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No. 18

## Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable MIKE DEWINE, a Senator from the State of Ohio.

### PRAYER

The guest Chaplain, Rabbi Leslie Y. Gutterman, Temple Beth-El, Providence, RI, offered the following prayer:

God of the free, Hope of the brave, we invoke Your blessings upon the Members of this Senate. May they be filled with Your spirit, the spirit of wisdom, compassion, and understanding.

Help these good women and men to keep America free from prejudice, oppression, and strife. Let the Senators' deliberations fulfill our deepest spiritual desires and promote justice, freedom, and peace. Cause their example to strengthen every citizen's capacity for self-sacrifice on behalf of our country's welfare.

Hasten the day, we fervently pray, when security and abundance will be the share of all. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable LINCOLN CHAFEE, a Senator from the state of Rhode Island, 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. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, February 8, 2001.  
To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable MIKE DEWINE, a Senator from the State of Ohio, to perform the duties of the Chair.

STROM THURMOND,  
President pro tempore.

Mr. DEWINE thereupon assumed the chair as Acting President pro tempore.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

### RABBI LESLIE Y. GUTTERMAN

Mr. REED. Mr. President, I am honored to be able to welcome my friend and great leader in our religious community in Rhode Island, Rabbi Leslie Gutterman. Rabbi Gutterman is the rabbi at Temple Beth-El, Providence, RI. He has been leading his congregation since 1970. He has become a leader in our community not just within the Jewish community but within all the communities in Rhode Island.

The Talmud says the Torah gives honor to those who study it. Rabbi Gutterman has studied it and has been honored for this study. He honors us by his wisdom, his wit, his compassion, his generous spirit, in all he endeavors throughout our community.

It is indeed an honor to be here today to welcome him, to hear his words of prayer and reflection, and to go forward knowing that he is not only a friend but also a powerful force in our State for tolerance and decency. I thank him for being here today.

I yield the floor.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader, the Senator from Oklahoma.

### SCHEDULE

Mr. NICKLES. Today the Senate will be in a period of morning business until 11 a.m., with the majority leader to be recognized at 11 a.m. for up to 15 min-

utes. By previous consent, following morning business, the Senate will begin consideration of the pipeline safety legislation. An agreement was reached last night with respect to amendments to the pipeline safety bill. Therefore, it is hoped that the Senate can complete action on the bill at a reasonable hour this afternoon.

I thank my colleagues for their cooperation.

Mr. REID. Mr. President, while the distinguished Senator from Oklahoma is on the floor, does the Senator have an idea what time the leaders want to have the vote today or hope to have the vote today?

Mr. NICKLES. Mr. President, I don't know. I do know there is an agreement that any amendments have to be relevant to the pipeline safety legislation. I think the legislation has overwhelming support, so it is my guess we will be able to have conclusion at a reasonable hour.

Mr. REID. A number of people have made inquiries today.

### RESERVATION OF LEADER TIME

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

### MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m. Under the previous order, the time from 9:30 to 10 a.m. will be under the control of the Senator from New Jersey.

The Senator from New Jersey is now recognized.

### THE SURPLUS

Mr. TORRICELLI. Mr. President, in these times of extraordinary budgetary wealth, it is easy to forget it was less

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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than a decade ago that a now famous comment was made that the U.S. Government would have deficits as far as the eye could see. Indeed, in 1992 when the Clinton administration began, the annual deficit was \$290 billion and was projected to grow to \$455 billion this year. Today, not only has that annual deficit been eliminated but the budget surplus is \$237 billion, for the first time in generations, 3 successive years of budget surpluses, leading to the extraordinary ability of the U.S. Treasury by next year to have reduced the aggregate historic debt of the United States by \$600 billion.

It is now realistic to discuss the elimination of all outstanding U.S. Government debt—not in another generation, perhaps not even in another decade, but in our own time, on our own watch.

This extraordinary change of the national finances has led to the recognition that the Federal Government could generate a \$3.1 trillion surplus, even while excluding the accumulating Social Security surplus that we mutually agree needs to be held in reserve. This is clearly a once-in-a-lifetime opportunity. Any generation of Members of the Senate only could have dreamed of the chance to reorganize the finances of the Federal Government with surpluses that were even a fraction of these magnitudes.

The choices before the Senate are obviously considerable. We arrived at these massive surpluses for a combination of reasons: Our taxes, extraordinary work by the American people, rising productivity and technology, but also because for a long time our people simply went without some benefits. Like a company that improves its bottom line by not investing in its personnel, our country cast a blind eye for some time to real human needs and human investments in order to balance our budget.

First and foremost among those things that the country simply ignored for a period of time was the medical needs of our people. Modern medicine is obviously revolutionizing health care. Despite the fact that prescription drugs are an integral part of the health care of any citizen, 35 percent of Medicare beneficiaries, or 15 million senior citizens, have no prescription drug coverage and are either choosing between their rent and food or paying their prescription drug bills or simply doing without at the cost of compromising the quality of their lives, or life itself. It remains first on the national objectives to be corrected in these new circumstances.

Second, arguably, the United States has the finest system of higher education in the world. But no one could defend the current quality of our elementary or high schools. They are literally bursting apart at the seams: Aging schools, postponed improvements in their infrastructure, the need for higher standards, to retain good teachers, and get even better teachers.

It is axiomatic that in this time of revolutionary technology and international competition, it will be impossible to maintain the standard of living in the United States or our national strength or even democratic character without improving the quality of instruction in our schools. Mr. President, 2,400 schools will need to be rebuilt by the year 2003 to accommodate rising enrollments alone, and 130,000 teachers will need to be hired over the next decade. This, too, was postponed.

Third, until most recently, this generation postponed its obligation to maintain the quality of life by maintaining the quality of the land of our country. What began with Theodore Roosevelt in preserving our national monuments and lands and open space for our generation was postponed as we fought to balance our budget. No State in the Nation is a better example of this phenomenon than my own native State of New Jersey. Forty percent of the land is already developed; 10,000 acres are lost per year. There is an epidemic of sprawl. America is losing 50 acres of open space every hour of every day, all year long.

These three, from my own personal perspective, are on top of a long list of postponed national ambitions that need to be debated in the context of broad and meaningful tax reduction, which I support. Prescription drug benefits, new teachers and schools, preserving of open space, and the quality of our environment—they are a part of this debate. The resources that go to one are not available for the other.

This Congress, unlike many that came before us that dealt with the question of comprehensive tax relief, must commit itself to balance, to balance the resources that are necessary for national goals and the resources that are required for comprehensive and meaningful tax relief.

The question of tax relief itself also involves issues of balance. I begin this discussion with a profound belief that tax relief is not only affordable, it is owed to the American people. There are many contributors to the national surplus. This Congress and President Clinton deserve considerable credit for reducing spending and some enhanced efficiencies. The American people deserve most of the credit for the new productivity of this economy and its efficiency through their hard work.

But it is also true—indeed, it is inescapable—that a significant portion of the Federal surplus is a direct result of high tax rates that have produced increased revenue, and the American people deserve a dividend on their high taxes of all these years.

Rates were increased and they were too high, and now they are simply not necessary. The projection of a \$3.1 trillion surplus should end forever the argument about whether the U.S. Government can afford broad-based tax relief. It is right, it is necessary, and it is affordable.

The question becomes the character of this Congress; whether we not only

have the judgment to balance our educational, environmental, and medical needs against the need for broad-based tax relief but whether the tax relief itself can be comprehensive and balanced to a variety of national objectives.

President Bush has proposed a \$1.6 trillion restructuring of the tax brackets. It is largely a reflection of the broad-based tax relief offered by Senators Coverdell, BREAUX, Kerrey, and myself in the last Congress. It is deeper and it is broader, but it is based on the principle of lowering rates generally and specifically moving middle-income American families into the lowest bracket possible. That is simple but it is direct and it is right.

But the tax debate must include more than simply lowering rates in the broadest fashion possible for most Americans. There are other specific national objectives to be achieved through the Tax Code. I was pleased to see that Senator LOTT has joined in my efforts to include in this tax reduction a further cut in capital gains rates. The business community has made clear its own desire to see the R&D tax credit made permanent and reform of the international tax laws.

Those in my State of New Jersey, home of the pharmaceutical industry and increasingly of high technology, and involved in a disproportionate amount of international trade, are grateful for the help of our economy and growing employment base. Both political parties have pledged themselves to end the marriage penalty and to eliminate the estate tax for at least small businesses, family farms, and to fix the alternative minimum tax, which is a rising burden on middle-income people.

Indeed, with a surplus of this magnitude, there is no shortage of legitimate ideas. All of these concepts for tax reform and tax reduction have one thing in common: They are justifiable, they have a rationale, and they should be considered. But they also have this in common: None should be considered to the exclusion of other ideas, and each should be balanced.

This is a moment the country is not going to visit again for a long time. This should be considered at length, seriously, and done right. Let me begin with several ideas that I believe are critical, in addition to the clear objective of restructuring the tax brackets themselves.

First is the affordability of higher education. There is no greater burden on middle-income families, on working couples, than the prospect, the daunting challenge of a college education for their children. With the possible exception of buying a home, it is the principal financial burden in life for most Americans. For those less fortunate, there are a variety of scholarship and loan programs. The very wealthy will never have to be concerned. But most Americans find themselves in neither situation, and we are

facing the prospect where the middle class will simply be out of range of a quality graduate education or even a college education. Both our sense of fairness and our economic prospects as a nation are going to be radically altered if a quality college education is the province only of the upper middle class and the privileged. We will destroy the engine of our economic growth while taking basic fairness and social mobility out of our society.

As this chart indicates, over the last decade the cost of sending a child to college has increased by 40 percent, two and a half times the basic underlying inflation rate, for public universities and for private universities. It is not tolerable and there is something that this Congress can do about it. If we were to add one single deduction to this new Tax Code that this Congress is going to write in the coming weeks, in addition to the broad-based relief in the lowering of tax brackets for all Americans, it would be 100-percent deductibility of college tuition. It makes sense and it should be done now, and nothing would add more to the finances of middle-income families.

Long ago this Congress recognized the need for deductibility of basic investments by business to add to its capabilities of productivity and efficiency. As a nation, that same investment strategy is reflected by average Americans every day when they seek the financial security of their families and their productivity as a people by educating their children.

I recognize, because of the variety of deductions and rate alterations that are going to be suggested in this Congress, that 100-percent deductibility for Harvard or Yale or Princeton might not initially be possible.

Because we cannot do everything does not mean we cannot do anything. If 100-percent deductibility for the most expensive schools in the Nation is not possible, 100-percent deductibility for the cost of going to a State university or a more moderately priced school is affordable and should be in this legislation.

Second, the national crisis of savings and retirement: There is no arguing that these are extraordinary economic times by almost any measure—national competitiveness, efficiency, employment, and quality of life. In this panoply of good news, there is at least a single measure of a mounting national problem: the national savings rate.

As this chart demonstrates, from only 20 years ago, when Americans were saving 10 percent of their income, for the first time since the Great Depression, the Nation now has a negative savings rate.

The consequences of this are very clear. American families are maintaining their standard of living by going into debt further and further every year. In the last 23 years, the debt burden on American families has quadrupled. We are now last in the devel-

oped world in the amount of money available to every family in their personal savings.

Nearly two-thirds of Americans have no stake in the society, no accumulated wealth but the value of their home. The consequences of this on society are very clear. Most Americans are no more than a sickness, a natural catastrophe, a divorce, or the loss of a job away from losing a home and everything they have worked for all of their lives. A stable society that is prosperous and confident must have broad-based savings by its people.

There is a reason why Americans have stopped saving money. This Government has made savings an irrational economic act. A working family on a modest income, who puts a few dollars in the bank or in the stock market every year hoping for a dividend, a small capital gain, some appreciation, faces the prospect of paying taxes on it every April. This denies people not only security from the vagaries of everyday life, it also denies them the ability to save appropriately for their own retirement and ultimately makes them dependent upon Government to an extent that should not be necessary.

Let me be clear because I believe this is so fundamental to this tax bill. The Federal Government, in its current circumstances, does not need tax revenues from taxing the dividends, interest, or capital gains of working-class families who decide to have modest savings and make an investment in the country for themselves, their children, or their future. We not only do not need their money, we should be encouraging them to every extent possible to participate in the growth of the country and save their own money: Buy a mutual fund, put money in the bank, get in the stock market, make a family investment, and keep your money.

If we provide a \$500 exclusion for dividends, savings on interest in bank accounts, \$2,000 or \$3,000 exclusion for capital gains, we can eliminate all taxes on savings for 20 million Americans; 20 million Americans would be eliminated from the tax rolls with regard to their savings account or their brokerage account.

This Congress could make saving money and getting financial security to be a rational economic act again.

For most Americans, this would translate into the ability to have \$10,000 in the bank or in the stock market, knowing it is theirs and it will not add to their tax liability every April. I believe this second element, in addition to a broad-based rate reduction, is a critical component of comprehensive tax reform.

Third, the elimination of the estate tax for small business and family farms: There is clearly a general agreement in this Congress by Democrats and Republicans that we can eliminate all taxes as we now know them on estates for small businesses and family farms. The question is whether we can

afford to do this for everybody or only for 90 percent of those Americans who would be eliminated from the estate tax rolls if we simply increased the threshold to \$5 million or \$7 million.

We all agree there is a problem. Seventy percent of small business owners choose to sell their businesses rather than pass that business on to their children and pay the estate tax. The estate tax is destroying small business in America, family businesses, the continuity of ownership and pride within a business inside a family. As a result, only 13 percent of small businesses in existence today will survive to the third generation.

With the loss of family farms, it is even worse, adding not only to the loss of continuity of ownership of a family farm but in a State such as mine, in New Jersey, more importantly, the destruction of the land. People who want to be in farming and want their children to be in farming have to sell the farm to a developer and divide the acreage because upon their death, their children cannot afford to pay the tax.

The better alternative, if we cannot afford to eliminate the estate tax entirely, is to increase the exemption to such a level that every small business and every family farm, for all practical purposes, is excluded from the tax.

Under current law, there is a \$2.6 million exemption for qualified family farms and small businesses. But in a State such as New Jersey—indeed, much of the country—if you have significant acreage, you may not be a wealthy person—indeed, you may have no cash available at all—but your land may be worth more than that, and you cannot afford to give it to your child on your death. Therefore, the more effective alternative to repeal may be to increase the threshold to \$8 million or maybe even \$10 million. This would deal with the practical problems of destroying small businesses and family farms.

Four, rate reduction. I began this discussion by conceding the point—and, indeed, conceding it gladly—that every American deserves a tax break regardless of their income because every American, regardless of their position, has contributed to the surplus and the new national prosperity.

I say this because my hope is that this discussion of tax reduction cannot become a debate about different sections of the country any more than it should about different strata of wealth, a fight of region, or class warfare. All Americans helped produce this prosperity, and everyone should share in its benefits. But I also want this congressional debate to begin with the idea that we all do come from different sections of the country and have different concepts of the tax burden.

The issue becomes that we all want these tax reductions to go to primarily middle-income people, which begs the question: What is a middle-income family? Is a family of four making \$40,000 or \$50,000 middle income? There

are regions of the country where the answer to that might be affirmative.

In the State of New Jersey—indeed, I suspect in New York, California, southern Florida, or northern Illinois—the answer most decidedly is no. A family of four earning \$40,000 to \$50,000 a year is struggling every single day to pay their mortgage, educate their children, feed their children, and clothe them. That is not a life of prosperity and ease. It is only marginally sometimes middle income.

Indeed, in my State, a family earning \$70,000 a year is probably a police officer married to a nurse or a school teacher. This is a family of middle-income status that deserves these benefits. So I hope we can avoid a discussion of broad-based tax relief that focuses most tax benefits significantly below this level of income.

I want to be accommodating to my colleagues. I want this to be a bipartisan and broadly based tax plan, but I will fight to the end to assure these levels defining “middle-income families” are realistic for these police officers, nurses, teachers, and small business people who have modest incomes and high expenses in our urban and suburban areas of the country.

Last year, when Senator Coverdell and I introduced the first bipartisan broad-based expansion of tax brackets for lower rates, the center of our plan—largely now adopted by President Bush—was to expand the 15-percent tax bracket to a family of four earning \$75,000. This would move 7 million taxpayers into the lowest Federal bracket, recognizing that no one in this bracket, as I earlier suggested, should be paying 28 or 31 percent. This is the centerpiece, in my judgment, of any rate reduction.

Finally, I leave my colleagues with two other concepts that I hope will be considered, recognizing that in addition to the education and health care and open space agendas of the Nation, and the need for broad-based rate reductions, there are two other issues Congress has addressed previously where we are not succeeding that could be impacted by the tax break.

First is our urban agenda. We have tried Empowerment Zones and HOPE VI grants and a variety of measures to deal with our urban problems. Some have succeeded. Indeed, I am proud of many. But my sense is that our cities are now at the point where private investment could largely follow these Federal initiatives in an urban renaissance. If we could change, even marginally, the profitability of urban investment, such as, in wide areas of Newark and Jersey City—I recognize private housing is beginning to be built, but what is a tentative beginning could be an explosion of investment if we could marginally change the tax status of the developers.

So I propose, for home ownership and investment in our urban areas, we take these areas of urban Empowerment Zones and do an exclusion on capital

gains for those who will invest in new housing or new investment. Allow the developer to keep \$25,000 of capital gains on every house they build in an urban enterprise zone as their money, if they will take the risk and change the economics of that investment.

Second, and finally, on brownfields, brownfields is an important concept to recycle urban polluted lands into vital economic resources. It has been successful, but it must move more quickly.

Mr. President, I conclude simply by suggesting I want to accelerate and increase the tax deductibility for investment in brownfields. I leave my colleagues with the thought that I hope this is a good debate on tax reduction. I hope it is comprehensive. I hope it is balanced. I hope we seize this extraordinary moment to impact the lives of as many Americans as possible while assuring our economic future.

I yield the floor and thank the Presiding Officer for his indulgence.

The PRESIDING OFFICER (Mr. ALLEN). I thank the Senator from New Jersey.

The Chair recognizes the Senator from Connecticut, Mr. LIEBERMAN.

Mr. LIEBERMAN. I thank the Chair and thank my colleague.

#### FISCAL DISCIPLINE

Mr. LIEBERMAN. Mr. President, this is an important day in the 107th session of Congress. This is the day on which President Bush will send us his tax proposals. Our response to them will determine, I believe, the strength of our economy and the security of each and every American for years to come.

In response to the proposal the President will send us, I believe we will all be tested—each of us individually, the institution of Congress, and, indeed, the American people whose opinions will influence what we do. I think, therefore, we have to think long and hard about what we do.

I have looked at the proposal President Bush is going to send us today. And with all respect, I believe President Bush's tax proposal is a mistake because it does not reflect the best American values of thrift and discipline. I also believe President Bush's tax proposal is ultimately fiscally irresponsible because it spends money in a projected surplus we have no reason to have absolute confidence we will have and, therefore, not only threatens to take America back down the drain to debt, to deficits, to higher interest rates and higher unemployment but threatens to make impossible the kinds of measured investments we need to make in our people's future, including our national security, the education of our children, and the health care of all Americans.

So I think it is time for us, on these tax-and-spending matters, to slow down. If I might paraphrase a Simon and Garfunkel classic: It is time for us to slow down and not move too fast be-

cause we have to make the good economy last. What I see around us, in response to the President's proposal, is quite the opposite of discipline.

I fear we are going to end up in a race to see who can give more away, which will ultimately result in a position that the American people will not be able to take care of themselves. I want to speak about this for a moment or two.

We have learned some lessons—or should have—over the last several years about how we created the economic growth that most American families are enjoying today. Government does not create jobs; the private sector does. But Government can create the environment in which the private sector can thrive by the way we conduct ourselves.

It seems to me, if we look back over history, though the investments we make in education and training are important, the most important thing the Federal Government can do is to keep its books in balance and, hopefully, to have a little bit of a surplus. That creates the confidence and the stability which encourages the private sector to invest, to innovate, to create jobs, to grow.

The tax plan which President Bush is sending to Congress today ignores those lessons. The administration's massive \$2 trillion tax program—because it is not just the \$1.6 trillion, if you add on the necessary alteration in the alternative minimum tax and lost interest earnings as a result of that tax plan, it comes to more than \$2 trillion—that massive \$2 trillion tax program misunderstands our unprecedented economic expansion and why we got there and is not the right way to deal with the current economic slowdown that worries us.

As a so-called new Democrat and, indeed, I might add, as a New Englander, I believe in tax cuts.

I have supported them in the past. I will support them again this year. But they have to be done in the context of a balanced fiscal program. The President's proposal absorbs most of the projected surplus for tax cuts, a surplus which, I repeat, is just a projection, not a reality. It is as if someone told the average American or the average American small business person: We think you are probably going to make this much money in the next 10 years, and then that individual American or that individual American small business person immediately goes out and spends all that money. No one sensibly would do that. We who have the privilege and responsibility of leading this country should not allow the American Government to do that.

A better framework, one truly reflective of our national values and priorities, would be to divide the projected surplus into parts: One part for deficit reduction, not only for deficit reduction but as a hedge against the possibility that the surplus projections do not materialize; another part for

broad-based progressive tax cuts; and a final part for targeted investments in our future: in our defense, in our national security, in our education, and in our health care.

My own preference for that division would be to put half of the projected surplus for debt reduction in a rainy day fund, one-quarter for tax cuts, and one-quarter for targeted spending increases. Others would divide it in equal thirds. That is acceptable, certainly preferable to what the President is sending us today.

Our top priority must remain debt reduction. Let us not forget, as good as the times are now, we still have a national debt of more than \$3.1 trillion which, if we do not act responsibly, will burden the future, not just of our Nation but of our children and our grandchildren.

Our economy is slowing down—it is still pretty healthy but slowing down—from the extraordinary rate of growth we have enjoyed for several years. Last week, it is important to note, the consumer confidence index reported a 20-percent decline from a year ago, falling to its lowest level in 4 years. Obviously, many consumers are getting nervous about the economy's slowing growth and what it portends for their future and our future as a nation.

That presents us with a warning about how we should act with this surplus, but it also gives us an opportunity. Washington can quickly rally consumer confidence, I think most importantly, by continued debt reduction, staying the course, because that means lower interest rates. That means lower interest payments on cars, homes, student loans, and credit card debt. Lower interest payments also mean greater purchasing power.

In short, continuing to pay down the debt and thereby keeping interest rates low amounts to an indirect tax cut and an economic stimulus now that will actually put more money into the pockets of more Americans more quickly than anything else we can do.

Let me talk about the opportunity for tax cuts, which we have if we do this responsibly and right. The American people have earned a tax cut. In fact, as good as the economy has been in recent years, there are millions and millions of Americans who need a tax cut to make the way for themselves and their families. The question we have to ask ourselves is, What is the most constructive and fair way to return part of the surplus to those who helped create it? After all, the surplus comes from the revenues that people pay our Government. The revenues that people pay our Government have gone up because the economy has improved. The economy has improved because of the investment and innovation and hard work of the American people.

The answer here is to construct and adopt a broad-based, progressive tax cut, one that is directed at the middle class, which is, after all, the backbone of our society and our economy. Let

me suggest three possibilities to do this in a fiscally responsible way.

First, let us remember that almost three-quarters of all working Americans actually pay more in payroll taxes, have more taken out of their paychecks in payroll taxes, than they pay in income taxes. Why not help them by cutting that tax on work and thereby adopt a payroll tax credit? For instance, working families could receive an annual refundable income tax credit equal to a percentage of what they pay in Social Security taxes, without affecting what they have invested for retirement.

Another possibility that is being discussed is to use tax credits, or the money available to establish what, in effect, would be a national 401(k), by matching private retirement savings and encouraging actually depositing money for retirement beyond Social Security in special accounts for all working Americans. That would allow people to keep more of their own money while supplementing Social Security for their retirement.

A third reasonable, balanced, broad-based, progressive tax alternative is to give every American taxpayer a refund, a flat dollar amount, as a dividend, to reflect the growing budget surplus and the hard work that went into creating it.

Each of these three possible proposals—and you can only adopt one of them in a fiscally responsible way—would have a great impact on those who need tax relief the most.

Incidentally, if we do it right, there will be some money left over for tax cuts for business, tax cuts to encourage investment and innovation, tax cuts that can help small businesses, particularly, work their way into the new information age, high-tech economy. That might include another round of capital gains tax cuts.

Briefly, on the question of spending, because I think we have the opportunity to make some investments in a limited, restrained, and targeted way, none is more important than education. President Bush has made a very thoughtful proposal on education reform which is not tremendously unlike proposals that many of us have made.

We can talk about good ideas for education reform, but unless we have some money left over to actually invest in the education of our children, those ideas won't matter. The same is true of our national defense. Last year, then-Governor Bush quite often said that our military was strapped, it was becoming weak, and that help was on the way. He has now said more recently to the military: Don't expect an increase this year.

But more to the point, if we spend as much on his tax proposal, there is no way we will have the money we need to invest in strengthening our military and keeping our Nation secure over the next decade.

The bottom line is this: Fiscal discipline has played a critical role in the

growth of our surplus. It would be foolish to forget that as quickly as these surpluses materialize, they can disappear. That is why we should follow a cautious approach to the surplus assumptions and projections and a balanced approach to the policies that are based on those assumptions.

The best way to keep America's prosperity going is with a balanced program in which we distribute this surplus the American people have earned to debt reduction, sensible broad-based tax cuts, and targeted spending increases.

That is the best way to secure America's future and improve the lives of the American people. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas, Mr. HUTCHINSON.

#### THE PRESIDENT'S TAX CUT PROPOSAL

Mr. HUTCHINSON. Mr. President, I want to respond to my distinguished colleague on his always very insightful observations regarding the President's tax cut proposals. I want to strongly commend the President for coming out with a well-conceived tax program that will provide broad-based tax relief for the American people; for every American taxpayer will experience relief from the onerous burden placed upon them by this Tax Code and tax burden we have.

My distinguished colleague spoke of the need for investment. Too often when we talk about not giving tax relief because we have to ensure we have enough resources to invest in the Federal Government, what we are really talking about is: Let's make sure we don't give it back to the American people so we have it to spend as we see fit. So investment equates to big spending programs. That would be ill-advised.

If we do not enact broad-based tax relief, as the President has proposed, I can assure you that over the next 10 years the projected surplus will not go to debt reduction, as everybody would like to see, but it will, in fact, be spent by a Congress that enjoys spending all too much.

When Senator LIEBERMAN speaks about a cautious approach, I agree. What the President has done and proposed is cautious and prudent. He has proposed that we spend one-fourth of the projected surplus by returning to the American people tax relief. One quarter of every dollar out of the projected surplus would be returned to the American people who pay the bills.

As my friend Senator ENZI has often said, the surplus is a tax overcharge, and at least a quarter of it ought to go back to the American people.

#### EDUCATION SAVINGS ACCOUNTS

Mr. HUTCHINSON. Mr. President, I rise today to speak to a part of the President's tax program and part of his education program, which is the education savings accounts. My colleague,

Senator TORRICELLI, spoke on this earlier today. I join him and am pleased to cosponsor the education savings accounts legislation with him. I am honored to take up this cause from its previous Republican sponsor, the Senator from Georgia, Paul Coverdell, and it is in his honor and memory that this legislation is named.

Senator Coverdell was an ardent supporter of education savings accounts. He worked for years to ensure that families and children across America had the best educational opportunities available to them. I, with all of my colleagues, am sad that Senator Coverdell is no longer here to continue his exemplary work on this issue. He believed education was one of the five pillars of freedom. Not only did he work tirelessly on this issue, but he coordinated the floor debate on the Elementary and Secondary Education Act last May. He was dedicated to the issue of education and its importance in shaping the future of our country.

While this legislation was passed several times by the Senate under the leadership of Senator Coverdell, I will work with Senator TORRICELLI to ensure that his dream of expanded, broader education savings accounts is not only passed this year but is signed into law.

This legislation, which we call the Coverdell Education Savings Accounts Act of 2001, allows parents, grandparents, or other scholarship sponsors to establish an education savings account to save for a child's education expenses. The Taxpayer Relief Act of 1997 allowed families to establish individual education accounts for higher education expenses, but it allowed contributions of only \$500 per year. That is simply not enough. This legislation would build on that legislation by increasing the annual limit on contributions from the \$500 to \$2,000 per child per year. Furthermore, and equally as significant, it expands the account so that savings may be used for elementary and secondary education expenses, including tutoring, special needs services, books, home computers, and tuition.

Education savings accounts place the power of education in the hands of those who should be in control, and that is the parents. These accounts allow parents to invest their own money over time to plan for their children's future. Parents would have a real incentive to save for their children's education expenses, and as these accounts grow and accumulate interest, they build compound interest so parents can have significant resources to pay for many of the services associated with educating their child.

My colleagues, even public education is no longer free. Parents often have to pay for tutoring, for afterschool programs, for uniforms in many schools, home computers and software, and they pay that out of their own pockets. These accounts can help pay for that.

May I say, as an aside, public school teachers are going to be big bene-

ficiaries of these Coverdell accounts. They are going to benefit because those who are hired to do tutoring, those who will provide additional help for children who need that special time are going to be the public school teachers who are going to see their incomes and limited salaries oftentimes supplemented by these education savings accounts.

In addition, this legislation would expand who can contribute to the education savings accounts so that corporations, charitable organizations, foundations, and labor unions can contribute to these education savings accounts in the name of a particular child. So I can certainly envision major employers deciding this would be an ideal benefit to employees and their children by establishing these education savings accounts, making contributions to them. I certainly can imagine labor unions being supportive of this and seeing this as a wonderful benefit for their members and ensuring that their members are going to have the resources necessary for their children's education and for their employees to have all of the options available as they look at what is best for their children.

So this proposal will inject billions of new dollars into education that would not have been spent previously. I think it is a wonderful opportunity for companies and unions to offer education savings accounts as benefits for their employees—a benefit particularly helpful to low- and middle-income families who otherwise could not save much.

According to a previous analysis by the Joint Committee on Taxation, 70 percent of the families expected to take advantage of this legislation have incomes of \$75,000 or less. These accounts are only available to taxpayers making less than \$95,000 or \$190,000 jointly. The Joint Committee on Taxation also estimated that 75 percent of all families using these accounts will have children enrolled in public elementary or secondary schools. That means public schools aren't the losers; they are the winners under education savings accounts.

The injection of billions of dollars, 75 percent of which is going to be benefiting families with children in public schools, is a tremendous boon to public education. So education savings accounts benefit low- and middle-income families who currently struggle to meet the education needs of their children, and they benefit families not only of lower income but those who are enrolled in public schools.

One of the arguments against these savings accounts is that you are going to take the cream of the crop out of the public schools because in their education savings accounts, they can save the resources for private school tuition. Yes, they could, but the fact is, this legislation is really targeting low- and middle-income families, those who otherwise don't even have those choices. An affluent family can look at

private schools, parochial schools, all kinds of options. They can afford tutors. It is the low- and middle-income families who heretofore have not had those options, but with education savings accounts they can look at these options.

Public schools, private schools, and parochial schools are all enhanced by that competitive atmosphere. This legislation leaves public money in public schools. Only private resources could ever be used for tuition in a private school.

We are going to have a healthy debate about the "V" word—vouchers—this year, and I commend the President for his portability provision on title I so disadvantaged children don't have to remain in a failing school, trapped in a school not meeting their needs, and parents will be able to take a portion of Federal money out of title I and move to another school. We are going to have a heated debate on that. There are Republicans for and against it, and some Democrats are for and against it. This is something Republicans and Democrats, provoucher and antivoucher forces, can agree upon because it is only private money that would be utilized in going to other public schools, and only public money would go to the public schools. Instead of creating a new Federal education program, should we not allow parents to realize a maximum return on their savings by allowing for these accounts?

It is estimated that education savings accounts will infuse more than \$12 billion of additional funding into education. That far outweighs the cost of the bill. What better way to stress the importance of education than by allowing parents the opportunity to make their dollars count.

I look forward to working on this bill with the original cosponsors—Senators GREGG, FRIST, ENZI, SESSIONS, THOMPSON, HAGEL, BROWNBACK, SANTORUM, and BREAUX—as well as the chief cosponsor, Senator TORRICELLI of New Jersey, who has fought this fight and who has been on the floor with Senator Coverdell in past years and has taken a courageous step for something that in the time since it began was controversial. I commend him and look forward to working with him as we move this legislation forward.

Parents deserve this chance of empowerment to provide a better education for their children.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri, Mr. BOND.

Mr. BOND. Thank you very much, Mr. President. I rise today to discuss some of the benefits of the tax plan that President Bush has sent to Congress. I believe everybody is beginning to understand the significant benefit families would receive under this tax reduction plan.

A family of four living in my State—St. Louis, Kansas City, Sedalia, Moberly, Maryville, or Kennett—if

they earn \$35,000, would have all their taxes eliminated, a 100-percent tax cut. That has to be good news.

A family of four making \$50,000 a year would receive a 50-percent tax cut—at least \$1,600. That could be a downpayment on a new van or a car or buy several weeks of summer camp for the kids or several weeks of groceries.

President Bush's plan doubles the child tax credit to \$1,000, bringing it more in line with the actual cost of raising a kid. It is a news flash for those of us inside the beltway. Kids are expensive. Those of us who have kids know they are life's greatest blessing, but they do not come cheap.

I commend the President for recognizing this.

I believe it is also very important that President Bush's plan expands the charitable tax deduction. We ought to be encouraging more people to contribute to the Salvation Army, Red Cross, Catholic Charities, or any of the myriad wonderful private agencies that are doing very important work helping those who need help.

I want to speak today specifically about the impact these tax reductions would have on small business.

As chairman of the Senate Committee on Small Business, I hear from small businesses every day that are the dynamic engine growing this economy. These are the businesses that create the new jobs. As larger and larger businesses cut back and lay off employees, they are finding jobs. They are finding good opportunities in small business.

Small businesses represent about 99 percent of all employers. They employ 53 percent of the private workforce and create about 75 percent of the new jobs in this country. As you are looking to see where jobs can be provided to those who are coming off welfare and those entering the workforce for the first time, small businesses are the ones giving them the opportunities.

Under the Bush tax plan, small businesses will get a huge benefit from collapsing the tax brackets from 5 to 4—giving marginal rate reductions. This is extremely important for these small businesses. Why? You may think businesses and individuals are different. But according to IRS statistics on income—most recent data available—about 20.7 million tax returns filed by small businesses were sole proprietorships, partnerships, and S corporations with business assets less than \$1 million. Those are significant numbers of small businesses that are taxed on the individual tax rates. The income of the business is passed through, and it is applied to their tax returns.

On the other hand, there are about 2¾ million corporations, or regular C corporations, that are taxed under the business rates. Almost 10 times as many businesses, much smaller, of course, are taxed on individual tax returns. Eighty-eight percent of the businesses with receipts under \$1 million are passthrough entities—businesses taxed only at the individual owner level.

The rate reduction proposed by the President will cut the taxes paid by farmers, retail shop owners, small businesses, startup businesses that are formed as sole proprietorship, partnerships, and S corporations. What are they going to do with it?

We have seen in the past when they have the taxes reduced—and we are reducing the taxes because we have a tax surplus; we are taxing them too much; too much money is being taken out of families' pockets and out of businesses' pockets—they will use those dollars left in their pockets to invest in new equipment, in new technologies, hire more workers, and pay better wages. They will be able to expand the product lines and the services they offer. Most importantly, they will contribute to the economic growth of their hometowns.

Week before last, we had a fascinating discussion with Chairman Alan Greenspan of the Federal Reserve. Chairman Greenspan, many people believe, has been one of the real economic gurus whose good economic policies have allowed this economy to grow. He has talked in the past about the need to reduce the huge national debt run up over past years.

But do you know something. This time Chairman Greenspan said it is time for a tax reduction. Why? Because we are running surpluses. There is a projected \$5.6 trillion surplus over the next 10 years. That means we would pay off all the debt we could pay off. Then the Federal Government would be left in the position of what to do with the extra money after they pay down the debt.

One of the most dangerous things he said they could do would be to have the Federal Government accumulating private assets. That is "economic speak" for buying up businesses, buying up shares of the stock market, or getting the Federal Government into socializing the economy. We don't need to go that direction. We don't need to have the Federal Government as the major shareholder in our economy.

Reducing high tax rates now is the best way to make sure we don't put the Federal Government into the business of buying up businesses. That is very dangerous. That is not where we want to go.

In addition, I asked Chairman Greenspan about what nature of tax cut would most benefit the economy. He said as an economist that clearly the most important thing we can do is lower the marginal rates.

With tax reform in the 1980s, we got the top rate down to about 80 percent. Most people think if the Federal Government is taking over a quarter of every dollar earned, that is as much as it should take. But right now we have the rates on the books of 39.6 percent. But with all the phaseouts and others, sometimes that tax rate is 44 percent—almost half of every dollar.

When you take that much money out of the system, and when you take that

much money out of the new dollars coming into a business, for example, you discourage investment. From the economist's standpoint, the best thing we can do is reduce those high marginal rates so that small businesses will have the incentive to put more money into technology and into equipment.

We have had a phenomenal growth in productivity. Because there has been investment in new technology, information technology, the information age has revolutionized the way businesses work. Businesses are able to be more productive. What does that mean? It doesn't just mean the businesses are more profitable. It means you and I as consumers get better products at lower prices. It means they can hire more workers. It means they can pay workers better salaries.

These are the benefits that come about from a marginal tax rate reduction.

In addition, the President calls for repealing the death tax.

This will be a tremendous benefit to small business. I have a lot of farmers in my State who are very worried that when they die the Federal Government is going to come in with a confiscatory Federal death tax and take away the farm, take away the small business that has been built up over the years that the business owner or the farmer would like to leave to his or her children.

Repealing the death tax will make a significant difference in assuring that we continue jobs and economic activity. Thousands of small businesses in this country waste millions of dollars each year on estate planning and insurance costs just to keep the doors open if the owners die.

A good friend of mine farms along the Missouri River in western Missouri. When his father died they paid almost \$100,000 in accounting and legal fees to figure out how they could keep his farms from being broken up. Death ought not be a taxable event. It is bad enough to have the undertaker arrive at your door. You don't want to have the tax man arrive at the same time.

The money we pay to accountants, to lawyers, and to insurance companies to try to get around this estate tax could be much more productively employed in investing in new equipment, in providing new jobs and better wages.

Many times the tax at death ends a small business; it has to be sold. It is a job killer. I think the days of the death tax should be numbered, not the days of the business owned by an older business owner or farmer who is reaching the end.

It should come as no surprise if the economy slows, as clearly it is, small businesses will be first to feel the pain. Capital dries up, sales will fall, and possibly business productivity will diminish. As we focus on the need for immediate tax relief and the merits of it in the Bush tax plan, we cannot ignore the plight of America's small enterprises in the growing economy.



Taxes are not supposed to be counter-cyclical. This is a long-term investment in the productivity of our country. When we cut the capital gains rate in the last decade, the money made available from the tax reductions helped spur the investments in productivity that kept our economy growing. Incidentally, that increased activity actually brought more revenue to the Federal Government.

I think the Bush plan, in addition to holding tremendous benefits for families, for individuals struggling to make ends meet, will have a tremendous benefit for small business. The rate cut, the estate tax repeal, and the other features of the President's proposal will directly help the hard-working women and men who dedicate their lives to creating small businesses, to taking the risks in the marketplace that will allow this country to be healthier, and to allow themselves, their families, and their workers to be productive, contributing members of the economy.

When small businesses win, we all win. I think President Bush's tax plan is one of the best hopes we have for ensuring that our economy continues to grow.

I yield the floor.

THE PRESIDING OFFICER (Mr. THOMAS). The Senator from Arizona, Mr. KYL.

Mr. KYL. Mr. President, first, I commend the Senator from Missouri for a fine statement. I certainly associate myself with those comments. In particular, his reference to the effective tax cuts on the small businesses in our country, something he has worked on literally all of his career. I appreciate very much his emphasis on that.

The President, of course, sends us his bill today. The essential feature, as the Senator from Missouri said, is the reduction in marginal rates. Reducing the marginal rates is the best thing we can do for all taxpayers, as well as for strengthening the economy itself.

I note that the low- and middle-class taxpayers are the biggest winners under this plan. For example, a family of four making \$50,000 a year would receive a 50-percent cut, a \$1,600 reduction average on their tax bill. If that is not considered important by people, just think about how much that would do for the average family. It pays the entire average home mortgage for that family of four, a year of tuition at a lot of community colleges, and so on.

The size of the cut is also modest by any standard. I know some of our colleagues on the left have said it is too big. Frankly, it is not nearly enough, in my view. I subscribe to the view of those in the House of Representatives yesterday who said it could be much larger, and it should be larger. I support at least this modest effort and urge my colleagues who say it is too much to recognize that it is only half the size of the tax cuts of the John F. Kennedy administration and one-third the size of the tax cuts of the Ronald

Reagan administration. So I don't think one could say that this tax cut is too large, when all economists agree that the tax cuts of the Kennedy and Reagan eras were the primary cause of the great economic growths that occurred during those periods of time.

Moreover, for those who contend that we don't have enough money to accommodate this tax, I say, first of all, that is very much the wrong standard to apply. This is not a Government expenditure. This has to do with taking money from American workers. Recall that during the Reagan era we had huge Federal debt and very large annual deficits, yet we reduced taxes. As I said, this tax cut being proposed by President Bush is only a third the size of those Reagan tax cuts.

The goal, first of all, should be to relieve the burden on American taxpayers, enabling them to contribute to the great economic engine of this country. We do not need to be worried about how much money is going to be left over for this Congress to spend. Everyone here knows that if we leave it on the table in the Congress, it will get spent. That is why we believe there is another reason to support this tax cut, not just to improve the economy and help American families but so the money will not be spent by the Congress inappropriately.

Surpluses are proof of the fact that taxpayers are being overcharged. They deserve some of their money back. The fact that the economy is weakening at this point simply makes the point that this tax cut and the case for this tax cut is undeniable.

I will focus my remaining comments on one specific feature of the President's proposal; that is, the repeal of the estate tax, the so-called death tax. Yesterday, I introduced legislation similar to that introduced last year. Senators BREAU, GRAMM, and LINCOLN are cosponsors. We all serve on the Finance Committee. It is balanced between Democrats and Republicans. This is the bipartisan approach that passed both the House and the Senate last year, only to be vetoed by President Clinton.

The essence of the bill is to replace the Federal estate tax with a tax on capital gains earned from inherited assets due when those assets are sold. As I said, this is the approach that passed both Houses of Congress, and it rests on the notion that death should be taken entirely out of the equation.

Death should not be a taxable event. If people want to sell assets at some point, they make an economic calculation knowing, among other things, what kind of tax would pertain. They can make that decision on their own. That is the only time there should be any kind of a tax. At that point, it should be a capital gains tax, not a tax that is more than twice the capital gains rate, which is what the death tax is.

As I said, the beauty of this approach is it removes death as a trigger for a

tax. Death neither confers a benefit nor results in a punitive, confiscatory state. Small estates would be unaffected by the basic changes we are making. For them, the estate tax would be eliminated and a limited step-up in basis would be preserved. Each person under our proposal has a \$2.8 million automatic step-up in basis. So for a couple, there is no chance that an estate that is not taxed under the estate tax today would be taxed under our proposal.

This measure would not allow unrealized appreciation on inherited assets, however. I know that is a concern for some of our friends on the other side. Beyond this limited step-up in basis, all assets would be taxed as in any other situation if and when they are ever sold. Friends who own small businesses who never want to sell the small business or farm, that is fine. You never pay a tax. The tax only pertains if and when the business is sold.

This is a very fair proposal. In fact, the American people, even though most of them realize they are not liable for an estate tax, understand the fairness of this and support it.

A Gallup poll not too long ago found that 60 percent of the American people support repeal of the death tax, even though about three-fourths of them do not think they will ever have to pay the death tax themselves. They are right, although many Americans have to go through the expense of paying for insurance or estate planning.

As a matter of fact, about 3 years ago, coincidentally, the Government collected about the same amount in estate tax—I think it was around \$23 billion—that other Americans paid to avoid paying the estate tax. So it is actually a double tax. A lot of people who do not actually pay it end up paying as much through the estate tax lawyers' fees, accountants' fees, insurance, and so on. So I think most American people understand it is not a good tax to have, even though they themselves may not be liable for it.

Also this last year, in the last election, voters in two States approved referenda to repeal their own estate tax: South Dakota, by a vote of 79-21, and Montana, 68 to 32 percent. Clearly, repeal of this confiscatory tax is an idea whose time has come, both in the State and at the Federal level.

I conclude by reiterating the significant majorities in the House and Senate who voted for repeal last year means we have finally found the formula for taxing inherited assets in a fair and commonsense way. I hope, as this process unfolds and the tax legislation comes before the Senate and the House, our colleagues will recognize the validity of this approach, the fairness, the place in which the death tax repeal fits into the overall tax program, and that we can pass tax relief for hard-working American families.

It is the most sure way not only to do right by them but to ensure a strong economy for the United States of America.



The PRESIDING OFFICER. The Senator from Virginia.

Mr. ALLEN. Mr. President, I rise to state that Americans need tax relief and I believe they need it now. Despite record economic growth for the last several years, and huge budgeted surpluses in the last few years and in the future, I think these surpluses simply represent overtaxation of the American taxpayers. Americans, in recent years, have been repeatedly denied tax relief despite these surpluses because there were not enough Senators to override the President's veto—the previous President's veto.

Excessive taxation limits the individual freedom of hard-working Americans, their families, and their enterprises. I agree very much with the previous remarks made by the Senator from Arizona, Mr. KYL, and the Senator from Missouri, Mr. BOND.

The fact is, Americans are paying more in taxes as a proportion of the gross domestic product than at any time since World War II. In fact, for this fiscal year, the Federal Government will pull out \$1 of every \$5 in the economy—20 percent of the economy is being taken by the Federal Government, even though there is a non-Social Security budget surplus in this year that is going to top \$125 billion, and it is going to exceed \$3.1 trillion over the next decade.

I believe we must assure that Americans can keep more of their hard-earned dollars in their pockets. Previously, the Senator from Connecticut paraphrased a song to slow down tax cuts in this surplus. I think there is a more apt country western song to reference this gold mine surplus that is created by the work of the taxpayers. What has been suggested by the opponents is that the Government gets the gold mines and the taxpayers get the shaft.

I think the taxpayers deserve better. It is simply common sense that, rather than continuing down the path of excessive Government spending in Washington, Americans ought to be allowed more money to invest in their priorities for their families, for their homes: saving for retirement or the purchase of a computer for their children. It is common sense—trusting families, trusting people. They know better than the Federal Government about what they need and how to make their earnings work for themselves, their families, and their enterprises.

Overall, for the economic success and jobs in America, I believe the Federal Reserve needs to rapidly reduce interest rates much more, and soon; we must pass tax relief soon to help bolster consumer confidence. When you look at these surpluses, I believe they ought to be handled the same way a well-managed business would handle surpluses. A business would first put funds into retirement or pension funds. Then they would look at their priorities as a company and invest in them. And then they would look for a dividend to the shareholders.

As the Federal Government, I think we ought to look at it the same way a business would. Certainly a business would not be raiding, at times of surplus—or at any time for that matter—pension funds or retirement funds. That is why I think as a Government we need to protect Social Security. Put Social Security in a lockbox. Hopefully, with this spirit of bipartisanship, that will change and we can pass legislation necessary to protect Social Security so future retirement funds are not raided for more Government spending.

The advantage of the Social Security lockbox is not only protection of retirement funds; it also helps pay down the national debt. Implementing the Social Security lockbox and allowing those surpluses to be used only for addressing the long-term solvency of Social Security helps us reduce the national debt, and we can effectively eliminate the publicly held debt in the next 10 years with that fiscal discipline.

Then I believe we need to look at the non-Social Security surpluses and, again, handle it the same way a well-run business would. What would a well-run business do with the nonretirement surpluses? They would address priorities, research and development, workforce training, maybe investment in ideas to be more competitive, or increase their market share. In the Federal Government, even after we save and protect the Social Security surpluses and pay down the national debt, the Federal Government still will be collecting \$3.1 trillion more in taxes than is needed at the current levels of spending, on top of the current level of spending inflationary increases. So it is \$3.1 trillion. That is over \$10,000 of excess taxation of every man, woman, and child in this country.

There are legitimate national responsibilities we need to address and in which we need to invest. We must provide that out of this \$3.1 trillion surplus. There are new investments we need to consider in education. We must also act quickly, making sure we are improving the preparedness of our national defense and our Armed Forces. We need to invest in new technological and scientific research. We need to shore up the Medicare system, as well as investing in our national transportation infrastructure.

But once we take care of these priority responsibilities in education, national defense, scientific research, and combating illegal drug trade, we should again operate as a business. Then what would a business do after you take care of priorities? They would declare a dividend. That is what I think we ought to do to declare a dividend for the shareholders, the owners of this Government who are the taxpayers of America.

Surely, out of the \$3.1 trillion surplus, I do not think the \$1.6 trillion the Bush administration is proposing is an excessive amount to return to our taxpayers. It is a minimal amount we

ought to be returning to the taxpayers. In fact, when you compare this proposal to previous major tax cuts, history shows we can dedicate even 50 percent of the current non-Social Security surplus to tax relief measures and still barely make a blip on the radar screen of our national economy.

For example, in 1963 President Kennedy's tax cut reduced tax collections by 12 percent. That is this chart here, the Kennedy administration; it was 12.6 percent.

The Reagan administration 1981 tax cut reduced tax collections by 18.7 percent—nearly 19 percent.

The tax collections proposed by the Bush administration would return just over one-half of the excess tax collections to American taxpayers, and the tax collections would be reduced by 6.2 percent—much less than the Kennedy and much less than the Reagan administrations. In fact, according to the National Taxpayers' Union, as part of our gross domestic product, when you compare the Kennedy tax cut, it was 2 percent of the gross domestic product—the Bush proposal of taxes being reduced by \$1.6 trillion is a mere 1.2 percent of the gross domestic product.

You might recall the great growth in our economy in the 1960s was occasioned by the tax cuts of the Kennedy administration. So this is merely one-half of the revenue impact of the Kennedy tax cut.

I say to my colleagues in the Senate, if we cannot cut taxes in the times of these surpluses, when will we be able to give tax relief and reduce the tax burden on the people of America?

This is the time to make the Federal Tax Code more fair and less burdensome. This is the time to get rid of this illogical marriage penalty tax which imposes a penalty on men and women just because they are married. This is the time to eliminate the death tax which is a very unfair tax, especially on family farms and small businesses. This is the time to make sure that individuals and small business owners get 100-percent tax deductibility for health insurance. And there are many other things we can do. This is the time to act for the people of America.

I hope my Senate colleagues will seize this opportunity to exercise fiscal discipline and restraint and realize that the owners of this country deserves tax relief, and they deserve it now.

I thank the Chair. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. AL-LARD). The majority leader is recognized.

Mr. LOTT. I thank the Chair.

Mr. President, I want to acknowledge the very fine statement made by the junior Senator from Virginia, certainly a very experienced leader, having served in the House of Representatives and having been Governor of the Commonwealth of Virginia, and already a very active participant in what is happening in the Senate and in our Government.

I had a feeling he would probably be suggesting tax relief is a good idea. Virginia has a strong opinion on that going back just a few years. I thank him very much for his statement.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

Under the previous order, the majority leader is recognized.

#### TRIBUTE TO LORETTA F. SYMMS

Mr. LOTT. Mr. President, I rise today to pay tribute to the outstanding accomplishments of Loretta Fuller Symms. There she is, looking quite natural in the front of this Chamber. This week, she will be retiring after over 20 years of congressional service. Has it been that long? For 14 of those years, she has served in the Senate.

I first met Loretta 20 years ago when I was a Member of the House of Representatives and she was working in the office of then-Congressman Steve Symms of Idaho. She would tell you—Steve and I were first elected in 1972 and came 1973—Steve and I have a common bond philosophically but also fraternally in that we were close friends, and that is where I first met Loretta.

She moved to the Washington area from Coeur d'Alene, ID, a beautiful area. What a sacrifice to move from Coeur d'Alene, ID, to come to Washington. Thank goodness she did, and we have all been much better off because of her outstanding congressional career.

In 1987, the very wise Senator Bob Dole, my predecessor as Republican leader, chose Loretta to be the Republican representative in the Sergeant at Arms Office. Over the next 9 years, she filled a number of roles within that organization. It was during that time that I was first elected to the Senate, and Loretta was very helpful to me and my staff in opening my offices here in Washington and in Mississippi.

I remember she had a post, more or less, in the back of the Chamber, and I quite often would stop by to ask her what in the world was happening because the rules here are quite different from what I had been used to in the House. Of course, I was concerned about a number of things that I found difficult to manage and to deal with over here, but she was very helpful.

She has always brought professional business practices to the Senate operations. As director of Capitol facilities, she restructured the department establishing career ladders, formalizing job descriptions, instituting reading programs, and starting computer classes and other training programs for our employees.

Working with the Secretary of the Senate, she contributed to the management and oversight of the Senate page program, serving as adviser, mentor, and sometime surrogate parent to the

high school students who participate in the program.

She was a driving force in the opening of Webster Hall, the building that functions both as a dormitory and as a site for the Senate page school.

I was pleased to appoint Loretta as Deputy Sergeant at Arms in 1996, the post she will serve until Friday. In that role, she has done a magnificent job. In fact, I was not sure I could give these remarks this morning because I still would like to ask her to change her mind: don't do this; at least stay until we complete the new extension on the east front of the Capitol. It wouldn't be but another 2 or 3 years perhaps. Steve would understand. I have made that plea to no avail. I guess, come Friday, she will be moving on to a different and exciting life, I am sure.

She has demonstrated an unmatched dedication to the institution of the Senate and its traditions. She understands them. She helps them and protects them. She contributed in large part to the restoration of the Senate Chamber in its current majesty, an area I have felt strongly about, but she made sure we paid attention to history and that it was done with good taste. The Chamber looks better today than it did 5 years ago.

Loretta has ably handled the huge and demanding responsibility of overseeing the daily operations of the Sergeant at Arms organization and its 750 employees. I know our Sergeant at Arms, Jim Ziglar, has been worried about this Friday and this day and how she would ever be replaced. A good choice has been made as a successor, but still I do not think we could ever truly replace Loretta and the job she has done.

In her duties as a representative of the Senate, Loretta has assisted Presidents, Vice Presidents, and foreign heads of state as they made official visits here. She has led the Senate as we walked through the Capitol Building over to the House side for joint sessions. I always thought we got more than our due share of notice, probably because Loretta was leading the pack.

We will surely notice her absence next week and for a long time to come, but I know Loretta is happy to exchange foreign dignitaries' visits for more visits with her 10 grandchildren. It is hard to believe she has 10, and here I am working only on my second one.

We are sad when one of our Senate family leaves us, but at the same time, we could not be happier for her. I know her husband, Steve Symms, is going to be happier, too.

As Loretta moves on to new challenges, I say thank you on the Senate's behalf and on my own behalf. The words are inadequate to express our appreciation for the kind of person you are and the job you have done. We all wish you the very best in your next career as grandmother and as keeper of Steve Symms, which will be a challenge. We all appreciate you.

Mr. President, I yield the floor and 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. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### PIPELINE SAFETY IMPROVEMENT ACT OF 2001

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 235, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 235) to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, I am pleased the Senate is now considering S. 235, the Pipeline Safety Improvement Act of 2001. I am joined in sponsoring this important transportation safety legislation by Senators MURRAY, HOLLINGS, HUTCHISON, BINGAMAN, DOMENICI, BREAU, BROWBACK, SMITH, and LANDRIEU. I especially express my appreciation to Senator MURRAY, as well as former Senator Gorton, for the hundreds of hours they put into this legislation.

This bill is the product of many months of hearings and bipartisan compromise and cooperation during the last Congress. It is designed to promote both public and environmental safety by reauthorizing and strengthening our Federal pipeline safety programs which expired last September.

As most of my colleagues well know, the Senate worked long and hard during the last Congress on how best to improve pipeline safety. After several months of hearings, and countless meetings, the Senate finally achieved a bipartisan consensus on comprehensive pipeline safety improvement legislation. We unanimously approved that legislation last September 7. I want to point out, by a voice vote, this legislation was passed just last September 7. Unfortunately, the House failed to approve a pipeline safety measure so we were never able to get to conference or send a measure to the President. Our collective inaction was a black mark on the 106th Congress.

Because the Congress as a whole did not act, the unacceptable status quo under which a total of 38 fatalities occurred during just the last year remains the law of the land. If we consider the pipeline-related deaths during the last Congress, that number increases to 64 total fatalities. Again, there have been 64 recent deaths, yet we have done nothing concrete to improve the law governing pipeline safety. Timely action not only by the Senate, but also the House, is needed to

address identified safety problems before any more lives are lost. This is a call for action by both Chambers.

I commend and thank the Senate leadership on both sides for recognizing the critical need for passage of this legislation and scheduling this floor action so quickly. This early attention by the Senate demonstrates our firm commitment to improving pipeline safety. I remain hopeful that the new Congress as a whole will act quickly to take the necessary action to improve pipeline safety before we receive another call to action by yet another tragic accident.

Before I discuss the specific provisions of the legislation, I would like to discuss the safety record for pipeline transportation. According to the Department of Transportation, pipeline related incidents dropped nearly 80 percent between 1975 and 1998, and the loss of product due to accident ruptures has been cut in half. From 1989 through 1998, pipeline accidents resulted in about 22 fatalities per year—far fewer than the number of fatal accidents experienced among other modes. While the fatality rate has been generally low, it has taken a turn in the wrong direction during the past 2 years—with 26 fatalities in 1999 and 38 fatalities in the year 2000. I must also point out that according to the General Accounting Office, the total number of major pipeline accidents—those resulting in a fatality, and injury or property damage of \$50,000 or more—increased by about 4 percent annually between 1989 and 1998.

