and the Federal Government; and be it further

Resolved that the Legislature urges the United States Congress to establish a benefits program for the ''dual eligible'' population, people eligible for both Medicaid and Medicare, that would be 100% funded by Medicare instead of Medicaid; and be it further

Resolved, that a copy of this resolution be sent to the Majority Leader of the United States Senate, the Speaker of the United States House of Representatives, and to the members of Utah's congressional delegation.

POM–118. A resolution adopted by the Senate of the Legislature of the State of Hawaii relative to Medicare and Medicaid services and benefits; to the Committee on Finance.

SENATE RESOLUTION NO. 22

Whereas, Medicaid is a program that pays for medical assistance for certain individuals and families with low incomes and resources; and

Whereas, the Medicaid program is a critical source of support for people with mental illness; and

Whereas, according to the Department of Human Services, Medicaid is the single largest source of financing for mental health care and encompasses over half of state and local spending on mental health services; and

Whereas, the federal government is planning to reduce Medicaid funding due to federal budget shortfalls; and

Whereas, additional cuts in federal Medicaid funding will mean fewer low-income people will receive mental health services; and

Whereas, more restrictions will be applied to the services that are available; and

Whereas, any reduction in benefits or the level of benefits by the federal government would place more burden on the State of Hawaii to make up for the cutback; and

Whereas, limiting Medicaid services would not reduce costs, but would transfer them to already overburdened hospital emergency rooms or criminal justice systems; and

Whereas, under current law, emergency rooms cannot turn away someone in crises, and emergency care is one of the most expensive types of health care and far more costly than routine mental health treatment; and

Whereas, individuals unable to receive suitable mental health treatment often end up in the criminal justice system, increasing legal and prison costs in a system that is neither designed nor capable of meeting their needs; now, therefore, be it

Resolved, by the Senate of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2005, that the President of the United States, the United States Congress and Centers for Medicare and Medicaid Services are urged to preserve the amount of Medicaid coverages and the amount of benefits; and be it further

Resolved, that certified copies of this Resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Director of Centers for Medicare and Medicaid Services, and the members of Hawaii's congressional delegation.

POM–119. A concurrent resolution adopted by the Legislature of the State of Hawaii relative to Medicare and Medicaid services and benefits; to the Committee on Finance.

SENATE CONCURRENT RESOLUTION NO. 44

Whereas, Medicaid is a program that pays for medical assistance for certain individuals and families with low incomes and resources; and

Whereas, the Medicaid program is a critical source of support for people with mental illness; and

Whereas, according to the Department of Human Services, Medicaid is the single largest source of financing for mental health care and encompasses over half of state and local spending on mental health services; and

Whereas, the federal government is planning to reduce Medicaid funding due to federal budget shortfalls; and

Whereas, additional cuts in federal Medicaid funding will mean fewer low-income people will receive mental health services; and

Whereas, more restrictions will be applied to the services that are available; and

Whereas, any reduction in benefits or the level of benefits by the federal government would place more burden on the State of Hawaii to make up for the cutback; and

Whereas, limiting Medicaid services would not reduce costs, but would transfer them to already overburdened hospital emergency rooms or criminal justice systems; and

Whereas, under current law, emergency rooms cannot turn away someone in crises, and emergency care is one of the most expensive types of health care and far more costly than routine mental health treatment; and

Whereas, individuals unable to receive suitable mental health treatment often end up in the criminal justice system, increasing legal and prison costs in a system that is neither designed nor capable of meeting their needs: Now, therefore, be it

Resolved, by the Senate of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2005, the House of Representatives concurring, that the President of the United States, the United States Congress and Centers for Medicare and Medicaid Services are urged to preserve the amount of Medicaid coverages and the amount of benefits; and be it further

Resolved, that certified copies of this Concurrent Resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Director of Centers for Medicare and Medicaid Services, and the members of Hawaii's congressional delegation.

POM–120. A resolution adopted by the Senate of the Legislature of the State of Hawaii relative to national park status for the Kawainui Marsh Complex; to the Committee on Energy and Natural Resources.

SENATE RESOLUTION NO. 51

Whereas, the Convention on Wetlands was signed on February 2, 1971 in Ramsar, Iran; and

Whereas, in 1987, the United States joined the Ramsar Convention, an international treaty that aims at halting the worldwide loss of wetlands and to conserve those that remain; and

Whereas, the treaty's one hundred forty-four contracting parties have designated one thousand four hundred four wetlands sites totaling more than three hundred million acres for inclusion in the Ramsar List of Wetlands of International Importance; and

Whereas, despite the great value of wetlands, they have been shrinking worldwide, including in the United States; and

Whereas, on Earth Day 2004, President George W. Bush announced an aggressive new national initiative to create, improve, and protect at least three million wetland acres over the next five years in order to increase overall wetland acreage and quality; and

Whereas, wetlands are a source of water, food, recreation, transportation, and, in some places, are part of the local religious and cultural heritage. They provide groundwater replenishment, benefiting inhabitants of entire watersheds; and

Whereas, wetlands play a vital role in storm and flood protection and water filtration. In addition, they provide a rich feeding ground for migratory birds, fish, and other animals; and

Whereas, the United States designated three new Ramsar sites last month: the two thousand five hundred-acre Tijuana River National Estuarine Research Reserve in San Diego County, California; the one hundred sixty thousand-acre Grassland Ecological Area in western Merced County, California; and the one thousand-acre Kawainui and Hamakua Marsh Complex located on the northeast coast of the island of Oahu; and

Whereas, these additional sites bring the total number of United States Ramsar sites to twenty-two, covering nearly 3.2 million acres: Now, therefore, be it

Resolved, by the Senate of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2005, that the State of Hawaii's elected Representatives and Senators in the United States Congress are respectfully requested to support, work to pass, and vote for National Park protection for the one thousand-acre Kawainui and Hamakua Marsh Complex located on the northeast coast of the island of Oahu; and be it further

Resolved, that certified copies of this Senate Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the State of Hawaii's Congressional Delegation.

POM–121. A resolution adopted by the House of Representatives of the Legislature of the State of Utah relative to the participation of Taiwan in the World Health Organization; to the Committee on Foreign Relations.

HOUSE RESOLUTION 10

Whereas, the World Health Organization's (WHO) Constitution states that ''The objective of the World Health Organization shall be the attainment by all peoples of the highest possible level of health'';

Whereas, this position demonstrates that the WHO is obligated to reach all peoples throughout the world, regardless of state or national boundaries;

Whereas, the WHO Constitution permits a wide variety of entities, including non-member states, international organizations, national organizations, and nongovernmental organizations, to participate in the activities of the WHO;

Whereas, five entities, for example, have acquired the status of observer of the World Health Assembly (WHA) and are routinely invited to its assemblies;

Whereas, both the WHO Constitution and the International Covenant of Economic, Social, and Cultural Rights (ICESCR) declare that health is an essential element of human rights and that no signatory shall impede on the health rights of others;

Whereas, Taiwan seeks to be invited to participate in the work of the WHA simply as an observer, instead of as a full member, in order to allow the work of the WHO to proceed without creating political frictions and to demonstrate Taiwan's willingness to put aside political controversies for the common good of global health;

Whereas, this request is fundamentally based on professional health grounds and has nothing to do with the political issues of sovereignty and statehood;

Whereas, Taiwan currently participates as a full member in organizations like the World Trade Organization (WTO), Asia-Pacific Economic Cooperation (APEC), and several other international organizations that count the People's Republic of China among their membership;

Whereas, Taiwan has become an asset to all these institutions because of a flexible interpretation of the terms of membership;

Whereas, closing the gap between the WHO and Taiwan is an urgent global health imperative;

Whereas, the health administration of Taiwan is the only competent body possessing and managing all the information on any outbreak in Taiwan of epidemics that could potentially threaten global health;

Whereas, excluding Taiwan from the WHO's Global Outbreak Alert and Response Network (GOARN), for example, is dangerous and self defeating from a professional perspective;

Whereas, good health is a basic right for every citizen of the world and access to the highest standard of health information and services is necessary to help guarantee this right;

Whereas, direct and unobstructed participation in international health cooperation

forms and programs is therefore crucial, especially with today's greater potential for the cross-border spread of various infectious diseases through increased trade and travel;

Whereas, the WHO sets forth in the first chapter of its charter the objectives of attaining the highest possible level of health for all people;

Whereas, Taiwan's population of 23 million people is larger than that of three quarters of the member states already in the WHO who shares the noble goals of the organization;

Whereas, Taiwan's achievements in the field of health are substantial, including one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those in western countries, the eradication of such infectious diseases as cholera, smallpox, and the plague, and the first country in the world to provide children with free hepatitis B vaccinations;

Whereas, Taiwan is not allowed to participate in any WHO-organized forums and workshops concerning the latest technologies in the diagnosis, monitoring, and control of diseases;

Whereas, in recent years both the Taiwanese Government and individual Taiwanese experts have expressed a willingness to assist financially or technically in WHO-supported international aid and health activities, but have ultimately been unable to render assistance;

Whereas, the WHO does allow observers to participate in the activities of the organization; and

Whereas, in light of all the benefits that participation could bring to the state of health of people not only in Taiwan, but also regionally and globally it seems appropriate, if not imperative, for Taiwan to be involved with the WHO: Now, therefore, be it

Resolved, that the House of Representatives of the state of Utah urges the Bush Administration to support Taiwan and its 23 million people in obtaining appropriate and meaningful participation in the World Health Organization (WHO); and be it further

Resolved, that the House of Representatives urges that United States' policy should include the pursuit of some initiative in the WHO which would give Taiwan meaningful participation in a manner that is consistent with the organization's requirements; and be it further

Resolved, that a copy of this resolution be sent to the President of the United States, the United States Secretary of State, the Secretary of Health and Human Services, the majority leader of the United States Senate, the Speaker of the United States House of Representatives, the members of Utah's congressional delegation, the Government of Taiwan, and the World Health Organization.

POM–122. A concurrent resolution adopted by the Legislature of the State of Hawaii relative to supporting the government and the people of the Republic of Kiribati in their efforts to address war reparations; to the Committee on Foreign Relations.

HOUSE CONCURRENT RESOLUTION NO. 62

Whereas, two days after the Japanese raid on Pearl Harbor, Japanese aircraft bombed the Republic of Kiribati, formerly known as the Gilbert Islands, including Banaba, and later reconnaissance parties landed on Tarawa and Butaritari; and

Whereas, in 1942, Japanese armed forces occupied the Republic of Kiribati; and

Whereas, American forces invaded Tarawa in late 1943 and drove the Japanese from most of the Gilbert Islands; and

Whereas, Banaba was not reoccupied by American forces until 1945, by which time the Japanese had massacred all but one man of the imported labor force; and

Whereas, native inhabitants of Banaba, the Banabans, had been deported to Nauru and Kosrae (Caroline Islands) and after their rescue, Banabans elected to live on Rabi Island, Fiji, which had earlier been bought for them; and

Whereas, the people of Kiribati suffered tremendous atrocities and losses as a result of the occupation of the island by Japanese armed forces during World War II; and

Whereas, many people of Kiribati were not given the opportunity during the aftermath of World War II to file a war reparations claim; and

Whereas, after sixty years, the people of Kiribati deserve to have a final resolution on the long-awaited issue of war reparations and due recognition for their heroic sacrifices and struggle during the Japanese occupation; and

Whereas, the member nations of the Association of Pacific Island Legislatures recognize the sacrifice and suffering of the people of the Republic of Kiribati and the injustice further inflicted upon them due to the lack of resolution by the governments of Japan and the United States to address war reparations for the people of the Republic of Kiribati: Now, therefore, be it

Resolved, by the House of Representatives of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2005, the Senate concurring, that the Legislature of the State of Hawaii strongly supports the government and the people of the Republic of Kiribati in their efforts to address war reparations; and be it further

Resolved, that certified copies of this Concurrent Resolution be transmitted to the President of the United States through the Secretary of State, the President of the United States Senate, the Speaker of the United States House of Representatives, the Prime Minister of Japan through the Consulate General of Japan in Honolulu, the President of the Republic of Kiribati through the Consulate of the Republic of Kiribati in Honolulu, the President of the Association of Pacific Island Legislatures, and the members of Hawaii's congressional delegation.

POM–123. A joint resolution adopted by the Legislature of the State of Nevada relative to the Community Services Block Grant Program; to the Committee on Health, Education, Labor, and Pensions.

SENATE JOINT RESOLUTION NO. 13

Whereas, The Community Services Block Grant program, administered by the Department of Health and Human Services, was created by the federal Omnibus Budget Reconciliation Act of 1981 and is designed to provide a range of services to address the needs of low-income persons to ameliorate the causes and conditions of poverty; and

Whereas, The money allocated by the program is used to provide services that assist such persons in attaining the skills, knowledge and motivation necessary to achieve self-sufficiency and may also be used to provide the immediate necessities of life such as food, shelter and medicine; and

Whereas, Throughout the nation, local governments have created more than 1,080 Community Action Agencies as public or private entities to channel the money provided by the Community Services Block Grant program into communities to coordinate resources and empower communities in rural and urban areas; and

Whereas, In Nevada, each dollar received by Community Action Agencies leverages at least $19 brought in from other sources, and this money is reinvested in the business communities of Nevada, thus enhancing the economic vitality as well as the social fabric of the entire State; and

Whereas, Using money provided by the Community Services Block Grant program, Community Action Agencies in this State not only assist low-income persons in obtaining employment, training, education, including participation in Head Start, energy assistance, senior services, and health and nutrition benefits, but the Agencies also acquire the infrastructure to develop affordable housing projects, assist first-time home buyers in paying down-payment and closing costs, and help senior citizens repair their homes; and

Whereas, When such activities relating to housing are considered, the leverage for each federal dollar received by the State of Nevada increases up to $29; and

Whereas, The proposed federal budget for Fiscal Year 2006 recommends the elimination of the Community Services Block Grant program; and

Whereas, The elimination of the program would negatively impact not only the residents of Nevada but citizens all across the United States and would significantly hinder the ability of Community Action Agencies and other businesses to improve the economic viability of families and businesses, hurting those in need and lessening their ability to live a decent life; now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, Jointly, That the members of the 73rd Session of the Nevada Legislature urge Congress to preserve the Community Services Block Grant program as an independent program administered by the Department of Health and Human Services and to appropriate money for the program for Fiscal Year 2006 that meets or exceeds the funding level for Fiscal Year 2005; and be it further

Resolved, That the Secretary of the Senate prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives, the Secretary of the Department of Health and Human Services, and each member of the Nevada Congressional Delegation; and be it further

Resolved, That this resolution becomes effective upon passage.

POM–124. A resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania relative to ''Amyotrophic Lateral Sclerosis Awareness Month''; to the Committee on Health, Education, Labor, and Pensions.

HOUSE RESOLUTION NO. 277

Whereas, Amyotrophic Lateral Sclerosis (ALS) is better known as Lou Gehrig's disease; and

Whereas, ALS is a fatal neurodegenerative disease characterized by degeneration of cell bodies of the lower motor neurons in the gray matter of the anterior horns of the spinal cord; and

Whereas, The initial symptom of ALS is weakness of the skeletal muscles, especially those of the extremities; and

Whereas, As ALS progresses, the patient experiences difficulty in swallowing, talking and breathing; and

Whereas, ALS eventually causes muscles to atrophy, and the patient becomes a functional quadriplegic; and

Whereas, ALS does not affect a patient's mental capacity, so a patient remains alert and aware of the loss of motor functions and the inevitable outcome of continued deterioration and death; and

Whereas, ALS occurs in adulthood, most commonly between the ages of 40 and 70, with the peak age about 55, and affects men two to three times more often than women; and

Whereas, More than 5,600 new ALS patients are diagnosed annually; and

Whereas, It is estimated that 30,000 Americans may have ALS at any given time; and

Whereas, On average, patients diagnosed with ALS survive two to five years from the time of diagnosis; and

Whereas, ALS has no known cause, prevention or cure; and

Whereas, ''Amyotrophic Lateral Sclerosis (ALS) Awareness Month'' will increase public awareness of ALS patients circumstances, acknowledge the terrible impact this disease has on patients and families and recognize the research for treatment and cure of ALS: Therefore be it

Resolved, That the House of Representatives of the Commonwealth of Pennsylvania recognize the month of May 2005 as ''Amyotrophic Lateral Sclerosis (ALS) Awareness Month'' in Pennsylvania; and be it further

Resolved, That the House of Representatives urge the President and Congress of the United States to enact legislation to provide additional funding for ALS research; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives, to the members of Congress from Pennsylvania and to the United States Secretary of Health and Human Services.

POM–125. A joint resolution adopted by the Legislature of the State of Utah relative to the federal No Child Left Behind Act; to the Committee on Health, Education, Labor, and Pensions.

HOUSE JOINT RESOLUTION NO. 3

Whereas, the state of Utah applauds the laudable goals proposed by the President and the United States Congress and articulated in the No Child Left Behind Act of 2002, those goals being to close the achievement gap and increased student performance;

Whereas, these are the same goals the state of Utah has pursued and continues to pursue under the Utah Performance Assessment System for Student (U–PASS), which accounts for individual student growth and the difference among our children;

Whereas, the stakeholders in public education in the state of Utah are more experienced and have a better understanding of the unique needs of Utah students, evident by the fact that the state has performed above the national average on the National Assessment of Educational Progress while maintaining the lowest per pupil expenditures in the nation;

Whereas, No Child Left Behind greatly expends the reach of the federal government into the education governance structure in Utah, bypassing critical stakeholders in the policymaking process and dealing directly with individual schools and districts, negating state and local board control and undermining the state's ability to meet its constitutional duty to provide a system of public education in Utah;

Whereas, prior to No Child Left Behind, the federal government's involvement in education in the state was focused primarily on a small percentage of students, commensurate, with the 7% contribution to the state's aggregate spending on K–12 education;

Whereas, No Child Left Behind greatly expands the authority of the U.S. Department of Education by impacting all students in the state, without a significant increased in its 7% contribution to the state, making the U.S. Department of Education's mandates on public education no longer commensurate with the resources it provided to Utah;

Whereas, federal funding for No Child Left Behind falls dramatically short of sufficient funds for remedial services for struggling students, and No Child Left Behind therefore requires substantial supplemental state funding;

Whereas, No Child Left Behind represents the greatest federal intrusion in the history of our nation, over what has historically been a right of the states, to direct public education in a way that best fits the needs of individual students;

Whereas, while No Child Left Behind was appropriately intended, it was nonetheless poorly designed, in that it is too punitive, too prescriptive, and sets unrealistic expectations that demoralize students and educators and confuse the general public;

Whereas, No Child Left Behind contains fundamental conflicts between competing federal education laws that govern the treatment of students with special needs, as well as between federal law and state statutory and constitutional requirements, and is built on inadequate methods for measuring student and school performance;

Whereas, No Child Left Behind may cause unintended consequences to Utah's education system in that it will redirect the allocation of resources, amend state and local curriculum, standards, and assessments, and do more damage in labeling Utah's schools and students than it does to improve student performance, making it a less effective method for Utah to measure student achievement;

Whereas, No Child Left Behind includes expectations for teacher qualifications that ignore realities in rural settings and in specialty assignments; and

Whereas, while No Child Left Behind includes provisions, such as Sections 9401 and 9527, that would protect states and provide regulatory relief from concerns raised about its shortcomings, there has been very little effort by the U.S. Department of Education to encourage or allow states to utilize these provisions: Now, therefore, be it

Resolved, That the Legislature of the state of Utah recognizes that the Legislature, the Utah State Board of Education, and local boards of education have an understanding of Utah's schools that surpasses that of federal government entities in terms of missions, needs, goals, and values of those schools; and be it further

Resolved, That the Legislature recognizes that the U-PASS should be the basis by which students and schools in Utah will be assessed and monitored; and be it further

Resolved, That the Legislature recognizes that in order to increase student achievement, Utah should utilize competency-measured education and student growth measurements as described in U-PASS and Utah State Senate bill 154, 2003 General Session; and be it further

Resolved, That the Legislature recognizes that the state should control its public education budget and allocate education dollars according to Utah's priorities and needs, driven by decision-making of local school boards; and be it further

Resolved, That the Legislature recognizes that until and unless the federal government substantially amends No Child Left Behind, extends waiver authority under Section 9401 to acknowledge that Utah is complying with the intent and spirit of the law through U-PASS, and that the federal government provides funding commensurate with what an independent analysis of implementation costs indicates is required to fully implement the law or the Congress significantly alters the law such that control of public education is fully restored to our state, Utah should utilize its own proven system of student accountability and reassert its historic leadership role in providing a quality public education for its citizens; and be it further

Resolved, That a copy of this resolution be sent to the Utah State Board of Education, each of Utah's local boards of education, the United States Department of Education, and to the members of Utah's congressional delegation.

POM–126. A concurrent resolution adopted by the Legislature of the State of Hawaii relative to the Even Start Family Literacy Program; to the Committee on Health, Education, Labor, and Pensions.

HOUSE CONCURRENT RESOLUTION NO. 208

Whereas, the federal Even Start Family Literacy Program (Literacy Program) (Title I, Part B, subpart 3 of the Elementary and Secondary Education Act of 1965) was first authorized in 1988 with an appropriation of $14,800,000; and

Whereas, the Literacy Program became state-administered in 1992 at which time the appropriation exceeded $50,000,000; and

Whereas, the Literacy Program was most recently reauthorized by the Learning Involves Families Together (LIFT) Act of 2000 and the federal No Child Left Behind (NCLB) Act of 2001; and

Whereas, the Literacy Program offers hope for breaking the intergenerational cycle of poverty and poor literacy rates that afflict the nation by embracing the whole family as pupils and incorporating four core components as follows: early childhood education; adult literacy; parenting education; and interactive literacy activities between parents and their children;

Whereas, the Literacy Program is designed to help parents from low-income families improve their own education skills and vocational opportunities, making them more effective parents and improving the academic achievement of their young children, by: building on existing community resources of high quality; promoting the academic achievement of children and adults; incorporating research-based practices into the instructional programs for adults and children; promoting healthy relationships and interaction between children and adults; and helping children and adults meet the state's challenging content standards; and

Whereas, the Literacy Program at Blanche Pope Elementary School in Waimanalo and at other sites in Hawaii has successfully helped Literacy Program partners integrate their efforts into a more unified, effective, and accountable system than the previously fragmented adult and family-focused services; and

Whereas, the Literacy Program, such as the one at Blanche Pope Elementary School in Waimanalo, is a state-administered discretionary program; and

Whereas, the goals of raising quality and accountability in family education under the LIFT Act of 2000 and the NCLB Act of 2001 are being achieved in Hawaii; and

Whereas, the President of the United States, in his public comments and proposed budget to Congress, has expressed a loss of confidence in, or concern for, the Literacy Program; Now, therefore, be it

Resolved by the House of Representatives of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2005, the Senate concurring, that the Legislature urges the President of the United States, the United States Congress, and the United States Department of Education to continue funding the Even Start Family Literacy Program; and be it further

Resolved, That certified copies of this Concurrent Resolution be transmitted to the President of the United States, Speaker of the United States House of Representatives,

President of the United States Senate, Secretary of the United States Department of Education, and Members of Hawaii's congressional delegation.

POM–127. A resolution adopted by the Senate of the Commonwealth of Pennsylvania relative to ''Amyotrophic Lateral Sclerosis Awareness Month''; to the Committee on Health, Education, Labor, and Pensions.

SENATE RESOLUTION NO. 96

Whereas, Amyotrophic Lateral Sclerosis (ALS) is better known as Lou Gehrig's disease; and

Whereas, ALS is a fatal neurodegenerative disease characterized by degeneration of cell bodies of the lower motor neurons in the gray matter of the anterior horns of the spinal cord; and

Whereas, The initial symptom of ALS is weakness of the skeletal muscles, especially those of the extremities; and

Whereas, As ALS progresses, the patient experiences difficulty in swallowing, talking and breathing; and

Whereas, ALS eventually causes muscles to atrophy, and the patient becomes a functional quadriplegic; and

Whereas, ALS does not affect a patient's mental capacity, so a patient remains alert and aware of the loss of motor functions and the inevitable outcome of continued deterioration and death; and

Whereas, ALS occurs in adulthood, most commonly between the ages of 40 and 70, with the peak age about 55, and affects men two to three times more often than women; and

Whereas, More than 5,000 new ALS patients are diagnosed annually; and

Whereas, On average, patients diagnosed with ALS survive two to five years from the time of diagnosis; and

Whereas, ALS has no known cause, prevention or cure; and

Whereas, ''Amyotrophic Lateral Sclerosis (ALS) Awareness Month'' will increase public awareness of ALS patients' circumstances, acknowledge the terrible impact this disease has on patients and families and recognize the research for treatment and cure of ALS: Therefore be it

Resolved, That the Senate of the Commonwealth of Pennsylvania recognize the month of May 2005 as ''Amyotrophic Lateral Sclerosis Awareness Month'' in Pennsylvania; and be it further

Resolved, That the Senate urge the President and Congress of the United States to enact legislation to provide additional funding for ALS research, and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives, to the members of Congress from Pennsylvania and to the United States Secretary of Health and Human Services.

POM–128. A joint resolution adopted by the Legislature of the State of California relative to Equal Pay Day; to the Committee on Health, Education, Labor, and Pensions.

SENATE JOINT RESOLUTION 7

Whereas, Forty-two years after the passage of the Federal Equal Pay Act of 1963 and forty-one years after the passage of Title VII of the Federal Civil Rights Act of 1964, American women continue to suffer disparities in wages that cannot be accounted for by age, education, or work experience; and

Whereas, According to statistics released in 2004 by the U.S. Census Bureau, year-round, full-time working women in 2003 earned only 76% of the earnings of year-round, full-time working men, indicating little change or progress in pay equity; and,

Whereas, A General Accounting Office report on women's earnings shows that there exists an inexplicable wage gap of approximately 20 percent between men and women, even after taking into account work experience, education, occupation, industry of current employment, and other demographic and job characteristics; and

Whereas, Since, the passage of the Equal Pay Act, the gap has narrowed by less than half, from 41 cents per dollar to 22 cents, and research by the Institute for Women's Policy Research finds that recent change is due in large part to men's real wages falling, not women's wages rising; and

Whereas, California ranks fifth among all states in equal pay, yet it ranks 39th among all states in progress in closing the hourly wage gap, and at the current rate of change California working women will not have equal pay for another 40 years; and

Whereas, The consequences of the wage gap reach beyond working women and extend to their families and the economy to the extent that; in 1999, even after accounting for differences, in education, age, location, and the number of hours worked, America's working families lost $200 billion of annual income to the wage gap, with an average of $4,000 per family; and

Whereas, Women play a crucial role in maintaining the financial well-being of their families by providing significant percentage of their household incomes and, in many cases, women head their own households; and

Whereas, Pay inequity results in a higher poverty rate for women, particularly in women-headed households, as evidenced by figures from the McAuley Institute which indicate that for families that are headed by a woman and have children under the age of five years, the poverty rate is an astonishing 46.4 percent; and

Whereas, Women currently comprise 48 percent of the labor force; and

Whereas, Educated women are not exempt from pay disparity; and

Whereas, In 2001 the average income for a woman with a bachelor's degree was 24 percent lower than that of a man with the same level of education—$32,238 versus $42,292; and

Whereas, The wage gap is also prevalent within minority communities, as shown by a 2002 report that African-American women earned 91 percent of what African-American men earned, and Hispanic women earned 88 percent of what Hispanic men earned; and

Whereas, Even in professions in which women comprise a majority of workers, such as nursing and teaching, men earn an average of 20 percent more than women working in these same occupations; and

Whereas, According to the data analysis of over 300 job classifications provided by the United States Department of Labor, Bureau of Labor Statistics, women are paid less in every occupational classification for which sufficient information is available; and

Whereas, The average 25-year-old woman who works fulltime, year round, is projected to earn $523,000 less over the course of her career than the average 25-year-old man who works full time, year round; and

Whereas, If women were paid the same as men who work the same number of hours, have the same education and same union status, are the same age, and live in the same region of the country, then the annual family income, of each of these women would rise by $4,000, and the number of families who live below the poverty line would be reduced by half; and

Whereas, The wage gap continues to affect women in their senior years as lower wages result in lower pensions and incomes after, retirement, and affect a woman's ability to save, thereby contributing to a higher poverty rate for elderly women; and

Whereas, Half of all older women with income from a private pension receive less than $5,600 per year, as compared with $10,340 per year for older men; and

Whereas, Men live an average of 77 years and women live an average of 81.7 years; and

Whereas, Assuming men and women retire at age 65; men will rely on their state pensions to help them through 12 years of life, while a woman's pension will have to last 16.7 years; and

Whereas, There is a greater likelihood that a female worker would outlive her defined contribution plan; and

Whereas, It is estimated that it would cost a man $654,000 to purchase an annuity based on 25 years of service and a $6,000 final-month salary, while it would cost a woman over $700,000 to purchase the same annuity with the same monthly benefits; and

Whereas, if both a man and a woman invested $750,000 in this same annuity, it is estimated the women would receive a little under $3,420 per month while the man would receive $3,670, or a 7-percent difference: Now, therefore, be it

Resolved, by the Senate and the Assembly of the State of California, jointly, That the Legislature hereby declares April 19, 2004, to be ''Equal Pay Day'' in California and urges California citizens to recognize the full' value and worth of women and their contributions to the California workforce; and be it further

Resolved, That the Legislature respectfully, urges the Congress of the United States to protect the fundamental right of all American women to receive equal pay, for equal work, and to continue to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, and to each Senator and Representative from California in the Congress of the United States.

POM–129. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Louisiana relative to the federal estate tax; to the Committee on Homeland Security and Governmental Affairs.

HOUSE CONCURRENT RESOLUTION NO. 94

Whereas, under tax relief legislation passed in 2001, the estate tax was temporarily phased out but not permanently eliminated; and

Whereas, farmers and other small business owners will face losing their farms and businesses if the federal government resumes the heavy taxation of citizens at death; and

Whereas, this is a tax that is particularly damaging to families who are working their way up the ladder and trying to accumulate wealth for the first time; and

Whereas, employees suffer layoffs when small and medium businesses are liquidated to pay estate taxes; and

Whereas, if the estate tax had been repealed in 1996, the United States economy would have realized billions of dollars each year in extra output, and an average of one hundred forty-five thousand additional new jobs would have been created; and

Whereas, having repeatedly passed in the United States House of Representatives and Senate, repeal of the estate tax holds wide bipartisan support: and therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize the Congress of the United States of America to take such actions as are necessary to work to abolish the federal estate tax permanently; and be it further

Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–130. A concurrent memorial adopted by the House of Representatives of the Legislature of the State of Arizona relative to sending federal funds directly to the Arizona Legislature for appropriation and oversight; to the Committee on Homeland Security and Governmental Affairs.

HOUSE CONCURRENT MEMORIAL 2009

Whereas, the State of Arizona receives nearly $6 billion in federal grant funds each year; and

Whereas, currently, the bulk of these federal funds that flow into state government are sent directly from federal agencies to state agencies and local governments; and

Whereas, the current system of distribution of federal funds gives the state legislature little input into how the funds are received, allocated or spent; and

Whereas, the direct allocation of federal funds, including funds that have been earmarked by the federal government for a specific purpose at the state level, to the legislature would give the legislature appropriation authority over those funds and would provide additional financial and programmatic information necessary to make more informed budgeting decisions. Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the Congress of the United States send federal funds directly to the Arizona Legislature for appropriation and oversight.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and each Member of Congress from the State of Arizona.

POM–131. A resolution adopted by the House of Representatives of the Legislature of the State of Utah relative to the permanent repeal of the Federal Inheritance Tax; to the Committee on Homeland Security and Governmental Affairs.

HOUSE RESOLUTION 2

Whereas, under tax relief legislation passed in 2001, the Federal Inheritance Tax, or death tax, was temporarily phased out but not permanently eliminated;

Whereas, farmers and other small business owners will face losing their farms and businesses if the federal government resumes the heavy taxation of citizens at death;

Whereas, the death tax is particularly damaging to families who are working hard to accumulate wealth for the first time;

Whereas, employees suffer layoffs when small and medium businesses are liquidated to pay death taxes;

Whereas, if the death tax had been repealed in 1996, the United States economy would have realized billions of dollars each year in extra output and an average of 145,000 additional new jobs would have been created; and

Whereas, having repeatedly passed in the United States House of Representatives and the United States Senate, repeal of the death tax holds wide bipartisan support: Now Therefore, be it

Resolved, That the House of Representatives of the state of Utah requests that Utah's congressional delegation support, work to pass, and vote for the immediate and permanent repeal of the death tax; and be it further

Resolved, That a copy of this resolution be sent to the members of Utah's congressional delegation.

POM–132. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Louisiana relative to authorizing state governors to proclaim that the United States flag be flown at half-staff upon the death of a member of the United States armed forces from their respective states who died on active duty; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION NO. 117

Whereas, according to Section 7 of Chapter 1 of Title 4 of the United States Code, in the event of the death of a present or former official of the government of any state, territory, or possession of the United States, the governor of that state, territory, or possession may proclaim that the national flag shall be flown at half-staff; and

Whereas, it is only fitting that the United States Code also authorize a state governor to proclaim that the flag shall be flown at half-staff upon the death of members of the United States armed forces from that state who have given their lives for their country; and

Whereas, the long-held tradition of lowering of the flag to half-staff in periods of recognition of the deceased would be an appropriate way to pay respect to the memories of these honorable men and women; and

Whereas, the valor displayed by fallen members of the military in the defense of democratic ideals and the right of free people to live in peaceful coexistence with their neighbors is a proud example of the American spirit in which all Louisianians take great pride; and

Whereas, flying the flag at half-staff would serve as a solemn and suitable reminder of the heroism of those who have made the ultimate sacrifice for freedom; and therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to amend the United States Code to authorize state governors to proclaim that the United States flag shall be flown at half-staff upon the death of a member of the United States armed forces from their respective states who died on active duty; and be it further

Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–133. A concurrent memorial adopted by the House of Representatives of the Legislature of the State of Arizona relative to the amending the Constitution of the United States concerning marriage; to the Committee on the Judiciary.

HOUSE CONCURRENT MEMORIAL 2005

Whereas, the union of man and woman in marriage has been recognized as the foundation of society since the beginning of time; and

Whereas, marriage between one man and one woman substantially and undeniably benefits the individuals involved, any children resulting from the union and society at large; and

Whereas, the founders of our country decreed marriage between a man and a woman to be ''the highest and most blessed of relationships''; and

Whereas, nearly three-fourths of the states already have enacted laws to define marriage as being only between a man and a woman and the federal government enacted the Defense of Marriage Act in 1996; and

Whereas, seventeen states have adopted amendments to their constitutions to protect the definition of marriage as being only between a man and a woman; and

Whereas, the people of the State of Arizona view with growing concern attempts to change the definition of marriage through judicial action, including, most recently, rulings by the courts in Canada, the Commonwealth of Massachusetts and the State of Washington; and

Whereas, in addition to simply stating that marriage in the United States consists of the union of a male and a female, an amendment to the Constitution of the United States ensures the democratic process by allowing the states to establish their own policy in the area of marital benefits, including privileges associated with marriage.

Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That, pursuant to article V of the Constitution of the United States, the Congress of the United States propose an amendment to the Constitution of the United States, to be ratified by the legislatures or by conventions in three-fourths of the several states, stating that marriage in the United States shall consist only of the union of a man and a woman.

2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and each Member of Congress from the State of Arizona.

POM–134. A resolution adopted by the House of Representatives of the Legislature of the State of Utah relative to the support of the United States Senate for the President's Supreme Court nominees; to the Committee on the Judiciary.

HOUSE RESOLUTION 4

Whereas, Article II, Section 2 of the United States Constitution states the President ''shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the Supreme Court, and all other Officers of the United States'';

Whereas, there is a high likelihood of at least one vacancy on the United States Supreme Court during the 109th Congress;

Whereas, activist judges on some federal courts have frustrated the constitutional structure which prescribes that laws shall be written by elected legislatures;

Whereas, President Bush has expressed his commitment to appoint federal judges who will strictly interpret the United States Constitution; and

Whereas, in the past, a minority of Senators has used dilatory tactics to prevent a Senate floor vote on several of President Bush's judicial nominees, all of whom were reported favorably by the United States Senate Committee on the Judiciary; and now, therefore, be it

Resolved, That the House of Representatives of the state of Utah requests that the United States Senate move quickly to confirm all presidential nominations to the United States Supreme Court; and be it further

Resolved, That a copy of this resolution be sent to the Majority Leader of the United States Senate and to the members of Utah's congressional delegation.

POM–135. A joint resolution adopted by the Legislature of the State of Maine relative to allowing Poland's citizens to travel in the United States without visas; to the Committee on the Judiciary.

JOINT RESOLUTION

Whereas the visa waiver program was established under 8 United States Code, Section 1187 to provide under certain conditions a visa waiver to citizens of certain countries; and

Whereas 8 Code of Federal Regulations, Section 217.2 (2005) delineates the specific requirements of the visa waiver program, including the list of countries whose citizens may take advantage of its provisions; and

Whereas the list of countries allowed to have the visa requirement waived includes Andorra, Australia, Austria, Belgium, Brunei, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Monaco, the Netherlands, New Zealand, Norway, Portugal, San Marino, Singapore, Slovenia, Spain, Sweden, Switzerland and the United Kingdom; and

Whereas citizens from Poland are still required to go through the visa process, despite the change in circumstances of that nation during the last 15 years and its being a staunch ally of the United States; and

Whereas since the breakup of the Soviet Union, Poland has been a free and democratic nation and is a member of the North Atlantic Treaty Organization, known as NATO, and is an indispensable ally to our own Nation, actively participating in Operation Iraqi Freedom and the Iraqi reconstruction with troops serving alongside American soldiers; and

Whereas the President of the United States, George W. Bush, and other high-ranking officials in our government have described Poland as one of our best allies; and

Whereas many Polish citizens wanting to visit the United States are relatives of American citizens and they face major impediments in the visa process, while Americans going to Poland have had the visa requirement waived for them since 1991; and

Whereas in view of the enormous strides that Poland has made in democratic reform and the new status of Poland as a major ally of the United States, as firm and staunch as our oldest allies who have had the visa requirement waived: Now, therefore, be it

Resolved, That We, your Memorialists, respectfully urge that Poland be included in the United States Department of Homeland Security's visa waiver program as codified in 8 Code of Federal Regulations, Section 217.2; and be it further

Resolved, That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Honorable George W. Bush, President of the United States, the United States Secretary of Homeland Security, the Speaker of the United States House of Representatives and the President of the United States Senate and to each Member of the Maine Congressional Delegation.

POM–136. A concurrent resolution adopted by the Legislature of the State of Hawaii relative to conferring veterans' benefits on Filipino veterans of World War II; to the Committee on Veterans' Affairs.

HOUSE CONCURRENT RESOLUTION 249

Whereas approximately 142,000 Philippine nationals were inducted into the United States armed forces in 1941, when their country was under American control; and

Whereas Filipino soldiers fought bravely beside American troops to restore liberty and democracy to their homeland by volunteering as spies, serving as guerrillas in the jungles, and fighting in American units in the war against Japan; and

Whereas these soldiers exhibited great courage at the battles of Corregidor and Bataan, and their bravery and self-sacrifice contributed to the Allied victory in World War II; and

Whereas the United States promised Filipino solders the same benefits as American soldiers, then rescinded that promise five years later; and

Whereas the Legislature finds that the United States should honor its promise to the Filipino veterans; and

Whereas Filipino interest groups estimate that there are approximately 58,000 Filipino World War II veterans still alive, 12,000 of them living in the United States; and

Whereas time is running out for the United States to correct the injustice committed against Filipino World War II veterans as most are now elderly and frail, and approximately eight die per day based on 2004 mortality statistics from the United States Department of Veterans Affairs; and

Whereas there are several measures pending in Congress that propose to confer veterans' benefits on Filipino veterans of World War II; and

Whereas these legislative measures include S. 146, H.R. 302, and H.R. 170; and

Whereas S. 146 and H.R. 302, (Filipino Veterans Equity Act of 2005), amend Title 38 of the United States Code to deem certain service in the organized military forces of the Government of the Commonwealth of the Philippines and the Philippine Scouts to be active service for purposes of benefits under programs administered by the Secretary of Veterans Affairs; and

Whereas under H.R. 170, (Filipino Veterans Fairness Act) Filipino World War II veterans who became United States citizens or legal aliens are entitled to service-connected disability payments, vocational rehabilitation, and housing loans; Filipino World War II veterans residing in the Philippines are entitled to out-patient health care; and veterans' spouses and dependents are entitled to educational and vocational assistance; and

Whereas passage of these measures will mean official recognition of Filipino veterans as American veterans, who will become eligible for veterans' benefits such as health care, disability compensation, pension, burial, housing loans, education, and vocational rehabilitation: Now, therefore, be it

Resolved by the House of Representatives of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2005, the Senate concurring, that the United States Congress is urged to support and pass legislation conferring veterans' benefits on Filipino World War II veterans; and be it further

Resolved, That certified copies of this Concurrent Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of Hawaii's delegation to the Congress of the United States.

POM–137. A resolution adopted by the Lexington-Fayette Urban County Government, relative to the Community Development Block Grant Program; to the Committee on Banking, Housing, and Urban Affairs.

POM–138. A resolution adopted by the Municipal Legislature of Moca, Puerto Rico relative to the opposition of the elimination of the Community Development Block Grant Program, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

POM–139. A resolution adopted by the City Counsel of the City of Oceanside, California relative to the funding of Amtrak; to the Committee on Commerce, Science, and Transportation.

POM–140. A resolution adopted by the Passaic County (New Jersey) Board of Chosen Freeholders relative to the Passaic River Restoration Initiative; to the Committee on Environment and Public Works.

POM–141. A resolution adopted by the Mayor and Municipal Council of the City of Clifton, New Jersey relative to the Passaic River Restoration Initiative; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

Under the authority of the order of the Senate of January 4, 2005, the following reports of committees were submitted on June 10, 2005:

By Mr. BURNS, from the Committee on Appropriations, with an amendment in the nature of a substitute:

H.R. 2361. A bill making appropriations for the Department of the Interior, environment, and related agencies for the fiscal year ending September 30, 2006, and for other purposes (Rept. No. 109–80).

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted:

By Mr. ENZI for the Committee on Health, Education, Labor, and Pensions:

*Lester M. Crawford, of Maryland, to be Commissioner of Food and Drugs, Department of Health and Human Services.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. MCCAIN (for himself and Mr. LIEBERMAN):

S. 1268. A bill to expedite the transition to digital television while helping consumers to continue to use their analog televisions; to the Committee on Commerce, Science, and Transportation.

By Mr. INHOFE (for himself, Mrs. LINCOLN, Mr. CRAPO, Mr. BOND, Mr. CHAMBLISS, Mr. COCHRAN, Mr. ISAKSON, Mr. THOMAS, Mr. HAGEL, Mr. CRAIG, and Mr. ROBERTS):

S. 1269. A bill to amend the Federal Water Pollution Control Act to clarify certain activities the conduct of which does not require a permit; to the Committee on Environment and Public Works.

By Ms. SNOWE (for herself and Mr. ROCKEFELLER):

S. 1270. A bill to provide for the implementation of a Green Chemistry Research and Development Program, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. MURRAY:

S. 1271. A bill to amend title 38, United States Code, to provide improved benefits for veterans who are former prisoners of war; to the Committee on Veterans' Affairs.

By Mr. NELSON of Nebraska:

S. 1272. A bill to amend title 46, United States Code, and title II of the Social Security Act to provide benefits to certain individuals who served in the United States merchant marine (including the Army Transport Service and the Naval Transport Service) during World War II; to the Committee on Veterans' Affairs.

By Mr. REID:

S. 1273. A bill to provide for the sale and adoption of excess wild free-roaming horses and burros; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KENNEDY:

S. Res. 176. A resolution congratulating Cam Neely on his induction into the Hockey Hall of Fame; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. BROWNBACK, Mr. LEAHY, Mr. DEWINE, Mr. LIEBERMAN, Ms. SNOWE, Mr. DURBIN, Mr. COLEMAN, and Mr. LAUTENBERG):

S. Res. 177. A resolution encouraging the protection of the rights of refugees; to the Committee on Foreign Relations.

By Mr. BENNETT (for himself and Mr. LUGAR):

S. Res. 178. A resolution expressing the sense of the Senate regarding the United States-European Union Summit; considered and agreed to.

ADDITIONAL COSPONSORS

S. 258

At the request of Mr. DEWINE, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from South Carolina (Mr. DEMINT) were added as cosponsors of S. 258, a bill to amend the Public Health Service Act to enhance research, training, and health information dissemination with respect to urologic diseases, and for other purposes.

S. 300

At the request of Ms. COLLINS, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 300, a bill to extend the temporary increase in payments under the medicare program for home health services furnished in a rural area.

S. 392

At the request of Mr. LEVIN, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 392, a bill to authorize the President to award a gold medal on behalf of Congress, collectively, to the Tuskegee Airmen in recognition of their unique military record, which inspired revolutionary reform in the Armed Forces.

S. 407

At the request of Mr. JOHNSON, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of S. 407, a bill to restore health care coverage to retired members of the uniformed services, and for other purposes.

