

The fuels agreement passed by the Senate last year includes the establishment of a renewable fuels standard. The RFS would provide for greater refinery flexibility in the fuels marketplace and the existing clean air oxygenate requirement, particularly as MTBE is phased out of gasoline. It does not require that a single gallon of renewable fuels be used in any particular State or region. Rather, the requirement is on refiners.

The RFS will allow much greater flexibility in the use of oxygenates, which should reduce the chances that localized supply disruptions of gasoline or oxygenates will result in retail supply shortages and price spikes.

The additional flexibility provided by the RFS credit trading provisions in the House and Senate bills would result in much lower costs to refiners and thus to consumers. The credit trading system will ensure that renewable fuels are used when and where it is most cost effective to do so.

In California, according to the information I have, nearly all of the refiners have voluntarily switched from MTBE to ethanol in advance of the State's MTBE phaseout deadline of January 1, 2004. The results can only be described as seamless. There have been no ethanol shortages, transportation delays, or logistical problems associated with the increased use of ethanol in the State.

In fact, according to an April 2003 California Energy Commission report, the transition to ethanol, which began in January of 2003, is progressing without any major problems. Today, approximately 65 percent of all California gasoline is blended with ethanol, and it is estimated that 80 percent of the fuel will contain ethanol by the summer.

As a result, while only about 100 million gallons of ethanol were used in the State last year, California refiners will use between 600 and 700 million gallons in 2003. Thus, efforts to carve out California from the RFS, while unjustified, are also completely unnecessary.

I would also like to make the point that any State may petition EPA for a waiver of the renewable fuels requirement for any year. If EPA, in consultation with the Departments of Energy and Agriculture, finds that there would be substantial harm to the economy or environment of a State, region, or the United States, or that there would be an inadequate domestic supply for distribution capacity to meet the requirement, EPA may reduce the volume of renewable fuel required in whole or in part. Such a waiver would be good for 1 year but could be renewed. Under this circumstance, the overall renewable fuel volume requirement would be reduced nationwide.

In addition, I would like to point out that the use of ethanol significantly reduces the tailpipe emissions of carbon monoxide, an ozone precursor, and VOCs and fine particulates that pose a health threat to children, seniors, and those with respiratory ailments. Per-

haps that is one of the reasons the American Lung Association is supporting this compromise.

Importantly, renewable fuels help to reduce greenhouse gases emitted from vehicles, including carbon dioxide, methane, and other gases that contribute to global warming—another answer to the problem of carbons.

The fuels agreement included projects against any backsliding on air quality. First, the agreement tightens the toxic requirements of reformulated gasoline by moving the baseline that refiners must meet to 1999-2000. Secondly, refiners have agreed to meet southern-tier RFG standards for VOC emissions.

Other adjustments to the existing mobile source air toxics rule will ensure additional environmental protections. The agreement allows States and the Ozone Transport Assessment Group—I have been dealing with that group for many years and have had some large disagreements with them, but the agreement allows them to opt into RFG whether the State is in attainment for ozone or not.

Finally, the bill allows EPA, as I mentioned before, to waive a State's volatility to tolerance for ethanol-blended fuels, if necessary, for air quality. In other words, if there is a problem with ethanol in a period of time, the State can waive out of the requirement during that period of time.

I could say many other things, but I think most of the issues raised can be answered very easily. The last thing I would like to point out deals with the issue of cost. The Department of Agriculture has concluded that the ethanol tax incentive program actually—actually—saves the Government money by reducing farm program costs and stimulating rural economies. This is a big deal for rural economies in the United States of America.

I will also say that there was some statement about Archer Daniels Midland being the big supplier. In my State, the farmers and cooperatives are in the process of going forward with building processing plants for ethanol. You are going to have a lot more people in the marketplace when this legislation passes.

The USDA has stated that the net impact of the tax incentive on farm programs is a net savings of more than \$3 billion annually. I point out, just as I mentioned before, there are 11 new ethanol facilities or under construction in the United States. Twenty or more ethanol facilities are in the planning stages.

Last but not least, the concern that has been raised regarding the Federal ethanol tax incentive's impact on the highway trust fund has been addressed in legislation introduced by Senators GRASSLEY and BAUCUS. It is supported by a broad coalition of transportation, local government, business, and agricultural people. The proposal returns full funding to the highway trust fund while restructuring and preserving the Federal tax incentives for ethanol.

So on all of these points, this amendment that we have offered, that is being sponsored by the majority leader and the minority leader, and so many Members of the Senate, is good for America, is good for our economy, is good for our security, and is good for the environment. And the amendment from the Senator from California, I think, would certainly make it less effective, if it were agreed to by the Senate. I urge its defeat.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent that I be allowed to address the Senate for 2 minutes.

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

(The remarks of Mr. NELSON of Florida pertaining to the introduction of the legislation are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Nevada.

Mr. REID. Mr. President, I know the Chair is anxious to close the Senate for our caucuses. I ask the patience of the Chair. The majority will be here shortly. We have a very important unanimous consent request that we have to enter before the recess.

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

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

UNANIMOUS CONSENT AGREEMENT—RECONCILIATION

Mr. MCCONNELL. Mr. President, with regard to the reconciliation bill, we have reached agreement with the minority which I will now propound.

I ask unanimous consent that on Tuesday, May 13, at a time determined by the majority leader, after consultation with the Democratic leader, the Senate proceed to the consideration of the Senate reconciliation bill, if properly reported, and that there then be 14 hours remaining equally divided under the statutory limit.

Mr. REID. Reserving the right to object, I want to make sure there is an understanding. It is my understanding that the leader sometime this evening, after the bill is reported out of the Finance Committee, would bring this to the floor, but that we would not work on the bill tonight. The 14 hours would start running actually tomorrow; is that right? I wanted to make sure that was the understanding.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. That is the understanding.