The leading cause of pipeline failures is outside force damage, usually from excavation by third parties. Other causes of failures include corrosion, incorrect operation, construction, material defect, equipment malfunction, and pipe failure.

While statistically the safety record is generally good, accidents do occur, and when they occur, they can be devastating. That was certainly the case last August when a pipeline accident claimed the lives of 12 members of two families camping near Carlsbad, NM, and the previous year when three young men lost their lives in Bellingham, WA. That is why I believe so strongly that we must act now to help prevent future pipeline-related tragedies. It is our duty to take action as necessary to ensure our Federal transportation safety policies are sound and effective, whether for air, rail, truck, or pipelines.

The Office of Pipeline Safety within the Department of Transportation's Research and Special Programs Administration oversees the transportation of about 65 percent of the petroleum and most of the natural gas transported in the United States. OPS regulates the day-to-day safety of 3,000 gas pipeline operators with more than 1.6 million miles of pipelines. It also regulates more than 200 hazardous liquid operators with 155,000 miles of pipelines. Given the immense array of pipelines that traverse our nation, reauthoriza-

tion of the pipeline safety program is, quite simply, critical to public safety.

The legislation before us today will strengthen and improve pipeline safety. S. 235 will authorize additional funding for safety enforcement and research and development efforts. It will provide for increased State oversight authority and facilitate greater public information sharing at the local community level. It raises civil penalties, provides whistle-blower protections for employees, and provides for many other safety improvements. In short, it will promote both public and environmental safety.

Let me describe the major provisions of the bill:

First, the bill would require the implementation of pipeline safety recommendations issued last March by the Department of Transportation's Inspector General to the Research and Special Programs Administration. The IG found several glaring safety gaps at OPS and it is incumbent upon us all to do all we can to insure that the Department affirmatively acts on these critical problems.

The legislation would also require the Secretary of Transportation, the RSPA Administrator and the Director of the Office of Pipeline Safety to respond to all NTSB pipeline safety recommendations within 90 days of receipt. The Department's responsiveness to NTSB pipeline safety recommendations for years has been poor at best. While current law requires the Secretary to respond to the NTSB no later than 90 days after receiving a safety recommendation, there are no similar requirements at RSPA. I am aware of one case in particular where an NTSB recommendation sat at DOT's pipeline office for more than 900 days before even an acknowledgment of the recommendation was issued. Such disregard for the important work of the NTSB is intolerable. Therefore, this legislation statutorily requires RSPA and OPS to respond to each and every pipeline safety recommendation it receives from the NTSB and to provide a detailed report on what action it plans to initiate to implement the recommendation.

The measure would require pipeline operators to submit to the Secretary of Transportation a plan designed to improve the qualifications for pipeline personnel. At a minimum, the qualification plan would have to demonstrate that pipeline employees have the necessary knowledge to safely and properly perform their assigned duties and would require testing and periodic reexamination of the employees' qualifications.

The legislation would require DOT to issue regulations mandating pipeline operators to periodically determine the adequacy of their pipelines to safely operate and to implement integrity management programs to reduce those identified risks. The regulations would, at a minimum, require operators to do the following: base their integrity

management plans on risk assessments that they conduct; periodically assess the integrity of their pipelines; and, take steps to prevent and mitigate unintended releases, such as improving leak detection capabilities or installing restrictive flow devices.

It also would require pipeline operators to carry out a continuing public education program that would include activities to advise municipalities, school districts, businesses, and residents of pipeline facility locations on a variety of pipeline safety-related matters. It would also direct pipeline operators to initiate and maintain communication with State emergency response commissions and local emergency planning committees and to share with these entities information critical to addressing pipeline safety issues, including information on the types of product transported and efforts by the operator to mitigate safety risks.

The legislation directs the Secretary to develop and implement a comprehensive plan for the collection and use of pipeline data in a manner that would enable incident trend analysis and evaluations of operator performance. Operators would be required to report incident releases greater than five gallons, compared to the current reporting requirement of 50 barrels. In addition, the Secretary would be directed to establish a national depository of data to be administered by the Bureau of Transportation Statistics in cooperation with RSPA.

In recognition of the critical importance of technology applications in promoting transportation safety across all modes of transportation, the legislation directs the Secretary to focus on technologies to improve pipeline safety as part of the Department's research and development efforts. Further, the legislation includes provisions advanced last year by Senator BINGAMAN, myself, and others, to provide for a collaborative R&D effort directed by the Department of Transportation with the assistance of the Department of Energy and the National Academy of Sciences.

The bill provides for a three-year authorization, with increased funding for Federal pipeline safety activities, the state grant program, and research and development efforts. Let me assure my colleagues that we are seeking the views of the Administration regarding the funding levels and will carefully consider funding and other concerns as the bill proceeds through the legislative process. We must ensure that the Department has the tools it needs to carry out its critical pipeline safety activities and to advance research and development efforts.

The legislation requires operators, in the event of an accident, to make available to the DOT or NTSB all records and information pertaining to the accident and to assist in the investigation to the extent reasonable. It also includes provisions concerning serious accident that provide for a review

to ensure the operator's employees can safely perform their duties.

In addition, pipeline employees are afforded the same whistle-blower protections as are provided to employees in other modes of transportation. These protections are nearly identical to the protections aviation-related employees were granted in the Wendell H. Ford Aviation and Investment Reform Act for the 21st Century.

Again, I hope this Congress can act expeditiously to approve comprehensive pipeline safety legislation. We simply cannot afford another missed opportunity to address identified pipeline safety shortcomings.

The Senate can be very proud to be taking action on such an important public safety issue as one of its first legislative acts of the 107th Congress. We must act to help improve pipeline safety and prevent future tragedies like those that occurred in Washington and New Mexico. I urge my colleagues' support of this legislation.

Mr. President, I point out to my colleagues something that bears looking at. This map behind me is a snapshot of the thousands of miles of gas transmission, gas distribution, and hazardous liquid pipelines that crisscross our country. It is based on data compiled in 1997 by MAPSearch Services in the Office of Pipeline Safety. The Office of Pipeline Safety is in the process of completing its own mapping initiative that will provide a much greater level of accuracy and will be made available to the public via the Internet by this legislation.

While the Office of Pipeline Safety is years behind in completing this initiative, it is projected that by the end of February, 86 percent of hazardous liquid lines and 29 percent of natural gas transmission lines will be mapped under this new initiative. I am committed to ensuring that OPS completes this initiative in a timely manner and to the highest degree of accuracy possible.

What is important, from the map I have here today, is for all of us to realize that pipeline safety affects all of us. We owe it to our constituents to pass this measure today and to press the House to act expeditiously to pass a bill in order to improve pipeline safety.

Let me, for the benefit of my colleagues, particularly the 11 new Members, provide a brief history of the work of the Commerce Committee and the time devoted by the Senate during the last Congress which led to the development of the pending legislation.

I understand there will be amendments that will be proposed. I in no way object to those amendments. I want a proper perspective to be given on this issue. We just didn't come up with this legislation.

The Commerce Committee's work began nearly a year ago when we held a field hearing in Bellingham, Washington, on March 13th, at which 18 people formally testified—including the Governor of Washington, mayors and

city officials, the parents of the three boys killed in the tragic June 1999 pipeline accident, representatives of state and federal pipeline safety regulatory agencies, oil and gas companies, and public interest groups.

We then held a full committee hearing on pipeline safety on May 11th at which we heard from Senator PATTY MURRAY and several Representatives from Washington State. We also received testimony from the Administrator of the Department of Transportation's Research and Special Programs Administration, the DOT Inspector General, the NTSB, the parents of the children killed in the Washington pipeline accident, and witnesses representing the natural gas transmission industry, the natural gas distribution industry, the hazardous liquid pipeline industry, State pipeline inspectors, and public safety advocates.

Each and every one of the 30 witnesses testifying before our committee recommended changes in the current law and offered views on the legislative proposals pending at the time. Members both on and off the Commerce Committee also offered specific recommendations. And countless meetings were held by Members and staff discussing ways to improve pipeline safety. The Commerce Committee operated in a manner to ensure that anyone who wanted to participate in this process could do so and the input from the many diverse interests has been both useful and appreciated.

Next, the Commerce Committee met in executive session on June 15 during which we considered a substitute amendment which was the product of the many views presented to the committee. We also adopted a number of other amendments and debated others that weren't adopted. We agreed to continue to work to resolve some outstanding issues prior to taking the bill to the floor. That bill was reported by the committee without one dissenting vote.

Following that markup, the interested Members continued working to try to find common ground on those areas that had not been resolved during the executive session. Now, I will remind my colleagues of the tragic pipeline accident that occurred during the August recess when 12 members of two families camping near Carlsbad, NM, lost their lives when a natural gas transmission line ruptured. Sadly, it was that tragic accident that spurred the prompt action upon the Senate's return in September. During the first week back from the August recess, we reached a final consensus on the legislation to enable the bill's prompt consideration. The bill was approved by unanimous consent on September 7.

Unfortunately, the House failed to approve pipeline safety legislation during the last Congress. As a result, the status quo under which 64 lives have been lost in just the past 2 years remains the law of the land. We simply must take action—both Chambers

must take action—and allow us to get to a conference and to send a strong pro-safety pipeline bill to the President.

Mr. President, I believe every Member of this Chamber can be proud that one of our very first legislative acts for the new Congress is to consider legislation to strengthen federal pipeline safety policies and in turn, improve public safety. I urge the House to also make pipeline safety an early priority and enable the Congress to carry out its obligations to the American public.

I recognize that some Members may not have expected this bill to have been scheduled for floor action as quickly as this week. It is not my intent, nor do I believe it is the leadership's, to preclude any Member from having the opportunity to offer their views on how we could even further improve pipeline safety. But I want to remind all of my colleagues that this measure did pass this Chamber by unanimous consent just 5 months ago. And it took considerable effort and bipartisan cooperation and compromise to enable that action to occur.

Some would like the bill to go further and some believe it goes too far. But we did work long and hard to finally achieve a consensus in this legislation and I hope our new colleagues who were not in the Senate during the last Congress will carefully consider the critical importance of advancing this pipeline safety measure through the process. And, I want to state for the RECORD my strong interest in working with the administration on this issue. I will certainly consider any recommendations it may offer to improve pipeline safety as we work to move this legislation through conference.

Mr. President, I want to take a moment to recognize two Members who played key roles in the process last year that culminated in the creation of the measure before us today. They are Senator PATTY MURRAY and Senator Slade Gorton. It was in large part due to their tireless work and bipartisan cooperation that enabled the Senate to pass a strong, pro-safety pipeline bill last year. And it is in the spirit of continued bipartisan cooperation that we are able to consider this bill today.

Finally, I want to again mention the other sponsors of this bill: They are Senators HOLLINGS, HUTCHISON, BINGAMAN, DOMENICI, BREAUX, BROWNBACK, SMITH, and LANDRIEU. I thank them for their work and bipartisan cooperation on this important legislation.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, I rise today in support of comprehensive pipeline safety legislation. I want to especially commend Senator MCCAIN for his strong, personal leadership on this issue. He held hearings on pipeline safety in the last Congress, and he's helped make this legislation a priority here in the Senate. We would not be here today without Senator MCCAIN's leadership.

I first got involved in this issue 20 months ago in the wake of a horrible pipeline explosion in my home State of Washington. On June 10, 1999 in Bellingham, Washington a gasoline pipeline ruptured. Gas poured out of the pipeline and overflowed into Whatcom Creek. Eventually, that gasoline ignited, and it created a massive fireball. The explosion sent a plume of smoke more than 20,000 feet into the air—as you can see in this picture. But most tragic of all, the explosion killed three young people. It shattered a community and inflicted serious environmental damage. Without warning on a quiet summer day, three young people were taken from their families in a tragedy that should never have happened.

After the accident, I spent several months learning about pipelines. I learned that the Office of Pipeline Safety oversees more than 157,000 miles of hazardous liquid pipelines and more than 2.2 million miles of natural gas lines throughout the country. These pipelines run near our schools, our homes, and our communities. They perform a vital service—bringing us the energy we need for cars, airplanes, and home heating. But at the same time, they are not as safe as they could be.

I learned that it's hard for citizens to find out if they live near a pipeline—much less if that pipeline is safe. I learned that many of these pipelines were laid down 30 or 40 years ago, and they are getting old. They're subject to internal corrosion and to external damage. And worst, of all—they may not receive regular inspections. I learned that too many pipeline operators don't have the training they need. And I learned that we're not investing in pipeline safety—both in oversight and in the new technology that will make pipelines safer.

Mr. President, the impact of all of these problems can be seen in the number of pipeline accidents. Between January 1, 1986 and December 31, 1999, there have been more than 5,700 pipeline accidents in this country, 325 deaths, 1,500 injuries, and almost \$1 billion in environmental damage. On average there is one pipeline accident every day in this country, and 6 million hazardous gallons are spilled into our environment every year.

As I worked on pipeline safety, I talked to a lot of people. I worked with officials at all levels of government, with industry representatives, environmentalists, state and federal regulators, and concerned citizens.

Last year, I introduced my own pipeline safety legislation. I was pleased when Senator MCCAIN—as Chairman of the Senate Commerce Committee—made this issue a priority and held a hearing and a markup on pipeline safety legislation. And many other Senators played key roles—especially Senators HOLLINGS, BINGAMAN, INOUE, DOMENICI, BREAUX, and WYDEN—and also former-senator Slade Gorton. On June 15, our bill passed out of committee.

Then, on August 19, there was another terrible pipeline explosion near Carlsbad, NM. That blast killed 12 people. That horrific accident reminded this Senate that we had to act. As a result, our bill passed the Senate on September 7. Let me review the features of the McCain-Murray bill as passed last year.

To make pipelines safer, our bill improved the qualification and training of pipeline personnel, improved pipeline inspection and prevention practices, expanded the public's right to know about pipeline hazards, raised the penalties for safety violators, enabled States to expand their safety efforts, invested in new technology to improve safety, protected whistle blowers, increased funding for safety efforts by \$13 billion, and recognized State citizen advisory committees and allowed for their funding.

This bill—which is again being considered today—was the strongest pipeline safety bill to ever pass either Chamber of Congress. The Senate has clearly made pipeline safety a priority—and we are doing so again this year. Then our bill moved to the House for debate. In the House, it did gather support from a majority of Representatives. Unfortunately, it was brought up for a vote through a procedure that required a two-thirds majority—and it fell short.

Again this year, it is the House of Representatives that must step up to the plate on this issue. That is why I have worked with Washington's congressional delegation—especially Congressman RICK LARSEN who represents Bellingham—to develop additional provisions to address some of the concerns expressed by the House last year.

I am proud to report that Congressman LARSEN introduced that legislation in the House this week. I also plan on introducing it here in the Senate today so it can become part of the process we use to enact the best legislation. The delegation legislation that Congressman LARSEN and I have worked on will improve the McCain bill in several ways.

It will strengthen the provision on employee certification. It will further increase penalties for safety violations. It will improve the community's right to know. And, it will ensure periodic inspections of pipelines.

The strongest pipeline safety bill ever to pass either body of Congress is on the floor of the U.S. Senate right now. A vote yes is a vote for progress—a vote to make pipelines safer. A vote no is a vote for the status quo. A vote no freezes the process. A vote no leaves us exactly where we were when three people were killed in Bellingham and 12 people were killed in Carlsbad.

Are there things we can do to improve this bill? Yes. But we will never get to them unless this bill passes out of the Senate. This bill represents our single best opportunity to make pipelines safer. That's clear from what happened last year. Last year, the Senate

passed this bill, and some in the House had problems with it. The improvements will be made—and the differences will be worked out—in the conference process. But we can't get to the conference process until the Senate and the House each pass pipeline safety legislation.

Voting against this bill won't make pipelines safer. Voting for this bill—and making improvements during conference—will make pipelines safer.

Frankly, Mr. President, I expect the bill we're debating today—S. 235—to pass the Senate again this year—as it did last year.

Then—once again—the House will need to pass its own legislation.

At that point, the two bills will be reconciled by a conference committee. That committee's work will be critical.

Ultimately, I hope that the conference committee's final bill will resemble the bill I've been working on with the Washington state delegation.

Mr. President, this isn't the end of our discussion on pipeline safety. In fact, it's just the start and that starting process begins by voting yes for this bill.

Before I conclude, I want to comment on the current energy crisis. It's something that I have spent a lot of time on in the past few months, and it is having a real impact on the people of my State.

I have been listening very closely to President Bush's comments. Among other things, he has suggested streamlining the approval process for installing pipelines. That concerns me.

I recognize that we need to increase our energy generation, but we shouldn't do it at the expense of our safety or our environment. Just because we are having an energy crisis does not mean that the families in Bellingham or Carlsbad will accept a rollback of safety standards.

I hope President Bush will agree that we shouldn't replace our current energy crisis with a pipeline safety crisis. Let me offer four ways President Bush can show his commitment to public safety. The first one is simple. We shouldn't backtrack on safety. Senate bill 235—represents the new minimum of safety standards. President Bush should not send us a proposal that is less stringent than this bill. Let me give you one example. Our bill expands the public's right to know about problems with pipelines and ensure communities and States have a role in pipeline safety.

Last week, I heard about a draft energy plan that President Bush may put forward. It gives the oil and gas industry a guaranteed seat at every meeting on pipeline regulations. However, it provides no guarantee that concerned citizens, local officials or state representatives would be part of the decisionmaking process.

President Bush should not undue the progress we made last year. And I hope he'll show a sensitivity to safety and environmental concerns that have been

absent from his discussions on this issue to date. Second, President Bush should signal his support of pipeline safety legislation, which I hope will ultimately take the form of him signing a bill into law. Third, President Bush should fund pipeline safety in his budget as a priority. I will be fighting for pipeline safety funding in the upcoming budget debate, and I will hold the administration accountable for its commitment to investing in pipeline safety. Finally, President Bush's Department of Transportation should continue to issue administrative rules to make pipelines safer.

The Clinton administration took several important administrative steps.

They issued safety and environmental regulations that require mandatory safety testing of pipelines in populated areas, in sensitive environmental areas, and along waterways. And at my request, they stationed a pipeline inspector in Washington State. And they agreed to give Washington state more of a role in pipeline inspections. I hope the Bush administration will show the same level of commitment.

So I hope President Bush will reconsider his energy proposal to make sure it will heed the lessons we've learned from so many pipeline accidents. We do need to address our energy needs, but not at the expense of our safety. Let's make pipelines safe first, before we lay down more pipelines. I want to close with one final image. This chart shows where pipeline accidents have taken place between 1984 and 1999. As you can see, pipelines fail in every State.

The states marked in yellow had between 3 and 19 accidents. The states marked in orange had between 20 and 69 accidents. And the states marked in red had 70 or more pipeline accidents. As you can see—most of the States are red. I don't want to have to color more of these States red.

If we learned anything last year, it's that we must not wait for another tragedy to force us to act. We must pass a comprehensive pipeline safety bill this year. This bill represents the start of our efforts in Congress this year, and I will work with anyone who want to make pipelines safer. I know that we can't undo what happened in Bellingham, but we can take the lessons from the Bellingham tragedy and put them into law so that families will know the pipelines near their homes are safe.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I say to the Senator from Washington that she is too modest. Had it not been for her efforts and those of former Senator Gorton, I know we would not have achieved the product that we have. I am grateful for her continued commitment not only to this legislation but to the families who experienced the terrible tragedy in Bellingham where all are very appreciative.

I note the presence of Senator BREAUX, a friend from Louisiana who

also has significant background and knowledge on this issue and who has played a very important role in its passage. I will be brief.

Mr. President, I ask to have printed in the RECORD at this time a statement from the Office of Management and Budget. Also, I ask that two letters in support of this legislation from the National Governors' Association and the National Association of Regulatory Utility Commissioners be printed in the RECORD.

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

#### STATEMENT OF ADMINISTRATION POLICY

(This statement has been coordinated by OMB with the concerned agencies.)

#### S. 235—PIPELINE SAFETY IMPROVEMENT ACT OF 2001

(McCain (R) Arizona and 7 co-sponsors)

The Administration supports Senate passage of S. 235, which would significantly strengthen the enforcement of pipeline safety laws: The Administration appreciates the Senate's action in making consideration of pipeline safety legislation one of its first priorities. The tragic deaths last year of 12 family members in Carlsbad, New Mexico, and the earlier deaths of three youths in Bellingham, Washington, underscore the need for action.

The Administration looks forward to working further with Congress to secure enactment of pipeline safety legislation.

#### NATIONAL GOVERNORS ASSOCIATIONS,

February 6, 2001.

Hon. TRENT LOTT,

Majority Leader, U.S. Senate, Senate Russell Office Building, Washington, DC.

DEAR SENATOR LOTT: On behalf of the nation's Governors, we are writing to express our support for S. 235, a bill to improve oil and gas pipeline safety, and to encourage prompt passage of such legislation. Governors are concerned about the increasing number of pipeline accidents and reported regulatory inaction by the Office of Pipeline Safety (OPS). As you know, the General Accounting Office (GAO) report on OPS issued last year noted that the agency failed to implement 22 of the 49 requirements made by Congress over the last decade, and has the lowest rate of any transportation agency for implementing recommendations of the National Transportation Safety Board (NTSB).

It is important to Governors that OPS be required by law to comply with congressionally mandated requirements and implement the recommendations of the NTSB. OPS should also strengthen its rules regarding pipeline operation, maintenance, and public reporting of spills and leaks.

Equally important to Governors, legislation should grant OPS the continued authority to enter into agreements with states to inspect and oversee interstate pipelines. According to the GAO report, states have performed well as interstate agents under these agreements, yet until recently OPS was phasing out interstate agent agreements. The National Governors Association (NGA) adopted a policy statement last year (enclosed) that urges Congress to review this unfortunate trend. State inspectors typically are able to perform more frequent and more thorough inspections than federal inspectors, improving their ability to detect safety problems and prevent accidents.

NGA's policy support pipeline safety legislation that provides states with the authority to protect our citizens from pipeline ex-

plosions and leaks. States should be authorized to establish standards that do not conflict with but may exceed federal standards. Our policy also endorses the ability of states to enforce violations of federal or state standards. We look forward to working with you on legislation that accomplishes these goals.

Thank you for your consideration. Please feel free to contact Diane S. Shea, Director of NGA's Natural Resources Group, at 202/624-5389, if you have any questions.

Sincerely,

TOM VILSACK

Chair, Committee on Natural Resources.

FRANK KEATING,

Vice Chair, Committee on Natural Resources.

Enclosure.

#### NR-20. IMPROVED PIPELINE SAFETY

##### 20.1 PREAMBLE

The United States contains approximately 2 million miles of natural gas and hazardous liquid pipelines. The U.S. Department of Transportation's Office of Pipeline Safety (OPS) is responsible for regulating these pipelines. OPS retains oversight authority unless it grants authority to individual states. A number of states have assumed oversight responsibility for intrastate gas and liquid pipelines within their borders following certification by OPS; a far smaller number are responsible for inspection of interstate lines.

OPS authority derives from the 1968 Natural Gas Pipeline Safety Act and the 1979 Hazardous Liquids Pipeline Safety Act, which were substantially amended in 1992 and 1996. OPS is responsible for establishing and enforcing safety standards for the construction, testing, operation, and maintenance of pipelines. The Pipeline Safety Program is due to be reauthorized in September 2000.

##### 20.2 RECOMMENDATIONS

###### 20.2.1 INCREASING STATE AUTHORITY

The Governors urge Congress to consider amending the 1968 Natural Gas Pipeline Safety Act and the 1979 Hazardous Liquids Pipeline Safety Act and authorize states to establish safety standards for interstate pipelines that do not conflict with but may exceed federal standards. States should also be authorized to enforce violations of federal or state standards.

The Governors urge Congress to review the policy of OPS to decline to grant any additional states interstate agent status for interstate pipelines.

###### 20.2.2 CONGRESSIONAL OVERSIGHT

The Governors urge that Congress, as it reauthorizes OPS, require the office to strengthen its rules, as appropriate. OPS should be required to explain its failure to comply, in some cases for over a decade, with the recommendations of the National Transportation Safety Board for periodic internal and hydrostatic testing and operator certification. The office should be held accountable for its failure to meet congressional mandates to define "environmentally sensitive areas" and "high-density population areas."

###### 20.2.3 MORE EFFECTIVE RULES

The Governors urge that Congress require OPS to strengthen rules, as appropriate, regarding pipeline operation, maintenance, and public reporting of spills and leaks. These should include a review of: Requiring federal certification of operator training and qualification; increasing inspection requirements for pipeline corrosion; requiring study and implementation of state-of-the-art leak detection systems; requiring installation of



effective fail-safe mechanisms; imposing safety standards for liquid fuel pipelines that are at least as stringent as those for natural gas pipelines; requiring pipeline operators to report to OPS and affected jurisdictions all spills greater than five gallons; requiring pipeline operators to disclose the results of all pipeline inspections to local and state authorities; requiring OPS to work with local emergency response providers to develop preparedness and response plans and providing appropriate funding support to local jurisdictions to implement such plans; requiring pipeline operators to periodically plan and drill cooperatively with local emergency response providers; and requiring periodic management audits of pipeline companies to ensure compliance with the foregoing.

#### 20.2.4 APPROPRIATE FUNDING

The Governors urge Congress to fund OPS at a level that will allow an increased allocation for states, working in partnership with the federal agency, to ensure pipeline safety, as well as providing for federal research and development on technologies for leak detection, testing, safe operations, corrosion protection, and internal inspection.

#### 20.2.5 INTERGOVERNMENTAL COOPERATION

The Governors urge the states and the federal government to work together to exchange data on ways to improve their inspections of intrastate pipelines and local distribution companies to continue to improve the safety of these facilities. The Governors also urge the states to review the OPS' Common Ground Report—Study of One-Call Systems and Damage Prevention Best Practices issued in August 1999, and compare their state one-call systems to the proposals for improving one-call systems in order to continue improving ways of preventing third-party damage to underground facilities.

NATIONAL ASSOCIATION OF  
REGULATORY UTILITY COMMISSIONERS,  
Washington, DC, February 7, 2001.

Re S. 235—Pipeline Safety Improvement Act of 2001.

Hon. TRENT LOTT,  
Majority Leader, U.S. Senate, Russell Senate  
Office Building, Washington, DC.

DEAR MAJORITY LEADER LOTT: On behalf of the National Association of Regulatory Utility Commissioners (NARUC) we urge you to support swift passage of S. 235. However, NARUC does not believe S. 235 should be the vehicle for broader energy policy legislation. NARUC would therefore oppose amendments that would attempt to expand this bill beyond its current intent of improving pipeline safety.

Last Congress NARUC expressed strong support for the reauthorization of pipeline safety legislation provided sufficient funding to the Office of Pipeline Safety (OPS) for State grants was authorized. We believe the increase in funding for these grants found in S. 235 will better enable OPS to meet its obligation of a 50% funding share for this Federal/State partnership.

Additionally, NARUC and its membership strongly believe there is a vital role for the States in ensuring the safe operation of pipelines regardless of the interstate or intrastate nature of the pipeline in question. NARUC strongly supports provisions of S. 235 that provide States with increased authority and increased participation in safety activities of the pipelines traversing our States.

There will be more we can do to improve upon S. 235, and NARUC is committed to working with Congress in the future to produce legislation that improves upon this bill. We too would like to see a stronger bill, one that provides the States with more oversight. However, we believe that it is vitally

important to the safety and welfare of our citizens to send pipeline safety legislation to the President as soon as possible. Thank you for your consideration of NARUC's views.

Sincerely,

NORA MEAD BROWNELL,  
President, NARUC  
Commissioner, Penn-  
sylvania Public Util-  
ity Commission.

EDWARD J. HOLMES,  
Chair, NARUC Com-  
mittee on Gas Com-  
missioner, Kentucky  
Public Service Com-  
mission.

Mr. MCCAIN. Mr. President, I note Senator BREAUX is here. My friend from Minnesota, Senator WELLSTONE, also wishes to speak.

I invite others who wish to speak on this issue. We would like to consider amendments after that and move to passage of this bill today. That is our intention.

I yield the floor.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I be allowed to follow the Senator from Louisiana.

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

The Senator from Louisiana.

Mr. BREAUX. I thank my colleagues for the remarks they have made on this legislation already. I was particularly pleased to be here when Senator MURRAY from Washington was making her remarks. As the chairman of the committee acknowledged regarding her contributions, she was an active participant in the drafting of this legislation in the last Congress, actually to the point of being invited by the chairman to sit in the committee and participating as a member because she made valuable contributions in developing this legislation.

I rise in strong support of the bill that is now before the Senate. It is a major step in ensuring the safety and the integrity of a system of pipelines that is covering the entire United States, bringing necessary energy to our families, to our businesses, and to our industry.

We worked over a year in the last Congress, saying we have to do a better job than we have done in the past. What we produced last year was an important contribution. It took into account concerns of both the operators and owners of pipelines, as well as those who are served by those pipelines. We all have a common interest in seeing that these lines have integrity, that they are technologically the best we could have in this country. The bottom line is, they are safe.

We produced a bill in the last Congress that passed the Senate by a unanimous vote. That was not an easy accomplishment. There were a lot of different sides with opinions on how the legislation should look and what it should do. Some, quite frankly, thought it went too far. Others felt it didn't go far enough.

The bottom line is that at the end of last year this bill came to the Senate

in essentially the same form it is in today and passed by a unanimous vote. That indicated there was general agreement, obviously, on what the content should be.

Unfortunately, the House took the legislation up on what they call a suspension of the rules and it failed by a 23-vote margin from being adopted in the House. That was most unfortunate. Had the other body been able to do what I think most of them wanted to do—a majority, in fact, voted for it—this issue would be behind us and we would have in place today a new system of inspection, a new system for qualifications for the operators, and community right-to-know provisions would be the law of the land.

Unfortunately, that is not the case. Therefore, under the leadership of our chairman, Senator MCCAIN, and other members of the Commerce Committee, and Members of the Senate, we are back on the floor where we left off last year with the product that already passed, essentially, the Senate in the last Congress by unanimous consent.

It is an important issue for my State, an important issue for me. We have over 40,000 miles of pipeline in my State alone—33,000 on shore and about 7,000 miles in the Gulf of Mexico—bringing the largest supply of natural gas in North America from the Gulf of Mexico. We have 7,000 miles of pipeline buried under the ocean in the Gulf of Mexico that brings the natural gas on shore, and that is distributed through a pipeline system throughout the United States. Mr. President, 33,000 miles of those pipelines are in my own State of Louisiana. We have a very strong interest in making sure those lines are secure and safe.

What does the bill do? No. 1, we require periodic pipeline testing. That will be a requirement. A line can be inspected by internal devices such as a "pig," which is basically the name for a device that is run through the pipeline, a very sophisticated piece of technology. It is referred to as a "pig" because it sort of squeaks through the pipeline and takes various measurements as to integrity of the line. It tests for corrosion of the line, tests for leaks or potential leaks of the line. A very sophisticated and very accurate piece of equipment that we require would be run through all of these pipelines on a periodic basis.

However, it is important to note that only about 35 percent of the natural gas pipelines are susceptible to being tested through this type of technological instrument called the "pig," the rest of them are not. In the legislation, we allow that in the areas where the so-called "pig" technology is not suitable because of the type and size of the line or the bends in the line, there be other methods of testing that would be periodically required by the legislation.

For instance, we require the operators perform direct assessments of their lines. What do we mean by direct



assessments? It is not a term of architect; it is pretty much what it implies. We require operators to actually dig up the lines and physically inspect them for corrosion and any other abnormalities that may be interfering with the integrity of the lines actually by physical inspection of the lines, looking at them, and other methodologies they would employ after the lines are actually dug up to ensure they are safe.

We also leave room for other technology. We want to use the best technology available to inspect the lines, and we certainly leave room for that.

We also had some concerns in the legislation which I think now have been satisfactorily worked out with regard to employees who may potentially be involved in any type of an accident. We still believe people are innocent until proven guilty, but there are certainly circumstances when people are involved in an accident where we do not want to keep them doing the same thing at the same time and in the same place until the responsibility for the accident is determined. That is not to say we in any way presume someone to be guilty. We have worked out a satisfactory methodology for handling people involved in these types of accidents.

We are also required, with regard to the operator qualifications, to make sure the people who operate the lines, the people who have the capability of shutting them off when there is something that has happened, have the best training and the best information and knowledge in order to be involved in operating something as sophisticated as a natural gas pipeline. We require operator qualifications so that we make certain the people in charge are qualified, and they should be tested in order to make sure they are qualified. This is a big improvement, something that is very important.

We also invest in a new technology to which I was referring. Senator BINGAMAN was involved in wanting to ensure that we are encouraging the development of better technology to improve the inspection process, which we do by this legislation.

Also, the States are given an increased role in their inspection of the interstate pipelines. There is a legitimate argument that the lines run through 50 States and you cannot have 50 different sets of standards, 50 different departments investigating and inspecting them. It needs to be coordinated, but the States need to be involved. We have given an increased role to the States to be involved in this. I think that is positive.

Also, for the communities—providing increased involvement in pipeline safety. Operators are required under this legislation, I think probably for the first time, to maintain a relationship both with the State and local officials and providing them the information they need on a local and State level to make sure their constituents are also aware of where the lines are located,

and additional information about potential hazards and other information they would need to know.

Again, let me conclude by saying some people say it should be a lot stronger than this. Others say this is far too regimented an operation and it should not be that restrictive. But I do think, because of the good faith on both sides, we have come up with something that is a balanced approach. It is a major improvement over the current system.

I think we should do as we did in the last Congress, pass this bill by unanimous consent. The other body will work their will. There will be a conference. There will be differences, I point out, between the House version and the Senate version.

For those who think the right thing to do is try to amend it here, I suggest, in all good faith, it may be better to take a look at what the House does and work within the conference to get what may be more to their viewpoint. I think it would be a mistake, just from the politics of handling this, to offer amendments on the floor of the Senate that may not pass, and have a recorded vote which would prevent the Senate, when the bill comes back, from accepting something that maybe, frankly, may be more to its liking.

There is a process here that people should be cautioned about. In order to improve the legislation in the way they may like to see it improved, I caution them and I recommend the best thing to do is pass this bill in its current form, work with the House in the conference, and then see what happens when the conference comes back.

To all colleagues who have helped produce this bill, I thank them; I congratulate them for a job very well done, and I yield the floor.

The PRESIDING OFFICER (Mr. BUNNING). Under the previous order, the Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, there are a number of colleagues who want to speak. I had wanted to speak about an amendment that I join Senator BOXER on and she is on the floor. I ask unanimous consent that Senator BOXER be allowed to lead off. I myself will only take 5 minutes following her. I think this amendment will be accepted; is that right?

Mrs. BOXER. Yes.

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

Mr. WELLSTONE. I thank the Chair.

The PRESIDING OFFICER. The Senator from California.

#### AMENDMENT NO. 3

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

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from California (Mrs. BOXER), for herself, Ms. MIKULSKI, Mr. WELLSTONE, and Mr. MURKOWSKI, proposes an amendment numbered 3.

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

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

The amendment is as follows:

(Purpose: To direct the Secretary of Energy to request the National Academy of Sciences to conduct a study of, and report to Congress on, increasing the reserve supply of natural gas)

At the end, add the following:

#### SEC. . STUDY OF NATURAL GAS RESERVE.

(a) FINDINGS.—Congress finds that—

(1) In the last few months, natural gas prices across the country have tripled.

(2) In California, natural gas prices have increased twenty-fold, from \$3 per million British thermal units to nearly \$60 per million British thermal units.

(3) One of the major causes of these price increases is a lack of supply, including a lack of natural gas reserves.

(4) The lack of a reserve was compounded by the rupture of an El Paso Natural Gas Company pipeline in Carlsbad, New Mexico on August 1, 2000.

(5) Improving pipeline safety will help prevent similar accidents that interrupt the supply of natural gas and will help save lives.

(6) It is also necessary to find solutions for the lack of natural gas reserves that could be used during emergencies.

(b) STUDY BY THE NATIONAL ACADEMY OF SCIENCES.—The Secretary of Energy shall request the National Academy of Sciences to—

(1) conduct a study to—

(A) determine the causes of recent increases in the price of natural gas, including whether the increases have been caused by problems with the supply of natural gas or by problems with the natural gas transmission system;

(B) identify any Federal or State policies that may have contributed to the price increases; and

(C) determine what Federal action would be necessary to improve the reserve supply of natural gas for use in situations of natural gas shortages and price increases, including determining the feasibility and advisability of a federal strategic natural gas reserve system; and

(2) not later than 60 days after the date of enactment of this Act, submit to Congress a report on the results of the study.

Mrs. BOXER. Mr. President, so my colleagues know, I will be very brief on this amendment because I am extremely pleased that it has been accepted by both sides. I know enough that when you have an "aye" vote, be brief. I will probably take about 5 minutes, and then I understand my friend PAUL WELLSTONE wants to speak in support.

First, let me thank my colleagues, both Democratic and Republican, for accepting this amendment which I think is an important one because it looks to the problem of natural gas prices. What we have seen when Americans are opening up their utility bills this month, some of them are in complete shock because in many cases their bills have doubled and tripled. We believe the cause is the spike in natural gas prices.

It would be very simple if we could tell people not to use the heat in their homes. But heat is a necessity. Although we can all do our best, this is

not similar to buying a candy bar. It is something that a lot of our people need. It is not a luxury. They need the natural gas to heat their homes.

If we look at the facts, we can see in the last few months natural gas prices have skyrocketed. In California, it is hard to even believe this, but the facts show that natural gas prices have increased twentyfold, from \$3 per million Btu's to nearly \$60 per million Btu's.

Experts agree that one of the major causes of this price increase is a lack of supply. That includes a lack of natural gas reserves. In other words, the reserves just are not there in times of crisis or a crunch. In California, the lack of a reserve was compounded by the rupture of an El Paso Natural Gas Company pipeline in Carlsbad, NM, on August 1, 2000.

What is very important about this underlying legislation, and why I support it so much, is that we want to make sure similar accidents are prevented. We do not want to face the tragedy of lost lives anywhere in this country. With safe pipelines, we will not have to face that. But, in addition, when we do not have these accidents, we will not see an interruption in the supply of natural gas.

We need to look at and solve the lack of natural gas reserves in times of extreme shortages. My amendment attempts to get to the bottom of these issues. It requires a National Academy of Sciences study to investigate this problem. First, the study will determine the causes of recent increases in the price of natural gas. Second, the study will identify any Federal and State policies which may have contributed to this price increase. Finally, and to me most important, the study will determine how the Federal Government can take action to ensure that there is an adequate reserve supply in the future.

I especially want to learn about the feasibility and advisability of a Federal strategic natural gas reserve for use during supply and price emergencies.

We all know we have a Strategic Petroleum Reserve. We also know that a natural gas reserve raises other issues, but, in fact, it may well be feasible.

I trust my amendment will help all of us understand the causes of the natural gas problem we are facing, and I am very optimistic that this study will give us a range of solutions to meet this crisis now and in the future.

The spike in natural gas prices is not a California phenomenon, although we have seen, probably, the worst of the spikes in prices. We are beginning to see it all over the country. That is why my friend, BARBARA MIKULSKI, wanted to be a cosponsor of this amendment. That is why Senator WELLSTONE as well wants to support it and wants to speak on it.

With deep thanks to my friends who have accepted this amendment, I yield the floor at this time. I ask for a vote on the amendment at the appropriate time.

The PRESIDING OFFICER. The Senator from Minnesota is recognized under the previous order.

Mr. WELLSTONE. First, I defer to my colleagues from Arizona and Louisiana on this if they want to respond right now.

Mr. MCCAIN. Since the Senator from Minnesota is speaking in support of the amendment, if it is agreeable to have him speak, then Senator BREAUX and I speak, and then we intend to accept the amendment following that, if that is agreeable to the Senator from California and the Senator from Minnesota.

Mrs. BOXER. May I say yes, it is. I would like to add Senator MURKOWSKI as a cosponsor.

The PRESIDING OFFICER. MURKOWSKI or MIKULSKI?

Mrs. BOXER. MURKOWSKI—MIKULSKI and MURKOWSKI. This is a banner day.

Mr. BROWNBACK. Before my colleague from Minnesota starts, could I ask if we could get a unanimous consent on order of discussion here, so we know how to organize things. I understand the Senator from California desires to speak for around 20 minutes. I believe the Senator from Idaho wanted to respond for up to 10 minutes. I would like to see if I could speak at that point in time for 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I am pleased to be a cosponsor of this amendment with Senators BOXER and MURKOWSKI and MIKULSKI. The amendment is pretty simple. I thank my colleagues from Arizona and Louisiana and Washington for their support.

The amendment would require the National Academy of Sciences to conduct a study, A, to determine the cause of the recent increase in the price of natural gas; B, to identify any Federal or State policies that have contributed to price increases; and, C, to determine what Federal action might be necessary to improve natural gas supplies, including the feasibility of a Federal natural gas reserve system.

When my colleague from California says that this is not just California, she is absolutely right. In the State of Minnesota, a cold weather State, we just got hit with a big snowstorm yesterday. Families are seeing the price of natural gas going up 45, 50 percent, and it is a real hardship.

I am going to be working with Senator BINGAMAN and others to expand the LIHEAP program. We are going to need that. That just helps the poorest of poor people. And there are other ways of providing help for families.

The fact is, a whole lot of families in Minnesota, a whole lot of people, are just being killed by these prices. It is a huge consumer issue. This study is important. Frankly, I think all of us need to try to get a handle on what is happening.

For my own part, I say to the wholesalers, I do not quite understand why

they were not able to anticipate some of the demand. Personally, I am skeptical about deregulation. This was 1989 and natural gas took effect in 1993. Part of the problem is the wholesalers have no incentive to have an inventory. Therefore, we see the economics of scarcity. But if they are not going to anticipate new power markets going on line, natural gas, new homes, new businesses, much less cold weather, then we are going to be right back again next winter for our State with the economics of scarcity, with the spike in prices. It is murder not just for low income, I say to my colleagues, but also for moderate income, middle income, small businesses—across the board.

I am so pleased this amendment has such strong support. I am pleased we are going to vote on it. This is not a study for the sake of a study; this is a study that will provide us with more information so we, as legislators, can take some action to deal with what I think has really become one of the front-burner, central, family, consumer issues in the United States of America.

I thank my colleagues.

Mrs. BOXER. Mr. President, will the Senator yield for one point in the form of a question?

Mr. WELLSTONE. I will be pleased to yield.

Mrs. BOXER. My friend is so right. Because of the urgency of this matter, we have called for a 60-day study. I want to make sure my friend knows that. This bill is just a 60-day study so we can get the information back and then come before the Senate with solutions. I want to make sure my friend is aware of that.

Mr. WELLSTONE. I say to my friend from California, if it was more than 60 days, I do not think I would support it. The last thing I want to see is a study that will go on and on. This calls for action.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, we have discussed this amendment of the Senator from California and I certainly find no objection to it. In fact, it can be a very positive contribution. The National Academy of Sciences is eminently qualified to take a look at the things this study requires. I look forward to their recommendations.

I will just mention the obvious difference in creating a reserve for crude oil. We have stored crude oil in salt domes, most of which are in my State and the State of Texas, which is quite different from setting up a reserve for natural gas. I think the author understands that, but that is the purpose of asking the National Academy of Sciences to take a look at it, and perhaps they can come back with good recommendations.

The amendment of the Senator from California is helpful, and we certainly support it.

Mrs. BOXER. Mr. President, I ask that Senator FEINSTEIN be added as a cosponsor of the amendment.

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

Mrs. BOXER. I yield to Senator MCCAIN so we can dispose of this amendment.

Mr. MCCAIN. Mr. President, if there is no further debate on the amendment, I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 3.

The amendment (No. 3) was agreed to.

Mrs. BOXER. Mr. President, I move to reconsider the vote.

Mr. MCCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from California is recognized for 20 minutes.

Mrs. FEINSTEIN. I thank the Chair.

Mr. President, I begin by indicating my support for this bill and thanking the chairman of the committee and the ranking member for their work on the bill.

There is an issue relevant to natural gas, and it is electricity. I want to use my time to outline what I believe has happened in California and to set to rest a couple of myths that have arisen during the course of the debate.

The problem in California essentially was set into motion by a bill passed in the middle of the last decade, 1996. This was a deregulation bill. It is my understanding that at the time, virtually everyone came together—Republicans, Democrats, utilities, generators, and consumers—to produce a bill which deregulated electricity. The bill was approved quickly. It was signed at the end of the session by then-Governor Pete Wilson, a former Member of this body.

The bill created what, in essence, was a flawed market structure. It deregulated wholesale power, but it left regulated the retail side. It also demanded that 95 percent of California's power had to be purchased on the day-ahead or spot market. That was fine when the supply of power was plentiful, but as the supply of power shortened, spot prices rose to unprecedented levels, and those costs could not be passed on to the consumer. The result was that California's large investor-owned utilities are now on the brink of bankruptcy, and the reason is that they have been forced to purchase power that averages \$300 per megawatt hour or 30 cents per kilowatt hour, while they can only pass it on to the consumer at \$75 a megawatt hour or 7½ cents a kilowatt hour.

Today, they have accumulated a debt of anywhere from \$10 billion to \$12.5 billion. They have severe difficulty in obtaining the credit they need today to make forward purchases. Therefore, they stand on the brink of bankruptcy.

California's current mix of regulated retail rates and unregulated wholesale rates is clearly, in my view, not a long-term workable scenario.

As I have already mentioned, generators are charging exorbitant rates for power, which has led some to suspect that they are gaming the market. When Sempra Energy in San Diego tells me they are buying spot power at 3 a.m. in the morning at 500 times the normal price, something is wrong with the market.

Supporting that suspicion, economist Paul Joskow and Edward Hahn of MIT released a report this past January 15. Let me read from that report:

The high wholesale electricity prices observed in the summer of 2000 cannot fully be explained as the natural outcome of market fundamentals in a competitive market since there is a very significant gap between actual market prices and competitive benchmark prices that take into account these market fundamentals.

Moreover, there is considerable empirical evidence to support a presumption that the high prices experienced in the summer of 2000 reflect the withholding of supplies of the market by suppliers.

For this reason, I believe the most critical and immediate step that can be taken to address this crisis is to fix the market, which is terribly broken.

I would like to outline for a moment some of the steps California is taking to fix the problem.

First, California has conducted an online energy auction to solicit bids for long-term bilateral contracts. Remember, this contracting was prohibited by the 1996 legislation. The State is now negotiating contracts which cover up to one-third of the State's energy demand for the winter. The contracts range from 3 to 10 years and average \$70 per megawatt hour. It is my understanding they hope to contract for up to 5,000 megawatts. That is enough for 5 million households.

Second, the State is now going into the power business in a major way. It has exercised its authority to purchase power on the spot market and has distributed this power at cost to the utilities. By February 15, it is estimated that the State will have spent \$1 billion to buy this power. And it is buying power at the rate of about \$50 million a day. All told, the State has provided an authorization for the California Department of Water Resources to finance up to \$10 billion to buy power—again, to pass that power along, at cost, to the utilities.

Third, California has taken action to speed up the construction and siting of new energy plants. The State has already approved 9 out of 25 additional powerplants, which will generate enough energy to power 6 million households. That is about 6,278 megawatts. But the rub is that these first nine plants will not be on line before the end of 2002. So you can see that there is a short-term period. I am going to speak more about that short-term period of excess volatility in a moment.

Fourth, part of AB 1890 required California's investor-owned utilities to sell their generating facilities. I think that was a huge mistake. The State has reversed this.

Fifth, the State has restructured the California ISO—or Independent System Operator—and essentially eliminated the Power Exchange, which was a trading floor for California used to purchase energy hourly. The fatal flaw of the Power Exchange was that it ensured that all bidders into the exchange received the highest clearing price for electricity. The Power Exchange was intended to encourage bidders to use the floor, but instead it became too easy to manipulate, driving up prices.

Sixth, the Governor recently announced an \$800 million energy conservation program to reduce California's peak load demand by more than 3,700 megawatts. As I said, the legislature approved a baseline conservation rate, which the PUC should begin to put in place soon and will protect the cost of basic necessary electricity but charge premiums for use above that cost.

This is really the first consequential effort to begin to fix the regulated retail end of the market. Frankly, whether it will be enough or not, I do not know at this stage.

What is the Federal role in all of this? And why is legislation that Senator BOXER, I, and others have submitted so important?

The most significant thing the Federal Government can do, through the Federal Energy Regulatory Commission, is to provide a period of interim price stability, preventing price volatility or gouging, until this market is able to straighten itself out.

Let me show you why that is so crucial because what is anticipated to happen in the summer is, despite everything the State is doing today, there will still be an absence of sufficient electricity to serve the State.

The Independent System Operator has prepared this chart that shows what the shortfall will be in the summer: In May, despite everything, 3,030 megawatts; in June, 6,815 megawatts; in July, 4,685 megawatts; in August, 5,297 megawatts; in September, 1,475 megawatts.

So the worst time to come for California—and it has spread for other States—is going to be the summer, if this shortfall happens as has been predicted by the ISO. That is when price volatility, for that power that is not already under bilateral negotiated contracts, comes into play in a serious way. That is why Senator BOXER and I have said we need a period of short-term interim price stability, really, to get through these summer months. Therefore, we have submitted S. 26.

What S. 26 would do is say, if, during this short-term period, the FERC finds that prices are unjust and unreasonable, the FERC—the Federal Energy Regulatory Commission—has two options: The first option would be to set cost-of-service rates themselves—cost-of-service rates take into consideration the cost of providing the electricity plus margin of profit—or, second, provide an interim or temporary wholesale

price cap across the 12 Western States from which any Governor can opt out if that Governor does not want their State to participate. That is one way of looking at this.

The FERC has clearly found that prices charged in the year 2000 for electricity are unjust and unreasonable. But the FERC refuses to do anything about it, saying let the market prevail. The market is broken, and until the State can adequately increase supply, the market is going to remain broken.

So the responsible Federal posture isn't, as some have said, that the Federal Government should be an ostrich, sticking its head in the sand: Let anything happen that may happen to California; we do not care. That is not the responsible role. It is to provide an absence of volatility. The reason is that this volatility will also impact other States—and is beginning to do just that right now.

The impact of the crisis on our State has been tremendous. California has spent more than \$600 million over the past month purchasing electricity. The State is suffering from lost productivity. A recent study by the Los Angeles County Economic Development Corporation has concluded that California's few rolling blackouts and interrupted service have taken a \$1.7 billion toll in direct and indirect costs on the economy. As I have said, we want to increase the supply.

Here is where there is a big myth. People say: California has an increased supply; right? Wrong. This past decade, California has actually added 2,670 megawatts of additional capacity—not enough because the demand has gone up by 14 percent. But, believe it or not, California has added more generation in the past decade than any other State in the western region. At the same time, demand in these 10 States has grown by a greater percentage than it has in California.

People don't realize this, but this is what an examination of the record will reflect.

It is critical for California now to do the following: Expedite its powerplant siting and construction process. I have been told by generators that it has taken them up to 6 years to get a permit. That clearly cannot continue. California has to assume its power to expedite siting and construction.

Two, improve the transmission capacity in the State. Currently, you can't now transmit power from the south to the north.

Three, reduce any bona fide environmental obstacles. I am aware of none that have stopped power production at the present time, but if there are, let's take a look at them. Let us do what we must.

Four, ensure that all large buildings, hospitals, and hotels with emergency generators or that have additional generation capacity use these facilities in the interim. I am told there is about 2,000 megawatts in generating capacity that buildings have but that are not in regular use.

To reduce demand for energy, I have written to the Secretary of Energy asking him to look at the feasibility of significantly reducing energy consumption by Federal Government offices in California, I hope, by 10 to 15 percent. I have also called upon the Bush administration to fully implement new energy efficient rules for air-conditioners or other appliances so they can get in place as soon as possible.

Last week, Senator BOB SMITH, Republican of New Hampshire, and I and five of our colleagues introduced legislation to provide tax incentives for energy-efficient homes, buildings, and schools, to encourage people to do what they must in that area. I am also introducing legislation to provide tax incentives for the development of wind, solar, geothermal, and biomass energy, something that can be developed in a major way, certainly in California.

It is clear to me the State is going to have to increase rates at some point, as painful as that is, but do it in a way that gives Californians advanced warning and that phases in these costs over a period of time so as to protect consumers as much as possible, with a lifetime rate for the basic electricity use of consumers.

The big question I have is whether a hybrid system can work. That is what California has, a hybrid system. You cannot deregulate on the wholesale side and keep retail rates regulated. The dilemma facing the State, in my view, is going to be either move to a completely deregulated market and do so in a structured, commonsense way, or begin to reregulate. Thus far, the moves California has made show me, by beginning to buy power, by legislation that would buy the utility's transmission lines and then lease them back, that California is slowly beginning a path to reregulation.

I make no value judgment. My value judgment at this stage is, we can't have both worlds. We can't deregulate the wholesale end and regulate the retail end because it breaks the market. California has been a victim of that broken market into which generators have charged the highest possible rates. Long-term contracts obviously play a major role. The 1996 legislation prohibited those contracts.

If I may, I will send, on behalf of Senator BOXER and I, an alternative piece of legislation to committee. I ask unanimous consent to be able to send that legislation to the desk at this time.

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

Mrs. FEINSTEIN. I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I understand there is a UC and I have been included in that for 10 minutes. I ask unanimous consent that 5 of my 10 minutes be yielded to the Senator from Oregon, who is on the floor. Prior to proceeding with that, I am happy to yield to Senator BOXER from California

for a couple of minutes to respond to the legislation Senator FEINSTEIN has just introduced.

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

Mrs. BOXER. I will be brief. I thank Senator CRAIG and Senator SMITH for their indulgence. I did not want to see a break here. I thank my colleague, Senator FEINSTEIN, for laying out what we are going through in California with this power crisis. I have already spoken about the natural gas problem which is a separate problem but nonetheless very important to us. She really laid out well the situation in which we find ourselves. I have maybe some differing views with her on the final way to solve it, but I absolutely agree with her, at this time what is most important is to stabilize the market for the short-term.

I compliment her on putting together the chart showing us the real facts; that we are going to be short electricity in the summer months.

I do believe—and I am optimistic; we already see signs of this—that California is going to come out of this. Again, we don't know exactly if it is going to be a more regulated system. We don't know whether it will continue to be a hybrid system or a full deregulation, which I don't think will happen. The fact is, we have a real short-term problem. I implore my colleagues, particularly those from the western States who are starting to see this problem spread to their area, to take a look at this idea of a temporary cap on these wholesale prices. At least in that way, we could be sure of supply at a reasonable price to get us through these summer months.

I ask unanimous consent to print in the RECORD a column written by Peter King—not the Congressman—with the Sacramento Bee called "If Only Myths Were Megawatts." The notion is exploding a lot of myths about California. For example, we rank 47th in per capita use of energy consumption. Our consumption has gone up 11 percent in the last period of time, but the rest of the country's consumption has gone up 22 percent. We are doing our part. We are trying. We will succeed. Just remember, when California gets a cold, they eze all over the country. We are the sixth largest country in the world, if measured by GDP.

I thank my colleague from California for her insights and yield the floor.

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

[From the Sacramento Bee]

IF ONLY MYTHS WERE MEGAWATTS . . .

(By Peter H. King)

If the myths surrounding California's energy mess somehow could be converted into megawatts, the state would be awash in electricity and, in the words of Merle Haggard, we'd "all be drinking that free Bubble Up and eating that rainbow stew." Whatever that means.

Alas, this is not the case. A haze of half-truths, revised histories and other forms of

rhetorical hocus-pocus has enveloped the public dialogue over what has happened with California energy and who should pay for it.

Perhaps the most galling piece of mythology, so popular among California bashers across the land, is that the problem is rooted in California itself and, in particular, in a sun-addled, something-for-nothing outlook on life. In an editorial about the energy crunch, the Wall Street Journal sneeringly labeled California the "Alfred E. Neuman state," a reference to the "What, me worry?" cover boy of Mad magazine.

The idea seems to be that Californians have been too busy meditating in the hot tub to recognize that it takes energy to generate those soothing bubbles, and that as the state attracts more and more hot tub soakers it will need more and more electricity. The idea also seems to be that we kept tilting at windmills when we should have been decorating our coasts with offshore oil rigs and nuclear reactors, that California's concern for its environment is a luxury that it can no longer afford.

In fact, Californians are not hopeless energy addicts; the state ranks 47th in the nation in terms of per capita consumption. Over the past decade, energy usage in California did rise by 11%—but nationally, according to U.S. Department of Energy figures, it climbed at twice that rate. In fact, the bulk of growth in consumption on the overburdened Western grid has occurred in states that neighbor California.

In other words, it's not all about Topanga Canyon hot tubs and Silicon Valley computers. The posse searching for where all the energy goes might also look toward the bright lights of booming Las Vegas and, come summer, the humming air conditioners of Phoenix, Tucson, et al.

Yet what about the other side of the electrical switch? Over and over again, the point is made that California hasn't built any new energy plants in the last decade. The impression created is that environmentalists and bureaucrats have locked arms and encircled any and all prospective power generation sites, gently singing "Kumbaya" while the energy producers stalk off to Texas and the lights of the Golden Land dim, flicker and go dark.

In fact, there are 10 power plants now under construction in California, with a total generating capacity of roughly 6,500 megawatts. In addition, 14 projects with a collective capacity of 7,500 megawatts are under review, with construction scheduled to start sometime this year. Fourteen thousand megawatts represents about a third of what the state currently needs to survive its highest peaks in demand. That's quite a lot of new energy development going on in a state that forgot to develop new energy.