S. 441

At the request of Mr. SANTORUM, the name of the Senator from Tennessee (Mr. ALEXANDER) was added as a cosponsor of S. 441, a bill to amend the Internal Revenue Code of 1986 to make permanent the classification of a motorsports entertainment complex.

S. 501

At the request of Ms. COLLINS, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 501, a bill to provide a site for the National Women's History Museum in the District of Columbia.

S. 557

At the request of Mr. COBURN, the names of the Senator from Alabama (Mr. SESSIONS) and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of S. 557, a bill to provide that Executive Order 13166 shall have no force or effect, to prohibit the use of funds for certain purposes, and for other purposes.

S. 558

At the request of Mr. REID, the names of the Senator from Alaska (Ms. MURKOWSKI) and the Senator from Nebraska (Mr. NELSON) were added as cosponsors of S. 558, a bill to amend title 10, United States Code, to permit certain additional retired members of the Armed Forces who have a service-connected disability to receive both disability compensation from the Department of Veterans Affairs for their disability and either retired pay by reason of their years of military service or Combat-Related Special compensation and to eliminate the phase-in period under current law with respect to such concurrent receipt.

S. 603

At the request of Ms. LANDRIEU, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 603, a bill to amend the Consumer Credit Protection Act to assure meaningful disclosures of the terms of rental-purchase agreements, including disclosures of all costs to consumers under such agreements, to provide certain substantive rights to consumers under such agreements, and for other purposes.

S. 611

At the request of Ms. COLLINS, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 611, a bill to establish a Federal Interagency Committee on Emergency Medical Services and a Federal Interagency Committee on Emergency Medical Services Advisory Council, and for other purposes.

S. 619

At the request of Mrs. FEINSTEIN, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 619, a bill to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

S. 633

At the request of Mr. JOHNSON, the names of the Senator from South Dakota (Mr. THUNE), the Senator from Tennessee (Mr. ALEXANDER), the Senator from North Dakota (Mr. CONRAD) and the Senator from Louisiana (Mr. VITTER) were added as cosponsors of S. 633, a bill to require the Secretary of the Treasury to mint coins in commemoration of veterans who became disabled for life while serving in the Armed Forces of the United States.

S. 642

At the request of Mr. FRIST, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 642, a bill to support certain national youth organizations, including the Boy Scouts of America, and for other purposes.

S. 647

At the request of Mrs. LINCOLN, the name of the Senator from South Carolina (Mr. DEMINT) was added as a cosponsor of S. 647, a bill to amend title XVIII of the Social Security Act to authorize physical therapists to evaluate and treat medicare beneficiaries without a requirement for a physician referral, and for other purposes.

S. 662

At the request of Ms. COLLINS, the names of the Senator from Michigan (Mr. LEVIN) and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 662, a bill to reform the postal laws of the United States.

S. 685

At the request of Mr. AKAKA, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 685, a bill to amend title IV of the Employee Retirement Income Security Act of 1974 to require the Pension Benefit Guaranty Corporation, in the case of airline pilots who are required by regulation to retire at age 60, to compute the actuarial value of monthly benefits in the form of a life annuity commencing at age 60.

S. 687

At the request of Mr. BURNS, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 687, a bill to regulate the unauthorized installation of computer software, to require clear disclosure to computer users of certain computer software features that may pose a threat to user privacy, and for other purposes.

S. 689

At the request of Mr. DOMENICI, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 689, a bill to amend the Safe Drinking Water Act to establish a program to provide assistance to small communities for use in carrying out projects and activities necessary to achieve or maintain compliance with drinking water standards.

S. 695

At the request of Mr. BYRD, the names of the Senator from Iowa (Mr. HARKIN), the Senator from Colorado (Mr. ALLARD) and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. 695, a bill to suspend temporarily new shipper bonding privileges.

S. 709

At the request of Mr. DEWINE, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 709, a bill to amend the Public Health Service Act to establish a grant program to provide supportive services in permanent supportive housing for chronically homeless individuals, and for other purposes.

S. 752

At the request of Mr. LAUTENBERG, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 752, a bill to require the United States Trade Representative to pursue

a complaint of anti-competitive practices against certain oil exporting countries.

S. 776

At the request of Mr. JOHNSON, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 776, a bill to designate certain functions performed at flight service stations of the Federal Aviation Administration as inherently governmental functions, and for other purposes.

S. 877

At the request of Mr. DOMENICI, the name of the Senator from North Carolina (Mr. BURR) was added as a cosponsor of S. 877, a bill to provide for a biennial budget process and a biennial appropriations process and to enhance oversight and the performance of the Federal Government.

S. 924

At the request of Mr. CORZINE, the name of the Senator from Colorado (Mr. SALAZAR) was added as a cosponsor of S. 924, a bill to establish a grant program to enhance the financial and retirement literacy of mid-life and older Americans to reduce financial abuse and fraud among such Americans, and for other purposes.

S. 933

At the request of Mr. HAGEL, his name was added as a cosponsor of S. 933, a bill to amend title XVIII of the Social Security Act to provide for improvements in access to services in rural hospitals and critical access hospitals.

S. 986

At the request of Mr. NELSON of Nebraska, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 986, a bill to authorize the Secretary of Education to award grants for the support of full-service community schools, and for other purposes.

S. 1046

At the request of Mr. KYL, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of S. 1046, a bill to amend title 28, United States Code, with respect to the jurisdiction of Federal courts over certain cases and controversies involving the Pledge of Allegiance.

S. 1066

At the request of Mr. VOINOVICH, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 1066, a bill to authorize the States (and subdivisions thereof), the District of Columbia, territories, and possessions of the United States to provide certain tax incentives to any person for economic development purposes.

S. 1081

At the request of Mr. KYL, the names of the Senator from Michigan (Mr. LEVIN) and the Senator from Texas (Mrs. HUTCHISON) were added as cosponsors of S. 1081, a bill to amend title XVIII of the Social Security Act to provide for a minimum update for physicians' services for 2006 and 2007.

S. 1120

At the request of Mr. DURBIN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1120, a bill to reduce hunger in the United States by half by 2010, and for other purposes.

S. 1137

At the request of Mr. GRASSLEY, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 1137, a bill to include dehydroepiandrosterone as an anabolic steroid.

S. 1172

At the request of Mr. SPECTER, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1172, a bill to provide for programs to increase the awareness and knowledge of women and health care providers with respect to gynecologic cancers.

S. 1178

At the request of Mr. MARTINEZ, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 1178, a bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit against income tax for the purchase of private health insurance.

S. 1186

At the request of Mr. DOMENICI, the names of the Senator from Virginia (Mr. WARNER) and the Senator from Idaho (Mr. CRAPO) were added as cosponsors of S. 1186, a bill to amend the Internal Revenue Code of 1986 to provide the same capital gains treatment for art and collectibles as for other investment property and to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor.

S. 1197

At the request of Mr. BIDEN, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 1197, a bill to reauthorize the Violence Against Women Act of 1994.

S. 1214

At the request of Ms. SNOWE, the names of the Senator from Minnesota (Mr. DAYTON), the Senator from Maryland (Ms. MIKULSKI), the Senator from New Jersey (Mr. CORZINE), the Senator from Maine (Ms. COLLINS) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 1214, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 1215

At the request of Mr. GREGG, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of S. 1215, a bill to authorize the acquisition of interests in underdeveloped coastal areas in order better to ensure their protection from development.

S. 1246

At the request of Mr. DODD, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1246, a bill to require the Secretary of Education to revise regulations regarding student loan payment deferment with respect to borrowers who are in post-graduate medical or dental internship, residency, or fellowship programs.

S. 1248

At the request of Ms. LANDRIEU, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 1248, a bill to establish a servitude and emancipation archival research clearinghouse in the National Archives.

S.J. RES. 14

At the request of Mr. SANTORUM, his name was added as a cosponsor of S.J. Res. 14, a joint resolution providing for the recognition of Jerusalem as the undivided capital of Israel before the United States recognizes a Palestinian state, and for other purposes.

S. RES. 31

At the request of Mr. COLEMAN, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. Res. 31, a resolution expressing the sense of the Senate that the week of August 7, 2005, be designated as ''National Health Center Week'' in order to raise awareness of health services provided by community, migrant, public housing, and homeless health centers, and for other purposes.

S. RES. 39

At the request of Mr. SMITH, his name was added as a cosponsor of S. Res. 39, a resolution apologizing to the victims of lynching and the descendants of those victims for the failure of the Senate to enact anti-lynching legislation.

At the request of Mrs. HUTCHISON, her name was added as a cosponsor of S. Res. 39, supra.

S. RES. 162

At the request of Ms. SNOWE, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. Res. 162, a resolution expressing the sense of the Senate concerning Griswold v. Connecticut.

S. RES. 165

At the request of Ms. SNOWE, the name of the Senator from Missouri (Mr. BOND) was added as a cosponsor of S. Res. 165, a resolution congratulating the Small Business Development Centers of the Small Business Administration on their 25 years of service to America's small business owners and entrepreneurs.

AMENDMENT NO. 783

At the request of Mr. NELSON of Florida, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of amendment No. 783 proposed to H.R. 6, a bill Reserved.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCAIN (for himself and Mr. LIEBERMAN):

S. 1268. A bill to expedite the transition to digital television while helping consumers to continue to use their analog televisions; to the Committee on Commerce, Science, and Transportation.

Mr. MCCAIN. Mr. President, I rise today to introduce a bill to support the Nation's finest: our police, fire fighters and other emergency response personnel. The ''Spectrum Availability for Emergency-response and Law-enforcement to Improve Vital Emergency Services Act,'' otherwise known as ''The SAVE LIVES Act of 2005.'' This bill is drafted in response to the 9/11 Commission's Final Report, which recommended the ''expedited and increased assignment of radio spectrum for public safety purposes.''

To meet this recommendation, the SAVE LIVES Act would set a date certain for the allocation of spectrum to public safety agencies, specifically the 24 MHz of spectrum in the 700 MHz band that Congress promised public safety agencies in 1997. This is a promise Congress has yet to deliver to our Nation's first responders. Access to this specific spectrum is essential to our Nation's safety and welfare as emergency communications sent over these frequencies are able to penetrate walls and travel great distances, and can assist multiple jurisdictions in deploying interoperable communications systems.

In addition to setting a date certain, this bill would authorize funds for public safety agencies to purchase emergency communications equipment and ensure that Congress has the ability to consider whether additional spectrum should be provided for public safety communications prior to the recovered spectrum being auctioned. The bill contains significant language concerning consumer education in anticipation of the digital television transition. The bill would mandate that warning labels be displayed on analog television sets sold prior to the transition, require warning language to be displayed at television retailers, command the distribution at retailers of brochures describing the television set options available to consumers, and call on broadcasters to air informational programs to better prepare consumers for the digital transition.

The bill would ensure that no television viewer's set would go ''dark'' by providing digital-to-analog converter boxes to over-the-air viewers with a household income at or below 200 percent of the poverty line and by allowing cable companies to down convert digital signal signals if necessary. I continue to believe that broadcast television is a powerful communications tool and important information source for citizens. I know that on 9/11, I learned about the attack on the Twin Towers and the Pentagon by watching television like most Americans. Therefore, this bill seeks to not only protect citizens' safety, but also the distribution of broadcast television.

Lastly, the bill would require the Environmental Protection Agency to report to Congress on the need for a national electronic waste recycling program.

The 9/11 Commission's final report contained harrowing tales about police officers and fire fighters who were inside the twin towers and unable to receive evacuation orders over their radios from commanders. In fact, the report found that this inability to communicate was not only a problem for public safety organizations responding at the World Trade Center, but also for those responding at the Pentagon and Somerset County, Pennsylvania crash sites where multiple organizations and multiple jurisdictions responded. Therefore, the Commission recommended that Congress accelerate the availability of additional spectrum for public safety.

The SAVE LIVES Act would implement that important recommendation and ensure that WHEN our Nation experiences another attack, or other critical emergencies occur, our police, fire fighters and other emergency response personnel will have the ability to communicate with each other and their commanders to prevent another catastrophic loss of life. Now is the time for Congressional action before another national emergency or crisis takes place.

Several lawmakers attempted to act last year during the debate on the Intelligence reform bill, but our efforts were thwarted by the powerful National Association of Broadcasters. This year, I hope we can all work together and pass a bill that ensures the country is not only better prepared in case of another attack, but also protects the vital communications outlet of broadcast television. I believe the SAVE LIVES Act achieves both goals.

In an effort to expeditiously retrieve the spectrum for the Nation's first responders, to preserve over-the-air television accessibility to consumers and to ensure the adequate funding of both, I urge the enactment of The SAVE LIVES Act. Additionally, 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. 1268

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 ''Spectrum Availability for Emergency-Response and Law-Enforcement to Improve Vital Emergency Services Act'' or the ''SAVE LIVES Act''.

SEC. 2. SETTING A SPECIFIC DATE FOR THE AVAILABILITY OF SPECTRUM FOR PUBLIC SAFETY ORGANIZATIONS AND CREATING A DEADLINE FOR TRANSITION TO DIGITAL TELEVISION.

(a) AMENDMENTS.—Section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)) is amended—

(1) in subparagraph (A), by striking ''December 31, 2006'' and inserting ''December 31, 2008'';

(2) by striking subparagraph (B);

(3) in subparagraph (C)(i)(I), by striking ''or (B)'';

(4) in subparagraph (D), by striking ''(C)(i)'' and inserting ''(B)(i)''; and

(5) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(b) IMPLEMENTATION.—

(1) FINAL DTV ALLOTMENT TABLE OF IN-CORE CHANNELS FOR FULL-POWER STATIONS.—The Federal Communications Commission (in this Act referred to as the ''Commission'') shall—

(A) release by December 31, 2006, a report and order in MB Docket No. 03–15 assigning all full-power broadcast television stations authorized in the digital television service a final channel between channels 2 and 36, inclusive, or 38 and 51, inclusive (between frequencies 54 and 698 megahertz, inclusive); and

(B) conclude by July 31, 2007, any reconsideration of such report and order.

(2) STATUS REPORTS.—Beginning February 1, 2006, and ending when international coordination with Canada and Mexico of the DTV table of allotments is complete, the Commission shall submit reports every 6 months on the status of that international coordination to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives.

(3) TERMINATIONS OF ANALOG LICENSES AND BROADCASTING.—The Commission shall take such actions as may be necessary to terminate all licenses for full-power broadcasting stations in the analog television service and to require the cessation of broadcasting by full-power stations in the analog television service by January 1, 2009.

SEC. 3. AUCTION OF RECOVERED SPECTRUM.

(a) DEADLINE FOR AUCTION.—Section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)), as amended by section 2, is amended in subparagraph (B)—

(1) in clause (ii), by striking the second sentence; and

(2) by adding at the end following new clause:

''(iii) ADDITIONAL DEADLINES FOR RECOVERED ANALOG SPECTRUM.—

''(I) IN GENERAL.—Not earlier than 1 year after the date on which the Commission submits to Congress the report required under section 7502(a) of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458; 118 Stat. 3855), and not later than April 1, 2008, the Commission shall—

''(aa) conduct the auction of the licenses for recovered analog spectrum; and

''(bb) not later than June 30, 2008, deposit the proceeds of such auction in accordance with paragraph (8), except for those funds authorized to be used in accordance with sections 4(f) and 5 of the SAVE LIVES Act.

''(II) RECOVERED ANALOG SPECTRUM DEFINED.—In this clause, the term 'recovered analog spectrum' means the spectrum reclaimed from analog television service broadcasting under this paragraph, other than—

''(aa) the spectrum required by section 337 to be made available for public safety services;

''(bb) the spectrum auctioned prior to the date of enactment of the SAVE LIVES Act; and

''(cc) any spectrum designated by Congress for use by public safety services between the date of enactment of the SAVE LIVES Act and the auction described in subclause (I).''.

(b) EXTENSION OF AUCTION AUTHORITY.—Paragraph (11) of section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)) is amended by striking ''September 30, 2007'' and inserting ''September 30, 2009''.

SEC. 4. DIGITAL TRANSITION PROGRAM.

(a) IN GENERAL.—Beginning no earlier than January 1, 2008, and not later than July 1, 2008, the Commission, in consultation with commercial television broadcast licensees, shall distribute to eligible persons digital-to-analog converter devices that will enable television sets that operate only with analog signal processing to continue to operate when receiving a digital signal.

(b) APPLICATION.—Each eligible person seeking a digital-to-analog converter device under subsection (a) shall submit an application to the Commission at such times, in such manner, and containing such information as the Commission requires.

(c) PROCUREMENT.—The provisions, rules, and regulations of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) shall apply to the procurement, by the Comptroller General of the United States, of the digital-to-analog converter devices described in subsection (a).

(d) STUDY.—Not later than 12 months after the date of enactment of this Act, the Commission shall, in consultation with commercial television broadcast licensees, consumer groups, and other interested parties, complete a study of—

(1) the geographic location of eligible persons by Nielsen Designated Market Areas;

(2) the use of not only broadcast studios for distribution of such digital-to-analog converter devices, but the ability of commercial television broadcast licensees to partner with grocery stores, electronics stores, and post offices to serve as distribution centers for such devices; and

(3) the ability of the Commission and commercial television broadcast licensees to partner together to develop a public communications campaign to inform over-the-air viewers of—

(A) the need for a digital-to-analog converter device; and

(B) the availability of such a digital-to-analog converter device free of charge for eligible persons.

(e) ELIGIBLE PERSON DEFINED.—In this section, the term ''eligible person'' means any person relying exclusively on over-the-air television broadcasts with a household income that does not exceed 200 percent of the poverty line, as such line is published in the Federal Register by the Department of Health and Human Services under the authority of section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated $468,000,000 from the proceeds of the auction of licenses for recovered analog spectrum under section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)).

(2) DISTRIBUTION.—Of the funds authorized to be appropriated under paragraph (1)—

(A) $463,000,000 shall be available to procure digital-to-analog converter devices; and

(B) $5,000,000 shall be available to to cover the costs of administration of the digital transition program established under this section.

SEC. 5. ESTABLISHMENT AND AUTHORIZATION OF APPROPRIATIONS FOR GRANT PROGRAM TO PROVIDE ENHANCED INTEROPERABILITY OF COMMUNICATIONS FOR FIRST RESPONDERS.

(a) ESTABLISHMENT OF PROGRAM TO ASSIST FIRST RESPONDERS.—

(1) IN GENERAL.—The Secretary of Homeland Security shall establish a program to help State, local, tribal, and regional first responders—

(A) acquire and deploy interoperable communications equipment;

(B) purchase such equipment; and

(C) train personnel in the use of such equipment.

(2) COMMON STANDARDS.—The Secretary, in cooperation with the heads of other Federal departments and agencies who administer programs that provide communications-related assistance programs to State, local, and tribal public safety organizations, shall develop and implement common standards to the greatest extent practicable.

(b) APPLICATIONS.—To be eligible for assistance under the program established in subsection (a), a State, local, tribal, or regional first responder agency shall submit an application, at such time, in such form, and containing such information as the Under Secretary of Homeland Security for Science and Technology may require, including—

(1) a detailed explanation of how assistance received under the program would be used to improve local communications interoperability and ensure interoperability with other appropriate Federal, State, local, tribal, and regional agencies in a regional or national emergency;

(2) assurance that the equipment and system would—

(A) not be incompatible with the communications architecture developed under section 7303(a)(1)(E) of the Intelligence Reform Act of 2004;

(B) would meet any voluntary consensus standards developed under section 7303(a)(1)(D) of that Act; and

(C) be consistent with the common grant guidance established under section 7303(a)(1)(H) of that Act.

(c) REVIEW.—The Under Secretary of Homeland Security for Science and Technology shall review and approve, in the discretion of the Under Secretary, all applications submitted under subsection (b).

(d) SINGLE GRANTS.—The Secretary of Homeland Security, pursuant to an application approved by the Under Secretary of Homeland Security for Science and Technology, may make the assistance provided under the program established in subsection (a) available to all approved applicants in the form of a single grant for a period of not more than 3 years.

(e) REPORT.—Not later than January 1, 2008, the Commission shall report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives the amount required to carry out the program described in section 4.

(f) AUTHORIZATION OF APPROPRIATIONS.—To the extent that proceeds from the auction of licenses for recovered analog spectrum under section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)) are available and exceed the amount required to carry out the program described in section 4, there are authorized to be appropriated from such proceeds such sums as are available to fund the grant program established under this section.

SEC. 6. CONSUMER EDUCATION REGARDING THE DIGITAL TELEVISION TRANSITION.

(a) COMMISSION AUTHORITY.—Section 303 of the Communications Act of 1934 (47 U.S.C. 303) is amended by adding at the end the following new subsection:

''(z) Require the consumer education measures specified in section 330(d) in the case of apparatus designed to receive television signals that—

''(1) are shipped in interstate commerce or manufactured in the United States after 180 days after the date of enactment of the SAVE LIVES Act; and

''(2) are not capable of receiving and displaying broadcast signals in the digital television service on the channels allocated to such broadcasts.''.

(b) CONSUMER EDUCATION REQUIREMENTS.—Section 330 of the Communications Act of 1934 (47 U.S.C. 330) is amended—

(1) in subsection (d), by striking ''sections 303(s), 303(u), and 303(x)'' and inserting ''subsections (s), (u), (x), and (z) of section 303'';

(2) by redesignating subsection (d) as subsection (e); and

(3) by inserting after subsection (c) the following new subsection:

''(d) CONSUMER EDUCATION REGARDING EQUIPMENT, TELEVISION RECEIVERS, AND OTHER MATERIALS RELATED TO THE DIGITAL TO ANALOG CONVERSION.—

''(1) REQUIREMENTS FOR MANUFACTURERS.—Any manufacturer of any apparatus described in section 303(z) shall—

''(A) place on the screen of any such apparatus that such manufacturer ships in interstate commerce or manufactures in the United States after 180 days after the date of enactment of the SAVE LIVES Act, a removable label containing the warning language required by paragraph (3); and

''(B) also include such warning language on the outside of the retail packaging of such apparatus in a manner that cannot be removed.

''(2) REQUIREMENTS FOR RETAIL DISTRIBUTORS.—Any retail distributor shall place adjacent to each apparatus described in section 303(z) that such distributor displays for sale or rent after 180 days after the date of enactment of the SAVE LIVES Act, a separate sign containing the warning language required by paragraph (3).

''(3) WARNING LANGUAGE.—

''(A) RULEMAKING PROCEEDING.—Not later than 120 days after the date of enactment of this Act, the Commission, in consultation with consumers and representatives from the broadcast, cable, and satellite industries, shall complete a rulemaking proceeding to develop warning language to be used by manufacturers and retail distributors concerning the size and format of the warning language required by this paragraph.

''(B) CONTENT OF WARNING.—The warning language required by this paragraph shall clearly inform consumers, in plain English understandable to the average consumer, of the following:

''(i) After December 31, 2008, television broadcasters will cease analog over-the-air broadcasts and will broadcast only in digital format.

''(ii) That a television set carrying the label required under paragraph (1) will no longer be able to receive broadcast programming unless it is connected to a digital tuner, a digital-to-analog converter device, or cable, satellite, or other multichannel video services.

''(iii) Beyond December 31, 2008, a television set carrying the label required under paragraph (1) will, however, continue to display images from devices such as DVD recorders and video game consoles or content recorded for display on an analog television using devices such as VCRs, digital video recorders, or DVD recorders.

''(iv) For more information regarding the transition to digital television consumers should call the Federal Communications

Commission at 1-888-225-5322 (TTY: 1-888-835-5322) or visit the Commission's website at: www.fcc.gov.

''(4) ENFORCEMENT.—Any violation of the requirements of this section, shall be enforced by the Federal Trade Commission as if it were an unfair or deceptive act or practice proscribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

''(5) SUNSET.—The warning language required by paragraph (3) shall not apply to any manufacturer or retail distributor on or after January 1, 2009.

''(6) COMMISSION OUTREACH.—Beginning not later than 1 month after the date of enactment of the SAVE LIVES Act, the Commission shall engage in a public outreach program to educate consumers about—

''(A) the deadline for termination of analog television broadcasting; and

''(B) the options consumers have after such termination to continue to receive broadcast programming.''

(c) PRESERVING AND EXPEDITING DIGITAL TELEVISION TUNER MANDATES.—

(1) IN GENERAL.—The Commission shall require not later than—

(A) July 1, 2005, that digital television tuners be integrated into television receivers having analog tuners in the case of television sets with screen sizes 36 inches or greater;

(B) March 1, 2006, that digital television tuners be integrated into television receivers having analog tuners in the case of television sets with screen sizes between 25 inches and 35 inches; and

(C) March 1, 2007, that digital television tuners be integrated into television receivers having analog tuners in the case of television sets with screen sizes between 14 inches and 24 inches.

(2) STUDY.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Commission shall conduct a study to determine whether digital television tuners are necessary in television sets with screen sizes 13 inches or smaller.

(B) MANDATES FOR TELEVISION SETS WITH SCREEN SIZES 13 INCHES OR SMALLER.—Upon completion of the study required under subparagraph (A), if the Commission determines that digital television tuners are necessary in television sets with screen sizes 13 inches or smaller, the Commission shall enact, not later than July 1, 2008, digital television tuner mandates for such television sets.

(d) INFORMED CONSUMER REQUIREMENT.—Not later than 90 days after the date of enactment of this Act, the Consumer and Governmental Affairs Bureau of the Commission shall develop and distribute to all consumers seeking to purchase a televison set a brochure that clearly describes the different options available to a consumer, including information that—

(1) in order for a consumer to receive and display a digital television signal, a consumer must have—

(A) both a digital television display or monitor and a digital tuner; or

(B) an integrated digital television set;

(2) there is a difference between a digital television and high-definition digital television signals and a digital television and high-definition digital television set; and

(3) current televisions—

(A) are not obsolete;

(B) can receive digital television signals with the use of a digital-to-analog converter device and will display such signals in an analog format; and

(C) will continue to work with cable, satellite, VCRs, DVD recorders, and other devices.

SEC. 7. DIGITAL TO ANALOG CONVERSION AVAILABLE FOR CABLE SUBSCRIBERS.

(a) DIGITAL TO ANALOG CONVERSION PERMITTED.—Section 614(b) of the Communications Act of 1934 (47 U.S.C. 534(b)) is amended by adding at the end the following new paragraph:

''(11) DIGITAL.—

''(A) DIGITAL PRIMARY VIDEO SIGNAL.—A cable operator shall carry the primary video of the digital signal of a local broadcast station in its originally broadcast format without material degradation upon such local broadcast station's—

''(i) cessation of analog broadcasting; and

''(ii) election of cable carriage under this section or section 615.

''(B) DIGITAL TO ANALOG CONVERSIONS PERMITTED.—Notwithstanding subparagraph (A), the conversion by a cable operator, at any location from the cable headend through equipment on the premises of a subscriber, of a digital television signal into a signal capable of being viewed by such subscriber with an analog television receiver shall be permitted subject to the conditions described in subparagraph (C).

''(C) CONDITIONS ON PERMITTED DOWNCONVERSION.—If a cable operator provides a converted signal for any station in a local market under subparagraph (B), that—

''(i) is carried under this section or section 615; and

''(ii) has ceased to broadcast in the analog television service;

such cable operator shall provide such a converted signal for each such station that is located within the same local market.

''(D) CONVERSION SUNSET.—

''(i) IN GENERAL.—Subject to clause (ii), beginning not earlier than December 31, 2011 and not later than December 31, 2012, the Commission shall cease to impose on a cable operator the requirement under subparagraph (B), if the Commission determines that such requirement is not necessary to ensure the continued ability of the audiences for foreign-language and religious television broadcast stations to view the signals of such stations.

''(ii) CONSIDERATIONS.—In making a determination under clause (i), the Commission shall take into consideration—

''(I) the penetration of digital televisions, digital receivers, and digital-to-analog converter devices among audiences of foreign-language and religious television broadcast stations; and

''(II) the market incentives of cable operators, in the absence of the requirement under subparagraph (B), to carry the signals of foreign-language and religious television broadcast stations in the format most available to be viewed by the audiences of such stations.

''(E) REVIEW.—Not later than 1 year after the date of enactment of the SAVE LIVES Act, and every 2 years thereafter until December 31, 2012, the Commission shall review the considerations described in subparagraph (D)(ii).''.

(b) TIERING.—

(1) AMENDMENT TO COMMUNICATIONS ACT.—Section 623(b)(7)(A)(iii) of the Communications Act of 1934 (47 U.S.C. 543(b)(7)(A)(iii)) is amended—

(A) by striking ''Any signal'' and inserting ''Any analog signal''; and

(B) by inserting ''and a single digital video programming stream, designated by such station, that is transmitted over-the-air by such station, and'' after ''television broadcast station''.

(2) EFFECTIVE DATE.—This subsection and the amendments made by this subsection shall take effect on January 1, 2009.

SEC. 8. STUDY OF NATIONWIDE RECYCLING PROGRAM.

(a) STUDY.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency, in consultation with appropriate executive agencies (as determined by the Administrator), shall conduct a study of the feasibility of establishing a nationwide recycling program for electronic waste that preempts any State recycling program.

(2) INCLUSIONS.—The study shall include an analysis of multiple programs, including programs involving—

(A) the collection of an advanced recycling fee;

(B) the collection of an end-of-life fee;

(C) producers of electronics assuming the responsibility and the cost of recycling electronic waste; and

(D) the extension of a tax credit for recycling electronic waste.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall submit to Congress a report describing the results of the study conducted under subsection (a);

SEC. 9. COMPLETION OF CERTAIN PENDING PROCEEDINGS.

(a) IN GENERAL.—The Commission shall complete action on and issue a final decision not later than—

(1) July 31, 2007, in the Matter of Second Periodic Review of the Commission's Rules and Policies Affecting the Conversion to Digital Television, MB Docket No. 03-15;

(2) July 31, 2007, should the Commission begin a Third Periodic Review of the Commission's Rules and Policies Affecting the Conversion to Digital Television;

(3) December 31, 2007, in the Matter of Public Interest Obligations of Television Broadcast Licensees, MM Docket No. 99-360;

(4) December 31, 2007, in the Matter of Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations, MM Docket No. 00-168;

(5) December 31, 2007, in the Matter of Children's Television Obligations Of Digital Television Broadcasters, Further Notice of Proposed Rulemaking, MM Docket No. 00-167;

(6) December 31, 2007, in the proceeding on rules regarding the use of distributed transmission system technologies as referenced in paragraph 5 of MB Docket No. 03-15; and

(7) December 31, 2007, in the proceeding adopting digital standards for an Emergency Alert System.

(b) TWO-WAY DEVICES.—

(1) REPORT.—Not later than 30 days after the date of enactment of this Act, and every 3 months thereafter until July 1, 2007, the parties in the matter of the Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices, Second Report and Order, CS Docket No. 97-80, shall report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives on the status of negotiations for two-way devices.

(2) FINAL ORDER.—Not later than December 31, 2007, the Commission shall complete action on and issue a final decision in the matter of the Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices, Second Report and Order, CS Docket No. 97-80.

SEC. 10. EXCEPTION TO REMOVAL AND RELOCATION OF INCUMBENT BROADCAST LICENSEES OPERATING BETWEEN 746 AND 806 MEGAHERTZ.

Section 337(e) of the Communications Act of 1934 (47 U.S.C. 337(e)) is amended by adding at the end the following new paragraph:

''(3) EXCEPTIONS.—Paragraph (1) shall not apply to—

''(A) television translator stations;
''(B) low-power television stations; or
''(C) class A television stations.''.

By Mr. INHOFE (for himself, Mrs. LINCOLN, Mr. CRAPO, Mr. BOND, Mr. CHAMBLISS, Mr. COCHRAN, Mr. ISAKSON, Mr. THOMAS, Mr.HAGEL, Mr. CRAIG, and Mr. ROBERTS):

S. 1269. A bill to amend the Federal Water Pollution Control Act to clarify certain activities the conduct of which does not require a permit; to the Committee on Environment and Public Works.

Mr. INHOFE. Mr. President, I rise today to introduce the Pest Management and Fire Suppression Flexibility Act. I am proud to be joined by ten of my colleagues, Senators LINCOLN, CRAPO, BOND, ISAKSON, CRAIG, CHAMBLISS, COCHRAN, THOMAS, HAGEL and ROBERTS. This legislation codifies long-standing Democratic and Republican Administration policy of not requiring a Clean Water Act permit for pesticides in full compliance with their EPA-approved label. It will further affirm historic a Federal practices with regard to the Clean Water Act and fire suppression and other foreset management activities.

In 1972, Congress enacted both the Clean Water Act and the Federal Insecticide, Fungicide and Rodenticide Act. CWA authorized the Environmental Protection Agency to protect the Nation's waterways by regulating discharges of large industrial operations and wastewater facilities through the National Pollutant Discharge Elimination System. FIFRA proyided the EPA with the authority to regulate the sale and use of pesticides through a comprehensive registration and labeling protocol.

Until some recent court decisions, the application of agricultural and other pesticides in full compliance with labeling requirements did not require NPDES permits. Because pesticides undergo lengthy testing under FIFRA including tests to ensure water quality and aquatic species preservation, a NPDES permit was considered unnecessary and duplicative. These court decisions commonly known as Talent and Forsgren contradict years of Federal policy and undermine the manner in which the Federal Government regulates farmers, foresters, irrigators, mosquito abatement officials, and other pesticide applicators.

Similar cases are pending. Groups are now using the notice of intent to sue to intimidate farmers, mosquito abatement districts and Federal and State agencies into stopping or reducing West Nile virus prevention and crop loss rangeland protection operations. While EPA has proposed a rule to ensure that pesticides sprayed to, near, or over waters do not need a permit, the rule needs to be codified in statute. Environmentalists who filed notices of intent to sue Maine's two largest blueberry farmers have indicated that they plan on threatening others with lawsuits including more farmers and foresters.

Our legislation fills this regulatory gap left by EPA. While the agency's rule is a step in the right direction, our legislation codifies the agency's long-standing policy that the application of agricultural and other pesticides, in accordance with their label, does not require an NPDES permit. Moreover, the rule does not protect farmers, irrigators, mosquito abatement districts, fire fighters, Federal and State agencies, pest control operators or foresters vulnerable to citizen's suits, simply for performing long-practiced, expressly approved and already heavily regulated pest management and public health protection activities. Without such protection, those who protet us from mosquito borne illnesses and other pest outbreaks or combat destructive and potentially deadly forest fires will continue to be potential victims of mischievous citizen's suits.

My bill codifies EPA's rulemaking, as well as affirms Congressional intent and the long-held positions of Republican and Democratic administrations with regard to the CWA and pesticide applications generally, as well as fire suppression and other forest management activities. I am pleased to be joined by so many of my colleagues in this effort and encourage others to cosponsor our proposal.

By Mr. NELSON of Nebraska:

S. 1272. A bill to amend title 46, United States Code, and title II of the Social Security Act to provide benefits to certain individuals who served in the United States merchant marine (including the Army Transport Service and the Naval Transport Service) during World War II; to the Committee on Veterans' Affairs.

Mr. NELSON of Nebraska. 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. 1272

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 ''Belated Thank You to the Merchant Mariners of World War II Act of 2005''.

SEC. 2. MONTHLY BENEFIT FOR WORLD WAR II MERCHANT MARINERS AND SURVIVORS UNDER TITLE 46, UNITED STATES CODE.

(a) MONTHLY BENEFIT.—Chapter 112 of title 46, United States Code, is amended—

(1) by inserting after the table of sections the following new subchapter heading:

''SUBCHAPTER I—VETERANS' BURIAL AND CEMETERY BENEFITS''; AND

(2) by adding at the end the following new subchapter:

''SUBCHAPTER II—MONTHLY BENEFIT

''§ 11205. Monthly benefit

''(a) PAYMENT.—The Secretary of Veterans Affairs shall pay to each person issued a certificate of honorable service pursuant to section 11207(b) of this title a monthly benefit of $1,000.

''(b) SURVIVING SPOUSES.—

''(1) PAYMENT TO SURVIVING SPOUSES.—The Secretary of Veterans Affairs shall pay to the surviving spouse of each person issued a certificate of honorable service pursuant to section 11207(b) of this title a monthly benefit of $1,000.

''(2) EXCLUSION.—No benefit shall be paid under paragraph (1) to a surviving spouse of a person issued a certificate of honorable service pursuant to section 11207(b) unless the surviving spouse was married to such person for no less than 1 year.

''(c) EXEMPTION FROM TAXATION.—Payments of benefits under this section are exempt from taxation as provided in section 5301(a) of title 38.

''§ 11206. Qualified service

''For purposes of this subchapter, a person shall be considered to have engaged in qualified service if, between December 7, 1941, and December 31, 1946, the person—

''(1) was a member of the United States merchant marine (including the Army Transport Service and the Naval Transport Service) serving as a crewmember of a vessel that was—

''(A) operated by the War Shipping Administration or the Office of Defense Transportation (or an agent of such Administration or Office);

''(B) operated in waters other than—

''(i) inland waters;

''(ii) the Great Lakes; and

''(iii) other lakes, bays, and harbors of the United States;

''(C) under contract or charter to, or property of, the Government of the United States; and

''(D) serving the Armed Forces; and

''(2) while serving as described in paragraph (1), was licensed or otherwise documented for service as a crewmember of such a vessel by an officer or employee of the United States authorized to license or document the person for such service.

''§ 11207. Documentation of qualified service

''(a) APPLICATION FOR SERVICE CERTIFICATE.—A person seeking benefits under section 11205 of this title shall submit an application for a service certificate to the Secretary of Transportation, or in the case of personnel of the Army Transport Service or the Naval Transport Service, the Secretary of Defense.

''(b) ISSUANCE OF SERVICE CERTIFICATE.—The Secretary who receives an application under subsection (a) shall issue a certificate of honorable service to the applicant if, as determined by that Secretary, the person engaged in qualified service under section 11206 of this title and meets the standards referred to in subsection (d) of this section.

''(c) TIMING OF DOCUMENTATION.—A Secretary receiving an application under subsection (a) shall act on the application not later than 1 year after the date of that receipt.

''(d) STANDARDS RELATING TO SERVICE.—In making a determination under subsection (b), the Secretary acting on the application shall apply the same standards relating to the nature and duration of service that apply to the issuance of honorable discharges under section 401(a)(1)(B) of the GI Bill Improvement Act of 1977 (38 U.S.C. 106 note).

''§ 11208. Definitions

''In this subchapter, the term 'surviving spouse' has the meaning given such term in section 101 of title 38, except that in applying the meaning in this subchapter, the term 'veteran' shall include a person who performed qualified service as specified in section 11206 of this title.

''§ 11209. Authorization of appropriations

''There are authorized to be appropriated to the Secretary of Veterans Affairs such sums as may be necessary for the purpose of carrying out this subchapter.''.

(b) CONFORMING AMENDMENTS.—Subsection (c) of section 11201 of title 46, United States Code, is amended—

(1) in paragraph (1), by striking ''chapter'' and inserting ''subchapter''; and

(2) in paragraph (2), by striking ''chapter'' the second place it appears and inserting ''subchapter''.

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 112 of title 46, United States Code, is amended—

(1) by inserting at the beginning the following new item:

''SUBCHAPTER I—VETERANS' BURIAL AND CEMETERY BENEFITS'';

and

(2) by adding at the end the following new items:

''SUBCHAPTER II—MONTHLY BENEFIT

''11205. Monthly benefit
''11206. Qualified service
''11207. Documentation of qualified service
''11208. Definitions
''11209. Authorization of appropriations''.

(d) EFFECTIVE DATE.—Subchapter II of chapter 112 of title 46, United States Code, as added by subsection (a) of this section, shall take effect with respect to payments for periods beginning on or after the date of the enactment of this Act, regardless of the date of application for benefits.

SEC. 3. BENEFITS FOR WORLD WAR II MERCHANT MARINERS UNDER TITLE II OF THE SOCIAL SECURITY ACT.

(a) BENEFITS.—Section 217(d) of the Social Security Act (42 U.S.C. 417(d)) is amended by adding at the end the following new paragraph:

''(3) The term 'active military or naval service' includes the service, or any period of forcible detention or internment by an enemy government or hostile force as a result of action against a vessel described in subparagraph (A), of a person who—

''(A) was a member of the United States merchant marine (including the Army Transport Service and the Naval Transport Service) serving as a crewmember of a vessel that was—

''(i) operated by the War Shipping Administration or the Office of Defense Transportation (or an agent of such Administration or Office);

''(ii) operated in waters other than—

''(I) inland waters;

''(II) the Great Lakes; and

''(III) other lakes, bays, and harbors of the United States;

''(iii) under contract or charter to, or property of, the Government of the United States; and

''(iv) serving the Armed Forces; and

''(B) while serving as described in subparagraph (A), was licensed or otherwise documented for service as a crewmember of such a vessel by an officer or employee of the United States authorized to license or document the person for such service.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply only with respect to benefits for months beginning on or after the date of the enactment of this Act.

By Mr. REID:

S. 1273. A bill to provide for the sale and adoption of excess wild free-roaming horses and burros; to the Committee on Energy and Natural Resources.

Mr. REID. Mr. President, today I rise on behalf of myself and Senator ENSIGN to offer legislation that will give greater protections to our Nation's wild horses and make needed improvements to the Bureau of Land Management's wild horse and burro adoption program.

Right now there are an estimated 32,000 wild horses on our Nation's public lands. This is 4,000 more horses than our rangeland can sustain. The Bureau of Land Management has established that nationwide, the Appropriate Management Level for wild horses and burros is 28,000. Unfortunately, after many years of trying, the BLM has been unable to reach this benchmark, even after many significant budget increases for the wild horse and burro program. This situation is compounded by the fact that wild horses naturally reproduce at a rate of 20 percent per annum, adding to management difficulties and placing greater strain on our public rangelands.

In Nevada, we feel the failures of the wild horse and burro program most acutely. Of the 32,000 horses on America's public lands, roughly half are in Nevada. So when the program fails, it hits us hard. In recent years, the program's shortcomings have been amplified by an ongoing drought in the Southwest that has, in places, seriously jeopardized the health and well-being of wild horses and burros and has devastated the rangeland upon which they depend for their survival.

At present, the wild horse program is failing on both ends. The BLM is struggling to remove sufficient numbers of horses from the range and many of the horses that are removed are placed into an adoption program that is not locating a sufficient number of willing adopters. This means that more horses stay in Government hands, driving the cost of this troubled program ever higher. As a result, today we have nearly 22,000 wild horses sitting in long-term holding facilities in the Midwest, costing the U.S. taxpayer approximately $465 per horse, per year. And this is only part of the roughly $40 million we are spending this year to manage our Nation's wild horses and burros. Add this to the fact that the cost of running this program has doubled in the last five years and it becomes clear that reform is needed.

Last year, Congress passed language that allowed the BLM to sell a limited number of the horses that are held in long-term holding facilities. Unfortunately, this additional management tool has been abused by a handful of people and a small number of horses ended up at slaughter. These unfortunate events have led to calls for greater protections for wild horses that are being offered to the public under the sale program.

Mr. President, the legislation that we offer today provides that greater protection for wild horses, while also giving the BLM greater leverage to put more horses into the hands of good, caring owners.

Currently, wild horses that are acquired through the BLM's adoption program are federally protected for 1 year. This is the strongest protection available to wild horses that are placed into private ownership and our bill extends this protection to horses that are acquired under sale authority.

Our legislation also gives the BLM more flexibility in finding good homes for wild horses. We do this by giving the BLM the authority to make all horses that are not suitable for the adoption program available for purchase by caring owners.

We also lift the limit on the number of horses that an approved adopter can take title to in a single year, and we lower the minimum adoption fee from $125 to $25. It is our firm belief that when good people want to adopt horses and meet the requirements set forth by the BLM, they should have as few barriers to overcome as possible. By increasing the number of horses that can be adopted and lowering the adoption fee, we believe that we can put more horses into the hands of more quality owners.

Our goal is to give all wild horses the maximum protection available under our current system and to provide the BLM with the management tools they need to get tens of thousands of wild horses and burros into safe and caring homes. We believe that this is the right thing to do. I look forward to working with the Energy Committee and the Senate to move this legislation expeditiously.

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. 1273

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 ''Wild Free-Roaming Horses and Burros Sale and Adoption Act of 2005''.

SEC. 2. SALE AND ADOPTION OF WILD FREE-ROAMING HORSES AND BURROS.

Section 3 of Public Law 92–195 (16 U.S.C. 1333) is amended—

(1) in subsection (b)(2)—

(A) in subparagraph (B), by striking '': *Provided*'' and all that follows through ''adopting party''; and

(B) by striking subparagraph (C) and inserting the following:

''(C) Additional excess wild free-roaming horses and burros for which an adoption demand by qualified individuals does not exist shall be sold under subsection (e).'';

(2) in subsection (c), by striking ''not more than four animals'' and inserting ''excess animals transferred '';

(3) in subsection (e)—

(A) in paragraph (1), by striking subparagraph (A) and inserting the following:

''(A) the Secretary determines that there is no adoption demand from qualified individuals for the excess animal;'';

(B) in paragraph (2), by striking ''without limitation''; and

(C) by striking paragraph (4) and inserting the following:

''(4) EFFECT OF SALE.—At the end of the 1-year period following the sale of any excess animal under this subsection—

''(A) the Secretary shall grant to the transferee title to the excess animal; and

''(B) the excess animal transferred shall no longer be considered to be a wild free-roaming horse or burro for purposes of this Act.''; and

(4) by adding at the end the following:

''(f) MINIMUM FEES AND BIDS.—The minimum adoption fee required for the adoption of an excess animal under this section shall be $25.''.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 176—CONGRATULATING CAM NEELY ON HIS INDUCTION INTO THE HOCKEY HALL OF FAME

Mr. KENNEDY submitted the following resolution; which was referred to the Committee on the Judiciary:

Mr. KENNEDY. Mr. President, earlier this month, Cam Neely of the Boston Bruins was elected to the Hockey Hall of Fame in Toronto, Canada, and he will be formally inducted into the Hall on November 7.