Mr. REID. We have been, for the last 24 hours, suggesting that we would be

better moving to the debt ceiling sooner rather than later. We feel it should be done before this tax bill. We are working on that. I have worked with the distinguished Senator from Kentucky the last couple of hours. If we get a few breaks during the caucuses, we may be able to bring it up this afternoon. I have no objection to the request by the Senator from Kentucky.

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

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, at 12:45 p.m., the Senate recessed until 2:16 p.m. and reassembled when called to order by the Presiding Officer (Mr. VOINOVICH).

THE ENERGY POLICY ACT OF 2003—Continued

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

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

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

HEALTH CARE

Mr. DURBIN. Mr. President, this past weekend my wife and I met up with some life-long friends from my home area of East Saint Louis, IL. We had a good time together. We sat around and talked about our lives and some of the challenges we face.

My friends own a small business. It is a trucking company with about six or eight employees, and about the same number of trucks. It has been in their family for decades. They are very proud of it. They put their life work into it. We talk about business every time I see them. This time the conversation was not so much about business; it was about an issue which was clearly on their minds, and I believe the minds of small and large businessmen across America. The issue was health insurance.

Something they had taken for granted for so many years has now become a challenge not only to their business but to their personal lives. A few years ago, one of their employees' wives had a baby with some serious medical problems. As a result of that, when the health insurance for their small company came up for renewal the next year, they saw their premiums double.

This small company struggling to get by was faced with an impossible burden, how to continue to provide health insurance for the families and the workers in their employ at costs that

were now out of reach. They tried for a year. When the rates continued to go up, in desperation they made a desperate decision. They called their employees in and said: We can no longer offer health insurance to you as an employee of this company. We will give you the amount of money we were paying monthly as a premium as an increase in your pay, but you have to go out in the open market and find health insurance.

The sad reality is one of the families, the one with the sick child, could not find health insurance, and still has not. The others found it with costs going up every year. But that was not the end of the story. They went on to tell me the insurance they now have to buy in the open market is almost worthless. If they should ever turn in a claim during the course of the year for any medical problem, they can count in the next year that that will be excluded from coverage and protection. If you have a problem with your foot, of any kind, in the next year the health insurance policy offered to you will exclude anything to deal with feet, either one of them, any condition.

The woman told me at this get-together: When I go to get a mammogram now and they ask me who my doctor is, I tell them I do not have one. Send the results to me personally. She said: I try to decide whether or not something serious has been found. I cannot let this get into my medical records because, frankly, I will find an exclusion to coverage if any question is raised.

This was a very startling conversation for me. It was an eye opener. What troubled me the most about this, I do this for a living. I am a Senator, and I am proud of it. I have devoted my life to public service and I hope I have done some good, but when my friends, family members, and businesses across my State all come to me with the same concern over and over again, I cannot explain the feeling of helplessness and frustration I have.

I think about that in the context of the debate in which we are engaged. Of all the debate in the last several years in Washington, DC, of all of the proposals from this administration and from the leaders in this Congress, why is it we can never get close to the issues that really count, the issues that are tearing families and businesses apart? The cost of health insurance is one of those issues. As a nation, is it expensive for us to try to come up with a new approach which says that every American, regardless of their wealth or poverty, will have a basic level of protection of health insurance? That cannot be beyond us.

This is a country and a society which took a look at its impoverished parents and grandparents over 50 years ago and said, we are going to create Social Security. We want these people whom we love to live in dignity. This is the same country and society which in the 1960s took a look at the same parents and

grandparents and said, for goodness sakes, they ought to have basic health insurance. If they have retired, we are going to create Medicare. And we did. This is a country which stepped back and said we are no longer going to discriminate against people because of their disabilities or handicaps. We are going to provide them protection, and we did.

Time and time again, we have risen to the challenge. But what do we have before us now? A debate on the floor of the Senate about a tax cut, the range of the cost of this tax cut over a 10-year period, \$420 billion to \$550 billion, a significant sum of money, on top of a tax cut we just passed 2 years ago.

How will this tax cut benefit my friends who are struggling with the cost of health insurance? How will it benefit families across America who cannot find health insurance and cannot find work? The answer, sadly, is that it is not designed to help them at all.

President Bush comes before us with a tax cut proposal that is a nonstarter. It serves his political philosophy, which is to propose a tax cut whether we are in good times or bad, but it does not serve America and its needs. Our fear of government, our fear of working collectively to solve problems, has driven this Senate and this Congress away from the reality of the challenges of life in America.

We passed a bill called No Child Left Behind. The President said: This is my answer to education in America. And then the President comes back and refuses to fund it. It is an unfunded mandate on the schools of Illinois, Ohio, New Mexico, and Nevada, when these States are facing deficits.

When it comes to health care, this administration has no proposals or suggestions to help the families and businesses struggling to provide health insurance to cover their kids.

When it comes to prescription drugs, there is lip service—nothing that will provide real and meaningful relief from the cost of prescription drugs, particularly for senior citizens and disabled people.

Instead, what are we suggesting? We are discussing a tax cut with the Bush approach, a tax cut that will say to people making over a million dollars in income a year, this elite class will receive about \$90,000 more in breaks from the Federal Government.

What is wrong with this picture? I will tell my colleagues what is wrong, from my point of view. It depends on one's outlook on the future of America. If they believe the future of America is driven and controlled by elite investors, the highest-income people in America, then they should sign on quickly to the Bush tax cut. That is what it is designed to do, to provide to those elite investors, those dividend earners, extra benefits so they can have a more comfortable life and perhaps spend their money in ways to help the economy. That is the Bush approach. For most Republicans—not all,