To be fair, there had been a slowdown in energy development—although one not confined to California. Like almost everything that drives the energy business, it had to do with pure economics. As energy prices drop, so too does the desire to build more plants and drill more well-heads. When they climb, the opposite occurs. Some energy consultants, in fact, already see signs of California's energy crisis winding down. They see these signs, not in the frenzied hallways of the state Capitol, but in distant natural-gas oil fields where, sparked by soaring prices, drilling activity has perked up again.

There have been other myths. There was the myth, rather quickly shot down, that Southern California's air quality rules somehow were behind the supply crunch. There was the business of the consumer rate freeze, a feature of deregulation that has prevented utilities from passing along to customers wildly inflated wholesale power costs. Lost in the myth-making here was the fact that

this price ceiling functioned for the first couple of years, by design, as a price floor, keeping consumer rates propped up while the utilities raked in billions.

"Headroom," they called it.

There was the more amusing myth of the Christmas lights. Remember how turning off Christmas lights was supposed to help ease California through its crisis? To borrow once again from the ever-reliable Merle Haggard: "If we make it through December, we'll be fine." Well, we did make it through December, but we aren't fine, at least not yet. Soon enough, though, we will be. To suggest that California, in the end, always has frustrated those who would rush to write it off as a paradise lost, as a doomed experiment in easy living, is not mythology. It is history.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I come to the floor not to respond to Senator FEINSTEIN. There will be ample time. I understand the chairman of the Energy Committee has agreed to a hearing date for the Senator's legislation, and there will be ample opportunity to examine the concept of cost plus pricing into the marketplace.

The reason one of Idaho's Senators is on the floor this afternoon and the reason one of Oregon's Senators is on the floor this afternoon is that what is happening in California is rapidly spreading into Oregon and Washington and Idaho. Why would a power disease in California spread to Oregon and Idaho? In part because we are in the same system or grid—we are interconnected—and in part because we sell power to California and California sells power to us.

When you distort a marketplace in one part of the market system, it overacts or reacts somewhere else.

What the Senator from California is talking about is absolutely true. I will have to say I am pleased when I hear Senators from California say: We have a problem, and we probably didn't do it right. We are probably a creator of our own problem. When you deregulate wholesale power and you cap retail power, you send a phenomenally loud message to the marketplace: Don't come and build. You cannot evaluate or bring back your values, and you have protected the consumer in a false marketplace environment. California has recognized that and they are trying to do something about it.

I am pleased the Senator from California did not propose to cap wholesale prices.

I think it would be a phenomenal distortion at this time to do that. A couple of Governors have said, yes, it is a good idea. But eight Governors just wrote the President and FERC and the Vice President and said: Please don't go in that direction, don't coddle the consumer, because if you coddle the consumer, the consumer doesn't understand and will not put pressure on the politician to get out of the way and let the marketplace work. That is really the problem we are in at this moment.

Compounded with the growth of the region and the crisis in California, the Senator from Oregon and the Senator

from Idaho have a predominantly hydro-based system. Our system is run by water flowing through turbines held back by dams on large rivers. When it doesn't snow and rain in the West, and especially in the Pacific Northwest, there isn't enough water to be held by the dams to flow through the turbines to generate the power.

Come May of the year 2001—this May—when power usage starts going up in California, and in Oregon, and in Washington, and in Idaho, Idaho will be in big trouble because our moisture for the winter is not at 100 percent or 110 percent of normal; it is now at about 60 percent region-wide. We are in a dry winter in the West, and we are not producing the snow to flow to the reservoirs to generate the power.

We in Idaho will be in a crisis environment if it doesn't improve rapidly, as will be true in the State of Oregon. What California, in large part, has caused, we are now asking our consumers to pick up the bill for because, unlike California, the consumers in Oregon and Washington and Idaho are not protected by a retail price cap.

Our utilities, under order or fixed contract, have certain lids to bump up against. But the average consumer is going to feel this by 20-, 30-, 40-, 50-percent rate increases, while California basically takes none, or very little. How can that possibly be fair if California is largely a part of the problem, if not the largest part of the problem? Because while they have brought on some new production compared to their growth, they have brought on very little, and they have not built the transmission systems to make all of that happen.

We started hearings, and we are going to ask that we move quickly, Mr. President. We know that the President and the Vice President have assembled Cabinet-level counsel to look at the long-term problem. But we in Washington, Oregon, and Idaho are going to have to sort out the short-term problem, and that is now, in April, May, June, July, August, and September of this year when this crisis will sweep across the Pacific Northwest, at a time when we need power to not only fuel our refrigerators at home but our factories and our irrigation pumps to keep our agriculture alive and our men and women working.

Cost-plus pricing is not an answer—again, a false message to the market, a new bureaucracy at FERC. Power will not flow to California; it will flow away from California, if the markets of California do not reflect the true price. That is the reality of the marketplace, and you can't fix it by some Federal bureaucracy or well-intended piece of legislation. The Senator from California is right: Let's get to the business of siting powerplants, building transmission lines, and doing it in an environmentally safe, but a responsible way, and allowing our consumers once again to have affordable power. Those are some of the issues we must deal with quickly.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. SMITH of Oregon. Mr. President, I probably should say amen to what the Senator from Idaho has said. I agree with his message. I want to just add one point. Let's assume that caps made sense. I have been told by Federal officials, Bonneville Power Administration officials, that even if you could do it, the power of the Federal Government would reach about two-thirds of the generating capacity in the West. Why is that the case? Well, because a lot of the West's power comes from Canada and comes from Mexico. We haven't the ability to cap their rates. I would like to see us try. I think that would generate quite a response.

Moreover, if you did that even to what we could control, what would that then mean to the uncapped power of Canada and Mexico? It would go up even further.

I want to point out, as Senator CRAIG has, that the fundamental flaw in these proposals of cost-plus, or caps, is that they leave in place California's retail cap. As we speak, California's consumption is going up. As California's neighbor, I wish them no harm. I know their swathe economically in our country and in the West. I admire so much about California and would like very much to be a good neighbor. But I don't think many Californians understand what they are doing to their neighboring States. Because of a retail cap, there is absolutely no incentive for Californians to conserve. Those who advocate price caps without the lifting of California's retail price caps are giving the green light for Californians to send their energy bills to Oregonians. That is just wrong. If anybody is serious about correcting this problem by conservation and production, it includes lifting these artificial measures that don't allow the marketplace to work. It is that simple.

I had thought the Senator from California was coming with a bill, so I had a second-degree amendment to her's. I appreciate that she has not offered that on the pipeline safety bill. That is a bill that needs to go forward on its own because of its own merit. We will have this hearing and debate. But central to any effort to interfere further in the market that is already suffering because of Government interference must be, as a predicate, that California lift its retail price caps. Anything more or less than that will simply fail and will be a continued abuse upon the neighbors of California. It is wrong, and it should be fixed. I understand the politics of fixing it. It is difficult for their legislature and their Governor, but it is utterly unfair to California's neighbors for them to continue this without considering the impact on everyone else in the grid with them.

Mr. President, I will simply conclude my remarks. I was going to put a human face on the consequence of what California has done. I ask unanimous

consent that a letter from the Chenowith School District be printed in the RECORD.

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

CHENOWITH SCHOOL DISTRICT,  
The Dalles, OR, February 1, 2001.

Senator GORDON SMITH,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR SMITH: The Chenowith School District is requesting your assistance to help resolve the energy crisis in our area. School districts are allotted a limited amount of money per pupil to provide an education for all of our students. We try to use our resources as prudentially as possible to see that every dollar is spent to help improve instruction and to help our students achieve.

The recent increases in power costs are going to be taking resources away from the education of students. As an example, the cost of natural gas for three of our main buildings in the Chenowith School District in November of 1999 was \$4383.59. It was a mild November. The cost of natural gas to keep these same three buildings in November 2000 was \$11,942.14. We have not had a cold, hard winter. The increase in gas costs must be paid from unbudgeted funds, funds that were earmarked for the improvement of instruction.

The Northern Wasco People Utilities District (NWPUD) has added a 20% surcharge to the cost of electricity. These, again, are unbudgeted costs that, along with the tremendous increase in the cost of fuel for our school buses are taking valuable funds away from educating our children.

Today's schools are very energy dependent with our network of computers and technology to provide an appropriate education for students who will be living in our technological society. The district has one computer for every two students, has servers and a network system that is run with the assistance of students and is enhancing their education. Power costs are taking a disproportional amount of funds away from funds needed to educate children.

Your assistance in helping the energy crisis in the area would be greatly appreciated.

Sincerely,

JAMES J. KIEFERT,  
Superintendent.

Mr. SMITH of Oregon. Mr. President, I think we need to understand what California sending its energy bills to Oregon means to the rest of the West, my State and others. It affects school districts that have not budgeted for 50-, 60-percent increases in energy. Seniors have not budgeted for energy rates going up double, triple. But that is what is, in fact, happening. It isn't right, isn't fair. I want to be a good neighbor, and I will be open to their suggestions; but they must, as a predicate, lift their retail price caps because anything less than that will not produce conservation and will not produce the incentives for new production.

I yield the floor.

Mr. MCCAIN. Mr. President, I ask unanimous consent to be recognized before the Senator from Kansas.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, first, I want to announce that after this dis-

cussion, we are ready for amendments. If there are not amendments within about quarter after the hour—it is a little less than quarter of—we will move to final passage.

As I mentioned in my opening statement, this issue has been well ventilated in hearings and was passed by voice vote. I understand that the Senator from New Jersey, Mr. CORZINE, has some amendments. If he does, come on down, or any other Member. But we are not going to sit here in a quorum call. We are going to move to final passage. A quarter after or 20 after the hour should be plenty of time for Members to come and offer amendments. I ask Members to notify the Cloakroom so we can do our best to accommodate them.

#### AMENDMENT NO. 4

Mr. MCCAIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself and Mr. HOLLINGS, proposes an amendment numbered 4.

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

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

The amendment is as follows:

(Purpose: To make technical and minor corrections in the bill as introduced)

On page 5, line 12, after "industry" insert "and employee organization".

On page 34, line 9, strike "sections 60525" and insert "section 60125".

On page 34, line 14, after "transferred" insert "to the Secretary of Transportation, as provided in appropriation Acts."

On page 34, beginning in line 15, strike "fiscal year 2002, fiscal year 2003, and fiscal year 2004." and insert "each of fiscal years 2002, 2003, and 2004."

On page 34, line 21, strike "60125" and insert "60301".

On page 35, line 1, strike "Transportation" and insert "Transportation, as provided in appropriation Acts."

On page 36, line 5, strike "until—" and insert "until the earlier of the date on which—".

On page 36, line 6, strike "determines" and insert "determines, after notice and an opportunity for a hearing."

On page 36, line 14, strike "Disciplinary action" and insert "Action".

Mr. MCCAIN. Mr. President, this amendment is being offered by Senator HOLLINGS and myself. It provides technical and minor correction to the bill. It has been cleared on both sides. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 4) was agreed to.

Mr. MCCAIN. I yield the floor. I thank my colleague from Kansas.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Thank you very much, Mr. President. And I thank my colleague from Arizona for moving this



through so rapidly. Hopefully, we can get this through in a fashion so we can send it forward. We had extensive hearings last year. I think most of it was worked out quite well. The chairman, Senator McCain from Arizona, has done a splendid job of moving this forward.

Therefore, today I rise to offer my support of S. 235, the Pipeline Safety Improvement Act of 2001. I also come to the floor to strongly encourage my colleagues to pass a clean bill on this issue. We have worked a long time in a delicate set of negotiations to get a good bill through. It is well balanced. I think we need to move this through rapidly to get these safety issues out there dealing with the pipelines. I understand that the Senate is a body of amendments, but this issue is too important to be killed by hasty changes—and that is exactly what could happen if we clutter this carefully compromised bill with unnecessary changes or additions.

The oil and gas industry is very important to my state of Kansas—but *nothing is more important than securing the safety of all our citizens*. I have worked hard alongside my friend from Arizona to find a way to strengthen safety precautions and provide strong incentives for better public and environmental protection without crippling a vital industry to our nation.

Now more than ever, Americans are keenly aware of the need for a strong energy infrastructure—which makes the way we tighten these standards more important than ever. The bill before use today has crafted a fine balance between setting tough standards, and yet maintaining the flexibility which will be needed for industry to implement this bill. Industry is not questioning that there needs to be tougher standards—even though it will cost them money and they don't agree with all the provisions of this bill, they stand ready to do what is necessary to prevent as many accidents and injuries as possible. Everyone wants safety first.

However, if this bill takes on prescriptive amendments which lock in the way these standards are to be implemented, there will be opposition to the bill—not on substance but on procedure. While it might be good politics to stir up anti-industry sentiment, it is bad policy because it would prevent a good bill from becoming law. I think we can all agree that this would hinder the cause of making America's pipelines more safe, which is our objective.

This bill has a number of important provisions which will make our pipelines and our people who live near them, safer—including:

Increased daily penalties for violation of safety regulations from \$25,000/day to \$500,000/day—a factor of 20 times.

Spill reporting would occur for something as small as 5 gallons as opposed to the 2100 gallon trigger which currently exists.

Training and qualification requirements strengthened along with public right to know provisions.

The Senator from Washington, Mrs. MURRAY, worked diligently and carefully to getting this bill to this point.

There are numerous positive things that this bill would achieve. I won't detail it all here now—but the important point is that this bill significantly improves the status quo and will make our nation safer. That is why it is so important that we not allow this bill to get bogged down, and potentially defeated by amendments that will destroy the hard-won balance achieved last year.

I would remind my colleagues that this bill went through extensive debate last year. In the Commerce Committee there were hearings and markups which addressed the very contentious question of how best to increase the safety of oil and gas pipelines without jeopardizing a key industry to this nation.

The compromise which this bill creates is a good one—but it is fragile. And before some of my fellow Senators try to amend this bill—I would ask that they weigh the changes they seek against the possibility of killing this important bill—because that is a distinct possibility. If at the end of the day, members feel that this compromise is not adequate to address the concerns of pipeline safety—then our recourse should be to return the bill to the committee and address those concerns through the regular process. We should not make the mistake of rushing through a bad bill.

I hope this option will not be necessary. I believe this is a good bill; that it is a good compromise and addresses a very serious problem in our country. This problem cannot await further refinement and work. It needs to be addressed now.

I urge my colleagues to join Senator McCain, myself, and others to pass this bill clean and move it on through the process so we can get a safer pipeline system in this country.

Thank you, Mr. President. I yield the floor.

Mr. McCain. Mr. President, I see no other Senators on the floor wishing to speak. I see no other amendments. I would like to place us in a quorum call in just a second. I would like to tell my colleagues that there is no reason why we shouldn't move forward with final passage of the bill unless there are amendments.

I say to my colleagues on both sides, let's move the process forward. It was announced 3 days ago that we would be taking up this bill. So it is time to move forward.

Mr. BROWNBACK. Mr. President, I am curious. Can we go through a unanimous consent that the vote take place? You have announced to our colleagues that it would be a quarter after.

Mr. McCain. Not yet. We want to give the other side a chance to call all

their Members and see if there are any further amendments or discussion of the bill.

At this time, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

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

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

Mr. MURKOWSKI. Mr. President, I compliment the floor manager, Senator McCain, and the Commerce Committee, for bringing this matter before this body, the pipeline safety bill.

I have the honor of serving as chairman of the Energy and Natural Resources Committee of the Senate. I think everyone is aware of the energy crisis occurring in the country today highlighted by the situation in California which can best be described as both a supply program and a credit program. In other words, they had become somewhat complacent in their ability to attract power from other States to the point where they were relying on 25 percent of their energy coming from outside of California. The prices went up on that outside energy. They have a cap on their retail sales. Their utility companies, which were among the largest in this country, had to pay a higher price for the energy than they could pass on to the consumer. As a consequence, they are facing bankruptcy.

The significance of the California crisis has created concern all over America. Part of that involves our dependence on pipelines. Pipelines, of course, provide this country with a supply of oil, supply of gasoline, supply of natural gas.

We have had some very unfortunate accidents occur in New Mexico and in the State of Washington. The reality is many of these pipelines are aging, and with the increased demand for energy, we are putting more pressure into these pipelines. Hence, the need for a responsible plan that ensures safety.

I commend the members of the Commerce Committee, Senator McCain, and others. We are very interested in our committee, as well, because we have to have a delivery system. This delivery system has been something we are going to have to continue to expand, as indeed the demand for energy, particularly oil and gas, natural gas, gasoline and others, depends on pipelines.

The legislation will protect consumers by ensuring that our natural gas and oil pipelines are safe. I think it is fair to say that the same bill did pass the Senate unanimously last year. Unfortunately, the House did not have time to act before the elections. We have to have the public confidence in the safety of our pipelines.

I think we have a tough bill that addresses the critical issues of safety.



The pipelines are essential to the Nation's energy delivery infrastructure. As I indicated, we would not be able to receive the energy that we take somewhat for granted. We forget that somebody, somewhere has to produce energy. It has to come from an energy source. It has to come from either oil or natural gas or hydro or clean coal or nuclear. It is a diminishing resource. Once we use it, obviously, it is gone and we have to replace it.

As a consequence, as we look at the increased demand associated with our electronic society with its computers and e-mails, the reality is we simply cannot get there with conservation alone. We want to do a better job of conservation. That is why in the energy bill we will produce on Tuesday, we have a great deal of emphasis on conservation, on incentives for conservation, for CAFE standards, many of the things that we believe will assist but will not supplant, of course, the increased demand for energy in this country. That is why we will have to continue to develop technology and make our footprint smaller, open up new areas for oil and gas exploration, including my State of Alaska and ANWR.

Without going down that rabbit trail too far, I wish to comment that we have, again, taken for granted the role of pipelines in the delivery of fuel to heat our homes, fuel for our automobiles, and, of course, the ability to run our production lines. We are fortunate in this country to have a network which is extraordinary in itself because it has been proven safer than any other mode of transportation. We cannot be complacent. We have to improve safety. I welcome the changes to existing law made by the legislation that will improve the overall safety of the pipeline.

One example is the bill requires new periodic pipeline integrity inspections using a variety of new technologies such as the "pigs" that are used to go through the pipelines now; we have smart pigs that not only go through the pipeline but can get out of the pipeline and be examined. As a consequence, we do have the opportunities to improve dramatically.

I have mentioned the accidents in New Mexico and Washington. However important safety is, we have to balance the safety of regulations and the need to be able to efficiently operate these pipelines.

What we have today in this legislation is a balance that strikes fairness and equity in safety and the reality that there is an economic factor as well. When this legislation is enacted, and there is no question in my mind that it is going to be enacted, it will be the strongest, most comprehensive pipeline safety measure ever approved by the Congress. At the same time I think we avoid some of the extreme responses some have advocated, responses that would lead to an energy shortage, a lack of investment in pipe-

lines without any measurable improvement in safety.

I think we would agree, as a consequence of this energy crisis in our country, the pipeline industry cannot and should not be taken for granted. Many of our colleagues are aware of the huge demand increases anticipated for natural gas, and this increasing demand has already contributed to the price runup we have seen for natural gas. Last year, natural gas was about \$2.16 per thousand cubic feet. Today it is somewhere in excess of \$8.

Natural gas producers and pipeline operators are working feverishly to respond by investing billions of dollars in exploration and production and by building new pipelines. That is how we will achieve it. The current natural gas pipeline network simply cannot transfer all the gas which Americans will demand by the end of the decade. New pipelines already take anywhere from 3 to 7 years to permit and build. Without new pipeline capacity, our Nation will only fall further behind.

Accordingly, I urge the Senate to pass the pending legislation. I believe this legislation meets the challenge and does so in a way that will complement our national energy policy rather than thwart it.

I again thank Senator McCain, the floor managers, and yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCain. I thank Senator Murkowski for his efforts, not only on this legislation but on overall energy policy. It is a very difficult task, a challenging one, and we are grateful for his leadership.

Mr. Murkowski. I thank the Senator.

#### AMENDMENT NO. 5

Mr. McCain. Mr. President, I have an amendment on behalf of Senator Reed of Rhode Island. I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. McCain], for Mr. Reed, proposes an amendment numbered 5.

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

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

The amendment is as follows:

(Purpose: To direct the Federal Energy Regulatory Commission, in consultation with the Department of Energy, to conduct a study of, and report to Congress on, the natural gas pipeline transmission network in New England and natural gas storage facilities associated with that network)

At the end, add the following:

#### SEC. . STUDY AND REPORT ON NATURAL GAS PIPELINE AND STORAGE FACILITIES IN NEW ENGLAND.

(a) STUDY.—The Federal Energy Regulatory Commission, in consultation with the Department of Energy, shall conduct a study on the natural gas pipeline transmission net-

work in New England and natural gas storage facilities associated with that network. In carrying out the study, the Commission shall consider—

(1) the ability of natural gas pipeline and storage facilities in New England to meet current and projected demand by gas-fired power generation plants and other consumers;

(2) capacity constraints during unusual weather periods;

(3) potential constraint points in regional, interstate, and international pipeline capacity serving New England; and

(4) the quality and efficiency of the federal environmental review and permitting process for natural gas pipelines.

(b) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Federal Energy Regulatory Commission shall prepare and submit to the Senate Committee on Energy and Natural Resources and the House of Representatives a report containing the results of the study conducted under subsection (a), including recommendations for addressing potential natural gas transmission and storage capacity problems in New England.

Mr. McCain. Mr. President, this amendment on behalf of Senator Reed of Rhode Island calls for a study of the needs of the natural gas pipelines in New England. I think it is perfectly appropriate and acceptable to both sides. I believe there is no further debate on the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 5) was agreed to.

Mr. McCain. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. Corzine. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

The Senator from New Jersey.

Mr. Corzine. Mr. President, I would like to speak before we enter some amendments. I compliment my colleagues, Senators McCain, Murray, Hollings, and Breaux, for their hard work and dedication in bringing this bill on pipeline safety to the floor. I appreciate their leadership on this important issue, one that is certainly vital to the constituency I represent in New Jersey, and, unfortunately, one that has affected their lives in a very significant way.

I rise today, however, because of concerns about some of the important aspects of this legislation. In its current form, I believe the bill does not go far enough to ensure the safety and integrity of gas and oil pipelines around our Nation, particularly in New Jersey; and does not do enough to provide information to the communities living near those pipelines.

Several years ago, my own State of New Jersey was the site of a major pipeline explosion. On March 24, 1994, a natural gas pipeline exploded in Edison, NJ, at 12 midnight. Families living

in the nearby Durham Woods apartment complex awoke to a deafening roar. They ran out of their homes and saw a wall of flame several hundred feet high. These flames were so high they were visible in both New York City and Pennsylvania. I ask you to think about that—flames were visible in both New York and Pennsylvania.

Many of the residents who awoke that night thought a nuclear bomb had detonated. Miraculously, only one person died. However, scores more suffered injuries due to burns or smoke inhalation. Many more lost their homes and all their possessions. There was millions of dollars in damages, and the explosion itself left a crater 60 feet deep.

At another point, I would like to submit to the record accountings of the explosion from the New York Times and the Washington Post.

This explosion was caused by a natural gas pipeline that was buried in the earth. What concerns me is that there were no reports of digging in the area nor were there reports of any other disturbances that could have set off the explosion.

As harrowing as this tragedy was, it is not the only one. There have been other pipeline explosions across this country: in the States of Arizona, Washington, Michigan, New Mexico and others. These tragedies, with their accompanying loss of life, are the basis for everyone's concern. I applaud their efforts.

However I believe there is more that we can do to prevent these explosions. First, we should ensure that oil and natural gas pipelines are inspected on a regular basis so that flawed lines can be recognized early, repaired, or replaced. My first amendment will require both oil and gas pipelines to be inspected every 5 years.

The pending legislation does require pipeline operators to adopt a program for integrity management, which includes periodic assessments of the integrity of hazardous liquid and natural gas pipelines. I am concerned that this does not go far enough.

There is no definition of what constitutes "periodic." It could allow inspections every 5 years, every 7 years, or every 50 years for that matter. That is just not good enough. After all, lives and property are at stake.

GAO reported that 226 people have been killed between 1989 and 1998, over 1,000 injured, and \$700 million in property damage.

I know the Office of Pipeline Safety has issued regulations regarding the inspection of certain liquid pipelines and is considering regulations concerning natural gas pipelines. I am concerned however about how long it has taken for these regulations to be issued and whether they will seriously be followed through.

I am also concerned they do not require inspections to be conducted at a sufficient enough frequency. In my view, therefore, it is time to pass strong legislation to make safety the priority it deserves to be.

I will also be offering an amendment which will give communities that live near pipelines more information about them. Again, I understand the pending bill does include some enhanced right-to-know provisions, and I congratulate the sponsors for that, but I believe we should go further.

We need, for example, ongoing reports from pipeline companies about their efforts to prevent or minimize pipeline risks. We also need companies to tell communities how frequently testing occurs and what those tests find. Then we need to enact liability provisions that will impose fines on all pipeline operators following oil spills.

Another problem is that currently, pipeline oil spills that occur on land alone are not a violation of any Federal law. We need to ensure that when such spills occur, fines are levied as a way to prevent future releases.

Lastly, I believe we need to deal with the certification of pipeline operators. We have laws that license the drivers of cars and the pilots of planes. We need a Federal law, in my view, that provides standards for operators of pipelines as well.

The principles contained in these suggestions have been supported by many environmental and pipeline reform groups, as well as by almost the entire delegation from the State of New Jersey. They also have been supported by many Members of the House of Representatives.

I hope my colleagues join me today in ensuring that we make sure we no longer have another Edison disaster.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. I thank the Chair.

Mr. President, I compliment Chairman MCCAIN, Senator HOLLINGS, Senator BINGAMAN, Senator MURRAY, my friend Senator BREAUX, and those who have worked on this legislation. I voted for this pipeline safety legislation in the last Senate. I would like to be able to vote for it in this Senate. It is legislation that should be enacted.

As a nation in the midst of an energy crisis, we need to have the pipeline network of the Nation constructed and expanded to supply communities in need, and to do so can only help reduce prices. This Senate should act forthwith to do so.

As I voted for this legislation previously, it is worth noting that this is not the same Senate that it was a year ago. The membership is different, the balances are different, and this bill should be different.

My colleague from New Jersey, Senator CORZINE, is prepared to offer a series of amendments that I think are thoughtful and would help not simply communities in New Jersey but communities in States throughout the Nation.

They are centered on several specific objectives. I am going to review them, but I first want to make clear that I do think the legislation as offered makes

some progress on these issues. The bill does require an assessment of the risks associated with pipeline facilities in environmentally sensitive and high-density population areas and requires the implementing of a plan to mitigate these risks. That is helpful, it is a beginning, and I am glad it is in the bill.

The bill before the Senate is a good first step in strengthening safety regulations. There have not been enough in the past. It is a good beginning.

The legislation does increase the amount of information companies must provide to communities where pipelines are located so communities can zone their property properly and plan for emergency services so people who live in the communities know what is happening in their towns. Finally, it increases civil penalties substantially for those responsible for pipeline disasters.

In the analysis I will offer, I do not discount the work of the committee or the progress this legislation offers, but I take the floor, as did my colleague, Senator CORZINE, because there are people in my State who will watch this vote carefully, and we are not alone. From New Jersey to Washington State to Texas, communities have experienced not simply disruptions in gas supplies from ruptured pipelines, we have lost lives, a lot of lives.

Since 1996, there have been 18 major pipeline disasters in the United States—major disasters. But if a pipeline ruptures and causes a fire or explosion in your neighborhood, the Federal Government may not declare it major, but I assure you, in your neighborhood, it is major.

The map on my left illustrates the States where in the last 10 years there have been 2,241 major accidents. They are in every State in the Nation, at least on this map indicating the lower 48 States in the Nation; high population areas, such as New Jersey, Pennsylvania, New York, and Connecticut, which have the greatest concentration; one can see in Indiana, Michigan, and Illinois, in Texas and in California—these are significant numbers of pipeline explosions. One of the most recognized has led to my effort today with Senator CORZINE.

On March 23, 1994, Texas Eastern Corporation's 36-inch high-pressure natural gas pipeline was running through a residential community in Edison, N.J. Nearby, there was an apartment building and residential housing. The pipeline exploded. As it exploded, it consumed the neighborhood in a fireball. Buildings burned. Three hundred homes were destroyed. One of the neighbors was killed. The night became an inferno for miles around. One moment, a peaceful suburban community; the next, a war zone. One can only imagine the trauma to a family living in their suburban community in the middle of the night watching their neighborhood explode in a ball of flames.

The heat from the blast touched off fires in nearby neighborhoods. More

than 2 hours after the explosion, the pipeline continued to send a wall of flame hundreds of feet into the air. Two miles away, ash rained on cars. On the New Jersey Turnpike, the principal artery through the northeastern part of the country, roads were filled with debris. Drivers likened it to driving on a newly salted road. The highway was covered with this debris. The National Transportation Safety Board found that the inability of the pipeline operator to properly stop the flow of natural gas contributed to the cause of the accident.

It is the lasting impact of this incident that brings me to the floor and to offer and support several important amendments.

My State has not forgotten. If this Senate fails to address the reality of this problem, I can assure you, in the next 10 years, when one of these 22 accidents comes to a neighborhood near you—it is not New Jersey, it is Nevada or California or Florida—they will remember as well.

We do not ask a lot. We know the reasons these accidents are happening. Here you have a 36-inch pipeline running, as the crow flies, no more than 8 miles from midtown Manhattan—in the most densely populated area of the Nation—to New Jersey. A pipeline erupts, and the company does not have personnel trained, capable, or instructed in how to stop the flow of gas. The local community did not have enough information to deal with the emergency. These are not unreasonable requests.

The bill contains provisions to deal with a cost-benefit analysis. My colleagues, what is the cost-benefit analysis of the cost of ensuring that personnel are trained, that a pipeline is inspected, compared to the cost of 300 people running from their homes in a fireball in the middle of the night? Allow me to share with you a cost-benefit analysis.

As you consider voting on whether or not people should have licenses to work on these pipelines or whether or not these pipelines should be inspected, this is your cost-benefit analysis.

Every one of these children pictured here have been killed—burned, killed in an explosion because of a ruptured pipeline. They are dead. Mr. President, 2,200 accidents in 10 years will cause that kind of destruction.

Our amendments are very simple. I do not believe Senator CORZINE and I are being unreasonable.

What is it we would like?

One, a community have the right to know the flow of the pipeline, what is in the pipeline, basic information about the pipeline. Even if it were not required by law, and you operated a pipeline, wouldn't you want the fire department to know that basic information? Wouldn't you want a local builder to know about the pipeline if they are going to put residential homes next to it? Wouldn't you want the planning board to know about the power of a po-

tential explosion? We require it in the bill. But if we did not require it in the bill, wouldn't you want to do it anyway?

Second, mandatory testing of natural gas and hazardous liquid pipelines themselves. This is the most extraordinary to me. I do not know of any principal structure in the Nation, on a mandatory basis—from the local building authority through airplane construction, to your own car—that does not get inspected. If I do not take my car to a local New Jersey motor vehicles inspection station and get it inspected every year or two, I am in violation. But you want to put a 36-inch pipeline across my State, next to thousands of residents, knowing that it has cost lives, and you do not want to require an inspection every 5 years, every 7 years? I do not think this is unreasonable.

Third, the certification of pipeline personnel. I do not know a profession or means of employment in the Nation which involves health—life and death—and public safety where you do not have to get a certification. I have a certification to drive here to work in the morning in my car. It is called a driver's license. But you are going to operate a high-pressure gas pipeline across the Nation, and you do not want a license?

Lest you think this is somebody else's abstract problem—these people who are operating these pipelines—here are the areas they impact as shown on this map. You cannot serve in this Senate and not represent somebody who lives near one of these pipelines.

All we want to know is, if you work on these pipelines, and you have responsibility for pipeline safety, we would like to know that you know what you are doing. It does not have to be a high threshold. Give me the easiest test you want. If you do not want to strain them, if you do not want to make them study, OK, I will be reasonable, but how about some certification?

The person who died in Edison, NJ, in the destruction of that neighborhood, did not know how to turn off the flow of the gas. When I bought my home, I went in the basement and said to the guy who showed me the house: If there is a problem here, how do I turn off the gas to my house? It took me about a minute.

In a town of tens of thousands of people, the operator of the pipeline did not know how to shut off the gas. Standing in midtown Manhattan, you could see the fireball in central New Jersey.

This is an important business. There are more people living by these pipelines, having their lives on the line, than people living by airports, but you would not have somebody operate an airplane without a license.

Finally, we ask for additional liability penalties, recognizing that in our system in this country, one sure way to ensure that the pipeline companies build a quality product, with quality personnel, to the highest safety stand-

ards, with the best materials, is they know that if they do not, they are liable for those kids who lost their lives and to the towns that lost the housing where I live. We would like them to be liable so they have an incentive to ensure that people are safe and secure.

I am concerned that this bill has been brought to the floor—recognizing that Senator McCain has improved the bill. He has designed good legislation, but it is not legislation that any of you can take back to your States, along these pipeline routes, and say: My friends, I have done everything I can to ensure that your family is safe. I have struck a balance. We are going to have pipelines that lower the cost of your natural gas. We are going to get you additional supply. We are going to meet the Nation's needs. And I am going to protect your family.

We have done a good job. We have not done a good enough job because we can do more to ensure that people are safe. That is the balance I want. That is what I think this Congress can do that is better than what the last Congress did when this legislation was before it.

I find it frustrating that we need to return again to deal with an issue that has been raised that the Senate knows is a real problem. We are going to offer these amendments. We are going to insist upon them. I ask my colleagues to think carefully in weighing the consideration of passing this bill today or tomorrow or waiting a day or two or a week and getting it done right. The stakes, I am afraid, are that high. We have tried to do this voluntarily. Maybe the cost of compliance is too much.

We have passed statutes before. We have not seen them enforced. This is a list of pipeline safety regulations that have not been met in the last 12 years, things we have asked to ensure that people would be safe and that standards would rise, only to find that, increasingly around the Nation, they have been ignored. That is why we have increased penalties and liability. Are they really so unreasonable?

The Pipeline Safety Act of 1992.

Emergency flow restriction devices to ensure that if there is an accident, operators on an emergency basis can restrict the flow of gas. That alone would have made the difference in destroying the neighborhood in Edison, NJ.

Underground utility location technologies in the Pipeline Act of 1992.

Carry out research and develop programs on technologies so that people can quickly locate where these pipelines are in an emergency so they can map them properly if there is a problem.

These are 23 different attempts to ensure compliance. We have not met our responsibilities to do this properly. I know the desire to increase the Nation's supply of natural gas. I believe as strongly in it as anyone in this Chamber. I also know how strongly we are going to feel if we do this wrong. If

we do this wrong, a lot of people get hurt. That is the issue before the Senate. Certify the personnel, let communities have a right to know about the operations of these pipelines, require an inspection of them every 7 years and liability to ensure compliance with the laws, laws that have often been ignored, to our considerable peril.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. I thank my colleagues from New Jersey for offering these four excellent amendments. I share their passion on this issue, having lost three young children in Bellingham, WA, a year and a half ago when a pipeline exploded at a school where my sister teaches seventh grade. It has impacted the lives of those families every single day since that explosion.

This is a passionate issue in my State. I have to say, before that explosion, no one knew that they lived next door to a pipeline. No one knew that their school was on a pipeline.

I commend them for bringing forward these provisions. They are all excellent. They are all incorporated into a bill that I have dropped in with the Washington State delegation today. If they are unable to pass on this bill, I urge my colleagues from New Jersey to continue to work with us.

This bill has a long way to go before passage, certainly as it goes through the House and through conference. These provisions are excellent ones that I hope will be incorporated into a final bill, regardless of what happens on the floor today.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, it is hard for me to comment on any amendments because the amendments have not been proposed yet. I will respond briefly to the overall comments made by the Senators from New Jersey.

Last year, after we passed the legislation, U.S. Transportation Secretary Slater issued the following statement:

I commend the U.S. Senate for taking swift and decisive action in passing the Pipeline Safety Improvement Act of 2000. This legislation is critical to making much-needed improvements to the pipeline safety program. It provides for stronger enforcement, mandatory testing of all pipelines, community right-to-know information, and additional resources, all hallmarks of the Clinton-Gore administration bill on pipeline safety that was transmitted to the Senate by Vice President Gore on April 11, 2000.

I commend in particular the Commerce Committee Chairman and Ranking Member, Senators McCain and Hollings, as well as Senators Murray and Gorton for their hard work . . . I thank the many others who worked for the U.S. Department of Transportation and the Administration in seeking the highest possible level of safety for our nation's pipelines, including Senators Binga-

man and Domenici, who recently suffered a terrible loss in their state. . .

I look forward to working with the House leadership . . . to help resolve any legislative differences.

Clearly, former Secretary of Transportation Slater had a little different view of this legislation than the Senators from New Jersey.

I will quote from a letter from the National Association of Regulatory Utility Commissioners. We all know that these individuals—most of whom are elected; they certainly are in my State—are responsible for the regulation of this kind of industry and responsible for the safety of others. I had already included this letter for the RECORD, but I think it is important to reference it again. This is in reference to S. 235, the Pipeline Safety Improvement Act of 2001.

Dear Majority Leader Lott:

On behalf of the National Association of Regulatory Utility Commissioners—

I assume that includes the regulatory utility commissioners of the State of New Jersey—

We urge you to support swift passage of S. 235. However, NARUC does not believe S. 235 should be the vehicle for broader energy policy legislation. NARUC would therefore oppose amendments that would attempt to expand this bill beyond its current intent of improving pipeline safety.

Last Congress NARUC expressed strong support for the reauthorization of pipeline safety legislation provided sufficient funding to the Office of Pipeline Safety for State grants was authorized. We believe the increase in funding for these grants found in S. 235 will better enable OPS to meet its obligation of a 50 percent funding share. . .

Additionally, NARUC and its membership strongly believe there is a vital role for the States in ensuring safe operation. . .

They go on to say:

NARUC strongly supports provisions of S. 235 that provide States with increased authority and increased participation in safety activities. . .

Finally, I will quote again from passages from the National Governors' Association letter. I don't know if the National Governors' Association speaks for the Governor of New Jersey or not, but they go on to say:

On behalf of the nation's Governors, we are writing to express our support for S. 235, a bill to improve oil and gas pipeline safety, and encourage prompt passage of such legislation.

NGA's policy supports pipeline safety legislation that provides states with the authority to protect our citizens from pipeline explosions and leaks. States should be authorized to establish standards that do not conflict with but may exceed federal standards. Our policy also endorses the ability of states to enforce violations of federal or state standards.

The Governors, the utility commissioners, the former Secretary of Transportation, Secretary Slater, all are in support of this legislation.

A majority of the House of Representatives did vote in favor of this legislation last year. It was taken up under a procedural situation that required a two-thirds vote.

I assure the Senators from New Jersey, after passage through the House of

Representatives, this legislation will be going to conference, and we will be more than happy to examine any recommendations and proposals.

With all due respect to Senator TORRICELLI, at no time, during all the deliberations and all of the hearings and all of the involvement of this issue that our committee and the Senate had, were there any additional amendments, recommendations, or ideas raised. It is a little hard for us at this point in time, with the legislation on the floor, to give serious consideration to these amendments. Obviously, I cannot support them at this time, but we will be more than happy to consider them in the future.

So when there is an amendment pending, I will be glad to comment on a pending amendment. But I, again, remind my colleagues that this product is literally months of negotiation, hours of hearings, and negotiations that took place over a very long period of time.

I hope my colleagues from New Jersey will consider what has gone before and that we can move forward with the amending process.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. FITZGERALD). Without objection, it is so ordered.

Mr. TORRICELLI. Mr. President, I thank Senator BREAUX and Senator MCCAIN for working together on the principal issue we brought to the floor today. I believe we can find real resolution. Senator CANTWELL, Senator CORZINE, Senator MURRAY, and I have raised a question about the frequency of inspection of these pipelines for safety. We have raised the issue of the community's right to know. We have raised the issue of liability and the certification of workers.

It was our hope to make progress today on the principal of these, which would be the inspection of the pipelines themselves, believing and taking great faith in the conference following the passage of this legislation that Senator MCCAIN would represent our bipartisan interests. We know of his own commitment to safety on the issue of the qualification of the workers and the community's right to know and are leaving those for another day. We believe we can find common language on the issue of the inspections of the pipelines themselves. Senators CANTWELL, MURRAY, and I join Senator CORZINE who is prepared to offer an amendment.

I yield to Senator CORZINE at this time.

AMENDMENT NO. 10

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

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows: The Senator from New Jersey [Mr. CORZINE], for himself, Mr. TORRICELLI, Ms. CANTWELL, and Mrs. MURRAY, proposes an amendment numbered 10.

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

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

The amendment is as follows:

The assessment period shall be no less than every 5 years unless the DOT IG, after consultation with the Secretary determines—

There is not a sufficient capability or it is deemed unnecessary because of more technically appropriate monitoring or creates undue interruption of necessary supply to fulfill the requirements under this paragraph.

Mr. CORZINE. Mr. President, before I read the amendment, I will preface it by expressing my gratitude to Senator MCCAIN and Senator BREAUX for their cooperation in working to address what all Members believe is an extraordinarily important issue with regard to inspections. I think all Members will be better served because of the efforts all Members, cooperatively and in a bipartisan way, brought forward.

The amendment reads:

The assessment period shall be no less than every 5 years unless the DOT IG, after consultation with the Secretary determines—

There is not a sufficient capability or it is deemed unnecessary because of more technically appropriate monitoring or creates undue interruption of necessary supply to fulfill the requirements under this paragraph.

Let me say I hope the other issues with regard to certification—particularly inspectors and operators, consideration of civil liabilities—are things that will be considered as we progress with regard to this legislation. But I think this is a major step forward. I am very grateful to the sponsors for their willingness to consider the efforts we are bringing to bear on inspections. I thank my colleagues.

The PRESIDING OFFICER. The Senator from Washington.

Ms. CANTWELL. Mr. President, I rise in support of the amendment offered, that has been designed by Senator CORZINE and offered by Senator TORRICELLI, Senator MURRAY, and myself. I want to take this opportunity to thank the sponsor for his diligence, not just on this amendment but the others, in hopes of improving the bill in the process.

I know this has been a long process for many who have been involved including the senior Senator from my State. I applaud her for her diligent efforts along with Senator MCCAIN, in trying to improve pipeline safety.

As our Nation moves forward to meet our increasing energy needs in an environment where the supply of natural gas is very important, we need to also make sure that pipeline safety is implemented. As they currently stand, our current laws and regulations, I be-

lieve, do not adequately do the job in ensuring the safety of nearly 2 million miles of pipeline networks around this country.

Indeed, we heard earlier from Senator MURRAY that our State, Washington, has faced the tragic consequences of unsafe pipelines head on. Two years ago, in a park near Bellingham, two 10-year-old boys died in a blast of flames and one young man drowned after being overcome by fumes when an aging pipeline burst. This was the worst of many pipeline accidents in our State, which has suffered from 47 reported incidents and more than \$10 million in property damage between 1984 and 1999.

My State is not alone, as you saw from the charts that Senator MURRAY and Senator TORRICELLI displayed, in facing the consequences of substandard pipeline safety. Just last August, in Carlsbad, NM, 11 people, including 5 children, died when a nearby pipeline explosion rained fire on their campsite.

Again I applaud Senator MURRAY and Senator MCCAIN for their efforts in trying to improve, through this legislation, pipeline safety not just for the States of Washington, New Jersey, and New Mexico, but for the whole country, so they may not face the tragedy the people of our States have faced.

I believe one of the weaknesses of the underlying bill had been the issue of reporting and the bill's reliance on the Department of Transportation's Office of Pipeline Safety for implementing guidelines we are seeking. OPS has not had a great record. In a June 2000 report, the GAO found that, since 1988, OPS has failed to implement 22 of the 49 requirements mandated by Congress—almost half of those requirements—and 10 of these 22 requirements are now between 5 and 11 years overdue.

Moreover, the report exposed that OPS has the lowest rate of any transportation agency for implementing the NTSB regulations. Indeed, the GAO report concluded that OPS:

... is a weak and overly compliant regulator that seldom imposes fines when violations are found, fails to fully involve State officials and often ignores reforms demanded by Congress.

I think the amendment offered by my colleagues and myself will go a long way in making sure there are at least the reporting requirements mandated on a 5-year basis.

I look forward to continuing to work with the sponsors of this legislation and the Washington delegation in the House and other Members on improving this legislation through the process.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I thank the Senators from New Jersey for bringing this very important issue as part of this legislation. I think it is an important issue, pipeline inspections. I think we have reached a very reasonable result, and their amendment embodies that.

I thank Senator MURRAY, Senator TORRICELLI, Senator CORZINE, and especially Senator BREAUX. I was thinking as I watched Senator BREAUX negotiate this agreement, I nominate him to be the Middle East peace negotiator. He might be able to achieve that since he has had so much practice around here on the floor of the Senate. Certainly it was with some entrenched constituencies.

I do thank him for his hard work there. I think this amendment is very acceptable, and following Senator BREAUX's comments, hopefully we can move the amendment. Then I would like to be recognized for a unanimous consent agreement so we can have final passage.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I thank the chairman for his comments. Let me make just a couple of comments to hopefully maybe put out some additional information on what exactly I think the amendment does and why I can be supportive of it.

I think all of us want to have as much inspection of pipelines as necessary to ensure their safety. There are a couple of problems with just an arbitrary statement that says we have to inspect all the pipelines every 5 years. No. 1, some of them should be inspected more than every 5 years. Pipelines that are in high-risk areas or are in danger of being interrupted because of natural causes should be inspected more than every 5 years. On the other hand, there are pipelines that do not necessarily need to be inspected every 5 years for various reasons. So just to have an arbitrary date, as I think originally was being considered, is not appropriate.

What we have here is a requirement which is a general requirement that all lines be inspected every 5 years, but giving the Department of Transportation, through the inspector general, some ability to make decisions on how that should be actually conducted.

What the amendment says is: Yes, they will be inspected every 5 years unless there is not the capability to do so.

We all know so-called pig inspection, where you run equipment through the line, is only capable of doing about 30 percent of the lines. So we have to look at the capability to do it in that fashion or in another fashion. The Department of Transportation, through the inspector general, will have the obligation to make the determination of the capacity to do this. I would like them to develop the capacity. That is going to be part of the appropriations process. We have some key people in that process to give them greater capability.

The second exemption would be if it is determined, again by the Department of Transportation through the inspector general, that it is unnecessary because of other technology being used—to assure the safety of that line. For instance, there are lines that have

constant monitoring on them. They are not inspected every 5 years. They are constantly monitored and inspected for any corrosion or any leaks. I think it would be foolish to require that line to undergo an additional inspection every 5 years if in fact it were being monitored on a constant basis. That is the type of thing we are talking about in that part of the amendment.

The third thing is to say it would be inspected every 5 years unless that inspection would create an undue interruption of supplies. I wouldn't want to shut down Newark, NJ, on a line that is running perfectly and has a good history, to do an inspection, if that would be unnecessary and unduly interrupt the supplies of natural gas to that area.

So I think, with those caveats, the concept of doing it every 5 years is OK. It is fine. I think we are putting the burden where it belongs, on the Department of Transportation and the Office of Pipeline Safety, through their inspector general, to make sure that the inspections are doing what we want.

I think the bill addresses a number of the concerns of our colleagues from New Jersey and Washington about making sure we have trained workers. This bill says what the worker training programs will be and they have to file it with OPS and make sure they have an adequate training program for all of their workers.

The public's right to know has been greatly increased. I know Senator MURRAY had a great deal to do with the public's right to know. I don't know if every individual in the country needs to know where every high-pressure valve is on a pipeline. There is some security involved here. We are concerned about sabotage of lines or disruption of lines by people intent on doing violence to areas. To make that type of information available to everybody all the time without any consequences is going a little bit too far. People who are involved in safety, fire departments and safety people, will get that information quickly as soon as it is on file. And the public will have a right to know the information that they need to protect their local communities.

So I think the concerns have been addressed by our colleagues. The bill does an awful lot to improve the current situation, because of their involvement in this amendment, as I understand it to be, and it would be an improvement as well.

Mr. TORRICELLI. Will the Senator yield?

Mr. BREAUX. Yes.

Mr. TORRICELLI. First, I again thank Senator BREAUX for his leadership in helping to fashion this amendment, but since this was not drafted in committee and was literally written on the floor, I want to ensure the RECORD properly reflects our mutual intent.

There is a 5-year requirement for inspection basically with three escape clauses that I think should be properly understood and defined.

First, "there is not sufficient capability" means strictly there is not the equipment available; there is not the personnel available. The Secretary will be certifying this was just not possible to get done simply because of a shortage.

Mr. BREAUX. If the Senator will yield, I agree with his explanation of that section.

Mr. TORRICELLI. Second, we discussed at some length "deemed unnecessary because of more technologically appropriate monitoring." This escape was created because the Senator from Louisiana noted some lines have constant monitoring. They do not need to be inspected every 5 years because they are inspected every minute. That was our intent here, not that someone comes forward and says: We think that is a well-designed pipeline and well done, so leave that one for 20 years. This was, as the Senator noted, because of constant monitoring. Is that the understanding of the Senator from Louisiana?

Mr. BREAUX. That is the intent. There may be something other than constant monitoring that can lead them to the same conclusion. Right now, constant monitoring would be the type of technology that would assure the safety of that pipeline. There may be something tomorrow that will be just as good as constant monitoring. I do not know that would be there. It would be a technology that would ensure the integrity and safety of that pipeline. That will be equally as good or better than an inspection.

Mr. TORRICELLI. In any case, this is not some general escape where people, in the future, who live in New Jersey will say: We think that is a good pipeline under the technology that was built so we are never going to inspect it.

The Senator was very specific about the kind of technology involved; that it offered a superior guarantee.

Mr. BREAUX. Equal or superior.

Mr. TORRICELLI. The last element on this was "created an interruption of supply," which I take it means simply shutting down the pipeline for inspection without an alternative means of delivering the liquid or the natural gas and people would be without the product; that there was no way to do the inspection without shutting this off and creating an economic or other kind of hardship.

Mr. BREAUX. The Senator's point is well taken. If you have to dig up a pipeline, obviously that is going to cause an interruption of supply. Sometimes lines have to be dug up to be inspected. That creates a disruption of supply. That does not mean that inspection should not be done.

What we are trying to get at is interruptions that would work an undue hardship on communities by having an inspection that may not be necessary. That is what we are talking about—not a normal interruption, but an unnecessary interruption that would cause real

problems for a community to be without any natural gas, for instance, at a time when they desperately need it.

Mr. TORRICELLI. I thank the Senator from Louisiana. For my purposes—and I think Senator CORZINE is concerned about these large pipelines delivering liquid and natural gas through the Northeast through densely populated suburban communities in New Jersey—we have met our objective; that is, the level of technology for inspection must be extraordinarily high or there will be regular inspections, so people living in proximity to these pipelines know they can be assured of its safety.

The RECORD should also reflect that we actually discussed having some other exemption for places that are sparsely populated. It was noted that under no instances, given the density of the population in the Northeast or I assume in California or in Illinois, would that be appropriate.

This affords us the protection we need, and for that I am very grateful. Again, my thanks to Senator MCCAIN.

Mr. DOMENICI. Will the Senator yield?

Mr. REID. Will the Senator yield while Senator MCCAIN and I enter a unanimous consent request?

Mr. DOMENICI. I did not hear the Senator.

Mr. REID. Senator MCCAIN and I want to propound a unanimous consent request.

Mr. DOMENICI. I wish to speak to this amendment for a moment.

Mr. MCCAIN. Maybe we ought to wait.

Mr. President, I ask unanimous consent that following the adoption of the amendment, after the statements by both Senators from New Mexico, the vote occur on passage of S. 235, as amended, and that paragraph 4 of rule XII be waived.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, it is my understanding that prior to the vote Senator DOMENICI wishes to speak for 5 minutes, Senator BINGAMAN, 5 minutes, and Senator CANTWELL 5 minutes, and that following the adoption of this amendment, on which Senator DOMENICI wants to speak before it is adopted, we vote on final passage, unless the Senator from Arizona wishes to speak.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, my only amendment will be that I be added as a cosponsor to the amendment of the Senator from New Jersey.

Mr. MCCAIN. Mr. President, I revise my unanimous consent request that following the adoption of the amendment, Senators CANTWELL, BINGAMAN, and DOMENICI be allowed to speak for 5 minutes; following that, the vote occur on passage of S. 235, as amended, and that paragraph 4 of rule XII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New Mexico.



Mr. DOMENICI. Mr. President, I call to the attention of Senators on the floor, in particular Senator BREAUX and Senator McCAIN and perhaps the New Jersey Senators, that one of the issues being discussed as we work on this bill is the advancement of technology so inspections can be done better.

There is a very interesting new technology—this bill provides for some more money for research and technology—but there is a very interesting technology that is about to be offered to the pipelines that has been developed by a little company in New Mexico. Their name is LaSen Corporation. They have developed a system where a device is put on a light airplane and you fly over the pipeline. The device picks up the radiation from any kind of leakage whatsoever, reports it to the instrumentation. They can do 500 miles of pipeline a today, where today we do 5 to 10. They can do it at a cheaper price.

With this bill putting a little more into technologies and companies with innovation such as this one, we are going to find better ways to do the inspections covering a greater number of miles per day at much cheaper rates. This bill will push that. In the meantime, entrepreneurs are finding some exciting technologies such as this little company that will have these devices very soon. I yield the floor.

Mr. McCAIN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 10.

The amendment (No. 10) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. Mr. President, I congratulate Senator CANTWELL and Senator CORZINE for their initial success in the Senate.

The PRESIDING OFFICER. The junior Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I want to speak on the bill for a very few minutes, and, of course, congratulate Senator CORZINE and the other cosponsors for the amendment that was just adopted, which I strongly support.

This bill overall is very important to the people of my State. Senator DOMENICI and I had the experience of learning last August of a terrible rupture of a high-pressure natural gas pipeline coming through New Mexico on its way to California. It occurred on August 19 near Carlsbad, NM, at 5:30 in the morning. Unfortunately, the rupture occurred at a place where the pipeline crosses the Pecos River. It was a place where many people came to fish and camp.

There was a large family there, an extended family and friends who were camped there that night and the next morning when the rupture occurred.

The rupture did kill 12 people. Shortly thereafter, there was a 13th person who died later from injuries received at the site. It was a terrible tragedy for our State and for the entire country.

After visiting the site with the personnel from the Office of Pipeline Safety, it became clear to me that that office did not have adequate resources to do what it needed to do and it did not have adequate authority to do what it needed to do.

There are over 500,000 miles of interstate pipeline in the United States. That agency needs the additional authority contained in this bill in order to address the different circumstances of individual pipelines. The Senate bill requires each and every interstate natural gas and hazardous liquid pipeline to develop and implement an integrity management plan.

The bill gives the Office of Pipeline Safety the authority to impose rigorous requirements to address areas with the greatest likelihood of failures and, specifically, to address aging pipelines and those in populated or environmentally sensitive areas.

The transmission line in New Mexico, as I said, was crossing the Pecos River at the place where it ruptured. The bend in the pipe that was required in order to cross that river was part of the problem that led to the rupture of the pipeline. As best we can determine, the pipeline ruptured because of internal corrosion in the line. The line was 40 or so years old. It is a very longstanding line. There had not been adequate inspection, particularly inspection that would have caught that internal corrosion.

In the hopes of preventing other problems such as this which have gone undetected, and the ability to move some of the equipment that is used to determine internal corrosion that is impeded when you have a sharp bend in the pipe, which is what we had there where the pipe was crossing the river, I introduced a bill to set up a coordinated research and development program. I am very pleased to say that has been incorporated into this bill that we are voting on today.

These natural gas and liquid pipelines are a critical element of the Nation's energy infrastructure. They provide a cost-effective and relatively safe means of delivering energy. As our economy has grown and become increasingly urbanized, the siting of new pipelines has become more and more of a challenge. At the same time, the importance of having these lines has increased dramatically, and the importance of ensuring the safety of these lines has increased dramatically.

Earlier this week, the Energy Daily reported that inadequate pipeline capacity into the northeastern part of this country will create serious power supply problems in the next few years.

Mr. President, I ask unanimous consent that the article from the Energy Daily be printed in the RECORD following my statement.

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

(See Exhibit 1.)

Mr. BINGAMAN. We do have a series of near-term crises related to energy in the country. We are more and more aware of those families and businesses that have been hit by winter heating bills. There are high natural gas prices affecting power prices in the western part of the country. Natural gas is a feedstock for the fertilizer industry, and the high prices have shut down production of fertilizer in some parts of our country. Farmers are not going to find adequate supplies for the spring planting season.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BINGAMAN. Mr. President, I ask unanimous consent for another 2 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, natural gas prices are only part of the problem. After a number of years of surplus gas supplies, pipeline capacity, and high electricity reserve margins, we are bumping up against the constraints of our infrastructure in each of these areas. We need to deal with that. I hope we can this spring. We are going to work on legislation in the Energy Committee to do that.

Passage of this pipeline safety bill is a small but a very important step to help restore public confidence in the pipeline infrastructure and to avoid these catastrophes in the future. I believe this will be an appropriate step to take. I hope very much, after we pass this bill—as I believe we will today—the House of Representatives will take it up and pass it quickly so that the Office of Pipeline Safety can get about the business of better inspections to avoid catastrophes such as we faced near Carlsbad this last year.

Mr. President, I yield the floor.

EXHIBIT No. 1

[From the Energy Daily, Feb. 6, 2001]

PIPELINE BOTTLENECK TO PINCH GAS SUPPLIES FOR NEW ENGLAND IPPS

(By Jeff Beattie)

In a stark warning that New England's power supply is becoming over-dependent on natural gas, the region's grid operator said Monday that natural gas pipelines will not be able to fill generators' requirements by 2005, leaving them unable to operate 3,000 megawatts of gas-fired capacity.