Cam has inspired a generation of ice hockey fans in Boston and New England, and throughout the Nation with his extraordinary skill and brilliant accomplishments. He is truly one of hockey's immortals, and he eminently deserves this high honor.

In addition, he is also well-known to all of us in Boston for his good citizenship and impressive participation in inspiring our community.

I am submitting a resolution today to honor Cam Neely for his on-ice accomplishments and also for his continuing commitment to charitable causes in the Commonwealth of Massachusetts.

S. RES. 176

Whereas on June 8, 2005, Cam Neely was elected to the Hockey Hall of Fame in Toronto, Canada, and will be formally inducted into the Hall of Fame on November 7, 2005;

Whereas as a member of the Boston Bruins, Cam Neely became one of ice hockey's greatest players, defining the position of ''power forward'';

Whereas although his career was cut short when he retired at the age of 31 due to injury, Cam Neely scored 395 goals and had 299 assists in 726 games in his brilliant career;

Whereas Cam Neely led the Boston Bruins in goals for 7 seasons, led the team in scoring for 2 seasons, and was the team's all-time leader in goals during playoffs;

Whereas Cam Neely had three 50-goal seasons for the Boston Bruins, including back-to-back 50-goal seasons in 1989–1990 and 1991–1992;

Whereas Cam Neely, returning to the Boston Bruins after an injury in 1993–1994, scored 50 goals and was awarded the National Hockey League's Bill Masterton Trophy as the ''player who best exemplifies the qualities of perseverance, sportsmanship, and dedication to hockey'';

Whereas Cam Neely, number 8, became the tenth Boston Bruin to be honored by having his uniform number retired;

Whereas Cam Neely continues to provide invaluable assistance to charitable causes in the Commonwealth of Massachusetts, including the establishment of the Neely House and the Neely Foundation, which comfort, support, and offer hope to cancer patients and their families: Now, therefore, be it

Resolved, That the Senate—

(1) honors the extraordinary achievements of Cam Neely during his brilliant career in ice hockey with the Boston Bruins;

(2) commends Cam Neely for his recent and eminently well-deserved induction into the Hockey Hall of Fame; and

(3) directs the Secretary of the Senate to transmit an enrolled copy of this resolution to:

(A) Cam Neely;

(B) Jeremy Jacobs, owner of the Boston Bruins;

(C) Harry Sinden, president of the Boston Bruins; and

(D) Mike Sullivan, head coach of the Boston Bruins.

SENATE RESOLUTION 177—ENCOURAGING THE PROTECTION OF THE RIGHTS OF REFUGEES

Mr. KENNEDY (for himself, Mr. BROWNBACK, Mr. LEAHY, Mr. DEWINE, Mr. LIEBERMAN, Ms. SNOWE, Mr. DURBIN, Mr. COLEMAN, and Mr. LAUTENBERG) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 177

Whereas the Convention Relating to the Status of Refugees dated July 28, 1951 (189 UST 150) (hereinafter referred to as the ''Convention'') and the Protocol Relating to the Status of Refugees done at New York January 31, 1967 (19 UST 6223) (hereinafter referred to as the ''Protocol'') provide that individuals who flee a country to avoid persecution deserve international protection;

Whereas such protection includes freedom from forcible return and the basic rights necessary for a refugee to live a free, dignified, self-reliant life, even while in exile;

Whereas such rights, as recognized in the Convention, include the right to earn a livelihood, to engage in wage-employment or self-employment, to practice a profession, to own property, to freedom of movement and residence, and to receive travel documents;

Whereas such rights are applicable to a refugee independent of whether a solution is available that would permit the refugee to return to the country that the refugee fled;

Whereas such rights are part of the core protection mandate of the United Nations High Commissioner for Refugees;

Whereas warehoused refugees have been confined to a camp or segregated settlement or otherwise deprived of their basic rights;

Whereas more than 50 percent of the refugees in the world are effectively warehoused in a situation that has existed for at least 10 years;

Whereas donor countries, including the United States, have typically offered less developed countries hosting refugees assistance if they keep refugees warehoused in camps or segregated settlements but have not provided adequate assistance to host countries that permit refugees to live and work among the local population; and

Whereas warehousing refugees not only violates the rights of the refugees but also debilitates their humanity, often reducing the refugees to enforced idleness, dependency, disempowerment, and despair: Now, therefore, be it

Resolved, That the United States Senate—

(1) expresses deep appreciation and gratitude for those States which have and continue to host refugees and offer refugee resettlement;

(2) denounces the practice of warehousing refugees, which is the confinement of refugees to a camp or segregated settlement or other deprivation of the refugees' basic rights in a protracted situation, as a denial of basic human rights and a squandering of human potential;

(3) urges the Secretary of State to actively pursue models of refugee assistance that permit refugees to enjoy all the rights recognized in the Convention and the Protocol;

(4) urges the Secretary of State to encourage other donor nations and other members of the Executive Committee of the United Nations High Commissioner for Refugees' Programme to shift the incentive structure of refugee assistance and to build mechanisms into relief and development assistance to encourage the greater enjoyment by refugees of their rights under the Convention;

(5) encourages the international community, including donor countries, host countries, and members of the Executive Committee of the United Nations High Commissioner for Refugees' Programme, to denounce resolutely the practice of warehousing refugees in favor of allowing refugees to exercise their rights under the Convention;

(6) calls upon the United Nations High Commissioner for Refugees to monitor refugee situations more effectively for the realization of all the rights of refugees under the Convention, including those related to freedom of movement and the right to earn a livelihood;

(7) encourages those countries that have not yet ratified the Convention or the Protocol to do so;

(8) encourages those countries that have ratified the Convention or the Protocol, but have done so with reservations on key articles pertaining to the right to work and freedom of movement, to remove such reservations; and

(9) encourages all countries to enact legislation or promulgate policies to provide for the legal enjoyment of the basic rights of refugees as outlined in the Convention.

Mr. KENNEDY. Mr. President, today is World Refugee Day and I welcome this opportunity to reaffirm the fundamental rights embodied in the United Nations Refugee Convention of 1951. It is an honor to join my colleagues—Senators BROWNBACK, LEAHY, DEWINE, LIEBERMAN, SNOWE, DURBIN, COLEMAN, and LAUTENBERG—in introducing this bipartisan resolution to focus attention on the plight of millions of refugees throughout the world who are endlessly confined in refugee camps or segregated settlements. These ''warehoused'' refugees are denied basic rights under the Convention, such as the right to work, to move freely, and to receive a basic education. The deprivation goes on for years and in some cases, even for generations.

Worldwide, more than 7 million refugees have been restricted to camps or isolated settlements for 10 years or more. These populations constitute more than half of the refugees around the world.

In Tanzania, nearly 400,000 refugees from Burundi and the Democratic Republic of Congo are confined in 13 camps along the western border. Some of these camps have existed for more than a decade. Many refugees confined in these camps find it extremely difficult to find employment, let alone obtain other basic necessities of life. Other refugee populations have been warehoused and forgotten for over 20 years, such as Angolans in Zambia, Afghans in Iran and Pakistan, Bhutanese

in Nepal, Burmese in Thailand, and Somalians and Sudanese in Kenya.

Sadly, the number of warehoused refugees may soon increase as violent conflicts continue around the world. According to the recently published 2005 World Refugee Survey, the total number of refugees and asylum seekers worldwide exceeds 11 million, and 21 million more are internally displaced. As these shameful statistics demonstrate, there is far more the world community can do to ease their plight.

The resolution we are offering denounces the practice of warehousing refugees and urges all nations to grant them their basic rights under the Refugee Convention of 1951. Refugee camps are often created quickly to address a crisis. But the solution creates a greater problem, if temporary camps are allowed to become long-term places of confinement.

Under the 1951 Convention, refugees have the right to earn a livelihood, to have a job and earn wages, to practice a profession, to own property, and to have freedom of movement and residence. Warehoused refugees can do none of these things. Unable to work, travel, own property or obtain an education, they live unlived lives, without the basic freedoms they are entitled to have under the 1951 Convention.

This resolution denounces the practice of warehousing refugees and calls for conditions that enable refugees to exercise their rights. It encourages donor countries, including the United States, to increase their assistance to host countries that allow refugees to live and work among the local population.

It urges the Secretary of State and the United Nations High Commissioner for Refugees to adopt models of refugee assistance that achieve the rights recognized in the Refugee Convention. It also encourages all nations to ratify the Convention, and without reservations, and to enact legislation and policies that protect human rights and end the denial of these rights to any refugees.

The U.S. must strengthen our own commitment and work with other countries to solve this problem.

As a number of authorities have pointed out, we may well have to face an urgent aspect of the issue ourselves if conditions in Iraq continue to deteriorate and significant numbers of Iraqis are free to become refugees because of their ties to us.

Over 130 international organizations support the end of warehousing, including more than 25 agencies based in the United States. Nobel Laureates have condemned this practice, including Archbishop Desmond Tutu of South Africa, and so has the Vatican.

We must find long-term solutions and alternatives to this abominable practice. It is a gross violation of both refugee rights and human rights. It is wrong to squander the immense human potential and condemn human refugees to live in despair and isolation for unacceptable lengths of time.

Refugees around the world depend on us to hear their pleas and respond to the assistance they so desperately need and deserve. We must do all we can to protect the rights and dignity of refugees everywhere.

I look forward to working with our colleagues on both sides of the aisle, as well as in the international community, to pass this important resolution and take steps toward implementing its provisions and achieving its objectives.

SENATE RESOLUTION 178—EXPRESSING THE SENSE OF THE SENATE REGARDING THE UNITED STATES-EUROPEAN UNION SUMMIT

Mr. BENNETT (for himself and Mr. LUGAR) submitted the following resolution; which was considered and agreed to:

S. RES. 178

Whereas over the past 55 years the United States and the European Union have built a strong transatlantic partnership based upon the common values of freedom, democracy, rule of law, human rights, security, and economic development;

Whereas working together to promote these values globally will serve the mutual political, economic, and security interests of the United States and the European Union;

Whereas cooperation between the United States and the European Union on global security issues such as terrorism, the Middle East peace process, the proliferation of weapons of mass destruction, ballistic missile technology, and the nuclear activities of rogue nations is important for promoting international peace and security;

Whereas the common efforts of the United States and the European Union have supported freedom in countries such as Lebanon, Ukraine, Kyrgyzstan, Georgia, Moldova, Belarus, and Uzbekistan;

Whereas through coordination and cooperation during emergencies such as the 2004 Indian Ocean tsunami disaster, the AIDS pandemic in Africa, and the ongoing situation in Darfur, the United States and the European Union have mitigated the effects of humanitarian disasters across the globe;

Whereas economic cooperation such as removing impediments to transatlantic trade and investment, expanding regulatory dialogues and exchanges, integrating capitol markets, and ensuring the safe and secure movement of people and goods across the Atlantic will increase prosperity and strengthen the partnership between the United States and the European Union; and

Whereas although disagreements between the United States and the European Union have existed on a variety of issues, the transatlantic relationship remains strong and continues to improve: Now, therefore, be it

Resolved, That the Senate—

(1) welcomes the leadership of the European Union to the 2005 United States-European Union Summit to be held in Washington, DC, on June 20, 2005;

(2) highlights the importance of the United States and the European Union working together to address global challenges;

(3) recommends—

(A) expanded political dialogue between Congress and the European Parliament; and

(B) that the 2005 United States-European Union Summit focus on both short and long-term measures that will allow for vigorous and active expansion of the transatlantic relationship;

(4) encourages—

(A) the adoption of practical measures to expand the United States-European Union economic relationship by reducing obstacles that inhibit economic integration; and

(B) encourages continued strong and expanded cooperation between Congress and the European Parliament on global security issues.

AMENDMENTS SUBMITTED AND PROPOSED

SA 797. Mrs. FEINSTEIN (for herself, Ms. SNOWE, Ms. CANTWELL, Mr. JEFFORDS, Mr. CORZINE, Mr. SCHUMER, Ms. COLLINS, Mr. REED, Mr. DURBIN, and Mrs. MURRAY) submitted an amendment intended to be proposed by her to the bill H.R. 6, Reserved; which was ordered to lie on the table.

SA 798. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 799. Mr. VOINOVICH (for himself, Mr. CARPER, and Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 6, supra.

SA 800. Mr. GRASSLEY (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill H.R. 6, supra.

SA 801. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 800 submitted by Mr. GRASSLEY (for himself and Mr. BAUCUS) to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 802. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 803. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 804. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 805. Mr. SCHUMER proposed an amendment to the bill H.R. 6 supra.

SA 806. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 807. Mr. OBAMA submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 808. Mr. OBAMA (for himself and Mr. LUGAR) submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 797. Mrs. FEINSTEIN (for herself, Ms. SNOWE, Ms. CANTWELL, Mr. JEFFORDS, Mr. CORZINE, Mr. SCHUMER, Ms. COLLINS, Mr. REED, Mr. DURBIN, and Mrs. MURRAY) submitted an amendment intended to be proposed by her to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

On page 424, line 9, strike ''**SEC. 711**'' and insert the following:

SEC. 711. SHORT TITLE.

This subtitle may be cited as the ''Automobile Fuel Economy Act of 2005''.

SEC. 712. INCREASED AVERAGE FUEL ECONOMY STANDARD FOR LIGHT TRUCKS.

(a) DEFINITION OF LIGHT TRUCK.—Section 32901(a) of title 49, United States Code, is amended—

(1) in each of paragraphs (1) through (14), by striking the period at the end and inserting a semicolon;

(2) in paragraph (15), by striking the period at the end and inserting ''; and'';

(3) by redesignating paragraphs (12) through (16) as paragraphs (13) through (17), respectively; and

(4) by inserting after paragraph (11) the following:

''(12) 'light truck' has the meaning given that term in regulations prescribed by the Secretary of Transportation in the administration of this chapter;''.

(b) REQUIREMENT FOR INCREASED STANDARD.—Section 32902(a) of title 49, United States Code, is amended—

(1) by inserting ''(1)'' after ''**AUTOMOBILES**.—'';

(2) by striking ''The Secretary'' and inserting ''Subject to paragraph (2), the Secretary''; and

(3) by adding at the end the following:

''(2) The average fuel economy standard for light trucks manufactured by a manufacturer may not be less than—

''(A) 23.5 miles per gallon for model year 2008;

''(B) 24.8 miles per gallon for model year 2009;

''(C) 26.1 miles per gallon for model year 2010; and

''(D) 27.5 miles per gallon for model year 2011 and each model year thereafter.''.

(c) APPLICABILITY.—Section 32902(a)(2) of title 49, United States Code, as added by subsection (b)(3), shall not apply with respect to light trucks manufactured before model year 2008.

SEC. 713. FUEL ECONOMY STANDARDS FOR AUTOMOBILES UP TO 10,000 POUNDS GROSS VEHICLE WEIGHT.

(a) VEHICLES DEFINED AS AUTOMOBILES.—Section 32901(a)(3) of title 49, United States Code, is amended by striking ''rated at—'' and all that follows and inserting ''rated at not more than 10,000 pounds gross vehicle weight.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2011.

SEC. 714. FUEL ECONOMY OF THE FEDERAL FLEET OF VEHICLES.

(a) DEFINITIONS.—In this section—

(1) the term ''class of vehicles'' means a class of vehicles for which an average fuel economy standard is in effect under chapter 329 of title 49, United States Code;

(2) the term ''executive agency'' has the meaning given the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)); and

(3) the term ''new vehicle'', with respect to the fleet of vehicles of an executive agency, means a vehicle procured by or for the agency after September 30, 2007.

(b) BASELINE AVERAGE FUEL ECONOMY.—The head of each executive agency shall determine the average fuel economy for all of the vehicles in each class of vehicles in the agency's fleet of vehicles in fiscal year 2006.

(c) INCREASE OF AVERAGE FUEL ECONOMY.—The head of each executive agency shall manage the procurement of vehicles in each class of vehicles for that agency to ensure that—

(1) not later than September 30, 2008, the average fuel economy of the new vehicles in the agency's fleet of vehicles in each class of vehicles is not less than 3 miles per gallon higher than the baseline average fuel economy determined for that class; and

(2) not later than September 30, 2011, the average fuel economy of the new vehicles in the agency's fleet of vehicles in each class of vehicles is not less than 6 miles per gallon higher than the baseline average fuel economy determined for that class.

(d) CALCULATION OF AVERAGE FUEL ECONOMY.—For purposes of this section—

(1) average fuel economy shall be calculated in accordance with guidance prescribed by the Secretary of Transportation for the implementation of this section; and

(2) average fuel economy calculated under subsection (b) for an agency's vehicles in a class of vehicles shall be the baseline average fuel economy for the agency's fleet of vehicles in that class.

SEC. 715.

SA 798. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

On page 755, after line 25, add the following:

SEC. 13___. ALTERNATIVE FUELS REPORTS.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress reports on the potential for each of biodiesel and hythane to become major, sustainable, alternative fuels.

(b) BIODIESEL REPORT.—The report relating to biodiesel submitted under subsection (a) shall—

(1) provide a detailed assessment of—

(A) potential biodiesel markets and manufacturing capacity; and

(B) environmental and energy security benefits with respect to the use of biodiesel;

(2) identify any impediments, especially in infrastructure needed for production, distribution, and storage, to biodiesel becoming a substantial source of fuel for conventional diesel and heating oil applications;

(3) identify strategies to enhance the commercial deployment of biodiesel; and

(4) include an examination and recommendations, as appropriate, of the ways in which biodiesel may be modified to be a cleaner-burning fuel.

(c) HYTHANE REPORT.—The report relating to hythane submitted under subsection (a) shall—

(1) provide a detailed assessment of potential hythane markets and the research and development activities that are necessary to facilitate the commercialization of hythane as a competitive, environmentally-friendly transportation fuel;

(2) address—

(A) the infrastructure necessary to produce, blend, distribute, and store hythane for widespread commercial purposes; and

(B) other potential market barriers to the commercialization of hythane;

(3) examine the viability of producing hydrogen using energy-efficient, environmentally friendly methods so that the hydrogen can be blended with natural gas to produce hythane; and

(4) include an assessment of the modifications that would be required to convert compressed natural gas vehicle engines to engines that use hythane as fuel.

(d) GRANTS FOR REPORT COMPLETION.—The Secretary may use such sums as are available to the Secretary to provide, to 1 or more colleges or universities selected by the Secretary, grants for use in carrying out research to assist the Secretary in preparing the reports required to be submitted under subsection (a).

SA 799. Mr. VOINOVICH (for himself, Mr. CARPER, and Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 6, Reserved; as follows:

On page 446, between lines 18 and 19, insert the following:

Subtitle E—Diesel Emissions Reduction

SEC. 741. DEFINITIONS.

In this subtitle:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) CERTIFIED ENGINE CONFIGURATION.—The term ''certified engine configuration'' means a new, rebuilt, or remanufactured engine configuration—

(A) that has been certified or verified by—

(i) the Administrator; or

(ii) the California Air Resources Board;

(B) that meets or is rebuilt or remanufactured to a more stringent set of engine emission standards, as determined by the Administrator; and

(C) in the case of a certified engine configuration involving the replacement of an existing engine or vehicle, an engine configuration that replaced an engine that was—

(i) removed from the vehicle; and

(ii) returned to the supplier for remanufacturing to a more stringent set of engine emissions standards or for scrappage.

(3) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a regional, State, local, or tribal agency with jurisdiction over transportation or air quality; and

(B) a nonprofit organization or institution that—

(i) represents organizations that own or operate diesel fleets; or

(ii) has, as its principal purpose, the promotion of transportation or air quality.

(4) EMERGING TECHNOLOGY.—The term ''emerging technology'' means a technology that is not certified or verified by the Administrator or the California Air Resources Board but for which an approvable application and test plan has been submitted for verification to the Administrator or the California Air Resources Board.

(5) HEAVY-DUTY TRUCK.—The term ''heavy-duty truck'' has the meaning given the term ''heavy duty vehicle'' in section 202 of the Clean Air Act (42 U.S.C. 7521).

(6) MEDIUM-DUTY TRUCK.—The term ''medium-duty truck'' has such meaning as shall be determined by the Administrator, by regulation.

(7) VERIFIED TECHNOLOGY.—The term ''verified technology'' means a pollution control technology, including a retrofit technology, that has been verified by—

(A) the Administrator; or

(B) the California Air Resources Board.

SEC. 742. NATIONAL GRANT AND LOAN PROGRAMS.

(a) IN GENERAL.—The Administrator shall use 70 percent of the funds made available to carry out this subtitle for each fiscal year to provide grants and low-cost revolving loans, as determined by the Administrator, on a competitive basis, to eligible entities to achieve significant reductions in diesel emissions in terms of—

(1) tons of pollution produced; and

(2) diesel emissions exposure, particularly from fleets operating in areas designated by the Administrator as poor air quality areas.

(b) DISTRIBUTION.—

(1) IN GENERAL.—The Administrator shall distribute funds made available for a fiscal year under this subtitle in accordance with this section.

(2) FLEETS.—The Administrator shall provide not less than 50 percent of funds available for a fiscal year under this section to eligible entities for the benefit of public fleets.

(3) ENGINE CONFIGURATIONS AND TECHNOLOGIES.—

(A) CERTIFIED ENGINE CONFIGURATIONS AND VERIFIED TECHNOLOGIES.—The Administrator shall provide not less than 90 percent of funds available for a fiscal year under this

section to eligible entities for projects using—

(i) a certified engine configuration; or

(ii) a verified technology.

(B) EMERGING TECHNOLOGIES.—

(i) IN GENERAL.—The Administrator shall provide not more than 10 percent of funds available for a fiscal year under this section to eligible entities for the development and commercialization of emerging technologies.

(ii) APPLICATION AND TEST PLAN.—To receive funds under clause (i), a manufacturer, in consultation with an eligible entity, shall submit for verification to the Administrator or the California Air Resources Board a test plan for the emerging technology, together with the application under subsection (c).

(c) APPLICATIONS.—

(1) IN GENERAL.—To receive a grant or loan under this section, an eligible entity shall submit to the Administrator an application at a time, in a manner, and including such information as the Administrator may require.

(2) INCLUSIONS.—An application under this subsection shall include—

(A) a description of the air quality of the area served by the eligible entity;

(B) the quantity of air pollution produced by the diesel fleet in the area served by the eligible entity;

(C) a description of the project proposed by the eligible entity, including—

(i) any certified engine configuration, verified technology, or emerging technology to be used by the eligible entity; and

(ii) the means by which the project will achieve a significant reduction in diesel emissions;

(D) an evaluation (using methodology approved by the Administrator or the National Academy of Sciences) of the quantifiable and unquantifiable benefits of the emissions reductions of the proposed project;

(E) an estimate of the cost of the proposed project;

(F) a description of the age and expected lifetime control of the equipment used by the eligible entity;

(G) a description of the diesel fuel available to the eligible entity, including the sulfur content of the fuel; and

(H) provisions for the monitoring and verification of the project.

(3) PRIORITY.—In providing a grant or loan under this section, the Administrator shall give priority to proposed projects that, as determined by the Administrator—

(A) maximize public health benefits;

(B) are the most cost-effective;

(C) serve areas—

(i) with the highest population density;

(ii) that are poor air quality areas, including areas identified by the Administrator as—

(I) in nonattainment or maintenance of national ambient air quality standards for a criteria pollutant;

(II) Federal Class I areas; or

(III) areas with toxic air pollutant concerns;

(iii) that receive a disproportionate quantity of air pollution from a diesel fleet, including ports, rail yards, and distribution centers; or

(iv) that use a community-based multistakeholder collaborative process to reduce toxic emissions;

(D) include a certified engine configuration, verified technology, or emerging technology that has a long expected useful life;

(E) will maximize the useful life of any retrofit technology used by the eligible entity; and

(F) use diesel fuel with a sulfur content of less than or equal to 15 parts per million, as the Administrator determines to be appropriate.

(d) USE OF FUNDS.—

(1) IN GENERAL.—An eligible entity may use a grant or loan provided under this section to fund the costs of—

(A) a retrofit technology (including any incremental costs of a repowered or new diesel engine) that significantly reduces emissions through development and implementation of a certified engine configuration, verified technology, or emerging technology for—

(i) a bus;

(ii) a medium-duty truck or a heavy-duty truck;

(iii) a marine engine;

(iv) a locomotive; or

(v) a nonroad engine or vehicle used in—

(I) construction;

(II) handling of cargo (including at a port or airport);

(III) agriculture;

(IV) mining; or

(V) energy production; or

(B) an idle-reduction program involving a vehicle or equipment described in subparagraph (A).

(2) REGULATORY PROGRAMS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), no grant or loan provided under this section shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law.

(B) MANDATED.—For purposes of subparagraph (A), voluntary or elective emission reduction measures shall not be considered ''mandated'', regardless of whether the reductions are included in the State implementation plan of a State.

SEC. 743. STATE GRANT AND LOAN PROGRAMS.

(a) IN GENERAL.—Subject to the availability of adequate appropriations, the Administrator shall use 30 percent of the funds made available for a fiscal year under this subtitle to support grant and loan programs administered by States that are designed to achieve significant reductions in diesel emissions.

(b) APPLICATIONS.—The Administrator shall—

(1) provide to States guidance for use in applying for grant or loan funds under this section, including information regarding—

(A) the process and forms for applications;

(B) permissible uses of funds received; and

(C) the cost-effectiveness of various emission reduction technologies eligible to be carried out using funds provided under this section; and

(2) establish, for applications described in paragraph (1)—

(A) an annual deadline for submission of the applications;

(B) a process by which the Administrator shall approve or disapprove each application; and

(C) a streamlined process by which a State may renew an application described in paragraph (1) for subsequent fiscal years.

(c) ALLOCATION OF FUNDS.—

(1) IN GENERAL.—For each fiscal year, the Administrator shall allocate among States for which applications are approved by the Administrator under subsection (b)(2)(B) funds made available to carry out this section for the fiscal year.

(2) ALLOCATION.—Using not more than 20 percent of the funds made available to carry out this subtitle for a fiscal year, the Administrator shall provide to each State described in paragraph (1) for the fiscal year an allocation of funds that is equal to—

(A) if each of the 50 States qualifies for an allocation, an amount equal to 2 percent of the funds made available to carry out this section; or

(B) if fewer than 50 States qualifies for an allocation, an amount equal to the amount described in subparagraph (A), plus an additional amount equal to the product obtained by multiplying—

(i) the proportion that—

(I) the population of the State; bears to

(II) the population of all States described in paragraph (1); by

(ii) the amount of funds remaining after each State described in paragraph (1) receives the 2-percent allocation under this paragraph.

(3) STATE MATCHING INCENTIVE.—

(A) IN GENERAL.—If a State agrees to match the allocation provided to the State under paragraph (2) for a fiscal year, the Administrator shall provide to the State for the fiscal year an additional amount equal to 50 percent of the allocation of the State under paragraph (2).

(B) REQUIREMENTS.—A State—

(i) may not use funds received under this subtitle to pay a matching share required under this subsection; and

(ii) shall not be required to provide a matching share for any additional amount received under subparagraph (A).

(4) UNCLAIMED FUNDS.—Any funds that are not claimed by a State for a fiscal year under this subsection shall be used to carry out section 742.

(d) ADMINISTRATION.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3) and, to the extent practicable, the priority areas listed in section 742(c)(3), a State shall use any funds provided under this section to develop and implement such grant and low-cost revolving loan programs in the State as are appropriate to meet State needs and goals relating to the reduction of diesel emissions.

(2) APPORTIONMENT OF FUNDS.—The Governor of a State that receives funding under this section may determine the portion of funds to be provided as grants or loans.

(3) USE OF FUNDS.—A grant or loan provided under this section may be used for a project relating to—

(A) a certified engine configuration; or

(B) a verified technology.

SEC. 744. EVALUATION AND REPORT.

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, and biennially thereafter, the Administrator shall submit to Congress a report evaluating the implementation of the programs under this subtitle.

(b) INCLUSIONS.—The report shall include a description of—

(1) the total number of grant applications received;

(2) each grant or loan made under this subtitle, including the amount of the grant or loan;

(3) each project for which a grant or loan is provided under this subtitle, including the criteria used to select the grant or loan recipients;

(4) the estimated air quality benefits, cost-effectiveness, and cost-benefits of the grant and loan programs under this subtitle;

(5) the problems encountered by projects for which a grant or loan is provided under this subtitle; and

(6) any other information the Administrator considers to be appropriate.

SEC. 745. OUTREACH AND INCENTIVES.

(a) DEFINITION OF ELIGIBLE TECHNOLOGY.—In this section, the term ''eligible technology'' means—

(1) a verified technology; or

(2) an emerging technology.

(b) TECHNOLOGY TRANSFER PROGRAM.—

(1) IN GENERAL.—The Administrator shall establish a program under which the Administrator—

(A) informs stakeholders of the benefits of eligible technologies; and

(B) develops nonfinancial incentives to promote the use of eligible technologies.

(2) ELIGIBLE STAKEHOLDERS.—Eligible stakeholders under this section include—

(A) equipment owners and operators;

(B) emission control technology manufacturers;

(C) engine and equipment manufacturers;

(D) State and local officials responsible for air quality management;

(E) community organizations; and

(F) public health and environmental organizations.

(c) STATE IMPLEMENTATION PLANS.—The Administrator shall develop appropriate guidance to provide credit to a State for emission reductions in the State created by the use of eligible technologies through a State implementation plan under section 110 of the Clean Air Act (42 U.S.C. 7410).

(d) INTERNATIONAL MARKETS.—The Administrator, in coordination with the Department of Commerce and industry stakeholders, shall inform foreign countries with air quality problems of the potential of technology developed or used in the United States to provide emission reductions in those countries.

SEC. 746. EFFECT OF SUBTITLE.

Nothing in this subtitle affects any authority under the Clean Air Act (42 U.S.C. 7401 et seq.) in existence on the day before the date of enactment of this Act.

SEC. 747. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this subtitle $200,000,000 for each of fiscal years 2006 through 2010, to remain available until expended.

SA 800. Mr. GRASSLEY (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; as follows:

At the end add the following:

TITLE XV—ENERGY POLICY TAX INCENTIVES

SEC. 1500. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the ''Energy Policy Tax Incentives Act of 2005''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this title is as follows:

Subtitle A—Electricity Infrastructure

SEC. 1501. EXTENSION AND MODIFICATION OF RENEWABLE ELECTRICITY PRODUCTION CREDIT.

(a) 3-YEAR EXTENSION FOR CERTAIN FACILITIES.—Section 45(d) (relating to qualified facilities) is amended—

(1) by striking ''January 1, 2006'' each place it appears in paragraphs (1), (2), (3), (5), (6), and (7) and inserting ''January 1, 2009'', and

(2) by striking ''January 1, 2006'' in paragraph (4) and inserting ''January 1, 2009 (January 1, 2006, in the case of a facility using solar energy)''.

(b) INCREASE IN CREDIT PERIOD.—Section 45(b)(4)(B) (relating to credit period) is amended—

(1) by inserting ''or clause (iii)'' after ''clause (ii)'' in clause (i), and

(2) by adding at the end the following:

''(iii) TERMINATION.—Clause (i) shall not apply to any facility placed in service after the date of the enactment of this clause.''.

(c) EXPANSION OF QUALIFIED RESOURCES TO INCLUDE FUEL CELLS.—

(1) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources) is amended by striking ''and'' at the end of subparagraph (F), by striking the period at the end of subparagraph (G) and inserting '', and'', and by adding at the end the following new subparagraph:

''(H) fuel cells.''.

(2) FUEL CELL FACILITY.—Section 45(d) (relating to qualified facilities) is amended by adding at the end the following new paragraph:

''(9) FUEL CELL FACILITY.—In the case of a facility using an integrated system comprised of a fuel cell stack assembly and associated balance of plant components which converts a fuel into electricity using electrochemical means, the term 'qualified facility' means any facility owned by the taxpayer which—

''(A) is originally placed in service after December 31, 2005, and before January 1, 2009,

''(B) has a nameplate capacity rating of at least 0.5 megawatt of electricity, and

''(C) has an electricity-only generation efficiency greater than 30 percent.''.

(3) CONFORMING AMENDMENTS RELATING TO COORDINATION WITH ENERGY CREDIT.—

(A) IN GENERAL.—Section 45(e) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(10) COORDINATION WITH ENERGY CREDIT.—The term 'qualified facility' shall not include any property described in section 48(a)(3) the basis of which is taken into account by the taxpayer for purposes of determining the energy credit under section 48.''.

(B) CONFORMING AMENDMENT.—Section 45(d)(4) is amended by striking the last sentence.

(d) EXPANSION OF QUALIFIED RESOURCES TO CERTAIN HYDROPOWER.—

(1) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources), as amended by this Act, is amended by striking ''and'' at

the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting '', and'', and by adding at the end the following new subparagraph:

''(I) qualified hydropower production.''.

(2) CREDIT RATE.—Section 45(b)(4)(A) (relating to credit rate) is amended by striking ''or (7)'' and inserting ''(7), or (10)''.

(3) DEFINITION OF RESOURCES.—Section 45(c) (relating to qualified energy resources and refined coal) is amended by adding at the end the following new paragraph:

''(8) QUALIFIED HYDROPOWER PRODUCTION.—

''(A) IN GENERAL.—The term 'qualified hydropower production' means—

''(i) in the case of any hydroelectric dam which was placed in service on or before the date of the enactment of this paragraph, the incremental hydropower production for the taxable year, and

''(ii) in the case of any low-head hydroelectric facility or nonhydroelectric dam described in subparagraph (C), the hydropower production from the facility for the taxable year.

''(B) DETERMINATION OF INCREMENTAL HYDROPOWER PRODUCTION.—

''(i) IN GENERAL.—For purposes of subparagraph (A), incremental hydropower production for any taxable year shall be equal to the percentage of average annual hydropower production at the facility attributable to the efficiency improvements or additions of capacity placed in service after the date of the enactment of this paragraph, determined by using the same water flow information used to determine an historic average annual hydropower production baseline for such facility. Such percentage and baseline shall be certified by the Federal Energy Regulatory Commission.

''(ii) OPERATIONAL CHANGES DISREGARDED.—For purposes of clause (i), the determination of incremental hydropower production shall not be based on any operational changes at such facility not directly associated with the efficiency improvements or additions of capacity.

''(C) LOW-HEAD HYDROELECTRIC FACILITY OR NONHYDROELECTRIC DAM.—For purposes of subparagraph (A), a facility is described in this subparagraph if—

''(i) the facility is licensed by the Federal Energy Regulatory Commission and meets all other applicable environmental, licensing, and regulatory requirements,

''(ii) the facility did not produce hydroelectric power on the date of the enactment of this paragraph, and

''(iii) turbines or other generating devices are to be added to the facility after such date to produce hydroelectric power, but only if the installation of the turbine or other generating device does not require any enlargement of the diversion structure or the impoundment or any withholding of any additional water from the natural stream channel.

''(D) LOW-HEAD HYDROELECTRIC FACILITY DEFINED.—For purposes of this paragraph, the term 'low-head hydroelectric facility' means a minor diversion structure which is less than 10 feet in height.''.

(3) FACILITIES.—Section 45(d) (relating to qualified facilities), as amended by this Act, is amended by adding at the end the following new paragraph:

''(10) QUALIFIED HYDROPOWER FACILITY.—In the case of a facility producing qualified hydroelectric production described in subsection (c)(8), the term 'qualified facility' means—

''(A) in the case of any facility producing incremental hydropower production, such facility but only to the extent of its incremental hydropower production attributable to efficiency improvements or additions to capacity described in subsection (c)(8)(B) placed in service after the date of the enactment of this paragraph and before January 1, 2009, and

''(B) any other facility placed in service after the date of the enactment of this paragraph and before January 1, 2009.

''(C) CREDIT PERIOD.—In the case of a qualified facility described in subparagraph (A), the 10-year period referred to in subsection (a) shall be treated as beginning on the date the efficiency improvements or additions to capacity are placed in service.''.

(e) TECHNICAL AMENDMENT RELATED TO TRASH COMBUSTION FACILITIES.—Section 45(d)(7) (relating to trash combustion facilities) is amended by adding at the end the following: ''Such term shall include a new unit placed in service in connection with a facility placed in service on or before the date of the enactment of this paragraph, but only to the extent of the increased amount of electricity produced at the facility by reason of such new unit.''.

(f) ADDITIONAL TECHNICAL AMENDMENTS RELATED TO SECTION 710 OF THE AMERICAN JOBS CREATION ACT OF 2004.—

(1) Clause (ii) of section 45(b)(4)(B) is amended by striking ''the date of the enactment of this Act'' and inserting ''January 1, 2005,''.

(2) Clause (ii) of section 45(c)(3)(A) is amended by inserting ''or any nonhazardous lignin waste material'' after ''cellulosic waste material''.

(3) Subsection (e) of section 45 is amended by striking paragraph (6).

(4)(A) Paragraph (9) of section 45(e) is amended to read as follows:

''(9) COORDINATION WITH CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.—

''(A) IN GENERAL.—The term 'qualified facility' shall not include any facility which produces electricity from gas derived from the biodegradation of municipal solid waste if such biodegradation occurred in a facility (within the meaning of section 29) the production from which is allowed as a credit under section 29 for the taxable year or any prior taxable year.

''(B) REFINED COAL FACILITIES.—The term 'refined coal production facility' shall not include any facility the production from which is allowed as a credit under section 29 for the taxable year or any prior taxable year.''.

(B) Subparagraph (C) of section 45(e)(8) is amended by striking ''and (9)''.

(5) Subclause (I) of section 168(e)(3)(B)(vi) is amended to read as follows:

''(I) is described in subparagraph (A) of section 48(a)(3) (or would be so described if 'solar and wind' were substituted for 'solar' in clause (i) thereof and the last sentence of such section did not apply to such subparagraph),''.

(6) Paragraph (4) of section 710(g) of the American Jobs Creation Act of 2004 is amended by striking ''January 1, 2004'' and inserting ''January 1, 2005''.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect of the date of the enactment of this Act.

(2) TECHNICAL AMENDMENTS.—The amendments made by subsections (e) and (f) shall take effect as if included in the amendments made by section 710 of the American Jobs Creation Act of 2004.

SEC. 1502. CLEAN RENEWABLE ENERGY BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end the following new subpart:

''Subpart H—Nonrefundable Credit to Holders of Certain Bonds

''SEC. 54. CREDIT TO HOLDERS OF CLEAN RENEWABLE ENERGY BONDS.

''(a) ALLOWANCE OF CREDIT.—If a taxpayer holds a clean renewable energy bond on 1 or more credit allowance dates of the bond occurring during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a clean renewable energy bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any clean renewable energy bond is the product of—

''(A) the credit rate determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

''(B) the outstanding face amount of the bond.

''(3) DETERMINATION.—For purposes of paragraph (2), with respect to any clean renewable energy bond, the Secretary shall determine daily or cause to be determined daily a credit rate which shall apply to the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate which the Secretary or the Secretary's designee estimates will permit the issuance of clean renewable energy bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer.

''(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term also includes the last day on which the bond is outstanding.

''(5) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(2) the sum of the credits allowable under this part (other than subpart C thereof (relating to refundable credits) and this subpart) and section 1397E.

''(d) CLEAN RENEWABLE ENERGY BOND.—For purposes of this section—

''(1) IN GENERAL.—The term 'clean renewable energy bond' means any bond issued as part of an issue if—

''(A) the bond is issued by a qualified issuer pursuant to an allocation by the Secretary to such issuer of a portion of the national clean renewable energy bond limitation under subsection (f)(2),

''(B) 95 percent or more of the proceeds from the sale of such issue are to be used for

capital expenditures incurred by qualified borrowers for 1 or more qualified projects,

''(C) the qualified issuer designates such bond for purposes of this section and the bond is in registered form, and

''(D) the issue meets the requirements of subsection (h).

''(2) QUALIFIED PROJECT; SPECIAL USE RULES.—

''(A) IN GENERAL.—The term 'qualified project' means any qualified facility (as determined under section 45(d) without regard to any placed in service date) owned by a qualified borrower.

''(B) REFINANCING RULES.—For purposes of paragraph (1)(B), a qualified project may be refinanced with proceeds of a clean renewable energy bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred by a qualified borrower after the date of the enactment of this section.

''(C) REIMBURSEMENT.—For purposes of paragraph (1)(B), a clean renewable energy bond may be issued to reimburse a qualified borrower for amounts paid after the date of the enactment of this section with respect to a qualified project, but only if—

''(i) prior to the payment of the original expenditure, the qualified borrower declared its intent to reimburse such expenditure with the proceeds of a clean renewable energy bond,

''(ii) not later than 60 days after payment of the original expenditure, the qualified issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

''(D) TREATMENT OF CHANGES IN USE.—For purposes of paragraph (1)(B), the proceeds of an issue shall not be treated as used for a qualified project to the extent that a qualified borrower takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a clean renewable energy bond.

''(e) MATURITY LIMITATIONS.—

''(1) DURATION OF TERM.—A bond shall not be treated as a clean renewable energy bond if the maturity of such bond exceeds the maximum term determined by the Secretary under paragraph (2) with respect to such bond.

''(2) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined using as a discount rate the average annual interest rate of tax of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

''(3) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a clean renewable energy bond unless it is part of an issue which provides for an equal amount of principal to be paid by the qualified issuer during each calendar year that the issue is outstanding.

''(f) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(1) NATIONAL LIMITATION.—There is a national clean renewable energy bond limitation of $1,000,000,000.

''(2) ALLOCATION BY SECRETARY.—The Secretary shall allocate the amount described in paragraph (1) among qualified projects in such manner as the Secretary determines appropriate.

''(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(h) SPECIAL RULES RELATING TO EXPENDITURES.—

''(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects—

''(A) at least 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more qualified projects within the 5-year period beginning on the date of issuance of the clean energy bond,

''(B) a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred within the 6-month period beginning on the date of issuance of the clean energy bond or, in the case of a clean energy bond the proceeds of which are to be loaned to 2 or more qualified borrowers, such binding commitment will be incurred within the 6-month period beginning on the date of the loan of such proceeds to a qualified borrower, and

''(C) such projects will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

''(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the qualified issuer establishes that the failure to satisfy the 5-year requirement is due to reasonable cause and the related projects will continue to proceed with due diligence.

''(3) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the 5-year period beginning on the date of issuance (or if an extension has been obtained under paragraph (2), by the close of the extended period), the qualified issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

''(i) SPECIAL RULES RELATING TO ARBITRAGE.—A bond which is part of an issue shall not be treated as a clean renewable energy bond unless, with respect to the issue of which the bond is a part, the qualified issuer satisfies the arbitrage requirements of section 148 with respect to proceeds of the issue.

''(j) COOPERATIVE ELECTRIC COMPANY; QUALIFIED ENERGY TAX CREDIT BOND LENDER; GOVERNMENTAL BODY; QUALIFIED BORROWER.—For purposes of this section—

''(1) COOPERATIVE ELECTRIC COMPANY.—The term 'cooperative electric company' means a mutual or cooperative electric company described in section 501(c)(12) or section 1381(a)(2)(C), or a not-for-profit electric utility which has received a loan or loan guarantee under the Rural Electrification Act.

''(2) CLEAN RENEWABLE ENERGY BOND LENDER.—The term 'clean renewable energy bond lender' means a lender which is a cooperative which is owned by, or has outstanding loans to, 100 or more cooperative electric companies and is in existence on February 1, 2002, and shall include any affiliated entity which is controlled by such lender.

''(3) GOVERNMENTAL BODY.—The term 'governmental body' means any State, territory, possession of the United States, the District of Columbia, Indian tribal government, and any political subdivision thereof.

''(4) QUALIFIED ISSUER.—The term 'qualified issuer' means—

''(A) a clean renewable energy bond lender,

''(B) a cooperative electric company,

''(C) a governmental body, or

''(D) the Tennessee Valley Authority.

''(5) QUALIFIED BORROWER.—The term 'qualified borrower' means—

''(A) a mutual or cooperative electric company described in section 501(c)(12) or 1381(a)(2)(C),

''(B) a governmental body, or

''(C) the Tennessee Valley Authority.

''(k) SPECIAL RULES RELATING TO POOL BONDS.—No portion of a pooled financing bond may be allocable to any loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such issue.

''(l) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) BOND.—The term 'bond' includes any obligation.

''(2) POOLED FINANCING BOND.—The term 'pooled financing bond' shall have the meaning given such term by section 149(f)(4)(A).

''(3) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—

''(A) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

''(B) NO BASIS ADJUSTMENT.—Rules similar to the rules under section 1397E(i)(2) shall apply.

''(4) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any clean renewable energy bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(5) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a clean renewable energy bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

''(6) REPORTING.—Issuers of clean renewable energy bonds shall submit reports similar to the reports required under section 149(e).

''(m) TERMINATION.—This section shall not apply with respect to any bond issued after December 31, 2008.''.

