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, BREAUX, BROWNBACK, 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, reauthorization 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 leal 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 pipelines 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, INOUYE, 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 well 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 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. 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, Pennsylvania Public Utility Commission.

EDWARD J. HOLMES,
Chair, NARUC Committee on Gas Commissioner, Kentucky Public Service Commission.

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 generaters 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 efficienct 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 lifeline 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 generaters 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 discussion, 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 pipelines 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 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 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, NJ. 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 potential 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 standards, 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 Bingaman 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 believe, 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, Washington, 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 reigning 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 commonsense 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 unnecessary 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 emergency 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:

''(l) 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 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 unwilling 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.