The study released by ISO New England Inc. predicted "substantial unserved gas requirements" by 2005 absent major changes in infrastructure or fuel use.

The independent system operator urged a streamlined regulatory process to expand pipeline capacity and—in a proposal that raised generators' hackles—called for requirements that new independent gas-fired plants develop backup capabilities to burn oil.

The study said the gas crunch was developing because gas-fired generating capacity is expected to triple between 1999 and 2005, rising from 16 percent of total capacity to 45 percent.

At the same time, pipeline capacity is not increasing at the same pace, meaning independent generators likely will have to keep



3,000 MW idle in the 2005 peak heating season due to lack of gas. The study said smaller, brief shortfalls could occur in the winter of 2003. The study said independent generators would feel the impact before utilities because the current system's operational flexibility could not meet coincident needs of both, and "the demands of utilities are scheduled first—the majority of throughput for generation is subordinated."

Conducted by Boston-based Levitan and Associates Inc., the study also suggests that the ability of gas-fired generators to switch "on-the-fly" to distillate oil will be crucial not only to meet the potential shortfall but to take up slack in the event one of the region's major pipes has an accident or shutdown.

The ISO said switching to oil was workable because 5,900 MW of generation capacity have air permits that permit such switching.

The region's shortfall stems from a projected installation of between 7,500 and 11,600 MW of gas-fired generation by 2005. Virtually all of the new generating facilities plan to use gas from Western Canada, the Gulf Coast, or—increasingly—from new reserves off the coast of Nova Scotia.

Pipeline industry officials say the Northeast's problems are not surprising given the obstacles thrown up to the industry's efforts to add capacity to the five major interstate pipeline systems now serving the region.

"FERC delayed one projected by over a year and a half because they had 7,000 landowner complaints," said Jerry Halvorsen, president of the Interstate Natural Gas Association of America (INGAA). "But we went into the FERC document room and identified that only 5 percent of those complainants were actually along the right of way, and in one case they had counted one letter 14 times."

Halvorsen also pointed to opposition from utilities concerned that expansion would primarily feed independent generators, and environmental agency concern about stream crossings.

He added that the Federal Energy Regulatory Commission, under the leadership of new Chairman Curt Hebert, seems now to be headed in the right direction.

"I think FERC will do what it has to," he said.

The ISO suggests a number of ways to both increase the flow of natural gas and reduce dependence, including: Requiring merchant generators to certify the "character and quality" of their gas transportation; additional modeling to predict impacts of system breakdowns; and support for streamlining federal pipe approval.

"These fixes are doable if we get started now," said ISO Vice President of System Operations Stephen Whitley. "If you wait until winter's over and forget about it because the cold weather's gone, and then start talking about it later, that would be terrible."

Officials representing New England generators generally agreed with the findings of the ISO's study, but objected to its recommendation that IPPs be required to have fuel-switching capability.

"We would oppose that," said Neal Costello, general counsel for the Competitive Power Coalition of New England. "ISO New England need to understand that they were created to facilitate the development of a competitive wholesale market. They are not 'The Great Regulator,' which is unfortunately sometimes how they view their role."

"The fuel-switching capabilities of plants can be somewhat misleading. Let's be honest about it: We [the generators] would be switching from gas that people use to heat their homes, to distillate oil that people use to heat their homes."

Costello said also said "draconian environmental regulations" were part of New England's gas-dependence problem.

The PRESIDING OFFICER. The senior Senator from New Mexico.

Mr. DOMENICI. Does the Senator desire to speak? I will be glad to let the Senator proceed, and then I will follow.

The PRESIDING OFFICER. The Senator from Washington is recognized for 5 minutes.

Ms. CANTWELL. I say to my colleague from New Mexico, I appreciate being deferred. And I say to my other colleague from New Mexico, I appreciate and wish to be associated with his remarks.

Obviously, we are here discussing the best ways to move forward on pipeline safety for the country. Obviously, despite the troubling record, this bill puts much of the responsibility of additional standards into the hands of the Transportation Department and the Office of Pipeline Safety.

In this legislation, we are relying on the Office of Pipeline Safety—a small office of only 55 inspectors—to be the principal Government agency responsible for ensuring the safety of 2 million miles of our Nation's pipelines.

After years of failure in responding to congressional mandates—not having the capacity—one of the key issues for me, as this bill moves through the process of the other body, and through a conference committee, will be the level of support for funding given to the Office of Pipeline Safety and their ability to take on the monitoring responsibilities and the responsibilities of the amendment that was offered by Senator CORZINE, myself, and others, which was adopted.

The pipeline safety disruptions not only endanger human health and safety but the leaks and explosions and fires associated with pipeline ruptures can devastate the environment and disrupt critical energy flows.

Ultimately, considering the increasing incidents of pipeline disruption, and a system that has led to over 243 pipeline-related deaths since 1990, the unfortunate state of pipeline safety in this country demands that we make this a higher national priority.

I believe the bill today—unlike the version prior to being amended, which was not a better bill—with this amendment that was adopted is a better bill, but I can only support this in the final passage out of conference if we continue to improve the bill through the process. I will be working diligently with my colleagues from around the country, with the delegation in Washington, and in the House to make sure that is a reality.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am pleased to cosponsor a bill to modernize our nation's pipeline safety programs. The issue of our country's pipeline safety came to the forefront after tragic explosions in Bellingham, Wash-

ington, and later, in my own state of New Mexico.

On August 19, 2000, twelve members of an extended family were on a camping and fishing trip along the Pecos River near Carlsbad, NM. Just after midnight, a natural gas pipeline exploded, sending a 350 foot high ball of flame into the air. Six of the campers died instantly. The six remaining family members later died from their horrific injuries.

I am not here today to argue the reasons why pipeline tragedies, such as the one in Carlsbad, continue to occur. I am not here today to further admonish the traditionally poor regulatory enforcement by the Office of Pipeline Safety.

In that regard, I am confident that the new Administration will assume its responsibility to vigorously oversee and enforce pipeline regulations.

What I am here to do today, is to work so that we don't have to think twice before camping with our families and friends. I am here to do my part, to assume my responsibility, so that pipeline tragedies like in Carlsbad, do not happen again.

Pipelines carry almost all of the natural gas and 65 percent of the crude oil and refined oil products. Three primary types of pipelines form a network of nearly 2.2 million miles, 7,000 of which lie in my own state of New Mexico.

Pipelines stretch across our country. They allow us to obtain energy resources quickly and economically.

In light of the energy crisis in California, and in the west in general, the value of our nation's pipeline system is obvious. We must have access to energy.

Therefore, pipelines and the potential hazards they pose affect us all. It is time that we do something to ensure our safety while protecting our access to energy.

Mr. President, this bill:

Significantly increases States' role in oversight, inspection, and investigation of pipelines.

Improves and expands the public's right to know about pipeline hazards.

Dramatically increases civil penalties for safety and reporting violations.

Increases reporting requirements of releases of hazardous liquids from 50 barrels to five gallons.

Provides important whistle blower protections prohibiting discrimination by pipeline operators, contractors or subcontractors.

Furthermore, the legislation would provide much needed funding for research and development in pipeline safety technologies.

In fact, technology currently exists that might have detected weaknesses in pipelines around Carlsbad. Unfortunately, due to insufficient funding those products have yet to reach the market.

La Sen Corporation in my own State of New Mexico has developed technology that can detect faulty pipelines

where current pipeline inspection technology is not useable. La Sen's Electronic Mapping System can be very effective even in pipelines where conventional pig devices cannot be used.

Pipeline inspection is costly and slow. Innovative new technologies could allow us to inspect all 2.2 million miles of pipeline each year in a cost effective manner. Today, pipeline inspection technology only covers 5-10 miles per day at a cost of \$50 per mile. Again, La Sen's technology can survey 500 miles per day at a cost of \$32 per mile.

The bottom line is that today, we can take action that will hopefully make pipelines safer.

I encourage my colleagues to recognize the potential dangers that pipelines pose and to minimize those dangers by unanimously passing this legislation.

Mr. President, on August 19th, New Mexicans, and the country to some extent, woke up to find out that at a camping site near Carlsbad, NM, right by our second largest river, which has been frequently used by families, that a pipeline exploded reigniting fire and terror. Six people died instantly and six other family members and friends died shortly thereafter. And then one additional lived for a while and then died.

It was a very tragic event for a small State, especially a State where we know how important natural gas is. We produce a lot of it. We know how important crude oil is. We produce a lot of it. But nonetheless, it was thought by many that we could do better, that these kinds of things should not happen.

I am not an expert, but I do believe that, as the facts have determined subsequent to that event, the Nation's inspection mechanism for pipelines has been underfunded, understaffed, and probably at a minimum, lackadaisical, and to some extent totally asleep.

This bill says it is a far more important issue. And it comes at exactly the right time. Because we are assessing our country's energy situation. We are going to find, when the President's task force reports, that we are growing more and more dependent upon natural gas and becoming more and more dependent upon foreign oil. Everyone should know that pipelines are very important solution to our energy crisis.

We already know there are 2.2 million miles of pipeline carrying natural gas across this country. Sixty-five percent of the crude oil refined is in these pipelines. And 7,000 of these miles are in the State of New Mexico. This bill does a number of significant things to improve the situation and, perhaps, make it such that we won't have these kinds of problems in my State, and wonderful people like those whose relatives woke up and read about their friends at this camp site that were burned to death, at the pipeline rupture site.

Once again, the inspection process is rather crude today. We have to do a lot

better. I am quite certain, that the small corporation to which I referred the Senate a minute ago, La Sen Corporation in New Mexico is not the only technology around, but it is among the most exciting. We are quite sure that company is going to succeed and that we will be inspecting the pipelines of our country, whether they hang above ground in some areas or whether they are underground. They are going to inspect them from small airplanes with technology on board that will be so technically significant, with reference to detection of the composites that are part of either natural gas or crude oil in the pipelines. They will detect and report those composites, much like a radar screen in these small airplanes.

If that occurs, as I indicated a while ago, instead of 5 to 10 miles a day, with crews and current equipment, we will inspect 500 miles a day, and it will be ultimately cheaper per mile. That is what ultimately has to happen. This bill helps. It does put more money and directs more research into pipeline safety technologies.

I yield the floor.

Mr. KENNEDY. Mr. President, this bill authorizes the Secretary of Transportation to take the steps necessary to protect the families of communities served by pipelines that are, or could be, hazardous. Under Section 14 of the bill, the Secretary can order necessary corrective action for hazardous facilities, including closing the facilities. In the case of pipeline accidents, the Secretary can remove or reassign responsible employees.

The Secretary's authority to deal with pipeline accidents and safety hazards can and should be exercised in ways that treat workers at pipelines and pipeline facilities fairly. Under the bill, the Secretary may direct pipeline operators to relieve employees from their duties, reassign them, or place them on leave for an indefinite period of time—all without any provision for those employees to receive compensation or benefits. Employees who may ultimately be determined to bear no responsibility for an accident could be put on extended unpaid leave under the bill. I believe that greater protections are needed for the men and women who work at the nation's pipelines and pipeline facilities. The vast majority of these workers are dedicated to protecting the health and safety of the communities they serve. As we go to conference with the House on this important bill, I urge the conferees to amend this provision to avoid the possible mistreatment of these workers.

Mr. ENZI. Mr. President, I rise in support of the Pipeline Safety Improvement Act of 2001. I commend the work of the chairman and ranking member of the Commerce Committee, Senators McCain and Hollings, for their hard work on this legislation. I believe that this legislation takes a balanced approach to an important issue and provides for an increase in public safety without unduly burdening

a vital ingredient of our energy infrastructure.

This legislation takes several important steps in improving the safety of America's oil and natural gas pipelines. There are several elements of this legislation that I would like to highlight. First, this legislation requires the implementation of pipeline safety recommendations recently issued by the Department of Transportation (DOT) Inspector General to the DOT Research and Special Programs Administration (RSPA). The Inspector General has recommended that the pipeline industry finalize outstanding Congressional mandates protecting sensitive environmental areas and high-density population areas. Moreover, it calls for the implementation of a training program for the Office of Pipeline Safety (OPS) inspectors.

Second, it requires pipeline operators to submit to the Secretary of Transportation, or the appropriate State regulatory agency as the case requires, a plan designed to enhance the qualifications of pipeline personnel. I hope that this approach, in which the pipeline operators themselves are consulted on the proper safety and training qualifications of their personnel, is a cooperative one that will not only increase public safety, but also encourage the pipeline industry to take ownership in the standards they are called upon to implement.

Third, this bill calls upon the Secretary of Transportation to issue regulations that require hazardous liquid pipelines and natural gas transmission pipelines to evaluate the risks of the operator's facilities in environmentally sensitive and high-density population areas, and to implement a program for integrity management that reduces identified risks of an incident in those areas. Under these guidelines, the pipeline operator's integrity management plan must be based on risk analysis and must include a periodic assessment of the integrity of the pipeline through methods including internal inspection, pressure testing, direct assessment, or some other effective methods, to ensure that identified problems are corrected in a timely manner. Again, I am hopeful that this integrity management plan will allow operators to be even more pro-active in identifying potential problems and correcting them before any accidents occur.

Fourth, this legislation requires an operator of a gas transmission or hazardous liquid pipeline facility to carry out a continuing public education program that would include activities to advise municipalities, school districts, businesses, and residents of pipeline facility locations on a variety of pipeline safety matters. Educating the community on issues of pipeline safety should also serve to decrease the incidents of dangerous accidents in these areas.

While no legislation can entirely alleviate the elements of risk and danger from human experience, there are ways that government, businesses, and local

communities can cooperate to help minimize risks of serious accidents. When crafting such legislation, it is also important to ensure that any additional burdens we place on private businesses will result in benefits that outweigh those costs. This is especially important in the area of oil and gas pipelines, which are the arteries of energy production that allow us to fuel our cars, heat and cool our homes, and carry out countless activities in our daily lives. All the oil and natural gas in the world is worthless if we are unable to get it to the American consumers. For this reason, I am especially heartened by the cooperative approach that was taken in preparing this legislation to ensure that all the various stakeholders were heard and their legitimate concerns were incorporated into this important legislation. I urge my colleagues to join me in supporting the Pipeline Safety Improvement Act of 2001.

Mr. KERRY. Mr. President, I rise to make a short statement about the Pipeline Safety Improvement Act of 2001. This bill is identical to legislation we considered and passed in the 106th Congress.

Last year, I took the time to outline the problem we now face in regard to this issue, and I want to take a moment to do that again. To understand this legislation, you must understand the situation from which we started. The federal government, through the Department of Transportation, regulates more than 2,000 gas pipeline operators with more than 1.3 million miles of pipe and more than 200 hazardous liquid pipeline operators with more than 156,000 miles of pipe. To protect the public safety and the environment and maintain reliability in the energy system over that massive infrastructure is an enormous challenge. The responsibility for meeting that challenge, no matter how great it is, falls upon the industry and federal government, specifically, DOT's Office of Pipeline Safety. It is clear that both OPS and the industry have failed to rise to that challenge, and we have paid a high price.

According to the OPS, since 1984, there have been approximately 5,700 natural gas and oil pipeline accidents nationwide, 54 of them in my home state of Massachusetts. In the 1990s, nearly 4,000 natural gas and oil pipeline ruptures—more than one each day—caused the deaths of 201 people, injuries to another 2,829 people, cost at least \$780 million in property damages, and resulted in enormous environmental contamination and ecological damages. Two accidents in particular show us the tragic consequences of pipeline accidents. On June 10, 1999, a leaking gasoline pipeline erupted into a fireball in Bellingham, Washington. The fire extended more than one and half miles, killing two 10-year-old boys and a young man. The second accident took place in August in Carlsbad, New Mexico. A leaking natural gas pipeline

erupted killing 12 members of an extended family on a camping trip. My sympathies go out to all those involved in these incidents. They are truly tragic.

The Senate Commerce Committee and others have investigated the cause of this tragic record. What we found, sadly, is that OPS was simply failing to do its job. The head of the National Transportation Safety Board, Jim Hall, gave the OPS "a big fat F" for its work. As we considered the legislation in the Commerce Committee, I found that OPS had fallen short in the area of enforcement, in particular. Enforcement is the backbone of any system of safeguards designed to protect the public and the enforcement. Without the threat of tough enforcement, companies, the unfortunate record shows, do not consistently comply with safeguards. The resulting harm to people and places is predictable and regrettable. I will not outline all of the details here today, but I recommend to anyone interested that they read the General Accounting Office's investigation into OPS dated May 2000.

The Pipeline Safety Improvement Act of 2001 includes enforcement reforms and enhances the role of OPS and the Department of Justice in enforcement. These provisions, which I proposed in the Commerce Committee in the 106th Congress, will, I believe, put some teeth into our pipeline safety laws. They include raising the maximum fines that OPS can assess a company from \$500,000 to \$1,000,000; ensuring that companies cannot profit from noncompliance; clarifying the law regarding one-call services; and allowing DOJ, at the request of DOT, to seek civil penalties in court to ensure that serious violators can be punished to the fullest extent of the law.

The bill makes other significant improvements to existing law. My colleagues Mr. MCCAIN and Ms. MURRAY have outlined many of these provisions and how they will improve pipeline safety. In addition, Mr. CORZINE has offered a successful amendment that will require pipeline inspections on a 5 year basis when appropriate. That is a significant improvement. However, Mr. President, despite the improvements in the underlying bill and Mr. Corzine's amendment, S. 235 falls short in some areas. It is my hope that the legislation will be further improved in the House and in the House-Senate conference by including worker certification, enhancing right-to-know provisions and other steps that would improve environmental and public safety protections. I look forward to continuing to work on this legislation, improve it, and, ultimately, improving the pipeline safety throughout the nation.

Mr. LEVIN. Mr. President, this legislation is very important to the people of Michigan because we know what it is like to have pipeline safety concerns in our own backyard. Last June, a gasoline pipeline ruptured in Michigan,

spilling more than 70,000 gallons of gasoline. Further, national estimates rank Michigan second only to Texas in the number of repairs to damaged or leaking natural gas lines. Clearly, we need comprehensive legislation which will help prevent further tragedies like those which have occurred in the United States over the past few years.

This legislation would strengthen pipeline safety regulations and encourage increased participation from interested and affected state agencies and communities as well as expand citizen right-to-know provisions. It would also provide increased funding to the development of technologies to improve pipeline safety.

Although this bill could be stronger, it accomplishes many goals. I hope that when it comes back from Conference, we will see an even stronger bill. However, I will support this legislation at this time because I believe it moves us in the right direction.

Mr. SMITH of Oregon. Mr. President, as a co-sponsor of S. 235, the Pipeline Safety Improvement Act of 2001, I would like to urge my colleagues to support this balanced bipartisan bill.

I am a new member of the Senate Commerce Committee, and have been privileged to be appointed as Chair of the Surface Transportation and Merchant Marine Subcommittee. I have also been a member of the Senate Energy and Natural Resources Committee for a number of years.

In the past few years, I have heard numerous witnesses discuss the need to obtain more supply and build more energy infrastructure to service the increasing energy demand. On a number of occasions I have heard, for example, that demand in the natural gas market is expected to increase from 22 trillion cubic feet to 30 trillion cubic feet by around 2010 to 2012 and that the interstate natural gas pipeline industry is having to spend over \$2.5 billion per year to build the necessary pipeline and storage facilities to meet this demand.

More recently, these issues have taken on a sense of urgency as the electricity problems in California have reached beyond that state to affect the availability of electricity in Oregon and to significantly increase the rates that my constituents are paying at this time.

I also know that it is important to assure the public that both new pipelines and existing pipelines are safe. The Pipeline Safety Improvement Act puts into place a number of common-sense measures that will encourage pipeline operators to coordinate safety and emergency procedures with national and state officials. The improvements mandated by this bill will help to eliminate accidents and decrease the very real hazards for those who live and work near the pipelines that crisscross our nation.

S. 235 requires the Office of Pipeline Safety to promulgate regulations to require operators of natural gas transmission pipelines and hazardous liquid

pipelines to evaluate the risks to the pipeline, focusing on areas that are highly populated or, in the case of hazardous liquid pipelines, areas that are environmentally sensitive.

S. 235 also provides more opportunity for state and local government input when new regulations are promulgated. States that are interested in acting as interstate agents can participate in special investigations involving incidents or new construction and assume additional inspection or investigatory duties or other activities under the regulations issued by the Office of Pipeline Safety.

The Pipeline Safety Improvement Act calls on pipeline operators to review their public education programs for effectiveness and modify them if necessary. Furthermore, S. 235 says the Office of Pipeline Safety may issue standards prescribing the elements of an effective public communications program.

As the new Chairman of the Surface Transportation Subcommittee, I will become very involved in this pipeline safety program. I plan to sit down with the staff of the Office of Pipeline Safety to learn more about their plans for implementing legislation and what they may need to improve their effectiveness. I also plan to oversee their activities to make sure that, once Congress passes a reauthorization bill, they will move to implement the intentions of Congress.

I know that S. 235 is the product of bipartisan cooperation and I support quick passage of this bill.

Mr. DASCHLE. Mr. President, today the Senate is considering S. 235, legislation to improve the safety of pipelines carrying oil, natural gas and hazardous liquids. I commend Senator McCain, Senator Hollings, Senator Murkowski and Senator Bingaman for their work on this legislation.

Over the past few years, deadly pipeline explosions have destroyed homes and taken lives. There is no question that safety standards need to be improved to ensure the safety of all Americans and to avoid interruptions of energy supplies that can lead to shortages and significant price increases. This legislation will help to meet this goal by strengthening safety regulations, updating penalties for safety violations, improving whistleblower protections and providing increased funding for safety research and enforcement.

I also want to express my support for the objectives mentioned today by Senator Torricelli and Senator Corzine, and my appreciation for the willingness of Senator McCain and Senator Hollings to address these issues. It is my hope that the final bill will include strong right-to-know, oversight, enforcement and worker certification provisions, and ensure that those who violate regulations are held accountable for their actions. Finally, we need to ensure that adequate funding will be available to meet all of these goals.

Once again, I want to thank my colleagues for their work on this issue.

Mr. LOTT. Mr. President, today the Senate has the opportunity to move one step closer to correcting an extreme disappointment of the 106th Congress. S. 2438, the Pipeline Safety Improvement Act of 2000, which passed the Senate unanimously on September 7, 2000, but never made it across the finish line in the House of Representatives, has been reintroduced this Congress as S. 235, the Pipeline Safety Improvement Act of 2001.

This legislation is the result of months of extraordinary bipartisan effort by Senators JOHN MCCAIN, PATTY MURRAY, Slade Gorton, JEFF BINGAMAN and PETE DOMENICI. Significant contributions to the legislation were also made by Senators JOHN BREAUX, FRITZ HOLLINGS, SAM BROWNBACK, RON WYDEN, JOHN KERRY, KAY BAILEY HUTCHISON and BYRON DORGAN.

I also feel some ownership of this effort. I serve on the Senate Committee on Commerce, Science and Transportation, which prepared the bill for the Senate's consideration, and my home state of Mississippi hosts many, many miles of pipelines. These issues are extremely important to me.

S. 235 is an excellent bill. It is probably the most significant rewrite of our pipeline safety laws in more than a decade. It is a tough bill.

It comes on the heels of horrific accidents in Bellingham, Washington, Carlsbad, New Mexico, and in locations in Texas, that resulted in the deaths of a total of 17 people.

The authors of this bill were determined to put the necessary specific requirements into the pipeline safety statutes that would prevent these kinds of accidents from happening in the future. They were successful.

The bill represents a watershed change in the types of requirements on pipeline operators for inspection, pipeline facility monitoring and testing, employee training, disclosure of information, enforcement, research and development, management and accountability. It is as comprehensive, tough, and complete as to be expected of a bill that emerged from a thorough process of hearings, both here and in the field, data gathering, and working with the Administration, States and local groups.

It is the kind of legislative work product to be expected from the experience, independence and determination of the Senators who worked on S. 235. The pipeline industry had no choice but to submit to this legislation.

Last year it received the affirmative vote of more than three fourths of the Congress—all of the Senate and just under two-thirds of the House. It received the written praise of Secretary Slater and the Vice President Gore.

Now, at a time when there is no question that this country is in dire need of a sound energy policy, the Senate has the opportunity to address one very important component of that policy—pipelines.

Today's fuel prices are a daily reminder that America is now at the mercy of foreign oil producing nations. However, before you blame your neighbor's SUV, your local fuel distributors, the oil companies, the automakers, or any of the other usual scapegoats, consider this fact—America is one of the leading energy producing countries in the world. This country has the technology, alternative resources, and enough oil and gas to be much more self-sufficient. America does not have to revert back to the practices of the 1970s. The goal of the soon to be introduced energy policy legislation is to reduce the dependence on foreign sources by 50 percent by 2010. This goal can be accomplished, and with the accomplishment of this goal will be an increased need for the use of pipelines—safe pipelines.

There is no question that this bill would make much needed improvements in pipeline safety. There will be time in the coming months to debate energy policy. Let's keep this bill clean and focus on pipeline safety.

The PRESIDING OFFICER. All time has expired.

The question is on the engrossment and third reading of the bill.

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

Mr. MCCAIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The bill, as amended, having been read the third time, the question is, Shall it pass? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) is necessarily absent.

Mr. REID. I announce that the Senator from Georgia (Mr. MILLER) is necessarily absent.

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 11 Leg.]

YEAS—98

Akaka	Corzine	Hutchinson
Allard	Craig	Hutchison
Allen	Daschle	Inhofe
Baucus	Dayton	Inouye
Bayh	DeWine	Jeffords
Bennett	Dodd	Johnson
Biden	Domenici	Kennedy
Bingaman	Dorgan	Kerry
Bond	Durbin	Kohl
Boxer	Edwards	Kyl
Breaux	Ensign	Landrieu
Brownback	Enzi	Leahy
Bunning	Feingold	Levin
Burns	Feinstein	Lieberman
Byrd	Fitzgerald	Lincoln
Campbell	Frist	Lott
Cantwell	Graham	Lugar
Carnahan	Gramm	McCain
Carper	Grassley	McConnell
Chafee, L.	Gregg	Mikulski
Cleland	Hagel	Murkowski
Clinton	Harkin	Murray
Cochran	Hatch	Nelson (FL)
Collins	Helms	Nelson (NE)
Conrad	Hollings	Nickles

Reed	Shelby	Thompson
Reid	Smith (NH)	Thurmond
Roberts	Smith (OR)	Torricelli
Rockefeller	Snowe	Voinovich
Santorum	Specter	Warner
Sarbanes	Stabenow	Wellstone
Schumer	Stevens	Wyden
Sessions	Thomas	

## NOT VOTING—2

Crapo Miller

The bill (S. 235), as amended, was passed, as follows:

S. 235

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; AMENDMENT OF TITLE 49, UNITED STATES CODE.**

(a) **SHORT TITLE.**—This Act may be cited as the “Pipeline Safety Improvement Act of 2001”.

(b) **AMENDMENT OF TITLE 49, UNITED STATES CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

**SEC. 2. IMPLEMENTATION OF INSPECTOR GENERAL RECOMMENDATIONS.**

(a) **IN GENERAL.**—Except as otherwise required by this Act, the Secretary shall implement the safety improvement recommendations provided for in the Department of Transportation Inspector General’s Report (RT-2000-069).

(b) **REPORTS BY THE SECRETARY.**—Not later than 90 days after the date of enactment of this Act, and every 90 days thereafter until each of the recommendations referred to in subsection (a) has been implemented, the Secretary shall transmit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the specific actions taken to implement such recommendations.

(c) **REPORTS BY THE INSPECTOR GENERAL.**—The Inspector General shall periodically transmit to the Committees referred to in subsection (b) a report assessing the Secretary’s progress in implementing the recommendations referred to in subsection (a) and identifying options for the Secretary to consider in accelerating recommendation implementation.

**SEC. 3. NTSB SAFETY RECOMMENDATIONS.**

(a) **IN GENERAL.**—The Secretary of Transportation, the Administrator of Research and Special Program Administration, and the Director of the Office of Pipeline Safety shall fully comply with section 1135 of title 49, United States Code, to ensure timely responsiveness to National Transportation Safety Board recommendations about pipeline safety.

(b) **PUBLIC AVAILABILITY.**—The Secretary, Administrator, or Director, respectively, shall make a copy of each recommendation on pipeline safety and response, as described in sections 1135 (a) and (b) of title 49, United States Code, available to the public at reasonable cost.

(c) **REPORTS TO CONGRESS.**—The Secretary, Administrator, or Director, respectively, shall submit to the Congress by January 1 of each year a report containing each recommendation on pipeline safety made by the Board during the prior year and a copy of the response to each such recommendation.

**SEC. 4. QUALIFICATIONS OF PIPELINE PERSONNEL.**

(a) **QUALIFICATION PLAN.**—Each pipeline operator shall make available to the Secretary

of Transportation, or, in the case of an intrastate pipeline facility operator, the appropriate State regulatory agency, a plan that is designed to enhance the qualifications of pipeline personnel and to reduce the likelihood of accidents and injuries. The plan shall be made available not more than 6 months after the date of enactment of this Act, and the operator shall revise or update the plan as appropriate.

(b) **REQUIREMENTS.**—The enhanced qualification plan shall include, at a minimum, criteria to demonstrate the ability of an individual to safely and properly perform tasks identified under section 60102 of title 49, United States Code. The plan shall also provide for training and periodic reexamination of pipeline personnel qualifications and provide for requalification as appropriate. The Secretary, or, in the case of an intrastate pipeline facility operator, the appropriate State regulatory agency, may review and certify the plans to determine if they are sufficient to provide a safe operating environment and shall periodically review the plans to ensure the continuation of a safe operation. The Secretary may establish minimum standards for pipeline personnel training and evaluation, which may include written examination, oral examination, work performance history review, observation during performance on the job, on the job training, simulations, or other forms of assessment.

(c) **REPORT TO CONGRESS.**—

(1) **IN GENERAL.**—The Secretary shall submit a report to the Congress evaluating the effectiveness of operator qualification and training efforts, including—

(A) actions taken by inspectors;

(B) recommendations made by inspectors for changes to operator qualification and training programs; and

(C) industry and employee organization responses to those actions and recommendations.

(2) **CRITERIA.**—The Secretary may establish criteria for use in evaluating and reporting on operator qualification and training for purposes of this subsection.

(3) **DUE DATE.**—The Secretary shall submit the report required by paragraph (1) to the Congress 3 years after the date of enactment of this Act.

**SEC. 5. PIPELINE INTEGRITY INSPECTION PROGRAM.**

Section 60109 is amended by adding at the end the following:

“(c) **INTEGRITY MANAGEMENT.**—

“(1) **GENERAL REQUIREMENT.**—The Secretary shall promulgate regulations requiring operators of hazardous liquid pipelines and natural gas transmission pipelines to evaluate the risks to the operator’s pipeline facilities in areas identified pursuant to subsection (a)(1), and to adopt and implement a program for integrity management that reduces the risk of an incident in those areas. The regulations shall be issued no later than one year after the Secretary has issued standards pursuant to subsections (a) and (b) of this section or by December 31, 2002, whichever is sooner.

“(2) **STANDARDS FOR PROGRAM.**—In promulgating regulations under this section, the Secretary shall require an operator’s integrity management plan to be based on risk analysis and each plan shall include, at a minimum—

“(A) periodic assessment of the integrity of the pipeline through methods including internal inspection, pressure testing, direct assessment, or other effective methods. The assessment period shall be no less than every 5 years unless the Department of Transportation Inspector General, after consultation with the Secretary determines there is not a sufficient capability or it is deemed unneces-

sary because of more technically appropriate monitoring or creates undue interruption of necessary supply to fulfill the requirements under this paragraph;

“(B) clearly defined criteria for evaluating the results of the periodic assessment methods carried out under subparagraph (A) and procedures to ensure identified problems are corrected in a timely manner; and

“(C) measures, as appropriate, that prevent and mitigate unintended releases, such as leak detection, integrity evaluation, restrictive flow devices, or other measures.

“(3) **CRITERIA FOR PROGRAM STANDARDS.**—In deciding how frequently the integrity assessment methods carried out under paragraph (2)(A) must be conducted, an operator shall take into account the potential for new defects developing or previously identified structural defects caused by construction or installation, the operational characteristics of the pipeline, and leak history. In addition, the Secretary may establish a minimum testing requirement for operators of pipelines to conduct internal inspections.

“(4) **STATE ROLE.**—A State authority that has an agreement in effect with the Secretary under section 60106 is authorized to review and assess an operator’s risk analyses and integrity management plans required under this section for interstate pipelines located in that State. The reviewing State authority shall provide the Secretary with a written assessment of the plans, make recommendations, as appropriate, to address safety concerns not adequately addressed in the operator’s plans, and submit documentation explaining the State-proposed plan revisions. The Secretary shall carefully consider the State’s proposals and work in consultation with the States and operators to address safety concerns.

“(5) **MONITORING IMPLEMENTATION.**—The Secretary of Transportation shall review the risk analysis and program for integrity management required under this section and provide for continued monitoring of such plans. Not later than 2 years after the implementation of integrity management plans under this section, the Secretary shall complete an assessment and evaluation of the effects on safety and the environment of extending all of the requirements mandated by the regulations described in paragraph (1) to additional areas. The Secretary shall submit the assessment and evaluation to Congress along with any recommendations to improve and expand the utilization of integrity management plans.

“(6) **OPPORTUNITY FOR LOCAL INPUT ON INTEGRITY MANAGEMENT.**—Within 18 months after the date of enactment of the Pipeline Safety Improvement Act of 2001, the Secretary shall, by regulation, establish a process for raising and addressing local safety concerns about pipeline integrity and the operator’s pipeline integrity plan. The process shall include—

“(A) a requirement that an operator of a hazardous liquid or natural gas transmission pipeline facility provide information about the risk analysis and integrity management plan required under this section to local officials in a State in which the facility is located;

“(B) a description of the local officials required to be informed, the information that is to be provided to them and the manner, which may include traditional or electronic means, in which it is provided;

“(C) the means for receiving input from the local officials that may include a public forum sponsored by the Secretary or by the State, or the submission of written comments through traditional or electronic means;

“(D) the extent to which an operator of a pipeline facility must participate in a public

forum sponsored by the Secretary or in another means for receiving input from the local officials or in the evaluation of that input; and

“(E) the manner in which the Secretary will notify the local officials about how their concerns are being addressed.”.

#### SEC. 6. ENFORCEMENT.

(a) IN GENERAL.—Section 60112 is amended—

(1) by striking subsection (a) and inserting the following:

“(a) GENERAL AUTHORITY.—After notice and an opportunity for a hearing, the Secretary of Transportation may decide a pipeline facility is hazardous if the Secretary decides that—

“(1) operation of the facility is or would be hazardous to life, property, or the environment; or

“(2) the facility is, or would be, constructed or operated, or a component of the facility is, or would be, constructed or operated with equipment, material, or a technique that the Secretary decides is hazardous to life, property, or the environment.”; and

(2) by striking “is hazardous,” in subsection (d) and inserting “is, or would be, hazardous.”.

#### SEC. 7. PUBLIC EDUCATION, EMERGENCY PREPAREDNESS, AND COMMUNITY RIGHT TO KNOW.

(a) Section 60116 is amended to read as follows:

##### “§60116. Public education, emergency preparedness, and community right to know

“(a) PUBLIC EDUCATION PROGRAMS.—

“(1) Each owner or operator of a gas or hazardous liquid pipeline facility shall carry out a continuing program to educate the public on the use of a one-call notification system prior to excavation and other damage prevention activities, the possible hazards associated with unintended releases from the pipeline facility, the physical indications that such a release may have occurred, what steps should be taken for public safety in the event of a pipeline release, and how to report such an event.

“(2) Within 12 months after the date of enactment of the Pipeline Safety Improvement Act of 2001, each owner or operator of a gas or hazardous liquid pipeline facility shall review its existing public education program for effectiveness and modify the program as necessary. The completed program shall include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations. The completed program shall be submitted to the Secretary or, in the case of an intrastate pipeline facility operator, the appropriate State agency and shall be periodically reviewed by the Secretary or, in the case of an intrastate pipeline facility operator, the appropriate State agency.

“(3) The Secretary may issue standards prescribing the elements of an effective public education program. The Secretary may also develop material for use in the program.

“(b) EMERGENCY PREPAREDNESS.—

“(1) OPERATOR LIAISON.—Within 12 months after the date of enactment of the Pipeline Safety Improvement Act of 2001, an operator of a gas transmission or hazardous liquid pipeline facility shall initiate and maintain liaison with the State emergency response commissions, and local emergency planning committees in the areas of pipeline right-of-way, established under section 301 of the Emergency Planning and Community Right-To-Know Act of 1986 (42 U.S.C. 11001) in each State in which it operates.

“(2) INFORMATION.—An operator shall, upon request, make available to the State emergency response commissions and local emer-

gency planning committees, and shall make available to the Office of Pipeline Safety in a standardized form for the purpose of providing the information to the public, the information described in section 60102(d), the operator's program for integrity management, and information about implementation of that program. The information about the facility shall also include, at a minimum—

“(A) the business name, address, telephone number of the operator, including a 24-hour emergency contact number;

“(B) a description of the facility, including pipe diameter, the product or products carried, and the operating pressure;

“(C) with respect to transmission pipeline facilities, maps showing the location of the facility and, when available, any high consequence areas which the pipeline facility traverses or adjoins and abuts;

“(D) a summary description of the integrity measures the operator uses to assure safety and protection for the environment; and

“(E) a point of contact to respond to questions from emergency response representative.

“(3) SMALLER COMMUNITIES.—In a community without a local emergency planning committee, the operator shall maintain liaison with the local fire, police, and other emergency response agencies.

“(4) PUBLIC ACCESS.—The Secretary shall prescribe requirements for public access, as appropriate, to this information, including a requirement that the information be made available to the public by widely accessible computerized database.

“(c) COMMUNITY RIGHT TO KNOW.—Not later than 12 months after the date of enactment of the Pipeline Safety Improvement Act of 2001, and annually thereafter, the owner or operator of each gas transmission or hazardous liquid pipeline facility shall provide to the governing body of each municipality in which the pipeline facility is located, a map identifying the location of such facility. The map may be provided in electronic form. The Secretary may provide technical assistance to the pipeline industry on developing public safety and public education program content and best practices for program delivery, and on evaluating the effectiveness of the programs. The Secretary may also provide technical assistance to State and local officials in applying practices developed in these programs to their activities to promote pipeline safety.

“(d) PUBLIC AVAILABILITY OF REPORTS.—The Secretary shall—

“(1) make available to the public—

“(A) a safety-related condition report filed by an operator under section 60102(h);

“(B) a report of a pipeline incident filed by an operator;

“(C) the results of any inspection by the Office of Pipeline Safety or a State regulatory official; and

“(D) a description of any corrective action taken in response to a safety-related condition reported under subparagraph (A), (B), or (C); and

“(2) prescribe requirements for public access, as appropriate, to integrity management program information prepared under this chapter, including requirements that will ensure data accessibility to the greatest extent feasible.”.

(b) SAFETY CONDITION REPORTS.—Section 60102(h)(2) is amended by striking “authorities.” and inserting “officials, including the local emergency responders.”.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 601 is amended by striking the item relating to section 60116 and inserting the following:

“60116. Public education, emergency preparedness, community right to know.”.

#### SEC. 8. PENALTIES.

(a) CIVIL PENALTIES.—Section 60122 is amended—

(1) by striking “\$25,000” in subsection (a)(1) and inserting “\$500,000”;

(2) by striking “\$500,000” in subsection (a)(1) and inserting “\$1,000,000”;

(3) by adding at the end of subsection (a)(1) the following: “The preceding sentence does not apply to judicial enforcement action under section 60120 or 60121.”; and

(4) by striking subsection (b) and inserting the following:

“(b) PENALTY CONSIDERATIONS.—In determining the amount of a civil penalty under this section—

“(1) the Secretary shall consider—

“(A) the nature, circumstances, and gravity of the violation, including adverse impact on the environment;

“(B) with respect to the violator, the degree of culpability, any history of prior violations, the ability to pay, any effect on ability to continue doing business; and

“(C) good faith in attempting to comply; and

“(2) the Secretary may consider—

“(A) the economic benefit gained from the violation without any discount because of subsequent damages; and

“(B) other matters that justice requires.”.

(b) EXCAVATOR DAMAGE.—Section 60123(d) is amended—

(1) by striking “knowingly and willfully”;

(2) by inserting “knowingly and willfully” before “engages” in paragraph (1); and

(3) striking paragraph (2)(B) and inserting the following:

“(B) a pipeline facility, is aware of damage, and does not report the damage promptly to the operator of the pipeline facility and to other appropriate authorities; or”.

(c) CIVIL ACTIONS.—Section 60120(a)(1) is amended to read as follows:

“(1) On the request of the Secretary of Transportation, the Attorney General may bring a civil action in an appropriate district court of the United States to enforce this chapter, including section 60112 of this chapter, or a regulation prescribed or order issued under this chapter. The court may award appropriate relief, including a temporary or permanent injunction, punitive damages, and assessment of civil penalties considering the same factors as prescribed for the Secretary in an administrative case under section 60122.”.

#### SEC. 9. STATE OVERSIGHT ROLE.

(a) STATE AGREEMENTS WITH CERTIFICATION.—Section 60106 is amended—

(1) by striking “GENERAL AUTHORITY.—” in subsection (a) and inserting “AGREEMENTS WITHOUT CERTIFICATION.—”;

(2) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e); and

(3) by inserting after subsection (a) the following:

“(b) AGREEMENTS WITH CERTIFICATION.—

“(1) IN GENERAL.—If the Secretary accepts a certification under section 60105 of this title and makes the determination required under this subsection, the Secretary may make an agreement with a State authority authorizing it to participate in the oversight of interstate pipeline transportation. Each such agreement shall include a plan for the State authority to participate in special investigations involving incidents or new construction and allow the State authority to participate in other activities overseeing interstate pipeline transportation or to assume additional inspection or investigatory duties. Nothing in this section modifies section 60104(c) or authorizes the Secretary to delegate the enforcement of safety standards



prescribed under this chapter to a State authority.

“(2) DETERMINATIONS REQUIRED.—The Secretary may not enter into an agreement under this subsection, unless the Secretary determines that—

“(A) the agreement allowing participation of the State authority is consistent with the Secretary’s program for inspection and consistent with the safety policies and provisions provided under this chapter;

“(B) the interstate participation agreement would not adversely affect the oversight responsibilities of intrastate pipeline transportation by the State authority;

“(C) the State is carrying out a program demonstrated to promote preparedness and risk prevention activities that enable communities to live safely with pipelines;

“(D) the State meets the minimum standards for State one-call notification set forth in chapter 61; and

“(E) the actions planned under the agreement would not impede interstate commerce or jeopardize public safety.

“(3) EXISTING AGREEMENTS.—If requested by the State Authority, the Secretary shall authorize a State Authority which had an interstate agreement in effect after January, 1999, to oversee interstate pipeline transportation pursuant to the terms of that agreement until the Secretary determines that the State meets the requirements of paragraph (2) and executes a new agreement, or until December 31, 2002, whichever is sooner. Nothing in this paragraph shall prevent the Secretary, after affording the State notice, hearing, and an opportunity to correct any alleged deficiencies, from terminating an agreement that was in effect before enactment of the Pipeline Safety Improvement Act of 2001 if—

“(A) the State Authority fails to comply with the terms of the agreement;

“(B) implementation of the agreement has resulted in a gap in the oversight responsibilities of intrastate pipeline transportation by the State Authority; or

“(C) continued participation by the State Authority in the oversight of interstate pipeline transportation has had an adverse impact on pipeline safety.”

(b) ENDING AGREEMENTS.—Subsection (e) of section 60106, as redesignated by subsection (a), is amended to read as follows:

“(e) ENDING AGREEMENTS.—

“(1) PERMISSIVE TERMINATION.—The Secretary may end an agreement under this section when the Secretary finds that the State authority has not complied with any provision of the agreement.

“(2) MANDATORY TERMINATION OF AGREEMENT.—The Secretary shall end an agreement for the oversight of interstate pipeline transportation if the Secretary finds that—

“(A) implementation of such agreement has resulted in a gap in the oversight responsibilities of intrastate pipeline transportation by the State authority;

“(B) the State actions under the agreement have failed to meet the requirements under subsection (b); or

“(C) continued participation by the State authority in the oversight of interstate pipeline transportation would not promote pipeline safety.

“(3) PROCEDURAL REQUIREMENTS.—The Secretary shall give the notice and an opportunity for a hearing to a State authority before ending an agreement under this section. The Secretary may provide a State an opportunity to correct any deficiencies before ending an agreement. The finding and decision to end the agreement shall be published in the Federal Register and may not become effective for at least 15 days after the date of publication unless the Secretary finds that

continuation of an agreement poses an imminent hazard.”

#### SEC. 10. IMPROVED DATA AND DATA AVAILABILITY.

(a) IN GENERAL.—Within 12 months after the date of enactment of this Act, the Secretary shall develop and implement a comprehensive plan for the collection and use of gas and hazardous liquid pipeline data to revise the causal categories on the incident report forms to eliminate overlapping and confusing categories and include subcategories. The plan shall include components to provide the capability to perform sound incident trend analysis and evaluations of pipeline operator performance using normalized accident data.

(b) REPORT OF RELEASES EXCEEDING 5 GALLONS.—Section 60117(b) is amended—

(1) by inserting “(1)” before “To”;

(2) redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(3) inserting before the last sentence the following:

“(2) A person owning or operating a hazardous liquid pipeline facility shall report to the Secretary each release to the environment greater than five gallons of the hazardous liquid or carbon dioxide transported. This section applies to releases from pipeline facilities regulated under this chapter. A report must include the location of the release, fatalities and personal injuries, type of product, amount of product release, cause or causes of the release, extent of damage to property and the environment, and the response undertaken to clean up the release.

“(3) During the course of an incident investigation, a person owning or operating a pipeline facility shall make records, reports, and information required under subsection (a) of this section or other reasonably described records, reports, and information relevant to the incident investigation, available to the Secretary within the time limits prescribed in a written request.”; and

(4) indenting the first word of the last sentence and inserting “(4)” before “The Secretary” in that sentence.

(c) PENALTY AUTHORITIES.—(1) Section 60122(a) is amended by striking “60114(c)” and inserting “60117(b)(3)”.

(2) Section 60123(a) is amended by striking “60114(c),” and inserting “60117(b)(3).”

(d) ESTABLISHMENT OF NATIONAL DEPOSITORY.—Section 60117 is amended by adding at the end the following:

“(1) NATIONAL DEPOSITORY.—The Secretary shall establish a national depository of data on events and conditions, including spill histories and corrective actions for specific incidents, that can be used to evaluate the risk of, and to prevent, pipeline failures and releases. The Secretary shall administer the program through the Bureau of Transportation Statistics, in cooperation with the Research and Special Programs Administration, and shall make such information available for use by State and local planning and emergency response authorities and the public.”

#### SEC. 11. RESEARCH AND DEVELOPMENT.

(a) INNOVATIVE TECHNOLOGY DEVELOPMENT.—

(1) IN GENERAL.—As part of the Department of Transportation’s research and development program, the Secretary of Transportation shall direct research attention to the development of alternative technologies—

(A) to expand the capabilities of internal inspection devices to identify and accurately measure defects and anomalies;

(B) to inspect pipelines that cannot accommodate internal inspection devices available on the date of enactment;

(C) to develop innovative techniques measuring the structural integrity of pipelines;

(D) to improve the capability, reliability, and practicality of external leak detection devices; and

(E) to develop and improve alternative technologies to identify and monitor outside force damage to pipelines.

(2) COOPERATIVE.—The Secretary may participate in additional technological development through cooperative agreements with trade associations, academic institutions, or other qualified organizations.

(b) PIPELINE SAFETY AND RELIABILITY RESEARCH AND DEVELOPMENT.—

(1) IN GENERAL.—The Secretary of Transportation, in coordination with the Secretary of Energy, shall develop and implement an accelerated cooperative program of research and development to ensure the integrity of natural gas and hazardous liquid pipelines. This research and development program—

(A) shall include materials inspection techniques, risk assessment methodology, and information systems surety; and

(B) shall complement, and not replace, the research program of the Department of Energy addressing natural gas pipeline issues existing on the date of enactment of this Act.

(2) PURPOSE.—The purpose of the cooperative research program shall be to promote pipeline safety research and development to—

(A) ensure long-term safety, reliability and service life for existing pipelines;

(B) expand capabilities of internal inspection devices to identify and accurately measure defects and anomalies;

(C) develop inspection techniques for pipelines that cannot accommodate the internal inspection devices available on the date of enactment;

(D) develop innovative techniques to measure the structural integrity of pipelines to prevent pipeline failures;

(E) develop improved materials and coatings for use in pipelines;

(F) improve the capability, reliability, and practicality of external leak detection devices;

(G) identify underground environments that might lead to shortened service life;

(H) enhance safety in pipeline siting and land use;

(I) minimize the environmental impact of pipelines;

(J) demonstrate technologies that improve pipeline safety, reliability, and integrity;

(K) provide risk assessment tools for optimizing risk mitigation strategies; and

(L) provide highly secure information systems for controlling the operation of pipelines.

(3) AREAS.—In carrying out this subsection, the Secretary of Transportation, in coordination with the Secretary of Energy, shall consider research and development on natural gas, crude oil and petroleum product pipelines for—

(A) early crack, defect, and damage detection, including real-time damage monitoring;

(B) automated internal pipeline inspection sensor systems;

(C) land use guidance and set back management along pipeline rights-of-way for communities;

(D) internal corrosion control;

(E) corrosion-resistant coatings;

(F) improved cathodic protection;

(G) inspection techniques where internal inspection is not feasible, including measurement of structural integrity;

(H) external leak detection, including portable real-time video imaging technology, and the advancement of computerized control center leak detection systems utilizing real-time remote field data input;



(I) longer life, high strength, non-corrosive pipeline materials;

(J) assessing the remaining strength of existing pipes;

(K) risk and reliability analysis models, to be used to identify safety improvements that could be realized in the near term resulting from analysis of data obtained from a pipeline performance tracking initiative;

(L) identification, monitoring, and prevention of outside force damage, including satellite surveillance; and

(M) any other areas necessary to ensuring the public safety and protecting the environment.

(4) POINTS OF CONTACT.—

(A) IN GENERAL.—To coordinate and implement the research and development programs and activities authorized under this subsection—

(i) the Secretary of Transportation shall designate, as the point of contact for the Department of Transportation, an officer of the Department of Transportation who has been appointed by the President and confirmed by the Senate; and

(ii) the Secretary of Energy shall designate, as the point of contact for the Department of Energy, an officer of the Department of Energy who has been appointed by the President and confirmed by the Senate.

(B) DUTIES.—

(i) The point of contact for the Department of Transportation shall have the primary responsibility for coordinating and overseeing the implementation of the research, development, and demonstration program plan under paragraphs (5) and (6).

(ii) The points of contact shall jointly assist in arranging cooperative agreements for research, development and demonstration involving their respective Departments, national laboratories, universities, and industry research organizations.

(5) RESEARCH AND DEVELOPMENT PROGRAM PLAN.—Within 240 days after the date of enactment of this Act, the Secretary of Transportation, in coordination with the Secretary of Energy and the Pipeline Integrity Technical Advisory Committee, shall prepare and submit to the Congress a 5-year program plan to guide activities under this subsection. In preparing the program plan, the Secretary shall consult with appropriate representatives of the natural gas, crude oil, and petroleum product pipeline industries to select and prioritize appropriate project proposals. The Secretary may also seek the advice of utilities, manufacturers, institutions of higher learning, Federal agencies, the pipeline research institutions, national laboratories, State pipeline safety officials, environmental organizations, pipeline safety advocates, and professional and technical societies.

(6) IMPLEMENTATION.—The Secretary of Transportation shall have primary responsibility for ensuring the 5-year plan provided for in paragraph (5) is implemented as intended. In carrying out the research, development, and demonstration activities under this paragraph, the Secretary of Transportation and the Secretary of Energy may use, to the extent authorized under applicable provisions of law, contracts, cooperative agreements, cooperative research and development agreements under the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), grants, joint ventures, other transactions, and any other form of agreement available to the Secretary consistent with the recommendations of the Advisory Committee.

(7) REPORTS TO CONGRESS.—The Secretary of Transportation shall report to the Congress annually as to the status and results to date of the implementation of the research and development program plan. The report

shall include the activities of the Departments of Transportation and Energy, the national laboratories, universities, and any other research organizations, including industry research organizations.

**SEC. 12. PIPELINE INTEGRITY TECHNICAL ADVISORY COMMITTEE.**

(a) ESTABLISHMENT.—The Secretary of Transportation shall enter into appropriate arrangements with the National Academy of Sciences to establish and manage the Pipeline Integrity Technical Advisory Committee for the purpose of advising the Secretary of Transportation and the Secretary of Energy on the development and implementation of the 5-year research, development, and demonstration program plan under section 11(b)(5). The Advisory Committee shall have an ongoing role in evaluating the progress and results of the research, development, and demonstration carried out under that section.

(b) MEMBERSHIP.—The National Academy of Sciences shall appoint the members of the Pipeline Integrity Technical Advisory Committee after consultation with the Secretary of Transportation and the Secretary of Energy. Members appointed to the Advisory Committee should have the necessary qualifications to provide technical contributions to the purposes of the Advisory Committee.

**SEC. 13. AUTHORIZATION OF APPROPRIATIONS.**

(a) GAS AND HAZARDOUS LIQUIDS.—Section 60125(a) is amended to read as follows:

“(a) GAS AND HAZARDOUS LIQUID.—To carry out this chapter and other pipeline-related damage prevention activities of this title (except for section 60107), there are authorized to be appropriated to the Department of Transportation—

“(1) \$26,000,000 for fiscal year 2002, of which \$20,000,000 is to be derived from user fees for fiscal year 2002 collected under section 60301 of this title; and

“(2) \$30,000,000 for each of the fiscal years 2003 and 2004 of which \$23,000,000 is to be derived from user fees for fiscal year 2003 and fiscal year 2004 collected under section 60301 of this title.”.

(b) GRANTS TO STATES.—Section 60125(c) is amended to read as follows:

“(c) STATE GRANTS.—Not more than the following amounts may be appropriated to the Secretary to carry out section 60107—

“(1) \$17,000,000 for fiscal year 2002, of which \$15,000,000 is to be derived from user fees for fiscal year 2002 collected under section 60301 of this title; and

“(2) \$20,000,000 for the fiscal years 2003 and 2004 of which \$18,000,000 is to be derived from user fees for fiscal year 2003 and fiscal year 2004 collected under section 60301 of this title.”.

(c) OIL SPILLS.—Section 60125 is amended by redesignating subsections (d), (e), and (f) as subsections (e), (f), (g) and inserting after subsection (c) the following:

“(d) OIL SPILL LIABILITY TRUST FUND.—Of the amounts available in the Oil Spill Liability Trust Fund, \$8,000,000 shall be transferred to the Secretary of Transportation, as provided in appropriation Acts, to carry out programs authorized in this Act for each of fiscal years 2002, 2003, and 2004.”.

(d) PIPELINE INTEGRITY PROGRAM.—(1) There are authorized to be appropriated to the Secretary of Transportation for carrying out sections 11(b) and 12 of this Act \$3,000,000, to be derived from user fees under section 60301 of title 49, United States Code, for each of the fiscal years 2002 through 2006.

(2) Of the amounts available in the Oil Spill Liability Trust Fund established by section 9509 of the Internal Revenue Code of 1986 (26 U.S.C. 9509), \$3,000,000 shall be transferred to the Secretary of Transportation, as provided in appropriation Acts, to carry out

programs for detection, prevention and mitigation of oil spills under sections 11(b) and 12 of this Act for each of the fiscal years 2002 through 2006.

(3) There are authorized to be appropriated to the Secretary of Energy for carrying out sections 11(b) and 12 of this Act such sums as may be necessary for each of the fiscal years 2002 through 2006.

**SEC. 14. OPERATOR ASSISTANCE IN INVESTIGATIONS.**

(a) IN GENERAL.—If the Department of Transportation or the National Transportation Safety Board investigate an accident, the operator involved shall make available to the representative of the Department or the Board all records and information that in any way pertain to the accident (including integrity management plans and test results), and shall afford all reasonable assistance in the investigation of the accident.

(b) CORRECTIVE ACTION ORDERS.—Section 60112(d) is amended—

(1) by inserting “(1)” after “CORRECTIVE ACTION ORDERS.—”; and

(2) by adding at the end the following:

“(2) If, in the case of a corrective action order issued following an accident, the Secretary determines that the actions of an employee carrying out an activity regulated under this chapter, including duties under section 60102(a), may have contributed substantially to the cause of the accident, the Secretary shall direct the operator to relieve the employee from performing those activities, reassign the employee, or place the employee on leave until the earlier of the date on which—

“(A) the Secretary determines, after notice and an opportunity for a hearing, that the employee's performance of duty in carrying out the activity did not contribute substantially to the cause of the accident; or

“(B) the Secretary determines the employee has been re-qualified or re-trained as provided for in section 4 of the Pipeline Safety Improvement Act of 2001 and can safely perform those activities.

“(3) Action taken by an operator under paragraph (2) shall be in accordance with the terms and conditions of any applicable collective bargaining agreement to the extent it is not inconsistent with the requirements of this section.”.