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(8) REPORTING OF CREDIT ON CLEAN RENEWABLE ENERGY BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54(g) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(b)(4)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A), subsection (b)(4) shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i) of such subsection.

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''.

(c) CONFORMING AMENDMENTS.—

(1) The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''SUBPART H. NONREFUNDABLE CREDIT TO HOLDERS OF CERTAIN BONDS.''.

(2) Section 1397E(c)(2) is amended by inserting ''and H'' after ''subpart C''.

(3) Section 6401(b)(1) is amended by striking ''and G'' and inserting ''G, and H''.

(d) ISSUANCE OF REGULATIONS.—The Secretary of Treasury shall issue regulations required under section 54 of the Internal Revenue Code of 1986 (as added by this section) not later than 120 days after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2005.

SEC. 1503. TREATMENT OF INCOME OF CERTAIN ELECTRIC COOPERATIVES.

(a) ELIMINATION OF SUNSET ON TREATMENT OF INCOME FROM OPEN ACCESS AND NUCLEAR DECOMMISSIONING TRANSACTIONS.—Section 501(c)(12)(C) is amended by striking the last sentence.

(b) ELIMINATION OF SUNSET ON TREATMENT OF INCOME FROM LOAD LOSS TRANSACTIONS.—Section 501(c)(12)(H) is amended by striking clause (x).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 1504. DISPOSITIONS OF TRANSMISSION PROPERTY TO IMPLEMENT FERC RESTRUCTURING POLICY.

(a) IN GENERAL.—Section 451(i)(3) (defining qualifying electric transmission transaction) is amended by striking ''2007'' and inserting ''2008''.

(b) TECHNICAL AMENDMENT RELATED TO SECTION 909 OF THE AMERICAN JOBS CREATION ACT OF 2004.—Clause (ii) of section 451(i)(4)(B) is amended by striking ''the close of the period applicable under subsection (a)(2)(B) as extended under paragraph (2)'' and inserting ''December 31, 2007''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to transactions occurring after the date of the enactment of this Act.

(2) TECHNICAL AMENDMENT.—The amendment made by subsection (b) shall take effect as if included in the amendments made by section 909 of the American Jobs Creation Act of 2004.

SEC. 1505. CREDIT FOR PRODUCTION FROM ADVANCED NUCLEAR POWER FACILITIES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding after section 45I the following new section:

''SEC. 45J. CREDIT FOR PRODUCTION FROM ADVANCED NUCLEAR POWER FACILITIES.

''(a) GENERAL RULE.—For purposes of section 38, the advanced nuclear power facility production credit of any taxpayer for any taxable year is equal to the product of—

''(1) 1.8 cents, multiplied by

''(2) the kilowatt hours of electricity—

''(A) produced by the taxpayer at an advanced nuclear power facility during the 8-year period beginning on the date the facility was originally placed in service, and

''(B) sold by the taxpayer to an unrelated person during the taxable year.

''(b) NATIONAL LIMITATION.—

''(1) IN GENERAL.—The amount of credit which would (but for this subsection and subsection (c)) be allowed with respect to any facility for any taxable year shall not exceed the amount which bears the same ratio to such amount of credit as—

''(A) the national megawatt capacity limitation allocated to the facility, bears to

''(B) the total megawatt nameplate capacity of such facility.

''(2) AMOUNT OF NATIONAL LIMITATION.—The national megawatt capacity limitation shall be 6,000 megawatts.

''(3) ALLOCATION OF LIMITATION.—The Secretary shall allocate the national megawatt capacity limitation in such manner as the Secretary may prescribe.

''(4) REGULATIONS.—Not later than 6 months after the date of the enactment of this section, the Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations shall provide a certification process under which the Secretary, after consultation with the Secretary of Energy, shall approve and allocate the national megawatt capacity limitation.

''(c) OTHER LIMITATIONS.—

''(1) ANNUAL LIMITATION.—The amount of the credit allowable under subsection (a) (after the application of subsection (b)) for any taxable year with respect to any facility shall not exceed an amount which bears the same ratio to $125,000,000 as—

''(A) the national megawatt capacity limitation allocated under subsection (b) to the facility, bears to

''(B) 1,000.

''(2) OTHER LIMITATIONS.—Rules similar to the rules of section 45(b)(1) shall apply for purposes of this section.

''(d) ADVANCED NUCLEAR POWER FACILITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'advanced nuclear power facility' means any advanced nuclear facility—

''(A) which is owned by the taxpayer and which uses nuclear energy to produce electricity, and

''(B) which is placed in service after the date of the enactment of this paragraph and before January 1, 2021.

''(2) ADVANCED NUCLEAR FACILITY.—For purposes of paragraph (1), the term 'advanced nuclear facility' means any nuclear facility the reactor design for which is approved after December 31, 1993, by the Nuclear Regulatory Commission (and such design or a substantially similar design of comparable capacity was not approved on or before such date).

''(e) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (1), (2), (3), (4), and (5) of section 45(e) shall apply for purposes of this section.''

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) is amended by striking ''plus'' at the end of paragraph (18), by striking the period at the end of paragraph (19) and inserting '', plus'', and by adding at the end the following:

''(20) the advanced nuclear power facility production credit determined under section 45J(a).''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

''Sec. 45J. Credit for production from advanced nuclear power facilities.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to production in taxable years beginning after the date of the enactment of this Act.

SEC. 1506. CREDIT FOR INVESTMENT IN CLEAN COAL FACILITIES.

(a) IN GENERAL.—Section 46 (relating to amount of credit) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2), and by adding at the end the following new paragraphs:

''(3) the qualifying advanced coal project credit, and

''(4) the qualifying gasification project credit.''.

(b) AMOUNT OF CREDITS.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit) is amended by inserting after section 48 the following new sections:

''SEC. 48A. QUALIFYING ADVANCED COAL PROJECT CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the qualifying advanced coal project credit for any taxable year is an amount equal to 20 percent of the qualified investment for such taxable year.

''(b) QUALIFIED INVESTMENT.—

''(1) IN GENERAL.—For purposes of subsection (a), the qualified investment for any taxable year is the basis of property placed in service by the taxpayer during such taxable year which is part of a qualifying advanced coal project—

''(A)(i) the construction, reconstruction, or erection of which is completed by the taxpayer, or

''(ii) which is acquired by the taxpayer if the original use of such property commences with the taxpayer, and

''(B) with respect to which depreciation (or amortization in lieu of depreciation) is allowable.

''(2) APPLICABLE RULES.—For purposes of this section, rules similar to the rules of subsection (a)(4) and (b) of section 48 shall apply.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFYING ADVANCED COAL PROJECT.—The term 'qualifying advanced coal project' means a project which meets the requirements of subsection (e).

''(2) ADVANCED COAL-BASED GENERATION TECHNOLOGY.—The term 'advanced coal-based generation technology' means a technology which meets the requirements of subsection (g).

''(3) COAL.—The term 'coal' means any carbonized or semicarbonized matter, including peat.

''(4) GREENHOUSE GAS CAPTURE CAPABILITY.—The term 'greenhouse gas capture capability' means an integrated gasification combined cycle technology facility capable of adding components which can capture, separate on a long-term basis, isolate, remove, and sequester greenhouse gases which result from the generation of electricity.

''(5) ELECTRIC GENERATION UNIT.—The term 'electric generation unit' means any facility at least 50 percent of the total annual net output of which is electrical power, including an otherwise eligible facility which is used in an industrial application.

''(6) INTEGRATED GASIFICATION COMBINED CYCLE.—The term 'integrated gasification combined cycle' means an electric generation unit which produces electricity by converting coal to synthesis gas which is used to fuel a combined-cycle plant which produces electricity from both a combustion turbine (including a combustion turbine/fuel cell hybrid) and a steam turbine.

''(d) QUALIFYING ADVANCED COAL PROJECT PROGRAM.—

''(1) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this section, the Secretary, in consultation with the Secretary of Energy, shall establish a qualifying advanced coal project program for the deployment of advanced coal-based generation technologies.

''(2) CERTIFICATION.—

''(A) IN GENERAL.—The Secretary may certify a qualifying advanced coal project as eligible for a credit under this section.

''(B) PERIOD OF ISSUANCE.—A certificate of eligibility under this paragraph may be issued only during the 10-fiscal year period beginning on October 1, 2005.

''(3) AGGREGATE GENERATING CAPACITY.—

''(A) IN GENERAL.—The aggregate generating capacity of projects certified by the Secretary under paragraph (2) may not exceed 7,500 megawatts.

''(B) PARTICULAR PROJECTS.—Of the total megawatts of capacity which the Secretary is authorized to certify—

''(i) 4,125 megawatts shall be available only for use for integrated gasification combined cycle projects, and

''(ii) 3,375 megawatts shall be available only for use for projects which use other advanced coal-based generation technologies.

''(C) DETERMINATION OF CAPACITY.—In determining capacity under this paragraph in the case of a retrofitted or repowered plant, capacity shall be determined based on total design capacity after the retrofit or repowering of the existing facility is accomplished.

''(4) APPLICATIONS.—The Secretary shall act on applications for certification as the applications are received.

''(5) DETERMINATION.—In determining whether to certify a qualifying advanced coal project, the Secretary shall take into account any written statement from the Governor of the State in which the project is to be sited that the construction and operation of the project is consistent with State environmental and energy policy and requirements.

''(6) REVIEW AND REDISTRIBUTION.—

''(A) REVIEW.—Not later than 6 years after the date of enactment of this section, the Secretary shall review the projects certified and megawatts allocated under this section as of the date which is 6 years after the date of enactment of this section.

''(B) REDISTRIBUTION.—The Secretary may reallocate the megawatts available under clauses (i) and (ii) of paragraph (3)(B) if the Secretary determines that—

''(i) capacity cannot be used because there is an insufficient quantity of qualifying applications for certification pending for any available capacity at the time of the review, or

''(ii) any certification commitment made pursuant to subsection (e)(4)(B) has not been revoked pursuant to subsection (f)(2)(B)(ii) because the project subject to the certification commitment has been delayed as a result of third party opposition or litigation to the proposed project.

''(e) QUALIFYING ADVANCED COAL PROJECTS.—

''(1) REQUIREMENTS.—For purposes of subsection (c)(1), a project shall be considered a qualifying advanced coal project that the Secretary may certify under subsection (d)(2) if the Secretary determines that, at a minimum—

''(A) the project uses an advanced coal-based generation technology—

''(i) to power a new electric generation or polygeneration unit, or

''(ii) to retrofit or repower an existing electric generation unit (including an existing natural gas-fired combined cycle unit),

''(B) the fuel input for the project, when completed, is at least 75 percent coal,

''(C) the applicant provides an assurance satisfactory to the Secretary that—

''(i) the project is technologically feasible, and

''(ii) the project is not financially feasible without the Federal financial incentives, after taking into account—

''(I) regulatory approvals or power purchase contracts referred to in subparagraph (D),

''(II) arrangements for the supply of fuel to the project,

''(III) contracts or other arrangements for construction of the project facilities,

''(IV) any performance guarantees to be provided by contractors and equipment vendors, and

''(V) evidence of the availability of funds to develop and construct the project,

''(D) the applicant demonstrates that the applicant has obtained—

''(i) approval by the appropriate regulatory commission of the recovery of the cost of the project, or

''(ii) a power purchase agreement (or letter of intent, subject to paragraph (3)) which has been approved by the board of directors of, and executed by, a creditworthy purchasing party,

''(E) except as provided in subsection (f)(2), the applicant demonstrates that the applicant has, or will, obtain all project agreements and approvals, and

''(F) the project will be located in the United States.

''(2) PRIORITY FOR INTEGRATED GASIFICATION COMBINED CYCLE PROJECTS.—In determining which qualifying advanced coal projects to certify under subsection (d)(3)(B)(i), the Secretary shall—

''(A) certify capacity to—

''(i) projects using bituminous coal as a primary feedstock,

''(ii) projects using subbituminous coal as a primary feedstock, and

''(iii) projects using lignite as a primary feedstock, and

''(B) give high priority to projects which include, as determined by the Secretary—

''(i) greenhouse gas capture capability,

''(ii) increased by-product utilization, and

''(iii) other benefits.

''(3) LETTER OF INTENT.—A letter of intent described in paragraph (1)(D)(ii) shall be replaced by a binding contract before a certificate may be issued.

''(f) PROJECT AGREEMENTS AND APPROVALS.—

''(1) DEFINITION OF PROJECT AGREEMENTS AND APPROVALS.—For purposes of this subsection, the term 'project agreements and approvals' means—

''(A) all necessary power purchase agreements, and all other contracts, which the Secretary determines are necessary to construct, finance, and operate a project, and

''(B) all authorizations by Federal, State, and local agencies which are required to construct, operate, and recover the cost of the project.

''(2) CERTIFICATION COMMITMENT.—

''(A) IN GENERAL.—If the applicant has not obtained all agreements and approvals prior to application, the Secretary may issue a certification commitment.

''(B) REQUIREMENTS.—

''(i) IN GENERAL.—An applicant which receives a certification commitment shall obtain any remaining project agreements and approvals not later than 4 years after the issuance of the certification commitment.

''(ii) REVOCATION.—If all project agreements and approvals are not obtained during the 4-year period described in clause (i), the certification commitment is terminated without any other action by the Secretary.

''(iii) FINAL CERTIFICATE.—No certificate may be issued until all project agreements and approvals are obtained.

''(g) ADVANCED COAL-BASED GENERATION TECHNOLOGY.—

''(1) IN GENERAL.—For the purpose of this section, an electric generation unit uses advanced coal-based generation technology if—

''(A) the unit—

''(i) uses integrated gasification combined cycle technology, or

''(ii) except as provided in paragraph (3), has a design net heat rate of 8530 Btu/kWh (40 percent efficiency), and

''(B) the vendor warrants that the unit is designed to meet the performance requirements in the following table:

Performance characteristic:	Design level for project:
SO_2 (percent removal).	99 percent
NO_x (emissions)	0.07 lbs/MMBTU
PM* (emissions)	0.015 lbs/MMBTU
Hg (percent removal).	90 percent

''(2) DESIGN NET HEAT RATE.—For purposes of this subsection, design net heat rate with respect to an electric generation unit shall—

''(A) be measured in Btu per kilowatt hour (higher heating value),

''(B) be based on the design annual heat input to the unit and the rated net electrical power, fuels, and chemicals output of the unit (determined without regard to the cogeneration of steam by the unit),

''(C) be adjusted for the heat content of the design coal to be used by the unit—

''(i) if the heat content is less than 13,500 Btu per pound, but greater than 7,000 Btu per pound, according to the following formula: design net heat rate = unit net heat rate x [1–{((13,500-design coal heat content, Btu per pound)/1,000)* 0.013}], and

''(ii) if the heat content is less than or equal to 7,000 Btu per pound, according to the following formula: design net heat rate = unit net heat rate x [1–{((13,500-design coal heat content, Btu per pound)/1,000)* 0.018}], and

''(D) be corrected for the site reference conditions of—

''(i) elevation above sea level of 500 feet,

''(ii) air pressure of 14.4 pounds per square inch absolute,

''(iii) temperature, dry bulb of 63/o/F,

''(iv) temperature, wet bulb of 54/o/F, and

''(v) relative humidity of 55 percent.

(3) EXISTING UNITS.—In the case of any electric generation unit in existence on the date of the enactment of this section, such unit uses advanced coal-based generation technology if, in lieu of the requirements under paragraph (1)(A)(ii), such unit achieves a minimum efficiency of 35 percent and an overall thermal design efficiency improvement, compared to the efficiency of the unit as operated, of not less than—

(A) 7 percentage points for coal of more than 9,000 Btu,

(B) 6 percentage points for coal of 7,000 to 9,000 Btu, or

(C) 4 percentage points for coal of less than 7,000 Btu.

''SEC. 48B. QUALIFYING GASIFICATION PROJECT CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the qualifying gasification project credit for any taxable year is an amount equal to 20 percent of the qualified investment for such taxable year.

''(b) QUALIFIED INVESTMENT.—

''(1) IN GENERAL.—For purposes of subsection (a), the qualified investment for any taxable year is the basis of property placed in service by the taxpayer during such taxable year which is part of a qualifying gasification project—

''(A)(i) the construction, reconstruction, or erection of which is completed by the taxpayer, or

''(ii) which is acquired by the taxpayer if the original use of such property commences with the taxpayer, and

''(B) with respect to which depreciation (or amortization in lieu of depreciation) is allowable.

''(2) APPLICABLE RULES.—For purposes of this section, rules similar to the rules of subsection (a)(4) and (b) of section 48 shall apply.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFYING GASIFICATION PROJECT.—The term 'qualifying gasification project' means any project which—

''(A) employs gasification technology,

''(B) will be carried out by an eligible entity, and

''(C) any portion of the qualified investment in which is certified under the qualifying gasification program as eligible for credit under this section in an amount (not to exceed $1,000,000,000) determined by the Secretary.

''(2) GASIFICATION TECHNOLOGY.—The term 'gasification technology' means any process which converts a solid or liquid product from coal, petroleum residue, biomass, or other materials which are recovered for their energy or feedstock value into a synthesis gas composed primarily of carbon monoxide and hydrogen for direct use or subsequent chemical or physical conversion.

''(3) BIOMASS.—

''(A) IN GENERAL.—The term 'biomass' means any—

''(i) agricultural or plant waste,

''(ii) byproduct of wood or paper mill operations, including lignin in spent pulping liquors, and

''(iii) other products of forestry maintenance.

''(B) EXCLUSION.—The term 'biomass' does not include paper which is commonly recycled.

''(4) CARBON CAPTURE CAPABILITY.—The term 'carbon capture capability' means a gasification plant design which is determined by the Secretary to reflect reasonable consideration for, and be capable of, accommodating the equipment likely to be necessary to capture carbon dioxide from the gaseous stream, for later use or sequestration, which would otherwise be emitted in the flue gas from a project which uses a nonrenewable fuel.

''(5) COAL.—The term 'coal' means any carbonized or semicarbonized matter, including peat.

''(6) ELIGIBLE ENTITY.—The term 'eligible entity' means any person whose application for certification is principally intended for use in a domestic project which employs domestic gasification applications related to—

''(A) chemicals,

''(B) fertilizers,

''(C) glass,

''(D) steel,

''(E) petroleum residues,

''(F) forest products, and

''(G) agriculture, including feedlots and dairy operations.

''(7) PETROLEUM RESIDUE.—The term 'petroleum residue' means the carbonized product of high-boiling hydrocarbon fractions obtained in petroleum processing.

''(d) QUALIFYING GASIFICATION PROJECT PROGRAM.—

''(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Energy, shall establish a qualifying gasification project program to consider and award certifications for qualified investment eligible for credits under this section to qualifying gasification project sponsors under this section. The total qualified investment which may be awarded eligibility for credit under the program shall not exceed $4,000,000,000.

''(2) PERIOD OF ISSUANCE.—A certificate of eligibility under paragraph (1) may be issued only during the 10-fiscal year period beginning on October 1, 2005.

''(3) SELECTION CRITERIA.—The Secretary shall not make a competitive certification award for qualified investment for credit eligibility under this section unless the recipient has documented to the satisfaction of the Secretary that—

''(A) the award recipient is financially viable without the receipt of additional Federal funding associated with the proposed project,

''(B) the recipient will provide sufficient information to the Secretary for the Secretary to ensure that the qualified investment is spent efficiently and effectively,

''(C) a market exists for the products of the proposed project as evidenced by contracts or written statements of intent from potential customers,

''(D) the fuels identified with respect to the gasification technology for such project will comprise at least 90 percent of the fuels required by the project for the production of chemical feedstocks, liquid transportation fuels, or coproduction of electricity,

''(E) the award recipient's project team is competent in the construction and operation of the gasification technology proposed, with preference given to those recipients with experience which demonstrates successful and reliable operations of the technology on domestic fuels so identified, and

''(F) the award recipient has met other criteria established and published by the Secretary.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 49(a)(1)(C) is amended by striking ''and'' at the end of clause (ii), by striking clause (iii), and by adding after clause (ii) the following new clauses:

''(iii) the basis of any property which is part of a qualifying advanced coal project under section 48A, and

''(iv) the basis of any property which is part of a qualifying gasification project under section 48B.''.

(2) The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 48 the following new items:

''48A. Qualifying advanced coal project credit.

''48B. Qualifying gasification project credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after the date of the enactment of this Act, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 1507. CLEAN ENERGY COAL BONDS.

(a) IN GENERAL.—Subpart H of part IV of subchapter A of chapter 1 (relating to credits against tax), as added by this Act, is amended by adding at the end the following new section:

''SEC. 54A. CREDIT TO HOLDERS OF CLEAN ENERGY COAL BONDS.

''(a) ALLOWANCE OF CREDIT.—If a taxpayer holds a clean energy coal bond on 1 or more credit allowance dates of the bond occurring during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a clean energy coal bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any clean energy coal bond is the product of—

''(A) the credit rate determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

''(B) the outstanding face amount of the bond.

''(3) DETERMINATION.—For purposes of paragraph (2), with respect to any clean energy coal bond, the Secretary shall determine daily or cause to be determined daily a credit rate which shall apply to the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate which the Secretary or the Secretary's designee estimates will permit the issuance of clean energy coal bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer.

''(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term also includes the last day on which the bond is outstanding.

''(5) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(2) the sum of the credits allowable under this part (other than subpart C thereof (relating to refundable credits) and this section) and section 1397E.

''(d) CLEAN ENERGY COAL BOND.—For purposes of this section—

''(1) IN GENERAL.—The term 'clean energy coal bond' means any bond issued as part of an issue if—

''(A) the bond is issued by a qualified issuer pursuant to an allocation by the Secretary to such issuer of a portion of the national clean energy coal bond limitation under subsection (f)(2),

''(B) 95 percent or more of the proceeds from the sale of such issue are to be used for capital expenditures incurred by qualified borrowers for 1 or more qualified projects,

''(C) the qualified issuer designates such bond for purposes of this section and the bond is in registered form, and

''(D) the issue meets the requirements of subsection (h).

''(2) QUALIFIED PROJECT; SPECIAL USE RULES.—

''(A) IN GENERAL.—The term 'qualified project' means a qualifying advanced coal project (as defined in section 48A(c)(1)) placed in service by a qualified borrower.

''(B) REFINANCING RULES.—For purposes of paragraph (1)(B), a qualified project may be refinanced with proceeds of a clean energy coal bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred by a qualified borrower after the date of the enactment of this section.

''(C) REIMBURSEMENT.—For purposes of paragraph (1)(B), a clean energy coal bond may be issued to reimburse a qualified borrower for amounts paid after the date of the enactment of this section with respect to a qualified project, but only if—

''(i) prior to the payment of the original expenditure, the qualified borrower declared its intent to reimburse such expenditure with the proceeds of a clean energy coal bond,

''(ii) not later than 60 days after payment of the original expenditure, the qualified issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

''(D) TREATMENT OF CHANGES IN USE.—For purposes of paragraph (1)(B), the proceeds of an issue shall not be treated as used for a qualified project to the extent that a qualified borrower takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a clean energy coal bond.

''(e) MATURITY LIMITATIONS.—

''(1) DURATION OF TERM.—A bond shall not be treated as a clean energy coal bond if the maturity of such bond exceeds the maximum term determined by the Secretary under paragraph (2) with respect to such bond.

''(2) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined using as a discount rate the average annual interest rate of tax of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

''(3) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a clean energy coal bond unless it is part of an issue which provides for an equal amount of principal to be paid by the qualified issuer during each calendar year that the issue is outstanding.

''(f) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(1) NATIONAL LIMITATION.—There is a national clean energy coal bond limitation of $1,000,000,000.

''(2) ALLOCATION BY SECRETARY.—The Secretary shall allocate the amount described in paragraph (1) among qualified projects in such manner as the Secretary determines appropriate.

''(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(h) SPECIAL RULES RELATING TO EXPENDITURES.—

''(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects—

''(A) at least 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more qualified projects within the 5-year period beginning on the date of issuance of the clean energy bond,

''(B) a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred within the 6-month period beginning on the date of issuance of the clean energy bond or, in the case of a clean energy bond the proceeds of which are to be loaned to 2 or more qualified borrowers, such binding commitment will be incurred within the 6-month period beginning on the date of the loan of such proceeds to a qualified borrower, and

''(C) such projects will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

''(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the qualified issuer establishes that the failure to satisfy the 5-year requirement is due to reasonable cause and the related projects will continue to proceed with due diligence.

''(3) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the 5-year period beginning on the date of issuance (or if an extension has been obtained under paragraph (2), by the close of the extended period), the qualified issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

''(i) SPECIAL RULES RELATING TO ARBITRAGE.—A bond which is part of an issue shall not be treated as a clean energy coal bond unless, with respect to the issue of which the bond is a part, the qualified issuer satisfies the arbitrage requirements of section 148 with respect to proceeds of the issue.

''(j) COOPERATIVE ELECTRIC COMPANY; QUALIFIED ENERGY TAX CREDIT BOND LENDER; GOVERNMENTAL BODY; QUALIFIED BORROWER.—For purposes of this section—

''(1) COOPERATIVE ELECTRIC COMPANY.—The term 'cooperative electric company' means a mutual or cooperative electric company described in section 501(c)(12) or section 1381(a)(2)(C), or a not-for-profit electric utility which has received a loan or loan guarantee under the Rural Electrification Act.

''(2) CLEAN ENERGY BOND LENDER.—The term 'clean energy bond lender' means a lender which is a cooperative which is owned by, or has outstanding loans to, 100 or more cooperative electric companies and is in existence on February 1, 2002, and shall include any affiliated entity which is controlled by such lender.

''(3) GOVERNMENTAL BODY.—The term 'governmental body' means any State, territory, possession of the United States, the District of Columbia, Indian tribal government, and any political subdivision thereof.

''(4) QUALIFIED ISSUER.—The term 'qualified issuer' means—

''(A) a clean energy bond lender,

''(B) a cooperative electric company,

''(C) a governmental body, or

''(D) the Tennessee Valley Authority.

''(5) QUALIFIED BORROWER.—The term 'qualified borrower' means—

''(A) a mutual or cooperative electric company described in section 501(c)(12) or 1381(a)(2)(C),

''(B) a governmental body, or

''(C) the Tennessee Valley Authority.

''(k) SPECIAL RULES RELATING TO POOL BONDS.—No portion of a pooled financing bond may be allocable to any loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such issue.

''(l) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) BOND.—The term 'bond' includes any obligation.

''(2) POOLED FINANCING BOND.—The term 'pooled financing bond' shall have the meaning given such term by section 149(f)(4)(A).

''(3) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—

''(A) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

''(B) NO BASIS ADJUSTMENT.—Rules similar to the rules under section 1397E(i)(2) shall apply.

''(4) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any clean energy coal bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(5) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a clean energy coal bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

''(6) REPORTING.—Issuers of clean energy coal bonds shall submit reports similar to the reports required under section 149(e).

''(m) TERMINATION.—This section shall not apply with respect to any bond issued after December 31, 2010.''.

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest), as amended by this Act, is amended by adding at the end the following new paragraph:

''(9) REPORTING OF CREDIT ON CLEAN ENERGY COAL BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54A(g) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54A(b)(4)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A), subsection (b)(4) shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i) of such subsection.

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart H of part IV of subchapter A of chapter 1, as added by this Act, is amended by adding at the end the following new item:

''Sec. 54A. Credit to holders of clean energy coal bonds.''.

(d) ISSUANCE OF REGULATIONS.—The Secretary of Treasury shall issue regulations required under section 54A of the Internal Revenue Code of 1986 (as added by this section) not later than 120 days after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2005.

Subtitle B—Domestic Fossil Fuel Security

SEC. 1511. CREDIT FOR INVESTMENT IN CLEAN COKE/COGENERATION MANUFACTURING FACILITIES.

(a) ALLOWANCE OF CLEAN COKE/COGENERATION MANUFACTURING FACILITIES CREDIT.—Section 46 (relating to amount of credit), as amended by this Act, is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4), and inserting '', and'', and by adding at the end the following new paragraph:

''(5) the clean coke/cogeneration manufacturing facilities credit.''.

(b) AMOUNT OF CLEAN COKE/COGENERATION MANUFACTURING FACILITIES CREDIT.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit), as amended by this Act, is amended by inserting after section 48B the following new section:

"SEC. 48C. CLEAN COKE/COGENERATION MANUFACTURING FACILITIES CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the clean coke/cogeneration manufacturing facilities credit for any taxable year is an amount equal to 20 percent of the qualified investment for such taxable year.

''(b) QUALIFIED INVESTMENT.—

''(1) IN GENERAL.—For purposes of subsection (a), the qualified investment for any taxable year is the basis of each clean coke/cogeneration manufacturing facilities property placed in service by the taxpayer during such taxable year.

''(2) CLEAN COKE/COGENERATION MANUFACTURING FACILITIES PROPERTY.—For purposes of this section, the term 'clean coke/cogeneration manufacturing facilities property' means real and tangible personal property which—

''(A) is depreciable under section 167,

''(B) is located in the United States,

''(C) is used for the manufacture of metallurgical coke or for the production of steam or electricity from waste heat generated during the production of metallurgical coke, and

''(D) does not exceed any of the following emission limitations—

''(i) 0.0 percent leaking for any coke oven doors unless the operation of ovens is under negative pressure,

''(ii) 0.0 percent leaking for any topside port lids,

''(iii) 0.0 percent leaking for any offtake system,

determined as provided for in section 63.303(b)(1)(ii) or 63.309(d)(1) of title 40, Code of Federal Regulations.

''(c) TERMINATION.—This subsection shall not apply to property for periods after December 31, 2009.''.

(c) TECHNICAL AMENDMENT.—Section 50(c) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR COKE/COGENERATION FACILITIES.—Paragraphs (1) and (2) shall not apply to any property with respect to the credit determined under section 48C.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 49(a)(1)(C), as amended by this Act, is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by adding at the end the following new clause:

''(v) the basis of any clean coke/cogeneration manufacturing facilities property.''

(2) The table of sections for subpart E of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 48B the following new item:

''48C. Clean coke/cogeneration manufacturing facilities credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after the date of the enactment of this Act, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 1512. TEMPORARY EXPENSING FOR EQUIPMENT USED IN REFINING OF LIQUID FUELS.

(A) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by inserting after section 179B the following new section:

"SEC. 179C. ELECTION TO EXPENSE CERTAIN REFINERIES.

''(a) TREATMENT AS EXPENSES.—A taxpayer may elect to treat the cost of any qualified refinery property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the qualified refinery is placed in service.

''(b) ELECTION.—

''(1) IN GENERAL.—An election under this section for any taxable year shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year. Such election shall be made in such manner as the Secretary may by regulations prescribe.

''(2) ELECTION IRREVOCABLE.—Any election made under this section may not be revoked except with the consent of the Secretary.

''(c) QUALIFIED REFINERY PROPERTY.—The term 'qualified refinery property' means any refinery or portion of a refinery—

''(1) the original use of which commences with the taxpayer,

''(2) the construction of which—

''(A) except as provided in subparagraph (B), is subject to a binding construction contract entered into after June 14, 2005, and before January 1, 2008, but only if there was no written binding construction contract entered into on or before June 14, 2005, or

''(B) in the case of self-constructed property, began after June 14, 2005,

''(3) which is placed in service by the taxpayer after the date of the enactment of this section and before January 1, 2012,

''(4) in the case of any portion of a refinery, which meets the requirements of subsection (d), and

''(5) which meets all applicable environmental laws in effect on the date such refinery or portion thereof was placed in service. A waiver under the Clean Air Act shall not be taken into account in determining whether the requirements of paragraph (5) are met.

''(d) PRODUCTION CAPACITY.—The requirements of this subsection are met if the portion of the refinery—

''(1) increases the rated capacity of the existing refinery by 5 percent or more over the capacity of such refinery as reported by the Energy Information Agency on January 1, 2005, or

''(2) enables the existing refinery to process qualified fuels (as defined in section 29(c)) at a rate which is equal to or greater than 25 percent of the total throughput of such refinery on an average daily basis.

''(e) ELECTION TO ALLOCATE DEDUCTION TO COOPERATIVE OWNER.—If—

''(1) a taxpayer to which subsection (a) applies is an organization to which part I of subchapter T applies, and

''(2) one or more persons directly holding an ownership interest in the taxpayer are organizations to which part I of subchapter T apply,

the taxpayer may elect to allocate all or a portion of the deduction allowable under subsection (a) to such persons. Such allocation shall be equal to the person's ratable share of the total amount allocated, determined on the basis of the person's ownership interest in the taxpayer. The taxable income of the taxpayer shall not be reduced under section 1382 by reason of any amount to which the preceding sentence applies.

''(f) INELIGIBLE REFINERIES.—No deduction shall be allowed under subsection (a) for any qualified refinery property—

''(1) the primary purpose of which is for use as a topping plant, asphalt plant, lube oil facility, crude or product terminal, or blending facility, or

''(2) which is built solely to comply with Federally mandated projects or consent decrees.

''(g) REPORTING.—No deduction shall be allowed under subsection (a) to any taxpayer for any taxable year unless such taxpayer files with the Secretary a report containing such information with respect to the operation of the refineries of the taxpayer as the Secretary shall require.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1245(a) is amended by inserting ''179C,'' after ''179B,'' both places it appears in paragraphs (2)(C) and (3)(C).

(2) Section 263(a)(1) is amended by striking ''or'' at the end of subparagraph (H), by striking the period at the end of subparagraph (I) and inserting '', or'', and by inserting after subparagraph (I) the following new subparagraph:

''(J) expenditures for which a deduction is allowed under section 179C.''.

(3) Section 312(k)(3)(B) is amended by striking ''179 179A, or 179B'' each place it appears in the heading and text and inserting ''179, 179A, 179B, or 179C''.

(4) The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 179B the following new item:

''Sec. 179C. Election to expense certain refineries.''.

(c) EFFECTIVE DATE.— The amendments made by this section shall apply to properties placed in service after the date of the enactment of this Act.

SEC. 1513. PASS THROUGH TO PATRONS OF DEDUCTION FOR CAPITAL COSTS INCURRED BY SMALL REFINER COOPERATIVES IN COMPLYING WITH ENVIRONMENTAL PROTECTION AGENCY SULFUR REGULATIONS .

(a) IN GENERAL.—Section 179B (relating to deduction for capital costs incurred in complying with Environmental Protection Agency sulfur regulations) is amended by adding at the end the following new subsection:

''(e) ELECTION TO ALLOCATE DEDUCTION TO COOPERATIVE OWNER.—If—

''(1) a small business refiner to which subsection (a) applies is an organization to which part I of subchapter T applies, and

''(2) one or more persons directly holding an ownership interest in the refiner are organizations to which part I of subchapter T apply,

the refiner may elect to allocate all or a portion of the deduction allowable under subsection (a) to such persons. Such allocation shall be equal to the person's ratable share of the total amount allocated, determined on the basis of the person's ownership interest in the taxpayer. The taxable income of the refiner shall not be reduced under section 1382 by reason of any amount to which the preceding sentence applies.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendment made by section 338(a) of the American Jobs Creation Act of 2004.

SEC. 1514. MODIFICATIONS TO ENHANCED OIL RECOVERY CREDIT.

(a) ENHANCED CREDIT FOR CARBON DIOXIDE INJECTIONS.—Section 43 is amended by adding at the end the following new subsection:

''(f) ENHANCED CREDIT FOR PROJECTS USING QUALIFIED CARBON DIOXIDE.—

''(1) IN GENERAL.—In the case of any qualified enhanced oil recovery project described in paragraph (2), subsection (a) shall be applied by substituting '20 percent' for '15 percent'.

''(2) SPECIFIED QUALIFIED ENHANCED OIL RECOVERY PROJECT.—

''(A) IN GENERAL.—A qualified enhanced oil recovery project is described in this paragraph if—

''(i) the project begins or is substantially expanded after December 31, 2005, and

''(ii) the project uses qualified carbon dioxide in an oil recovery method which involves flooding or injection.

''(B) QUALIFIED CARBON DIOXIDE.—For purposes of this subsection, the term 'qualified carbon dioxide' means carbon dioxide that is—

''(i) from an industrial source, or

''(ii) separated from natural gas and natural gas liquids at a natural gas processing plant.

''(3) TERMINATION.—This subsection shall not apply to costs paid or incurred for any qualified enhanced oil recovery project after December 31, 2009.''.

(b) DEEP GAS WELL PROJECTS.—Section 43(c) is amended by adding at the end the following new paragraph:

''(6) APPLICATION OF SECTION TO QUALIFIED DEEP GAS WELL PROJECTS.—

''(A) IN GENERAL.—For purposes of this section, the taxpayer's qualified deep gas well project costs for any taxable year shall be treated in the same manner as if they were qualified enhanced oil recovery costs.

''(B) QUALIFIED DEEP GAS WELL PROJECT COSTS.—For purposes of this paragraph, the term 'qualified deep gas well project costs' shall be the costs determined under paragraph (1) by substituting 'qualified deep gas well project' for 'qualified enhanced oil recovery project' each place it appears.

''(C) QUALIFIED DEEP GAS WELL PROJECT.—For purposes of this paragraph, the term 'qualified deep gas well project' means any project—

''(i) which involves the production of natural gas from onshore formations deeper than 20,000 feet, and

''(ii) which is located in the United States.

''(D) TERMINATION.—This paragraph shall not apply to qualified deep gas well project costs paid or incurred after December 31, 2009.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years ending after December 31, 2005.

SEC. 1515. NATURAL GAS DISTRIBUTION LINES TREATED AS 15-YEAR PROPERTY.

(a) IN GENERAL.—Section 168(e)(3)(E) (defining 15-year property) is amended by striking ''and'' at the end of clause (v), by striking the period at the end of clause (vi) and by inserting '', and'', and by adding at the end the following new clause:

''(vii) any natural gas distribution line the original use of which commences with the taxpayer and which is placed in service before January 1, 2008.''.

(b) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) (relating to special rule for certain property assigned to classes) is amended by adding after the item relating to subparagraph (E)(vi) the following new item:

''(E)(vii) ..... 35''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

(2) EXCEPTION.—The amendments made by this section shall not apply to any property with respect to which the taxpayer or a related party has entered into a binding contract for the construction thereof on or before June 14, 2005, or, in the case of self-constructed property, has started construction on or before such date.

Subtitle C—Conservation and Energy Efficiency Provisions

SEC. 1521. ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations), as amended by this Act, is amended by inserting after section 179C the following new section:

''SEC. 179D. ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

''(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the cost of energy efficient commercial building property placed in service during the taxable year.

''(b) MAXIMUM AMOUNT OF DEDUCTION.—The deduction under subsection (a) with respect to any building for any taxable year shall not exceed the excess (if any) of—

''(1) the product of—

''(A) $2.25, and

''(B) the square footage of the building, over

''(2) the aggregate amount of the deductions under subsection (a) with respect to the building for all prior taxable years.

''(c) DEFINITIONS.—For purposes of this section—

''(1) ENERGY EFFICIENT COMMERCIAL BUILDING PROPERTY.—The term 'energy efficient commercial building property' means property—

''(A) with respect to which depreciation (or amortization in lieu of depreciation) is allowable,

''(B) which is installed on or in any building which is—

''(i) located in the United States, and

''(ii) within the scope of Standard 90.1-2001,

''(C) which is installed as part of—

''(i) the interior lighting systems,

''(ii) the heating, cooling, ventilation, and hot water systems, or

''(iii) the building envelope, and

''(D) which is certified in accordance with subsection (d)(6) as being installed as part of a plan designed to reduce the total annual energy and power costs with respect to the interior lighting systems, heating, cooling, ventilation, and hot water systems of the building by 50 percent or more in comparison to a reference building which meets the minimum requirements of Standard 90.1–2001 using methods of calculation under subsection (d)(2).

''(2) STANDARD 90.1–2001.—The term 'Standard 90.1–2001' means Standard 90.1–2001 of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering Society of North America (as in effect on April 2, 2003).

''(d) SPECIAL RULES.—

''(1) PARTIAL ALLOWANCE.—

''(A) IN GENERAL.—Except as provided in subsection (f), if—

''(i) the requirement of subsection (c)(1)(D) is not met, but

''(ii) there is a certification in accordance with paragraph (6) that any system referred to in subsection (c)(1)(C) satisfies the energy-savings targets established by the Secretary under subparagraph (B) with respect to such system,

then the requirement of subsection (c)(1)(D) shall be treated as met with respect to such system, and the deduction under subsection (a) shall be allowed with respect to energy efficient commercial building property installed as part of such system and as part of a plan to meet such targets, except that subsection (b) shall be applied to such property by substituting '$.75' for '$2.25'.

''(B) REGULATIONS.—The Secretary, after consultation with the Secretary of Energy, shall establish a target for each system described in subsection (c)(1)(C) which, if such targets were met for all such systems, the building would meet the requirements of subsection (c)(1)(D).

''(2) METHODS OF CALCULATION.—The Secretary, after consultation with the Secretary of Energy, shall promulgate regulations which describe in detail methods for calculating and verifying energy and power consumption and cost, based on the provisions of the 2005 California Nonresidential Alternative Calculation Method Approval Manual.

''(3) COMPUTER SOFTWARE.—

''(A) IN GENERAL.—Any calculation under paragraph (2) shall be prepared by qualified computer software.

''(B) QUALIFIED COMPUTER SOFTWARE.—For purposes of this paragraph, the term 'qualified computer software' means software—

''(i) for which the software designer has certified that the software meets all procedures and detailed methods for calculating energy and power consumption and costs as required by the Secretary,

''(ii) which provides such forms as required to be filed by the Secretary in connection with energy efficiency of property and the deduction allowed under this section, and

''(iii) which provides a notice form which documents the energy efficiency features of the building and its projected annual energy costs.

''(4) ALLOCATION OF DEDUCTION FOR PUBLIC PROPERTY.—In the case of energy efficient commercial building property installed on or in property owned by a Federal, State, or local government or a political subdivision thereof, the Secretary shall promulgate a regulation to allow the allocation of the deduction to the person primarily responsible for designing the property in lieu of the owner of such property. Such person shall be treated as the taxpayer for purposes of this section.

''(5) NOTICE TO OWNER.—Each certification required under this section shall include an explanation to the building owner regarding the energy efficiency features of the building and its projected annual energy costs as provided in the notice under paragraph (3)(B)(iii).

''(6) CERTIFICATION.—

''(A) IN GENERAL.—The Secretary shall prescribe the manner and method for the making of certifications under this section.

''(B) PROCEDURES.—The Secretary shall include as part of the certification process procedures for inspection and testing by qualified individuals described in subparagraph (C) to ensure compliance of buildings with energy-savings plans and targets. Such procedures shall be comparable, given the difference between commercial and residential buildings, to the requirements in the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems.

''(C) QUALIFIED INDIVIDUALS.—Individuals qualified to determine compliance shall be only those individuals who are recognized by an organization certified by the Secretary for such purposes.

''(e) BASIS REDUCTION.—For purposes of this subtitle, if a deduction is allowed under this section with respect to any energy efficient commercial building property, the basis of such property shall be reduced by the amount of the deduction so allowed.

''(f) INTERIM RULES FOR LIGHTING SYSTEMS.—Until such time as the Secretary issues final regulations under subsection (d)(1)(B) with respect to property which is part of a lighting system—

''(1) IN GENERAL.—The lighting system target under subsection (d)(1)(A)(ii) shall be a reduction in lighting power density of 25 percent (50 percent in the case of a warehouse) of the minimum requirements in Table 9.3.1.1 or Table 9.3.1.2 (not including additional interior lighting power allowances) of Standard 90.1–2001.

''(2) REDUCTION IN DEDUCTION IF REDUCTION LESS THAN 40 PERCENT.—

''(A) IN GENERAL.—If, with respect to the lighting system of any building other than a warehouse, the reduction in lighting power density of the lighting system is not at least 40 percent, only the applicable percentage of the amount of deduction otherwise allowable

under this section with respect to such property shall be allowed.

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage is the number of percentage points (not greater than 100) equal to the sum of—

''(i) 50, and

''(ii) the amount which bears the same ratio to 50 as the excess of the reduction of lighting power density of the lighting system over 25 percentage points bears to 15.

''(C) EXCEPTIONS.—This subsection shall not apply to any system—

''(i) the controls and circuiting of which do not comply fully with the mandatory and prescriptive requirements of Standard 90.1–2001 and which do not include provision for bilevel switching in all occupancies except hotel and motel guest rooms, store rooms, restrooms, and public lobbies, or

''(ii) which does not meet the minimum requirements for calculated lighting levels as set forth in the Illuminating Engineering Society of North America Lighting Handbook, Performance and Application, Ninth Edition, 2000.

''(g) COORDINATION WITH OTHER TAX BENEFITS.—In any case in which a deduction under section 200 or a credit under section 25C has been allowed with respect to property in connection with a building for which a deduction is allowable under subsection (a)—

''(1) the annual energy and power costs of the reference building referred to in subsection (c)(1)(D) shall be determined assuming such reference building contains the property for which such deduction or credit has been allowed, and

''(2) any cost of such property taken into account under such sections shall not be taken into account under this section.

''(h) REGULATIONS.—The Secretary shall promulgate such regulations as necessary—

''(1) to take into account new technologies regarding energy efficiency and renewable energy for purposes of determining energy efficiency and savings under this section, and

''(2) to provide for a recapture of the deduction allowed under this section if the plan described in subsection (c)(1)(D) or (d)(1)(A) is not fully implemented.