**SEC. 15. PROTECTION OF EMPLOYEES PROVIDING PIPELINE SAFETY INFORMATION.**

(a) IN GENERAL.—Chapter 601 is amended by adding at the end the following:

**“§ 60129. Protection of employees providing pipeline safety information**

“(a) DISCRIMINATION AGAINST PIPELINE EMPLOYEES.—No pipeline operator or contractor or subcontractor of a pipeline may discharge an employee or otherwise discriminate against an employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee)—

“(1) provided, caused to be provided, or is about to provide (with any knowledge of the employer) or cause to be provided to the employer or Federal Government information relating to any violation or alleged violation of any order, regulation, or standard of the Research and Special Programs Administration or any other provision of Federal law relating to pipeline safety under this chapter or any other law of the United States;

“(2) has filed, caused to be filed, or is about to file (with any knowledge of the employer) or cause to be filed a proceeding relating to any violation or alleged violation of any order, regulation, or standard of the Administration or any other provision of Federal law relating to pipeline safety under this

chapter or any other law of the United States;

“(3) testified or is about to testify in such a proceeding; or

“(4) assisted or participated or is about to assist or participate in such a proceeding.

“(b) DEPARTMENT OF LABOR COMPLAINT PROCEDURE.—

“(1) FILING AND NOTIFICATION.—A person who believes that he or she has been discharged or otherwise discriminated against by any person in violation of subsection (a) may, not later than 90 days after the date on which such violation occurs, file (or have any person file on his or her behalf) a complaint with the Secretary of Labor alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary of Labor shall notify, in writing, the person named in the complaint and the Administrator of the Research and Special Programs Administration of the filing of the complaint, of the allegations contained in the complaint, of the substance of evidence supporting the complaint, and of the opportunities that will be afforded to such person under paragraph (2).

“(2) INVESTIGATION; PRELIMINARY ORDER.—

“(A) IN GENERAL.—Not later than 60 days after the date of receipt of a complaint filed under paragraph (1) and after affording the person named in the complaint an opportunity to submit to the Secretary of Labor a written response to the complaint and an opportunity to meet with a representative of the Secretary to present statements from witnesses, the Secretary of Labor shall conduct an investigation and determine whether there is reasonable cause to believe that the complaint has merit and notify in writing the complainant and the person alleged to have committed a violation of subsection (a) of the Secretary's findings. If the Secretary of Labor concludes that there is reasonable cause to believe that a violation of subsection (a) has occurred, the Secretary shall accompany the Secretary's findings with a preliminary order providing the relief prescribed by paragraph (3)(B). Not later than 30 days after the date of notification of findings under this paragraph, either the person alleged to have committed the violation or the complainant may file objections to the findings or preliminary order, or both, and request a hearing on the record. The filing of such objections shall not operate to stay any reinstatement remedy contained in the preliminary order. Such hearings shall be conducted expeditiously. If a hearing is not requested in such 30-day period, the preliminary order shall be deemed a final order that is not subject to judicial review.

“(B) REQUIREMENTS.—

“(i) REQUIRED SHOWING BY COMPLAINANT.—The Secretary of Labor shall dismiss a complaint filed under this subsection and shall not conduct an investigation otherwise required under subparagraph (A) unless the complainant makes a prima facie showing that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

“(ii) SHOWING BY EMPLOYER.—Notwithstanding a finding by the Secretary that the complainant has made the showing required under clause (i), no investigation otherwise required under subparagraph (A) shall be conducted if the employer demonstrates, by clear and convincing evidence, that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

“(iii) CRITERIA FOR DETERMINATION BY SECRETARY.—The Secretary may determine that a violation of subsection (a) has occurred only if the complainant demonstrates that any behavior described in paragraphs (1)

through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

“(iv) PROHIBITION.—Relief may not be ordered under subparagraph (A) if the employer demonstrates by clear and convincing evidence that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

“(3) FINAL ORDER.—

“(A) DEADLINE FOR ISSUANCE; SETTLEMENT AGREEMENTS.—Not later than 120 days after the date of conclusion of a hearing under paragraph (2), the Secretary of Labor shall issue a final order providing the relief prescribed by this paragraph or denying the complaint. At any time before issuance of a final order, a proceeding under this subsection may be terminated on the basis of a settlement agreement entered into by the Secretary of Labor, the complainant, and the person alleged to have committed the violation.

“(B) REMEDY.—If, in response to a complaint filed under paragraph (1), the Secretary of Labor determines that a violation of subsection (a) has occurred, the Secretary of Labor shall order the person who committed such violation to—

“(i) take affirmative action to abate the violation;

“(ii) reinstate the complainant to his or her former position together with the compensation (including back pay) and restore the terms, conditions, and privileges associated with his or her employment; and

“(iii) provide compensatory damages to the complainant.

If such an order is issued under this paragraph, the Secretary of Labor, at the request of the complainant, shall assess against the person whom the order is issued a sum equal to the aggregate amount of all costs and expenses (including attorney's and expert witness fees) reasonably incurred, as determined by the Secretary of Labor, by the complainant for, or in connection with, the bringing the complaint upon which the order was issued.

“(C) FRIVOLOUS COMPLAINTS.—If the Secretary of Labor finds that a complaint under paragraph (1) is frivolous or has been brought in bad faith, the Secretary of Labor may award to the prevailing employer a reasonable attorney's fee not exceeding \$1,000.

“(4) REVIEW.—

“(A) APPEAL TO COURT OF APPEALS.—Any person adversely affected or aggrieved by an order issued under paragraph (3) may obtain review of the order in the United States Court of Appeals for the circuit in which the violation, with respect to which the order was issued, allegedly occurred or the circuit in which the complainant resided on the date of such violation. The petition for review must be filed not later than 60 days after the date of issuance of the final order of the Secretary of Labor. Review shall conform to chapter 7 of title 5, United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the order.

“(B) LIMITATION ON COLLATERAL ATTACK.—An order of the Secretary of Labor with respect to which review could have been obtained under subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

“(5) ENFORCEMENT OF ORDER BY SECRETARY OF LABOR.—Whenever any person has failed to comply with an order issued under paragraph (3), the Secretary of Labor may file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this paragraph, the district courts shall have jurisdiction to

grant all appropriate relief, including, but not to be limited to, injunctive relief and compensatory damages.

“(6) ENFORCEMENT OF ORDER BY PARTIES.—

“(A) COMMENCEMENT OF ACTION.—A person on whose behalf an order was issued under paragraph (3) may commence a civil action against the person to whom such order was issued to require compliance with such order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such order.

“(B) ATTORNEY FEES.—The court, in issuing any final order under this paragraph, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines such award costs is appropriate.

“(C) MANDAMUS.—Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28, United States Code.

“(d) NONAPPLICABILITY TO DELIBERATE VIOLATIONS.—Subsection (a) shall not apply with respect to an employee of a pipeline, contractor or subcontractor who, acting without direction from the pipeline contractor or subcontractor (or such person's agent), deliberately causes a violation of any requirement relating to pipeline safety under this chapter or any other law of the United States.

“(e) CONTRACTOR DEFINED.—In this section, the term ‘contractor’ means a company that performs safety-sensitive functions by contract for a pipeline.”

(b) CIVIL PENALTY.—Section 60122(a) is amended by adding at the end the following:

“(3) A person violating section 60129, or an order issued thereunder, is liable to the Government for a civil penalty of not more than \$1,000 for each violation. The penalties provided by paragraph (1) do not apply to a violation of section 60129 or an order issued thereunder.”

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 601 is amended by adding at the end the following:

“60129. Protection of employees providing pipeline safety information.”

#### SEC. 16. STATE PIPELINE SAFETY ADVISORY COMMITTEES.

Within 90 days after receiving recommendations for improvements to pipeline safety from an advisory committee appointed by the Governor of any State, the Secretary of Transportation shall respond in writing to the committee setting forth what action, if any, the Secretary will take on those recommendations and the Secretary's reasons for acting or not acting upon any of the recommendations.

#### SEC. 17. FINES AND PENALTIES.

The Inspector General of the Department of Transportation shall conduct an analysis of the Department's assessment of fines and penalties on gas transmission and hazardous liquid pipelines, including the cost of corrective actions required by the Department in lieu of fines, and, no later than 6 months after the date of enactment of this Act, shall provide a report to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure on any findings and recommendations for actions by the Secretary or Congress to ensure the fines assessed are an effective deterrent for reducing safety risks.

#### SEC. 18. STUDY OF RIGHTS-OF-WAY.

The Secretary of Transportation is authorized to conduct a study on how best to preserve environmental resources in conjunction with maintaining pipeline rights-of-way. The study shall recognize pipeline operators' regulatory obligations to maintain rights-of-way and to protect public safety.

**SEC. 19. STUDY OF NATURAL GAS RESERVE.**

(a) FINDINGS.—Congress finds that:

(1) In the last few months, natural gas prices across the country have tripled.

(2) In California, natural gas prices have increased twenty-fold, from \$3 per million British thermal units to nearly \$60 per million British thermal units.

(3) One of the major causes of these price increases is a lack of supply, including a lack of natural gas reserves.

(4) The lack of a reserve was compounded by the rupture of an El Paso Natural Gas Company pipeline in Carlsbad, New Mexico on August 1, 2000.

(5) Improving pipeline safety will help prevent similar accidents that interrupt the supply of natural gas and will help save lives.

(6) It is also necessary to find solutions for the lack of natural gas reserves that could be used during emergencies.

(b) STUDY BY THE NATIONAL ACADEMY OF SCIENCES.—The Secretary of Energy shall request the National Academy of Sciences to—

(1) conduct a study to—

(A) determine the causes of recent increases in the price of natural gas, including whether the increases have been caused by problems with the supply of natural gas or by problems with the natural gas transmission system;

(B) identify any Federal or State policies that may have contributed to the price increases; and

(C) determine what Federal action would be necessary to improve the reserve supply of natural gas for use in situations of natural gas shortages and price increases, including determining the feasibility and advisability of a Federal strategic natural gas reserve system; and

(2) not later than 60 days after the date of enactment of this Act, submit to Congress a report on the results of the study.

**SEC. 20. STUDY AND REPORT ON NATURAL GAS PIPELINE AND STORAGE FACILITIES IN NEW ENGLAND.**

(a) STUDY.—The Federal Energy Regulatory Commission, in consultation with the Department of Energy, shall conduct a study on the natural gas pipeline transmission network in New England and natural gas storage facilities associated with that network. In carrying out the study, the Commission shall consider—

(1) the ability of natural gas pipeline and storage facilities in New England to meet current and projected demand by gas-fired power generation plants and other consumers;

(2) capacity constraints during unusual weather periods;

(3) potential constraint points in regional, interstate, and international pipeline capacity serving New England; and

(4) the quality and efficiency of the Federal environmental review and permitting process for natural gas pipelines.

(b) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Federal Energy Regulatory Commission shall prepare and submit to the Senate Committee on Energy and Natural Resources and the appropriate committee of the House of Representatives a report containing the results of the study conducted under subsection (a), including recommendations for addressing potential natural gas transmission and storage capacity problems in New England.

Mr. LEAHY. I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

**MORNING BUSINESS**

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate now be in a period of morning business, with Senators speaking for up to 10 minutes each.

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

**S. 21, THE SOCIAL SECURITY AND MEDICARE LOCK-BOX**

Mr. DASCHLE. Mr. President, earlier today, Senator LIEBERMAN became a cosponsor of S. 21, the Social Security and Medicare Lock-Box bill that I introduced earlier this year. Senator LIEBERMAN was an important supporter of this legislation last year. Unfortunately, in spite of the fact that this bill received 60 votes in the Senate, Republicans opted to prevent the bill from becoming law.

However, given the fact that some in the administration and the other side of the aisle have indicated they may not support protecting Social Security and Medicare trust funds, it is even more important that we enact this legislation. I look forward to working with Senator LIEBERMAN and all the others who have supported the idea that Social Security and Medicare funds should be used for these programs and these programs alone.

**EDUCATIONAL EXCELLENCE FOR ALL LEARNERS ACT**

Mr. REID. Mr. President, today, I am cosponsoring S.7, the Educational Excellence Act for All Learners Act. This bill increases school capacity, makes schools accountable for results and ensures increased student achievement. S.7 ensures that the federal government uphold its commitment to the local school districts to fully fund the IDEA program.

S.7 also promotes literacy by increasing the funding for the Reading Excellence Act. Another area in great need for resources in our educational system is teacher training. Senator CONRAD and I have proposed legislation that is included in S.7 which would provide federal support for teacher technology training to better prepare teachers to teach technology to our children.

But, I am gravely concerned that we will not have the resources that will be needed to properly fund our obligations to education—and give back to the American family. A tax cut of the magnitude that George W. Bush is pushing will not only eliminate any increase in funding for the military—as President Bush announced a few days ago—but it will also eliminate any increase in funding for the education of our children.

I say to President Bush—we should not leave our children behind. I am not saying that Democrats do not support a tax cut. To the contrary. However, the difference between Democrats and Republicans is that Democrats are un-

willing to jeopardize the domestic dividends that will materialize over the next generation for the health and education of our families.

Specifically, we have to have a fiscally responsible tax cut that allows us to protect social security, provide a prescription drug benefit, fund education, ensure a strong and stable military, and continue to pay down the debt. Paying down the debt is better than a tax cut because it provides a more direct and efficient mechanism to stimulate the economy through lower interest rates, lower inflation and higher family incomes.

We know that, as the Governor of Texas, President Bush made grand proposals, got just a little piece of what he asked for, and walked away declaring victory. He knows that he won't get all \$1.6 trillion of his tax cut. But he could have—the American people could have—a tax cut of \$900 billion. This amount exceeds the tax cut put forward by the Republicans in 1999 (that was \$792 billion)—less than 3 years ago. A tax cut of \$900 billion provides immediate elimination of the estate tax for virtually all taxpayers (e.g., 95 percent of family farms and 75 percent of family businesses), complete elimination of all 65 marriage penalties, college tuition tax credits and child care credits. And, we can provide business tax cuts such as incentives for research and development and employee pension benefits.

The people of Nevada want a tax cut, I want a tax cut, and Democrats want a tax cut. But we should all remember—the people of Nevada want a strong educational system, I want a strong educational system, and Democrats want a strong educational system. Let us not leave any child behind in this tax and budget debate.

**AMT REFORM**

Mrs. LINCOLN. Mr. President, yesterday Senator LUGAR and I joined forces with a bipartisan group of Senators to disarm one of the quickest ticking time bombs hidden away in our tax code. Senator LUGAR and I were joined by Senators BREAUX, KYL, LANDRIEU, COCHRAN, and BAYH in introducing a bill to permanently provide tax protection for millions of taxpayers from the Alternative Minimum Tax.

The AMT was created to reduce the ability of some individuals to completely avoid taxation by using tax preference items excluded from the income tax. The AMT was first established in 1969 after the Secretary of Treasury testified before Congress that 155 high-income individuals had paid no federal income taxes in 1966. Over the years the AMT has been amended several times and has gone from what was essentially a surcharge on tax preference items to the current system, which is generally considered a separate tax system that parallels the regular individual income tax but having its own definitions of income, its own rates, and its own problems.

There are two basic problems with the AMT. Number one, there are many items considered in AMT determination that simply should not be there, and number two, the exemption amounts are not indexed. Last Congress I took the lead on combating the former problem, and Senator LUGAR took the lead on the latter. This year we have come together in a bipartisan way to fight both.

There are several tax credits, including the child tax credit which President Bush proposes to double and the Adoption Credit which Senator LANDRIEU is working so hard to revise and expand, that are considered preference items when determining AMT liability. These personal credits along with the standard deduction and the personal exemption can hardly be considered luxury preference items and including them in the AMT calculation goes against the spirit of the reform which brought about the AMT. The bill which I have introduced will permanently remove the nonrefundable personal credits, the standard deduction and the personal exemptions from the AMT formula. In short, Mr. President, no one should be forced into paying higher taxes because they took the Hope Scholarship Credit, the deduction for their spouse and dependents, or because they take the credit for the dependent care services necessary for keeping a job! It is time to permanently protect working families from having to choose between higher taxes and family credits.

The second provision of this bill increases the individual exemption amount for the AMT, and indexes it from here on out. This indexing will make sure that limits we set stay economically accurate as inflation reduces the value of the exemption over time.

I believe this plan is a comprehensive and bipartisan way to take on this issue and put it to rest for the long term. Even if we do not choose this approach, which I believe is the most effective and cost effective approach, something clearly has to be done now or the AMT will explode in the coming few years. According to research by the Joint Tax Committee and the Treasury Department, the number of taxpayers affected by the AMT is expected to balloon from 1.3 million in 2000 to 17 million by 2010. That is almost 16 percent of all taxable returns! A return, by the way, which takes on the average 5 hours and 39 minutes to fill out. Of those 17 million taxpayers, 4.5 million are expected to be taxpayers who have to give up part of their tax credits to avoid the AMT tax liability. That is wrong and hard working middle-income families deserve better.

I ask my colleagues to take a fair look at this legislation and let's work together to put the AMT back into reason.

#### TAX CUTS

Mr. WELLSTONE. Mr. President, a study by the Center on Budget and Pol-

icy Priorities just came out. I want to read one statistic. This is Bob Greenstein's organization. Bob received one of those McArthur genius grants. He deserves it. This data on the tax cuts is so important. It says:

An estimated 12.2 million low- and moderate-income families with children—31.5 percent of all families—would not receive any tax cut from the Bush proposal . . .

Approximately 24.1 million children—33 percent of all the children in the country—live in these families, and among African Americans and Hispanics, the figures are even more striking: 55 percent of African American children and 56 percent of Hispanic children will receive no tax break at all because it is not refundable. We have to live up to our words of "leave no child behind."

I ask unanimous consent that this study by the Center on Budget and Policy Priorities be printed in the RECORD.

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

[From the Center on Budget and Policy Priorities, Feb. 7, 2001.]

AN ESTIMATED 12 MILLION LOW- AND MODERATE-INCOME FAMILIES—WITH 24 MILLION CHILDREN—WOULD NOT BENEFIT FROM BUSH TAX PLAN

(By Isaac Shapiro, Allen Dupree and James Sly)

About 12 million low- and moderate-income families with children—nearly one in every three U.S. families—would not receive any assistance from the tax provisions that President Bush is likely to send to Congress on February 8. An estimated 24 million children under age 18—one in every three children—live in these families.

For certain groups, the proportions of families and children not benefitting from the plan are higher. A majority of black and Hispanic children live in families that would not benefit from the plan. For these families and their children, the tax package neither raises after-tax income nor reduces their frequently high marginal tax rates.

This analysis investigates these figures in more detail and then examines the reason that so many families and children do not benefit—the families have incomes too low to owe federal income taxes. This leads to a discussion of whether families that do not owe income taxes should benefit from a large tax-cut proposal and the extent to which they owe taxes other than income taxes, most notably the payroll tax.

#### WHO WOULD BE EXCLUDED?

We examined the latest data from the Census Bureau to estimate the number of families and children under 18 who would receive no assistance from the Bush tax plan. The data are for 1999. We examined the Bush plan as proposed in the campaign and recently introduced by Senators Gramm and Miller; our analysis considers the effects of the plan as if it were in full effect in 1999.

The findings of this analysis are consistent with an independent analysis of who is left out of the Bush plan that has been conducted by researchers at the Brookings Institution and with data from the tax model of the Institute on Taxation and Economic Policy. The findings of the Brookings researchers (as part of a general analysis of tax ideas to assist working families that will be published later this week) and the unpublished data from the Institute on Taxation and Economic Policy both indicate that nearly one

in three families would not receive any assistance from the Administration's proposal.

The key findings of our analysis include:

An estimated 12.2 million low- and moderate-income families with children—31.5 percent of all families—would not receive any tax cut from the Bush proposal. Some 80 percent of these families have workers.

Approximately 24.1 million children—33.5 percent of all children—live in the excluded families.

Among African-Americans and Hispanics, the figures are especially striking. While one-third of all children would not benefit from the Bush tax plan, *more than half* of black and Hispanic children would not receive any assistance. An estimated 55 percent of African-American children and 56 percent of Hispanic children live in families that would receive nothing from the tax cut.

Of the 24.1 million children living in families that would receive no benefit from the tax cuts, an estimated 10.1 million are non-Hispanic whites, 6.1 million are black, and 6.5 million are Hispanic.

Even the Bush proposal to double the child tax credit—the feature of his tax plan that one might expect to provide the most assistance to children in low- and moderate-income families—would be of little or no help to many of them. This proposal would provide the largest tax reductions to families with incomes in the \$100,000 to \$200,000 range and confer a much larger share of its benefits on upper-income families than on low- and middle-income families.

Under the Bush plan, the maximum child credit would be raised from \$500 per child to \$1,000. Filers with incomes in the \$110,000 to \$200,000 range would benefit the most from this proposal because the proposal raises the income level above which the child credit phases out from \$110,000 to \$200,000 extending the credit for the first time to those in this income category. For many of these relatively affluent taxpayers, the child credit would rise from zero to \$1,000 per child. By contrast, millions of children in low- and moderate-income working families would continue to receive no child credit, or their credit would remain at its current level of \$500 per child or rise to less than \$1,000 per child (because their families would have insufficient income tax liability against which to apply the increase in the child credit).

As a consequence, Institute on Taxation and Economic Policy data indicate that when the increase in the child credit is fully in effect:

Some 82 percent of the benefits from the child credit proposal would accrue to the 40 percent of families with the highest incomes. Only three percent of the benefits from this proposal would accrue to the bottom 40 percent of families.

The top 20 percent of families would receive 46 percent of the tax-cut benefits from this proposal, a larger share than any fifth of the population would receive.

#### WHY FAMILIES WOULD NOT BENEFIT

During 2000, Bush campaign officials touted their tax-cut plan as benefitting lower-income taxpayers substantially in two key ways—by doubling the child credit to \$1,000 per child and by establishing a new 10 percent tax-rate bracket. Some married families also would benefit from the plan's two earner deduction. None of these features, however, affect a family that has no income tax liability before the Earned Income Tax Credit is computed.

A large number of families fall into this category. As a result of the combination of the standard deduction (or itemized deductions if a family itemizes), the personal exemption, and existing credits such as the child tax credit, these families do not owe

federal income taxes. (As described below, these families can pay substantial amounts in other taxes, such as payroll and excise taxes, even after the Earned Income Tax Credit is taken into account.)

The level at which families now begin to pay federal income taxes is approximately 130 percent to 160 percent of the poverty line, depending on family type and family size. For example, in 2001, a two-parent family of four does not begin to owe income tax—and thus does not begin to benefit from the Bush plan—until its income reaches \$25,870, some 44 percent above the poverty line of \$17,950. Families below the poverty line would receive no assistance from the tax cut. Nor would many families modestly above the poverty line.

The framers of the Bush plan could have assisted low-income working families by improving the EITC. Alternatively, the Bush plan could have expanded the dependent and child care tax credit and made it available to the low-income working families who currently are denied access to this credit because it is not refundable. Or, the plan could have increased the degree to which the child tax credit is refundable. The plan takes none of these steps.

#### WHAT FAMILIES SHOULD BENEFIT?

Since the reason 12 million families and their children would not benefit from the Bush plan is that they do not owe federal income taxes, some have argued that it is appropriate they not benefit. "Tax relief should go to those who pay taxes" is the short-hand version of this argument. This line of reasoning is not persuasive for several reasons.

1. A significant number of these families owe taxes other than federal income taxes, often paying significant amounts. For most families, their biggest federal tax burden by far is the payroll tax, not the income tax. Data from the Congressional Budget Office indicate that in 1999, three-quarters of all U.S. households paid more in federal payroll taxes than in federal income taxes. (This comparison includes both the employee and employer share of the payroll tax; most economists concur that the employer's share of the payroll tax is passed along to workers in the form of lower wages.) Among the bottom fifth of households, 99 percent pay more in payroll than income taxes. Low-income families also pay excise taxes and state and local taxes. While the Earned Income Tax Credit offsets these taxes for most working families with incomes below the poverty line, many families with incomes modestly above the poverty line who would not benefit from the Bush plan are net taxpayers.

Consider two types of families earning \$25,000 a year in 2001, an income level the Administration has used in some of its examples:

A two-parent family of four with income of \$25,000 would pay \$3,825 in payroll taxes (again, counting both the employee and employer share) and lesser amounts in gasoline and other excise taxes. The family pays various state taxes as well. The family's Earned Income Tax Credit of \$1,500 would offset well under half of its payroll taxes.

Even if just payroll taxes and the EITC are considered, the family's net federal tax bill would be \$2,325. Nonetheless, this family would receive no tax cut under the Bush plan.

The Administration has used the example of a waitress who is a single-mother with two children and earns \$25,000 a year. If this waitress pays at least \$170 a month in child care costs so she can work and support her family—an amount that represents a rather modest expenditure for child care—she, too, would receive no tax cut under the Bush plan

despite having a significant net tax burden. In her case as well, her payroll taxes would exceed her EITC by \$2,325.

2. The Bush approach fails to reduce the high marginal tax rates that many low-income families face. Throughout the presidential campaign and early into the new Presidency, President Bush and his advisors have cited the need to reduce the high marginal tax rates that many low-income working families face as one of their tax plan's principle goals. They have observed that a significant fraction of each additional dollar these families earn is lost as a result of increased income and payroll taxes and the phasing out of the EITC. Ironically, however, a large number of low-income families that confront some of the highest marginal tax rates of any families in the nation would not be aided at all by the Bush plan.

Analysts across the ideological spectrum have long recognized that the working families who gain the least from each additional dollar earned are those with incomes between about \$13,000 and \$20,000. For each additional dollar these families earn, they lose up to 21 cents in the EITC, 7.65 cents in payroll taxes (15.3 cents if the employer's share of the payroll tax is counted), 24 cents to 36 cents in food stamp benefits, and additional amounts if they receive housing assistance or a child care subsidy on a sliding fee scale or are subject to state income taxes. Their marginal tax rates are well above 50 percent. Yet the Bush plan does not provide any assistance to them.

Ways to reduce marginal tax rates for such families are available and not especially expensive. They basically entail raising the income level at which the EITC begins to phase down as earnings rise, and/or reducing the rate at which the EITC phases down. Bipartisan legislation introduced last year by Senators Rockefeller, Jeffords, and Breaux follows such a course, as do proposals made by Rep. Ben Cardin and the Clinton Administration.

3. Consistent with the objective of helping working families lift themselves out of poverty, an additional income boost would be worthwhile. A key theme of welfare reform has been to prod, assist, and enable families to work their way out of poverty. The principle of helping families work their way out of poverty has gained support across the political spectrum. This principle is important for married families and single-parent families, and there is considerable evidence that welfare reform—in combination with a strong economy, low unemployment rates, and the EITC—has significantly increased employment rates among single mothers. Providing increased assistance to the working poor through the tax system could further the goal of making work pay.

Such assistance is particularly important since much of the recent gains in the earnings of the working poor have been offset by declines in other supports. For example, from 1995 to 1999 the poorest 40 percent of families headed by a single mother experienced an average increase in earnings of about \$2,300. After accounting for their decrease in means-tested benefits and increases in taxes, their net incomes rose a mere \$292. (Both changes are adjusted for inflation.)

In addition, a study the Manpower Demonstration Research Corporation has just released finds that improving income—and not just employment—is important if the lives of children in poor families are to improve. The MDRC report examined five studies covering 11 different welfare reform programs. The report's central finding was that increased employment among the parents in a family did not by itself significantly improve their children's lives. It was only in programs where the parents experienced increased employ-

ment and increased income that there were positive effects—such as higher school achievement—for their elementary school-aged children.

4. The rewards from the surplus should be spread throughout the population. The Bush tax package is likely to consume most, if not all, of the available surplus outside Social Security and Medicare. A recent Center on Budget and Policy Priorities analysis pegs the cost of the Bush plan at more than \$2 trillion over 10 years, which would exceed the surplus that is likely to be available outside Social Security and Medicare when realistic budget assumptions are used. If large tax cuts are to be provided, it is appropriate to dedicate some portion of those tax cuts to the people with the most pressing needs, such as low-income working families with children.

#### THE PUBLIC EDUCATION REINVESTMENT, REINVENTION AND RESPONSIBILITY ACT

Mr. CARPER. Mr. President, I am very pleased to rise today in support of the Public Education Reinvestment, Reinvestment, and Responsibility Act. I want to congratulate my good friends, the Senator from Connecticut and the Senator from Indiana, for their strong leadership on this issue. When they first introduced this legislation back last year, the prospects for bipartisan education reform looked far different than they do today. Members on the two sides of the aisle were sharply divided over the future of the Federal role in education. As a result, the Congress failed last year to reauthorize the Elementary and Secondary Education Act for the first time in its 35-year history.

Last year, it took courage and foresight for the supporters of this legislation to step into the partisan breach in the way that they did. This bill received all of 13 votes when it was first brought to the floor. Today, we ought to all be grateful for the leadership of those 13 senators, because this year the Public Education Reinvestment, Reinvestment, and Responsibility Act represents the best hope and the best blueprint for finally achieving meaningful, bipartisan reform of the Federal role in education.

For the last eight years, I had the great privilege of serving my little State as governor. During that time, I worked together with legislators from both sides of the aisle, with educators and others, to set rigorous standards, to provide local schools with the resources and flexibility they needed, and in return to demand accountability for results. We in Delaware have not been alone in this endeavor. We have been part of a nationwide movement for change—a movement of parents and teachers, of employers, legislators and governors, who believe that our public schools can be improved and that every child can learn.

As a former chairman of the National Governors' Association, I can attest that the Federal Government is frequently a lagging indicator when it comes to responsiveness to change. It

is clearly states and local communities that are leading the movement for change in public education today. The bill we introduce today does not seek to make the Federal Government the leader in education reform by micro-managing the operation of local schools. Nor does this legislation seek to perpetuate the status quo in which the Federal Government passively funds and facilitates failure. Rather, this legislation seeks for the first time to make the Federal Government a partner and catalyst in the movement for reform that we see all across this country at the State and local level. This legislation refocuses Federal policy on doing a few things, but doing them well. It redirects Federal policy toward the purpose of achieving results rather than promulgating yet more rules and regulations.

I believe we have a tremendous opportunity this year to achieve bipartisan consensus to reform and reauthorize the Elementary and Secondary Education Act, and in so doing to redeem the original intent of that landmark legislation. I want to express my appreciation to our new President for his interest in renewing educational opportunity in America and leaving no child behind. There is much in the legislation we introduce today that squares with the plan that the President sent to Congress last week. We on this side of the aisle agree with the President that we need to invest more Federal dollars in our schools, particularly in schools that serve the neediest students. We also agree that the dollars we provide, we should provide more flexibly. And we agree that if we are going to provide more money, and if we are going to provide that money more flexibly, we should demand results. That's the formula: invest in reform; insist on results.

I believe we also agree with our new President that parents should be empowered to make choices to send their children to a variety of different schools. We agree that parents are the first enforcers of accountability in public education. Where we disagree is in how we provide that choice. The President believes that the best way to empower parents and to provide them with choices is to give children and their parents vouchers of \$1,500. With all due respect, that is an empty promise. In my State, you just can't get your child into most private or parochial schools for \$1,500 per year. That is simply an empty promise.

I believe there is a better way. I believe we've found a better way in my little state of Delaware. Four years ago, we introduced statewide public school choice. We also passed our first charter schools law. I knew that this was going to work when I heard the following conversation between a school administrator and some of his colleagues. He said, "If we don't provide parents and families what they want and need, they'll send their kids somewhere else." I thought to myself, "Right! He's got it."

We have 200 public schools in my small State, and students in all of these schools take our test measuring what they know and can do in reading, writing, and math. We also measure our schools by the incidence of poverty, from highest to lowest. The school with the highest incidence of poverty in my state is the East Side Charter School in Wilmington, Delaware. The incidence of poverty there is 83 percent. Its students are almost all minority. It is right in the center of the projects in Wilmington. In the first year after East Side Charter School opened its doors, very few of its students met our state standards in math. Last spring, every third grader there who took our math test met or exceeded our standards, which is something that happened at no other school in the state. It's a remarkable story. And it's been possible because East Side Charter School is a remarkable school. Kids can come early and stay late. They have a longer school year. They wear school uniforms. Parents have to sign a contract of mutual responsibility. Teachers are given greater authority to innovate and initiate.

We need to ensure that parents and students are getting what they want and need, and if they're not getting what they want and need that they have the choice—and most importantly that they have the ability—to go somewhere else. A \$1,500 voucher, doesn't give parents that ability, at least not in my State. Public school choice and charter schools do.

We agree on many things. Where we disagree, as on vouchers, I believe we can find common ground. I believe that we can come together, for example, to provide a "safety valve" to children in failing schools, in the way of broader public school choice and greater access to charter schools. I am therefore hopeful, about the prospects for bipartisan agreement and for meaningful reform. To that end, I urge my colleagues to support the Public Education Reinvestment, Reinvention, and Responsibility Act.

#### A TRIBUTE TO SENATOR ALAN CRANSTON

Mr. LEAHY. Mr. President, it is with great sadness that I rise today to pay tribute to our friend and colleague Alan Cranston. His death on December 31 last year was a shock. Alan was such a life force that it is hard for me to imagine his silence and his not being there for great arms control debates.

Senator Cranston was a man of conviction, a true humanitarian in every sense of those words. He began his career in public policy in the 1930s as a journalist warning his readers of the dangerous rise of fascism. He knew even then that the United States was locked in an intricate web of relations with the rest of the world and that our attempts to ignore that web could only lead to calamity for ourselves and those around us. Alan understood the

concept of globalization at least 50 years before it gained such notoriety to earn a name.

It was primarily that impulse to engage the world that brought Alan into elective office and eventually to the United States Senate. As State of California Controller from 1958 to 1967, he worked to rationalize the booming state's finances and ensure that all Californians could benefit from that phenomenal rise.

But it was in the Senate where Alan could most effectively work toward his vision of a peaceable world. Before the people of California sent him here in 1968, he learned about the Senate's moderating influence and the consequences of its shirking that role. In his post-World War "Killing of the Peace," Alan explained how the U.S. Senate's defeat of the League of Nations contributed to the outbreak of that war and the horrible events that followed.

Most of his activities during his impressive 24 years here were an expression of his deep desire for the Senate to avoid similar mistakes. He brought a special seriousness of purpose and attentiveness to arms control issues as diverse as the Strategic Arms Limitation Talks and ongoing production of the B-2 Stealth Bomber. On several occasions, I joined him in opposing the production of new, destabilizing types of nuclear weapons, and I was always struck by Alan's sense of nuance and willful resolve.

Alan was not one to ignore his own personal responsibilities to the Senate. As Democratic Whip, Alan made this body run efficiently. If there is anyone who was never afraid to count the votes, it was Alan. He knew how to smoke us out on our intentions. What made him so effective was his persuasive argumentation and downright persistence. Sometimes he could change my mind faster than he could run a 100-yard dash, which was pretty fast considering he was a lifelong record-setting sprinter.

It was unsurprising that after his Senate career he led the non-profit Global Security Institute where he continued to press from arms control initiatives. The Institute provided a perfect platform from which he could promote his expanded notion of security. After the Cold War, Alan realized before everyone else that security no longer meant merely protection from weapons of mass destruction. He saw that security in the new millennium was also about avoiding environmental degradation, securing our food supply, and educating our children.

Alan was a forward-thinker and an alternative voice at a time when conventional wisdom demanded examination. He worked to make our world safer, and he was a good friend. I will miss him greatly.

THE ALAN CRANSTON I KNEW: INTENSITY, INTEGRITY, AND COMMITMENT

Mr. BIDEN. A couple of weeks ago I had the sad duty to travel to California



to represent the Senate and the Senate Foreign Relations Committee at a memorial service for Senator Alan MacGregor Cranston. It was a moving ceremony, a chance for all those in attendance to rededicate themselves to the noble goals which shaped Alan Cranston's life.

Alan Cranston will be remembered by those of us who knew and loved him as a man of peace who devoted much of his adult life—four terms in the Senate and a decade as director of the Global Security Institute—to the tasks of promoting nuclear arms control and encouraging world peace. These are not small objectives, but of course Alan Cranston's interests extended beyond them, literally, “. . . from the Redwood Forests to the Gulf stream waters.” Never content to sit on the sidelines, Alan Cranston fought tirelessly for the causes in which he believed: nuclear disarmament, the environment, civil rights, and decent housing. He brought the intensity of a sprinter and the endurance of a marathoner to each of these causes.

During his tenure as a member of the Senate Foreign Relations Committee from 1981–1993, Alan Cranston was a devoted supporter of strong U.S. leadership in the world, whether it meant promoting the development of democracy in the Philippines and Cambodia or working to halt the spread of nuclear weapons.

Alan Cranston knew that the United States could not go it alone in the world. In an age when American unilateralism, if not isolationism, has gained a certain currency in Washington, Alan Cranston's life reminds us that the highest aspirations of the American people are those which lead us to care about others and work with others to address common problems.

The intensity, integrity, and commitment Alan Cranston brought to public service stand as an example we all might follow as we begin work in this 107th Congress.

Mr. President, I would ask unanimous consent that a transcript of the remarks made at Senator Cranston's memorial service be printed in the RECORD.

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

ALAN MACGREGOR CRANSTON MEMORIAL SERVICE, GRACE CATHEDRAL IN SAN FRANCISCO, JANUARY 16TH, 2001

The following friends and family took part in the extraordinary memorial service of Alan MacGregor Cranston:

The Very Reverend Alan Jones, Dean, Grace Cathedral.

Colette Penne Cranston, daughter-in-law of Alan Cranston.

Kim Cranston, son of Alan Cranston.

Gray Davis, Governor of California.

Joseph Biden, US Senator from Delaware.

Ted Turner.

Sally Lienthal, President, Ploughshares Fund.

William Turnage, former President, Wilderness Society.

James Hormel, former U.S. Ambassador to Luxembourg.

Harris Wofford, former U.S. Senator from Pennsylvania.

Jane Goodall, Primatologist.

Cruz Reynoso, former Justice, California Supreme Court.

Jonathan Granoff, CEO, Global Security Institute.

The Very Reverend Alan Jones, Dean, Grace Cathedral.

ALAN JONES. Good afternoon. I am Alan Jones, the Dean of the Cathedral, and it is my privilege to welcome you to Grace Cathedral for this celebration of the life of Alan MacGregor Cranston.

It is fitting that such a large-hearted man be honored and remembered in a soaring and splendid space.

There was a comment in the London Times about the public reaction to the death of Diana, Princess of Wales. First, it showed that our instinct for devotion is still deep within us. Second, that huge emotions require huge spaces, like cathedrals. And third, that the things we do in them are always up for change.

And so I invite you first to allow the instinct for devotion, the call of something and someone larger than ourselves to well up in you this afternoon, and I think the Senator would have applauded anything that called us out of our cynicism and challenged us not to accept futility as normal.

I invite you also to acknowledge that huge emotions require huge spaces. We need great spaces and ways of celebration in order to locate ourselves in a larger vision of the human enterprise.

And finally I invite you to be open to that fact, the fact that things we do in places like this are always up for change. Life is never business as usual, and nothing would have pleased Alan more than for us to leave this place resolved to make a difference.

So, we welcome you to the Cathedral for this celebration of the life of a man who held a large and generous vision of what it is to be human.

Our best way to honor him is to share and maintain that vision of a just and humane society on a planet fit for all living beings.

So as you remain seated, I invite you to pray.

Dear God, we thank you for the life and the work of Alan MacGregor Cranston. His generous spirit opened doors and touched many lives for good. His faith in the human enterprise inspired us to accept the great joy and responsibility of being human. His political skills ensured an enduring legacy.

He was friend to those who had no voice, and a lover of the great spaces of the wilderness. His long life touched and was touched by the great events of our time. He was a man for all seasons.

In public life, he fought for what he believed with passion and hard work. His caring, open-heartedness and his respect for people touched the lives of many. His generous spirit wanted everybody to do well, and this generosity was infectious.

And so we thank you for his capacity for friendship, his probing intelligence, and his refusal to be enticed into meanness and pettiness.

Finally, we thank you for his life and example, and we commend him into your gracious care. May we honor him by rededicating ourselves to peace on Earth, and goodwill to all people, and to building a more just and inclusive America. Amen.

COLETTE PENNE CRANSTON. Hello! I am Alan's daughter-in-law, Colette. I am the first speaker because I need to be. Our daughter has commented that I seem to have an endless supply of tears. Since I was honored to have such a close, personal relationship with Alan, I wanted to give you some insights into his gentle, unwavering spirit.

He was much more than my father-in-law, he was my friend, my advisor and now and I know he will love this he has become my Jiminy Cricket, that little voice in my conscience that says, "think before you leap!"

Kim, Evan our seven-year-old daughter and I live right next to Alan's on the same property. Alan's big sister, who we call RE, lived up the hill from us until recently. This arrangement was such a gift for everyone! Alan and Evan had great sunset walks together, evenings of art work and stories around the fire at his place, and dinner dates out just the two of them. They would dress up and go to a restaurant, often one with a piano player, and make an evening of it. Evan called him "Gran." One night when the two of them were returning from a walk, Kim called me out to the balcony and said, "Listen!" We could hear their voices but couldn't see them yet. Alan was saying, "Well, you know, Evan, I don't know why that's true, but it is true dogs love to ride in cars and cats don't." Just then they rounded the corner to come up the driveway and they were holding hands.

A couple of years ago, the four of us spent three weeks in the UK. Our first week in London, Alan was occupied with meetings and a quick turn-around to Geneva, but the final two weeks we toured the countryside with no particular itinerary except to visit some relatives in Scotland and the grave of Rob Roy MacGregor, an ancestor who Alan's middle name is from. We also visited the graves of Alan and RE's great-grandparents six generations back, whose tombstones were leaning together and touching. Each evening before dinner, Alan would tell Evan a story, some lasting forty-five minutes. In the parlor of one bed and breakfast where we stayed for three nights, other guests would join in to listen and ask if they could come the next night to hear the stories, they were that good.

One of the most important, and I believe, reassuring lessons that we can take from Alan's life is that we do not have to be limited in our later years. When we tell people that Alan never retired, he never stopped working, they do not really hear that. The truth is that he was the most disciplined, diligent, and determined person I have ever met. He was also still making friends with and inspiring young people. Two such friends, a man in his thirties and a woman in her forties, touched us with their expressions of personal grief following Alan's death. The young men in their twenties who work with Alan's Global Security Institute, Patrick Neal, Zack Allen, and Tyler Stevenson, are bright and motivated and will do great things in their own lives with memories of Alan staying with them. Don't we all wish for a life of impact and meaning and a quick, painless end surrounded by those we love? He did most everything right!

I can, of course, remember a difficult time in Alan's career. At the time I was in an elected position also, so I was very interested in how he was handling it. As I watched what was happening to him, I asked him, "Alan, how can you bear this?" He answered, "Colette, there are politics in the locker room, the boardroom and the United States Senate. Since you have to put up with them wherever you are, I want to be in the Senate, where the politics are intense, but I can get the most done."

Over Thanksgiving, Alan and his sister took a week's vacation together. He was working to finish his book on sovereignty rather than just relaxing by the pool and she said, "you work too hard". He replied, "I want to stagger across the finish line knowing I've done all I possibly can!" He did not stagger, he was still sprinting!

I want to close with a message from our seven-year-old daughter, Evan. Her Brownie

troop leader read a story about loss that she said helped her. It was about a badger who was the oldest and wisest member of a community of animals. He knew that because of his age, he might die soon. Dying meant only that he would leave his body behind, and as his body didn't work as well as when he was young, he wasn't too concerned about that. His only worry was how his family and friends would feel. He died before the start of a winter and the animals were very sad. But as they thought about him they realized he had given them each something to treasure: a parting gift of a skill or piece of knowledge. Evan said, "Didn't Gran help lots of people and do lots of things to make the world better?" I said, "Yes, he left behind countless parting gifts for all of us to never forget!"

KIM CRANSTON. Thank you all for being here today to celebrate Alan's life—yes, I too called him Alan.

In the program for this ceremony is the observation of the Chinese philosopher Lao-Tzu that Alan carried in his pocket most of his life as a guide to the style of leadership he practiced. It begins by observing that leaders are best when people barely know that they exist, and concludes by observing that of the best leader, when his work is done and his aim fulfilled, the people will all say, "we did this ourselves."

In the world of modern politics in which name recognition is so important, this approach to leadership presented an interesting paradox for Alan, which is also present today as we celebrate the accomplishments of his life.

I understand, however, that there is a little known addendum to Lao-Tzu's observation that states that "after such a leader has passed on, people will join together to mourn their loss, celebrate their accomplishments, and recommit to the causes they shared." I welcome you here today in that spirit.

Alan touched many people's lives in many different ways. We all have stories we can tell about times we spent and things we did with Alan to make the world a better place. This afternoon we have time for just a few of Alan's friends and collaborators to share some of their stories with us. I want to invite each of you to join us after this ceremony at the reception at the Fairmont Hotel where, in addition to having the opportunity to catch up, laugh, and cry, there will be video cameras so each of you can take a moment if you'd like to tell your story.

My own story is simple. I was incredibly blessed to have had Alan as a wonderful father, my dearest and oldest friend, a treasured teacher and mentor, and an invaluable collaborator and leader in addressing the great challenges of our time.

It is almost unbearable for me to think we will never again in this life share another meal, or football game, or joke or prank, or afternoon discussing strategy.

I learned many, many things from Alan. Five stand out today.

First, I learned about the subtle, profound power of the style of leadership he practiced. In the past few days it's been very enriching for me to reflect on Lao-Tzu's observation of leadership and everything that Alan helped us accomplish in his lifetime.

Second, I learned that the greatest meaning in life is found in making the world a better place. As one of Alan's heroes, Martin Luther King, Jr., observed "Life's most persistent and urgent question is 'What are you doing for others?'"

Third, I learned something Alan understood early on: We live in one of the most extraordinary moments in human history. In our lifetimes, for the first time since humans have inhabited the earth, we have developed the capacity to destroy human and perhaps

all known life in the universe forever, either through a sudden nuclear holocaust or the more gradual destruction of the environment. Simultaneously, we are developing the capacity to create sustainable and economically just societies.

What those of us alive now do together may well determine which of these two paths we take, and could help decide the fate of the human race. There exists a small window of opportunity for us to act. A window of opportunity that may well not exist for the generations of our children or their children. If humanity is to continue, if we are to prosper rather than perish, we must transform our society and develop effective approaches to resolve those challenges that we share and can only address at the global level. This is the task before our generation and it was to that end that Alan devoted most of his working life.

The fourth lesson is that in view of all this it is important to keep a sense of humor. Colette told me she'd recently spoken with Alan about something someone had done that affected them both, which she found very disturbing. Colette asked Alan why it didn't seem to bother him as much and he replied: "I find that in situations like this I can choose to be either terrified or amused."

And the fifth lesson is to be compassionate to our fellow living beings.

Of course, I learned a great deal more from Alan, but these are the lessons foremost in my mind today.

While to many people Alan seemed a whirlwind of activity, he was also a voracious reader and a prolific writer.

In 1945, he published "The Killing of the Peace," which detailed how a small group of people defeated Woodrow Wilson's campaign to create the League of Nations to address the global challenges we face, and which the New York Times called one of the ten most important books of the year.

And just a few days before he passed on, Alan completed a book—"The Sovereignty Revolution" that begins with the following passage:

It is worshipped like a god, and as little understood.

It is the cause of untold strife and bloodshed. Genocide is perpetrated in its sacred name.

It is at once a source of power and of power's abuse, of order and of anarchy. It can be noble and it can be shameful.

It is sovereignty.

I commend this book to you all and I'm happy to announce today it will soon be available through, among other places, the web site for the Global Security Institute ([www.gsainstitute.org](http://www.gsainstitute.org)), the nonprofit organization Alan recently founded to advance his work to abolish nuclear weapons and advance global security.

While we all miss Alan, we can take solace in knowing that he fulfilled the purpose of making a difference with his life and leaving the world a better place.

In closing, I want to thank you again for being here to mourn the loss we all share, celebrate what we've accomplished, and recommit to the causes that brought us together. As Alan would say at the end of nearly all of his speeches, I thank you for all you are doing and urge you onward.

Thank you.

GRAY DAVIS. At first I want to express the deep condolences of my wife Sharon and I to Eleanor Cameron, Alan's sister, to Kim, Colette, and to the extended Cranston family.

My friends, we come here today not just to mourn Alan Cranston, but to honor him. We're greatly saddened by his passing, but we're grateful for his extraordinary life and the rich legacy he left behind.

Alan was a native Californian who grew up to be an extraordinary public servant. He had a sharp intellect, a humility of spirit, and a quality of compassion that is rare in life and rarer still in public life. He was an extraordinary person. Yes, he was a pragmatist who understood that progress was a long struggle for common ground. But he was also an idealist who believed that violence anywhere was a threat to freedom everywhere.

He reminded us that there is a moral force in this world more powerful than the mightiest of nations or the force of arms. And one by one, he tackled the great issues of our time: World peace; arms control; veterans' health; environment. One by one, he made a difference.

For those of you fortunate enough to spend some time in the Golden Gate National Recreational Area or the Santa Monica Mountains or the desert lands that he protected, you know what a difference he made. Future generations will acknowledge their debt of gratitude to Alan Cranston, and it is most appropriate that we thank him today.

Alan was also a very good politician. He ran every race with the same focus and intensity that he learned running the hundred-yard dash back at Stanford. He was almost always the underdog. Critics dismissed his chances, saying he lacked the charisma to win. But Alan proved time and again that in this state character, not charisma, is what people want most.

He became only the second Californian to be elected four times to the United States Senate—Hiram Johnson being the first. He became the patron saint of every candidate for office inflicted with a charisma deficit, myself included. He is my personal hero.

Alan may have lacked charisma, but he was enormously resourceful. Eleanor tells in her book the story of Alan's first race for Controller in 1958. Alan knew someone who had a television show in Los Angeles. But the host of the show reminded Alan he was contractually obligated to talk about contact lenses. He couldn't mention he was a candidate for office and under no circumstances could he say he was a Democrat. But as I said before, Alan was very resourceful. So he went on the show just a few days before his election and he said, "My name is Alan Cranston. I'm running up and down the state making contacts and jumping in front of lenses. I am Alan Cranston." The viewing audience didn't have a clue what he was talking about. But he mentioned the name Alan Cranston eight times. And even though he'd never been elected to public office before, he was elected Controller of the State of California. So Alan knew what he was talking about.

Finally my friends, Alan Cranston was part of the World War II generation. A generation that Tom Brokaw has aptly described as our "Greatest Generation." A generation from which much was asked and a great deal was given. A generation that went to Europe and stood down Adolf Hitler's Nazi regime, rescued the survivors of the Holocaust, and literally saved democracy as we know it today.

It was a generation that came home with no expectation of recognition and went about rebuilding a new America. A generation that built roads, hospitals and businesses, and paved the way for the digital economy, although most did not live to enjoy it. A generation that did their duty, and then came home.

God has called Alan Cranston home. I know God has blessed his soul. I know God will give Alan enduring peace for which he struggled his entire life to try and obtain for all the peoples of the world. I ask you to say a prayer tonight for Alan, his family and his loved ones.

It was my honor to lower the flag today in recognition of his remarkable career, and it's my honor now to present it to Kim and Colette. Thank you.

**JOSEPH BIDEN.** My name is Joe Biden. I served with Alan for twenty of his twenty-four years in the Senate, but I consider myself more a student of Alan's. Kim, Colette, Evan, I never fully understood your father's tenacity, by the way, until I heard the repeated emphasis on the middle name MacGregor. Now I understand it better. Eleanor, my sister Valerie says it's very difficult raising a brother; you obviously did well at your chore.

I'm very grateful, and indeed privileged, for having the honor of being here today to represent the US Senate and the Senate Foreign Relations committee. It's a task that's well beyond my capabilities, because the life we commemorate was so extraordinary. To you, his family, to us, his colleagues and friends, and to the people of this state and nation, we're not likely to see anyone like Alan, anytime soon.

I can't help but think of American architect Daniel Burnham's credo when I think of Alan. He said—

"Make no little plans, they have no magic to stir men's blood. Make big plans, aim high in hope and work, remembering that a noble, logical diagram once recorded will never die, but long after we are gone will be a living thing, asserting itself with ever-growing intensity."

Intensity, big plans, no little plans, that was the Alan Cranston that I knew. Most of us would consider it a successful career if we did nothing other than be sued by Adolf Hitler. But here's a fellow, a young man who came back from Europe as a correspondent, who felt obliged to translate accurately Mien Kampf, who felt obliged to begin a crusade to expose Adolf Hitler. This is a fellow who didn't just decide to help a little bit. I remember the lecture I got on redwood forests. I had not seen one and did not know they had to be preserved. This is a fellow who had no lesser aim than to eliminate nuclear weapons in his time, to guarantee racial equality, to provide durable, affordable housing. I know of no man that I've served with in the Senate, and I've been there twenty-eight years, who had as many intense interests and contributed so much to so many different endeavors.

What accounted for that intensity that dominated Alan's character? It used to baffle me until one day I figured it out—it was Alan's integrity, his honesty, his inability to rationalize to himself that he didn't have any responsibility for this or that problem that he observed in this country.

Alan had an inner compass that would have plagued most of us. He could spot injustice a mile away. He smelled hypocrisy almost before he walked in the room. He knew what had to be done, and he unfailingly did it, or at least attempted to do it, usually before anyone else, and almost always at some risk to himself. I think integrity, political integrity, personal integrity, is doing what you know to be right even when you know it's likely not to benefit you. Alan was one of the few people I served with who never, never wondered whether he should act based on whether what he was about to do was popular.

Alan MacGregor Cranston, born in 1914. He was almost thirty years my senior, yet he was one of the youngest people I have ever known and have ever served with.

It was not just that his policy priorities would fit under the heading of progressive, although they would, but with Senator Cranston, the senator from California, it was more than that. There was what Robert Kennedy described as—

"The qualities of youth: not a time of life but a state of mind, a temper of the will, a quality of imagination, a predominance of courage over timidity, of the appetite for adventure over the love of ease."

We've all heard that quote a thousand times, but I can think of none other that describes the Alan Cranston that I worked with, although some of you knew him much more intimately.

Alan's commitment to arms control, his passion for environmental protection, his leadership in public housing and transportation, women's rights, civil rights, civil liberties, his concern for justice in immigration laws; those efforts, those views had nothing to do with fashion, and everything to do with conviction.

The Senator was not one for looking at a situation and deciding what he believed, he knew exactly what he believed. His public positions were not just what he said and what he did, they were who Alan Cranston was.

The senator was armed with conviction, but he always knew that wasn't enough. He was an athlete, after all, and understood that it's not enough to have talent; that if you want it to matter, you have to do something with it, and work like hell at it.

Alan Cranston did work, and he worked at leadership. He understood power, not as a reflection of status, but a tool for a purpose, and he used it as well as any man or woman I've ever known.

In his 24 years in the Senate and the years since, Alan Cranston pushed our consciousness and our conscience on every issue of consequence, particularly nuclear weapons. He was not just a powerful senator from California, not just an influential member of the Senate Foreign Relations Committee, not just a democratic whip; he was truly a world leader on nuclear policy. In China, in North Korea, in the Middle East, they had to factor in Alan Cranston when they made their decisions.

He was an internationalist in the great American tradition, with an idealist's love of peace and a passion for freedom, and he had a realist's understanding of the global balance of power and simple human nature.

He had learned from history, he taught from history, but kept his eye and his aim always on the future: the future of the Philippines, the future of our relationship with Russia, and what that would mean to the world, the future of our natural resources, and the generation of Americans that we'll never know.

Alan Cranston ran the hundred-yard dash in under ten seconds when he was at Stanford, and I might add under twelve and a half seconds when he was almost sixty years old. He was consistent, and he was fast, in a hurry. I would suggest not to reach the finish line, but to get to the next race, the next test, the next opportunity, the next possibility, always possibilities. The certainty of a redwood, the spirit of a wild river, "a predominance of courage over timidity, of the appetite for adventure over the love of ease."

The playwright Sam Shepherd wrote, "character is an essential tendency. It can be covered up, it can be messed with, it can be screwed around with, but it can't ultimately be changed. It is the structure of our blood that runs through our veins." Evan, you've got good blood, kid. It runs through your veins.

**TED TURNER** (via video). I could not begin to say enough about my dear friend Senator Cranston, so sorry he's passed away. He has been an inspiration to me for a number of years, no more so than in the area of weapons of mass destruction. And even though he did not live to get to see the end and the abolition of nuclear weapons from this world,

there are a lot of us that are going to continue his work, and I am one of them. We're going to miss you very much, Senator. Thank you very much.

**SALLY LILIENTHAL.** Jonathan Schell wrote recently that Alan Cranston has quietly done more than any other American to marshal public will to abolish nuclear weapons. He brought the issue of nuclear arms reductions and abolition to the attention of business leaders, policy makers and cultural figures—and most difficult of all, to retired generals and admirals. And never by email—he didn't have it.

Our last endeavor together was a national campaign to mobilize places of worship, which is gathering steam today in Christian churches, Jewish synagogues and Muslim mosques, and which was originally housed and organized at the Washington Cathedral in the nation's capital—The other cathedral.

Early last summer, two years of work came to fruition at an ecumenical service where religious figures together with former generals and admirals called for the reduction and abolition of nuclear weapons. That started the ongoing campaign, the nub of which was the statement Alan wrote and rewrote to get it finally signed by eighteen retired admirals and generals joining in with twenty-one religious figures around the country. Alan was a marvelous writer and consensus builder. It wasn't easy to sign up the top military figures to reduce and finally abolish nuclear weapons, for abolition is not part of Pentagon thinking. And besides less than four years before he had traveled widely to recruit sixty-three different internationally based generals and admirals to sign another affirmation on the same subject. Let me read you two short sentences from the statement signed by military and church which is at the nub, one might say, of our ecumenical campaign.

"We say that a peace based on terror, a peace based upon threats of inflicting annihilation and genocide upon whole populations, is a peace that is corrupting—a peace that is unworthy of civilization."

And he went on to write: "We say that it defies all logic to believe that nuclear weapons could exist forever and never be used. This nuclear predicament is untenable in the face of a faith in the divine and unacceptable in terms of sound military doctrine."

Alan was always positive. I never saw him downhearted during this laborious struggle to rid the world of nuclear weapons. He was tireless in working toward our goal and he never ever thought of failure. So he leaves us with an active legacy—the most important legacy of all—that of hope, good solid hope.

**WILLIAM TURNAGE.** My name is Bill Turnage. I came to know—and to love—Alan Cranston during my seven years in Washington as President of the Wilderness Society. Kim has asked me to talk about Alan's great work as an environmentalist.

California—our golden state—has been twice-blessed by the mountain gods.

We have been granted a land among earth's most sublime yet diverse.

And we've been granted a few splendid champions to protect that heritage.

In early days, farsighted San Franciscans like Thomas Starr King and Frederick Billings came forward to protect the Yosemite.

The idea of a national park was born at the time—perhaps the best new idea our American democracy has ever had.

And these early champions enlisted a great Californian photographer—Carleton Watkins—to make pictures that would help persuade the Congress.

And their dream of a Yosemite park was first given shape and form by America's greatest landscape architect, Frederick Law Olmsted.

And when the Yosemite Sierra was threatened by hooved locusts—and loggers—and miners—John Muir came forward and founded the Sierra Club—and he protected the heart of the High Sierra, the range of light.

And great Muir bequeathed the protection of the Yosemite to his inheritor, San Francisco's native son, Ansel Adams.

They were two of the greatest environmental philosophers in our nation's history.

And to turn their dreams into reality, California was blessed with two of our nation's greatest environmental legislators, Phil Burton and Alan Cranston.

And Alan and Ansel formed a very special friendship—a friendship dedicated to saving wild California. Ansel wrote, in his autobiography, "I have known many great people in California's history, spanning my 60 active years. But I have never been in contact with a public official of such integrity, imagination, concern and effectiveness as Alan Cranston...I have found him to be a great leader, one who transcends party politics for causes of essential human importance."

The honor roll of California's wild places Alan helped save is too long to recite here; it encompassed our state from the Oregon border redwoods to the Mojave desert in the south.

Perhaps Alan's most lasting contribution to our country's future was his characteristically quiet, determined and effective leadership of the long, arduous but ultimately successful campaign to save the best of wild Alaska.

One hundred million acres—the size of the state of California—preserved for all time. We simply could not have done it without Alan's undaunted leadership.

And it could be said that Alan's most lasting contribution to our golden state was his characteristically patient yet visionary leadership of the long, arduous but ultimately successful campaign to save the best of the great Californian desert. We simply could not have done it without Alan's undaunted leadership.

In 1994, when the Desert Protection Act was finally coming to fruition in a Democratic presidency—and Alan had retired from the Senate—I proposed, with Alan's consent, naming the vast wilderness areas of Death Valley National Park—95% of the largest park in the lower 48—"the Alan Cranston Wilderness."

Regrettably, the proposal was declined. Today—at this time of remembrance and in this hallowed place—I would like to again propose that we join together to ask the congress to name this wilderness—now known simply as "The Death Valley Wilderness"—for our great friend and Senator. The honor, like the wilderness he made possible, will last for all time.

JAMES HORMEL. My admiration for Alan Cranston began over a half century ago, although he was not aware of it at the time. The United Nations was four years old. The Iron Curtain had fallen. Isolationists were urging the United States to avoid international commitments. And President Truman was moving—against that tide—to facilitate the economic revival of western Europe.

In that climate, at the age of sixteen, I became a member of a student chapter of the United World Federalists, which was hailed by some as a major movement toward peaceful co-existence and was excoriated by others—a very vocal opposition—as a gathering of Communist sympathizers. Alan had just become president of the organization. It was typical of the many challenges which he so willingly took on during the course of his long and productive life.

Alan already had taken on Adolph Hitler by publishing an unexpurgated version of

Mien Kampf. He already had served during the Second World War both in the Office of War Information and in the army. He would augment that service during a long political career, including the resuscitation of the Democratic party in California and the outstanding twenty-four years during which he was a United States Senator.

It was during his Senate years that we met and developed a friendship which meant so much to me. I admired Alan's courageous stands on conservation and social justice, and his unswerving dedication to the peaceful resolution of conflicts around the world. I discovered coincidentally that his grandfather had built the house next door to mine, a fact which underscored his California roots and his deep concerns for the well-being of his California constituents. Independently I met and became a friend of his son Kim, which gave me a window into another dimension of Alan—Alan as father.

One of Alan's last acts as a Senator was to write the letters which started the long and arduous process of my Ambassadorial appointment. Alan was instrumental not only in beginning the process, but also in guiding me through many of the minefields which lay in my path.

My memory of Alan is as a gentle giant. His goodness radiated to all around him. He was a great leader—the very embodiment of the highest level of leadership as described by Lao-Tzu, whose words he carried with him as his life's philosophy, as he sought quietly and selflessly to make this planet a better place for all of us.

May we have the wisdom and courage to follow his example.

HARRIS WOFFORD. You may not know that in her last years while still painting, Georgia O'Keefe wrote some still not published short stories that she showed me. The one that rises in my memory was about a man she met in her first days in New Mexico. He invited her to see his ranch, three hundred miles away, and one day she drove down (hiding her suitcase in case she decided not to spend the night). She stayed overnight and from time to time they would visit, doing very prosaic things, sometimes just watching the horses he trained, or walking over the land, or looking at the hills.

Five decades later she drove down to his ranch, maybe for the last time, she thought. They sat a long time looking at the hills and she found herself saying to herself with great satisfaction: "Fifty years of friendship with Richard."

That's all the story said. Well, for me it's fifty-five years of friendship with Alan. There was little—too little—time just sitting and watching the hills. He was always on the go, running sprints or long distance.

When we met just after World War II we were setting out on no little prosaic mission—it was a crusade to make one world a reality in a United Nations with the power to keep the peace and prevent nuclear war. When we last met at his home in Los Altos a year ago, his smile was still infectious and he was still hard at work, in his irrepressible way, on the same mission, persuading generals and admirals and people of power to join in a new declaration for the abolition of all nuclear weapons.

When I reread Eleanor's wonderful, perceptive, loving biography of her brother, I realized how much our lives intersected over the years and how much his life intersected with the great issues of our time.

In 1948, Alan gave my wife Clare her first job directing United World Federalists of Northern California. He caused one of the greatest tensions in our half century of marriage when he ran for President on the great central issue of nuclear peace and asked me to be one of the three co-chairs of his cam-

paign with Marjorie Benton and Willie Brown. Clare did not want me to do that. She loved, Alan but did not think he could win, and thought it was the one time in our life when I should stick to working as a lawyer and make some money.

Like many who would rally to his quiet calls over the years, I could not say "no." In his sixty years of public service Alan brought many people of different persuasions to say "yes" and to work together for good things. One of those times he played a key part in my appointment to the U.S. Senate—which I like to think was a good thing.

Two days after Senator John Heinz died in an air crash, Governor Casey asked me if I knew a particular major donor to the Democratic Party and I said no. "Then why did he write me this extraordinary letter asking me to appoint you to the Senate?" Casey asked. I had no idea. That was the beginning of a flood of different, well-done letters in the same vein, from a range of significant people around the country. A few days later Alan telephoned to tell me that as soon as he heard the news of John Heinz's death he had gone to work on the phone, producing those letters—which I'm sure influenced Casey in my selection.

But the intersection of our lives began way back. From Eleanor's book I realized that Alan's first journalistic break was covering Mussolini in 1938, and that the speech he heard in the Piazza de Venezia when Mussolini took Stalin out of the League of Nations was the same one I heard in that same square as a twelve-year-old boy. Alan's greatest adventure in journalism was getting into Ethiopia for some months after the Italian invasion. One of my greatest adventures was going to Ethiopia with my family, in the Peace Corps.

Before we met, each of us had written a book, in 1945, calling for a world union to keep the peace. Alan's was the powerful story of how isolationism in the Senate had killed the peace after World War I. It was a sign of his determination to go to the Senate to see that this did not happen again.

Despite all the help that Alan gave me in my election campaigns—and Joe Biden and John Kerry who are here—my tenure in the Senate was very short. His was very long—and great.

By my count only Ted Kennedy, in this century, rivals Alan in legislative accomplishments. Alan's mark was on a thousand bills and countless votes, large and small, where his coalition-building skill was the key to success.

Like Lincoln, Alan Cranston truly believed that the better angels of our nature can be brought forth in this land. He did not discount the demons and distractions in the way, but he demonstrated that politics is not only the art of the possible—it is the only way to make reason rule.

It was our good luck—the good luck so many of us here and around the country—to have had these many years of friendship with Alan Cranston.

JANE GOODALL (via video). I'm tremendously honored to have been asked to take part in the memorial to someone I admired so much as Alan Cranston. My body is far away in Africa but I want you to know that my thoughts are with you now.

I never got a chance to know Alan really well in life because our paths didn't cross that often. But what I saw I loved, and like everyone, I admired Alan so much for his integrity and his sincerity and his determination to try and rid the world of the most evil weapons of mass destruction that we ever created, and Alan did so much to alert people to the hidden dangers of these weapons stockpiled around the world.

And we shall miss his leadership most terribly, but his spirit is still around, still with

us, guiding us, encouraging us, and above all, joining us together so that we can move confidently towards the goal that he was setting, and make this world a safer place for his grandchildren and ours and the children yet unborn. Thank you, Alan, for being who you were. Thank you.

CRUZ REYNOSO. I once read that 'The most powerful weapon on earth is the human soul on fire.'

Alan's soul was always on fire for the welfare of those in need, for the strength of our democracy, for human dignity, and for a world at peace.

It must have been 1959 or 1960 when my wife and I, with others from the El Centro Democratic Club from Imperial Valley (the center of the world) traveled to Fresno for the annual convention of the CDC, Council of Democratic Clubs. A featured speaker was Alan Cranston. To this day, I remember being inspired—he spoke of the role of government in helping the disadvantaged, of the need for economic democracy, of the right we all have in equal protection and fairness, and government's responsibility in protecting those rights, and of our responsibility to be active participants. That a person with his soul on fire for those ideals I held dear could actually be elected to state wide office was, to me, a marvel and inspiration. I never forgot.

A decade later I found myself as director of California Rural Legal Assistance. CRLA was the leading legal services for the poor. Many entrenched interests, including the state government, found themselves on the losing side of many lawsuits CRLA brought on behalf of its clients—farmworkers, medical recipients, working poor. Those interests fought back. Alan worked closely with CRLA to protect our professional independence and assure our continued existence. As I saw it, there was little political gain for Alan—it was his devotion to fairness and to the concept of human dignity that brought us together. Eventually, it was President Nixon who overrode the state veto of CRLA, thereby saving legal services.

And years later Alan's son, Kim, I and countless others joined Alan in our mutual efforts to register thousands of new voters, an effort to include all in our democratic society.

Not all efforts were on a grand scale. My last, and still ongoing task, has been to represent a prisoner who is in Soledad for a life term. Alan was convinced that the prisoner was fully rehabilitated. He called to see if I could help. My associate, Tom Gray, and I worked with Alan. We will continue.

Not all was work. I remember those wonderful conversations as we dined in the Senate restaurant. Once, Alan invited me to a marvelous San Francisco eatery. At the end of the evening Alan invited me to join his Washington, D.C. office in a position of considerable responsibility. Unfortunately, I could not accept the offer, but the food had been great.

Alan's interest went beyond prison walls or the fifty United States. His efforts have sought peace for this globe. John Amos Gomenius, the Czech Religious and Educational leader wrote about 350 years ago:

"We are all citizens of one world, we are all of one blood. To hate a man because he was born in another country, he speaks a different language, or because he takes a different view on this subject or that, is a great folly . . . Let us have one end in view, the welfare of humanity."

Alan's soul was always on fire—for the welfare of an individual human being—or the welfare of all humanity.

JONATHAN GRANOFF. My name is Jonathan Granoff. I've had the privilege of working with Senator Cranston on the abolition of

nuclear weapons with Lawyer's Alliance for World Security, with the State of the World Forum, with the Middle Powers Initiative, and most recently, with the Global Security Institute.

Recently, some journalists from Japan were here in the beginning of December interviewing Senator Cranston, and I was there, and they asked me what I did as the CEO of the Global Security Institute. So I said, and I meant this, when a tree is ripe with fruit, an intelligent person will sit beneath the tree and gather the sweet fruit. Alan is still giving us fruit. And Alan's example of being a true human being is the sweetest fruit that we could be given, because Alan taught by seamlessly integrating the highest human values with his daily life.

He exemplified decency and elegance in action. He lived without prejudice. People say they live without prejudice; Alan didn't say it, he just lived it. He didn't harbor any doubts or suspicions about others, he never engaged in backbiting or any pettiness, and he was tranquil in the midst of an extraordinary dynamism, like a smooth, powerful river.

He was full of grace. Alan Cranston remains for us a statesman in a state of grace. His grace was exemplified in the ease he had in the midst of conflict, because that ease rested on a real faith in the intrinsic goodness of humanity. Because he had found that goodness in himself, and for those of us who had the privilege of working with him, we know that's how he got us to do things, because we knew that he never asked anybody to do anything he wouldn't do; he's the guy who would be up at two in the morning, and then up again at six-thirty.

Adversaries were only so as to the issue at hand, but never as to the person, because Alan honored everyone. His inner clarity and strength was coupled with this unique ability, and even desire, to hear everyone's point of view, not as a political ruse, but because Alan honored everyone.

Alan understood fully two icons his parents did not have that we inherited from the Twentieth Century. The first is the awesome, horrific mushroom cloud arising from science and the quest for unbridled power, unreined by morality, law and reason, and the other icon is the picture of the planet from outer space, borderless, majestic, alive and sacred.

Alan honored all life by holding the second icon before him, and that is why he focused most intensely on the nuclear issue, because that and that alone can end all life on the planet, and it becomes the moral standard of our civilization. I had the privilege of traveling with Alan and going all over the world working on this issue, and one of the amazing things is I would forget how old he was, because his body got old, but he didn't. He had found that secret of the joyous heart, he had found that place of tranquility in action.

George Crile is a CNN and 60 Minutes producer, beloved, very beloved of Alan, and he has put together some footage to give us all a sense of what it's like to be on the road with Alan Cranston.

[video insert]

Death is such a mystery, and the only comfort is the love that we bring to our lives, and the faithfulness with which we carry forth the mission that great men have given us. Alan, we will follow in your loving memory. We will stay the course. We will be vigilant until nuclear weapons are abolished.

We are guided by the philosophy that you held with you.

Lao-Tzu:

A leader is best  
When people barely know  
That he exists,  
Less good when

They obey and acclaim him,  
Worse when  
They fear and despise him.  
Fail to honor people  
And they fail to honor you.  
But of a good leader,  
When his work is done,  
His aim fulfilled,  
They will all say,  
"We did this ourselves."

Senator Cranston sought no honor for himself. He honored life itself through his service. Together and with your help, we will follow in his large footsteps, and on the day when the work is done, the aim fulfilled, we will know that we did not do it alone. Thank you, Alan. May God give you infinite peace, infinite bliss, infinite love, Amen.

ALAN JONES. We've come to the end of a deeply felt tribute to a great soul. And any celebration of a great soul confronts us with choices. And so I offer this final blessing.

There are only two feelings. Love, and fear. There are only two languages, love and fear. There are only two activities, love and fear. There are only two motives, two procedures, two frameworks, two results. Love and fear. Let us choose love.

The eye of the great God be upon you, the eye of the God of glory be upon you, the eye of the son of Mary be on you, the eye of the spirit be on you to aid you and shepherd you, and the kindly eye of the three be on you to aid you and shepherd you and give you peace, now and always, Amen.

#### ADMINISTRATION ACTS TO STALL ENVIRONMENT RULES

Mr. REID. Mr. President, there has been much talk by the President and other members of the Administration about developing a comprehensive energy strategy that will help avert national supply shortages and protect the environment.

I hope we'll all work together on a balanced approach. That is a laudable goal. However, it seems the Administration may already have begun backpedaling or backsliding away from the bipartisan rhetoric and the environmental gains that we've recently made.

One matter, in particular, bothers me. That is the subject of dirty diesels and the recently issued EPA rules to clean up that source of pollution.

I would like to put in the RECORD a copy of a letter that I have just received from a broad coalition of groups that is concerned about the fate of this rule. They fear that the rule and its benefits to the public's health may be delayed or even withdrawn entirely. It's an impressive group that the Administration should heed.

I understand that the Administrator is considering acting to delay the implementation of the final rule to cut down on emissions from heavy-duty diesel engines and reduce sulfur in diesel fuel. In addition to the fact that this potential action and others already taken by agencies to delay recently issued rules to protect the environment do not appear to comply with the Administrative Procedures Act, it's just plain bad policy.

On December 18, 2000, EPA promulgated a final rule that mandates a 97 percent reduction in the sulfur content of diesel fuel by September 2006, from

approximately 300 to 15 parts per million.

The rule also requires that diesel engine emissions get much cleaner. They must reduce particulate matter and nitrogen oxide emissions by 90 and 95 percent, respectively, from today's levels. As a result, diesel vehicles will finally be on par with emissions from gasoline vehicles.

The public health and environmental benefits from this rule will be tremendous. Quantified benefits are expected to total \$70.3 billion by 2030 when the new, cleaner fleet of vehicles is fully phased in. This rule means fewer hospital admissions, probably less lung cancer, and major reductions in other respiratory illnesses and premature deaths.

I don't begrudge the Administration time to review existing laws and regulatory requirements. But, there is a legal and substantive process to be followed, not a political one. This rule has already been through that wringer and should not be further delayed.

Thus far, we have been willing to work with the President on his nominees and have not delayed their confirmations unduly. Now it is time for the Administration to reciprocate. Administration actions to delay rules with major public health and environmental benefits will pollute that atmosphere of good will.

Mr. President, I ask consent that the letter be printed in the RECORD.

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

FEBRUARY 8, 2001.

Hon. CHRISTINE TODD WHITMAN,  
*Administrator, Environmental Protection Agency, Washington, DC.*

DEAR ADMINISTRATOR WHITMAN: We, the undersigned, represent an unusually diverse coalition of groups united in our strong support of the U.S. Environmental Protection Agency's December 21, 2000 final rulemaking that sets onroad heavy-duty diesel emission and fuel standards. Together, we write to you today to urge that this extremely important regulation be upheld, intact.

The rulemaking process that produced this regulation was not only extensive, it was thoughtful and inclusive. We are very pleased that the result is a comprehensive program that most responsibly takes full advantage of the opportunity to reduce a wide variety of diesel emissions by applying a systems approach that sets aggressive engine standards and, necessarily, a commensurately low cap on sulfur in diesel fuel. The framework established under this rule which includes a particulate matter standard of 0.01 grams per brake horsepower-hour (g/bhp-hr) to take full effect in 2007, a nitrogen oxide standard of 0.20 g/bhp-hr to be phased in between 2007 and 2010 and a national cap on sulfur in diesel fuel of 15 parts per million, to take effect June 1, 2006 represents a critical and delicate balance that will help enable the successful achievement of a 90-percent reduction in particulate matter emissions, a 95-percent reduction in nitrogen oxide emissions and a 97-percent reduction in levels of sulfur in highway diesel fuel. These reductions will translate into enormous public health and environmental benefits all across the nation.

We are proud to have contributed to the open process that led to this landmark rule

and equally proud, and supportive, of the result. Each of us now looks forward to doing our respective part to implement the important programs that have been established, so that our nation can begin to reap the benefits on schedule. To this end, we urge you not to allow this rule to be delayed or, in any way, compromised. Rather, we look to you to ensure that the rule will be upheld, intact. In addition, we request an opportunity to meet with you at your earliest convenience to discuss the vital importance of this rule to our respective organizations.

Sincerely,

Alliance of Automobile Manufacturers; American Lung Association; Association of International Automobile Manufacturers; Association of Local Air Pollution Control Officials; California Trucking Association; Clean Air Network; International Truck and Engine Corporation; Manufacturers of Emission Controls Association; Natural Resources Defense Council; Northeast States for Coordinated Air Use Management; Sierra Club; State and Territorial Air Pollution Program Administrators; U.S. Public Interest Research Group; and Union of Concerned Scientists.

Mr. LIEBERMAN. Mr. President, I rise to express my concern regarding the possibility that the Bush administration will delay the effective date of the U.S. Environmental Protection Agency's December 21, 2000 final rulemaking that sets onroad heavy-duty diesel emission and fuel standards—also known as the diesel/sulfur rule.

This rule, the result of years of work and negotiations, would provide essential protections for the public health and the environment by drastically reducing emissions from diesel engines. It is sorely needed. Heavy-duty vehicles are significant contributors to elevated levels of ozone, fine particulate matter, and the primary emissions of several key toxic air pollutants, particularly in the Northeast. Together, highway and non-road heavy-duty engines are responsible for roughly 33 percent of all nitrogen oxide emissions, 75 percent of motor vehicle related PM, and 60 percent of aldehyde emissions in the northeast corridor. In addition to fouling our air, diesel exhaust has also been classified as a probable human carcinogen by the National Institute for Occupational Safety and Health (NIOSH), the International Agency for Research of Cancer and the US EPA.

This rule will greatly reduce the health and environmental risks resulting from these pollutants, with a projected 90-percent reduction in particulate matter emissions, a 95-percent reduction in nitrogen oxide emissions and a 97-percent reduction in levels of sulfur in highway diesel fuel. In particular, the rule would bring badly needed relief to my home state of Connecticut, and to the Northeast in general, which need to drastically reduce both nitrogen oxides and volatile organic compounds in order to fulfill the requirements of their state implementation plans.

In light of the environmental and health benefits of the rule, I would be troubled if the administration were to

consider modifying the rule without providing the essential due process and thoughtful consideration required by the Administrative Procedure Act. The effective date of a rule is an integral part of the rule, and the Administration must not cut corners when considering changing that date. Legal requirements aside, I think it is critical for the Administration to consider the voices of the public—whose health and environment are at stake with this rule-making as well as the affected industry before changing the effective date or instituting any other changes to the rule.

In that vein, Mr. President, I ask unanimous consent to submit the attached letter to be printed in the RECORD, signed by a broad coalition of industry, public interest groups, and regulators, which calls upon US EPA Administrator to implement the diesel/sulfur rule without delay or alteration.

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

FEBRUARY 8, 2001.

Hon. CHRISTINE TODD WHITMAN,  
*Administrator, U.S. Environmental Protection Agency, Washington, DC.*

DEAR ADMINISTRATOR WHITMAN: We, the undersigned, represent an unusually diverse coalition of groups united in our strong support of the U.S. Environmental Protection Agency's December 21, 2000 final rulemaking that sets onroad heavy-duty diesel emission and fuel standards. Together, we write to you today to urge that this extremely important regulation be upheld, intact.

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We are proud to have contributed to the open process that led to this landmark rule and equally proud, and supportive, of the result. Each of us now looks forward to doing our respective part to implement the important programs that have been established, so that our nation can begin to reap the benefits on schedule. To this end, we urge you not to allow this rule to be delayed or, in any way, compromised. Rather, we look to you to ensure that the rule will be upheld, intact. In addition, we request an opportunity to meet with you at your earliest convenience



to discuss the vital importance of this rule to our respective organizations.

Sincerely,

Alliance of Automobile Manufacturers; American Lung Association; Association of International Automobile Manufacturers; Association of Local Air Pollution Control Officials; California Trucking Association; Clean Air Network; International Truck and Engine Corporation; Manufacturers of Emission Controls Association; Natural Resources Defense Council; Northeast States for Coordinated Air Use Management; Sierra Club; State and Territorial Air Pollution Program Administrators; U.S. Public Interest Research Group; and Union of Concerned Scientists.

#### RESTORING THE MINIMUM WAGE

Mr. ROCKEFELLER. Mr. President, today I rise to voice my support of Senator KENNEDY's effort to restore the minimum wage. The Fair Minimum Wage Act of 2001 would raise the minimum wage by \$1.50 in three incremental steps, benefitting over 11 million workers. We owe a pay raise to the hard-working Americans who would be affected by a minimum wage increase. To do so would demonstrate the real value of their hard work.

Care givers in our preschools and nursing homes, service workers in our retail and restaurant industries, the domestic workers in our homes and offices—these are the real people upon whom each of us relies every day. These are the workers who deserve to have their wages restored to a level that will afford them a reasonable standard of living.

In West Virginia alone, over one-fifth of our workers will directly benefit from a \$1.50 increase in the minimum hourly wage. This would mean an increase of almost \$3,000 a year for full-time workers. In more concrete terms, this translates into more than a year of groceries, rent for seven months, seventeen months of utility bills, or a year of tuition at a two-year college. Currently, a full-time minimum wage earner with two children may be faced with difficult decisions when trying to both feed and clothe her children. We need to make sure that a mother or father who works forty hours a week does not have to decide between groceries for the family and paying the electric bill.

Ultimately, we must acknowledge that the minimum wage standard has been allowed to slowly erode over the past thirty years. At present, the \$5.15 hourly minimum has reached its lowest purchasing power in two decades, which has aggravated problems for the working poor. Today, the real value of the minimum wage is \$2.90 below what it was in 1968. As our country continues to make unprecedented economic gains, this is simply unacceptable. We have an obligation to the working families in West Virginia, and across the Nation, to raise the minimum wage to a level that will lift them out of the day-to-day struggle of meeting their most basic needs.

I believe that raising the minimum wage over the next two years is essential to help families and to reinforce the fundamental American values of hard work and self-sufficiency. The goal of the country's minimum wage is to ensure that working Americans earn a living wage that makes work a truly better choice than welfare or other public assistance. The fact that 70 percent of workers earning minimum wage are adults over the age of twenty, that 60 percent are women, and that nearly half have full-time jobs means that this is an issue central to millions of hard-working families in our country. In West Virginia alone, almost 14 percent of our work force earn at the minimum wage, and our state has one of the largest populations of workers receiving the minimum wage. I am proud to join Senator KENNEDY and my colleagues to work together to enact this essential bill for working Americans.

#### HIGH SCHOOL SHOOTING

Mr. LEVIN. Mr. President, last Friday, at least one gunshot was fired at Detroit's Osborn High School. The gunshot hit a classroom window and two students and a teacher were injured as glass shattered across the room. Although the shooting produced no substantial physical injuries, it created great anxiety for the students and families of Osborn High School, who no doubt will sustain the emotional injuries of such a shooting for some time.

The students and teachers at Osborn High School are not alone in their anxiety. Around the nation, students and their families are seriously concerned about safety in their schools. Students deserve to feel safe in their learning environments rather than feeling anxious and fearful. For the students at Osborn High School and everywhere else in America, Congress must work to limit the accessibility that young people have to guns, and reduce the gun violence in our schools and community places.

#### THE SOCIAL SECURITY BENEFITS TAX RELIEF ACT 2001

Mr. HUTCHINSON. Mr. President, last week I introduced legislation which I hope is the first of several steps taken by Congress to correct a terrible injustice currently imposed on seniors who have worked hard all of their lives and are receiving Social Security benefits.

Many people do not realize that, after they have paid Social Security taxes throughout their work careers, up to 50 percent or 85 percent of the monthly benefit they receive from Social Security may be taxed again.

Prior to 1993, up to 50 percent of Social Security benefits were taxable for individuals with incomes above \$25,000, and couples with incomes above \$32,000. In 1993, after President Clinton raised the portion of Social Security benefits which are taxable up to 85 percent for

individuals with incomes over \$34,000, and couples with income over \$44,000.

President Clinton's 1993 tax increase on senior citizens made a bad policy even worse. Essentially, this graduated tax scheme penalizes seniors with fixed incomes who have worked hard to ensure their retirement security.

S. 237, the Social Security Benefits Tax Relief Act, which I have introduced along with my colleagues, Senators COCHRAN, FRIST, INHOFE, LOTT, MURKOWSKI and WARNER, would repeal the 1993 Clinton tax increase on Social Security benefits and rolls the tax levels back to their pre-1993 levels.

By eliminating the taxation of Social Security benefits, we will allow seniors to have more money to pay for prescription drugs, medical care, housing and food. This legislation provides greater tax fairness for increasing numbers of middle-income seniors.

It is widely agreed that Social Security was never intended to be the sole source of income for retirees. In light of Social Security's financial troubles, now is the time to remove disincentives for those who wish to save and plan early for their retirement. Hopefully, this legislation is a first step toward the repeal of all taxes on Social Security benefits.

I urge my colleagues in the Senate to provide tax relief to seniors by passing this important legislation and by examining ways to make the system as fair as possible for all beneficiaries who have paid into the system and who may or may not be subject to taxes on their benefits.

#### LITHUANIAN INDEPENDENCE

Mr. LEVIN. Mr. President, on Sunday, February 11, 2001, Americans of Lithuanian descent will be gathering, in my home State of Michigan, to celebrate the 83rd anniversary of Lithuanian Independence.

Given the Lithuanian people's long history of successfully preserving and maintaining their culture and identity, there is reason for all those of Lithuanian descent to be proud. Such an achievement stands as an inspiration for people everywhere.

The Lithuanian people have long refused to be placed under the yoke of oppression. They became independent in 1918, fought the Nazis during the Second World War and refused to lose hope during many years of Soviet rule. Reflecting on these trials can be cause for great sadness but also much hope.

Since the collapse of the Soviet Union, Lithuania has experienced nearly eleven years of democracy and free markets. The Lithuanian people are to be commended for the significant steps they taken to ensure Lithuania's place in the free world. In 1999, I had the opportunity to meet with President Valdas Adamkus, and discuss many issues facing both our nations. Many of my colleagues may not know this, but so great is President Adamkus' love for

his ancestral homeland that he returned to Lithuania to run for President after a successful career in the United States, including service as an official in the States Environmental Protection Agency.

In its efforts to reform, Lithuania has placed a premium on joining the European Union, EU, and the North Atlantic Treaty Organization, NATO. Sound monetary policy and a stable currency have given Lithuania the framework for economic growth and prosperity. On the security front, Lithuania was the first member of the former Soviet Union to participate in the Partnership for Peace. The Partnership for Peace is an important program where the United States and its NATO allies work with former Warsaw Pact nations on common security measures.

At this time when we honor Lithuania's independence, it is only fitting that we laud the extraordinary advances made by the Lithuanian people. I know my Senate colleagues join me in saluting the Lithuanian people for their tremendous courage in promoting participatory democracy and free markets.

#### THE SMALL BUSINESS TAX RELIEF ACT OF 2001

Mr. HUTCHINSON. Mr. President, as Congress considers President Bush's comprehensive tax relief plan in the coming weeks, I sincerely hope that we will examine ways to make the tax system more equitable to small business.

As we look at the economic indicators, it is clear that the economy could use a boost. One way we can do this is to encourage the further growth and success of small businesses, which for decades have been the cornerstone of our growing economy.

A proposal I would like my colleagues to seriously consider is the Small Business Tax Relief Act of 2001, which I introduced last week.

Small businesses owners generally have restricted cash flow, as well as limited access to credit. Funds are not readily available to invest in new equipment that may be needed to operate the business effectively.

Small businesses need to be allowed to expense a significant portion if not all of the costs for new equipment purchases in the year the purchase was made, rather than depreciating it over many years, which frees up necessary capital to make necessary investments and improvements.

Specifically, the Small Business Tax Fairness Act provides small businesses relief from an outdated rule that currently only allows a business to expense \$24,000 per year for new or used equipment. S. 236 proposes two key changes to the equipment expensing rule that will ease the cost on small businesses when necessary updates are needed in their facilities:

The bill increases the current \$24,000 allowable equipment expensing amount to \$100,000; and

It increases the cap beyond which limits the equipment expense deduction from \$200,000 to \$400,000.

Another important provision of this legislation directly impacts small businesses which are restaurants or franchises. Because restaurants find themselves at a competitive disadvantage with other businesses, such as convenience stores, which are allowed a 15-year depreciable life, the Small Business Tax Fairness Act would allow restaurants to depreciate the cost of their original building, and any subsequent renovations or improvements to the building, at a same rate of 15 years, instead of the current depreciation schedule of 39 years.

Unlike other commercial buildings, restaurant buildings are specialized, single-purpose structures that are rarely converted to non-restaurant use. Restaurants also experience considerably more traffic, and remain open longer than most retail buildings. This daily assault causes rapid deterioration of restaurant properties, and forces restaurateurs to constantly repair and upgrade their buildings.

Because restaurant facilities do have a much shorter life span than other commercial establishments, this bill would alleviate the punitive depreciation schedule for restaurants that currently exists.

Similarly, most franchise contracts cover a span of 15 or 20 years. By reducing the depreciation period from 39 to 15 years for franchise and restaurant properties, this legislation more accurately reflects the true economic life of the properties.

S. 236 is supported by the International Franchise Association, the National Federation of Independent Business, the National Association of Women Business Owners, and the National Restaurant Association. I urge my colleagues to support this important legislation.

#### INTERNET NON-DISCRIMINATION AND SALES TAX SIMPLIFICATION ACT

Mr. LEAHY. Mr. President, I rise today to add my support to promoting electronic commerce and keeping it free from discriminatory and multiple state and local taxes. I am pleased to join the senior senator from Oregon as an original cosponsor of the Internet Non-Discrimination and Sales Tax Simplification Act. I commend Senator WYDEN for his continued leadership on Internet tax policy.

The Internet has changed the way we do business. Today, businesses can sell their goods and services all over the world in the blink of an eye. E-commerce has created new markets, new efficiencies and new products. In fact, retail revenues from electronic commerce grew from \$13 billion in 1999 to \$26 billion in 2000. Retail sales are expected to continue to grow on the Internet to \$178 billion in 2005.

The growth of electronic commerce is everywhere, including my home

state of Vermont. Today, hundreds of Vermont businesses are doing business on the Internet, ranging from the Vermont Teddy Bear Company to Al's Snowmobile Parts Warehouse to Ben & Jerry's Homemade Ice Cream.

Let me just give you a few examples of Cyberselling in Vermont:

The New York Times recently profiled Buch Spieler, a Montpelier music store, as a shining example of the power of the Internet to boost sales and change the way many local stores do business. According to Fred Wilber, who has been running Buch Spieler for the past 27 years, overall sales has jumped by 10 percent and its customer base has expanded by 20 percent in the 18 months since he took his business online.

Gardeners Supply Company of Burlington opened its web site five years ago to accompany its catalog of environmentally-sound products. With an average annual growth rate of about 150 percent, Gardeners now sells more than \$10 million worth on products online.

Pompanoosuc Mills, a furniture company in Thetford, has been online for about two years. In its first year, the company made about \$1,300 a week from Internet-related sales. By its second year, online sales had tripled to \$4,000 a week.

Green Mountain Coffee Roasters, based in Waterbury, went on the web to gain more direct access to consumers since its coffee business was about 95 percent wholesale. Today, Green Mountain has doubled its retail sales through the Internet.

And Burr Morse, President of Morse Farm Sugar Works, outside Montpelier, sold so much maple syrup online that he testified before the Senate Commerce Committee on the benefits of e-commerce for small businesses nationwide.

For the past five years I have learned first-hand about this e-commerce explosion by hosting annual workshops on Internet sales. At my Doing Business On The Internet Workshops in Vermont, small business owners recounted tales of successful selling on the Web and share their tips for future success with fellow entrepreneurs. For instance, Megan Smith of The Vermont Inn in Killington attended one of the workshops and now takes reservations over the Net from customers all across the country and around the world. And Maura Malone attended our workshops for the past three years in a row to learn how to reach more customers for her fabric/quilt store, Back Country Threads, which is deep in the woods in Essex. She created her own website and won the "Top Customer Service Award" from Yahoo Store for the last 10 months running.

These Vermont cybersellers are of all sizes and customer bases, from Main Street merchants to boutique entrepreneurs to a couple of famous ex-hippies who sell great ice cream. But what Vermont online sellers do have in common is that Internet commerce allows

them to erase the geographic barriers that historically have limited our access to major markets. With the power of the Internet, Vermonters can sell their products and services anywhere, anytime. Cyberselling is paying off for Vermont and the rest of the nation.

With the Internet's exciting economic opportunities come unique challenges. One of the critical challenges in our new economy is developing fair and balanced tax policy that respects the rights of states and local jurisdictions while fostering a stable environment for e-commerce to continue to grow. I believe the Internet Non-Discrimination and Sales Tax Simplification Act strikes that fair balance.

Our legislation extends the current moratorium against discriminatory and multiple taxes on goods and services sold over the Internet through 2006. The current three-year moratorium, enacted as part of the 1998 Internet Tax Freedom Act, which I was proud to cosponsor, is set to expire in October 2001. This five-year extension of the moratorium was one of the recommendations in the Advisory Commission on Electronic Commerce's April 2000 report to Congress.

Electronic commerce is beginning to blossom, but it is still in its infancy. Stability is key to reaching its full potential, and creating new tax categories for the Internet is exactly the wrong thing to do. Internet commerce should not be subject to discriminatory new taxes that do not apply to other commerce.

Indeed, without the current moratorium, there are 30,000 different jurisdictions around the country that could levy discriminatory or multiple Internet taxes on e-commerce. We need to continue the moratorium to provide the stability necessary for electronic commerce to flourish. We are not asking for a tax-free zone on the Internet; if sales taxes and other taxes would apply to traditional sales and services, then those taxes would also apply to Internet sales under our legislation. But our legislation would continue the ban on any taxes applied only to Internet sales in a discriminatory manner.

Let's not allow the future of electronic commerce—with its great potential to expand the markets of Main Street businesses—to be crushed by the weight of multiple or discriminatory taxation.

While Congress should continue to prevent discriminatory e-commerce taxes, we also need a national policy to make sure that the traditional state and local sales taxes on Internet sales are applied and collected fairly and uniformly. Our bill encourages states to simplify their sales tax rules and to develop national standards on e-commerce. To help state and local governments improve their collection of sales taxes on e-commerce, our bill authorizes Congress to consider legislation under fast-track procedures to require sellers to collect sales taxes on goods and services sold over the Internet.

I commend the National Conference of State Legislatures and the National Governors Association for their efforts to create uniformity among states for the collection of remote sales taxes. I hope our legislation will further this simplification process as state legislatures and governors around the nation work together to come up with national standards for e-commerce taxation. I pledge to work with them to reach consensus on these difficult remote tax issues.

Today, there are more than a million businesses selling their sales and services on the World Wide Web around the world. This explosion in Web growth has led to thousands of new jobs and exciting opportunities for businesses from Main Street to Wall Street. A March 1999 survey of e-commerce in Vermont that I commissioned found that Vermont businesses had already created 1,404 jobs as a result of Internet commerce—with the potential to create 24,280 new jobs in my home state by the end of this year. The Internet Non-Discrimination and Sales Tax Simplification Act will insure that Vermonters continue to reap the rewards of electronic commerce.

E-Commerce is booming, our moratorium law is working, and we should keep a good thing going and growing. I am proud to cosponsor the Internet Non-Discrimination and Sales Tax Simplification Act to encourage online commerce to continue to grow with confidence. I urge my colleagues to support its swift passage into law.

#### ADDITIONAL STATEMENTS

##### CONGRATULATIONS TO PROVIDENCE'S NEW ENGLAND STORM

• Mr. CHAFEE. Mr. President, I wish to pay tribute to the New England Storm, a Women's Professional Football League, WPFL, team based in Providence, Rhode Island. Established just one year ago, the New England Storm logged an impressive first season capped by winning the National Conference Championship January 6, 2001.

This was truly an amazing accomplishment—a testament to the players' dedication, sacrifice, and hard work.

As a Rhode Islander, I am particularly proud of the Storm's success. In January 2000, Rhode Island native Melissa Korpacz—known to all as “Missi”—founded the Storm and rooted it in Providence's Mt. Pleasant Stadium. Missi put aside her fledgling education law practice and invested her time and money into helping the New England Storm take flight. She secured a venue, recruited 43 top athletes, a dedicated staff of managers, coaches, and trainers and secured the necessary business licenses.

And, throughout the season, she balanced the roles of team owner and regional director of team management for the WPFL while taking to the field each game as the Storm's fullback.

To be sure, Missi's efforts were boosted by the spirit and professionalism of her fellow teammates. Together, their performance stirred an enormous amount of pride in Rhode Island and set a laudable goal toward which young women athletes across our state can strive.

And so, I offer my heartiest congratulations to all the members of the New England Storm Women's Professional Football Team, and all who were associated with their championship season.

I ask that a copy of the team roster be printed in the RECORD.

The roster follows.

##### NEW ENGLAND STORM WOMEN'S PROFESSIONAL FOOTBALL TEAM 2000-2001 SEASON

Jennifer Blum; Kathleen Bolduc; Sue Burtoft; Patricia Carey; Linda Caruso; Kendra Cestone; Deb Cote; Heather Davis; Carolyn Domini; Kerry Dudley; Audrey Everson; Toni Farfaras; Tara Fay; Chantalle Forgues; Sandy Frizell; Christina Gibbons; Nicole Girard; Theresa Gomes; Ann Hadwen; Cheryl Hancin; Kim Hickey; Rumonda Holder; Debra Hutter; Jessica Johnson; Stephanie Kehas; Catherine Kidd; Missi Korpacz; Tracey Kowalski; Stephanie Lake; Veronica Milinazzo; Darci Mix; Sara Moon; Amy O'Hara; Samantha Phillips; Leah Proia; April Riccardone; Beatrice Robinson; Lori Rubolotta; Amy Saur; Jeanne Sherlock; Kate Skidmore; Karen Sweet; and Sarah Ward.●

##### TRIBUTE TO EDDIE RATHBUN

• Mr. INHOFE. Mr. President, I rise today in recognition of the hard work that Mr. Eddie Rathbun and the staff of the Natural Resources Conservation Service have done for the people of Bridge Creek, OK.

I have often spoke of the incredible kindness Oklahomans have demonstrated through trying times, and Mr. Eddie Rathbun's actions have been an example of this. I am sure you remember the horrible tornados that ravaged Oklahoma in May of 1999 that killed 44 people and injured 795 others. For many of my constituents this was a very difficult time and Mr. Rathbun and the staff of the Natural Resources Conservation Service went out of their way to be helpful to those whose lives had been altered by this disaster. Mr. Rathbun and his crew worked long hours, in difficult working conditions, to ensure that the people in Bridge Creek could return their lives to normal. The people of this community have informed me that he was a great help to them in a time of need, and have expressed a deep appreciation of him, which I share here today.

Mr. Eddie Rathbun and the crew of the Natural Resources Conservation Service exemplify the Oklahoma spirit of going beyond what is necessary to help a neighbor in a time of need. I wanted to recognize the efforts of a good man, for the kindness he has provided to the people of Oklahoma.●

##### A SALUTE TO LORENA DEROIN

• Mr. INHOFE. Mr. President, it is my privilege today to pay tribute to an

outstanding woman who will be recognized this Saturday, February 10, with a special Honor Dance for her years of service to American Indians and to our country. This dance honors what is perhaps one of the most impressive and prestigious achievements of Lorena DeRoin's lifetime: becoming the first and only American Indian ever to serve as president of American War Mothers.

American War Mothers is a national, patriotic organization dedicated to recognizing mothers whose children have served in the military. As national president, she is able to expound on years of experience leading women in both state and local chapters of the organization.

Born February 9, 1915, in Red Rock, Oklahoma, Mrs. DeRoin has made her mark as an American Indian and a patriot. She belongs to the White Pigeon Clan of the Otoe-Missouria Tribe. In 1962, she joined Otoe War Mothers, a local chapter of American War Mothers. During her years of service, she worked on all standing committees and then became president of the chapter. She is also retired from the Bureau of Indian Affairs as an employee of the old Chilocco Indian School.

Showing her dedication to our country, she has served as Mistress of Ceremonies for three separate years on Mothers Day at Arlington National Cemetery and laid the Wreath at the Tomb of the Unknown Soldier.

Mrs. DeRoin's contributions to our community and our country are an example of true servant leadership. Oklahoma is fortunate to count Lorena DeRoin as one of our own. It is my privilege to recognize her accomplishments and to also wish her a Happy Birthday.●

#### REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT—PM 4

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:*

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Iraq that was declared in Executive Order 12722 of August 2, 1990.

GEORGE W. BUSH.  
THE WHITE HOUSE, February 8, 2001.

#### REPORT ON THE TAX RELIEF PLAN—MESSAGE FROM THE PRESIDENT—PM 5

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 Finance.

*To the Congress of the United States:*

Enclosed please find my plan to provide needed tax relief to the American people. Over the last several months, the economy has slowed dramatically. I believe that the best way to ensure that our prosperity continues is to put more money in the hands of consumers and entrepreneurs as soon as possible. I look forward to working with the Congress to enact meaningful tax cuts into law.

GEORGE W. BUSH.  
THE WHITE HOUSE, February 8, 2001.

#### 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. WYDEN (for himself and Mr. BURNS):

S. 285. A bill to amend the Federal Water Pollution Control Act to authorize the use of State revolving loan funds for construction of water conservation and quality improvements; to the Committee on Environment and Public Works.

By Mrs. FEINSTEIN:

S. 286. A bill to direct the Secretary of Commerce to establish a program to make no-interest loans to eligible small business concerns to address economic harm resulting from shortages of, and increases in the prices of, electricity and natural gas; to the Committee on Banking, Housing, and Urban Affairs.

By Mrs. FEINSTEIN (for herself and Mr. BOXER):

S. 287. A bill to direct the Federal Energy Regulatory Commission to impose cost-of-service based rates on sales by public utilities of electric energy at wholesale in the western energy market; to the Committee on Energy and Natural Resources.

By Mr. WYDEN (for himself and Mr. LEAHY):

S. 288. A bill to extend the moratorium enacted by the Internet Tax Freedom Act through 2006, and encourage States to simplify their sales and use taxes; to the Committee on Commerce, Science, and Transportation.

By Mr. SESSIONS (for himself, Mr. GRAHAM, Mr. BINGAMAN, Mr. FRIST, Mr. GRAMM, Mr. HUTCHINSON, Mr. MURKOWSKI, Mr. BREAUX, Mr. SHELBY, Ms. COLLINS, Mr. HELMS, Mr. INHOFE, Mr. ROBERTS, Mr. SANTORUM, and Ms. LANDRIEU):

S. 289. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for education; to the Committee on Finance.

By Mr. DODD (for himself and Mr. SHELBY):

S. 290. A bill to increase parental involvement and protect student privacy; to the Committee on Health, Education, Labor, and Pensions.

By Mr. THOMPSON (for himself, Mr. FRIST, Mrs. HUTCHISON, and Mr. GRAMM):

S. 291. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for State and local sales taxes in lieu of State and local income taxes and to allow the State and local income tax deduction against

the alternative minimum tax; to the Committee on Finance.

By Mr. CLELAND (for himself and Mr. WYDEN):

S. 292. A bill to amend the Internal Revenue Code of 1986 to expand the enhanced deduction for corporate donations of computer technology to senior centers and community centers; to the Committee on Finance.

By Mr. HARKIN (for himself, Mr. DURBIN, Mrs. CLINTON, Mr. DORGAN, and Mr. KENNEDY):

S. 293. A bill to amend the Internal Revenue Code of 1986 to provide a refundable tax credit against increased residential energy costs and for other purposes; to the Committee on Finance.

By Mr. SANTORUM (for himself and Mr. KOHL):

S. 294. A bill to amend the Agricultural Market Transition Act to establish a program to provide dairy farmers a price safety net for small- and medium-sized dairy producers; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KERRY (for himself, Mr. LIEBERMAN, Ms. SNOWE, Mr. BINGAMAN, Ms. LANDRIEU, Mr. JOHNSON, Mr. DOMENICI, Mr. LEVIN, Mr. WELLSTONE, Mr. JEFFORDS, Mr. HARKIN, Mr. SCHUMER, Mrs. CLINTON, Mr. KOHL, Mr. EDWARDS, Mr. LEAHY, Mr. BAUCUS, Ms. COLLINS, Mr. SMITH of New Hampshire, Mr. DODD, Mr. L. CHAFEE, and Mr. BAYH):

S. 295. A bill to provide emergency relief to small businesses affected by significant increases in the prices of heating oil, natural gas, propane, and kerosene, and for other purposes; to the Committee on Small Business.

By Ms. COLLINS:

S. 296. A bill to authorize the conveyance of a segment of the Loring Petroleum Pipeline, Maine, and related easements; to the Committee on Armed Services.

By Mr. SCHUMER:

S. 297. A bill to put teachers first by providing grants for master teacher programs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MCCONNELL (for himself and Mr. DODD):

S. 298. A bill to amend the Internal Revenue Code of 1986 to allow non-itemizers a deduction for a portion of their charitable contributions, and for other purposes; to the Committee on Finance.

By Mrs. MURRAY:

S. 299. A bill to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SCHUMER:

S. 300. A bill to amend the Higher Education Act of 1965 to provide for an increase in the amount of student loans that are eligible for forgiveness in exchange for the service of the individual as a teacher; to the Committee on Health, Education, Labor, and Pensions.

By Mr. THOMAS (for himself, Mr. CRAIG, Mr. CRAPO, Mr. MURKOWSKI, and Mr. ENZI):

S. 301. A bill to amend the National Environmental Policy Act of 1969 to require that Federal agencies consult with state agencies and county and local governments on environmental impact statements; to the Committee on Environment and Public Works.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WYDEN (for himself and Mr. BURNS):

S. 285. A bill to amend the Federal Water Pollution Control Act to authorize the use of State revolving loan funds for construction of water conservation and quality improvements; to the Committee on Environment and Public Works.

Mr. WYDEN. Mr. President, 25 years after enactment of the Clean Water Act, we still have not achieved the law's original goal that all our nation's lakes, rivers and streams would be safe for fishing and swimming.

After 25 years, it's time for the next generation of strategies to solve our remaining water quality problems. We need to give States new tools to overcome the new water quality challenges they are now facing.

The money that has been invested in controlling water pollution from factories and upgrading sewage treatment plants has gone a long way to controlling these urban pollution sources. In most cases, the remaining water quality problems are no longer caused by pollution spewing out of factory pipes. Instead, they are caused by runoff from a myriad of sources ranging from farm fields to city streets and parking lots.

In my home State of Oregon, more than half of our streams don't fully meet water quality standards. And the largest problems are contamination from runoff and meeting the standards for water temperature.

In many cases, conventional approaches will not solve these problems. But we can achieve water temperature standards and obtain other water quality benefits by enhancing stream flows and improving runoff controls.

A major problem for many streams in Oregon and in many other areas of the Western United States is that water supplies are fully appropriated or over-appropriated. There is currently no extra water to spare for increased stream flows.

We can't create new water to fill the gap. But we can make more water available for this use through increased water conservation and more efficient use of existing water supplies.

The key to achieving this would be to create incentives to reduce wasteful water use.

In the Western United States, irrigated agriculture is the single largest user of water. Studies indicate that substantial quantities of water diverted for irrigation do not make it to the fields, with a significant portion lost to evaporation or leakage from irrigation canals.

In Oregon and other States that recognize rights to conserved water for those who conserve it, irrigators and other water users could gain rights to use conserved water while also increasing the amount of water available for other uses by implementing conservation and efficiency measures to reduce water loss.

The Federal government can play a role in helping meet our nation's changing water needs. In many Western States, water supply problems can

be addressed by providing financial incentives to help water users implement cost effective water conservation and efficiency measures consistent with State water law.

And, we can improve water quality throughout the nation by giving greater flexibility to States to use Clean Water Act funds to control polluted runoff, if that's where the money is needed most.

Today, I am pleased to be joined by my colleague, Senator BURNS, in introducing legislation to authorize the Clean Water State Revolving Fund program to provide loans to water users to fund conservation measures or runoff controls. States would be authorized, but not required, to use their SRF funds for these purposes. Participation by water users, farmers, ranchers and other eligible loan recipients would also be entirely voluntary.

The conservation program would be structured to allow participating users to receive a share of the water saved through conservation or more efficient use, which they could use in accordance with State law. This type of approach would create a win/win situation with more water available for both the conservers and for instream flows. And, by using the SRF program, the Federal seed money would be repaid over time and gradually become available to fund conservation or other measures to solve water quality problems in other areas.

My proposal has the support of the Farm Bureau, Oregon water users, the Environmental Defense Fund, and the Oregon Water Trust.

I urge my colleagues to support giving States greater flexibility to use their clean water funds for water conservation or runoff control when the State decides that is the best way to solve water quality problems and the water users voluntarily agree to participate.

Mr. BURNS. Mr. President, I am pleased today to join my colleague from Oregon, Senator WYDEN, in introducing the Water Conservation and Quality Incentives Act. This bill aims to authorize the use of State revolving loan funds for construction of water conservation and quality improvements. Senator WYDEN and I have worked together to bring some common sense improvements to the existing revolving fund program. One of the big changes we would like to see will encourage additional conservation of water resources by the many irrigation districts in the Nation. Every Montanan understands that water is the lifeblood of our State, and I am glad to be working on this bipartisan effort to more effectively use this vital resource.

This bill will encourage water conservation by providing the opportunity for loans to be made to irrigation districts from the State revolving funds. These loans will be used to construct pipelines and develop additional conservation measures. In the West,

irrigators are by far the largest water users. They use the water to produce the many agricultural products we enjoy in this country. Between the water source and the field, a large portion of the water used in irrigation is displaced due to seepage as the water flows through the canals and ditches. The water is not lost, since it seeps into the soil and assists in the overall soil moisture, but it makes for an inefficient system because it is not immediately available to the irrigator.

One of the reasons this is damaging to producers is the fact that in most irrigation districts, irrigators pay for water that is released to them whether it makes it to the crop or not. Displacement of this water does not help a producer's bottom line. At a time when prices are low and markets are questionable, it is important that we give tools to the producer to make sure they have every opportunity to stay in business.

Water saved under the proposal in this bill will not only assist the producer in water and cost savings, but will also make certain the future of water in the many rivers and streams in the west. Efficient irrigations systems make good environmental sense because the more water you have to pump out of a river, the less water there is left for the fish and animals that depend on it as part of their habitat.

This bill creates a win-win situation both for water users and for the multiple users of water in our states, particularly Oregon and Montana. We have an opportunity here to do something useful and worthwhile for the irrigators and also for those who enjoy fishing, boating and other instream water uses. I thank Senator WYDEN for his work on this measure and I am pleased to work with him on this issue of great importance.

By Mrs. FEINSTEIN:

S. 286. A bill to direct the Secretary of Commerce to establish a program to make no-interest loans to eligible small business concerns to address economic harm resulting from shortages of, and increases in the price of, electricity and natural gas; to the Committee on Banking, Housing, and Urban Affairs.

Mrs. FEINSTEIN. Mr. President, I am very proud today to introduce legislation designed to help small businesses hurt by the power crisis in the Western United States.

This bill authorizes funds for the Economic Development Administration to operate a revolving loan fund to assist small business owners in California and other States affected by the shortage.

This fund will help dozens of small manufacturers with so-called "interruptible contracts" that have been forced to lay off employees and, in many cases, close their doors.

Interruptible contracts are defined as price discounts to users who agree to

reduce consumption during peak demand periods.

But while companies can withstand infrequent power interruptions, the fact is that California has been hit hard by the electricity crisis and the service interruptions have come far too frequently.

Today, even small business owners who chose not to join the interruptible list—and opted instead to brave the higher gas and electric bills—have found the price spikes too much to handle.

Sadly, many of these firms have discovered that they too are being forced to shut down because they can't pay their electricity bills. Here are a few examples of companies that have been affected:

A small business owner in San Diego operating a fluff-and-fold laundry facility was forced to close when his December electricity bill jumped fourfold to \$4,000. At this time last year, his monthly bill was roughly \$1,000.

The Saint-Gobain Calmar company—a plastics manufacturer in Los Angeles with roughly 300 employees—has been forced to stop production 22 times in the past six months because of the business' "interruptible" status. Although the company has been able to avoid layoffs up to now, the owners say the outlook is not good.

Another example is the McKoen and Associates potato-flake plant in Tulalake, California. The owner of the facility says he may be forced to lay off about 100 employees permanently due to the mandatory shut downs.

While all California companies, both large and small, are feeling the crunch of the power shortage, smaller firms are taking a larger hit because these companies pay a larger percentage of their budgets to energy and gas bills.

Small businesses, classified as those with 500 workers or fewer, employ 37 percent of the California's total workforce.

This current power drain has led to higher costs for businesses throughout the Northwest.

Some aluminum and paper manufacturers in Washington and Oregon have already been forced out of business—and they are not alone.

The bill I am introducing today authorizes \$25 million for a revolving no-interest loan fund to be operated by the Economic Development Administration.

The bill allows small businesses, as defined by the Small Business Administration to be eligible for loans if their monthly gas or electric bills are at least double what they were a year ago.

If a company's gas bill, for example, was \$4,000 in the months of January, February, and March 2001 and the company averaged only \$2,000 in January, February, and March 2000, that company is eligible for a loan.

The legislation will allow small business customers of the Pacific Gas and Electric Company, Southern California Edison, or San Diego Gas and Electric

who are not covered by a State-mandated cap to apply for the no-interest loans to stave off lay offs, re-hire employees, and keep their facilities up and running.

Small business that were covered by a State cap on energy expenses will not be eligible for the loan program.

The bill is designed to help both small business owners who opted for the "interruptible list" and those who tried to brave the cost spikes and failed.

The legislation will not affect those who are not covered by a State mandated program that caps retail electric commodity rates.

I believe this measure will be of great assistance to the hundreds of small businesses in the Western region that are facing skyrocketing costs for power.

I urge my colleagues to join me on this important legislation to help keep these hard working businessmen and women from being forced to lay off employees and close their doors.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 287. A bill to direct the Federal Energy Regulatory Commission to impose cost-of-service based rates on sales by public utilities of electric energy at wholesale in the western energy market; to the Committee on Energy and Natural Resources.