''(i) TERMINATION.—This section shall not apply with respect to property placed in service after December 31, 2009.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a) is amended by striking ''and'' at the end of paragraph (30), by striking the period at the end of paragraph (31) and inserting '', and'', and by adding at the end the following new paragraph:

''(32) to the extent provided in section 179D(e).''.

(2) Section 1245(a), as amended by this Act, is amended by inserting ''179D,'' after ''179C,'' both places it appears in paragraphs (2)(C) and (3)(C).

(3) Section 1250(b)(3) is amended by inserting before the period at the end of the first sentence ''or by section 179D''.

(4) Section 263(a)(1), as amended by this Act, is amended by striking ''or'' at the end of subparagraph (I), by striking the period at the end of subparagraph (J) and inserting '', or'', and by inserting after subparagraph (J) the following new subparagraph:

''(K) expenditures for which a deduction is allowed under section 179D.''.

(5) Section 312(k)(3)(B), as amended by this Act, is amended by striking ''179, 179A, 179B, or 179C'' each place it appears in the heading and text and inserting ''179, 179A, 179B, 179C, or 179D''.

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1, as amended by this Act, is amended by inserting after section 179C the following new item:

''Sec. 179D. Energy efficient commercial buildings deduction.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act in taxable years ending after such date.

SEC. 1522. CREDIT FOR CONSTRUCTION OF NEW ENERGY EFFICIENT HOMES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by this Act, is amended by adding at the end the following new section:

''SEC. 45K. NEW ENERGY EFFICIENT HOME CREDIT.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—For purposes of section 38, in the case of an eligible contractor, the new energy efficient home credit for the taxable year is the applicable amount for each qualified new energy efficient home which is—

''(A) constructed by the eligible contractor, and

''(B) acquired by a person from such eligible contractor for use as a residence during the taxable year.

''(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount is an amount equal to—

''(i) in the case of a dwelling unit described in paragraph (1) or (3) of subsection (c), $1,000, and

''(ii) in the case of a dwelling unit described in paragraph (2) or (4) of subsection (c), $2,000.

''(b) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE CONTRACTOR.—The term 'eligible contractor' means—

''(A) the person who constructed the qualified new energy efficient home, or

''(B) in the case of a qualified new energy efficient home which is a manufactured home, the manufactured home producer of such home.

If more than 1 person is described in subparagraph (A) or (B) with respect to any qualified new energy efficient home, such term means the person designated as such by the owner of such home.

''(2) QUALIFIED NEW ENERGY EFFICIENT HOME.—The term 'qualified new energy efficient home' means a dwelling unit—

''(A) located in the United States,

''(B) the construction of which is substantially completed after the date of the enactment of this section, and

''(C) which meets the energy saving requirements of subsection (c).

''(3) CONSTRUCTION.—The term 'construction' includes substantial reconstruction and rehabilitation.

''(4) ACQUIRE.—The term 'acquire' includes purchase and, in the case of reconstruction and rehabilitation, such term includes a binding written contract for such reconstruction or rehabilitation.

''(c) ENERGY SAVING REQUIREMENTS.—A dwelling unit meets the energy saving requirements of this subsection if such unit is—

''(1) certified—

''(A) to have a level of annual heating and cooling energy consumption which is at least 30 percent below the annual level of heating and cooling energy consumption of a comparable dwelling unit—

''(i) which is constructed in accordance with the standards of chapter 4 of the 2003 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of this section, and

''(ii) for which the heating and cooling equipment efficiencies correspond to the minimum allowed under the regulations established by the Department of Energy pursuant to the National Appliance Energy Conservation Act of 1987 and in effect at the time of construction, and

''(B) to have building envelope component improvements account for at least ⅓ of such 30 percent,

''(2) certified—

''(A) to have a level of annual heating and cooling energy consumption which is at least 50 percent below such annual level, and

''(B) to have building envelope component improvements account for at least ⅕ of such 50 percent,

''(3) a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (section 3280 of title 24, Code of Federal Regulations) and which—

''(A) meets the requirements of clause (i), or

''(B) meets the requirements established by the Administrator of the Environmental Protection Agency under the Energy Star Labeled Homes program, or

''(4) a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (section 3280 of title 24, Code of Federal Regulations) and which meets the requirements of clause (ii).

''(d) CERTIFICATION.—

''(1) METHOD OF CERTIFICATION.—A certification described in paragraphs (1) and (2) of subsection (c) shall be made in accordance with guidance prescribed by the Secretary, after consultation with the Secretary of Energy. Such guidance shall specify procedures and methods for calculating energy and cost savings.

''(2) FORM.—Any certification described in subsection (c) shall be made in writing in a manner which specifies in readily verifiable fashion the energy efficient building envelope components and energy efficient heating or cooling equipment installed and their respective rated energy efficiency performance.

''(e) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section in connection with any expenditure for any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so determined.

''(f) COORDINATION WITH OTHER CREDITS AND DEDUCTIONS.—

''(1) SPECIAL RULE WITH RESPECT TO BUILDINGS WITH ENERGY EFFICIENT PROPERTY.—In the case of property which is described in section 200 which is installed in connection with a dwelling unit, the level of annual heating and cooling energy consumption of the comparable dwelling unit referred to in paragraphs (1) and (2) of subsection (c) shall be determined assuming such comparable dwelling unit contains the property for which such deduction or credit has been allowed.

''(2) COORDINATION WITH INVESTMENT CREDIT.—For purposes of this section, expenditures taken into account under section 47 or 48(a) shall not be taken into account under this section.

''(g) APPLICATION OF SECTION.—

''(1) 50 PERCENT HOMES.—In the case of any dwelling unit described in paragraph (2) or (4) of subsection (c), subsection (a) shall apply to qualified new energy efficient homes acquired during the period beginning on the date of the enactment of this section and ending on December 31, 2009.

''(2) 30 PERCENT HOMES.—In the case of any dwelling unit described in paragraph (1) or (3) of subsection (c), subsection (a) shall apply to qualified new energy efficient

homes acquired during the period beginning on the date of the enactment of this section and ending on December 31, 2007.''.

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit), as amended by this Act, is amended by striking ''plus'' at the end of paragraph (19), by striking the period at the end of paragraph (20) and inserting '', plus'', and by adding at the end the following new paragraph:

''(21) the new energy efficient home credit determined under section 45K(a).''.

(c) BASIS ADJUSTMENT.—Subsection (a) of section 1016, as amended by this Act, is amended by striking ''and'' at the end of paragraph (31), by striking the period at the end of paragraph (32) and inserting '', and'', and by adding at the end the following new paragraph:

''(33) to the extent provided in section 45K(e), in the case of amounts with respect to which a credit has been allowed under section 45K.''.

(d) DEDUCTION FOR CERTAIN UNUSED BUSINESS CREDITS.—Section 196(c) (defining qualified business credits) is amended by striking ''and'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', and'', and by adding after paragraph (12) the following new paragraph:

''(13) the new energy efficient home credit determined under section 45K(a).''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

''Sec. 45K. New energy efficient home credit.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 1523. DEDUCTION FOR BUSINESS ENERGY PROPERTY.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by adding at the end the following new section:

''SEC. 200. ENERGY PROPERTY DEDUCTION.

''(a) IN GENERAL.—There shall be allowed as a deduction for the taxable year an amount equal to the greater of—

''(1) the amount determined under subsection (b) for each energy property of the taxpayer placed in service during such taxable year, or

''(2) the energy efficient residential rental building property deduction determined under subsection (e).

''(b) AMOUNT FOR ENERGY PROPERTY.—The amount determined under this subsection for the taxable year shall be—

''(1) $150 for any advanced main air circulating fan,

''(2) $450 for any qualified natural gas, propane, or oil furnace or hot water boiler, and

''(2) $900 for any energy efficient building property.

''(c) ENERGY PROPERTY DEFINED.—

''(1) IN GENERAL.—For purposes of this part, the term 'energy property' means any property—

''(A) which is—

''(i) energy-efficient building property,

''(ii) a qualified natural gas, propane, or oil furnace or hot water boiler, or

''(iii) an advanced main air circulating fan,

''(B)(i) the construction, reconstruction, or erection of which is completed by the taxpayer, or

''(ii) which is acquired by the taxpayer if the original use of such property commences with the taxpayer,

''(C) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and

''(D) which meets the performance and quality standards, and the certification requirements (if any), which—

''(i) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy or the Administrator of the Environmental Protection Agency, as appropriate),

''(ii) in the case of the energy efficiency ratio (EER) for central air conditioners and electric heat pumps—

''(I) require measurements to be based on published data which is tested by manufacturers at 95 degrees Fahrenheit, and

''(II) may be based on the certified data of the Air Conditioning and Refrigeration Institute that are prepared in partnership with the Consortium for Energy Efficiency,

''(iii) in the case of geothermal heat pumps—

''(I) shall be based on testing under the conditions of ARI/ISO Standard 13256–1 for Water Source Heat Pumps or ARI 870 for Direct Expansion GeoExchange Heat Pumps (DX), as appropriate, and

''(II) shall include evidence that water heating services have been provided through a desuperheater or integrated water heating system connected to the storage water heater tank, and

''(iv) are in effect at the time of the acquisition of the property, or at the time of the completion of the construction, reconstruction, or erection of the property, as the case may be.

''(2) EXCEPTION.—Such term shall not include any property which is public utility property (as defined in section 46(f)(5) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

''(d) DEFINITIONS RELATING TO TYPES OF ENERGY PROPERTY.—For purposes of this section—

''(1) ENERGY-EFFICIENT BUILDING PROPERTY.—The term 'energy-efficient building property' means—

''(A) an electric heat pump water heater which yields an energy factor of at least 2.0 in the standard Department of Energy test procedure,

''(B) an electric heat pump which has a heating seasonal performance factor (HSPF) of at least 9, a seasonal energy efficiency ratio (SEER) of at least 15, and an energy efficiency ratio (EER) of at least 13,

''(C) a geothermal heat pump which—

''(i) in the case of a closed loop product, has an energy efficiency ratio (EER) of at least 14.1 and a heating coefficient of performance (COP) of at least 3.3,

''(ii) in the case of an open loop product, has an energy efficiency ratio (EER) of at least 16.2 and a heating coefficient of performance (COP) of at least 3.6, and

''(iii) in the case of a direct expansion (DX) product, has an energy efficiency ratio (EER) of at least 15 and a heating coefficient of performance (COP) of at least 3.5,

''(D) a central air conditioner which has a seasonal energy efficiency ratio (SEER) of at least 15 and an energy efficiency ratio (EER) of at least 13, and

''(E) a natural gas, propane, or oil water heater which has an energy factor of at least 0.80.

''(2) QUALIFIED NATURAL GAS, PROPANE, OR OIL FURNACE OR HOT WATER BOILER.—The term 'qualified natural gas, propane, or oil furnace or hot water boiler' means a natural gas, propane, or oil furnace or hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 95.

''(3) ADVANCED MAIN AIR CIRCULATING FAN.—The term 'advanced main air circulating fan' means a fan used in a natural gas, propane, or oil furnace originally placed in service by the taxpayer during the taxable year and which has an annual electricity use of no more than 2 percent of the total annual energy use of the furnace (as determined in the standard Department of Energy test procedures).

''(e) ENERGY EFFICIENT RESIDENTIAL RENTAL BUILDING PROPERTY DEDUCTION.—

''(1) DEDUCTION ALLOWED.—For purposes of subsection (a)—

''(A) IN GENERAL.—The energy efficient residential rental building property deduction determined under this subsection is an amount equal to energy efficient residential rental building property expenditures made by a taxpayer for the taxable year.

''(B) MAXIMUM AMOUNT OF DEDUCTION.—The amount of energy efficient residential rental building property expenditures taken into account under subparagraph (A) with respect to each dwelling unit shall not exceed—

''(i) $6,000 in the case of a percentage reduction of 50 percent or more as determined under paragraph (2)(B)(ii), and

''(ii) $12,000 times the percentage reduction in the case of a percentage reduction which is less than 50 percent as determined under paragraph (2)(B)(ii).

''(C) YEAR DEDUCTION ALLOWED.—The deduction under subparagraph (A) shall be allowed in the taxable year in which the construction, reconstruction, erection, or rehabilitation of the property is completed.

''(2) ENERGY EFFICIENT RESIDENTIAL RENTAL BUILDING PROPERTY EXPENDITURES.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'energy efficient residential rental building property expenditures' means an amount paid or incurred for energy efficient residential rental building property—

''(i) in connection with construction, reconstruction, erection, or rehabilitation of residential rental property (as defined in section 168(e)(2)(A)) other than property for which a deduction is allowable under section 179D,

''(ii) for which depreciation is allowable under section 167,

''(iii) which is located in the United States, and

''(iv) the construction, reconstruction, erection, or rehabilitation of which is completed by the taxpayer.

Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

''(B) ENERGY EFFICIENT RESIDENTIAL RENTAL BUILDING PROPERTY.—

''(i) IN GENERAL.—The term 'energy efficient residential rental building property' means any property which, individually or in combination with other property, reduces total annual energy and power costs with respect to heating and cooling of the building by 20 percent or more when compared to—

''(I) in the case of an existing building, the original condition of the building, and

''(II) in the case of a new building, the standards for residential buildings of the same type which are built in compliance with the applicable building construction codes.

''(ii) PROCEDURES.—

''(I) IN GENERAL.—For purposes of clause (i), energy usage and costs shall be demonstrated by performance-based compliance in accordance with the requirements of clause (iv).

''(II) COMPUTER SOFTWARE.—Computer software shall be used in support of performance-based compliance under subclause (I) and such software shall meet all of the procedures and methods for calculating energy savings reductions which are promulgated by the Secretary of Energy. Such regulations on the specifications for software and

verification protocols shall be based on the 2005 California Residential Alternative Calculation Method Approval Manual.

''(III) CALCULATION REQUIREMENTS.—In calculating tradeoffs and energy performance, the regulations prescribed under this clause shall prescribe for the taxable year the costs per unit of energy and power, such as kilowatt hour, kilowatt, gallon of fuel oil, and cubic foot or Btu of natural gas, which may be dependent on time of usage. If a State has developed annual energy usage and cost calculation procedures based on time of usage costs for use in the performance standards of the State's building energy code prior to the effective date of this section, the State may use those annual energy usage and cost calculation procedures in lieu of those adopted by the Secretary.

''(IV) APPROVAL OF SOFTWARE SUBMISSIONS.—The Secretary shall approve software submissions which comply with the requirements of subclause (II).

''(V) PROCEDURES FOR INSPECTION AND TESTING OF HOMES.—The Secretary shall ensure that procedures for the inspection and testing for compliance comply with the calculation requirements under subclause (III) of this clause and clause (iv).

''(iii) DETERMINATIONS OF COMPLIANCE.—A determination of compliance with respect to energy efficient residential rental building property made for the purposes of this subparagraph shall be filed with the Secretary not later than 1 year after the date of such determination and shall include the TIN of the certifier, the address of the building in compliance, and the identity of the person for whom such determination was performed. Determinations of compliance filed with the Secretary shall be available for inspection by the Secretary of Energy.

''(iv) COMPLIANCE.—

''(I) IN GENERAL.—The Secretary, after consultation with the Secretary of Energy, shall establish requirements for certification and compliance procedures after examining the requirements for energy consultants and home energy ratings providers specified by the Mortgage Industry National Home Energy Rating Standards.

''(II) INDIVIDUALS QUALIFIED TO DETERMINE COMPLIANCE.—The determination of compliance may be provided by a local building regulatory authority, a utility, a manufactured home production inspection primary inspection agency (IPIA), or an accredited home energy rating system provider. All providers shall be accredited, or otherwise authorized to use approved energy performance measurement methods, by the Residential Energy Services Network (RESNET).

''(C) ALLOCATION OF DEDUCTION FOR PUBLIC PROPERTY.—In the case of energy efficient residential rental building property which is property owned by a Federal, State, or local government or a political subdivision thereof, the Secretary shall promulgate a regulation to allow the allocation of the deduction to the person primarily responsible for designing the improvements to the property in lieu of the owner of such property. Such person shall be treated as the taxpayer for purposes of this subsection.

''(f) BASIS REDUCTION.—For purposes of this subtitle, if a deduction is allowed under this section with respect to any property, the basis of such property shall be reduced by the amount of the deduction so allowed.

''(g) REGULATIONS.—The Secretary shall promulgate such regulations as necessary to take into account new technologies regarding energy efficiency and renewable energy for purposes of determining energy efficiency and savings under this section.

''(h) TERMINATION.—This section shall not apply with respect to any property placed in service after December 31, 2008.''.

(b) CONFORMING AMENDMENT.—Section 1016(a), as amended by this Act, is amended by striking ''and'' at the end of paragraph (32), by striking the period at the end of paragraph (33) and inserting '', and'', and by inserting the following new paragraph:

''(34) for amounts allowed as a deduction under section 200(a).''.

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 200. Energy property deduction.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 1524. CREDIT FOR CERTAIN NONBUSINESS ENERGY PROPERTY.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following new section:

''SEC. 25C. NONBUSINESS ENERGY PROPERTY.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the greater of—

''(A) the amount of residential energy property expenditures made by the taxpayer during such taxable year, or

''(B) the amount specified in paragraph (2) for any building owned by the taxpayer which is certified as a highly energy-efficient principal residence during such taxable year.

''(2) CREDIT AMOUNT.—For purposes of paragraph (1)(B), the credit amount with respect to a highly energy-efficient principal residence is—

''(A) $2,000 in the case of a percentage reduction of 50 percent or more as determined under subsection (c)(4)(C), and

''(B) $4,000 times the percentage reduction in the case of a percentage reduction which is 20 percent or more but less than 50 percent as determined under subsection (c)(4)(C).

''(b) LIMITATION.—The amount of the credit allowed under this section by reason of subsection (a)(1)(A) shall not exceed—

''(1) $50 for any advanced main air circulating fan,

''(2) $150 for any qualified natural gas, propane, or oil furnace or hot water boiler, and

''(2) $300 for any item of energy efficient property.

''(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) RESIDENTIAL ENERGY PROPERTY EXPENDITURES.—The term 'residential energy property expenditures' means expenditures made by the taxpayer for qualified energy property installed on or in connection with a dwelling unit which—

''(A) is located in the United States, and

''(B) is used as a principal residence.

Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

''(2) QUALIFIED ENERGY PROPERTY.—

''(A) IN GENERAL.—The term 'qualified energy property' means—

''(i) energy-efficient building property,

''(ii) a qualified natural gas, propane, or oil furnace or hot water boiler, or

''(iii) an advanced main air circulating fan.

''(B) REQUIRED STANDARDS.—Property described under subparagraph (A) shall meet the performance and quality standards and certification standards of section 200(c)(1)(D).

''(3) ENERGY-EFFICIENT BUILDING PROPERTY; QUALIFIED NATURAL GAS, PROPANE, OR OIL FURNACE OR HOT WATER BOILER; ADVANCED MAIN AIR CIRCULATING FAN.—The terms 'energy-efficient building property', 'qualified natural gas, propane, or oil furnace or hot water boiler', and 'advanced main air circulating fan' have the meanings given such terms in section 200.

''(4) HIGHLY ENERGY-EFFICIENT PRINCIPAL RESIDENCE.—

''(A) IN GENERAL.—A building is a highly energy-efficient principal residence if—

''(i) such building is located in the United States,

''(ii) the building is used as a principal residence,

''(iii) in the case of a new building, the building is not acquired from an eligible contractor (within the meaning of section 45K(b)(1)), and

''(iv) the building is certified in accordance with subparagraph (D) as meeting the requirements of subparagraph (C).

''(B) PRINCIPAL RESIDENCE.—

''(i) IN GENERAL.—The term 'principal residence' has the same meaning as when used in section 121, except that—

''(I) no ownership requirement shall be imposed, and

''(II) the period for which a building is treated as used as a principal residence shall also include the 60-day period ending on the 1st day on which it would (but for this subparagraph) first be treated as used as a principal residence.

''(ii) MANUFACTURED HOUSING.—The term 'residence' shall include a dwelling unit which is a manufactured home conforming to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

''(C) REQUIREMENTS.—The requirements of this subparagraph are met if the projected heating and cooling energy usage of the building, measured in terms of average annual energy cost to taxpayer, is reduced by 20 percent or more in comparison to—

''(i) in the case of an existing building, the original condition of the building, and

''(ii) in the case of a new building, a comparable building—

''(I) which is constructed in accordance with the standards of chapter 4 of the 2003 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of this section, and

''(II) for which the heating and cooling equipment efficiencies correspond to the minimum allowed under the regulations established by the Department of Energy pursuant to the National Appliance Energy Conservation Act of 1987 and in effect at the time of construction.

''(D) CERTIFICATION PROCEDURES.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(iv), energy usage shall be demonstrated by performance-based compliance in accordance with the requirements of subsection (d)(2).

''(ii) COMPUTER SOFTWARE.—Computer software shall be used in support of performance-based compliance under clause (i) and such software shall meet all of the procedures and methods for calculating energy savings reductions which are promulgated by the Secretary of Energy. Such regulations on the specifications for software and verification protocols shall be based on the 2005 California Residential Alternative Calculation Method Approval Manual.

''(iii) CALCULATION REQUIREMENTS.—In calculating tradeoffs and energy performance, the regulations shall prescribe the costs per unit of energy and power, such as kilowatt hour, kilowatt, gallon of fuel oil, and cubic foot or Btu of natural gas, which may be dependent on time of usage. If a State has developed annual energy usage and cost calculation procedures based on time of usage

costs for use in the performance standards of the State's building energy code before the effective date of this section, the State may use those annual energy usage and cost calculation procedures in lieu of those adopted by the Secretary.

''(iv) APPROVAL OF SOFTWARE SUBMISSIONS.—The Secretary shall approve software submissions which comply with the calculation requirements of clause (ii).

''(v) PROCEDURES FOR INSPECTION AND TESTING OF DWELLING UNITS.—The Secretary shall ensure that procedures for the inspection and testing for compliance comply with the calculation requirements under clause (iii) and subsection (d)(2).

''(d) SPECIAL RULES.—For purposes of this section—

''(1) DETERMINATIONS OF COMPLIANCE.—A determination of compliance made for the purposes of this section shall be filed with the Secretary within 1 year of the date of such determination and shall include the TIN of the certifier, the address of the building in compliance, and the identity of the person for whom such determination was performed. Determinations of compliance filed with the Secretary shall be available for inspection by the Secretary of Energy.

''(2) COMPLIANCE.—

''(A) IN GENERAL.—The Secretary, after consultation with the Secretary of Energy, shall establish requirements for certification and compliance procedures after examining the requirements for energy consultants and home energy ratings providers specified by the Mortgage Industry National Home Energy Rating Standards.

''(B) INDIVIDUALS QUALIFIED TO DETERMINE COMPLIANCE.—The determination of compliance may be provided by a local building regulatory authority, a utility, a manufactured home production inspection primary inspection agency (IPIA), or an accredited home energy rating system provider. All providers shall be accredited, or otherwise authorized to use approved energy performance measurement methods, by the Residential Energy Services Network (RESNET).

''(3) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a principal residence by 2 or more individuals, the following rules shall apply:

''(A) The amount of the credit allowable under subsection (a) by reason of expenditures made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

''(B) There shall be allowable with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

''(4) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation and such credit shall be allocated pro rata to such individual.

''(5) CONDOMINIUMS.—

''(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which he owns, such individual shall be treated as having made his proportionate share of any expenditures of such association and any credit shall be allocated appropriately.

''(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as principal residences.

''(6) JOINT OWNERSHIP OF ENERGY ITEMS.—

''(A) IN GENERAL.—Any expenditure otherwise qualifying as an expenditure under this section shall not be treated as failing to so qualify merely because such expenditure was made with respect to 2 or more dwelling units.

''(B) LIMITS APPLIED SEPARATELY.—In the case of any expenditure described in subparagraph (A), the amount of the credit allowable under subsection (a) shall (subject to paragraph (1)) be computed separately with respect to the amount of the expenditure made for each dwelling unit.

''(7) ALLOCATION IN CERTAIN CASES.—If less than 80 percent of the use of an item is for nonbusiness purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness purposes shall be taken into account.

''(8) YEAR CREDIT ALLOWED.—The credit under subsection (a)(2) shall be allowed in the taxable year in which the percentage reduction with respect to the principal residence is certified.

''(9) WHEN EXPENDITURE MADE; AMOUNT OF EXPENDITURE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when the original installation of the item is completed.

''(B) EXPENDITURES PART OF BUILDING CONSTRUCTION.—In the case of an expenditure in connection with the construction of a structure, such expenditure shall be treated as made when the original use of the constructed structure by the taxpayer begins.

''(10) PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING.—

''(A) REDUCTION OF EXPENDITURES.—

''(i) IN GENERAL.—Except as provided in subparagraph (C), for purposes of determining the amount of expenditures made by any individual with respect to any dwelling unit, there shall not be taken into account expenditures which are made from subsidized energy financing.

''(ii) SUBSIDIZED ENERGY FINANCING.—For purposes of clause (i), the term 'subsidized energy financing' has the same meaning given such term in section 48(a)(4)(C).

''(B) DOLLAR LIMITS REDUCED.—The dollar amounts in subsection (b)(3) with respect to each property purchased for such dwelling unit for any taxable year of such taxpayer shall be reduced proportionately by an amount equal to the sum of—

''(i) the amount of the expenditures made by the taxpayer during such taxable year with respect to such dwelling unit and not taken into account by reason of subparagraph (A), and

''(ii) the amount of any Federal, State, or local grant received by the taxpayer during such taxable year which is used to make residential energy property expenditures with respect to the dwelling unit and is not included in the gross income of such taxpayer.

''(C) EXCEPTION FOR STATE PROGRAMS.—Subparagraphs (A) and (B) shall not apply to expenditures made with respect to property for which the taxpayer has received a loan, State tax credit, or grant under any State energy program.

''(11) COORDINATION WITH SECTION 25D.—In any case in which a credit under section 25D has been allowed with respect to property in connection with a building for which a credit is allowable under this section by reason of subsection (a)(1)(B)—

''(A) for purposes of subsection (c)(4)(C), the average annual energy cost with respect to heating and cooling of—

''(i) for purposes of subsection (c)(4)(C)(i), the original condition of the building, and

''(ii) for purposes of subsection (c)(4)(C)(ii), the comparable building,

shall be determined assuming such building contains the property for which such credit has been allowed, and

''(B) any cost of such property taken into account under such section shall not be taken into account under this section.

''(e) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(f) REGULATIONS.—The Secretary shall promulgate such regulations as necessary to take into account new technologies regarding energy efficiency and renewable energy for purposes of determining energy efficiency and savings under this section.

''(g) TERMINATION.—This section shall not apply with respect to any property placed in service after December 31, 2008.''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 1016, as amended by this Act, is amended by striking ''and'' at the end of paragraph (33), by striking the period at the end of paragraph (34) and inserting '', and'', and by adding at the end the following new paragraph:

''(35) to the extent provided in section 25C(e), in the case of amounts with respect to which a credit has been allowed under section 25C.''.

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25B the following new item:

''Sec. 25C. Nonbusiness energy property.''.

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to property placed in service after December 31, 2005.

SEC. 1525. ENERGY CREDIT FOR COMBINED HEAT AND POWER SYSTEM PROPERTY.

(a) IN GENERAL.—Section 48(a)(3)(A) (defining energy property) is by striking ''or'' at the end of clause (i), by inserting ''or'' at the end of clause (ii), and by adding at the end the following new clause:

''(iii) combined heat and power system property,''.

(b) COMBINED HEAT AND POWER SYSTEM PROPERTY.—Section 48 (relating to energy credit; reforestation credit) is amended by adding at the end the following new subsection:

''(c) COMBINED HEAT AND POWER SYSTEM PROPERTY.—For purposes of subsection (a)(3)(A)(iii)—

''(1) COMBINED HEAT AND POWER SYSTEM PROPERTY.—The term 'combined heat and power system property' means property comprising a system—

''(A) which uses the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with the generation of steam or other forms of useful thermal energy (including heating and cooling applications),

''(B) which has an electrical capacity of not more than 15 megawatts or a mechanical

energy capacity of not more than 2,000 horsepower or an equivalent combination of electrical and mechanical energy capacities,

''(C) which produces—

''(i) at least 20 percent of its total useful energy in the form of thermal energy which is not used to produce electrical or mechanical power (or combination thereof), and

''(ii) at least 20 percent of its total useful energy in the form of electrical or mechanical power (or combination thereof),

''(D) the energy efficiency percentage of which exceeds 60 percent, and

''(E) which is placed in service before January 1, 2008.

''(2) SPECIAL RULES.—

''(A) ENERGY EFFICIENCY PERCENTAGE.—For purposes of this subsection, the energy efficiency percentage of a system is the fraction—

''(i) the numerator of which is the total useful electrical, thermal, and mechanical power produced by the system at normal operating rates, and expected to be consumed in its normal application, and

''(ii) the denominator of which is the lower heating value of the fuel sources for the system.

''(B) DETERMINATIONS MADE ON BTU BASIS.—The energy efficiency percentage and the percentages under paragraph (1)(C) shall be determined on a Btu basis.

''(C) INPUT AND OUTPUT PROPERTY NOT INCLUDED.—The term 'combined heat and power system property' does not include property used to transport the energy source to the facility or to distribute energy produced by the facility.

''(D) CERTAIN EXCEPTION NOT TO APPLY.—The first sentence of the matter in subsection (a)(3) which follows subparagraph (D) thereof shall not apply to combined heat and power system property.

''(3) SYSTEMS USING BAGASSE.—If a system is designed to use bagasse for at least 90 percent of the energy source—

''(A) paragraph (1)(D) shall not apply, but

''(B) the amount of credit determined under subsection (a) with respect to such system shall not exceed the amount which bears the same ratio to such amount of credit (determined without regard to this paragraph) as the energy efficiency percentage of such system bears to 60 percent.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after the date of the enactment of this Act, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 1526. CREDIT FOR ENERGY EFFICIENT APPLIANCES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

''SEC. 45L. ENERGY EFFICIENT APPLIANCE CREDIT.

''(a) GENERAL RULE.—

''(1) IN GENERAL.—For purposes of section 38, the energy efficient appliance credit determined under this section for any taxable year is an amount equal to the sum of the credit amounts determined under paragraph (2) for each type of qualified energy efficient appliance produced by the taxpayer during the calendar year ending with or within the taxable year.

''(2) CREDIT AMOUNTS.—The credit amount determined for any type of qualified energy efficient appliance is—

''(A) the applicable amount determined under subsection (b) with respect to such type, multiplied by

''(B) the eligible production for such type.

''(b) APPLICABLE AMOUNT.—

''(1) IN GENERAL.—For purposes of subsection (a)—

''(A) DISHWASHERS.—The applicable amount is the energy savings amount in the case of a dishwasher which—

''(i) is manufactured in calendar year 2006 or 2007, and

''(ii) meets the requirements of the Energy Star program which are in effect for dishwashers in 2007.

''(B) CLOTHES WASHERS.—The applicable amount is—

''(i) $50, in the case of a clothes washer which—

''(I) is manufactured in calendar year 2005, and

''(II) has an MEF of at least 1.42,

''(ii) $100, in the case of a clothes washer which—

''(I) is manufactured in calendar year 2005, 2006, or 2007, and

''(II) meets the requirements of the Energy Star program which are in effect for clothes washers in 2007, and

''(iii) the energy and water savings amount, in the case of a clothes washer which—

''(I) is manufactured in calendar year 2008, 2009, or 2010, and

''(II) meets the requirements of the Energy Star program which are in effect for clothes washers in 2010.

''(C) REFRIGERATORS.—

''(i) 15 PERCENT SAVINGS.—The applicable amount is $75 in the case of a refrigerator which—

''(I) is manufactured in calendar year 2005 or 2006, and

''(II) consumes at least 15 percent but not more than 20 percent less kilowatt hours per year than the 2001 energy conservation standard.

''(ii) 20 PERCENT SAVINGS.—In the case of a refrigerator which consumes at least 20 percent but not more than 25 percent less kilowatt hours per year than the 2001 energy conservation standards, the applicable amount is—

''(I) $125 for a refrigerator which is manufactured in calendar year 2005, 2006, or 2007, and

''(II) $100 for a refrigerator which is manufactured in calendar year 2008.

''(iii) 25 PERCENT SAVINGS.—In the case of a refrigerator which consumes at least 25 percent less kilowatt hours per year than the 2001 energy conservation standards, the applicable amount is—

''(I) $175 for a refrigerator which is manufactured in calendar year 2005, 2006, or 2007, and

''(II) $150 for a refrigerator which is manufactured in calendar year 2008, 2009, or 2010.

''(2) ENERGY SAVINGS AMOUNT.—For purposes of paragraph (1)(A)—

''(A) IN GENERAL.—The energy savings amount is the lesser of—

''(i) the product of—

''(I) $3, and

''(II) 100 multiplied by the energy savings percentage, or

''(ii) $100.

''(B) ENERGY SAVINGS PERCENTAGE.—For purposes of subparagraph (A), the energy savings percentage is the ratio of—

''(i) the EF required by the Energy Star program for dishwashers in 2007 minus the EF required by the Energy Star program for dishwashers in 2005, to

''(ii) the EF required by the Energy Star program for dishwashers in 2007.

''(3) ENERGY AND WATER SAVINGS AMOUNT.—For purposes of paragraph (1)(B)(iii)—

''(A) IN GENERAL.—The energy and water savings amount is the lesser of—

''(i) the product of—

''(I) $10, and

''(II) 100 multiplied by the energy and water savings percentage, or

''(ii) $200.

''(B) ENERGY AND WATER SAVINGS PERCENTAGE.—For purposes of subparagraph (A), the energy and water savings percentage is the average of the MEF savings percentage and the WF savings percentage.

''(C) MEF SAVINGS PERCENTAGE.—For purposes of this paragraph, the MEF savings percentage is the ratio of—

''(i) the MEF required by the Energy Star program for clothes washers in 2010 minus the MEF required by the Energy Star program for clothes washers in 2007, to

''(ii) the MEF required by the Energy Star program for clothes washers in 2010.

''(D) WF SAVINGS PERCENTAGE.—For purposes of this paragraph, the WF savings percentage is the ratio of—

''(i) the WF required by the Energy Star program for clothes washers in 2007 minus the WF required by the Energy Star program for clothes washers in 2010, to

''(ii) the WF required by the Energy Star program for clothes washers in 2007.

''(c) ELIGIBLE PRODUCTION.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the eligible production in a calendar year with respect to each type of energy efficient appliance is the excess of—

''(A) the number of appliances of such type which are produced by the taxpayer in the United States during such calendar year, over

''(B) the average number of appliances of such type which were produced by the taxpayer (or any predecessor) in the United States during the preceding 3-calendar year period.

''(2) SPECIAL RULE FOR REFRIGERATORS.—The eligible production in a calendar year with respect to each type of refrigerator described in subsection (b)(1)(C) is the excess of—

''(A) the number of appliances of such type which are produced by the taxpayer in the United States during such calendar year, over

''(B) 110 percent of the average number of appliances of such type which were produced by the taxpayer (or any predecessor) in the United States during the preceding 3-calendar year period.

''(3) SPECIAL RULE FOR 2005 PRODUCTION.—For purposes of determining eligible production for calendar year 2005—

''(A) only production after the date of enactment of this section shall be taken into account under paragraphs (1)(A) and (2)(A), and

''(B) the amount taken into account under paragraphs (1)(B) and (2)(B) shall be an amount which bears the same ratio to the amount which would (but for this paragraph) be taken into account under such paragraph as—

''(i) the number of days in calendar year 2005 after the date of enactment of this section, bears to

''(ii) 365.

''(d) TYPES OF ENERGY EFFICIENT APPLIANCE.—For purposes of this section, the types of energy efficient appliances are—

''(1) dishwashers described in subsection (b)(1)(A),

''(2) clothes washers described in subsection (b)(1)(B)(i),

''(3) clothes washers described in subsection (b)(1)(B)(ii),

''(4) clothes washers described in subsection (b)(1)(B)(iii),

''(5) refrigerators described in subsection (b)(1)(C)(i),

''(6) refrigerators described in subsection (b)(1)(C)(ii)(I),

''(7) refrigerators described in subsection (b)(1)(C)(ii)(II),

''(8) refrigerators described in subsection (b)(1)(C)(iii)(I), and

''(9) refrigerators described in subsection (b)(1)(C)(iii)(II).

''(e) LIMITATIONS.—

''(1) AGGREGATE CREDIT AMOUNT ALLOWED.—The aggregate amount of credit allowed under subsection (a) with respect to a taxpayer for any taxable year shall not exceed $75,000,000 reduced by the amount of the credit allowed under subsection (a) to the taxpayer (or any predecessor) for all prior taxable years.

''(2) AMOUNT ALLOWED FOR CERTAIN APPLIANCES.—

''(A) IN GENERAL.—In the case of appliances described in subparagraph (C), the aggregate amount of the credit allowed under subsection (a) with respect to a taxpayer for any taxable year shall not exceed $20,000,000 reduced by the amount of the credit allowed under subsection (a) to the taxpayer (or any predecessor) for all prior taxable years with respect to such appliances.

''(B) ELECTION TO INCREASE ALLOWABLE CREDIT.—In the case of any taxpayer who makes an election under this subparagraph—

''(i) subparagraph (A) shall be applied by substituting '$25,000,000' for '$20,000,000', and

''(ii) the aggregate amount of the credit allowed under subsection (a) with respect to such taxpayer for any taxable year for appliances described in subparagraph (C) and the additional appliances described in subparagraph (D) shall not exceed $50,000,000 reduced by the amount of the credit allowed under subsection (a) to the taxpayer (or any predecessor) for all prior taxable years with respect to such appliances.

''(C) APPLIANCES DESCRIBED.—The appliances described in this subparagraph are—

''(i) clothes washers described in subsection (b)(1)(B)(i), and

''(ii) refrigerators described in subsection (b)(1)(C)(i).

''(D) ADDITIONAL APPLIANCES.—The additional appliances described in this subparagraph are—

''(i) refrigerators described in subsection (b)(1)(C)(ii)(I), and

''(ii) refrigerators described in subsection (b)(1)(C)(ii)(II).

''(3) LIMITATION BASED ON GROSS RECEIPTS.—The credit allowed under subsection (a) with respect to a taxpayer for the taxable year shall not exceed an amount equal to 2 percent of the average annual gross receipts of the taxpayer for the 3 taxable years preceding the taxable year in which the credit is determined.

''(4) GROSS RECEIPTS.—For purposes of this subsection, the rules of paragraphs (2) and (3) of section 448(c) shall apply.

''(f) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED ENERGY EFFICIENT APPLIANCE.—The term 'qualified energy efficient appliance' means—

''(A) any dishwasher described in subsection (b)(1)(A),

''(B) any clothes washer described in subsection (b)(1)(B), and

''(C) any refrigerator described in subsection (b)(1)(C).

''(2) DISHWASHER.—The term 'dishwasher' means a residential dishwasher subject to the energy conservation standards established by the Department of Energy.

''(3) CLOTHES WASHER.—The term 'clothes washer' means a residential model clothes washer, including a residential style coin operated washer.

''(4) REFRIGERATOR.—The term 'refrigerator' means a residential model automatic defrost refrigerator-freezer which has an internal volume of at least 16.5 cubic feet.

''(5) MEF.—The term 'MEF' means the modified energy factor established by the Department of Energy for compliance with the Federal energy conservation standards.

''(6) EF.—The term 'EF' means the energy factor established by the Department of Energy for compliance with the Federal energy conservation standards.

''(7) WF.—The term 'WF' means Water Factor (as determined by the Secretary of Energy).

''(8) PRODUCED.—The term 'produced' includes manufactured.

''(9) 2001 ENERGY CONSERVATION STANDARD.—The term '2001 energy conservation standard' means the energy conservation standards promulgated by the Department of Energy and effective July 1, 2001.

''(g) SPECIAL RULES.—For purposes of this section—

''(1) IN GENERAL.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply.

''(2) CONTROLLED GROUP.—

''(A) IN GENERAL.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as a single producer.

''(B) INCLUSION OF FOREIGN CORPORATIONS.—For purposes of subparagraph (A), in applying subsections (a) and (b) of section 52 to this section, section 1563 shall be applied without regard to subsection (b)(2)(C) thereof.

''(3) VERIFICATION.—No amount shall be allowed as a credit under subsection (a) with respect to which the taxpayer has not submitted such information or certification as the Secretary, in consultation with the Secretary of Energy, determines necessary.''.

(b) CONFORMING AMENDMENT.—Section 38(b) (relating to general business credit), as amended by this Act, is amended by striking ''plus'' at the end of paragraph (20), by striking the period at the end of paragraph (21) and inserting '', plus'', and by adding at the end the following new paragraph:

''(22) the energy efficient appliance credit determined under section 45L(a).''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

''Sec. 45L. Energy efficient appliance credit''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to appliances produced after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 1527. CREDIT FOR RESIDENTIAL ENERGY EFFICIENT PROPERTY.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by this Act, is amended by inserting after section 25C the following new section:

''SEC. 25D. RESIDENTIAL ENERGY EFFICIENT PROPERTY.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

''(1) 30 percent of the qualified photovoltaic property expenditures made by the taxpayer during such year,

''(2) 30 percent of the qualified solar water heating property expenditures made by the taxpayer during such year,

''(3) 30 percent of the qualified fuel cell property expenditures made by the taxpayer during such year,

''(b) LIMITATIONS.—

''(1) MAXIMUM CREDIT.—The credit allowed under subsection (a) shall not exceed—

''(A) $2,000 for property described in paragraph (1) or (2) of subsection (d), and

''(B) $500 for each 0.5 kilowatt of capacity of property described in subsection (d)(4).

''(2) CERTIFICATIONS.—No credit shall be allowed under this section for an item of property unless—

''(A) in the case of solar water heating property, such property is certified for performance by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which such property is installed, and

''(B) in the case of a photovoltaic property or a fuel cell property such property meets appropriate fire and electric code requirements.

''(c) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

''(d) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED SOLAR WATER HEATING PROPERTY EXPENDITURE.—The term 'qualified solar water heating property expenditure' means an expenditure for property to heat water for use in a dwelling unit located in the United States and used as a residence by the taxpayer if at least half of the energy used by such property for such purpose is derived from the sun.

''(2) QUALIFIED PHOTOVOLTAIC PROPERTY EXPENDITURE.—The term 'qualified photovoltaic property expenditure' means an expenditure for property which uses solar energy to generate electricity for use in a dwelling unit located in the United States and used as a residence by the taxpayer.

''(3) SOLAR PANELS.—No expenditure relating to a solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as property described in paragraph (1) or (2) solely because it constitutes a structural component of the structure on which it is installed.

''(4) QUALIFIED FUEL CELL PROPERTY EXPENDITURE.—The term 'qualified fuel cell property expenditure' means an expenditure for qualified fuel cell property (as defined in section 48(d)(1)) installed on or in connection with a dwelling unit located in the United States and used as a principal residence (within the meaning of section 121) by the taxpayer.

''(5) LABOR COSTS.—Expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property described in paragraph (1), (2), (4), (5), or (6) and for piping or wiring to interconnect such property to the dwelling unit shall be taken into account for purposes of this section.

''(6) SWIMMING POOLS, ETC., USED AS STORAGE MEDIUM.—Expenditures which are properly allocable to a swimming pool, hot tub, or any other energy storage medium which has a function other than the function of such storage shall not be taken into account for purposes of this section.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following rules shall apply:

''(A) The amount of the credit allowable, under subsection (a) by reason of expenditures (as the case may be) made during such calendar year by any of such individuals with respect to such dwelling unit shall be

determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

''(B) There shall be allowable, with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

''(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation.

''(3) CONDOMINIUMS.—

''(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which the individual owns, such individual shall be treated as having made the individual's proportionate share of any expenditures of such association.

''(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

''(4) ALLOCATION IN CERTAIN CASES.—If less than 80 percent of the use of an item is for nonbusiness purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness purposes shall be taken into account.

''(5) WHEN EXPENDITURE MADE; AMOUNT OF EXPENDITURE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when the original installation of the item is completed.

''(B) EXPENDITURES PART OF BUILDING CONSTRUCTION.—In the case of an expenditure in connection with the construction or reconstruction of a structure, such expenditure shall be treated as made when the original use of the constructed or reconstructed structure by the taxpayer begins.

''(C) AMOUNT.—The amount of any expenditure shall be the cost thereof.

''(6) PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING.—For purposes of determining the amount of expenditures made by any individual with respect to any dwelling unit, there shall not be taken into account expenditures which are made from subsidized energy financing (as defined in section 48(a)(4)(C)).

''(f) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(g) TERMINATION.—The credit allowed under this section shall not apply to property placed in service after December 31, 2009.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a), as amended by this Act, is amended by striking ''and'' at the end of paragraph (34), by striking the period at the end of paragraph (35) and inserting '', and'', and by adding at the end the following new paragraph:

''(36) to the extent provided in section 25D(f), in the case of amounts with respect to which a credit has been allowed under section 25D.''.

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 25C the following new item:

''Sec. 25D. Residential energy efficient property.''.