Mrs. FEINSTEIN. I rise today to introduce a bill to direct the Federal Energy Regulatory Commission to institute cost-of-service based rates with a reasonable rate of return on energy produced in the western energy market.

I had planned on introducing this bill as an amendment to the pipeline safety bill but I understand that the chairman of the Energy and Natural Resources Committee, Senator MURKOWSKI and the ranking member of that committee, Senator BINGAMAN, would be amendable to scheduling a hearing on this bill before the end of the month, if the legislation is introduced as a stand-alone bill rather than as an amendment to the pipeline safety bill.

After the hearing, I intend to exercise my right under the rules of the committee to ask that the chairman put this bill on the schedule for markup.

Mr. MURKOWSKI. I remain concerned about the energy crisis that is affecting not just California but other Western states as well. I am willing to hold a hearing on your legislation during the week of February 26, right after the Senate recess.

I cannot commit to a markup of the bill, but I expect that the Senator's legislation will be given its due consideration by the committee in a timely manner.

Mr. BINGAMAN. The situation in California is very serious. It is now affecting not only the price and supply of electricity in California but the price and supply of electricity throughout

the West. It poses a grave danger to the economy of the nation as a whole. The State of California is doing what it can to cope with this crisis. It is past time for the Federal Energy Regulatory Commission to use its existing authority to bring wholesale prices under control.

I commend the Senator from California, Senator FEINSTEIN, for her initiative in crafting the bill, and the chairman of the Energy Committee, Senator MURKOWSKI, for agreeing to give us a hearing on it.

By Mr. SESSIONS (for himself, Mr. GRAHAM, Mr. BINGAMAN, Mr. FRIST, Mr. GRAMM, Mr. HUTCHINSON, Mr. MURKOWSKI, Mr. BREAUX, Mr. SHELBY, Ms. COLLINS, Mr. HELMS, Mr. INHOFE, Mr. ROBERTS, Mr. SANTORUM, and Ms. LANDRIEU):

S. 289. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for education; to the Committee on Finance.

Mr. SESSIONS. Mr. President, I rise today to discuss the concept of prepaid tuition plans and why they are so critically important to America's families. As a parent who has put two children through college and who has another currently enrolled in college, I know firsthand that America's families are struggling to meet the rising cost of higher education. In fact, American families accrued more college debt in the 1990's than during the previous three decades combined. The reason is twofold: the Federal Government subsidizes student debt with interest rate breaks and penalizes educational savings by taxing the interest earned on those savings.

In recent years, however, many families have tackled rising tuition costs by taking advantage of prepaid college tuition and savings plans. These plans allow families to purchase tuition credits years in advance. Families are able to pay for their child's future college education at today's price. Currently, 48 states have or are in the process of creating a tuition savings or prepaid tuition plan. These plans are extremely popular with parents, students, and alumni. They make it easier for families to save for college, while at the same time taking the uncertainty out of the future cost of college.

My home State of Alabama was one of the first in the nation to establish a prepaid college tuition plan. Nearly 50,000 Alabamians are currently enrolled in the Prepaid Alabama College Tuition Plan. Families across the State of Alabama are setting aside a few dollars each month to pay for the future college education of their child. Alabama is not the only success story, 18,000 children have been enrolled in the College Savings Iowa plan.

Mr. President, 2,500 families in Montana are saving for their child's college education through the Montana Family Education Savings Program:

13,000 are enrolled in the Alaska Advance College Tuition Plan; 100,000 are



participating in the Texas Tomorrow Fund; 7,000 children have accounts in the West Virginia Prepaid College Plan; 38,000 have joined the Maine Next Generation College Investing Plan; over 10,000 parents have contracts in the Mississippi Prepaid Affordable College Tuition Program for their children.

As you can see, people across the country are wisely taking advantage of these plans. Congress has supported participating families by expanding the scope of the prepaid tuition plans and by deferring the taxes on the interest earned until the student goes off to college. I believe that we must go one step further. That is why today, I along with Senators, BOB GRAHAM, COLLINS, BINGAMAN, PHIL GRAMM, FRIST, BREAU, SHELBY, HELMS, INHOFE, TIM HUTCHINSON, SANTORUM, MURKOWSKI, LANDRIEU, and ROBERTS are introducing the Collegiate Learning and Student Savings, CLASS, Act.

This is a common sense piece of legislation that will make the interest earned on all education tuition savings plans completely tax-free. Currently, the interest earned by families saving for college is taxed twice. Families are taxed on the income when they earn it, and then again on the interest that accrues from the savings. We strongly believe that this trend must no longer continue.

In order to provide families a new alternative, the CLASS Act will provide tax-free treatment to all tuition savings plans. This bipartisan piece of legislation is sound education policy and tax policy that provides incentives for savings rather than bureaucratic solutions. It is a small tax break—estimated at less than \$200 million over 5 years—but the CLASS Act will give families an extra incentive to be prudent savers for their children's education. Indeed, this small tax relief plan could produce billions in savings for college in the years to come. Many individuals have questioned whether these plans will benefit all types of students.

Let me say this, it is wrong to assume that tuition savings and prepaid plans benefit mainly the wealthy. In fact, the track record of existing state prepaid plans indicates that working, middle-income families, not the rich, benefit the most from prepaid plans. For example, in 1996 families with an annual income of less than \$35,000 purchased 62 percent of the prepaid tuition contracts offered by the State of Pennsylvania. In the same year, 71 percent of the 600,000 families participating in the Florida Prepaid College Program had an income of less than \$50,000. It is clear this plan is helping middle income families save for college.

In 1995, the average monthly contribution to a family's college savings account in Kentucky was \$43. These families in Kentucky are putting a few dollars aside each month to save for their child's education. Tax-free treatment for tuition savings plans must be-

come law. We passed this legislation as part of a larger tax bill last Congress. However, it was vetoed by President Clinton.

President Bush articulated his support for this plan during the campaign. The time to act is now. This is not expensive, and the small cost will produce a huge benefit. I encourage my colleagues to work with me to push for passage of this common sense piece of legislation.

Mr. GRAHAM. Mr. President, I am proud to join Senator SESSIONS and my other Senate colleagues in launching an initiative to increase Americans' access to college education. Today, we are introducing the Collegiate Learning and Student Savings Act. This bill extends tax-free treatment to all state sponsored prepaid tuition plans and state savings plans. This legislation also gives prepaid tuition plans established by private colleges and universities tax-deferred treatment in 2001, and tax-exempt status by 2005.

Prepaid college tuition and savings programs have flourished at the State level in the face of spiraling college costs. According to the College Board, between 1980 and 2000, the cost of going to a four-year college has increased 115 percent above the rate of inflation. The cause of this dramatic increase in tuition is the subject of significant debate. But whether these increases are attributable to increased costs to the universities, reductions in state funding for public universities, or the increased value of a college degree, the fact remains that financing a college education has become increasingly difficult.

In response to higher college costs the States have engineered innovative ways to help its families afford college. Michigan implemented the first prepaid tuition plan in 1986. Florida followed in 1988. Today 49 States have either implemented or are in the process of implementing prepaid tuition plans or state education savings plans.

Prepaid college tuition plans allow parents to pay prospectively for their children's higher education at participating universities. States pool these funds and invest them in a manner that will match or exceed the pace of educational inflation. This "locks in" current tuition and guarantees financial access to a future college education. In 1996, Congress acted to ensure that the tax on the earnings in these state-sponsored programs is tax-deferred.

Mr. SESSIONS and I believe the 107th Congress must move to make these programs completely tax free. Students should be able to enroll in college without the fear of incurring a significant tax liability just because they went to school. The legislation extends this same tax treatment to private college prepaid programs beginning in 2005.

We believe that these programs should be tax free for numerous reasons. First, prepaid tuition and savings

programs help middle income families afford a college education. Florida's experience shows that it is not higher income families who take most advantage of these plans. It is middle income families who want the discipline of monthly payments. They know that they would have a difficult time coming up with funds necessary to pay for college if they waited until their child enrolled. In Florida, more than 70 percent of participants in the state tuition program have family income of less than \$50,000. Second, Congress should make these programs tax free in order to encourage savings and college attendance. Finally, for most families, these plans simply represent the purchase of service to be provided in the future. The accounts are not liquid, and the funds are transferred from the state directly to the college or university. The imposition of a tax liability on earnings represents a substantial burden, because the student is required to find other means of generating the funds to pay the tax.

I am pleased to have this opportunity to join my colleagues in introducing this bill which makes a college education easier to obtain.

By Mr. DODD (for himself and Mr. SHELBY):

S. 290. A bill to increase parental involvement and protect student privacy; to the Committee on Health, Education, Labor, and Pensions.

Mr. DODD. Mr. President, I rise to introduce the Student Privacy Protection Act with my friend and colleague from Alabama, Senator SHELBY. Senator SHELBY recently asked me to join him as a co-chair of the Congressional Privacy Caucus and I am pleased that we are today introducing legislation to help protect the privacy of one of America's most vulnerable groups—our students.

A recent GAO report confirms that more and more, schools are being perceived by some not just as centers for learning, but as centers for commercial research. Our children should be instilled with knowledge, not mined for knowledge on their commercial preferences and interests. Schools are there to help children grow up to be good citizens—not to provide a captive audience for market researchers and major advertisers.

Our bill is simple—it provides parents and their children with modest, appropriate, privacy protections from market research in schools that would gather personal information about students, during school hours, for purely commercial purposes. It does not ban advertising, nor does it ban market research. It simply requires that, before a researcher can start asking a young student to provide personal information, that researcher must obtain parental consent or its equivalent.

Surely, that is not too much to ask. If someone came to your home and started to ask your child about his or her age, gender, neighborhood, food

preferences, and entertainment preferences, surely you would want to know the purpose of such questions before deciding whether to consent to them. We think parents and children are entitled to no less consideration just because a child is in school.

This is part of a larger phenomenon that is familiar to anyone who has walked through a school in the past few years—the stunning increase in commercial advertising in schools. Gone are the days when commercial advertising simply meant the local hardware store's name on the basketball scoreboard or the local dry-cleaner's name on the football scoreboard.

Schools, teachers and their students are daily barraged with commercial messages aimed at influencing the buying habits of children and their parents. A 1997 study from Texas A&M, estimated that children, age 4 to 12, spent more than \$24 billion themselves and influenced their parents to spend \$187 billion.

One major spaghetti sauce firm has encouraged science teachers to have their students test different sauces for thickness as part of their science classes. A cable television channel in New Jersey had elementary school students fill out a 27-page booklet called "My All About Me Journal" as part of a marketing survey. In one school, a student was suspended for wearing a Pepsi T-shirt on the school's Coke Day. In another, credit card applications were sent home with elementary school students for their parents and the school collected a fee for every family that signed up.

Advertisers focus on students and schools for the same reason Willie Sutton robbed banks—because that's where the money is. And many schools enter into commercial contracts with advertisers because, as the GAO found, they are strapped for cash. Schools often are faced with two poor choices—provide computers, books, and other educational and recreational equipment with commercial advertising, or not at all.

The bill that Senator SHELBY and I offer today does not second guess the hard decisions that school administrators are making each and every day. Nor does it ignore the fact that business leaders often are the strongest advocates for school improvement and the greatest benefactors of the educational process. What it does is address what the GAO report considers to be perhaps the most troubling form of commercial activity in schools—the "growing phenomenon" of market research.

According to GAO, "none of the education officials we interviewed said schools were appropriate venues for market research. . . ." Nevertheless, none of the districts surveyed by GAO had policies specifically addressing market research and the GAO found that this activity is widespread. One firm alone has conducted market research in more than 1,000 schools.

Another company, which since has discontinued these activities, provided computers to 1,800 schools, about 8.6 percent of all U.S. secondary schools. In exchange, the company was allowed to advertise to and ask questions of students using these computers. There are other examples. Suffice it to say that this is a practice that not only is inappropriate in the opinion of education officials, but is unknown to many parents. Nearly half of parents in a recent survey were not aware that websites can collect personal information about students without their knowledge.

This bill would return to parents the right to protect their children's privacy. It's simple, it's modest, it contains appropriate exceptions, and it's our hope that it will become law together with other educational reforms being considered by this Congress.

Mr. SHELBY. Mr. President, I rise today with my colleague Senator DODD to introduce the "Student Privacy Protection Act". This legislation is intended to ensure that parents have the ability to protect their children's privacy by requiring that anyone who wishes to collect data for commercial purposes from kids in school must first seek and obtain parental permission.

The need for this legislation stems from the fact that a large number of marketing companies are going into classrooms and using class time to gather personal information about students and their families for commercial gain. In many cases, parents are not even aware that these companies have entered their children's school, much less that they are exploiting them in the one place they should be the safest, their classroom.

Our legislation builds on a long line of privacy legislation to protect kids, such as the Family Educational Rights Act, the Children's Online Privacy Protection Act and the Protection of Pupil Rights Act. The goal of these laws, as is the case with our legislation, is to ensure that the privacy of children is protected and that their personal information cannot be collected and/or disseminated without the prior knowledge, and in most cases, consent of the parents.

We understand that schools today are financially strapped and many of these companies offer enticing financial incentives to gain access. Our goal is not to make it more difficult for schools to access the educational materials and the computers that they so desperately need. Rather our goal is to ensure that the details of these arrangements are disclosed and that parents are allowed to participate in the decision-making process.

The bottom line here is that parents have a right and a responsibility to be involved in their children's education. Much of what is occurring now is being done at the expense of the parents' decision making authority because schools are allowing companies direct access to students. This legislation en-

hances parental involvement by giving them an opportunity to decide for themselves who does and does not get access to their children during the school day.

By Mr. THOMPSON (for himself, Mr. FRIST, Mrs. HUTCHISON, and Mr. GRAMM):

S. 291. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for State and local sales taxes in lieu of State and local income taxes and to allow the State and local income tax deduction against the alternative minimum tax; to the Committee on Finance.

Mr. THOMPSON. Mr. President, today I am introducing legislation that will address an inequity in the tax code that affects the citizens of my state and citizens of other states that do not have a state income tax. Tennesseans are discriminated against under federal tax laws simply because our state choose to raise revenue primarily through a sales tax instead of an income tax. My bill would end this inequity by allowing taxpayers to deduct either their state and local sales taxes or their state and local income taxes on their federal tax forms, but not both. My bill would also ensure that Tennesseans who benefit from this deduction would not be caught under the federal alternative minimum tax, AMT, by allowing individuals to deduct their state and local taxes paid when computing their AMT tax liability.

Under current law, individuals who itemize their deductions for federal tax purposes are only permitted to deduct state and local income taxes and property taxes paid. State and local sales taxes are not deductible. Therefore, residents of nine states are treated differently from residents of states that have an income tax. Seven states—Texas, Wyoming, Alaska, Florida, South Dakota, Washington, and Nevada—have no state income tax. Two states—Tennessee and New Hampshire—only impose an income tax on interest and dividends, but not wages.

Prior to 1986, taxpayers were permitted to deduct all of their state and local taxes paid, including income, sales and property taxes, when computing their federal tax liability. The ability to deduct all state and local taxes is based on the principle that levying a tax on a tax is unfair.

In 1986, however, Congress made dramatic changes to the tax code. The Tax Reform Act of 1986 significantly reduced federal tax rates on individuals. In exchange for these lower rates, Congress broadened the base of income that is taxed by eliminating many of the deductions and credits that previously existed in the code, including the deduction for state and local sales taxes. The deduction for state and local income taxes, however, was retained.

The 1986 Act also tightened the alternative minimum tax rules. The AMT is a separate, complicated tax system that was originally intended to ensure

that wealthy taxpayers could not use the tax code's many deductions and credits to completely zero out their federal tax liability. However, each year more and more middle income individuals are being caught under the AMT who were never intended to be affected by it. Under current law, individuals are not permitted to deduct their state and local taxes when computing their alternative minimum tax liability. This is a major factor pushing Americans under the AMT. By allowing individuals to deduct state and local taxes under the AMT, my bill will ensure that restoring equity in this area will not push more Tennesseans under the AMT. It makes no sense to me to give Tennesseans a tax cut on the one hand, then take it away with the other.

I believe that our federal tax laws should be neutral with respect to the treatment of state and local taxes. As I have said, that is not the case now. The current tax code is biased in favor of states that raise revenue through an income tax. The current tax code is also needlessly complex. There is widespread agreement among tax experts that the AMT is a primary cause of complexity in the tax code and should be repealed. I strongly support comprehensive reform of the tax code that will address issues such as neutrality, fairness and simplicity. As we work to reform the overall tax code, restoring equality in these areas and should be a part of the discussion.

By Mr. CLELAND (for himself and Mr. WYDEN):

S. 292. A bill to amend the Internal Revenue Code of 1986 to expand the enhanced deduction for corporate donations of computer technology to senior centers and community centers; to the Committee on Finance.

Mr. CLELAND. Mr. President, the U.S. Department of Commerce's latest report on Internet access in the U.S. is out. According to the Department's *Falling Through the Net: Toward Digital Inclusion*, published last October, more Americans than ever have Internet access and own computers.

The number of Americans using the Internet jumped to 116.5 million in August 2000, 31.9 million more Americans than were online in December 1998. And groups that have traditionally been digital "have nots" are making significant gains, according to the Commerce report's findings. Almost 39 percent of rural households, for example, now have Internet connections, a 75 percent increase over the last 20 months. The report found that African American households are now more than twice as likely to have Internet access at home than they were 20 months ago. Similarly, Internet access in Hispanic households has also nearly doubled and now stands at 23.6 percent. And more Americans at every income level have Internet access in their homes, especially at the middle income levels. Today, two out of every three households earning more than \$50,000 have Internet connections.

Although more Americans than ever are connected to the Internet, the report concludes that a "digital divide" still exists "between those with different levels of income and education, different racial and ethnic groups, old and young, single and dual-parent families, and those with and without disabilities." According to the Commerce Department report, for example, more than three-fourths of all households earning in excess of \$75,000 use the Internet at home, while less than one-fifth of the households with incomes of under \$15,000 do. In some cases, the digital divide has even expanded over the last 20 months. The gap in Internet access rates between African American households and the nation as a whole is now 18 percent—3 percent more than in December 1998. And the gap in Internet access between Hispanic households and the national average is 17.9 percent—4.3 percent more than it was 20 months ago.

Increasing numbers of Americans are using the Internet to vote, shop, pay bills, take education courses, and acquire new skills. It is therefore becoming more and more critical that all Americans have the tools necessary for full participation in the Information Age economy. Access to these tools is essential to ensure that our economy continues to grow and that in the future no one is left behind.

A viable alternative for many of these under-served individuals is Internet access outside the home, and statistics show that computer use at schools, libraries, and other public access points such as community centers is on the rise. Today I am joined by my distinguished colleague, Senator WYDEN, in introducing the Community Technology Assistance Act. Currently, the special enhanced tax deduction exists in the case of computer equipment donated to elementary and secondary schools and public libraries. Our bill would expand this tax incentive to include computer donations to community and senior centers as well. Consider the many high-profile technology and Internet related companies, such as Microsoft, Intel and AmericaOnline, that have donated computer equipment and web access to schools and universities across America. Our bill would encourage companies and individuals to invest in their community and jump start efforts to help bridge the digital divide in rural and low-income areas everywhere.

In addition, we know a digital divide exists between seniors and the population as a whole. In fact, the October 2000 Commerce Department report found that individuals over the age of 50 are among the least likely to be connected to the Internet, with an Internet use rate of less than 30 percent. Internet access at senior centers offers older Americans a promising opportunity. According to the National Association of State Units on Aging, eight states have conducted surveys on computer and on-line access at their

senior centers. Pennsylvania reports, for example, that while more than 250 of their 650 senior centers are linked to the Internet, many more need computers. West Virginia indicates that every center that has opened a computer training program presently has a waiting list. In an informal survey, Georgia reports that no more than half of the state's approximately 200 senior centers have computers available for participant use—and "that would be a generous estimate." Clearly, the need is there to increase the availability of 21st Century technology to America's senior citizens.

In a society that increasingly relies on computers and the Internet to deliver information and enhance communication, we need to ensure that all Americans have access to the fundamental tools of the Information Age. As the Commerce Department report concludes, there is still much more to be done to make certain that we close the gap between the digital "haves" and "have nots" and ensure that everyone is included in the 21st Century economy. The Community Technology Assistance Act is a positive step in creating digital opportunity for all Americans.

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. 292

*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 "Community Technology Assistance Act".

#### SEC. 2. FINDINGS.

Congress finds the following:

(1) From December 1998 to August 2000, the share of Americans using the Internet jumped by over 35 percent, from 32.7 percent to 44.4 percent, according to the recent United States Department of Commerce report, *Falling Through the Net: Toward Digital Inclusion*. If growth continues at that rate, more than half of all Americans will be using the Internet by the middle of this year, the report projects.

(2) Although more Americans than ever are connected to the Internet, the most recent data show that a "digital divide" still exists between those with different levels of income and education, different racial and ethnic groups, old and young, single and dual parent families, and those with and without disabilities, according to the United States Department of Commerce.

(3) Although both African Americans and Hispanic Americans have shown gains in Internet access over the past 20 months, still only about 16 percent of Hispanic Americans and just under 19 percent of African Americans use the Internet at home, compared to a third of the United States population as a whole.

(4) The gap in Internet access rates between African American households and the national average is 18 percent; 3 percent more than in December 1998 and the gap in Internet access between Hispanic American households and the national average is 17.9 percent; 4.3 percent more than it was in 1998.

(5) Individuals over 50 years old are among the least likely to be Internet users, with an

Internet use rate of less than 30 percent. However, individuals in this age group are almost 3 times as likely to be Internet users if they are in the labor force than if they are not.

(6) Less than 1 in 5 individuals living in households with incomes of less than \$15,000 were Internet users in August 2000. In contrast, 7 out of 10 individuals living in households with incomes of at least \$75,000 had Internet access.

(7) Schools, libraries, and other public access points, such as community centers, continue to serve those groups that do not have access at home.

(8) Of those States that have surveyed computer access at senior centers, many report a need for computer and software acquisition.

**SEC. 3. ENHANCED DEDUCTION FOR CORPORATE DONATIONS OF COMPUTER TECHNOLOGY TO SENIOR CENTERS AND COMMUNITY CENTERS.**

(a) **EXPANSION OF COMPUTER TECHNOLOGY DONATIONS TO SENIOR CENTERS AND COMMUNITY CENTERS.**—Section 170(e)(6)(B)(i)(II) of the Internal Revenue Code of 1986 (relating to qualified computer contribution) is amended by striking “or” at the end of subclause (II) and by inserting after subclause (III) the following:

“(IV) a multipurpose senior center (as defined in section 102(35) of the Older Americans Act of 1965 (42 U.S.C. 3002(35)), as in effect on the date of the enactment of the Community Technology Assistance Act which is described in section 501(c)(3) and exempt from tax under section 501(a) for use by individuals who have attained 60 years of age to improve job skills in computers, or

“(V) a nonprofit or governmental community center, including any center within which an after-school or employment training program is operated.”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to contributions made after December 31, 2001.

By Mr. HARKIN (for himself, Mr. DURBIN, Mrs. CLINTON, Mr. DORGAN, and Mr. KENNEDY):

S. 293. A bill to amend the Internal Revenue Code of 1986 to provide a refundable tax credit against increased residential energy costs and for other purposes; to the Committee on Finance.

Mr. HARKIN. Mr. President, today I am introducing the Home Energy Assistance Tax Act with Senators DURBIN, CLINTON, DORGAN, and KENNEDY.

The rising cost of utility bills has reached near crisis proportions in my home state and in states across this country. Right now, millions of Americans are being buried by massive home heating bills. And if we don't do something soon, a lot of people are going to be left out in the cold.

This winter has been an especially cold one. As a result, demand for natural gas is way up, and prices have skyrocketed.

In the past few months, I've gotten phone calls and letters from people all across Iowa telling me about their outrageous heating bills. A man in West Des Moines told me that while his gas bill was \$189.87 in December—it jumped to \$601.67 in January.

A couple in Duncombe said that their \$79 gas bill in December was followed by a \$330 gas bill in January—even though they never paid more than \$120 a month last year.

And a man from Merrill told me that his bill was \$575 this month and \$475 last month, even though it was never higher than \$280 last year.

This man and his wife receive \$1,300 a month for Social Security—\$100 of which goes for Medicare and \$300 for Medicare supplement. After food and other expenses, they just don't have enough left to pay their utility bills.

Heating bills this high force people to make the kind of sacrifices that no one should have to make. A recent survey showed that 20 percent of the Iowa residents who asked for LIHEAP assistance went without medical care because of high heating bills. 12.3 percent went without food. 7.4 percent didn't pay their rent or make their house payment.

The bottom line here is that people are struggling, and they need our help to keep from freezing in their homes this winter.

That's why I believe that we should take the following three steps immediately:

First, we've got to provide more emergency funds for the Low Income Home Energy Assistance Program or LIHEAP. Many low income and elderly people simply cannot afford \$300 and \$400 and \$500 heating bills. We also need to increase the income limits on who can receive LIHEAP assistance.

Second, bills have gotten so high that even middle income Americans are struggling—we've got to find a way to help them pay their energy utility bills as well. That's why I am introducing the Home Energy Assistance Tax Act to give taxpayers a 50 percent tax credit for the difference between their utility bills this winter compared to last winter.

This credit will also cover the estimated increased costs of heating a home from heating oil or propane. It will not cover the first \$100 in increased costs. It will not benefit high-income tax-payers. The credit is phased out for those making more than \$100,000. However, this credit will be refundable so that people with low incomes could still receive it.

One key problem with using the tax code to provide assistance is that people do not normally see its benefit until after they file their next tax return and receive a refund. However, taxpayers can reduce their payroll withholding by the amount of this credit and get the money quickly. So this credit can provide quick and meaningful help.

The bill—much like a measure introduced by Senator BOB SMITH—will also propose tax credits for energy efficient new homes and energy efficient heating, air conditioning and water-heating appliances. It will also provide tax benefits for similar energy conservation by businesses.

Energy efficiency is crucial for quelling our home heating crisis. By helping people conserve energy, we reduce consumption and help them lower their heating bills. And when we reduce the

demand that has driven prices up, we restore balance to the market and lower prices for everyone. Also, when we use less fuel, we create less air pollution and reduce our dependence on foreign sources. So energy efficiency tax credits are a win-win-win solution.

I am also joining Senator KERRY in introducing a separate bill today that will provide some relief for small business owners by allowing them to acquire low interest emergency.

I am, of course, fully aware that high gas prices have spurred new drilling which should eventually increase supply and bring prices back down. But this could take years. People are being hammered by high heating bills right now, and we need to act now to help our constituents.

No one should be left out in the cold this winter. I hope that we can come together in the next few weeks and pass important legislation to help keep America warm.

I urge that the Senate consider and pass this measure.

I ask unanimous consent that a fact sheet be printed in the RECORD.

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

**HOME ENERGY ASSISTANCE TAX ACT (HEAT)**  
*Exactly what is covered? Who is covered? What is covered?*

Provides a refundable 50 percent credit from the first utility bill covering a period starting in November till the one ending during March this year minus a similar period last winter. This is a one time benefit.

Who: All taxpayers who have a principal residence and who have energy utility costs this winter that are more than \$100 more than last year's costs. There is a phase out of benefits for those with higher incomes starting at \$75,000 adjusted gross income. The benefit is completely phased out at \$100,000.

What: All energy utility bills plus any fuel used to heat the home like heating oil or propane.

It covers bills that people are responsible for, not including LIHEAP and other government payments. A renter benefits if they are responsible for their bills.

*How easy is this going to be for people to figure out?*

Utilities can very easily supply customers with the total bills for the period from a year ago. Then all they need to do is subtract.

For those who use a bulk purchased fuel such as heating oil or propane to heat their homes: There will be an estimated average cost for each county determined by: (1) The number of degree days in the two years from November 15 to May 15; (2) the difference in the price of the fuel used this winter and last, and (3) the amount needed to heat an average home. That figure would be used to cover the cost of that fuel in addition to the other energy utility bills.

The IRS would calculate this number, getting their numbers from NOAA, DOE and HUD.

*What about those who just bought their home?*

They would be allowed to use a government estimate of the average increase for their county.

By Mr. SANTORUM (for himself and Mr. KOHL):

S. 294. A bill to amend the Agricultural Market Transition Act to establish a program to provide dairy farmers

a price safety net for small- and medium-sized dairy producers; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. SANTORUM. Mr. President, I rise today to introduce legislation to assist our nation's dairy farmers. I represent a state where agriculture is the number one industry—dairy being the leading sector, and ranks fourth in national dairy production. Agriculture has, and continues to be, the backbone of our rural communities and our social character. While heated debates and regional politics have eclipsed opportunities to pass meaningful dairy legislation, I feel strongly that we must forge consensus in order to assist our nation's dairy families.

I am pleased to have joining me in this effort my colleague from Wisconsin Senator HERB KOHL. While I am grateful for the opportunity to work with Senator KOHL on an issue of great importance to both of our home states, it unfortunately signals that our nation's dairy industry continues to grapple with difficult economic times.

Senator KOHL and I worked together over the past year to forge a consensus plan that addresses the concerns of dairy farmers nationwide. For far too long, regional politics have plagued efforts to achieve a fair and equitable national dairy policy. As a result, milk pricing has become increasingly complex and overly prescriptive. Given that dairy farmers have been receiving the lowest price for their milk in more than twenty years, I feel strongly that Congress needs to step to the plate and offer a fair and responsible solution.

The National Dairy Farmers Fairness Act has two major goals: (1) Create a dairy policy that is equitable for farmers in all regions of the country; and (2) provide more certainty for farmers in the prices they receive for their milk. To accomplish these goals, this legislation creates a safety net for farmers by providing supplemental assistance when milk prices are low. Specifically, a sliding scale payment is made based upon the previous year's price for the national average of Class III milk. In short, the payment rate to farmers is highest when the prices they received were the lowest. In order to be eligible, a farmer must have produced milk for commercial sale in the previous year, and would be compensated on the first 26,000 hundredweight of production. All dairy producers would be eligible to participate under this scenario.

Without a doubt, our dairy pricing policy is flawed. Many solutions—modest to sweeping—have been proposed, discussed, and debated on the Senate floor yet final agreement among interested parties has eluded us for years. Considering that we will begin laying the groundwork for reauthorization of the Farm Bill over the next year, the time for consensus is now.

I am committed to preserving the viability of Pennsylvania's dairy farmers. This legislative proposal represents the strong concern and interest

of mine to find a middle ground in the often heated debate on dairy policy. I am pleased to join with Senator KOHL in this effort, and I believe it sends a strong signal that compromise can be achieved even on the most contentious of issues.

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. 294

*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 "National Dairy Farmers Fairness Act of 2001".

#### SEC. 2. FINDINGS.

Congress finds that—

(1) dairy farm families of the United States are enduring an unprecedented financial crisis;

(2) the price of raw milk sent to the market by the dairy farm families has fallen to the levels received in 1978; and

(3) the number of family-sized dairy operations has decreased by almost 75 percent in the last 2 decades, with some States losing nearly 10 percent of their dairy farmers in recent months.

#### SEC. 3. DAIRY FARMERS PROGRAM.

Chapter 1 of subtitle D of the Agricultural Market Transition Act (7 U.S.C. 7251 et seq.) is amended by adding at the end the following:

##### "SEC. 153. DAIRY FARMERS PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) APPLICABLE FISCAL YEAR.—The term 'applicable fiscal year' means each of fiscal years 2001 through 2008.

"(2) CLASS III MILK.—The term 'Class III milk' means milk classified as Class III milk under a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

"(b) PAYMENTS.—For each applicable fiscal year, the Secretary shall make a payment to producers on a farm that, during the applicable fiscal year, produced milk for commercial sale, in the amount obtained by multiplying—

"(1) the payment rate for the applicable fiscal year determined under subsection (c); by

"(2) the payment quantity for the applicable fiscal year determined under subsection (d).

"(c) PAYMENT RATE.—

"(1) IN GENERAL.—Subject to paragraph (2), the payment rate for a payment made to producers on a farm for an applicable fiscal year under subsection (b) shall be determined as follows:

<b>"If the average price received by producers in the United States for Class III milk during the preceding fiscal year was (per hundredweight)—</b>	<b>The payment rate for a payment made to producers on a farm for the applicable fiscal year under subsection (b) shall be (per hundredweight)—</b>
\$10.50 or less .....	.50
\$10.51 through \$11.00 .....	.42
\$11.01 through \$11.50 .....	.34
\$11.51 through \$12.00 .....	.26
\$12.01 through \$12.50 .....	.18.

"(2) INCREASED PAYMENT RATE.—If the producers on a farm produce during an applicable fiscal year a quantity of all milk that is not more than the quantity of all milk pro-

duced by the producers on the farm during the preceding fiscal year, the payment rate for a payment to the producers on the farm for the applicable fiscal year under paragraph (1) shall be increased as follows:

<b>"If the average price received by producers in the United States for Class III milk during the preceding fiscal year was (per hundredweight)—</b>	<b>The payment rate for a payment made to the producers on the farm for the applicable fiscal year under paragraph (1) shall be increased by (per hundredweight)—</b>
\$10.50 or less .....	.30
\$10.51 through \$11.00 .....	.26
\$11.01 through \$11.50 .....	.22
\$11.51 through \$12.00 .....	.18
\$12.01 through \$12.50 .....	.14.

"(d) PAYMENT QUANTITY.—

"(1) IN GENERAL.—Subject to paragraph (2), the quantity of all milk for which the producers on a farm shall receive a payment for an applicable fiscal year under subsection (b) shall be equal to the quantity of all milk produced by the producers on the farm during the applicable fiscal year.

"(2) MAXIMUM QUANTITY.—The quantity of all milk for which the producers on a farm shall receive a payment for an applicable year under subsection (b) shall not exceed 26,000 hundredweight of all milk.

"(e) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

By Mr. KERRY (for himself, Mr. LIEBERMAN, Ms. SNOWE, Mr. BINGAMAN, Ms. LANDRIEU, Mr. JOHNSON, Mr. DOMENICI, Mr. LEVIN, Mr. WELLSTONE, Mr. JEFFORDS, Mr. HARKIN, Mr. SCHUMER, Mrs. CLINTON, Mr. KOHL, Mr. EDWARDS, Mr. LEAHY, Mr. BAUCUS, Ms. COLLINS, Mr. SMITH of New Hampshire, Mr. DODD, Mr. CHAFEE, and Mr. BAYH):

S. 295. A bill to provide emergency relief to small businesses affected by significant increases in the prices of heating oil, natural gas, propane, and kerosene, and for other purposes; to the Committee on Small Business.

Mr. KERRY. Mr. President, today I rise to introduce legislation that helps to address the significant price increase of heating fuels and the adverse impact those prices are having on our 24 million small businesses and the self-employed. I thank my colleagues who are cosponsors. Senators LIEBERMAN, SNOWE, BINGAMAN, LANDRIEU, JOHNSON, DOMENICI, LEVIN, WELLSTONE, JEFFORDS, HARKIN, SCHUMER, CLINTON, KOHL, EDWARDS, LEAHY, BAUCUS, and COLLINS.

As so many of my colleagues know, many small businesses are dependent upon heating oil, propane, kerosene and natural gas. They are dependent either because they sell or distribute the product, or because they use it to heat their facilities or as part of their business. The significant and unforeseen rise in the price of these fuels over the past two years, compounded by cold snaps and slowed economic conditions this winter, threatens their economic viability.

The financial falter or failure of small businesses has the potential to extend far beyond the businesses themselves, and we simply can't afford that.

Jobs alone make this a reason to mitigate the small business disruptions or failures because they provide more than 50 percent of private-sector jobs. And the self-employed, who largely work out of their homes, and number 16 million according to the National Association for the Self-Employed, NASE, represent more than 7 percent of the nation's workforce.

My bill, the Small Business Energy Emergency Relief Act of 2001, would provide emergency relief, through affordable, low-interest Small Business Administration Disaster loans, to small businesses adversely affected by, or likely to be adversely affected by, significant increases in the prices of four heating fuels—heating oil, propane, kerosene, and natural gas.

Who are these business owners? They are the self-employed who work out of their homes and can't turn down the thermostat to 55 degrees while they are at the office from 8 am to 6 pm. They are the home heating oil distributors who see the price of their inventory skyrocket beyond the reach of their credit lines and cash flows. They are the Mom-and-Pop stores, local restaurants and corner cafes that need to keep a warm place for folks to enjoy. They are the small day-cares for children and nursing homes for the elderly.

According to Department of Energy statistics, the cost of heating fuel has been highly volatile in recent years. For example,

The cost of heating oil nationally climbed 72 percent from February 1999 to February 2000.

The cost of natural gas nationally climbed 27 percent from September 1999 to September 2000.

And the cost of propane climbed 54 percent from January 2000 to January 2001.

While these national fluctuations capture the larger market trends, they do not demonstrate how some localities have been even harder hit by unpredictable and sudden price spikes because of a greater dependence on a single fuel, insufficient inventories, distribution problems and other reasons. Last year in New England, for example, the threat of a relatively common cold winter snap put such serious pressure on the insufficient supply of heating oil that Massachusetts declared a state of emergency. With consumers at the mercy of a market—need up and supply down—the price of heating oil soared. In a matter of weeks, the average price per gallon of heating oil fuel went up 60 percent, from \$1.12 to \$1.79. When operating costs rise gradually, small businesses have time to plan and adjust their pricing and operations accordingly. Rapid shifts in operating costs, however, can disrupt a small company's business plans causing short-term cash flow difficulties. It is the kind of volatility that can make planning month to month as difficult as planning year to year.

Here's the situation. For those businesses in danger of or suffering from

significant economic injury caused by crippling increases in the costs of heating fuel, they need access to capital to mitigate or avoid serious losses. However, commercial lenders typically won't make loans to these small businesses because they often don't have the increased cash flow to demonstrate the ability to repay the loan. In fact, the Massachusetts Oilheat Council in Wellesley Hills, which is a state trade association that represents the heating oil industry, and whose members deliver more than 60 percent of the heating oil to homes and businesses across the state, retailers of heating oil faced not only "stretched credit lines" but even "negative cash flows." Who is going to give you a loan when you have a negative cash flow?

To exacerbate the situation, banks have tightened their lending to small businesses by 45 percent over the past three months. According to the Federal Reserve Board's quarterly survey on lending practices that was released Monday, February 5th, banks surveyed said they have tightened credit to small businesses, particularly on riskier loans, by making borrowing more expensive and requiring customers to have less outstanding debt. They have changed their lending policies because they are concerned about "a less favorable or more uncertain economic outlook . . . and a reduced tolerance for risk." While the banks say that only a handful of borrowers canceled their plans under the stricter lending policies, I think the Federal Reserve Board's survey reinforces the need for this legislation.

You see, Mr. President, commercial lenders are unlikely to make the type of loans we're talking about without an added incentive, such as a Federal loan guarantee. And last year I supported that approach to help small businesses deal with the heating oil problem by enlisting the SBA, its lending partners, and relevant trade associations to use and publicize the SBA 7(a) government guaranteed loan program to make loans to affected small businesses. In the 7(a) loan program, the bank makes the loan, and the SBA guarantees 75 to 80 percent so that if the borrower can't repay the loan, the bank isn't on the hook for every outstanding dollar.

I wrote to the SBA. I called the Massachusetts Bankers Association, and I called individual bank presidents and asked them to use this tool for affected small businesses and to aggressively market the availability of the 7(a) loans and SBA's other programs. Some of the publications helped to spread the word, including the Boston Business Journal and the Boston Herald. It was a real team effort.

While tapping into the SBA's guaranteed loan programs was helpful for some, and one part of the solution, the heating fuel price spike has turned out to be more than a one-year anomaly and so there is a need to go a step further—we need to make capital accessible to even more small businesses. We

can do that through the SBA's Economic Injury Disaster Loans.

Economic injury disaster loans give affected small business necessary working capital until normal operations resume, or until they can restructure or change the business to address the market changes. These are direct loans, made through the SBA, at subsidized interest rates, of 4 percent or less, versus the current Federally guaranteed lending rate of Prime + 2¼ percent, 10¾ percent on Monday. Paying 4 percent versus almost 11 percent in interest makes a big difference to that small business owner. Further, SBA tailors the repayment of each economic injury disaster loan to each borrower's financial capability, enabling them to avoid the robbing Peter to pay Paul syndrome, as they juggle bills.

Clearly, these loans are much more affordable for the already struggling small businesses, and, since time is of the essence, the infrastructure is already in place to quickly distribute the loans. SBA delivers disaster loans through four specialized Disaster Area Offices located in New York, Georgia, Texas and California. In addition, the 70 SBA District Offices can help small businesses learn the program and direct the paperwork to the disaster offices. And there are the Small Business Development Centers in every state, with a network of more than 1,000 service locations, the Business Information Centers, and the Women's Business Centers to help small businesses seeking information about and applying for these loans.

Building on the SBA's Disaster Loan Program so that small businesses adversely affected by the heating fuel prices are eligible to apply for economic injury loans complements our efforts last year. I encourage SBA's lending partners to continue to publicize and provide guaranteed loans to affected small businesses. It creates a comprehensive approach to helping small businesses across the nation get the assistance they need, and gives us one more way to assist in the success of our small businesses. And again, economic injury disaster loans are a reasonable approach to the problem.

By providing assistance in the form of loans which are repaid to the Treasury, the SBA disaster loan program helps reduce the Federal emergency and disaster costs, compared to other forms of disaster assistance, such as grants.

On practical terms, SBA considers economic injury to be when a small business is unable, or likely to be unable, to meet its obligations as they mature or to pay its ordinary and necessary operating expenses. To be eligible to apply for an economic injury loan, you must be a small business, you must have used all reasonably available funds, and you must be unable to obtain credit elsewhere.

Under this program, the disaster must be declared by the President, the SBA Administrator, or a governor at



the discretion of the Administrator. Small businesses will have six months to apply from November 1, 2000 or, for future disasters, from the day a disaster is declared.

This legislation will help those who have nowhere else to turn. We've got the tools at the SBA to assist them, and I believe it's more than justified, if not obligatory, to use the economic injury disaster loan program to help these small businesses.

The volatile price jumps of heating fuels are tied to international factors relating to larger energy issues—among them the supply and demand of crude oil—and therefore beyond the control of small business owners. While you have scholars and industry experts making prognostications about whether the price spikes were temporary or here for the long haul, I have grown weary of long-term prognostications. As Yogi Berra is alleged to have said, "Predictions are always difficult, especially about the future."

I believe small business owners can be cautious and budget for the proverbial rainy day, but I think it is unreasonable to expect that they can anticipate, and afford to budget enough money to cover, price jumps of 60 to 100 percent. And who can predict the weather, particularly cold snaps during historically mild winter conditions? These price spikes are largely unforeseeable, even though there will always be the people who say, "I told you so."

Introducing this legislation is only a first step. We need to consider it in Committee, Congress to pass it, and the President to sign if before it is too late to help struggling small business owners. I thank Senator BOND for his cooperation on this legislation, particularly his willingness to expedite judicious consideration by the Small Business Committee.

I urge my colleagues to support this legislation. SBA's programs make recovery affordable, and with the right support, can help mitigate the cost of significant economic disruption in your states caused when affected small businesses falter or fail, leading to job layoffs and unstable tax bases.

I ask unanimous consent that the text of the bill and a letter to Aida Alvarez be printed in the RECORD.

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

S. 295

*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 "Small Business Energy Emergency Relief Act of 2001".

#### SEC. 2. FINDINGS.

The Congress finds that—

(1) a significant number of small businesses in the United States use heating oil, natural gas, propane, or kerosene to heat their facilities and for other purposes;

(2) a significant number of small businesses in the United States sell, distribute, market, or otherwise engage in commerce directly related to heating oil, natural gas, propane, and kerosene; and

(3) sharp and significant increases in the price of heating oil, natural gas, propane, or kerosene—

(A) disproportionately harm small businesses dependent on those fuels or that use, sell, or distribute those fuels in the ordinary course of their business, and can cause them substantial economic injury;

(B) can negatively affect the national economy and regional economies;

(C) have occurred in the winters of 1983–1984, 1988–1989, 1996–1997, and 1999–2000; and

(D) can be caused by a host of factors, including global or regional supply difficulties, weather conditions, insufficient inventories, refinery capacity, transportation, and competitive structures in the markets, causes that are often unforeseeable to those who own and operate small businesses.

#### SEC. 3. SMALL BUSINESS ENERGY EMERGENCY DISASTER LOAN PROGRAM.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting after paragraph (3) the following:

"(4)(A) In this paragraph—

"(i) the term 'heating fuel' means heating oil, natural gas, propane, and kerosene; and

"(ii) the term 'sharp and significant increase' shall have the meaning given that term by the Administrator, in consultation with the Secretary of Energy.

"(B) The Administration may make such disaster loans, including revolving lines of credit, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, to assist a small business concern that has suffered or that is likely to suffer substantial economic injury as the result of a sharp and significant increase in the price of heating fuel.

"(C) A small business concern described in subparagraph (B) shall be eligible to apply for assistance under this paragraph beginning on the date on which the sharp and significant increase in heating fuel cost occurs, as determined by the Administration, and ending 6 months after that date.

"(D) Any loan or guarantee extended pursuant to this paragraph shall be made at the same interest rate as economic injury loans under paragraph (2).

"(E) No loan may be made under this paragraph, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under this subsection would exceed \$1,500,000, unless such applicant constitutes a major source of employment in its surrounding area, as determined by the Administration, in which case the Administration, in its discretion, may waive the \$1,500,000 limitation.

"(F) For purposes of assistance under this paragraph—

"(i) a declaration of a disaster area shall be required, and shall be made by the President or the Administrator; or

"(ii) if no declaration has been made pursuant to clause (i), the Governor of a State in which a sharp and significant increase in the price of heating fuel has occurred may certify to the Administration that small business concerns have suffered economic injury as a result of such increase and are in need of financial assistance which is not available on reasonable terms in that State, and upon receipt of such certification, the Administration may make such loans as would have been available under this paragraph if a disaster declaration had been issued."

#### SEC. 4. GUIDELINES.

Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue such guidelines as the Administrator

determines to be necessary to carry out this Act and the amendments made by this Act.

#### SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply to economic injury suffered or likely to be suffered as the result of sharp and significant increases in the price of heating fuel occurring on or after November 1, 2000.

U.S. SENATE,  
COMMITTEE ON SMALL BUSINESS,  
Washington, DC, January 31, 2000.

Hon. AIDA ALVAREZ,  
Administrator, Small Business Administration,  
Washington, DC.

DEAR ADMINISTRATOR ALVAREZ: I am writing to urge immediate action on a critical problem facing small businesses in the Northeast that deliver home heating oil. As you may know, the price of home heating oil has increased dramatically in recent weeks—as much as 80 to 100 percent in certain areas—creating a tremendous burden on the financial resources of several small companies. Many of these businesses do not have the credit lines or cash flow to compensate for the price increase and are in dire need of assistance.

As a general matter, home heating oil distributors develop seasonal business plans, including credit lines, based on anticipated oil prices, customer demand, customer repayment schedules and obligations to repay suppliers. However, the surge in heating oil prices exceeds what most businesses could have possibly anticipated, and it has placed a tremendous strain on several companies' cash-flow. Compounding this problem is the fact that the repayment schedules to pay suppliers is often considerably shorter than the repayment schedules for customers. This problem is becoming acute and is threatening the financial viability of many small businesses in the home heating oil market place. The financial failure of these small businesses has the potential to extend far beyond the businesses themselves if the delivery of the fuel to commercial and residential consumers is disrupted.

SBA, with its network of district offices in every state, is uniquely situated to respond quickly to this situation. On behalf of the businesses and consumers affected by this current price spike, I ask that you immediately start working with SBA-participating lenders in affected states to expedite short-term loans to credit-worthy home heating oil dealers.

Thank you for your immediate attention to this problem. I am ready to facilitate this assistance in any way I can.

Sincerely,

JOHN F. KERRY.

By Ms. COLLINS:

S. 296. A bill to authorize the conveyance of a segment of the Loring Petroleum Pipeline, Maine, and related easements; to the Committee on Armed Services.

Ms. COLLINS. Mr. President, I rise today to introduce the Loring Pipeline Reunification Act, a bill to authorize the conveyance of a segment of the Loring Petroleum Pipeline from the U.S. Air Force to the Loring Development Authority, LDA, in Limestone, ME. The LDA will soon control more than two-thirds of this pipeline as the result of a process that was initiated nearly 3 years ago. By conveying the remaining segment to the LDA with this bill and placing the pipeline under the control of one entity, its value will

be maximized as will its ability to foster the economic development of northern Maine.

The pipeline at issue originally was built to supply the Loring Air Base with fuel products critical to its mission. Prior to the base's closure in 1994, Defense Fuels, now known as the Defense Energy Support Center, DESC, would deliver fuel products by tanker to Searsport, where the line originates, and then pump them through the line to the base. For a period following the base closure, the Maine Air National Guard continued to use the Searsport to Bangor segment to supply their activities in Bangor. After a study by Defense Fuels, however, the Air National Guard changed their means of transporting fuel from pipeline to truck. Consequently, in 1999, the U.S. Air Force made the largest segment of the pipeline, which runs from Bangor to Limestone, available to LDA for reuse. The Air National Guard supports the reunification of this pipeline under LDA's control as does the Maine State Department of Transportation.

In consideration of the large geographical expanse of my State, the often treacherous winter driving conditions, and the fuel shortages that have vexed the Northeast over the past two winters, I believe that the reunification and return to use of this pipeline would serve the public good in northern Maine. It would provide a safer and more efficient means of transporting fuel and, thereby improve the climate for manufacturing and processing plants currently considering new operations in the economically challenged area surrounding Limestone.

It is also worth noting, that from a cost-avoidance perspective, my bill will save the U.S. taxpayer more than \$100,000 which would otherwise be required to support the administrative disposal of this currently unused pipeline. By passing this bill, the Senate and, ultimately, the Congress can help expand the options and opportunities for Aroostook County.

By Mr. MCCONNELL (for himself and Mr. DODD):

S. 298. A bill to amend the Internal Revenue Code of 1986 to allow non-itemizers a deduction for a portion of their charitable contributions, and for other purposes; to the Committee on Finance.

Mr. MCCONNELL. 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. 298

*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 "Giving Incentives for Taxpayers Act".

#### SEC. 2. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to chari-

table, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—

"(1) IN GENERAL.—In the case of an individual who does not itemize the individual's deductions for the taxable year, the amount allowable under subsection (a) shall be taken into account as a direct charitable deduction under section 63.

"(2) LIMITATION.—The portion of the amount allowable under subsection (a) to which paragraph (1) applies for the taxable year shall not exceed \$500 (\$1,000 in the case of a joint return)."

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Section 63(b) of the Internal Revenue Code of 1986 (relating to individuals who do not itemize their deductions) 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) the direct charitable deduction."

(2) DEFINITION.—Section 63 of such Code (relating to taxable income defined) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m)."

(3) CONFORMING AMENDMENT.—Section 63(d) of such Code (defining itemized deductions) 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) the direct charitable deduction."

(c) TIME WHEN CONTRIBUTIONS DEEMED MADE.—Section 170(f) of the Internal Revenue Code of 1986 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

"(10) TIME WHEN CONTRIBUTIONS DEEMED PAID.—For purposes of this section, in the case of an individual, a taxpayer shall be deemed to have paid a charitable contribution on the last day of the preceding taxable year if the contribution is paid on account of such taxable year and is paid not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

By Mr. THOMAS (for himself, Mr. CRAIG, Mr. CRAPO, Mr. MURKOWSKI, and Mr. ENZI):

S. 301. A bill to amend the National Environmental Policy Act of 1969 to require that Federal agencies consult with state agencies and county and local governments on environmental impact statements; to the Committee on Environment and Public Works.

Mr. THOMAS. Mr. President, I rise today to introduce the State and Local Government Participation Act of 2001 which would amend the National Environmental Policy Act, NEPA. This bill is designed to guarantee that federal agencies identify state, county and local governments as cooperating agencies when fulfilling their environ-

mental planning responsibilities under NEPA.

NEPA was designed to ensure that the environmental impacts of a proposed federal action are considered and minimized by the federal agency taking that action. It was supposed to provide for adequate public participation in the decision making process on these federal activities and document an agency's final conclusions with respect to the proposed action.

Although this sounds simple and quite reasonable, NEPA has become a real problem in Wyoming and many states throughout the nation. A statute that was supposed to provide for additional public input in the federal land management process has instead become an unworkable and cumbersome law. Instead of clarifying and expediting the public planning process on federal lands, NEPA now serves to delay action and shut-out local governments that depend on the proper use of these federal lands for their existence.

The State and Local Government Participation Act is designed to provide for greater input from state and local governments in the NEPA process. This measure would simply guarantee that state, county and local agencies be identified as cooperating entities when preparing land management plans under NEPA. Although the law already provides for voluntary inclusion of state and local entities in the planning process, too often, the federal agencies choose to ignore local governments when preparing planning documents under NEPA. Unfortunately, many federal agencies have become so engrossed in examining every environmental aspect of a proposed action on federal land, they have forgotten to consult with the folks who actually live near and depend on these areas for their economic survival.

States and local communities must be consulted and included when proposed actions are being taken on federal lands in their state. Too often, federal land managers are more concerned about the comments of environmental organizations located in Washington, D.C. or New York City than the people who actually live in the state where the proposed action will take place. This is wrong. The concerns, comments and input of state and local communities is vital for the proper management of federal lands in the West. The State and Local Government Participation Act of 2001 will begin to address this troubling problem and guarantee that local folks will be involved in proposed decisions that will affect their lives.

#### ADDITIONAL COSPONSORS

S. 7

At the request of Mr. DASCHLE, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 7, a bill to improve public education for all children and support lifelong learning.

S. 21

At the request of Mr. DASCHLE, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 21, a bill to establish an off-budget lockbox to strengthen Social Security and Medicare.

S. 27

At the request of Mr. MCCAIN, the names of the Senator from South Dakota (Mr. JOHNSON), the Senator from Vermont (Mr. LEAHY), the Senator from Maryland (Mr. SARBANES), and the Senator from Nevada (Mr. REID) were added as cosponsors of S. 27, a bill to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform.

S. 88

At the request of Mr. ROCKEFELLER, the names of the Senator from Virginia (Mr. WARNER), the Senator from Utah (Mr. BENNETT), and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 88, a bill to amend the Internal Revenue Code of 1986 to provide an incentive to ensure that all Americans gain timely and equitable access to the Internet over current and future generations of broadband capability.

S. 122

At the request of Mr. CAMPBELL, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 122, a bill to prohibit a State from determining that a ballot submitted by an absent uniformed services voter was improperly or fraudulently cast unless that State finds clear and convincing evidence of fraud, and for other purposes.

S. 123

At the request of Mrs. FEINSTEIN, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 123, a bill to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

S. 126

At the request of Mr. CLELAND, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 126, a bill to authorize the President to present a gold medal on behalf of Congress to former President Jimmy Carter and his wife Rosalynn Carter in recognition of their service to the Nation.

S. 135

At the request of Mrs. FEINSTEIN, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 135, a bill to amend title XVIII of the Social Security Act to improve payments for direct graduate medical education under the medicare program.

S. 152

At the request of Mr. GRASSLEY, the names of the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Vermont (Mr. JEFFORDS), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Georgia (Mr. CLELAND), and the Senator from Utah (Mr. HATCH)

were added as cosponsors of S. 152, a bill to amend the Internal Revenue Code of 1986 to eliminate the 60-month limit and increase the income limitation on the student loan interest deduction.

S. 170

At the request of Mr. REID, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 174

At the request of Mr. KERRY, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 174, a bill to amend the Small Business Act with respect to the microloan program, and for other purposes.

S. 219

At the request of Mr. DODD, the names of the Senator from California (Mrs. BOXER), the Senator from Rhode Island (Mr. L. CHAFEE), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 219, a bill to suspend for two years the certification procedures under section 490(b) of the Foreign Assistance Act of 1961 in order to foster greater multilateral cooperation in international counternarcotics programs, and for other purposes.

S. 264

At the request of Ms. SNOWE, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 264, a bill to amend title XVIII of the Social Security Act to expand coverage of bone mass measurements under part B of the medicare program to all individuals at clinical risk for osteoporosis.

S. 271

At the request of Mrs. FEINSTEIN, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 271, a bill to amend title 5, United States Code, to provide that the mandatory separation age for Federal firefighters be made the same as the age that applies with respect to Federal law enforcement officers.

S. 277

At the request of Mr. KENNEDY, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 277, a bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

S. 282

At the request of Mr. HARKIN, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 282, a bill to establish in the Antitrust Division of the Department of Justice a position

with responsibility for agriculture antitrust matters.

S. 283

At the request of Mr. MCCAIN, the names of the Senator from New Jersey (Mr. CORZINE), the Senator from Michigan (Ms. STABENOW), the Senator from Massachusetts (Mr. KERRY), and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 283, a bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue code of 1986 to protect consumers in managed care plans and other health coverage.

S. 284

At the request of Mr. MCCAIN, the names of the Senator from New Jersey (Mr. CORZINE), the Senator from Michigan (Ms. STABENOW), the Senator from Massachusetts (Mr. KERRY), and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 284, a bill to amend the Internal Revenue Code of 1986 to provide incentives to expand health care coverage for individuals.

S.RES. 16

At the request of Mr. THURMOND, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S.Res. 16, a resolution designating August 16, 2001, as "National Airborne Day."

## AMENDMENTS SUBMITTED

### SMITH AMENDMENT NO. 2

(Ordered to lie on the table.)