(c) EFFECTIVE DATES.—Except as provided by paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

SEC. 1528. CREDIT FOR BUSINESS INSTALLATION OF QUALIFIED FUEL CELLS AND STATIONARY MICROTURBINE POWER PLANTS.

(a) IN GENERAL.—Section 48(a)(3)(A) (defining energy property), as amended by this Act, is amended by striking ''or'' at the end of clause (ii), by adding ''or'' at the end of clause (iii), and by inserting after clause (iii) the following new clause:

''(iv) qualified fuel cell property or qualified microturbine property,''.

(b) QUALIFIED FUEL CELL PROPERTY; QUALIFIED MICROTURBINE PROPERTY.—Section 48 (relating to energy credit) is amended by adding at the end the following new subsection:

''(d) QUALIFIED FUEL CELL PROPERTY; QUALIFIED MICROTURBINE PROPERTY.—For purposes of this subsection—

''(1) QUALIFIED FUEL CELL PROPERTY.—

''(A) IN GENERAL.—The term 'qualified fuel cell property' means a fuel cell power plant which—

''(i) has a nameplate capacity of at least 0.5 kilowatt of electricity using an electrochemical process, and

''(ii) has an electricity-only generation efficiency greater than 30 percent.

''(B) LIMITATION.—In the case of qualified fuel cell property placed in service during the taxable year, the credit otherwise determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal to $500 for each 0.5 kilowatt of capacity of such property.

''(C) FUEL CELL POWER PLANT.—The term 'fuel cell power plant' means an integrated system comprised of a fuel cell stack assembly and associated balance of plant components which converts a fuel into electricity using electrochemical means.

''(D) SPECIAL RULE.—The first sentence of the matter in subsection (a)(3) which follows subparagraph (D) thereof shall not apply to qualified fuel cell property which is used predominantly in the trade or business of the furnishing or sale of telephone service, telegraph service by means of domestic telegraph operations, or other telegraph services (other than international telegraph services).

''(E) TERMINATION.—The term 'qualified fuel cell property' shall not include any property for any period after December 31, 2009.

''(2) QUALIFIED MICROTURBINE PROPERTY.—

''(A) IN GENERAL.—The term 'qualified microturbine property' means a stationary microturbine power plant which—

''(i) has a nameplate capacity of less than 2,000 kilowatts, and

''(ii) has an electricity-only generation efficiency of not less than 26 percent at International Standard Organization conditions.

''(B) LIMITATION.—In the case of qualified microturbine property placed in service during the taxable year, the credit otherwise determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal $200 for each kilowatt of capacity of such property.

''(C) STATIONARY MICROTURBINE POWER PLANT.—The term 'stationary microturbine power plant' means an integrated system comprised of a gas turbine engine, a combustor, a recuperator or regenerator, a generator or alternator, and associated balance of plant components which converts a fuel into electricity and thermal energy. Such term also includes all secondary components located between the existing infrastructure for fuel delivery and the existing infrastructure for power distribution, including equipment and controls for meeting relevant power standards, such as voltage, frequency, and power factors.

''(D) SPECIAL RULE.—The first sentence of the matter in subsection (a)(3) which follows subparagraph (D) thereof shall not apply to qualified microturbine property which is used predominantly in the trade or business of the furnishing or sale of telephone service, telegraph service by means of domestic telegraph operations, or other telegraph services (other than international telegraph services).

''(E) TERMINATION.—The term 'qualified microturbine property' shall not include any property for any period after December 31, 2008.''.

(c) ENERGY PERCENTAGE.—Section 48(a)(2)(A) (relating to energy percentage) is amended to read as follows:

''(A) IN GENERAL.—The energy percentage is—

''(i) in the case of qualified fuel cell property, 30 percent, and

''(ii) in the case of any other energy property, 10 percent.''.

(d) CONFORMING AMENDMENT.— Section 48(a)(1) is amended by inserting ''except as provided in paragraph (1)(B) or (2)(B) of subsection (d),'' before ''the energy''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2005, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 1529. BUSINESS SOLAR INVESTMENT TAX CREDIT.

(a) INCREASE IN ENERGY PERCENTAGE.—Section 48(a)(2)(A) (relating to energy percentage), as amended by this Act, is amended to read as follows:

''(A) IN GENERAL.—The energy percentage is—

''(i) in the case of energy property described in paragraph (3)(A)(i) and qualified fuel cell property, 30 percent, and

''(ii) in the case of any other energy property, 10 percent.''.

(b) HYBRID SOLAR LIGHTING SYSTEMS.—Clause (i) of section 48(a)(3)(A) is amended to read as follows:

''(i) equipment which uses solar energy to generate electricity for use in a structure, to heat or cool (or provide hot water for use in) a structure, to illuminate the inside of a structure using fiber-optic distributed sunlight or to provide solar process heat, excepting property used to generate energy for the purposes of heating a swimming pool,''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2005, in taxable years ending after such date, and before January 1, 2010, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

Subtitle D—Alternative Motor Vehicles and Fuels Incentives

SEC. 1531. ALTERNATIVE MOTOR VEHICLE CREDIT.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.) is amended by adding at the end the following new section:

"SEC. 30B. ALTERNATIVE MOTOR VEHICLE CREDIT.

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

''(1) the new qualified fuel cell motor vehicle credit determined under subsection (b),

''(2) the new qualified hybrid motor vehicle credit determined under subsection (c), and

''(3) the new qualified alternative fuel motor vehicle credit determined under subsection (d).

''(b) NEW QUALIFIED FUEL CELL MOTOR VEHICLE CREDIT.—

''(1) IN GENERAL.—For purposes of subsection (a), the new qualified fuel cell motor vehicle credit determined under this subsection with respect to a new qualified fuel cell motor vehicle placed in service by the taxpayer during the taxable year is—

''(A) $8,000 ($4,000 in the case of a vehicle placed in service after December 31, 2009), if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

''(B) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

''(C) $20,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

''(D) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

''(2) INCREASE FOR FUEL EFFICIENCY.—

''(A) IN GENERAL.—The amount determined under paragraph (1)(A) with respect to a new qualified fuel cell motor vehicle which is a passenger automobile or light truck shall be increased by—

''(i) $1,000, if such vehicle achieves at least 150 percent but less than 175 percent of the 2002 model year city fuel economy,

''(ii) $1,500, if such vehicle achieves at least 175 percent but less than 200 percent of the 2002 model year city fuel economy,

''(iii) $2,000, if such vehicle achieves at least 200 percent but less than 225 percent of the 2002 model year city fuel economy,

''(iv) $2,500, if such vehicle achieves at least 225 percent but less than 250 percent of the 2002 model year city fuel economy,

''(v) $3,000, if such vehicle achieves at least 250 percent but less than 275 percent of the 2002 model year city fuel economy,

''(vi) $3,500, if such vehicle achieves at least 275 percent but less than 300 percent of the 2002 model year city fuel economy, and

''(vii) $4,000, if such vehicle achieves at least 300 percent of the 2002 model year city fuel economy.

''(B) 2002 MODEL YEAR CITY FUEL ECONOMY.—For purposes of subparagraph (A), the 2002 model year city fuel economy with respect to a vehicle shall be determined in accordance with the following tables:

''(i) In the case of a passenger automobile:

"If vehicle inertia weight class is:	**The 2002 model year city fuel economy is:**
1,500 or 1,750 lbs	45.2 mpg
2,000 lbs	39.6 mpg
2,250 lbs	35.2 mpg
2,500 lbs	31.7 mpg
2,750 lbs	28.8 mpg
3,000 lbs	26.4 mpg
3,500 lbs	22.6 mpg
4,000 lbs	19.8 mpg
4,500 lbs	17.6 mpg
5,000 lbs	15.9 mpg
5,500 lbs	14.4 mpg
6,000 lbs	13.2 mpg
6,500 lbs	12.2 mpg
7,000 to 8,500 lbs	11.3 mpg.

''(ii) In the case of a light truck:

"If vehicle inertia weight class is:	**The 2002 model year city fuel economy is:**
1,500 or 1,750 lbs	39.4 mpg
2,000 lbs	35.2 mpg
2,250 lbs	31.8 mpg
2,500 lbs	29.0 mpg
2,750 lbs	26.8 mpg
3,000 lbs	24.9 mpg
3,500 lbs	21.8 mpg
4,000 lbs	19.4 mpg
4,500 lbs	17.6 mpg
5,000 lbs	16.1 mpg
5,500 lbs	14.8 mpg
6,000 lbs	13.7 mpg
6,500 lbs	12.8 mpg
7,000 to 8,500 lbs	12.1 mpg.

''(C) VEHICLE INERTIA WEIGHT CLASS.—For purposes of subparagraph (B), the term 'vehicle inertia weight class' has the same meaning as when defined in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

''(3) NEW QUALIFIED FUEL CELL MOTOR VEHICLE.—For purposes of this subsection, the term 'new qualified fuel cell motor vehicle' means a motor vehicle—

''(A) which is propelled by power derived from 1 or more cells which convert chemical energy directly into electricity by combining oxygen with hydrogen fuel which is stored on board the vehicle in any form and may or may not require reformation prior to use,

''(B) which, in the case of a passenger automobile or light truck, has received on or after the date of the enactment of this section a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission level established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle,

''(C) the original use of which commences with the taxpayer,

''(D) which is acquired for use or lease by the taxpayer and not for resale, and

''(E) which is made by a manufacturer.

''(c) NEW QUALIFIED HYBRID MOTOR VEHICLE CREDIT.—

''(1) IN GENERAL.—For purposes of subsection (a), the new qualified hybrid motor vehicle credit determined under this subsection with respect to a new qualified hybrid motor vehicle placed in service by the taxpayer during the taxable year is the credit amount determined under paragraph (2) or (3).

''(2) CREDIT AMOUNT FOR LIGHTER VEHICLES.—

''(A) IN GENERAL.—In the case of a new qualified hybrid motor vehicle which is a passenger automobile, medium duty passenger vehicle, or light truck, the credit amount determined under this paragraph shall be—

''(i) $400, if such vehicle achieves at least 125 percent but less than 150 percent of the 2002 model year city fuel economy,

''(ii) $800, if such vehicle achieves at least 150 percent but less than 175 percent of the 2002 model year city fuel economy,

''(iii) $1,200, if such vehicle achieves at least 175 percent but less than 200 percent of the 2002 model year city fuel economy,

''(iv) $1,600, if such vehicle achieves at least 200 percent but less than 225 percent of the 2002 model year city fuel economy,

''(v) $2,000, if such vehicle achieves at least 225 percent but less than 250 percent of the 2002 model year city fuel economy, and

''(vi) $2,400, if such vehicle achieves at least 250 percent of the 2002 model year city fuel economy.

''(B) 2002 MODEL YEAR CITY FUEL ECONOMY.—For purposes of subparagraph (A), the 2002 model year city fuel economy with respect to a vehicle shall be determined on a gasoline gallon equivalent basis as determined by the Administrator of the Environmental Protection Agency using the tables provided in subsection (b)(2)(B) with respect to such vehicle.

''(3) CREDIT AMOUNT FOR HEAVIER VEHICLES.—

''(A) IN GENERAL.—In the case of a new qualified hybrid motor vehicle which is a heavy duty hybrid motor vehicle, the credit amount determined under this paragraph is an amount equal to the applicable percentage of the incremental cost of such vehicle placed in service by the taxpayer during the taxable year.

''(B) INCREMENTAL COST.—For purposes of this paragraph, the incremental cost of any heavy duty hybrid motor vehicle is equal to the amount of the excess of the manufacturer's suggested retail price for such vehicle over such price for a comparable gasoline or diesel fuel motor vehicle of the same model, to the extent such amount does not exceed—

''(i) $7,500, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

''(ii) $15,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

''(iii) $30,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

''(C) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

"If percent increase in fuel economy of hybrid over comparable vehicle is:	**The applicable percentage is:**
At least 30 but less than 40 percent	20 percent.
At least 40 but less than 50 percent	30 percent.
At least 50 percent	40 percent.

''(4) NEW QUALIFIED HYBRID MOTOR VEHICLE.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'new qualified hybrid motor vehicle' means a motor vehicle—

''(i) which draws propulsion energy from onboard sources of stored energy which are both—

''(I) an internal combustion or heat engine using consumable fuel, and

''(II) a rechargeable energy storage system,

''(ii) which, in the case of a passenger automobile, medium duty passenger vehicle, or light truck—

''(I) has received a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission level established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle, and

''(II) has a maximum available power of at least 5 percent,

''(iii) which, in the case of a heavy duty hybrid motor vehicle—

''(I) which has a gross vehicle weight rating of more than 8,500 but not more than 14,000 pounds, has a maximum available power of at least 10 percent, and

''(II) which has a gross vehicle weight rating of more than 14,000 pounds, has a maximum available power of at least 15 percent,

''(iv) the original use of which commences with the taxpayer,

''(v) which is acquired for use or lease by the taxpayer and not for resale, and

''(vi) which is made by a manufacturer.

''(B) CONSUMABLE FUEL.—For purposes of subparagraph (A)(i)(I), the term 'consumable fuel' means any solid, liquid, or gaseous matter which releases energy when consumed by an auxiliary power unit.

''(C) MAXIMUM AVAILABLE POWER.—

''(i) PASSENGER AUTOMOBILE, MEDIUM DUTY PASSENGER VEHICLE, OR LIGHT TRUCK.—For purposes of subparagraph (A)(ii)(II), the term 'maximum available power' means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by such maximum power and the SAE net power of the heat engine.

''(ii) HEAVY DUTY HYBRID MOTOR VEHICLE.—For purposes of subparagraph (A)(iii), the term 'maximum available power' means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by the vehicle's total traction power. The term 'total traction power' means the sum of the peak power from the rechargeable energy storage system and the heat engine peak power of the vehicle, except that if such storage system is the sole means by which the vehicle can be driven, the total traction power is the peak power of such storage system.

''(4) HEAVY DUTY HYBRID MOTOR VEHICLE.—For purposes of this subsection, the term 'heavy duty hybrid motor vehicle' means a new qualified hybrid motor vehicle which has a gross vehicle weight rating of more than 8,500 pounds. Such term does not include a medium duty passenger vehicle.

''(d) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE CREDIT.—

''(1) ALLOWANCE OF CREDIT.—Except as provided in paragraph (5), the new qualified alternative fuel motor vehicle credit determined under this subsection is an amount equal to the applicable percentage of the incremental cost of any new qualified alternative fuel motor vehicle placed in service by the taxpayer during the taxable year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage with respect to any new qualified alternative fuel motor vehicle is—

''(A) 50 percent, plus

''(B) 30 percent, if such vehicle—

''(i) has received a certificate of conformity under the Clean Air Act and meets or exceeds the most stringent standard available for certification under the Clean Air Act for that make and model year vehicle (other than a zero emission standard), or

''(ii) has received an order certifying the vehicle as meeting the same requirements as vehicles which may be sold or leased in California and meets or exceeds the most stringent standard available for certification under the State laws of California (enacted in accordance with a waiver granted under section 209(b) of the Clean Air Act) for that make and model year vehicle (other than a zero emission standard).

For purposes of the preceding sentence, in the case of any new qualified alternative fuel motor vehicle which weighs more than 14,000 pounds gross vehicle weight rating, the most stringent standard available shall be such standard available for certification on the date of the enactment of the Energy Tax Incentives Act.

''(3) INCREMENTAL COST.—For purposes of this subsection, the incremental cost of any new qualified alternative fuel motor vehicle is equal to the amount of the excess of the manufacturer's suggested retail price for such vehicle over such price for a gasoline or diesel fuel motor vehicle of the same model, to the extent such amount does not exceed—

''(A) $5,000, if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

''(B) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

''(C) $25,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

''(D) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

''(4) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'new qualified alternative fuel motor vehicle' means any motor vehicle—

''(i) which is only capable of operating on an alternative fuel,

''(ii) the original use of which commences with the taxpayer,

''(iii) which is acquired by the taxpayer for use or lease, but not for resale, and

''(iv) which is made by a manufacturer.

''(B) ALTERNATIVE FUEL.—The term 'alternative fuel' means compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, and any liquid at least 85 percent of the volume of which consists of methanol.

''(5) CREDIT FOR MIXED-FUEL VEHICLES.—

''(A) IN GENERAL.—In the case of a mixed-fuel vehicle placed in service by the taxpayer during the taxable year, the credit determined under this subsection is an amount equal to—

''(i) in the case of a 75/25 mixed-fuel vehicle, 70 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle, and

''(ii) in the case of a 90/10 mixed-fuel vehicle, 90 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle.

''(B) MIXED-FUEL VEHICLE.—For purposes of this subsection, the term 'mixed-fuel vehicle' means any motor vehicle described in subparagraph (C) or (D) of paragraph (3), which—

''(i) is certified by the manufacturer as being able to perform efficiently in normal operation on a combination of an alternative fuel and a petroleum-based fuel,

''(ii) either—

''(I) has received a certificate of conformity under the Clean Air Act, or

''(II) has received an order certifying the vehicle as meeting the same requirements as vehicles which may be sold or leased in California and meets or exceeds the low emission vehicle standard under section 88.105–94 of title 40, Code of Federal Regulations, for that make and model year vehicle,

''(iii) the original use of which commences with the taxpayer,

''(iv) which is acquired by the taxpayer for use or lease, but not for resale, and

''(v) which is made by a manufacturer.

''(C) 75/25 MIXED-FUEL VEHICLE.—For purposes of this subsection, the term '75/25 mixed-fuel vehicle' means a mixed-fuel vehicle which operates using at least 75 percent alternative fuel and not more than 25 percent petroleum-based fuel.

''(D) 90/10 MIXED-FUEL VEHICLE.—For purposes of this subsection, the term '90/10 mixed-fuel vehicle' means a mixed-fuel vehicle which operates using at least 90 percent alternative fuel and not more than 10 percent petroleum-based fuel.

''(e) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(1) the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 29, and 30, over

''(2) the tentative minimum tax for the taxable year.

''(f) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) MOTOR VEHICLE.—The term 'motor vehicle' has the meaning given such term by section 30(c)(2).

''(2) CITY FUEL ECONOMY.—The city fuel economy with respect to any vehicle shall be measured in a manner which is substantially similar to the manner city fuel economy is measured in accordance with procedures under part 600 of subchapter Q of chapter I of title 40, Code of Federal Regulations, as in effect on the date of the enactment of this section.

''(3) OTHER TERMS.—The terms 'automobile', 'passenger automobile', 'medium duty passenger vehicle', 'light truck', and 'manufacturer' have the meanings given such terms in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

''(4) REDUCTION IN BASIS.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed (determined without regard to subsection (e)).

''(5) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter—

''(A) for any incremental cost taken into account in computing the amount of the credit determined under subsection (d) shall be reduced by the amount of such credit attributable to such cost, and

''(B) with respect to a vehicle described under subsection (b) or (c), shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year.

''(6) PROPERTY USED BY TAX-EXEMPT ENTITY.—In the case of a vehicle whose use is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in

service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (e)).

''(7) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

''(8) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit (including recapture in the case of a lease period of less than the economic life of a vehicle).

''(9) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

''(10) CARRYBACK AND CARRYFORWARD ALLOWED.—

''(A) IN GENERAL.—If the credit allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (e) for such taxable year (in this paragraph referred to as the 'unused credit year'), such excess shall be a credit carryback to each of the 3 taxable years preceding the unused credit year and a credit carryforward to each of the 20 taxable years following the unused credit year, except that no excess may be carried to a taxable year beginning before the date of the enactment of this section. The preceding sentence shall not apply to any credit carryback if such credit carryback is attributable to property for which a deduction for depreciation is not allowable.

''(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryback and credit carryforward under subparagraph (A).

''(11) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—Unless otherwise provided in this section, a motor vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

''(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

''(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

''(g) REGULATIONS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.

''(2) COORDINATION IN PRESCRIPTION OF CERTAIN REGULATIONS.—The Secretary of the Treasury, in coordination with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

''(h) TERMINATION.—This section shall not apply to any property purchased after—

''(1) in the case of a new qualified fuel cell motor vehicle (as described in subsection (b)), December 31, 2014,

''(2) in the case of a new qualified hybrid motor vehicle (as described in subsection (c)), December 31, 2009, and

''(3) in the case of a new qualified alternative fuel vehicle (as described in subsection (d)), December 31, 2010.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a), as amended by this Act, is amended by striking ''and'' at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting '', and'', and by adding at the end the following new paragraph:

''(37) to the extent provided in section 30B(f)(4).''.

(2) Section 55(c)(2), as amended by this Act, is amended by inserting ''30B(e),'' after ''30(b)(2),''.

(3) Section 6501(m) is amended by inserting ''30B(f)(9),'' after ''30(d)(4),''.

(4) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following new item:

''Sec. 30B. Alternative motor vehicle credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 1532. MODIFICATION OF CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) AMOUNT OF CREDIT.—

(1) IN GENERAL.—Section 30(a) (relating to allowance of credit) is amended by striking ''10 percent of''.

(2) LIMITATION OF CREDIT ACCORDING TO TYPE OF VEHICLE.—Paragraph (1) of section 30(b) (relating to limitations) is amended to read as follows:

''(1) LIMITATION ACCORDING TO TYPE OF VEHICLE.—The amount of the credit allowed under subsection (a) for any vehicle shall not exceed the greatest of the following amounts applicable to such vehicle:

''(A) In the case of a vehicle with a gross vehicle weight rating not exceeding 8,500 pounds—

''(i) except as provided in clause (ii) or (iii), $4,000,

''(ii) $6,000, if such vehicle is—

''(I) capable of a driving range of at least 100 miles on a single charge of the vehicle's rechargeable batteries as measured pursuant to the urban dynamometer schedules under appendix I to part 86 of title 40, Code of Federal Regulations, or

''(II) capable of a payload capacity of at least 1,000 pounds, and

''(iii) if such vehicle is a low-speed vehicle which conforms to Standard 500 prescribed by the Secretary of Transportation (49 C.F.R. 571.500), as in effect on the date of the enactment of the Energy Tax Incentives Act, the lesser of—

''(I) 10 percent of the manufacturer's suggested retail price of the vehicle, or

''(II) $1,500.

''(B) In the case of a vehicle with a gross vehicle weight rating exceeding 8,500 but not exceeding 14,000 pounds, $10,000.

''(C) In the case of a vehicle with a gross vehicle weight rating exceeding 14,000 but not exceeding 26,000 pounds, $20,000.

''(D) In the case of a vehicle with a gross vehicle weight rating exceeding 26,000 pounds, $40,000.''.

(b) QUALIFIED BATTERY ELECTRIC VEHICLE.—

(1) IN GENERAL.—Section 30(c)(1)(A) (defining qualified electric vehicle) is amended to read as follows:

''(A) which is—

''(i) operated solely by use of a battery or battery pack, or

''(ii) powered primarily through the use of an electric battery or battery pack using a flywheel or capacitor which stores energy produced by an electric motor through regenerative braking to assist in vehicle operation,''.

(2) LEASED VEHICLES.—Section 30(c)(1)(C) is amended by inserting ''or lease'' after ''use''.

(3) CONFORMING AMENDMENTS.—

(A) Subsections (a), (b)(2), and (c) of section 30 are each amended by inserting ''battery'' after ''qualified'' each place it appears.

(B) The heading of subsection (c) of section 30 is amended by inserting ''BATTERY'' after ''QUALIFIED''.

(C) The heading of section 30 is amended by inserting ''**BATTERY**'' after ''**QUALIFIED**''.

(D) The item relating to section 30 in the table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting ''battery'' after ''qualified''.

(E) Section 179A(c)(3) is amended by inserting ''battery'' before ''electric''.

(F) The heading of paragraph (3) of section 179A(c) is amended by inserting ''BATTERY'' before ''ELECTRIC''.

(c) ADDITIONAL SPECIAL RULES.—

(1) IN GENERAL.—Section 30(d) (relating to special rules) is amended by adding at the end the following new paragraphs:

''(5) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter for any cost taken into account in computing the amount of the credit determined under subsection (a) shall be reduced by the amount of such credit attributable to such cost.

''(6) PROPERTY USED BY TAX-EXEMPT ENTITY.—In the case of a vehicle whose use is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (b)(3)).

''(7) CARRYBACK AND CARRYFORWARD ALLOWED.—

''(A) IN GENERAL.—If the credit allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (b)(2) for such taxable year (in this paragraph referred to as the 'unused credit year'), such excess shall be a credit carryback to each of the 3 taxable years preceding the unused credit year and a credit carryforward to each of the 20 taxable years following the unused credit year, except that no excess may be carried to a taxable year beginning before the date of the enactment of this paragraph. The preceding sentence shall not apply to any credit carryback if such credit carryback is attributable to property for which a deduction for depreciation is not allowable.

''(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryback and credit carryforward under subparagraph (A).''.

(2) CONFORMING AMENDMENTS.—Section 30(d)(3) is amended—

(A) by striking ''section 50(b)'' and inserting ''section 50(b)(1)'', and

(B) by striking '', ETC.,'' in the heading thereof.

(d) TERMINATION.—Section 30(e) (relating to termination) is amended by striking ''2006'' and inserting ''2009''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 1533. CREDIT FOR INSTALLATION OF ALTERNATIVE FUELING STATIONS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to other credits), as amended by this Act, is amended

by adding at the end the following new section:

"SEC. 30C. ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.

''(a) CREDIT ALLOWED.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the cost of any qualified alternative fuel vehicle refueling property placed in service by the taxpayer during the taxable year.

''(b) LIMITATION.—The credit allowed under subsection (a) with respect to any alternative fuel vehicle refueling property shall not exceed—

''(1) $30,000 in the case of a property of a character subject to an allowance for depreciation, and

''(2) $1,000 in any other case.

''(c) QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the term 'qualified alternative fuel vehicle refueling property' has the meaning given to such term by section 179A(d), but only with respect to any fuel at least 85 percent of the volume of which consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, and hydrogen.

''(2) RESIDENTIAL PROPERTY.—In the case of any property installed on property which is used as the principal residence (within the meaning of section 121) of the taxpayer, paragraph (1) of section 179A(d) shall not apply.

''(d) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(1) the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 29, 30, and 30B, over

''(2) the tentative minimum tax for the taxable year.

''(e) CARRYFORWARD ALLOWED.—

''(1) IN GENERAL.—If the credit amount allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (d) for such taxable year, such excess shall be allowed as a credit carryforward for each of the 20 taxable years following the unused credit year.

''(2) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryforward under paragraph (1).

''(f) SPECIAL RULES.—For purposes of this section—

''(1) BASIS REDUCTION.—The basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a).

''(2) NO DOUBLE BENEFIT.—No deduction shall be allowed under section 179A with respect to any property with respect to which a credit is allowed under subsection (a).

''(3) PROPERTY USED BY TAX-EXEMPT ENTITY.—In the case of any qualified alternative fuel vehicle refueling property the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such property to the person or entity using such property shall be treated as the taxpayer that placed such property in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such property (determined without regard to subsection (d)).

''(4) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

''(5) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any property if the taxpayer elects not to have this section apply to such property.

''(6) RECAPTURE RULES.—Rules similar to the rules of section 179A(e)(4) shall apply.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

''(h) TERMINATION.—This section shall not apply to any property placed in service—

''(1) in the case of property relating to hydrogen, after December 31, 2014, and

''(2) in the case of any other property, after December 31, 2009.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a), as amended by this Act, is amended by striking ''and'' at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting '', and'', and by adding at the end the following new paragraph:

''(38) to the extent provided in section 30C(f).''.

(2) Section 55(c)(2), as amended by this Act, is amended by inserting ''30C(e),'' after ''30B(e),''.

(3) Section 6501(m) is amended by inserting ''30C(f)(5),'' after ''30B(f)(9),''.

(4) The table of sections for subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 30B the following new item:

''Sec. 30C. Clean-fuel vehicle refueling property credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

SEC. 1534. VOLUMETRIC EXCISE TAX CREDIT FOR ALTERNATIVE FUELS.

(a) IMPOSITION OF TAX.—

(1) IN GENERAL.—Section 4041(a)(2)(B) (relating to rate of tax) is amended—

(A) by adding ''and'' at the end of clause (i),

(B) by striking clauses (ii) and (iii),

(C) by striking the last sentence, and

(D) by adding after clause (i) the following new clause:

''(ii) in the case of liquefied natural gas, any liquid fuel (other than ethanol and methanol) derived from coal (including peat), and liquid hydrocarbons derived from biomass (as defined in section 29(c)(3)), 24.3 cents per gallon.''.

(2) TREATMENT OF COMPRESSED NATURAL GAS.—Section 4041(a)(3) (relating to compressed natural gas) is amended—

(A) by striking ''48.54 cents per MCF (determined at standard temperature and pressure)'' in subparagraph (A) and inserting ''18.3 cents per energy equivalent of a gallon of gasoline'', and

(B) by striking ''MCF'' in subparagraph (C) and inserting ''energy equivalent of a gallon of gasoline''.

(3) ZERO RATE FOR HYDROGEN.—Section 4041(a)(2)(A) is amended by inserting ''liquefied hydrogen,'' after ''fuel oil,''.

(4) NEW REFERENCE.—The heading for paragraph (2) of section 4041(a) is amended by striking ''SPECIAL MOTOR FUELS'' and inserting ''ALTERNATIVE FUELS''.

(b) CREDIT FOR ALTERNATIVE FUEL AND ALTERNATIVE FUEL MIXTURES.—

(1) IN GENERAL.—Section 6426(a) (relating to allowance of credits) is amended to read as follows:

''(a) ALLOWANCE OF CREDITS.—There shall be allowed as a credit—

''(1) against the tax imposed by section 4081 an amount equal to the sum of the credits described in subsections (b), (c), and (e), and

''(2) against the tax imposed by section 4041 an amount equal to the sum of the credits described in subsection (d).

No credit shall be allowed in the case of the credits described in subsections (d) and (e) unless the taxpayer is registered under section 4101.

(2) ALTERNATIVE FUEL AND ALTERNATIVE FUEL MIXTURE CREDIT.—Section 6426 (relating to credit for alcohol fuel and biodiesel mixtures) is amended by redesignating subsections (d) and (e) as subsections (f) and (g) and by inserting after subsection (c) the following new subsections:

''(d) ALTERNATIVE FUEL CREDIT.—

''(1) IN GENERAL.—For purposes of this section, the alternative fuel credit is the product of 50 cents and the number of gallons of an alternative fuel or gasoline gallon equivalents of a nonliquid alternative fuel sold by the taxpayer for use as a fuel in a motor vehicle or motorboat, or so used by the taxpayer.

''(2) ALTERNATIVE FUEL.—For purposes of this section, the term 'alternative fuel' means—

''(A) liquefied petroleum gas,

''(B) P Series Fuels (as defined by the Secretary of Energy under section 13211(2) of title 42, United States Code),

''(C) compressed or liquefied natural gas,

''(D) hydrogen,

''(E) any liquid fuel derived from coal (including peat) through the Fischer-Tropsch process,

''(F) liquid hydrocarbons derived from biomass (as defined in section 29(c)(3)).

Such term does not include ethanol, methanol, or biodiesel.

''(3) GASOLINE GALLON EQUIVALENT.—For purposes of this subsection, the term 'gasoline gallon equivalent' means, with respect to any nonliquid alternative fuel, the amount of such fuel having a Btu content of 124,800 (higher heating value).

''(4) TERMINATION.—This subsection shall not apply to any sale, use, or removal for any period after September 30, 2009.

''(e) ALTERNATIVE FUEL MIXTURE CREDIT.—

''(1) IN GENERAL.—For purposes of this section, the alternative fuel mixture credit is the product of 50 cents and the number of gallons of alternative fuel used by the taxpayer in producing any alternative fuel mixture for sale or use in a trade or business of the taxpayer.

''(2) ALTERNATIVE FUEL MIXTURE.—For purposes of this section, the term 'alternative fuel mixture' means a mixture of alternative fuel and taxable fuel (as defined in subparagraph (A), (B), or (C) of section 4083(a)(1)) which—

''(A) is sold by the taxpayer producing such mixture to any person for use as fuel, or

''(B) is used as a fuel by the taxpayer producing such mixture.

''(3) TERMINATION.—This subsection shall not apply to any sale, use, or removal for any period after September 30, 2009.''.

(3) CONFORMING AMENDMENTS.—

(A) The section heading for section 6426 is amended by striking ''**ALCOHOL FUEL AND BIODIESEL**'' and inserting ''**ALCOHOL FUEL, BIODIESEL, AND ALTERNATIVE FUEL**''.

(B) The table of sections for subchapter B of chapter 65 is amended by striking ''alcohol fuel and biodiesel'' in the item relating to section 6426 and inserting ''alcohol fuel, biodiesel, and alternative fuel''.

(C) Section 6427(e) is amended—

(i) by inserting ''or the alternative fuel mixture credit'' after ''biodiesel mixture credit'' in paragraph (1),

(ii) by redesignating paragraph (2) as paragraph (3) and paragraph (4) as paragraph (5),

(iii) by inserting after paragraph (1) the following new paragraph:

''(2) ALTERNATIVE FUEL.—If any person sells or uses an alternative fuel (as defined in section 6426(d)(2)) for a purpose described in section 6426(d)(1) in such person's trade or business, the Secretary shall pay (without interest) to such person an amount equal to the alternative fuel credit with respect to such fuel.'',

(iv) by striking ''under paragraph (1) with respect to any mixture'' in paragraph (3) (as redesignated by clause (ii)) and inserting ''under paragraph (1) or (2) with respect to any mixture or alternative fuel'',

(v) by inserting after paragraph (3) (as so redesignated) the following new paragraph:

''(4) REGISTRATION REQUIREMENT FOR ALTERNATIVE FUELS.—The Secretary shall not make any payment under this subsection to any person with respect to any alternative fuel credit or alternative fuel mixture credit unless the person is registered under section 4101.'',

(vi) by striking ''and'' at the end of paragraph (5)(A) (as redesignated by clause (ii)),

(vii) by striking the period at the end of paragraph (5)(B) (as so redesignated) and inserting a comma,

(viii) by adding at the end of paragraph (4) (as so redesignated) the following new subparagraphs:

''(C) except as provided in subparagraph (D), any alternative fuel or alternative fuel mixture (as defined in section 6426 (d)(2) or (e)(3)) sold or used after September 30, 2009, and

''(D) any alternative fuel or alternative fuel mixture (as so defined) involving hydrogen sold or used after December 31, 2014.'', and

(ix) by striking ''OR BIODIESEL USED TO PRODUCE ALCOHOL FUEL AND BIODIESEL MIXTURES'' in the heading and inserting '', BIODIESEL, OR ALTERNATIVE FUEL''.

(c) ADDITIONAL REGISTRATION REQUIREMENTS.—Section 4101(a)(1) (relating to registration) is amended—

(1) by striking ''4041(a)(1)'' and inserting ''4041(a)'', and

(2) by inserting ''or hydrogen'' before ''shall register''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any sale, use, or removal for any period after September 30, 2006.

SEC. 1535. EXTENSION OF EXCISE TAX PROVISIONS AND INCOME TAX CREDIT FOR BIODIESEL.

(a) IN GENERAL.—Sections 40A(e), 6426(c)(6), and 6427(e)(4)(B) are each amended by striking ''2006'' and inserting ''2010''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle E—Additional Energy Tax Incentives

SEC. 1541. TEN-YEAR RECOVERY PERIOD FOR UNDERGROUND NATURAL GAS STORAGE FACILITY PROPERTY.

(a) IN GENERAL.—Subparagraph (D) of section 168(e)(3) (relating to 10-year property) is amended by striking ''and'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', and'', and by adding at the end the following new clause:

''(iii) any qualified underground natural gas storage facility property.''.

(b) DEFINITION.—Section 168(i) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(17) QUALIFIED UNDERGROUND NATURAL GAS STORAGE FACILITY PROPERTY.—

''(A) IN GENERAL.—The term 'qualified underground natural gas storage facility property' means any underground natural gas storage facility and any equipment related to such facility, including any nonrecoverable cushion gas, the original use of which commences with the taxpayer.

''(B) CUSHION GAS.—The term 'cushion gas' means the minimum volume of natural gas necessary to provide the pressure to facilitate the flow of natural gas from a storage reservoir, aquifer, or cavern to a pipeline.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 1542. EXPANSION OF RESEARCH CREDIT.

(a) CREDIT FOR EXPENSES ATTRIBUTABLE TO CERTAIN COLLABORATIVE ENERGY RESEARCH CONSORTIA.—

(1) IN GENERAL.—Section 41(a) (relating to credit for increasing research activities) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end the following new paragraph:

''(3) 20 percent of the amounts paid or incurred by the taxpayer in carrying on any trade or business of the taxpayer during the taxable year (including as contributions) to an energy research consortium.''.

(2) ENERGY RESEARCH CONSORTIUM DEFINED.—Section 41(f) (relating to special rules) is amended by adding at the end the following new paragraph:

''(6) ENERGY RESEARCH CONSORTIUM.—

''(A) IN GENERAL.—The term 'energy research consortium' means any organization—

''(i) which is—

''(I) described in section 501(c)(3) and is exempt from tax under section 501(a) and is organized and operated primarily to conduct energy research, or

''(II) organized and operated primarily to conduct energy research in the public interest (within the meaning of section 501(c)(3)),

''(ii) which is not a private foundation,

''(iii) to which at least 5 unrelated persons paid or incurred during the calendar year in which the taxable year of the organization begins amounts (including as contributions) to such organization for energy research, and

''(iv) to which no single person paid or incurred (including as contributions) during such calendar year an amount equal to more than 50 percent of the total amounts received by such organization during such calendar year for energy research.

''(B) TREATMENT OF PERSONS.—All persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as related persons for purposes of subparagraph (A)(iii) and as a single person for purposes of subparagraph (A)(iv).''.

(3) CONFORMING AMENDMENT.—Section 41(b)(3)(C) is amended by inserting ''(other than an energy research consortium)'' after ''organization''.

(b) REPEAL OF LIMITATION ON CONTRACT RESEARCH EXPENSES PAID TO SMALL BUSINESSES, UNIVERSITIES, AND FEDERAL LABORATORIES.—Section 41(b)(3) (relating to contract research expenses) is amended by adding at the end the following new subparagraph:

''(D) AMOUNTS PAID TO ELIGIBLE SMALL BUSINESSES, UNIVERSITIES, AND FEDERAL LABORATORIES.—

''(i) IN GENERAL.—In the case of amounts paid by the taxpayer to—

''(I) an eligible small business,

''(II) an institution of higher education (as defined in section 3304(f)), or

''(III) an organization which is a Federal laboratory,

for qualified research which is energy research, subparagraph (A) shall be applied by substituting '100 percent' for '65 percent'.

''(ii) ELIGIBLE SMALL BUSINESS.—For purposes of this subparagraph, the term 'eligible small business' means a small business with respect to which the taxpayer does not own (within the meaning of section 318) 50 percent or more of—

''(I) in the case of a corporation, the outstanding stock of the corporation (either by vote or value), and

''(II) in the case of a small business which is not a corporation, the capital and profits interests of the small business.

''(iii) SMALL BUSINESS.—For purposes of this subparagraph—

''(I) IN GENERAL.—The term 'small business' means, with respect to any calendar year, any person if the annual average number of employees employed by such person during either of the 2 preceding calendar years was 500 or fewer. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the person was in existence throughout the year.

''(II) STARTUPS, CONTROLLED GROUPS, AND PREDECESSORS.—Rules similar to the rules of subparagraphs (B) and (D) of section 220(c)(4) shall apply for purposes of this clause.

''(iv) FEDERAL LABORATORY.—For purposes of this subparagraph, the term 'Federal laboratory' has the meaning given such term by section 4(6) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(6)), as in effect on the date of the enactment of the Energy Tax Incentives Act.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 1543. SMALL AGRI-BIODIESEL PRODUCER CREDIT.

(a) IN GENERAL.—Subsection (a) of section 40A (relating to biodiesel used as a fuel) is amended to read as follows:

''(a) GENERAL RULE.—For purposes of section 38, the biodiesel fuels credit determined under this section for the taxable year is an amount equal to the sum of—

''(1) the biodiesel mixture credit, plus

''(2) the biodiesel credit, plus

''(3) in the case of an eligible small agri-biodiesel producer, the small agri-biodiesel producer credit.''.

(b) SMALL AGRI-BIODIESEL PRODUCER CREDIT DEFINED.—Section 40A(b) (relating to definition of biodiesel mixture credit and biodiesel credit) is amended by adding at the end the following new paragraph:

''(5) SMALL AGRI-BIODIESEL PRODUCER CREDIT.—

''(A) IN GENERAL.—The small agri-biodiesel producer credit of any eligible small agri-biodiesel producer for any taxable year is 10 cents for each gallon of qualified agri-biodiesel production of such producer.

''(B) QUALIFIED AGRI-BIODIESEL PRODUCTION.—For purposes of this paragraph, the term 'qualified agri-biodiesel production' means any agri-biodiesel which is produced by an eligible small agri-biodiesel producer, and which during the taxable year—

''(i) is sold by such producer to another person—

''(I) for use by such other person in the production of a qualified biodiesel mixture in such other person's trade or business (other than casual off-farm production),

''(II) for use by such other person as a fuel in a trade or business, or

''(III) who sells such agri-biodiesel at retail to another person and places such agri-biodiesel in the fuel tank of such other person, or

''(ii) is used or sold by such producer for any purpose described in clause (i).

''(C) LIMITATION.—The qualified agri-biodiesel production of any producer for any taxable year shall not exceed 15,000,000 gallons.''.

(c) DEFINITIONS AND SPECIAL RULES.—Section 40A is amended by redesignating subsection (e) as subsection (f) and by inserting

after subsection (d) the following new subsection:

''(e) DEFINITIONS AND SPECIAL RULES FOR SMALL AGRI-BIODIESEL PRODUCER CREDIT.—For purposes of this section—

''(1) ELIGIBLE SMALL AGRI-BIODIESEL PRODUCER.—The term 'eligible small agri-biodiesel producer' means a person who, at all times during the taxable year, has a productive capacity for agri-biodiesel not in excess of 60,000,000 gallons.

''(2) AGGREGATION RULE.—For purposes of the 15,000,000 gallon limitation under subsection (b)(5)(C) and the 60,000,000 gallon limitation under paragraph (1), all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 52(b) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

''(3) PARTNERSHIP, S CORPORATION, AND OTHER PASS-THRU ENTITIES.—In the case of a partnership, trust, S corporation, or other pass-thru entity, the limitations contained in subsection (b)(5)(C) and paragraph (1) shall be applied at the entity level and at the partner or similar level.

''(4) ALLOCATION.—For purposes of this subsection, in the case of a facility in which more than 1 person has an interest, productive capacity shall be allocated among such persons in such manner as the Secretary may prescribe.

''(5) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary—

''(A) to prevent the credit provided for in subsection (a)(3) from directly or indirectly benefiting any person with a direct or indirect productive capacity of more than 60,000,000 gallons of agri-biodiesel during the taxable year, or

''(B) to prevent any person from directly or indirectly benefiting with respect to more than 15,000,000 gallons during the taxable year.

''(6) ALLOCATION OF SMALL AGRI-BIODIESEL CREDIT TO PATRONS OF COOPERATIVE.—

''(A) ELECTION TO ALLOCATE.—

''(i) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year.

''(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year. Such election shall not take effect unless the organization designates the apportionment as such in a written notice mailed to its patrons during the payment period described in section 1382(d).

''(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—

''(i) ORGANIZATIONS.—The amount of the credit not apportioned to patrons pursuant to subparagraph (A) shall be included in the amount determined under subsection (a)(3) for the taxable year of the organization.

''(ii) PATRONS.—The amount of the credit apportioned to patrons pursuant to subparagraph (A) shall be included in the amount determined under such subsection for the first taxable year of each patron ending on or after the last day of the payment period (as defined in section 1382(d)) for the taxable year of the organization or, if earlier, for the taxable year of each patron ending on or after the date on which the patron receives notice from the cooperative of the apportionment.

''(iii) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the amount of the credit of the organization determined under such subsection for a taxable year is less than the amount of such credit shown on the return of the organization for such year, an amount equal to the excess of—

''(I) such reduction, over

''(II) the amount not apportioned to such patrons under subparagraph (A) for the taxable year,

shall be treated as an increase in tax imposed by this chapter on the organization. Such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.''.

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (4) of section 40A(b) is amended by striking ''this section'' and inserting ''paragraph (1) or (2) of subsection (a)''.

(2) The heading of subsection (b) of section 40A is amended by striking ''AND BIODIESEL CREDIT'' and inserting '', BIODIESEL CREDIT, AND SMALL AGRI-BIODIESEL PRODUCER CREDIT''.

(3) Paragraph (3) of section 40A(d) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) PRODUCER CREDIT.—If—

''(i) any credit was determined under subsection (a)(3), and

''(ii) any person does not use such fuel for a purpose described in subsection (b)(5)(B),

then there is hereby imposed on such person a tax equal to 10 cents a gallon for each gallon of such agri-biodiesel.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 1544. IMPROVEMENTS TO SMALL ETHANOL PRODUCER CREDIT.

(a) DEFINITION OF SMALL ETHANOL PRODUCER.—Section 40(g) (relating to definitions and special rules for eligible small ethanol producer credit) is amended by striking ''30,000,000'' each place it appears and inserting ''60,000,000''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 1545. CREDIT FOR EQUIPMENT FOR PROCESSING OR SORTING MATERIALS GATHERED THROUGH RECYCLING.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

''SEC. 45M. CREDIT FOR QUALIFIED RECYCLING EQUIPMENT.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the qualified recycling equipment credit determined under this section for the taxable year is an amount equal to the amount paid or incurred during the taxable year for the cost of qualified recycling equipment placed in service or leased by the taxpayer.