Mr. SMITH of Oregon submitted an amendment intended to be proposed by him to the bill S. 235, to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; as follows:

Following Subsection (b), AUTHORITY TO IMPOSE LIMITATION's, insert the following:

"(c) LIMITATION ON AUTHORITY.—

"(1) The interim regional price limitation, or cost-of-service based rate, shall not apply to any sale of electric energy at the wholesale rate for delivery in a state that—

"(A) has barred regulated utilities from passing through to retail consumers FERC-mandated wholesale rates, or

"(B) has instituted caps on the retail prices that regulated utilities can charge that are too low for the regulated utilities to recover costs on a cost-of-service based rate or that have resulted in the default of payments to other utilities within the region comprising the Western Systems Coordinating Council.

"(2) Notwithstanding any other provision of law, neither the Secretary nor the Commission may order the sale of electricity or natural gas into any state that meets the criteria set forth in subsection 1, unless there is a guarantee that the seller will be paid.

"(3) Notwithstanding any other provision of law, state public utility commissions within the region comprising the Western Systems Coordinating Council may require that regulated utilities under their respective jurisdictions meet the electricity demands of that utility's service area before

making sales into any state that meets the criteria set forth in subsection 1.

“(d) INQUIRIES.—

“(1) The Commission is directed to undertake an examination to determine whether, within the region comprising the Western Systems Coordinating Council, any sale of electric energy at the wholesale rate in interstate commerce subject to the jurisdiction of the Commission under part II of the Federal Power Act is unjust, unreasonable, or unduly preferential.

“(2) The Securities and Exchange Commission (SEC) is directed to study whether the regulated utilities in states that meet the criteria set forth in Subsection (c)(1) are uncreditworthy, or have defaulted on payments, because of transfers of funds to parent holding companies or to subsidiaries beyond payments in accordance with any state deregulation statutes. The SEC is to report its findings to the House Committee on Energy and Commerce and the Senate Committees on Commerce and Energy and Natural Resources within 120 days of enactment.”

Renumber the sequential subsections accordingly.

#### BOXER AND OTHERS AMENDMENT NO. 3

Mrs. BOXER (for herself, Ms. MIKULSKI, Mr. WELLSTONE, Mr. MURKOWSKI, Mrs. FEINSTEIN, Mrs. CARNAHAN, and Mr. GRASSLEY) proposed an amendment to the bill S. 235, to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; as follows:

At the end, add the following:

#### SEC. . STUDY OF NATURAL GAS RESERVE.

(a) FINDINGS.—Congress finds that—

(1) In the last few months, natural gas prices across the country have tripled.

(2) In California, natural gas prices have increased twenty-fold, from \$3 per million British thermal units to nearly \$60 per million British thermal units.

(3) One of the major causes of these price increases is a lack of supply, including a lack of natural gas reserves.

(4) The lack of a reserve was compounded by the rupture of an El Paso Natural Gas Company pipeline in Carlsbad, New Mexico on August 1, 2000.

(5) Improving pipeline safety will help prevent similar accidents that interrupt the supply of natural gas and will help save lives.

(6) It is also necessary to find solutions of the lack of natural gas reserves that could be used during emergencies.

(b) STUDY BY THE NATIONAL ACADEMY OF SCIENCES.—The Secretary of Energy shall request the National Academy of Sciences to—

(1) conduct a study to—

(A) determine the causes of recent increases in the price of natural gas, including whether the increases have been caused by problems with the supply of natural gas or by problems with the natural gas transmission system;

(B) identify any Federal or State policies that may have contributed to the price increases; and

(C) determine what Federal action would be necessary to improve the reserve supply of natural gas for use in situations of natural gas shortages and price increases, including determining the feasibility and advisability of a federal strategic natural gas reserve system; and

(2) not later than 60 days after the date of enactment of this Act, submit to Congress a report on the results of the study.

#### MCCAIN and HOLLINGS AMENDMENT NO. 4

Mr. MCCAIN (for himself and Mr. HOLLINGS) proposed an amendment to the bill S. 235, to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; as follows:

On page 5, line 12, after “industry” insert “and employee organization”.

On page 34, line 9, strike “sections 60525” and insert “section 60125”.

On page 34, line 14, after “transferred” insert “to the Secretary of Transportation, as provided in appropriation Acts,”

On page 34, beginning in line 15, strike “fiscal year 2002, fiscal year 2003, and fiscal year 2004,” and insert “each of fiscal years 2002, 2003, and 2004.”

On page 34, line 21, strike “60125” and insert “60301”.

On page 35, line 1, strike “Transportation” and insert “Transportation, as provided in appropriation Acts,”

On page 36, line 5, strike “until—” and insert “until the earlier of the date on which—”

On page 36, line 6, strike “determines” and insert “determines, after notice and an opportunity for a hearing,”

On page 36, line 14, strike “Disciplinary action” and insert “Action”.

#### MCCAIN AND REED AMENDMENT NO. 5

Mr. MCCAIN (for Mr. REED) proposed an amendment to the bill S. 235, to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; as follows:

At the end, add the following:

#### SEC. . STUDY AND REPORT ON NATURAL GAS PIPELINE AND STORAGE FACILITIES IN NEW ENGLAND.

(a) STUDY.—The Federal Energy Regulatory Commission, in consultation with the Department of Energy, shall conduct a study on the natural gas pipeline transmission network in New England and natural gas storage facilities associated with that network. In carrying out the study, the Commission shall consider—

(1) the ability of natural gas pipeline and storage facilities in New England to meet current and projected demand by gas-fired power generation plants and other consumers;

(2) capacity constraints during unusual weather periods;

(3) potential constraint points in regional, interstate, and international pipeline capacity serving New England; and

(4) the quality and efficiency of the federal environmental review and permitting process for natural gas pipelines.

(b) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Federal Energy Regulatory Commission shall prepare and submit to the Senate Committee on Energy and Natural Resources and the appropriate committee of the House of Representatives a report containing the results of the study conducted under subsection (a), including recommendations for addressing potential natural gas transmission and storage capacity problems in New England.

#### CORZINE AMENDMENT NO. 6

(Ordered to lie on the table.)

Mr. CORZINE submitted an amendment intended to be proposed by him

to the bill S. 235, to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; as follows:

Strike section 7 and insert the following:

#### SEC. 7. PUBLIC EDUCATION, EMERGENCY PREPAREDNESS, AND COMMUNITY RIGHT TO KNOW.

(a) REQUIREMENTS.—

(1) PROGRAM REQUIREMENTS.—

(A) IN GENERAL.—Section 60116 is amended to read as follows:

#### “§60116. Public education, emergency preparedness, and community right to know

“(a) PUBLIC EDUCATION PROGRAMS.—

“(1) REQUIREMENT FOR PROGRAMS.—

“(A) IN GENERAL.—Each owner or operator of a pipeline facility shall carry out a continuing program to educate the public about its facility.

“(B) CONTENT.—

“(i) INFORMATION.—The program shall include information on the use of a one-call system for advance notification of an excavation and for other damage prevention actions, the possible hazards associated with unintended releases from the pipeline facility, the physical indications that such a release may have occurred, the steps that should be taken for public safety in the event of a pipeline release, and how to report such an event.

“(ii) OTHER ACTIVITIES.—The public education program shall also include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.

“(2) PERIODIC REVIEW.—The Secretary or the appropriate State agency shall periodically review the public education program of each owner or operator of a pipeline facility.

“(3) PROGRAM ELEMENTS, STANDARDS, AND MATERIALS.—The Secretary may prescribe the elements of an effective public education program and standards for assessing the effectiveness of the program. The Secretary may also develop materials for use in the program.

“(b) EMERGENCY PREPAREDNESS.—

“(1) LIAISON REQUIREMENT.—Each operator of a pipeline facility shall maintain liaison—

“(A) with the Office of Pipeline Safety of the Department of Transportation;

“(B) with the Regional Emergency Response Coordinator for a region in which it operates; and

“(C) for each State in which the facility operates—

“(i) with the State emergency response commissions;

“(ii) with the local emergency planning committees in the areas of pipeline rights-of-way established under section 301 of the Emergency Planning and Community Right-To-Know Act of 1986 (42 U.S.C. 11001); and

“(iii) in the case of a community without a local emergency planning committee, with the local firefighting, police, and other emergency response agencies.

“(2) AVAILABILITY OF MAP INFORMATION.—

“(A) REQUIREMENT.—Each such operator shall make available to the entities referred to in paragraph (1) the map prepared by the operation under subsection (c)(1)(B)(v) in a format that is integrated into a commercial off-the-shelf in-vehicle portable computer global positioning system navigation mapping software used in first responder vehicles equipped with portable computers and responding to pipeline spills.

“(B) DESIGNATION OF REGIONAL EMERGENCY TRANSPORTATION COORDINATORS.—The Secretary shall designate the Regional Emergency Transportation Coordinator who, for

the purpose of providing the most cost effective first responder mapping tool for coordinated emergency responses in within the Coordinator's region of responsibility, is—

“(i) to define the in-vehicle navigation mapping standards for the preparation of maps that are to be made available under subparagraph (A) for areas within that region; and

“(ii) to contract with the outsource mapping vendor.

“(c) COMMUNITY RIGHT TO KNOW.—

“(1) PERIODIC PIPELINE SEGMENT ASSESSMENT.—

“(A) CONDUCT; AVAILABILITY.—Each owner or operator of a pipeline facility shall, once every 5 years—

“(i) conduct a safety assessment of each pipeline segment of the facility under its operating control; and

“(ii) submit a report on the pipeline segment safety assessment to the Secretary and to the State or States in which the pipeline segment is located.

“(B) CONTENT.—The report on the safety assessment for a pipeline segment shall include, but not be limited to, the following:

“(i) The business name, address, and telephone number of the owner and operator of the pipeline segment (including any parent company).

“(ii) An emergency telephone number that provides at any time during the 24 hours of each day effective communication with the owner and operator's point of contact who is capable of identifying the material shipped through the pipeline segment.

“(iii) An emergency telephone number that provides at any time during the 24 hours of each day effective communication with the owner and operator's point of contact who is responsible, under the owner and operator's procedures, for beginning an emergency discontinuation of the transporting of gas or hazardous liquid through that segment.

“(iv) A description of the pipeline segment, including pipeline diameter, the substance or substances carried, maximum allowable operating pressure, construction material, and age.

“(v) A map showing the location of the right-of-way for the pipeline segment, the locations of any significant anomalies, the locations of any other significant conditions that are identified in inspections of the pipeline segment under the integrity management program carried out by the owner or operator under section 60109(c) or are known by other means, and the locations of any portions of the pipeline segment where operations could affect environmentally sensitive areas and high-density population areas.

“(vi) The primary causes of any pipeline failure for the segment.

“(vii) A history of safety incidents for the pipeline segment for the 5 years preceding the date of the report (including any incident involving death, injury, evacuation, environmental contamination, or property damage), together with safety-related condition reports filed by an operator under section 60102(h) and a report of a pipeline incident filed by an operator under this chapter.

“(viii) A history of the actions that have been taken to prevent pipeline hazards for the segment during the 5 years preceding the date of the report, including a discussion of the testing methods, the dates of testing, inspection and testing results, and repair history.

“(ix) The spill mitigation technologies in use for the pipeline segment, together with a description of the shut-off valve distances and leak detection technologies and sensitivities.

“(x) A history of the inspections and the enforcement actions that have been under-

taken with respect to the pipeline segment during the 5 years preceding the date of the report.

“(xii) Any additional identification, safety, or integrity management information that the Secretary requires.

“(2) NATIONAL PIPELINE REGISTRY.—

“(A) ESTABLISHMENT.—The Secretary shall within 180 days of enactment of this act, maintain a National Pipeline Registry of the pipeline segment safety assessments received by the Secretary under paragraph (1).

“(B) PUBLIC INFORMATION.—The Secretary shall make the pipeline segment safety assessments in the National Pipeline Registry available on the Internet free of charge.

“(3) PIPELINE SEGMENT DEFINED.—In this subsection, the term ‘pipeline segment’ means a length of pipeline with homogeneous construction, operational, geographic, and ownership characteristics.”

(B) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 601 is amended to read as follows:

“60116. Public education, emergency preparedness, and community right to know.”

(2) SAFETY CONDITION REPORTS.—Section 60102(h)(2) is amended by striking “State authorities” in the second sentence and inserting “State officials, including the local emergency responders.”

(b) REVIEW OF PUBLIC EDUCATION PROGRAMS.—

(1) REVIEW REQUIRED.—Not later than one year after the date of the enactment of this Act, each owner or operator of a pipeline facility shall review its existing public education program to determine the effectiveness of the program and shall modify the program as necessary to improve the effectiveness of the program and to comply with the requirements of section 60116 of title 49, United States Code, as amended by subsection (a).

(2) SUBMITTAL TO SECRETARY.—Upon completing the review and any modification of the program resulting from the review, the owner or operator, as the case may be, shall submit a detailed description of the program to the Secretary of Transportation or, in the case of an intrastate pipeline facility, to the appropriate State agency.

(c) TIME FOR IMPLEMENTATION OF REQUIREMENTS—

(1) OPERATOR LIAISON.—Each operator of a pipeline facility shall have the emergency response liaison required under subsection (b) of section 60116 of title 49, United States Code (as amended by subsection (a)), in place not later than one year after the date of the enactment of this Act.

(2) INITIAL PIPELINE SEGMENT REPORTS.—Each owner or operator of a pipeline facility shall perform the initial pipeline segment assessments for its pipeline facilities, and submit the initial reports on those assessments, under subsection (c)(1) of section 60116 of title 49, United States Code (as amended by subsection (a)), not later than one year after the date of the enactment of this Act.

(3) NATIONAL PIPELINE REGISTRY.—The Secretary of Transportation shall complete the establishment of the National Pipeline Registry required under subsection (c)(2) of section 60116 of title 49, United States Code (as amended by subsection (a)), not later than six months after the date of the enactment of this Act.

#### CORZINE AMENDMENT NO. 7

(Ordered to lie on the table.)

Mr. CORZINE submitted an amendment intended to be proposed by him to the bill S. 235, to provide for en-

hanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; as follows:

Strike section 5, and insert the following:

#### SEC. 5. PIPELINE INTEGRITY INSPECTION PROGRAM.

(a) PROGRAM REQUIRED.—Section 60109 is amended by adding at the end the following new subsection:

“(c) RISK ANALYSIS AND INTEGRITY MANAGEMENT PROGRAMS.—

“(1) REQUIREMENT FOR OPERATOR PROGRAMS.—Each operator of a gas transmission or hazardous liquid pipeline facility shall conduct an analysis of the risks to each facility of the operator in an area identified pursuant to subsection (a)(1) and shall adopt and implement a written integrity management program for such facility to reduce the risks.

“(2) REQUIRED ELEMENTS OF INTEGRITY MANAGEMENT PROGRAMS.—An integrity management program adopted by an operator of a facility in an area identified pursuant to subsection (a)(1) shall include, at a minimum, the following:

“(A) Provision for periodic inspection of the facility, by internal inspection device, pressure testing, direct assessment, or an alternative method that would provide an equal or greater level of safety, including a specification of—

“(i) the types of inspections;

“(ii) the frequency of the inspections, which shall not be less frequent than once every five years; and

“(iii) the manner in which the inspections or testing are to be conducted.

“(B) Clearly defined criteria for evaluating the results of—

“(i) inspections conducted under subparagraph (A); and

“(ii) any testing done in the inspection or as any other part of the integrity management program.

“(C) Procedures for ensuring that problems identified in such inspections or other testing are corrected in a timely manner.

“(D) A description of measures to prevent and mitigate the consequences of unintended releases from the facility, such as leak detection, integrity evaluation, emergency flow restricting devices, and other prevention, detection, and mitigation measures.

“(E) The types of information sources that must be integrated in assessing the integrity of the pipeline facility as well as the manner of integration.

“(F) The nature and timing of actions selected to address the integrity of the pipeline facility.

“(G) Any other factors that are appropriate for—

“(i) ensuring that the integrity of the pipeline facility is addressed; or

“(ii) providing appropriate mitigative measures for protecting areas identified under subsection (a)(1).

“(3) SYSTEMS TO MONITOR PRESSURE AND DETECT LEAKS; USE OF EMERGENCY FLOW RESTRICTING DEVICES.—The operator of a pipeline facility may also provide in an integrity management program under paragraph (1) for the following:

“(A) Changes to valves or the establishment or modification of systems that monitor pressure and detect leaks based on the operator's risk analysis.

“(B) The use of emergency flow restricting devices.

“(4) INCREASED FREQUENCY OF INSPECTIONS.—

“(A) CONSIDERATIONS.—In determining whether to require inspection of a facility more frequently than once every five years,

an operator shall take into account, as appropriate, the following:

“(i) The potential for development of new defects in the facility.

“(ii) The operational characteristics of the facility, including age, operating pressure, block valve location, corrosion history, spill history, and any known deficiencies in the method of pipeline construction or installation.

“(iii) The possible growth of new and existing defects.

“(B) OUTSIDE FORCE DAMAGE.—For purposes of subparagraph (A)(i), in considering the potential for development of new defects in a pipeline facility from damage by an outside force, an operator shall consider information available about current or planned excavation activities and the effectiveness of damage prevention programs in the area.

“(5) STANDARDS FOR MINIMUM LEVEL OF PROTECTION.—An operator of a pipeline facility that is required to implement an integrity management program under paragraph (1) shall—

“(A) adopt standards under this subsection that provide a minimum level of protection for the operator's facilities in areas identified pursuant to subsection (a)(1) that is at least equivalent to the applicable level of protection established by national consensus standards organizations; and

“(B) implement pressure testing and other integrity management techniques in a manner that minimizes environmental or safety risks, such as by use of water for pressure testing.

“(6) AUTHORITY AND RESPONSIBILITY OF SECRETARY.—

“(A) STANDARDS.—

“(i) AUTHORITY.—The Secretary may prescribe standards to direct an operator's conduct of a risk analysis and adoption and implementation of an integrity management program under paragraph (1).

“(ii) INACTION BY SECRETARY.—The responsibility of an operator of a pipeline facility to conduct a risk analysis or adopt or implement an integrity management program under paragraph (1) shall not be affected by any failure of the Secretary to prescribe standards under this subparagraph.

“(B) REVIEW OF INTEGRITY MANAGEMENT PROGRAMS.—

“(i) TRANSMITTAL TO SECRETARY.—Each operator of a pipeline facility shall transmit to the Secretary a detailed description of the operator's integrity management program in writing.

“(ii) AUTHORITY TO REVIEW.—The Secretary shall review the risk analysis and integrity management program and record the results of that review for use in the next review of the operator's program.

“(iii) CONTEXT OF REVIEW.—The Secretary may conduct a review under clause (ii) as an element of the Secretary's inspection of the operator.

“(iv) INADEQUATE PROGRAMS.—If the Secretary determines that an operator's risk analysis or integrity management program is inadequate for the safe operation of a pipeline facility, the Secretary shall act under section 60108(a)(2) to require the operator to revise the risk analysis or integrity management program.

“(v) AMENDMENTS TO PROGRAMS.—In order to facilitate reviews under this subparagraph, an operator of a pipeline facility shall notify the Secretary of any amendment made to the operator's integrity management program not later than 30 days after the date of the adoption of the amendment.

“(vi) TRANSMITTAL OF PROGRAMS TO STATE AUTHORITIES.—The Secretary shall provide a copy of a risk analysis and integrity management program reviewed by the Secretary under this subparagraph to any appropriate

State authority with which the Secretary has entered into an agreement under section 60106.

“(7) STATE REVIEW OF INTEGRITY MANAGEMENT PLANS.—A State authority that enters into an agreement pursuant to section 60106, permitting the State authority to review the risk analysis and written program, may provide the Secretary with a written assessment of the risk analysis and integrity management program, make recommendations, as appropriate, to address safety concerns not adequately addressed by the operator's risk analysis or integrity management program, and submit documentation explaining the State-proposed revisions. The Secretary shall carefully consider the State's proposals and work in consultation with the States and operators to address safety concerns.

“(8) OPPORTUNITY FOR LOCAL INPUT ON INTEGRITY MANAGEMENT.—The Secretary shall, by regulation, establish a process for raising and addressing local safety concerns about pipeline integrity and operators' pipeline integrity programs. The process shall include the following:

“(A) A requirement that an operator of a hazardous liquid pipeline or an operator of a pipeline facility for the transmission of natural gas, as the case may be, provide information about the operator's risk analysis and integrity management program required under this section to local officials in the State in which the facility is located.

“(B) An identification of the local officials who are required to be informed, the information that is to be provided to them, and the manner (which may include traditional or electronic means) in which it is to be provided.

“(C) The means for receiving input from the local officials, which may include a public forum sponsored by the Secretary or by the State or the submission of written comments through traditional or electronic means.

“(D) The extent to which an operator must participate in a public forum sponsored by the Secretary or in another means for receiving input from the local officials or in the evaluation of that input.

“(E) The manner in which the Secretary will notify the local officials about how their concerns are being addressed.

“(9) BASELINE INTEGRITY ASSESSMENT.—An operator of a pipeline facility that is required to implement an integrity management program under paragraph (1) shall complete a baseline integrity assessment of each of the operator's facilities in areas identified pursuant to subsection (a)(1).”

(b) IMPLEMENTATION.—

(1) RISK ANALYSES AND INTEGRITY MANAGEMENT PROGRAMS.—The initial risk analyses and integrity management programs required under section 60109(c)(1) of title 49, United States Code (as added by subsection (a) of this section), shall be completed not later than one year after the date of enactment of this Act.

(2) BASELINE INTEGRITY ASSESSMENTS.—The initial baseline integrity assessment of the pipeline facility of each operator required under section 60109(c)(9) of title 49, United States Code (as added by subsection (a) of this section), shall be completed not later than five years after the date of the enactment of this Act.

(3) REVIEW.—

(A) REQUIREMENT FOR REVIEW.—Not later than 2 years after all integrity management programs required to be submitted within the time specified in paragraph (1)(A) have been received by the Secretary of Transportation, the Secretary shall complete an assessment and evaluation of the effects on safety and the environment of expanding the applicability of the requirements under sec-

tion 60109(c) of title 49, United States Code (as added by subsection (a) of this section), to cover additional areas.

(B) SUBMITTAL TO CONGRESS.—The Secretary shall submit to Congress the Secretary's assessment and evaluation together with any recommendations for improving and expanding the utilization of integrity management programs under that subsection.

(4) OPPORTUNITY FOR LOCAL INPUT ON INTEGRITY MANAGEMENT.—The Secretary shall issue the regulations required under section 60109(c)(8) of title 49, United States Code (as added by subsection (a) of this section), not later than 18 months after the date of the enactment of this Act.

## CORZINE AMENDMENT NO. 8

(Ordered to lie on the table.)

Mr. CORZINE submitted an amendment intended to be proposed by him to the bill S. 235, to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; as follows:

Strike section 4, and insert the following:  
**SEC. 4. QUALIFICATIONS OF PIPELINE PERSONNEL.**

(a) PERSONNEL QUALIFICATION PLANS.—

(1) REQUIREMENT FOR PLANS.—Chapter 601 is amended by adding at the end the following:

(A) SUBMITTAL AND CERTIFICATION.—Chapter 601 is amended by adding at the end the following:

“§ 60129. Pipeline personnel qualification plans

“(a) QUALIFICATION PLANS.—

“(1) REQUIREMENT FOR PLANS.—Each operator of a pipeline facility shall make available to the Secretary a plan that is designed to enhance the qualifications of the operator's pipeline personnel and to reduce the likelihood of accidents and injuries. In the case of an intrastate pipeline facility, the appropriate State regulatory agency shall make the operator's plan available to the Secretary.

“(2) CONTENT.—The plan shall include, at a minimum, criteria for the demonstration of the ability of an individual to safely and properly perform tasks to which the standards prescribed under section 60102 apply. The plan shall also provide for training and periodic reexamination of pipeline personnel and for requalification of those personnel as appropriate, including qualification for inspecting the structural integrity of cable-suspension pipeline bridges.

“(b) UPDATING OF PLANS.—After submittal of an operator's plan under subsection (a), the operator shall revise or update the plan when appropriate to ensure the current validity of the plan and shall make the revised or updated plan available to the Secretary under that subsection.

“(c) REVIEW OF PLANS.—

“(1) INITIAL REVIEW.—The Secretary or, in the case of an intrastate pipeline facility, the appropriate State regulatory agency may review the qualification plan of an operator and certify the adequacy of the plan for ensuring a safe operating environment.

“(2) PERIODIC REVIEW.—The Secretary or, in the case of an intrastate pipeline facility, the appropriate State regulatory agency shall periodically review the qualification plan of an operator to determine whether the plan continues to ensure a safe operating environment.

“(d) STANDARDS.—The Secretary shall establish minimum standards for pipeline personnel training and evaluation, which may



include written examination, oral examination, work performance history review, observation of job performance, on the job training, simulations, or other forms of assessment.”.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 601 is amended by adding at the end the following: “60129. Pipeline personnel qualification plans.”.

(2) TIME FOR INITIAL SUBMITTAL.—Each entity operating a pipeline facility (within the meaning of section 60101(18) of title 49, United States Code) shall first submit a personnel qualification plan under section 60129 of such title (as added by subsection (a)) not later than April 21, 2001.

(b) TESTING AND CERTIFICATION.—Section 60102(a)(1)(C) is amended to read as follows:

“(C) shall include requirements that all individuals responsible for the operation and maintenance of pipeline facilities be tested for qualification to perform such functions and be certified by the Secretary as qualified to perform such functions, and may include a requirement that those individuals obtain additional education and training to qualify to perform such functions.”.

(c) SUSPENSION OF CERTIFICATION.—Section 60102(a) is amended by adding at the end the following:

“(3) SUSPENSION OF CERTIFICATION.—

“(A) AUTHORITY.—The Secretary may suspend or revoke the certification of an individual under paragraph (1)(C) if the Secretary determines, after providing the individual with notice and opportunity for hearing, that the individual—

“(i) has contributed to a violation of any provision of this chapter or any regulation issued under this chapter; or

“(ii) willfully refuses to cooperate with the investigation of any such violation.

“(B) LIMITATION.—A certification of an individual may be suspended or revoked under subparagraph (A) only in a manner that is not inconsistent with the constitutional rights of the individual.”.

#### CORZINE AMENDMENT NO. 9

(Ordered to lie on the table.)

Mr. CORZINE submitted an amendment intended to be proposed by him to the bill S. 235, to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; as follows:

At the end of section 10(c), add the following:

(3) Section 60122(a) is amended by adding at the end the following:

“(3) A person who is the owner, operator, or person in charge of a hazardous liquid pipeline facility from which a hazardous liquid is discharged is liable to the Government for a civil penalty of at least \$1,000 per barrel of oil or other hazardous liquid discharged, except that a person may not be liable for a civil penalty under this subsection for a discharge if the person has been assessed a civil penalty under section 309 or 311(b) of the Federal Water Pollution Control Act (33 U.S.C. 1319; 1321(b)) for the discharge. A person may be liable for a civil penalty under this paragraph and paragraph (1) with respect to the same discharge.”.

#### CORZINE AND OTHERS AMENDMENT NO. 10

Mr. CORZINE (for himself, Mr. TORRICELLI, Ms. CANTWELL, Mrs. MURRAY, and Mr. BINGAMAN) proposed an amendment to the bill S. 235, to pro-

vide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; as follows:

Page 6, after line 21:

The assessment period shall be no less than every 5 years unless the DOT IG, after consultation with the Secretary determines—

There is not a sufficient capability or it is deemed unnecessary because of more technically appropriate monitoring or creates undue interruption of necessary supply to fulfill the requirements under this paragraph.

#### NICKLES AND McCONNELL AMENDMENT NO. 11

Mr. NICKLES (for Mr. McCONNELL) proposed an amendment to the concurrent resolution H. Con. Res. 14, permitting the use of the rotunda of the Capitol for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust; as follows:

The first section of the resolution is amended by striking “April 18, 2001” and inserting “April 19, 2001”.

#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON ARMED SERVICES

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, February 8, 2001 at 9:30 a.m., in open session, to receive testimony on the Secretary's priorities and plans for Department of Energy National Security Programs.

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

##### COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on: Making Patient Privacy A Reality: Does The Final HHS Regulation Get The Job Done? during the session of the Senate on Thursday, February 8, 2001, at 9:30 a.m.

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

##### COMMITTEE ON THE JUDICIARY

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Thursday, February 8, 2001, at 10:00 a.m., in Dirksen 226.

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

#### A TRIBUTE TO LORETTA SYMMS

Mr. DASCHLE. Mr. President, I want to add my voice to the chorus of those singing the praises of Loretta Symms. Much as I hate to say it, Loretta will be retiring as Deputy Sergeant of Arms at the end of this week.

We hear a lot of talk about bipartisanship these days—and that's good. But Loretta Symms was the walking,

breathing personification of bipartisanship before bipartisanship was cool.

She is a consummate professional. As Deputy Sergeant at Arms, one of Loretta's many responsibilities is greeting visiting dignitaries. Over the years, she has escorted Presidents, Vice Presidents, foreign heads of state, and other visiting dignitaries through these hallways. In fact, she has probably met more foreign leaders than most Senators. She is a good and gracious ambassador for this institution.

When it comes to the Senate, no chore is too big for Loretta—or too small. I understand she even put on rubber gloves once to show her staff how to clean. Her reverence for this building is something I share, and one of the many reasons I like her. Loretta feels strongly that the Capitol is the People's House. When visitors come here, she wants them to be treated with respect, and she wants them to be able to learn something they may not have known before. That is why she works so closely with the staff who work directly with the public.

Loretta has also made a difference in the lives of people in this building whom the public never sees. In her 14 years in the Sergeant at Arms office, she started a broad array of training programs to help employees sharpen their skills and advance their careers.

Beyond her considerable professional strengths, what I admire most about Loretta are her personal qualities: her kindness, and her generosity of spirit.

She has given her time—and in some cases, her own financial resources—to help other members of our Senate family through difficult times.

Between them, Loretta and her husband, our former colleague Steve Symms, share seven children. Many parents of seven would not have time for anyone else's children. But not Loretta. She is a surrogate Mom and confidante to many of our Senate pages.

Senators on both sides of the aisle also know they can count on Loretta to tell us honestly if she thinks we are wrong, and to encourage us when she thinks we are right. We will miss her good advice, her kind smile—and much more. As Loretta and Steve begin this next chapter in their lives, we wish them good luck and good health. We hope they have many great adventures, and we hope Loretta will come back to visit often.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONGRATULATING PRESIDENT CHANDRIKA BANDARANAIKE KUMARATUNGA AND THE PEOPLE OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 10, S. Res. 17.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 17) congratulating President Chandrika Bandaranaike Kumaratunga and the people of the Democratic Socialist Republic of Sri Lanka on the celebration of 53 years of independence.

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

Mr. NICKLES. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 17) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 17

Whereas February 4, 2001, is the occasion of the 53rd anniversary of the independence of the Democratic Socialist Republic of Sri Lanka from Britain;

Whereas the present constitution of the Democratic Socialist Republic of Sri Lanka has been in existence since August 16, 1978, and guarantees universal suffrage; and

Whereas the people of the Democratic Socialist Republic of Sri Lanka and the United States share many values, including a common belief in democratic principles, a commitment to international cooperation, and promotion of enhanced trade and cultural ties: Now, therefore, be it

*Resolved*, That the Senate—

(1) congratulates President Chandrika Bandaranaike Kumaratunga and the people of the Democratic Socialist Republic of Sri Lanka on the celebration of 53 years of independence;

(2) expresses best wishes to the Government and the people of the Democratic Socialist Republic of Sri Lanka as they celebrate their national day of independence on February 4, 2001; and

(3) looks forward to continued cooperation and friendship with the Government and people of the Democratic Socialist Republic of Sri Lanka in the years ahead.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that the President further transmit such copy to the Government of the Democratic Socialist Republic of Sri Lanka.

#### EXPRESSING SYMPATHY FOR THE VICTIMS OF THE DEVASTATING EARTHQUAKE IN EL SALVADOR

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 11, S. Res. 18.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 18) expressing sympathy for the victims of the devastating earthquake that struck El Salvador on January 13, 2001.

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

Mr. NICKLES. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 18) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 18

Whereas, on the morning of January 13, 2001, a devastating and deadly earthquake of a magnitude of 7.6 on the Richter scale shook the entire nation of El Salvador, killing more than 700 people, injuring more than 3,000, and leaving more than 50,000 homeless;

Whereas the earthquake of January 13, 2001, has left thousands of buildings in ruin, caused deadly landslides, and destroyed highways and other infrastructure;

Whereas the strength, courage, and determination of the people of El Salvador has been displayed since the earthquake;

Whereas El Salvador is still recovering from years of civil war, hurricane damage, and flood damage;

Whereas the people of the United States and El Salvador share strong friendship and mutual interests and respect;

Whereas some United States specialists from Costa Rica and Miami, including specialists from the Miami-Dade Fire Rescue Department, were deployed to assist disaster relief efforts in El Salvador;

Whereas United States military personnel from the United States Southern Command are providing some technical assistance;

Whereas the USAID/Disaster Assistance Response Team (DART) has set up an office in El Salvador's National Emergency Committee (COEN) to assist the office in its coordination efforts and to ensure access to the latest information; and

Whereas the United Nations launched an appeal for humanitarian assistance and initial rehabilitation to address the devastation caused by the powerful earthquake: Now, therefore, be it

*Resolved*, That the Senate—

(1) expresses its deepest sympathies to the people of El Salvador and other Central American countries for the tragic losses suffered as a result of the earthquake of January 13, 2001;

(2) expresses its support for the people of El Salvador as they continue their efforts to rebuild their cities and their lives;

(3) expresses support for disaster assistance being provided by the United States Agency for International Development and other relief agencies;

(4) recognizes the important role that is being played by the United States and other countries in providing assistance to alleviate the suffering of the people of El Salvador; and

(5) encourages a continued commitment by the United States and other countries to the long-term, sustainable development of El Salvador.

#### EXPRESSING SYMPATHY FOR THE VICTIMS OF THE DEVASTATING EARTHQUAKE IN INDIA

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 12, S. Con. Res. 6.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 6) expressing sympathy for the victims of the devastating earthquake that struck India on January 26, 2001, and support for ongoing aid efforts.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BIDEN. Mr. President, I am proud to cosponsor S. Con. Res. 6. This concurrent resolution sends a message of sympathy and support to the people of India, who have been struck by one of the worst natural disasters to afflict their nation in the half-century since Independence.

The earthquake which devastated the Western Indian state of Gujarat killed untold thousands. The magnitude of this tragedy is demonstrated by the fact that 30,000 dead is now referred to as an optimistic estimate. Other sources, such as the Indian Minister of Defense, have suggested a worst-case scenario of 100,000 dead.

As President Bush noted, a disaster such as this knows no national boundaries. The victims have been the people of India, but the burden of humanitarian relief rests on the shoulders of the entire world community.

I congratulate the relief workers, from many nations, who have stepped up to the challenge. The most important work, of course, has been done by the Indians themselves tens of thousands of military and civilian personnel who have labored tirelessly to help save the lives of those trapped in the wreckage.

Working alongside them have been search and rescue teams from Britain, Switzerland, Germany, Russia and Turkey. They helped locate victims with state-of-the-art thermal sensors, and with specially-trained canine units.

Following closely after the search and rescue teams have been medical units from France, Japan, Israel, Denmark and NGOs like the International Federation of the Red Cross and Doctors without Borders. These nations and groups have set up field hospitals and shipped in medical supplies to tend to the needs of tens of thousands of wounded.

Many other countries have offered cash donations, food, tents, blankets, or other humanitarian assistance. Of these donor countries I would like to single out Pakistan for particular commendation: in light of recent tensions, and of Pakistan's own losses in the earthquake—at least a dozen dead, with a full reckoning not yet made—the shipment of relief supplies was an important gesture of peace.

The United States, for logistical reasons, has concentrated its efforts on providing potable water, shelter, and food to those rendered homeless by the quake. USAID has already made several airlifts of vital material, and more aid is in the pipeline.

When a disaster occurs at such a great geographical remove, US assets might not always be the first to arrive on the spot. But once the US gears up for a challenge, it is equal to any task. The job of the world community now is to make sure that the earthquake does not claim more victims after the last tremors have ceased.

The basic human-needs infrastructure of Gujarat has, in many areas, been entirely wiped out: hundreds of thousands of people will be effected, to one degree or another. In a situation like this, diseases like cholera or dysentery—easily preventable, with proper medical and nutritional facilities—can spread like wildfire. Simply insuring that the dispossessed people have access to food, shelter, and clean water can save countless lives.

We Americans are a compassionate people. But from the stark figures of relief provided and pledged, the extent of our compassion may not be clear. In the crucial first days following the disaster—when a dozen other countries were actively engaged in rescue and medical support—our financial pledge was one-third that of Great Britain, a million dollars lower than that of Germany, and a sum less than that of the combined pledges of Holland and Italy.

Our contribution has since risen, and I am told that it will continue to rise in the days and weeks to come. I certainly hope that it does. And when the time comes to fund the reconstruction of Western India's basic infrastructure a task that will require more than \$1 billion in loans from international financial organizations I hope that we will demonstrate the full extent of our country's compassionate nature.

Today, as India works to save the lives of its citizens and mourns the lives of those who could not be saved, our thoughts and prayers are with the people of Gujarat. I hope that the United States will accelerate its efforts to put these thoughts and prayers into generous, concrete action.

Mr. NICKLES. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the concurrent resolution be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 6) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 6

Whereas on the morning of January 26, 2001, a devastating and deadly earthquake shook the state of Gujarat in western India, killing untold tens of thousands of people,

injuring countless others, and crippling most of the region;

Whereas the earthquake of January 26, 2001, has left thousands of buildings in ruin, caused widespread fires, and destroyed infrastructure;

Whereas the people of India and people of Indian origin have displayed strength, courage, and determination in the aftermath of the earthquake;

Whereas the people of the United States and India have developed a strong friendship based on mutual interests and respect;

Whereas India has asked the World Bank for \$1,700,000,000 in economic assistance to start rebuilding from the earthquake;

Whereas the United States has offered technical and monetary assistance through the United States Agency for International Development (USAID); and

Whereas offers of assistance have also come from the Governments of Turkey, Switzerland, Taiwan, Russia, Germany, China, Canada, and others, as well as countless nongovernmental organizations: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That Congress—*

(1) expresses its deepest sympathies to the citizens of the state of Gujarat and to all of India for the tragic losses suffered as a result of the earthquake of January 26, 2001;

(2) expresses its support for—

(A) the people of India as they continue their efforts to rebuild their cities and their lives;

(B) the efforts of the World Bank;

(C) continuing and substantially increasing the amount of disaster assistance being provided by the United States Agency for International Development (USAID) and other relief agencies; and

(D) providing future economic assistance in order to help rebuild Gujarat; and

(3) recognizes and encourages the important assistance that also could be provided by other nations to alleviate the suffering of the people of India.

#### PERMITTING USE OF THE ROTUNDA

Mr. NICKLES. Mr. President, I ask unanimous consent that the Rules Committee be discharged from further consideration of H. Con. Res. 14 and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 14) permitting the use of the Rotunda of the Capitol for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust.

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

AMENDMENT NO. 11

(Purpose: To change the date)

Mr. NICKLES. Mr. President, there is an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for Mr. MCCONNELL, proposes an amendment numbered 11.

The first section of the resolution is amended by striking "April 18, 2001" and inserting "April 19, 2001".

Mr. NICKLES. Mr. President, I ask unanimous consent that the amendment be agreed to.

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

The amendment (No. 11) was agreed to.

Mr. NICKLES. Mr. President, I ask unanimous consent that the resolution be agreed to, as amended, and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 14), as amended, was agreed to.

#### EXECUTIVE SESSION

#### EXECUTIVE CALENDAR

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations on the Executive Calendar: No. 15 and all the nominations on the Secretary's desk in the Foreign Service. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations were considered and confirmed as follows:

#### DEPARTMENT OF STATE

Paul Henry O'Neill, of Pennsylvania, to be United States Governor of the International Monetary Fund for a term of five years; United States Governor of the International Bank for Reconstruction and Development for a term of five years; United States Governor of the Inter-American Development Bank for a term of five years; United States Governor of the African Development Bank for a term of five years; United States Governor of the Asian Development Bank; United States Governor of the African Development Fund; United States Governor of the European Bank for Reconstruction and Development.

#### NOMINATIONS PLACED ON THE SECRETARY'S DESK

#### FOREIGN SERVICE

PN109 Foreign Service nominations (7) beginning James D. Grueff, and ending Ralph Iwamoto, Jr., which nominations were received by the Senate and appeared in the Congressional Record of February 1, 2001.

PN110 Foreign Service nominations (23) beginning An Thanh Le, and ending Army Wing Schedlbauer, which nominations were received by the Senate and appeared in the Congressional Record of February 1, 2001.

#### LEGISLATIVE SESSION

THE PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

## APPOINTMENT

The PRESIDING OFFICER. The Chair announces, on behalf of the Majority Leader, pursuant to Public Law 105-83, his appointment of the following Senators to serve as members of the National Council on the Arts: The Senator from Ohio (Mr. DEWINE), and the Senator from Alabama (Mr. SESSIONS).

## ORDERS FOR MONDAY, FEBRUARY 12, AND TUESDAY, FEBRUARY 13, 2001

Mr. NICKLES. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 10 a.m. on Monday, February 12, for a pro forma session only. No business will be transacted during Monday's session. I further ask unanimous consent that the Senate then immediately adjourn over until Tuesday, February 13, at 9:30 a.m. I further ask unanimous consent that immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then proceed to a period for morning business until 12:30 p.m., to be divided in the following fashion: Senator DASCHLE, or his designee, controlling the time between 9:30 a.m. and 11 a.m., and Senator MURKOWSKI, or his designee, controlling the time between 11 a.m. and 12:30 p.m.

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

Mr. NICKLES. Mr. President, I further ask unanimous consent that the Senate stand in recess between the hours of 12:30 p.m. and 2:15 p.m. in order for the weekly party conferences to meet.

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

Mr. NICKLES. Mr. President, I further ask unanimous consent that when the Senate reconvenes at 2:15 p.m., there be an additional hour for morning business with 2:15 p.m. to 2:45 p.m. under the control of Senator DURBIN, or his designee, and 2:45 p.m. to 3:15 p.m. under the control of Senator THOMAS, or his designee.

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

## PROGRAM

Mr. NICKLES. Mr. President, tomorrow the Senate will not be in session. The Senate will next convene on Monday for a pro forma session only. The Senate will reconvene on Tuesday at 9:30 a.m. and conduct morning business until 12:30 p.m. Following the weekly recess, and some additional morning business, at 3:15 p.m. on Tuesday, it is the majority leader's intention to turn to any legislative and executive calendar items that may be cleared for consideration.

## ORDER FOR ADJOURNMENT

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of Senator BYRD and Senator HARKIN.

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

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Oklahoma, Mr. NICKLES, for his courtesy. Have a good day.

Mr. NICKLES. I thank the Senator.

DEPARTMENT OF DEFENSE  
FINANCIAL MANAGEMENT

Mr. BYRD. Mr. President, the men and women who wear the uniform of the United States Armed Forces have great abilities, supreme dedication, and they deserve the highest level of support that this Nation can give them.

But despite outstanding military troops, a number of challenges lie ahead for the Department of Defense, particularly in the area of allocating monetary resources. One of the first budget challenges that President Bush and Secretary Rumsfeld will face is how to improve military readiness. By now, we are all familiar with the myriad problems confronting our military forces today—recruitment and retention problems, crushing deployment burdens, aging ships and tanks and aircraft, a scarcity of spare parts—even a scarcity of ammunition according to yesterday morning's Washington Post—substandard housing and outdated facilities—and the list can go on and on.

All of these factors affect readiness. All of these deficiencies will require money to correct. Already, representatives of the Joint Chiefs are lobbying the Senate Armed Services Committee for a supplemental appropriations bill to increase the current defense budget by perhaps as much as \$10 billion. Presumably, the Services will get around to making their wishes known to the Appropriations Committee as well, since it is that committee that actually has the responsibility over the supplemental appropriations. But regardless of the tactics employed, the supplemental is just the first sortie. Beyond the current budget, we are bracing for the likelihood of requests for major leaps in defense funding—perhaps as much as \$50 billion a year—just over the horizon.

With that said, I was heartened to read President Bush's comments in Monday's New York Times, in which he called for a comprehensive review of Pentagon priorities and strategies before seeking funding increases for modernization that make sense to me, it seems. Hopefully, President Bush and

Secretary Rumsfeld will be able to impose some order and discipline on the Pentagon budget process. That is probably going to be a pretty big order—a pretty big order to impose some order and discipline on the Pentagon budget process.

Clearly, it is necessary to focus on defense, readiness, and national security. The United States cannot afford to lose sight of the fact that a strong defense is the key to national security. We must never risk complacency in a world that encompasses the likes of Saddam Hussein and Osama bin Laden; a world in which the proliferation of nuclear, chemical, and biological weapons represents a threat to our very existence.

But before we consider how much more money we need to spend on defense, I believe we should take a close look at how the Pentagon is managing the money and the assets it already has.

Now, one of our colleagues, Senator GRASSLEY, has been very interested in this same subject. It was his intention to speak this afternoon, but other matters have intervened, and he will speak on this same subject one day next week.

Just recently, the General Accounting Office gave us a good insight into the current situation with the release of a status report on the Defense Department's management of key programs and assets. The conclusions are disturbing. In six key areas—financial management, information technology, acquisitions, contracts, support infrastructure, and logistics—the GAO found Defense Department management practices to be vulnerable to waste, fraud, abuse, and mismanagement. Together, these deficiencies represent a tremendous drain on the ability of the Defense Department to operate efficiently, effectively, and safely.

The GAO report put it starkly. Here is what it said: If these problems are not addressed, the report stated, "inefficiencies will continue to make the cost of carrying out assigned missions unnecessarily high and, more important, increase the risks associated with those missions. Each dollar that is spent inefficiently," said the report, "is a dollar that is unavailable to meet other internal Department priorities such as weapon system modernization and readiness."

What is most disturbing to me is that, in program after program, management procedures are so garbled that the General Accounting Office cannot even estimate—cannot even estimate—the level of inefficiency. This is a critical knowledge gap when one considers the fact that the Defense Department accounts for about 15 percent of the entire Federal budget, and roughly half of all discretionary spending—roughly half of all discretionary spending.

The Defense Department has a budget of about \$310 billion a year and assets estimated at \$1 trillion. Clearly,

keeping score when dealing with numbers of that magnitude is a huge challenge. But it is a challenge that must be faced. In an agency as vast as the Defense Department, which has approximately 3 million military and civilian employees, sloppy accounting and accountability procedures can have enormous ramifications on personnel, on readiness, and on national security.

Some of the details of the GAO report are shocking. For example, in the area of financial operations—just plain old bookkeeping in lay terms—the General Accounting Office reported that the Defense Department does not know with any certainty how much money it has available, and its books are in such disarray that it cannot pass a standard financial audit. Now, how about that? How about that? Let me repeat that for emphasis: The Defense Department, which is talking about needing an additional \$50 billion dollars a year to meet readiness requirements, does not know with any certainty how much money it currently has available and cannot pass the test of receiving a clean audit opinion on its financial statements.

Now, take that home with you and sleep on it. That is worth repeating. The Defense Department—this is not ROBERT BYRD saying this. I am just repeating what the General Accounting Office, the arm of the Congress, reported: The Defense Department does not know with any certainty how much money it has, and its books are in such disarray that it cannot pass a standard financial audit.

The Defense Department, which is talking about needing an additional \$50 billion—they want \$50 more for every minute since Jesus Christ was born; that is \$50 billion—a year to meet readiness requirements. Yet the Defense Department does not know with any certainty how much money it currently has available. It would seem to me that before Congress appropriates \$50 billion more, we ought to know how much money the Defense Department has available.

It cannot pass the test of receiving a clean audit opinion on its financial statements; that, despite the fact the Chief Financial Officers' Act of 1990 requires the Department of Defense to prepare annual audited financial statements. So the Defense Department is not living up to the law, is it? The Chief Financial Officers' Act of 1990 requires DOD to prepare annual audited financial statements. That was 1990. Yet 10 years, 10 long years after the enactment of that law, DOD has yet to produce financial statements that can be certified as complying with generally accepted accounting principles.

Examples of DOD's financial management weaknesses abound. For instance, the GAO found that the Defense Department could not reconcile a \$7 billion difference between its available fund balances and the Treasury's. GAO also discovered that the Department of Defense was unable to substantiate the \$378 billion it had reported as total net

reporting costs in 1999. DOD was unable to substantiate the \$378 billion it reported as total net operating cost in 1999.

Given this lack of accountability, is it any wonder then that DOD is constantly pressed for cash?

In the space of one year, from 1998 to 1999, the DOD recalculated its environmental and cleanup requirements, increasing estimated environmental liabilities from \$34 billion to \$80 billion. Despite the increase, DOD still does not have a comprehensive inventory of all potential environmental and disposal liabilities. The final bill could be billions of dollars more.

So here is the question I have: If the Department of Defense does not know what it has in terms of assets and liabilities, how on Earth can it know what it needs?

Bookkeeping is only the tip of the iceberg. DOD's logistics operations, particularly inventory control, are a management nightmare. Unfortunately, this should come as no surprise to anybody. The DOD's inventory control practices have been flagged as inadequate and high risk every year since the General Accounting Office began assessing high-risk areas a decade ago.

I was on the floor a decade ago talking about it, pointing out that the inventories were huge and talking about the inventory control practices. It seems to me one of the television networks was doing a piece on this several years ago.

As a result, billions of taxpayer dollars are very probably being squandered. According to the General Accounting Office, the Defense Department continues to stockpile more than it needs. I think that is what it was doing 10 years ago when we had the television networks looking into that. It seems to me that it was Lesley Stahl, as I recall—my memory may be playing tricks on me, but I believe it was Lesley Stahl at that time—who was doing this, who went to where some of these inventories were stored and was doing a piece on that. Here we are 10 years later—same old problem.

As a result, billions of taxpayer dollars are very probably being squandered. According to the General Accounting Office, the Defense Department continues to stockpile more than it needs. The television network at that time—the particular channel, I don't remember—was saying the same thing, bringing out the same thing. In the Baptist Church, we have a song: "Tell me the old, old story." Well, this is the old, old story.

According to GAO, the Defense Department continues to stockpile more than it needs, purchases items it does not need while at the same time maintaining insufficient quantities of key spare parts, and is unable to keep track of material being shipped to and from military activities. The General Accounting Office discovered that about half of DoD's \$64 billion dollar inven-

tory in spare parts, clothing, medical supplies and other support items exceeds war reserve or current operating requirements. At the time GAO reviewed the accounts, DoD had \$1.6 billion dollars worth of inventory on order that was not needed to meet current requirements. GAO found that the Army had no way of knowing whether shipped inventory had been lost or stolen, and the Navy, in a 1999 review, was unable to account for more than \$3 billion worth of shipped inventory, including some classified and sensitive items.

And yet this bloated inventory is being amassed at a time when the Pentagon admits that it is experiencing readiness problems due to a lack of key spare parts. According to GAO, insufficient quantities of spare parts is one of the primary reasons that airlift and aerial refueling aircraft are performing below the Air Force's mission capable standard rates.

GAO also red-flagged the Pentagon's 100 billion dollar a year weapons system acquisition program. The problems are pervasive: questionable requirements; unrealistic cost, schedule, and performance estimates; questionable program affordability; and high-risk acquisition strategies. Simply put, in its rush to acquire the next new thing, DoD is riding roughshod over reality, compressing systems acquisition decisions into unrealistic schedules and pursuing new weapons systems willy-nilly without adequate testing and evaluation, regardless of costs or the prospect of future funding, and despite a lack of reliable evidence that the systems can actually do what they are supposed to do.

Was it a mere coincidence in timing or merely a matter of time that the GAO's questioning of DoD acquisition strategies involving the V-22 Osprey aircraft collided with headlines reporting allegations that a Marine Corps officer engineered the falsification of maintenance records to cover up problems with the Osprey?

In its report, GAO noted that the Navy was moving toward a full-rate production decision on the Osprey aircraft program without having "an appropriate level of confidence that the program would meet design parameters as well as cost and schedule objectives." Subsequently, GAO cited evidence that Navy and Marine Corps officials, in an apparent effort to cut costs and stay on schedule, deleted or deferred tests on the Osprey that could have revealed crucial information on system performance.

The allegations of doctored records, as well as two crashes in the past year that killed 23 Marines, have resulted in the Osprey being grounded, the production decision deferred, and numerous investigations launched. But the damage has been done.

Mr. President, the problems emerging from DoD's acquisition decisions for the Osprey are alarming enough. Even more alarming is the chronic nature of these problems. The Osprey is

only the most recent questionable acquisition strategy to dominate the news. As GAO noted, "After having performed hundreds of reviews of major weapon systems over the last 20 years, we have seen many of the same problems recur: cost increases, schedule delays and performance shortfalls. The problems have proven resistant to reform in part because underlying incentives have not changed."

It appears, from the data that GAO has gathered, that the Defense Department has fallen into the trap of making budget and management decisions on the basis of wishful thinking, not facts. "Overly optimistic planning assumptions" is the way GAO framed it. As a result, DoD has more programs than money.

For example, GAO found that although the Defense Department planned to increase funding for its \$11 billion dollar Defense Health Program by \$615 million dollars between 2001 and 2005, DoD officials admitted that the program actually needed an extra \$6 billion dollars during that time. That, Mr. President, is a \$6 billion dollar understatement of need. Defense Department officials admitted to GAO that they underfund the health program in outyears to free up current funds for other defense programs. "Overly optimistic" in my opinion is an overly charitable way of characterizing that kind of deceptive budgeting.

The General Accounting Office is not the only entity that has pointed out the flaws in DoD financial management practices. According to the Defense Department's own Inspector General's audit, the department's books are riddled with holes. The Inspector General found that 30 percent of all entries were made to force financial data to agree with various sources of financial data without adequate research and reconciliation, were made to force buyer and seller data to agree in preparation for eliminating entries, did not contain adequate documentation and audit trails, or did not follow accounting principles.

Something is wrong with this picture. At a time when the Defense Department is scrambling to make ends meet, there is no excuse to invite waste, fraud, abuse, and mismanagement into the mix year after year after year. These are not merely administrative headaches. Like a steady trickle of water can wear away the mightiest foundation, inefficient management and sloppy bookkeeping can undermine the ability of America's men and women in uniform to carry out their responsibilities efficiently, effectively, and safely.

GAO concluded that, "Until DoD presents realistic assumptions and plans

in its future budgets, the Congress will lack the accurate and realistic information it needs to properly exercise its decision-making and oversight." That summation goes to the heart of the matter. Congress cannot make reasonable decisions on future budget needs for the Department of Defense until DoD can offer a reliable budget basis on which to proceed.

The Defense Department has been besieged by financial and related management problems for years. We all understand that there is no quick fix. But we should also understand the magnitude of the problem, and the impact that it has on readiness and the impact it will have on congressional confidence, the impact it will have on congressional appropriations, the impact it will have on the taxpayer.

GAO is performing a valuable national service by identifying high-risk management problems at the Defense Department, but Congress needs to do more than express dismay at the annual reports. It may cost money to modernize the Pentagon's financial systems, but it would be money well spent, and could well pay for itself in a short period of time.

Mr. President, I raised the issue of DoD's financial management woes with Secretary of Defense Rumsfeld at his nomination hearing before the Senate Armed Services Committee. To his credit, Secretary Rumsfeld did not attempt to gloss over the difficulties facing the Defense Department in improving its financial management systems. He pledged to tackle the problem, but he said that it would probably take outside help to find a solution, and that it could take a period of years to sort it out.

I urge Secretary Rumsfeld and President Bush to make financial and performance accountability in the Defense Department a top priority, and to work with the appropriate congressional committees to slay this particular dragon once and for all.

As I said at the beginning of my statement, Senator GRASSLEY will have something to say on this matter next week. He has devoted much time and thought to the problem. I am sure his concerns will continue. I look forward to working with him and others on the committee to try to be of assistance to the Department in cleaning up its act.

The United States has real national security problems to confront. We can anticipate trouble from Saddam Hussein. Talk about all of these surpluses that have been projected now for years away from the present day. Who knows what Saddam Hussein may do overnight? Remember when he went into Kuwait? The world was shocked. Amer-

ica put a lot of men and women on the ground in the desert in the Middle East and a lot of money on the barrel head. That can happen again. Saddam Hussein is probably one of the most dangerous men in the world. There is no doubt about it. We don't know what he is doing by way of developing chemical, biological, and other weapons. He may threaten a neighboring state at any moment, and then watch those projections, those budget surpluses, vanish. We can anticipate trouble from him, and we must be ready for trouble from other hot spots on the globe.

So we must invest in readiness. But we must also invest in accountability. The United States cannot afford to allow performance and accountability problems at the Defense Department to sap the strength of our investment in readiness.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

#### ADJOURNMENT UNTIL 10 A.M., MONDAY, FEBRUARY 12

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until the hour of 10 a.m. on Monday, February 12, 2001, for a pro forma session.

Thereupon, the Senate, at 4:22 p.m., adjourned until Monday, February 12, 2001, at 10 a.m.

#### CONFIRMATION

Executive nomination confirmed by the Senate February 8, 2001:

##### DEPARTMENT OF STATE

PAUL HENRY O'NEILL, OF PENNSYLVANIA, TO BE UNITED STATES GOVERNOR OF THE INTERNATIONAL MONETARY FUND FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE ASIAN DEVELOPMENT BANK; UNITED STATES GOVERNOR OF THE AFRICAN DEVELOPMENT FUND; UNITED STATES GOVERNOR OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.

##### FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING JAMES D. GRUEFF, AND ENDING RALPH IWAMOTO JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 1, 2001.

FOREIGN SERVICE NOMINATIONS BEGINNING AN THANH LE, AND ENDING AMY WING SCHEDLBAUER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 1, 2001.