''(b) LIMITATION.—The amount allowable as a credit under subsection (a) with respect to any qualified recycling equipment shall not exceed 15 percent of the cost of such qualified recycling equipment.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED RECYCLING EQUIPMENT.—

''(A) IN GENERAL.—The term 'qualified recycling equipment' means equipment, including connecting piping, employed in sorting or processing residential and commercial qualified recyclable materials for the purpose of converting such materials for use in manufacturing tangible consumer products, including packaging. Such term includes equipment which is utilized at commercial or public venues, including recycling collection centers, where the equipment is utilized to sort or process qualified recyclable materials for such purpose.

''(B) EXCLUSION.—Such term does not include rolling stock or other equipment used to transport recyclable materials.

''(2) QUALIFIED RECYCLABLE MATERIALS.—The term 'qualified recyclable materials' means any packaging or printed material which is glass, paper, plastic, steel, or aluminum generated by an individual or business and which has been separated from solid waste for the purposes of collection and recycling.

''(3) PROCESSING.—The term 'processing' means the preparation of qualified recyclable materials into feedstock for use in manufacturing tangible consumer products.

''(d) AMOUNT PAID OR INCURRED.—For purposes of this section—

''(1) IN GENERAL.—The term 'amount paid or incurred' includes installation costs.

''(2) LEASE PAYMENTS.—In the case of the leasing of qualified recycling equipment by the taxpayer, the term 'amount paid or incurred' means the amount of the lease payments due to be paid during the term of the lease occurring during the taxable year other than such portion of such lease payments attributable to interest, insurance, and taxes.

''(3) GRANTS, ETC. EXCLUDED.—The term 'amount paid or incurred' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(e) OTHER TAX DEDUCTIONS AND CREDITS AVAILABLE FOR PORTION OF COST NOT TAKEN INTO ACCOUNT FOR CREDIT UNDER THIS SECTION.—No deduction or other credit under this chapter shall be allowed with respect to the amount of the credit determined under this section.

''(f) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any amount paid or incurred with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.''.

(b) CONFORMING AMENDMENTS.—

(1) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38, as amended by this Act, is amended by striking ''plus'' at the end of paragraph (21), by striking the period at the end of paragraph (22) and inserting '', plus'', and by adding at the end the following new paragraph:

''(23) the qualified recycling equipment credit determined under section 45M(a).''.

(2) Subsection (a) of section 1016, as amended by this Act, is amended by striking ''and'' at the end of paragraph (37), by striking the period at the end of paragraph (38) and inserting ''; and'', and by adding at the end the following new paragraph:

''(39) to the extent provided in section 45M(f), in the case of amounts with respect to which a credit has been allowed under section 45M.''.

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 45L the following new item:

''Sec. 45M. Credit for qualified recycling equipment.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 1546. 5-YEAR NET OPERATING LOSS CARRYOVER IF ANY RESULTING REFUND IS USED FOR ELECTRIC TRANSMISSION EQUIPMENT.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to net operating loss carrybacks and carryovers) is amended by adding at the end the following new subparagraph:

''(I) TRANSMISSION PROPERTY INVESTMENT.—

''(i) IN GENERAL.—In the case of a net operating loss in a taxable year ending after December 31, 2002, and before January 1, 2006, there shall be a net operating loss carryback to each of the 5 years preceding the taxable year of such loss to the extent that any refund resulting from such carryback is used for electric transmission property capital expenditures or pollution control facility capital expenditures.

''(ii) REFUND CLAIM.—Any refund resulting from the application of clause (i) may be claimed by the taxpayer for any taxable year ending after December 31, 2005, and before January 1, 2009, except that the portion of such refund which may be claimed during any taxable year shall not exceed the sum of the taxpayer's electric transmission property capital expenditures and pollution control facility capital expenditures made in the preceding taxable year.

''(iii) CARRYOVER OF EXCESS REFUNDS.—Any portion of such refund that exceeds the sum of the taxpayer's electric transmission property capital expenditures and pollution control facility capital expenditures made during the preceding taxable year shall, subject to clause (ii), be considered a refund due to the taxpayer and claimed in the succeeding taxable year if such taxable year begins before January 1, 2009.

''(iv) DEFINITIONS.—For purposes of this subparagraph—

''(I) ELECTRIC TRANSMISSION PROPERTY CAPITAL EXPENDITURES.—The term 'electric transmission property capital expenditures' means any expenditure, chargeable to capital account, made by the taxpayer which is attributable to electric transmission property used in the transmission at 69 or more kilovolts of electricity for sale.

''(II) POLLUTION CONTROL FACILITY CAPITAL EXPENDITURES.—The term 'pollution control facility capital expenditures' means any expenditure, chargeable to capital account, made by an electric utility company (as defined in section 2(3) of the Public Utility Holding Company Act (15 U.S.C. 79b(3)) which is attributable to a facility which will qualify as a certified pollution control facility as determined under section 169(d)(1) by striking 'before January 1, 1976,' and by substituting 'an identifiable' for 'a new identifiable'.''

(b) ELECTION TO DISREGARD CARRYBACK.—Section 172(j) (relating to disregard 5-year carryback for certain net operating losses) is amended by inserting ''or (b)(1)(I)'' after ''(b)(1)(H)'' both places it appears.

(c) APPLICATION.—In the case of a net operating loss described in section 172(b)(1)(I) of the Internal Revenue Code of 1986 (as added by subsection (a)) for a taxable year ending in 2003, 2004, or 2005, any election made under section 172(j) of such Code (as amended by subsection (b)) shall be treated as timely made if made before January 1, 2009.

SEC. 1547. CREDIT FOR QUALIFYING POLLUTION CONTROL EQUIPMENT.

(a) ALLOWANCE OF QUALIFYING POLLUTION CONTROL EQUIPMENT CREDIT.—Section 46 (relating to amount of credit), as amended by this Act, is amended by striking ''and'' at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting '', and'', and by adding at the end the following new paragraph:

''(6) the qualifying pollution control equipment credit.''.

(b) AMOUNT OF QUALIFYING POLLUTION CONTROL EQUIPMENT CREDIT.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit), as amended by this Act, is amended by inserting after section 48C the following new section:

''SEC. 48D. QUALIFYING POLLUTION CONTROL EQUIPMENT CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the qualifying pollution control equipment credit for any taxable year is an amount equal to 15 percent of the basis of the qualifying pollution control equipment placed in service at a qualifying facility during such taxable year.

''(b) QUALIFYING POLLUTION CONTROL EQUIPMENT.—For purposes of this section, the term 'qualifying pollution control equipment' means any technology installed in or on a qualifying facility to reduce air emissions of any pollutant regulated by the Environmental Protection Agency under the Clean Air Act, including thermal oxidizers, regenerative thermal oxidizers, scrubber systems, evaporative control systems, vapor recovery systems, flair systems, bag houses, cyclones, continuous emissions monitoring systems, and low nitric oxide burners.

''(c) QUALIFYING FACILITY.—For purposes of this section, the term 'qualifying facility' means any facility which produces not less than 1,000,000 gallons of ethanol during the taxable year.

''(d) SPECIAL RULE FOR CERTAIN SUBSIDIZED PROPERTY.—Rules similar to section 48(a)(4) shall apply for purposes of this section.

''(e) CERTAIN QUALIFIED PROGRESS EXPENDITURES RULES MADE APPLICABLE.—Rules similar to the rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this subsection.''.

(c) RECAPTURE OF CREDIT WHERE EMISSIONS REDUCTION OFFSET IS SOLD.—Paragraph (1) of section 50(a) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) SPECIAL RULE FOR QUALIFYING POLLUTION CONTROL EQUIPMENT.—For purposes of subparagraph (A), any investment property which is qualifying pollution control equipment (as defined in section 48D(b)) shall cease to be investment credit property with respect to a taxpayer if such taxpayer receives a payment in exchange for a credit for emission reductions attributable to such qualifying pollution control equipment for purposes of an offset requirement under part D of title I of the Clean Air Act.''.

(d) SPECIAL RULE FOR BASIS REDUCTION; RECAPTURE OF CREDIT.—Paragraph (3) of section 50(c) (relating to basis adjustment to investment credit property), as amended by this Act, is amended by inserting ''or qualifying pollution control equipment credit'' after ''energy credit''.

(e) CONFORMING AMENDMENTS.—

(1) Section 49(a)(1)(C), as amended by this Act, is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by adding at the end the following new clause:

''(vi) the basis of any qualifying pollution control equipment.''

(2) The table of sections for subpart E of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 48C the following new item:

''48D. Qualifying pollution control equipment.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after the date of the enactment of this Act, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 1548. CREDIT FOR PRODUCTION OF COAL OWNED BY INDIAN TRIBES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

''SEC. 45N. CREDIT FOR PRODUCTION OF COAL OWNED BY INDIAN TRIBES.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the Indian coal production credit determined under this section for the taxable year is an amount equal to the product of—

''(1) the applicable dollar amount for the calendar year in which the taxable year begins, and

''(2) the number of tons of Indian coal—

''(A) the production of which is attributable to the taxpayer (determined under rules similar to the rules under section 29(d)(3)), and

''(B) which is sold by the taxpayer to an unrelated person during the taxable year.

''(b) INDIAN COAL.—For purposes of this section—

''(1) IN GENERAL.—The term 'Indian coal' means coal which is produced from coal reserves which, on June 14, 2005—

''(A) were owned by an Indian tribe, or

''(B) were held in trust by the United States for the benefit of an Indian tribe or its members.

''(2) INDIAN TRIBE.—For purposes of this subsection, the term 'Indian tribe' has the meaning given such term by section 7871(c)(3)(E)(ii).

''(c) OTHER TERMS.—For purposes of this section—

''(1) APPLICABLE DOLLAR AMOUNT.—

''(A) IN GENERAL.—The term 'applicable dollar amount' means—

''(i) $1.50 in the case of calendar years 2006 through 2009, and

''(ii) $2.00 in the case of calendar years beginning after 2009.

''(B) INFLATION ADJUSTMENT.—In the case of any calendar year after 2006, each of the dollar amounts under subparagraph (A) shall be equal to the product of such dollar amount and the inflation adjustment factor determined under section 45(e)(2)(B) for the calendar year, except that such section shall be applied by substituting '2005' for '1992'.

''(2) UNRELATED PERSON.—The term 'unrelated person' has the same meaning as when such term is used in section 45.

''(d) TERMINATION.—This section shall not apply to sales after December 31, 2012.''

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38, as amended by this Act, is amended by striking ''plus'' at the end of paragraph (22), by striking the period at the end of paragraph (23) and inserting '', plus'', and by adding at the end the following new paragraph:

''(24) the Indian coal production credit determined under section 45N(a).''.

(c) ALLOWANCE AGAINST MINIMUM TAX.—Section 38(c)(4) (relating to specified credits) is amended by striking the period at the end of clause (ii) and inserting '', or'' and by adding at the end the following:

''(iii) the credit determined under section 45N.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 2005.

SEC. 1549. CREDIT FOR REPLACEMENT STOVES MEETING ENVIRONMENTAL STANDARDS IN NON-ATTAINMENT AREAS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by this Act, is amended by inserting after section 25D the following new section:

"SEC. 25E. REPLACEMENT STOVES IN AREAS WITH POOR AIR QUALITY.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the lesser—

''(1) the qualified stove replacement expenditures of the taxpayer for the taxable year, or

''(2) $500 multiplied by the number of noncompliant wood stoves replaced by the taxpayer during the taxable year.

''(b) QUALIFIED STOVE REPLACEMENT EXPENDITURES.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified stove replacement expenditures' means expenditures made by the taxpayer for the installation of a compliant stove which—

''(A) is installed in a dwelling unit which—

''(i) is located in the United States in an area which, at the time of the installation, is designated by the Environmental Protection Agency as a non-attainment area for particulate matter less than 2.5 micrometers in diameter or a non-attainment area for particulate matter less than 10 micrometers in diameter, and

''(ii) is used as a residence, and

''(B) replaces a noncompliant wood stove used in the dwelling unit.

Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the compliant stove.

''(2) COMPLIANT STOVE.—The term 'compliant stove' means a solid fuel burning stove which meets the requirements set forth in the 'Standards of Performance for Residential Wood Heaters' issued by the Environmental Protection Agency.

''(3) NONCOMPLIANT WOOD STOVE.—The term 'noncompliant wood stove' means any wood stove other than a compliant stove.

''(c) OTHER RULES.—Rules similar to the rules of paragraphs (3) and (4) of section 25C(d) shall apply for purposes of this section.

''(d) BASIS ADJUSTMENT.—If an expenditure to which this section applies results in an increase in basis in any property, the increase shall be reduced by the amount of the credit allowed under this section with respect to the expenditure.

''(e) TERMINATION.—This section shall not apply to expenditures made after December 31, 2008.''

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 1016, as amended by this Act, is amended by striking ''and'' at the end of paragraph (38), by striking the period at the end of paragraph (39) and inserting '', and'', and by adding at the end the following new paragraph:

''(40) to the extent provided in section 25E(e), in the case of amounts with respect to which a credit has been allowed under section 25E.''.

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Replacement stoves in areas with poor air quality.''.

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to expenditures for stoves purchased after the date of the enactment of this Act.

SEC. 1550. EXEMPTION FOR EQUIPMENT FOR TRANSPORTING BULK BEDS OF FARM CROPS FROM EXCISE TAX ON RETAIL SALE OF HEAVY TRUCKS AND TRAILERS.

(a) IN GENERAL.—Section 4053 of the Internal Revenue Code of 1986 (relating to exemptions) is amended by adding at the end the following new paragraph:

''(9) BULK BEDS FOR TRANSPORTING FARM CROPS.—Any box, container, receptacle, bin, or other similar article the length of which does not exceed 26 feet, which is mounted or placed on an automobile truck, and which is sold to a person who certifies to the seller that—

''(A) such person is actively engaged in the trade or business of farming, and

''(B) the primary use of the article is to haul to farms (and on farms) farm crops grown in connection with such trade or business.''.

(b) RECAPTURE OF TAX UPON RESALE OR NONEXEMPT USE.—Section 4052 (relating to definitions and special rules) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) IMPOSITION OF TAX ON SALES, ETC., WITHIN 2 YEARS OF BULK BEDS FOR TRANSPORTING FARM CROPS PURCHASED TAX-FREE.—

''(1) IN GENERAL.—If—

''(A) no tax was imposed under section 4051 on the first retail sale of any article described in section 4053(9) by reason of its exempt use, and

''(B) within 2 years after the date of such first retail sale, such article is resold by the purchaser or such purchaser makes a substantial nonexempt use of such article, then such sale or use of such article by such purchaser shall be treated as the first retail sale of such article for a price equal to its fair market value at the time of such sale or use.

''(2) EXEMPT USE.—For purposes of this subsection, the term 'exempt use' means any use of an article described in section 4053(9) if the first retail sale of such article is not taxable under section 4051 by reason of such use.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after September 30, 2005.

SEC. 1551. NATIONAL ACADEMY OF SCIENCES STUDY AND REPORT.

(a) STUDY.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall enter into an agreement with the National Academy of Sciences under which the National Academy of Sciences shall conduct a study to define and evaluate the health, environmental, security, and infrastructure external costs and benefits associated with the production and consumption of energy that are not or may not be fully incorporated into the market price of such energy, or into the Federal tax or fee or other applicable revenue measure related to such production or consumption.

(b) REPORT.—Not later than 2 years after the date on which the agreement under subsection (a) is entered into, the National Academy of Sciences shall submit to Congress a report on the study conducted under subsection (a).

Subtitle F—Revenue Raising Provisions

SEC. 1561. TREATMENT OF KEROSENE FOR USE IN AVIATION.

(a) ALL KEROSENE TAXED AT HIGHEST RATE.—

(1) IN GENERAL.—Section 4081(a)(2)(A) (relating to rates of tax) is amended by adding ''and'' at the end of clause (ii), by striking '', and'' at the end of clause (iii) and inserting a period, and by striking clause (iv).

(2) EXCEPTION FOR USE IN AVIATION.—Subparagraph (C) of section 4081(a)(2) is amended to read as follows:

''(C) TAXES IMPOSED ON FUEL USED IN AVIATION.—In the case of kerosene which is removed from any refinery or terminal directly into the fuel tank of an aircraft for use in aviation, the rate of tax under subparagraph (A)(iii) shall be—

''(i) in the case of use for commercial aviation by a person registered for such use under section 4101, 4.3 cents per gallon, and

''(ii) in the case of use for aviation not described in clause (i), 21.8 cents per gallon.''.

(3) APPLICABLE RATE IN CASE OF CERTAIN REFUELER TRUCKS, TANKERS, AND TANK WAGONS.—Section 4081(a)(3) (relating to certain refueler trucks, tankers, and tank wagons treated as terminals) is amended—

(A) by striking ''a secured area of'' in subparagraph (A)(i), and

(B) by adding at the end the following new subparagraph:

''(D) APPLICABLE RATE.—For purposes of paragraph (2)(C), in the case of any kerosene treated as removed from a terminal by reason of this paragraph—

''(i) the rate of tax specified in paragraph (2)(C)(i) in the case of use described in such paragraph shall apply if such terminal is located within a secured area of an airport, and

''(ii) the rate of tax specified in paragraph (2)(C)(ii) shall apply in all other cases.''.

(4) CONFORMING AMENDMENTS.—

(A) Sections 4081(a)(3)(A) and 4082(b) are amended by striking ''aviation-grade'' each place it appears.

(B) Section 4081(a)(4) is amended by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(C)(i)''.

(C) The heading for paragraph (4) of section 4081(a) is amended by striking ''AVIATION-GRADE''.

(D) Section 4081(d)(2) is amended by striking so much as precedes subparagraph (A) and inserting the following:

''(2) AVIATION FUELS.—The rates of tax specified in subsections (a)(2)(A)(ii) and (a)(2)(C)(ii) shall be 4.3 cents per gallon—''.

(E) Subsection (e) of section 4082 is amended—

(i) by striking ''aviation-grade'',

(ii) by striking ''section 4081(a)(2)(A)(iv)'' and inserting ''section 4081(a)(2)(A)(iii)'', and

(iii) by striking ''Aviation-Grade Kerosene'' in the heading thereof and inserting ''Kerosene Removed Into an Aircraft''.

(b) REDUCED RATE FOR USE OF CERTAIN LIQUIDS IN AVIATION.—

(1) IN GENERAL.—Subsection (c) of section 4041 (relating to imposition of tax) is amended—

(A) by striking ''aviation-grade kerosene'' in paragraph (1) and inserting ''any liquid for use as a fuel other than aviation gasoline'',

(B) by striking ''aviation-grade kerosene'' in paragraph (2) and inserting ''liquid for use as a fuel other than aviation gasoline'',

(C) by striking paragraph (3) and inserting the following new paragraph:

''(3) RATE OF TAX.—The rate of tax imposed by this subsection shall be 21.8 cents per gallon (4.3 cents per gallon with respect to any sale or use for commercial aviation).'', and

(D) by striking ''Aviation-Grade Kerosene'' in the heading thereof and inserting ''Certain Liquids Used as a Fuel in Aviation''.

(2) PARTIAL REFUND OF FULL RATE.—

(A) IN GENERAL.—Paragraph (2) of section 6427(l) (relating to nontaxable uses of diesel fuel, kerosene and aviation fuel) is amended to read as follows:

''(2) NONTAXABLE USE.—For purposes of this subsection, the term 'nontaxable use' means any use which is exempt from the tax imposed by section 4041(a)(1) other than by reason of a prior imposition of tax.''.

(B) REFUNDS FOR NONCOMMERCIAL AVIATION.—Section 6427(l) (relating to nontaxable uses of diesel fuel, kerosene and aviation

fuel) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) REFUNDS FOR KEROSENE USED IN NONCOMMERCIAL AVIATION.—

''(A) IN GENERAL.—In the case of kerosene used in aviation not described in paragraph (4)(A) (other than any use which is exempt from the tax imposed by section 4041(c) other than by reason of a prior imposition of tax), paragraph (1) shall not apply to so much of the tax imposed by section 4081 as is attributable to—

''(i) the Leaking Underground Storage Tank Trust Fund financing rate imposed by such section, and

''(ii) so much of the rate of tax specified in section 4081(a)(2)(A)(iii) as does not exceed the rate specified in section 4081(a)(2)(C)(ii).

''(B) PAYMENT TO ULTIMATE, REGISTERED VENDOR.—The amount which would be paid under paragraph (1) with respect to any kerosene shall be paid only to the ultimate vendor of such kerosene. A payment shall be made to such vendor if such vendor—

''(i) is registered under section 4101, and

''(ii) meets the requirements of subparagraph (A), (B), or (D) of section 6416(a)(1).''.

(3) CONFORMING AMENDMENTS.—

(A) Section 4041(a)(1)(B) is amended by striking the last sentence.

(B) The heading for subsection (l) of section 6427 is amended by striking '', Kerosene and Aviation Fuel'' and inserting ''and Kerosene''.

(C) Section 4082(d)(2)(B) is amended by striking ''section 6427(l)(5)(B)'' and inserting ''section 6427(l)(6)(B)''.

(D) Section 6427(i)(4)(A) is amended—

(i) by striking ''paragraph (4)(B) or (5)'' both places it appears and inserting ''paragraph (4)(B), (5), or (6)'', and

(ii) by striking ''subsection (b)(4) and subsection (l)(5)'' in the last sentence and inserting ''subsections (b)(4), (l)(5), and (l)(6)''.

(E) Paragraph (4) of section 6427(l) is amended—

(i) by striking ''aviation-grade'' in subparagraph (A),

(ii) by striking ''section 4081(a)(2)(A)(iv)'' and inserting ''section 4081(a)(2)(iii)'',

(iii) by striking ''aviation-grade kerosene'' in subparagraph (B) and inserting ''kerosene used in commercial aviation as described in subparagraph (A)'', and

(iv) by striking ''AVIATION-GRADE KEROSENE'' in the heading thereof and inserting ''KEROSENE USED IN COMMERCIAL AVIATION''.

(F) Section 6427(l)(6)(B), as redesignated by paragraph (2)(B), is amended by striking ''aviation-grade kerosene'' and inserting ''kerosene used in aviation''.

(c) TRANSFERS FROM HIGHWAY TRUST FUND OF TAXES ON FUELS USED IN AVIATION TO AIRPORT AND AIRWAY TRUST FUND.—

(1) IN GENERAL.—Section 9503(c) (relating to expenditures from Highway Trust Fund) is amended by adding at the end the following new paragraph:

''(7) TRANSFERS FROM THE TRUST FUND FOR CERTAIN AVIATION FUEL TAXES.—The Secretary shall pay at least monthly from the Highway Trust Fund into the Airport and Airway Trust Fund amounts (as determined by the Secretary) equivalent to the taxes received on or after October 1, 2005, and before October 1, 2011, under section 4081 with respect to so much of the rate of tax as does not exceed—

''(A) 4.3 cents per gallon of kerosene with respect to which a payment has been made by the Secretary under section 6427(l)(4), and

''(B) 21.8 cents per gallon of kerosene with respect to which a payment has been made by the Secretary under section 6427(l)(5).

Transfers under the preceding sentence shall be made on the basis of estimates by the Secretary, and proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 9502(a) is amended by striking ''appropriated or credited to the Airport and Airway Trust Fund as provided in this section or section 9602(b)'' and inserting ''appropriated, credited, or paid into the Airport and Airway Trust Fund as provided in this section, section 9503(c)(7), or section 9602(b)''.

(B) Section 9502(b)(1) is amended—

(i) by striking ''subsections (c) and (e) of section 4041'' in subparagraph (A) and inserting ''section 4041(c)'', and

(ii) by striking ''and aviation-grade kerosene'' in subparagraph (C) and inserting ''and kerosene to the extent attributable to the rate specified in section 4081(a)(2)(C)''.

(C) Section 9503(b) is amended by striking paragraph (3).

(d) CERTAIN REFUNDS NOT TRANSFERRED FROM AIRPORT AND AIRWAY TRUST FUND.—Section 9502(d)(2) (relating to transfers from Airport and Airway Trust Fund on account of certain refunds) is amended by inserting ''(other than subsections (l)(4) and (l)(5) thereof)'' after ''or 6427 (relating to fuels not used for taxable purposes)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to fuels or liquids removed, entered, or sold after September 30, 2005.

SEC. 1562. REPEAL OF ULTIMATE VENDOR REFUND CLAIMS WITH RESPECT TO FARMING.

(a) IN GENERAL.—Subparagraph (A) of section 6427(l)(6) (relating to registered vendors to administer claims for refund of diesel fuel or kerosene sold to farmers and State and local governments), as redesignated by section 1561, is amended to read as follows:

''(A) IN GENERAL.—Paragraph (1) shall not apply to diesel fuel or kerosene used by a State or local government.''.

(b) CONFORMING AMENDMENT.—The heading of paragraph (6) of section 6427(l), as so redesignated, is amended by striking ''FARMERS AND''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after September 30, 2005.

SEC. 1563. REFUNDS OF EXCISE TAXES ON EXEMPT SALES OF FUEL BY CREDIT CARD.

(a) REGISTRATION OF PERSON EXTENDING CREDIT ON CERTAIN EXEMPT SALES OF FUEL.—Section 4101(a) (relating to registration) is amended by adding at the end the following new paragraph:

''(4) REGISTRATION OF PERSONS EXTENDING CREDIT ON CERTAIN EXEMPT SALES OF FUEL.—The Secretary shall require registration by any person which—

''(A) extends credit by credit card to any ultimate purchaser described in subparagraph (C) or (D) of section 6416(b)(2) for the purchase of taxable fuel upon which tax has been imposed under section 4041 or 4081, and

''(B) does not collect the amount of such tax from such ultimate purchaser.''.

(b) REFUNDS OF TAX ON GASOLINE.—

(1) IN GENERAL.—Paragraph (4) of section 6416(a) (relating to condition to allowance) is amended—

(A) by inserting ''except as provided in subparagraph (B),'' after ''For purposes of this subsection,'' in subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) CREDIT CARD ISSUER.—For purposes of this subsection, if the purchase of gasoline described in subparagraph (A) (determined without regard to the registration status of the ultimate vendor) is made by means of a credit card issued to the ultimate purchaser, paragraph (1) shall not apply and the person extending the credit to the ultimate purchaser shall be treated as the person (and the only person) who paid the tax, but only if such person—

''(i) is registered under section 4101(a)(4), and

''(ii) has established, under regulations prescribed by the Secretary, that such person—

''(I) has not collected the amount of the tax from the person who purchased such article, or

''(II) has obtained the written consent from the ultimate purchaser to the allowance of the credit or refund, and

''(iii) has so established that such person—

''(I) has repaid or agreed to repay the amount of the tax to the ultimate vendor,

''(II) has obtained the written consent of the ultimate vendor to the allowance of the credit or refund, or

''(III) has otherwise made arrangements which directly or indirectly assure the ultimate vendor of reimbursement of such tax.

If clause (i), (ii), or (iii) is not met by such person extending the credit to the ultimate purchaser, then such person shall collect an amount equal to the tax from the ultimate purchaser and only such ultimate purchaser may claim such credit or refund.'',

(C) by striking ''subparagraph (A)'' in subparagraph (C), as redesignated by paragraph (2), and inserting ''subparagraph (A) or (B)'',

(D) by inserting ''or credit card issuer'' after ''vendor'' in subparagraph (C), as so redesignated, and

(E) by inserting ''OR CREDIT CARD ISSUER'' after ''VENDOR'' in the heading thereof.

(2) CONFORMING AMENDMENT.—Section 6416(b)(2) is amended by adding at the end the following new sentence: ''Subparagraphs (C) and (D) shall not apply in the case of any tax imposed on gasoline under section 4081 if the requirements of subsection (a)(4) are not met.''

(c) DIESEL FUEL OR KEROSENE.—Paragraph (6) of section 6427(l) (relating to nontaxable uses of diesel fuel and kerosene), as redesignated by section 1561, is amended—

(1) by striking ''The amount'' in subparagraph (C) and inserting ''Except as provided in subparagraph (D), the amount'', and

(2) by adding at the end the following new subparagraph:

''(D) CREDIT CARD ISSUER.—For purposes of this paragraph, if the purchase of any fuel described in subparagraph (A) (determined without regard to the registration status of the ultimate vendor) is made by means of a credit card issued to the ultimate purchaser, the Secretary shall pay to the person extending the credit to the ultimate purchaser the amount which would have been paid under paragraph (1) (but for subparagraph (A)), but only if such person meets the requirements of clauses (i), (ii), and (iii) of section 6416(a)(4)(B). If such clause (i), (ii), or (iii) is not met by such person extending the credit to the ultimate purchaser, then such person shall collect an amount equal to the tax from the ultimate purchaser and only such ultimate purchaser may claim such amount.''.

(d) CONFORMING PENALTY AMENDMENTS.—

(1) Section 6206 (relating to special rules applicable to excessive claims under sections 6420, 6421, and 6427) is amended—

(A) by striking ''Any portion'' in the first sentence and inserting ''Any portion of a refund made under section 6416(a)(4) and any portion'',

(B) by striking ''payments under sections 6420'' in the first sentence and inserting ''refunds under section 6416(a)(4) and payments under sections 6420'',

(C) by striking ''section 6420'' in the second sentence and inserting ''section 6416(a)(4), 6420'', and

(D) by striking ''**SECTIONS 6420, 6421, and 6427**'' in the heading thereof and inserting ''**CERTAIN SECTIONS**''.

(2) Section 6675(a) is amended by inserting ''section 6416(a)(4) (relating to certain sales of gasoline),'' after ''made under''.

(3) Section 6675(b)(1) is amended by inserting ''6416(a)(4),'' after ''under section''.

(4) The item relating to section 6206 in the table of sections for subchapter A of chapter 63 is amended by striking ''sections 6420, 6421, and 6427'' and inserting ''certain sections''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 2005.

SEC. 1564. ADDITIONAL REQUIREMENT FOR EXEMPT PURCHASES.

(a) STATE AND LOCAL GOVERNMENTS.—

(1) Subparagraph (C) of section 6416(b)(2) (relating to specified uses and resales) is amended to read as follows:

''(C) sold to a State or local government for the exclusive use of a State or local government (as defined in section 4221(d)(4) and certified as such by the State) or sold to a qualified volunteer fire department (as defined in section 150(e)(2) and certified as such by the State) for its exclusive use;''.

(2) Section 4041(g)(2) (relating to other exemptions) is amended by striking ''or the District of Columbia'' and inserting ''the District of Columbia, or a qualified volunteer fire department (as defined in section 150(e)(2)) (and certified as such by the State or the District of Columbia)''.

(b) NONPROFIT EDUCATIONAL ORGANIZATIONS.—

(1) Section 6416(b)(2)(D) is amended by inserting ''(as defined in section 4221(d)(5) and certified to be in good standing by the State in which such organization is providing educational services)'' after ''organization''.

(2) Section 4041(g)(4) is amended—

(A) by inserting ''(certified to be in good standing by the State in which such organization is providing educational services)'' after ''organization'' the first place it appears, and

(B) by striking ''use by a'' and inserting ''use by such a''.

(c) NONAPPLICATION OF CERTIFICATION REQUIREMENTS FOR THE REFUND OF CERTAIN TAXES.—Section 6416(b)(2) is amended by adding at the end the following new sentence: ''With respect to any tax paid under subchapter D of chapter 32, the certification requirements under subparagraphs (C) and (D) shall not apply.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 2005.

SEC. 1565. REREGISTRATION IN EVENT OF CHANGE IN OWNERSHIP.

(a) IN GENERAL.—Section 4101(a) (relating to registration) is amended by adding at the end the following new paragraph:

''(4) REREGISTRATION IN EVENT OF CHANGE IN OWNERSHIP.—Under regulations prescribed by the Secretary, a person (other than a corporation the stock of which is regularly traded on an established securities market) shall be required to reregister under this section if after a transaction (or series of related transactions) more than 50 percent of ownership interests in, or assets of, such person are held by persons other than persons (or persons related thereto) who held more than 50 percent of such interests or assets before the transaction (or series of related transactions).''.

(b) CONFORMING AMENDMENTS.—

(1) CIVIL PENALTY.—Section 6719 (relating to failure to register) is amended—

(A) by inserting ''or reregister'' after ''register'' each place it appears,

(B) by inserting ''OR REREGISTER'' after ''REGISTER'' in the heading for subsection (a), and

(C) by inserting ''**OR REREGISTER**'' after ''**REGISTER**'' in the heading thereof.

(2) CRIMINAL PENALTY.—Section 7232 (relating to failure to register under section 4101, false representations of registration status, etc.) is amended—

(A) by inserting ''or reregister'' after ''register'',

(B) by inserting ''or reregistration'' after ''registration'', and

(C) by inserting ''**OR REREGISTER**'' after ''**REGISTER**'' in the heading thereof.

(3) ADDITIONAL CIVIL PENALTY.—Section 7272 (relating to penalty for failure to register) is amended—

(A) by inserting ''or reregister'' after ''failure to register'' in subsection (a),

(B) by inserting ''**1OR REREGISTER**'' after ''**REGISTER**'' in the heading thereof.

(3) CLERICAL AMENDMENTS.—The item relating to section 6719 in the table of sections for part I of subchapter B of chapter 68, the item relating to section 7232 in the table of sections for part II of subchapter A of chapter 75, and the item relating to section 7272 in the table of sections for subchapter B of chapter 75 are each amended by inserting ''or reregister'' after ''register''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions, or failures to act, after the date of the enactment of this Act.

SEC. 1566. TREATMENT OF DEEP-DRAFT VESSELS.

(a) IN GENERAL.—On and after the date of the enactment of this Act, the Secretary of the Treasury shall require that a vessel described in section 4042(c)(1) of the Internal Revenue Code of 1986 be considered a vessel for purposes of the registration of the operator of such vessel under section 4101 of such Code, unless such operator uses such vessel exclusively for purposes of the entry of taxable fuel.

(b) EXEMPTION FOR DOMESTIC BULK TRANSFERS BY DEEP-DRAFT VESSELS.—

(1) IN GENERAL.—Subparagraph (B) of section 4081(a)(1) (relating to tax on removal, entry, or sale) is amended to read as follows:

''(B) EXEMPTION FOR BULK TRANSFERS TO REGISTERED TERMINALS OR REFINERIES.—

''(i) IN GENERAL.—The tax imposed by this paragraph shall not apply to any removal or entry of a taxable fuel transferred in bulk by pipeline or vessel to a terminal or refinery if the person removing or entering the taxable fuel, the operator of such pipeline or vessel (except as provided in clause (ii)), and the operator of such terminal or refinery are registered under section 4101.

''(ii) NONAPPLICATION OF REGISTRATION TO VESSEL OPERATORS ENTERING BY DEEP-DRAFT VESSEL.—For purposes of clause (i), a vessel operator is not required to be registered with respect to the entry of a taxable fuel transferred in bulk by a vessel described in section 4042(c)(1).''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on the date of the enactment of this Act.

SEC. 1567. RECONCILIATION OF ON-LOADED CARGO TO ENTERED CARGO.

(a) IN GENERAL.—Subsection (a) of section 343 of the Trade Act of 2002 is amended by inserting at the end the following new paragraph:

''(4) TRANSMISSION OF DATA.—Pursuant to paragraph (2), not later than 1 year after the date of enactment of this paragraph, the Secretary of Homeland Security, after consultation with the Secretary of the Treasury, shall establish an electronic data interchange system through which the United States Customs and Border Protection shall transmit to the Internal Revenue Service information pertaining to cargoes of any taxable fuel (as defined in section 4083 of the Internal Revenue Code of 1986) that the United States Customs and Border Protection has obtained electronically under its regulations adopted in accordance with paragraph (1). For this purpose, not later than 1 year after the date of enactment of this paragraph, all filers of required cargo information for such taxable fuels (as so defined) must provide such information to the United States Customs and Border Protection through such electronic data interchange system.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 1568. TAXATION OF GASOLINE BLENDSTOCKS AND KEROSENE.

With respect to fuel entered or removed after September 30, 2005, the Secretary of the Treasury shall, in applying section 4083 of the Internal Revenue Code of 1986—

(1) prohibit the nonbulk entry or removal of any gasoline blend stock without the imposition of tax under section 4081 of such Code, and

(2) shall not exclude mineral spirits from the definition of kerosene.

SEC. 1569. NONAPPLICATION OF EXPORT EXEMPTION TO DELIVERY OF FUEL TO MOTOR VEHICLES REMOVED FROM UNITED STATES.

(a) IN GENERAL.—Section 4221(d)(2) (defining export) is amended by adding at the end the following new sentence: ''Such term does not include the delivery of a taxable fuel (as defined in section 4083(a)(1)) into a fuel tank of a motor vehicle which is shipped or driven out of the United States.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 4041(g) (relating to other exemptions) is amended by adding at the end the following new sentence: ''Paragraph (3) shall not apply to the sale of a liquid for delivery into a fuel tank of a motor vehicle which is shipped or driven out of the United States.''.

(2) Clause (iv) of section 4081(a)(1)(A) (relating to tax on removal, entry, or sale) is amended by inserting ''or at a duty-free sales enterprise (as defined in section 555(b)(8) of the Tariff Act of 1930)'' after ''section 4101''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or deliveries made after the date of the enactment of this Act.

SEC. 1570. PENALTY WITH RESPECT TO CERTAIN ADULTERATED FUELS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end the following new section:

''SEC. 6720A. PENALTY WITH RESPECT TO CERTAIN ADULTERATED FUELS.

''(a) IN GENERAL.—Any person who knowingly transfers for resale, sells for resale, or holds out for resale any liquid for use in a diesel-powered highway vehicle or a diesel-powered train which does not meet applicable EPA regulations (as defined in section 45H(c)(3)), shall pay a penalty of $10,000 for each such transfer, sale, or holding out for resale, in addition to the tax on such liquid (if any).

''(b) PENALTY IN THE CASE OF RETAILERS.—Any person who knowingly holds out for sale (other than for resale) any liquid described in subsection (a), shall pay a penalty of $10,000 for each such holding out for sale, in addition to the tax on such liquid (if any).''.

(b) DEDICATION OF REVENUE.—Paragraph (5) of section 9503(b) (relating to certain penalties) is amended by inserting ''6720A,'' after ''6719,''.

(c) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter

68 is amended by adding at the end the following new item:

''Sec. 6720A. Penalty with respect to certain adulterated fuels.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any transfer, sale, or holding out for sale or resale occurring after the date of the enactment of this Act.

SEC. 1571. OIL SPILL LIABILITY TRUST FUND FINANCING RATE.

Section 4611(f) (relating to application of oil spill liability trust fund financing rate) is amended to read as follows:

''(f) APPLICATION OF OIL SPILL LIABILITY TRUST FUND FINANCING RATE.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the Oil Spill Liability Trust Fund financing rate under subsection (c) shall apply on and after April 1, 2007, or if later, the date which is 30 days after the last day of any calendar quarter for which the Secretary estimates that, as of the close of that quarter, the unobligated balance in the Oil Spill Liability Trust Fund is less than $2,000,000,000.

''(2) FUND BALANCE.—The Oil Spill Liability Trust Fund financing rate shall not apply during a calendar quarter if the Secretary estimates that, as of the close of the preceding calendar quarter, the unobligated balance in the Oil Spill Liability Trust Fund exceeds $3,000,000,000.

''(3) TERMINATION.—The Oil Spill Liability Trust Fund financing rate shall not apply after December 31, 2014.''.

SEC. 1572. EXTENSION OF LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.

(a) IN GENERAL.—Paragraph (3) of section 4081(d) (relating to Leaking Underground Storage Tank Trust Fund financing rate) is amended by striking ''2005'' and inserting ''2011''.

(b) APPLICATION OF TAX ON DYED FUEL.—

(1) IN GENERAL.—Section 4082(a) (relating to exemptions for diesel fuel and kerosene) is amended by inserting ''(other than such tax at the Leaking Underground Storage Tank Trust Fund financing rate)'' after ''section 4081''.

(2) NO REFUND.—Section 6427(l)(1) is amended by adding at the end the following new sentence: ''The preceding sentence shall not apply to so much of the tax imposed by section 4081 on dyed fuel described in section 4082(a) as is attributable to the Leaking Underground Storage Tank Trust Fund financing rate imposed by such section.''.

(c) CERTAIN REFUNDS AND CREDITS NOT CHARGED TO LUST TRUST FUND.—Subsection (c) of section 9508 (relating to Leaking Underground Storage Tank Trust Fund) is amended to read as follows:

''(c) EXPENDITURES.—Amounts in the Leaking Underground Storage Tank Trust Fund shall be available, as provided in appropriation Acts, only for purposes of making expenditures to carry out section 9003(h) of the Solid Waste Disposal Act as in effect on the date of the enactment of the Superfund Amendments and Reauthorization Act of 1986.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on October 1, 2005.

(2) APPLICATION OF TAX ON DYED FUEL.—The amendment made by subsection (b) shall apply to fuel entered, removed, or sold after December 31, 2005.

SA 801. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 800 submitted by Mr. GRASSLEY (for himself and Mr. BAUCUS) to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

At the end of subtitle E of title XV (relating to energy policy tax incentives) add the following:

SEC. ___. RENEWABLE LIQUID FUELS EXCISE TAX CREDIT.

(a) IN GENERAL.—Subchapter B of chapter 65 (relating to rules of special application) is amended by inserting after section 6426 the following new section:

''SEC. 6426A. CREDIT FOR RENEWABLE LIQUID FUELS.

''(a) ALLOWANCE OF CREDITS.—There shall be allowed as a credit against the tax imposed by section 4081 an amount equal to the renewable liquid mixture credit.

''(b) RENEWABLE LIQUID MIXTURE CREDIT.—

''(1) IN GENERAL.—For purposes of this section, the renewable liquid mixture credit is the product of the applicable amount and the number of gallons of renewable liquid used by the taxpayer in producing any renewable liquid mixture for sale or use in a trade or business of the taxpayer.

''(2) APPLICABLE AMOUNT.—For purposes of this section, the applicable amount is $1.00.

''(3) RENEWABLE LIQUID MIXTURE.—For purposes of this section, the term 'renewable liquid mixture' means a mixture of renewable liquid and taxable fuel which—

''(A) is sold by the taxpayer producing such mixture to any person for use as a fuel or feedstock, or

''(B) is used as a fuel or feedstock by the taxpayer producing such mixture.

For purposes of subparagraph (A), a mixture produced by any person at a refinery prior to a taxable event which includes renewable liquid shall be treated as sold at the time of its removal from the refinery (and only at such time) or sold to another person for use as a fuel or feedstock.

''(c) OTHER DEFINITIONS.—For purposes of this subsection:

''(1) RENEWABLE LIQUID.—The term 'renewable liquid' means liquid fuels derived from waste and byproduct streams including; agricultural byproducts and wastes, aqua-culture products produced from waste streams, food processing plant byproducts, municipal solid and semi-solid waste streams, industrial waste streams, automotive scrap waste streams, and as further provided by regulations.

''(2) TAXABLE FUEL.—The term 'taxable fuel' has the meaning given such term by section 4083(a)(1).

''(3) FEEDSTOCK.—The term 'feedstock' means any precursor material subject to further processing to make a petrochemical, solvent, or other fuel which has the effect of displacing conventional fuels, or products produced from conventional fuels.

''(4) ADDITIONAL DEFINITIONS.—Any term used in this section which is also used in section 40B shall have the meaning given such term by section 40B.

''(d) CERTIFICATION FOR RENEWABLE LIQUID FUEL.—No credit shall be allowed under this section unless the taxpayer obtains a certification (in such form and manner as prescribed by the Secretary) from the producer of the renewable liquid fuel, which identifies the product produced.

''(e) MIXTURE NOT USED AS FUEL, ETC.—

''(1) IMPOSITION OF TAX.—If—

''(A) any credit was determined under this section with respect to renewable liquid used in the production of any renewable liquid mixture, and

''(B) any person—

''(i) separates the renewable liquid from the mixture, or

''(ii) without separation, uses the mixture other than as a fuel,

then there is hereby imposed on such person a tax equal to the product of the applicable amount and the number of gallons of such renewable liquid.

''(2) APPLICABLE LAWS.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of any tax imposed under paragraph (1) as if such tax were imposed by section 4081 and not by this section.

''(f) COORDINATION WITH EXEMPTION FROM EXCISE TAX.—Rules similar to the rules under section 40 (c) shall apply for purposes of this section.

''(g) TERMINATION.—This section shall not apply to any sale, use, or removal for any period after December 31, 2010.''.

(b) REGISTRATION REQUIREMENT.—Section 4101(a)(1) (relating to registration), as amended by this Act, is amended by inserting ''and every person producing or importing renewable liquid as defined in section 6426A(c)(1)'' before ''shall register with the Secretary''.

(c) PAYMENTS.—Section 6427 is amended by inserting after subsection (f) the following new subsection:

''(g) RENEWABLE LIQUID USED TO PRODUCE MIXTURE.—

''(1) USED TO PRODUCE A MIXTURE.—If any person produces a mixture described in section 6426A in such person's trade or business, the Secretary shall pay (without interest) to such person an amount equal to the renewable liquid mixture credit with respect to such mixture.

''(2) COORDINATION WITH OTHER REPAYMENT PROVISIONS.—No amount shall be payable under paragraph (1) with respect to any mixture with respect to which an amount is allowed as a credit under section 6426A.

''(3) TERMINATION.—This subsection shall not apply with respect to any renewable liquid fuel mixture (as defined in section 6426A(b)(3) sold or used after December 31, 2010.''.

(d) CONFORMING AMENDMENT.—The last sentence of section 9503(b)(1) is amended by striking ''section 6426'' and inserting ''sections 6426 and 6426A''.

(e) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 is amended by inserting after the item relating to section 6426 the following new item:

''Sec. 6426A. Credit for renewable liquid fuels.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to fuel sold or used on or after January 1, 2005.

(2) REGISTRATION REQUIREMENT.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act.

SEC. ___. RENEWABLE LIQUID INCOME TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by inserting after section 40A the following new section:

''SEC. 40B. RENEWABLE LIQUID USED AS FUEL.

''(a) GENERAL RULE.—For purposes of section 38, the renewable liquid credit determined under this section for the taxable year is an amount equal to the sum of—

''(1) the renewable liquid mixture credit, plus

''(2) the renewable liquid credit.

''(b) DEFINITION OF RENEWABLE LIQUID MIXTURE CREDIT AND RENEWABLE LIQUID CREDIT.—For purposes of this section—

''(1) RENEWABLE LIQUID MIXTURE CREDIT.—

''(A) IN GENERAL.—The renewable liquid mixture credit of any taxpayer for any taxable year is $1.00 for each gallon of renewable liquid fuel used by the taxpayer in the production of a qualified renewable liquid fuel mixture.

''(B) QUALIFIED RENEWABLE LIQUID MIXTURE.—The term 'qualified renewable liquid mixture' means a mixture of renewable liquid and taxable fuel (as defined in section 4083(a)(1)), which—

''(i) is sold by the taxpayer producing such a mixture to any person for use as a fuel or feedstock, or

''(ii) is used as a fuel or feedstock by the taxpayer producing such mixture.

''(C) SALE OR USE MUST BE IN TRADE OR BUSINESS, ETC.—Renewable liquid used in the production of a qualified renewable liquid fuel mixture shall be taken into account—

''(i) only if the sale or use described in subparagraph (B) is in a trade or business of the taxpayer, and

''(ii) for the taxable year in which such sale or use occurs.

''(2) RENEWABLE LIQUID CREDIT.—

''(A) IN GENERAL.—The renewable liquid credit of any taxpayer for any taxable year is $1.00 for each gallon of renewable liquid which is not in a mixture with taxable fuel and which during the taxable year—

''(i) is used by the taxpayer as a fuel or feedstock in a trade or business, or

''(ii) is sold by the taxpayer at retail to a person and placed in the fuel tank of such person's vehicle.

''(B) USER CREDIT NOT TO APPLY TO RENEWABLE LIQUID SOLD AT RETAIL.—No credit shall be allowed under subparagraph (A)(i) with respect to any renewable liquid which was sold in a retail sale described in subparagraph (A)(ii).

''(c) CERTIFICATION FOR RENEWABLE LIQUID.—No credit shall be allowed under this section unless the taxpayer obtains a certification (in such form and manner as prescribed by the Secretary) from the producer or importer of the renewable liquid fuel which identifies the product produced and percentage of renewable liquid fuel in the product.

''(d) COORDINATION WITH CREDIT AGAINST EXCISE TAX.—The amount of the credit determined under this section with respect to any renewable liquid fuel shall be properly reduced to take into account any benefit provided with respect to such renewable liquid fuel solely by reason of the application of section 6426A or 6427(g).

''(e) DEFINITIONS AND SPECIAL RULES.—For purposes of this section, the term 'renewable liquid' means liquid fuels derived from waste and byproduct streams including; agricultural byproducts and wastes, agriculture materials produced from waste streams, food processing plant byproducts, municipal solid and semi-solid waste streams, industrial waste streams, automotive scrap waste streams, as further provided by regulations.

''(f) MIXTURE OR RENEWABLE LIQUID NOT USED AS A FUEL, ETC.—

''(1) MIXTURES.—If—

''(A) any credit was determined under this section with respect to renewable liquid used in the production of any qualified renewable liquid mixture, and

''(B) any person—

''(i) separates the renewable liquid from the mixture, or

''(ii) without separation, uses the mixture other than as a fuel,

then there is hereby imposed on such person a tax equal to the product of the rate applicable under subsection (b)(1)(A) and the number of gallons of such renewable liquid in such mixture.

''(2) RENEWABLE LIQUID.—If—

''(A) any credit was determined under this section with respect to the retail sale of any renewable liquid, and

''(B) any person mixes such renewable liquid or uses such renewable liquid other than as a fuel, then there is hereby imposed on such person a tax equal to the product of the rate applicable under subsection (b)(2)(A) and the number of gallons of such renewable liquid.

''(3) APPLICABLE LAWS.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of any tax imposed under subparagraph (A) or (B) as if such tax were imposed by section 4081 and not by this chapter.

''(g) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(h) TERMINATION.—This section shall not apply to any sale or use after December 31, 2010.''.

(b) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit), as amended by this Act, is amended by striking ''plus'' at the end of paragraph (23), by striking the period at the end of paragraph (24), and inserting '', plus'', and by inserting after paragraph (24) the following new paragraph:

''(25) The renewable liquid credit determined under section 40B.''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter I of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 40A the following new item:

''Sec. 40B. Renewable liquid used as fuel.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel produced, and sold as used, on or after January 1, 2005.

SA 802. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

Beginning on page 245, strike line 7 and all that follows through page 250, line 11, and insert the following:

(a) AMENDMENT.—

(1) IN GENERAL.—Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by adding at the end the following:

''(p)(1) The Secretary, in consultation with the Secretary of the Department in which the Coast Guard is operating and other relevant departments and agencies of the Federal Government, may grant a lease, easement, right-of-way, license, or permit on the outer Continental Shelf for activities not otherwise authorized under this Act, the Deepwater Port Act of 1974 (33 U.S.C. 1501 et seq.), the Ocean Thermal Energy Conversion Act of 1980 (42 U.S.C. 9101 et seq.), or other applicable law, if those activities support or promote—

''(A) exploration, development, production, transportation, or storage of oil, natural gas, or other minerals;

''(B) production, transportation, or transmission of energy from sources other than oil and gas; or

''(C) use, for energy-related or marine-related purposes, of facilities in use on or before the date of enactment of this subsection for activities authorized under this Act.

''(2)(A)(i) Subject to paragraph (3), the Secretary shall establish reasonable forms of payment for any lease, easement, right-of-way, license, or permit under this subsection, including a royalty, fee, rental, bonus, or other payment, as the Secretary determines to be appropriate.

''(ii) The Secretary may establish a form of payment described in clause (i) by rule or by agreement with the holder of the lease, easement, right-of-way, license, or permit.

''(B) In establishing a form of, or schedule relating to, a payment under subparagraph (A), the Secretary shall take into consideration the economic viability of a proposed activity.

''(C) The Secretary may, by rule, provide for relief from or reduction of a payment under subparagraph (A)—

''(i) if, without the relief or reduction, an activity relating to a lease, easement, right-of-way, license, or permit under this subsection would be uneconomical;

''(ii) to encourage a particular activity; or

''(iii) for another reason, as the Secretary determines to be appropriate.

''(D) If the holder of a lease, easement, right-of-way, license, or permit under this subsection fails to make a payment by the date required under a rule or term of the lease, easement, right-of-way, license, or permit, the Secretary may require the holder to pay interest on the payment in accordance with the underpayment rate established under section 6621(a)(2) of the Internal Revenue Code of 1986, for the period—

''(i) beginning on the date on which the payment was due; and

''(ii) ending on the date on which the payment is made.

''(E)(i) The Secretary may allow a credit in the amount of any excess payment made by the holder of a lease, easement, right-of-way, license, or permit under this subsection or provide a refund in the amount of the excess payment from the account to or in which the excess payment was paid or deposited.

''(ii) The Secretary shall pay, or allow the holder of a lease, easement, right-of-way, license, or permit under this subsection a credit in the amount of, any interest on an amount refunded or credited under clause (i) in accordance with the overpayment rate established under section 6621(a)(1) of the Internal Revenue Code of 1986, for the period—

''(I) beginning on the date on which the Secretary received the excess payment; and

''(II) ending on the date on which the refund or credit is provided.

''(F)(i) The Secretary, in coordination with the Administrator of the National Oceanic and Atmospheric Administration, may establish reasonable forms of payment, as determined by the Secretary, for a license issued under the Ocean Thermal Energy Conversion Act of 1980 (42 U.S.C. 9101 et seq.), including a royalty, fee, rental, bonus, or other payment, as the Secretary determines to be appropriate, in addition to the administrative fee under section 102(h) of that Act (42 U.S.C. 9112(h)).

''(ii) A form of payment under clause (i) may be established by rule or by agreement with the holder of the lease, easement, right-of-way, license, or permit.

''(3)(A) Any funds received by the Secretary from a holder of a lease, easement, right-of-way, license, or permit under this subsection shall be distributed in accordance with this paragraph.

''(B)(i) If a lease, easement, right-of-way, license, or permit under this subsection covers a specific tract of, or regards a facility located on, the outer Continental Shelf and is not an easement or right-of-way for transmission or transportation of energy, minerals, or other natural resources, the Secretary shall pay 50 percent of any amount received from the holder of the lease, easement, right-of-way, license, or permit to the State off the shore of which the geographic center of the area covered by the lease, easement, right-of-way, license, permit, or facility is located, in accordance with Federal law determining the seaward lateral boundaries of the coastal States.

''(ii) Not later than the last day of the month after the month during which the

Secretary receives a payment from the holder of a lease, easement, right-of-way, license, or permit described in clause (i), the Secretary shall make payments in accordance with clause (i).

''(C)(i) The Secretary shall deposit 20 percent of the funds described in subparagraph (A) to a special account maintained and administered by the Secretary to provide research and development grants for improving energy technologies.

''(ii) An amount deposited under clause (i) shall remain available until expended, without further appropriation.

''(D) The Secretary shall credit 5 percent of the funds described in subparagraph (A) to the annual operating appropriation of the Minerals Management Service.

''(E) The Secretary shall deposit any funds described in subparagraph (A) that are not deposited or credited under subparagraphs (B) through (D) in the general fund of the Treasury.

''(F) This paragraph does not apply to any amount received by the Secretary under section 9701 of title 31, United States Code, or any other law (including regulations) under which the Secretary may recover the costs of administering this subsection.

''(4) Before carrying out this subsection, the Secretary shall consult with the Secretary of Defense and other appropriate Federal agencies regarding the effect of this subsection on national security and navigational obstruction.

''(5)(A) The Secretary may issue a lease, easement, right-of-way, license, or permit under paragraph (1) on a competitive or noncompetitive basis.

''(B) In determining whether a lease, easement right-of-way, license, or permit shall be granted competitively or noncompetitively, the Secretary shall consider factors including—

''(i) prevention of waste and conservation of natural resources;

''(ii) the economic viability of a project;

''(iii) protection of the environment;

''(iv) the national interest and national security;

''(v) human safety;

''(vi) protection of correlative rights; and

''(vii) the potential return of the lease, easement, right-of-way, license, or permit.

''(6) The Secretary, in consultation with the Secretary of the Department in which the Coast Guard is operating, other relevant Federal agencies, and affected States, as the Secretary determines appropriate, shall promulgate any regulation the Secretary determines to be necessary to administer this subsection to achieve the goals of—

''(A) ensuring public safety;

''(B) protecting the environment;

''(C) preventing waste;

''(D) conserving the natural resources of, and protecting correlative rights in, the outer Continental Shelf;

''(E) protecting national security interests;

''(F) auditing and reconciling payments made and owed by each holder of a lease, easement, right-of-way, license, or permit under this subsection to ensure a correct accounting and collection of the payments; and

''(G) requiring each holder of a lease, easement, right-of-way, license, or permit under this subsection to—

''(i) establish such records as the Secretary determines to be necessary;

''(ii) retain all records relating to an activity under a lease, easement, right-of-way, license, or permit under this subsection for such period as the Secretary may prescribe; and

''(iii) produce the records on receipt of a request from the Secretary.

''(7) Section 22 shall apply to any activity relating to a lease, easement, right-of-way, license, or permit under this subsection.

''(8) The Secretary shall require the holder of a lease, easement, right-of-way, license, or permit under this subsection to—

''(A) submit to the Secretary a surety bond or other form of security, as determined by the Secretary; and

''(B) comply with any other requirement the Secretary determines to be necessary to protect the interests of the United States.

''(9) Nothing in this subsection displaces, supersedes, limits, or modifies the jurisdiction, responsibility, or authority of any Federal or State agency under any other Federal law.

''(10) This subsection does not apply to any area on the outer Continental Shelf designated as a National Marine Sanctuary.''.

(2) CONFORMING AMENDMENT.—Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended in the section heading by striking ''**LEASING**'' and all that follows and inserting ''**LEASES, EASEMENTS, AND RIGHTS-OF-WAY ON THE OUTER CONTINENTAL SHELF.**''.

(3) SAVINGS PROVISION.—Nothing in the amendment made by paragraph (1) requires any resubmission of documents previously submitted or any reauthorization of actions previously authorized with respect to any project—

(A) for which offshore test facilities have been constructed before the date of enactment of this Act; or

(B) for which a request for proposals has been issued by a public authority.

SA 803. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

SECTION 1. DOMESTIC OFFSHORE ENERGY REINVESTMENT.

(a) IN GENERAL.—The Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) is amended by adding at the end the following:

''SEC. 32. COASTAL IMPACT ASSISTANCE PROGRAM.

''(a) In this section:

''(1) The term 'approved plan' means a secure energy reinvestment plan approved by the Secretary under this section.

''(2) The term 'coastal energy State' means a coastal State off the coastline of which, within the seaward lateral boundary, an outer Continental Shelf bonus bid or royalty is generated.

''(3) The term 'coastal political subdivision' means a county, parish, or other equivalent subdivision of a coastal energy State, all or part of which, on the date of the enactment of this section, lies wthin the boundaries of the coastal zone of the State, as identified in the coastal zone management program of the State approved under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

''(4) The term 'coastal population' means the population of a coastal political subdivision, as determined by the most recent official data of the Census Bureau.

''(5) The term 'coastline' has the meaning given the term 'coast line' in section 2(c) of the Submerged Lands Act (43 U.S.C. 1301(c)).

''(6) The term 'Fund' means the Secure Energy Reinvestment Fund established by subsection (b)(1).

''(7) The term 'leased tract' means a tract maintained under section 6 or leased under section 8 for the purpose of drilling for, developing, and producing oil and natural gas resources.

''(8) The term 'qualified outer Continental Shelf revenues' means all amounts received by the United States on or after October 1, 2005, from each leased tract or portion of a leased tract lying seaward of the zone defined and governed by section 8(g) (or lying within that zone but to which section 8(g) does not apply), including bonus bids, rents, royalties (including payments for royalties taken in kind and sold), net profit share payments, and related interest.

''(9) The term 'Secretary' means the Secretary of the Interior.

''(b)(1)(A) There is established in the Treasury of the United States a separate account to be known as the 'Secure Energy Reinvestment Fund'.

''(B) The Fund shall consist of—

''(i) any amount deposited under paragraph (2); and

''(ii) any other amounts that are appropriated to the Fund.

''(2) For each fiscal year 2006 through 2009, the Secretary of the Treasury shall deposit into the Fund $300,000,000.

''(B) All repayments made under subsection (f).

''(3) For each of fiscal years 2006 through 2020, in addition to the amounts deposited into the Fund under paragraph (2), there are authorized to be appropriated to the Fund an amount equal to 27 percent of the qualified outer Continental Shelf revenues received by the United Stated during the preceding fiscal year.

''(c)(1)(A) The Secretary shall use any amount remaining in the Fund after the application of subsection (h) to pay to each coastal energy State, and any coastal political subdivision of a State, the secure energy reinvestment plan of which is approved by the Secretary under this section, the amount allocated to the State or coastal political subdivision, respectively, under this subsection.

''(B) During December 2006, and each December thereafter, the Secretary shall make any payment under this paragraph from revenues received in the Fund by the United States during the preceding fiscal year.

''(2) The Secretary shall allocate any amount deposited into the Fund for a fiscal year, and any other amount determined by the Secretary to be available, among coastal energy States, and coastal political subdivisions of those States, that have a plan approved by the Secretary under this section as follows:

''(A)(i) Of the amounts made available for each fical year for which amounts are available for allocation under this paragraph, the allocation for each coastal energy State shall be calculated based on qualified Outer Continental Shelf revenues from each leased tract or portion of a leased tract the geographic center of which is within a distance (to the nearest whole mile) of 200 miles from the coastline of the State and shall be inversely proportional to the distance between point nearest point on the coastline of such coastal energy State and the geographic center of each such leased tract or portion of a leased tract, as determined by the Secretary.

''(ii) For the purposes of this subparagraph, qualified outer Continental Shelf revenues shall be considered to be generate off the coastline of a coastal energy State if the geographic center of the lease tract from which the revenues are generated is located within the area formed by the extension of the seaward lateral boundaries of the State, calculated using the conventions established to delimit international lateral boundaries under the Law of the Sea.

''(B) 35 percent of the allocable share of each coastal energy State, as determined under subparagraph (A), shall be allocated among and paid directly to the coastal political subdivisions of the State by the Secretary based on the following formula:

''(i) 25 percent shall be allocated based on the ratio that—

''(I) the coastal population of each coastal political subdivision; bears to

''(II) the coastal population of all coastal political subdivisions of the coastal energy State.

''(ii)(I) 25 percent shall be allocated based on the ratio that—

''(aa) the length, in miles, of the coastal of each coastal political subdivision; bears to

''(bb) the length, in miles, of the coastline of all coastal political subdivisions of the State.—

''(II) For purposes of this clause, in the case of a coastal political subdivision in Louisiana without a coastline, the coastline of the political subdivision shall be considered as ⅓ the average length of the coastline of the other coastal political subdivisions of the State.

(III) EXCEPTION FOR THE STATE OF ALASKA.— For the purposes of carrying out subparagraph (c)(2)(B) in the State of Alaska, the amounts allocated shall be divided equally among the 2 coastal political subdivisions that are closest to the geographic center of a leased tract.

''(iii) 50 percent shall be allocated based on a formula that allocates—

''(I) 75 percent of the funds based on the relative distance of the coastal political subdivision from any leased tract used to calculate the allocation to that State; and

''(II) 25 percent of the funds based on the relative level of outer Continental Shelf oil and gas activities in a coastal political subdivision to the level of outer Continental Shelf oil and gas activities in all coastal political subdivisions in the State, as determined by the Secretary.

''(3) Any amount allocated to a coastal energy State or coastal political subdivision that is not disbursed because of a failure of a Coastal energy State to have an approved plan shall be reallocated by the Secretary among all other coastal energy States in a manner consistent with this subsection, except that the Secretary—

''(A) shall hold the amount in escrow within the Fund until the earlier of—

''(i) the end of the next fiscal year during Which the allocation is made; or

''(ii) the date on which a final resolution of an appeal regarding the disapproval of a plan submitted by the State under this section is filed; and

''(B) shall continue to hold the amount in escrow until the end of the subsequent fiscal year, if the Secretary determines that a State is making a good faith effort to develop and submit, or update, a secure energy reinvestment plan under subsection (d).

''(4) Notwithstanding any other provision of this subsection, the amount allocated under this subsection to each coastal energy State during a fiscal year shall be not less than 5 percent of the total amount available for that fiscal year for allocation under this subsection to coastal energy States.

''(5) If the allocation to 1 or more coastal energy States under paragraph (4) during any fiscal year is greater than the amount that would be allocated to those States under this subsection if paragraph (4) did not apply, the allocations under this subsection to all other coastal energy States shall be—

''(A) paid from the amount remaining after the amounts allocated under paragraph (4) are deducted; and

''(B) reduced on a pro rata basis by the sum of the allocations under paragraph (4) so that not more than 100 percent of the funds available in the Fund for allocation with respect to that fiscal year is allocated.

''(d)(1)(A) The Governor of a State seeking to receive funds under this section shall prepare, and submit to the Secretary, a secure energy reinvestment plan describing planned expenditures of funds received under this section.

''(B) The Governor shall include in the State plan any plan prepared by a coastal political subdivision of the State.

''(C) In the development of the State plan, the Governor and the coastal political subdivision shall—

''(i) solicit local input;

''(ii) provide for public participation; and

''(iii) in describing the planned expenditures, include only uses of funds described in subsection (e).

''(2)(A)(i) The Secretary shall not disburse funds to a State or coastal political subdivision under this section before the date on which the plan of the State is approved under this subsection.

''(ii) The Secretary shall approve a plan submitted by a State under paragraph (1) if the Secretary determines that—

''(I) each expenditures provided for in the plan is an authorized use under subsection (e); and

''(II) the plan contains—

''(aa) the name of the State agency that will have the authority to represent and act for the State in dealing with the Secretary for purposes of this section;

''(bb) goals including improving the environment and addressing the impacts of oil and gas production from the outer Continental Shelf;

''(cc) a description of how the State and coastal political subdivisions of the State will evaluate the effectiveness of the plan;

''(dd) a certification by the Governor that ample opportunity has been accorded for public participation in the development and revision of the plan;

''(ee) measures for taking into account other relevant Federal resources and programs;

''(ff) assurance that the plan is correlated as much as practicable with other State, regional, and local plans;

''(gg) for any State for which the ratio determined under clause (i) or (ii) of subsection (c)(2)(A), expressed as a percentage, exceeds 25 percent, a plan to spend not less than 30 percent of the total funds provided to that State and appropriate coastal political subdivisions under this section during any fiscal year to address the socioeconomic or environmental impacts identified in the plan that remain significant or progressive after implementation of mitigation measures identified in the most current environmental impact statement as of the date of enactment of this section required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for lease sales under his Act; and

''(hh) a plan to use at least ½ of the funds provided pursuant to subsection (c)(2)(B), and a portion of other funds provided to a State under this section, on programs or projects that are coordinated and conducted by a partnership between the State and a coastal political subdivision.

''(B) Not later than 90 days after a plan of a State is submitted under this subsection, the Secretary shall approve or disapprove the Plan.

''(3) Any amendment to or revision of a plan approved under this section shall be—

''(A) prepared and submitted in accordance with the requirements of this paragraph; and

''(B) approved or disapproved by the Secretary in accordance with paragraph (2)(B).

''(e) A coastal energy State, and a coastal political subdivision, shall use any amount paid under this section (including any amounts deposited into a trust fund administered by the State or coastal political subdivision consistent with this subsection), consistent with Federal and State law and the approved plan of the State—

''(1) to carry out a project or activity for the conservation, protection, or restoration of coastal areas including wetlands;

''(2) to mitigate damage to, or protect, fish, wildlife, or natural resources;

''(3) to implement a federally approved plan or program for—

''(A) marine, coastal, subsidence, or conservation management; or

''(B) protection of resources from natural disasters; and

''(4) to mitigate the effect of an outer Continental Shelf activity by addressing impacts identified in an environmental impact statement as of the date of enactment of this section required under the National Environmental Policy Act of 1969 (42 V.S.C. 432 et seq.) for lease sales under this Act.

''(f) If the Secretary determines that an expenditure made by a coastal energy State or coastal political subdivision is not in accordance with the approved plan of the State (including any plan of a coastal political subdivisionl included in the plan of the State), the Secretary shall not disburse any additional amount under this section to that coastal energy State or coastal political subdivision until—

''(1) the amount of the expenditure is repaid to the Secretary; or

''(2) the Secretary approves an amendment to the plan that authorizes the expenditure.

''(g) The Secretary may require, as a condition of any payment under this section, that a State or coastal political subdivision shall submit to arbitration—

''(1) any dispute between the State or coastal political subdivision and the Secretary regarding implementation of this section and

''(2) any dispute between the State and political subdivision regarding implementation of this section, including any failure to include in the plan submitted by the State under subsection (d) any spending plan of the coastal political subdivision.

''(h) The Secretary may use not more than ½ of 1 percent of the amount in the Fund during a fiscal year to pay the administrative costs of implementing this section.

''(i) A coastal energy State or coastal political subdivision may use funds provided to that State or coastal political subdivision under this section for any payment that is eligible to be made with funds provided to States under section 35 of the Mineral Leasing Act (30 U.S.C. 191) to carry out approved plan activities under subsection (e).

''(j)(1) The Governor of a coastal energy State, in coordination with the coastal political subdivisions of that State, shall account for all funds received under this section during the previous fiscal year in a written report to the Secretary.

''(2) The report shall include, in accordance with regulations prescribed by the Secretary, a description of all projects and activities that received funds under this section.

''(3) The report may incorporate by reference any other report required to be submitted under another provision of law.

''(k) The Secretary shall require, as a condition of any allocation of funds provided under this section, that a State or coastal political subdivision shall include on any sign installed at a site at or near an entrance or public use area for which funds provided under this section are used a statement that the existence or development of the site is a product of those funds.''.

SA 804. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

At the end of subtitle B of title III, add the following:

SEC. 3___. SEAWARD BOUNDARY EXTENSION.

(a) PURPOSES.—The purposes of this section are—

(1) to provide equity to the States of Louisiana, Mississippi, and Alabama with respect to the seaward boundaries of the States in the Gulf of Mexico by extending the seaward boundaries from 3 geographical miles to 3 marine leagues if the State meets certain conditions not later than 5 years after the date of enactment of this Act;

(2) to convey to the States of Louisiana, Mississippi, and Alabama the interest of the United States in the submerged land of the outer Continental Shelf that is located in the extended seaward boundaries of the States;

(3) to provide that any mineral leases, easements, rights-of-use, and rights-of-way issued by the Secretary of the Interior with respect to the submerged land to be conveyed shall remain in full force and effect; and

(4) in conveying the submerged land, to ensure that the rights of lessees, operators, and holders of easements, rights-of-use, and rights-of-way on the submerged land are protected.

(b) EXTENSION.—Title II of the Submerged Lands Act (43 U.S.C. 1311 et seq.) is amended—

(1) by redesignating section 11 as section 12; and

(2) by inserting after section 10 the following:

''SEC. 11. EXTENSION OF SEAWARD BOUNDARIES OF THE STATES OF LOUISIANA, MISSISSIPPI, AND ALABAMA.

''(a) DEFINITIONS.—In this section:

''(1) EXISTING INTEREST.—The term 'existing interest' means any lease, easement, right-of-use, or right-of-way on, or for any natural resource or minerals underlying, the expanded submerged land that is in existence on the date of the conveyance of the expanded submerged land to the State under subsection (b)(1).

''(2) EXPANDED SEAWARD BOUNDARY.—The term 'expanded seaward boundary' means the seaward boundary of the State that is 3 marine leagues seaward of the coast line of the State as of the day before the date of enactment of this section.

''(3) EXPANDED SUBMERGED LAND.—The term 'expanded submerged land' means the area of the outer Continental Shelf that is located between 3 geographical miles and 3 marine leagues seaward of the coast line of the State as of the day before the date of enactment of this section.

''(4) INTEREST OWNER.—The term 'interest owner' means any person that owns or holds an existing interest in the expanded submerged land or portion of an existing interest in the expanded submerged land.

''(5) SECRETARY.—The term 'Secretary' means the Secretary of the Interior.

''(6) STATE.—The term 'State' means each of the States of Louisiana, Mississippi, and Alabama.

''(b) CONVEYANCE OF EXPANDED SUBMERGED LAND.—

''(1) IN GENERAL.—Effective beginning on the date that is 10 years after the date of enactment of the Energy Policy Act of 2005, if a State demonstrates to the satisfaction of the Secretary that the conditions described in paragraph (2) will be met, the Secretary shall, subject to valid existing rights and subsection (c), convey to the State the interest of the United States in the expanded submerged land of the State.

''(2) CONDITIONS.—A conveyance under paragraph (1) shall be subject to the condition that—

''(A) on conveyance of the interest of the United States in the expanded submerged land to the State under paragraph (1)—

''(i) the Governor of the State (or a delegate of the Governor) shall exercise the powers and duties of the Secretary under the terms of any existing interest, subject to the requirement that the State and the officers of the State may not exercise the powers to impose any burden or requirement on any interest owner that is more onerous or strict than the burdens or requirements imposed under applicable Federal law (including regulations) on owners or holders of the same type of lease, easement, right-of-use, or right-of-way on the outer Continental Shelf seaward of the expanded submerged land; and

''(ii) the State shall not impose any administrative or judicial penalty or sanction on any interest owner that is more severe than the penalty or sanction under Federal law (including regulations) applicable to owners or holders of leases, easements, rights-of-use, or rights-of-way on the outer Continental Shelf seaward of the expanded submerged lands for the same act, omission, or violation;

''(B) not later than 10 years after the date of enactment of this section—

''(i) the State shall enact laws or promulgate regulations with respect to the environmental protection, safety, and operations of any platform pipeline in existence on the date of conveyance to the State under paragraph (1) that is affixed to or above the expanded submerged land that impose the same requirements as Federal law (including regulations) applicable to a platform pipeline on the outer Continental Shelf seaward of the expanded submerged land; and

''(ii) the State shall enact laws or promulgate regulations for determining the value of oil, gas, or other mineral production from existing interests for royalty purposes that establish the same requirements as the requirements under Federal law (including regulations) applicable to Federal leases for the same minerals on the outer Continental Shelf seaward of the expanded submerged land; and

''(C) the State laws and regulations enacted or promulgated under subparagraph (B) shall provide that if Federal law (including regulations) applicable to leases, easements, rights-of-use, or rights-of-way on the outer Continental Shelf seaward of the expanded submerged land are modified after the date on which the State laws and regulations are enacted or promulgated, the State laws and regulations applicable to existing interests will be modified to reflect the change in Federal laws (including regulations).

''(c) EXCEPTIONS.—

''(1) MINERAL LEASE OR UNIT DIVIDED.—

''(A) IN GENERAL.—If any existing Federal oil and gas or other mineral lease or unit would be divided by the expanded seaward boundary of a State, the interest of the United States in the leased minerals underlying the portion of the lease or unit that lies within the expanded submerged boundary shall not be considered to be conveyed to the State until the date on which the lease or unit expires or is relinquished by the United States.

''(B) APPLICABILITY FOR OTHER PURPOSES.—Notwithstanding subparagraph (A), the expanded seaward boundary of a State shall be the seaward boundary of the State for all other purposes, including the distribution of revenues under section 8(g)(2) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)(2)).

''(2) LAWS AND REGULATIONS NOT SUFFICIENT.—If the Secretary determines that any law or regulation enacted or promulgated by a State under subparagraph (B) of subsection (b)(2) does not meet the requirements of that subparagraph, the Secretary shall not convey the expanded submerged land to the State.

''(d) INTEREST ISSUED OR GRANTED BY THE STATE.—This section does not apply to any interest in the expanded submerged land that a State issues or grants after the date of conveyance of the expanded submerged land to the State under subsection (b)(1).

''(e) LIABILITY.—

''(1) IN GENERAL.—By accepting conveyance of the expanded submerged land, the State agrees to indemnify the United States for any liability to any interest owner for the taking of any property interest or breach of contract from—

''(A) the conveyance of the expanded submerged land to the State; or

''(B) the State's administration of any existing interest under subsection (b)(2)(A)(i).

''(2) DEDUCTION FROM OIL AND GAS LEASING REVENUES.—The Secretary may deduct from the amounts otherwise payable to the State under section 8(g)(2) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)(2)) the amount of any final nonappealable judgment for a taking or breach of contract described in paragraph (1).''.

(c) CONFORMING AMENDMENT.—Section 2(b) of the Submerged Lands Act (43 U.S.C. 1301(b)) is amended by striking ''section 4 hereof'' and inserting ''section 4 or 11''.

SA. 805. Mr. SCHUMER proposed an amendment to the bill H.R. 6, Reserved; as follows:

On page 208, after line 24, add the following:

SEC. 303. SENSE OF THE SENATE REGARDING MANAGEMENT OF SPR.

(a) FINDINGS.—Congress finds that—

(1) the prices of gasoline and crude oil have a direct and substantial impact on the financial well-being of families of the United States, the potential for national economic recovery, and the economic security of the United States;

(2) on June 13, 2005, crude oil prices closed at the exceedingly high level of $55.62 per barrel, the price of crude oil has remained above $50 per barrel since May 25, 2005, and the price of crude oil has exceeded $50 per barrel for approximately ⅓ of calendar year 2005;

(3) on June 6, 2005, the Energy Information Administration announced that the national price of gasoline, at $2.12 per gallon, could reach even higher levels in the near future;

(4) despite the severely high, sustained price of crude oil—

(A) the Organization of Petroleum Exporting Countries (referred to in this section as ''OPEC'') has refused to adequately increase production to calm global oil markets and officially abandoned its $22–$28 price target; and

(B) officials of OPEC member nations have publicly indicated support for maintaining oil prices of $40–$50 per barrel;

(5) the Strategic Petroleum Reserve (referred to in this section as ''SPR'') was created to enhance the physical and economic security of the United States;

(6) the law allows the SPR to be used to provide relief when oil and gasoline supply shortages cause economic hardship;

(7) the proper management of the resources of the SPR could provide gasoline price relief to families of the United States and provide the United States with a tool to counterbalance OPEC supply management policies;

(8) the Administration's policy of filling the SPR despite the fact that the SPR is nearly full has exacerbated the rising price of crude oil and record high retail price of gasoline;

(9) in order to combat high gasoline prices during the summer and fall of 2000, President Clinton released 30,000,000 barrels of oil from the SPR, stabilizing the retail price of gasoline;

(10) increasing vertical integration has allowed—

(A) the 5 largest oil companies in the United States to control almost as much crude oil production as the Middle Eastern members of OPEC, over ½ of domestic refiner capacity, and over 60 percent of the retail gasoline market; and

(B) Exxon/Mobil, BP, Royal Dutch Shell Group, Conoco/Philips, and Chevron/Texaco to increase first quarter profits of 2005 over first quarter profits of 2004 by 36 percent, for total first quarter profits of over $25,000,000,000;

(11) the Administration has failed to manage the SPR in a manner that would provide gasoline price relief to working families; and

(12) the Administration has failed to adequately demand that OPEC immediately increase oil production in order to lower crude oil prices and safeguard the world economy.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should—

(1) directly confront OPEC and challenge OPEC to immediately increase oil production; and

(2) direct the Federal Trade Commission and Attorney General to exercise vigorous oversight over the oil markets to protect the people of the United States from price gouging and unfair practices at the gasoline pump.

(c) RELEASE OF OIL FROM SPR.—

(1) IN GENERAL.—For the period beginning on the date of enactment of this Act and ending on the date that is 30 days after the date of enactment of this Act, 1,000,000 barrels of oil per day shall be released from the SPR.

(2) ADDITIONAL RELEASE.—If necessary to lower the burden of gasoline prices on the economy of the United States and to circumvent the efforts of OPEC to reap windfall crude oil profits, 1,000,000 barrels of oil per day shall be released from the Strategic Petroleum Reserve for an additional 30 days.

SA 806. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

On page 767, between lines 21 and 22, insert the following:

(3) PETROLEUM COKE GASIFICATION PROJECTS.—At least 5 petroleum coke gasification projects.

SA 807. Mr. OBAMA submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

On page 37, between the matter following line 12 and line 13, insert the following:

SEC. 109. INDUSTRIAL NATURAL GAS EFFICIENCY PILOT PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a 2–year pilot program (referred to in this section as the ''program'') to demonstrate the effectiveness of energy efficiency improvements that reduce natural gas usage in the industrial sector.

(b) PROGRAM COORDINATOR.—

(1) IN GENERAL.—The program shall be administered by a program coordinator, to be designated by the Secretary in accordance with paragraph (2).

(2) DESIGNATION.—As soon as practicable after the date of enactment this Act, the Secretary shall designate as program coordinator an energy resource center that is—

(1) located in the midwestern United States;

(2) affiliated with a major land-grant university; and

(3) certified by a State board of higher education.

(c) GRANTS.—

(1) IN GENERAL.—In carrying out the program, the Secretary shall provide, in accordance with the guidelines established under paragraph (2), grants to eligible entities from the industrial sector to pay the Federal share of the costs of eligible projects to reduce natural gas usage by implementing energy efficiency improvements.

(2) REQUIREMENTS.—Grants shall be provided under paragraph (1) on a competitive basis, in accordance with guidelines established by the program coordinator.

(3) ELIGIBLE ENERGY EFFICIENCY IMPROVEMENTS.—A project for which assistance may be provided a grant under this subsection includes a project for—

(A) steam production and distribution;

(B) efficiency upgrades and heat recovery for process heating and cooling project;

(C) compressed air technologies;

(D) combined heat and power applications; and

(E) improvements in motor technologies.

(4) FEDERAL SHARE.—The Federal share of the cost of carrying out a project under this subsection shall be not more than 30 percent.

(d) EDUCATION.—In carrying out the program, the Secretary and the program coordinator shall make available to industries information on energy-efficient technologies that reduce industrial natural gas usage to encourage industries to invest in the energy-efficient technologies.

(e) REPORT.—On completion of the program, the program coordinator shall submit to Congress a report that—

(1) describes the results and successes of the program; and

(2) makes recommendations for any appropriate actions that would encourage industrial energy-efficiency investments.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for the period of fiscal years 2006 through 2008, of which $8,000,000 shall be made available to carry out subsection (c).

SA 808. Mr. OBAMA (for himself and Mr. LUGAR) submitted an amendment intended to be proposed by him to the bill H.R. 6, Reserved; which was ordered to lie on the table; as follows:

On page 346, between lines 9 and 10, insert the following:

SEC. 4____. DEPARTMENT OF ENERGY TRANSPORTATION FUELS FROM ILLINOIS BASIN COAL.

(a) IN GENERAL.—The Secretary shall carry out a program to evaluate the commercial and technical viability of advanced technologies for the production of Fischer-Tropsch transportation fuels, and other transportation fuels, manufactured from Illinois basin coal, including the capital modification of existing facilities and the construction of testing facilities under subsection (b).

(b) FACILITIES.—For the purpose of evaluating the commercial and technical viability of different processes for producing Fischer-Tropsch transportation fuels, and other transportation fuels, from Illinois basin coal, the Secretary shall support the use and capital modification of existing facilities and the construction of new facilities at—

(1) Southern Illinois University Coal Research Center;

(2) University of Kentucky Center for Applied Energy Research; and

(3) Energy Center at Purdue University.

(c) GASIFICATION PRODUCTS TEST CENTER.—In conjunction with the activities described in subsections (a) and (b), the Secretary shall construct a test center to evaluate and confirm liquid and gas products from syngas catalysis in order that the system has an output of at least 500 gallons of Fischer-Tropsch transportation fuel per day in a 24-hour operation.

(d) MILESTONES.—

(1) SELECTION OF PROCESSES.—Not later than 180 days after the date of enactment of this Act, the Secretary shall select processes for evaluating the commercial and technical viability of different processes of producing Fischer-Tropsch transportation fuels, and other transportation fuels, from Illinois basin coal.

(2) AGREEMENTS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall offer to enter into agreements—

(A) to carry out the activities described in this section, at the facilities described in subsection (b); and

(B) for the capital modifications or construction of the facilities at the locations described in subsection (b).

(3) EVALUATIONS.—Not later than 3 years after the date of enactment of the Act, the Secretary shall begin, at the facilities described in subsection (b), evaluation of the technical and commercial viability of different processes of producing Fischer-Tropsch transportation fuels, and other transportation fuels, from Illinois basin coal.

(4) CONSTRUCTION OF FACILITIES.—

(A) IN GENERAL.—The Secretary shall construct the facilities described in subsection (b) at the lowest cost practicable.

(B) GRANTS OR AGREEMENTS.—The Secretary may make grants or enter into agreements or contracts with the institutions of higher education described in subsection (b).

(e) COST SHARING.—The cost of making grants under this section shall be shared in accordance with section 1002.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $85,000,000 for the period of fiscal years 2006 through 2010.

NOTICES OF HEARINGS/MEETINGS

SUBCOMMITTEE ON WATER AND POWER

Ms. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Water and Power of the Committee on Energy and Natural Resources.

The hearing will be held on Tuesday, June 28, 2005 at 3 p.m. in Room SD–366 of the Dirksen Senate Office Building.

The purpose of the hearing is to receive testimony on the water supply status in the Pacific Northwest and its impact on power production, as well as to receive testimony on S. 648, to amend the Reclamation States Emergency Drought Relief Act of 1991 to extend the authority for drought assistance.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510–6150.

UNITED STATES-EUROPEAN UNION SUMMIT

Mr. DOMENICI. On behalf of the leader, I ask unanimous consent that the Senate now proceed to the consideration of S. Res. 178, which was submitted earlier today.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 178) expressing the sense of the Senate regarding the United States-European Union Summit.

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

Mr. DOMENICI. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 178) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 178

Whereas over the past 55 years the United States and the European Union have built a strong transatlantic partnership based upon the common values of freedom, democracy, rule of law, human rights, security, and economic development;

Whereas working together to promote these values globally will serve the mutual political, economic, and security interests of the United States and the European Union;

Whereas cooperation between the United States and the European Union on global security issues such as terrorism, the Middle East peace process, the proliferation of weapons of mass destruction, ballistic missile technology, and the nuclear activities of rogue nations is important for promoting international peace and security;

Whereas the common efforts of the United States and the European Union have supported freedom in countries such as Lebanon, Ukraine, Kyrgyzstan, Georgia, Moldova, Belarus, and Uzbekistan;

Whereas through coordination and cooperation during emergencies such as the 2004 Indian Ocean tsunami disaster, the AIDS pandemic in Africa, and the ongoing situation in Darfur, the United States and the European Union have mitigated the effects of humanitarian disasters across the globe;

Whereas economic cooperation such as removing impediments to transatlantic trade and investment, expanding regulatory dialogues and exchanges, integrating capitol markets, and ensuring the safe and secure movement of people and goods across the Atlantic will increase prosperity and strengthen the partnership between the United States and the European Union; and

Whereas although disagreements between the United States and the European Union have existed on a variety of issues, the transatlantic relationship remains strong and continues to improve: Now, therefore, be it

Resolved, That the Senate—

(1) welcomes the leadership of the European Union to the 2005 United States-European Union Summit to be held in Washington, DC, on June 20, 2005;

(2) highlights the importance of the United States and the European Union working together to address global challenges;

(3) recommends—

(A) expanded political dialogue between Congress and the European Parliament; and

(B) that the 2005 United States-European Union Summit focus on both short and long-term measures that will allow for vigorous and active expansion of the transatlantic relationship;

(4) encourages—

(A) the adoption of practical measures to expand the United States-European Union economic relationship by reducing obstacles that inhibit economic integration; and

(B) encourages continued strong and expanded cooperation between Congress and the European Parliament on global security issues.

MEASURE READ THE FIRST TIME—H.R. 2745

Mr. DOMENICI. I understand there is a bill at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2745) to reform the United Nations, and for other purposes.

Mr. DOMENICI. I now ask for a second reading in order to place the bill on the calendar under the provisions of rule XIV. I object to my own request.

The PRESIDING OFFICER. The objection is heard.

ORDERS FOR TUESDAY, JUNE 21, 2005

Mr. DOMENICI. I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:45 a.m. on Tuesday, June 21. I further ask that following the prayer and the pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time of the two leaders be reserved, and the Senate then resume consideration of H.R. 6, the Energy bill; provided further that the Senate resume consideration of Martinez amendment No. 783 and there be 80 minutes of debate with Senators MARTINEZ, NELSON, CORZINE, LANDRIEU, BINGAMAN, and DOMENICI each in control of 10 minutes, the two leaders or their designees in control of 10 minutes each; provided that following that time, the Senate proceed to a vote in relation to the amendment with no second degrees in order prior to the vote.

I further ask consent that the Senate recess until from 11:30 a.m. until 2:15 p.m. for the weekly party luncheons.

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

PROGRAM

Mr. DOMENICI. Tomorrow, the Senate will resume consideration of the Energy bill under the previous order, and there will be up to 80 minutes of debate on the pending Martinez amendment on OCS inventory. Following the debate, the Senate will proceed to a vote in relation to the amendment. Therefore, the first vote of tomorrow's session will occur at 11 a.m.

For the remainder of the day, we will continue working through the remaining amendments to the bill. We have a couple of amendments pending, including the Voinovich diesel emission amendment. It is my hope that we can lock in time agreements on those amendments tomorrow afternoon.

I also remind my colleagues that we will complete action on this bill this week. This is the statement of the leader. In an effort to move this process forward, we may file cloture on the bill tomorrow; therefore, Senators who have amendments should contact the bill managers as soon as possible.

ADJOURNMENT UNTIL 9:45 A.M. TOMORROW

Mr. DOMENICI. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:59 p.m., adjourned until Tuesday, June 21, 2005, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate June 20, 2005:

DEPARTMENT OF JUSTICE

TIMOTHY ELLIOTT FLANIGAN, OF VIRGINIA, TO BE DEPUTY ATTORNEY GENERAL, VICE JAMES B. COMEY, RESIGNED.

SUE ELLEN WOOLDRIDGE, OF VIRGINIA, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE THOMAS L. SANSONETI, RESIGNED.