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# Senate

The Senate met at 9 a.m. and was called to order by the Honorable SAM BROWNBACK, a Senator from the State of Kansas.

PRAYER

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

Almighty God, source of wisdom and fountain of knowledge, we praise You for the gift of Your love. Guide our Senators with Your love. Do not permit the confusion of our time to confuse them. Empower them to contribute to the rightness of things. Let them be part of the answer to the problems in our world.

As they choose the hard right over the easy wrong, give them Your peace. May their lives count for good when even the best does not seem enough. Create within each of us clean hearts and renewed right spirits, that we may become instruments of Your love.

Lord, may the spirit of this prayer be acceptable to You. We pray in Your holy Name. Amen.

## PLEDGE OF ALLEGIANCE

The Honorable SAM BROWNBACK led the Pledge of Allegiance, as follows:

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

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, DC, July 26, 2006.*

*To the Senate:*

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SAM BROWNBACK, a Senator from the State of Kansas, to perform the duties of the Chair.

TED STEVENS,
*President pro tempore.*

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

## RESERVATION OF LEADER TIME

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

## GULF OF MEXICO ENERGY SECURITY ACT OF 2006—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate resumes consideration of the motion to proceed to S. 3711, which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to S. 3711, a bill to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 10 a.m. shall be equally divided between the two leaders or their designees.

Who seeks recognition?

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from the great State of Wyoming.

SCHEDULE

Mr. THOMAS. This morning we will have approximately 1 hour of debate prior to the cloture vote on the motion to proceed to the Gulf of Mexico energy security bill. The vote will occur at about 10 o'clock today, and immediately following that vote we will recess for the 11 o'clock joint meeting. I remind my colleagues to remain in the Chamber following that vote so that we may proceed at 10:40 this morning to the Hall of the House of Representatives to hear the address by the Prime Minister of Iraq. I thank all Senators for their attention.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

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

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

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I understand there are 15 minutes equally divided. I am not sure what equally divided means this morning, but we will do our best. I think Senator BINGAMAN may be here and might want the opposition's time. We will try to use our time in favor of it as judicially as we can. I start by yielding myself 6 minutes.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 6 minutes.

Mr. DOMENICI. Mr. President, today is a very important day. Let me explain why that is to all the Senators and those who are interested.

First, I am going to try to convince our colleagues today that this small lease sale that we are talking about is one of the most important issues spoken of in this Chamber this year. This morning, as the Sun rises over the majestic dome of the Capitol and families wake up across the land, whether it be in Albuquerque, NM, or in New Orleans, LA, or Miami, FL, as they wake up, millions of Americans around the great land find their homes cooled and after breakfast they start their cars, drive their children through their neighborhoods, in carpools or otherwise, to get some needed relief from

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



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the heat. But for these families there is no relief from the high cost of energy.

For too long we have remained unable to provide a remedy for that. In the words of the man in charge of our Nation's monetary policy, ''one likely source of the deceleration [of economic growth] is higher energy prices, which has adversely affected the purchasing power of households and weighed on our consumer attitudes.''

In plain speak, that means if we don't take action, we are in trouble. I assure my colleagues, there is a growing chorus in America and this chorus demands energy relief. It demands our attention to the simple piece of property in the Gulf of Mexico.

We are here to talk about whether to proceed on an item that is critical to American jobs and to our Nation's economy. In the Gulf of Mexico we have a piece of real estate owned by the Government that is the subject matter of what we choose to call the Gulf of Mexico Energy Security Act. We direct the Secretary of Interior to lease the area commonly known as 181 within 1 year after the date of the enactment of this bill. We further remove the moratorium or restriction on the area to the south of 181 and we direct the Secretary to lease that area also.

Taken together, these are 8.3 million acres. I will explain them on the map here in a second, briefly, so I can have my fellow Senators, two of them who want to speak, have an opportunity to do so. They have been vital in getting this done.

But let me summarize. This 8.3 million acres contains 1.26 billion barrels of oil, American oil, and 5.8—or rounded out—6 trillion cubic feet of natural gas. These resources under the sea are American assets on American lands and the power to unleash these resources lies in the hands of the Senate. Or we can walk away and adopt an alternative and that is to continue to increase our dependence on foreign sources of energy from hostile regions of the world.

As American jobs hang in the balance, I remind my colleagues that between 1999 and 2005, a period of time equal to one term in the Senate, the price of natural gas in the United States increased 289 percent. At the same time we lost over 3 million jobs in the manufacturing sector.

In the words of the Federal Reserve Chairman:

> High prices of natural gas reflect strong demand and diminished supplies.

This vote today is a step toward correcting that imbalance.

Also, in this gulf coast bill we provide protections to the Florida coastline. Thanks to the skills and heart and concern of the distinguished Senator MEL MARTINEZ from the State of Florida, we have protected the Florida coastline in this legislation.

I say to those opposed to this legislation, these provisions are a compromise between those who seek additional access to new areas of development and those who do not want to develop off their shores. We struck a balance. Here in the Senate that balance has the overwhelming support of those who seek additional Outer Continental Shelf deep sea access, and the overwhelming support of those whose priority is coastal protection. I am proud of this balance and I defend it against those who challenge it and seek to undermine it.

Finally, the bill is both fiscally responsible and meets the needs of the coastal States that make the sacrifice of hosting our energy infrastructure. It takes care of them in a fair way.

I do not take my fiscal responsibility lightly and I do not make the fact of fiscal responsibility a light issue. I come at this issue with a vast experience in budget matters in the Senate and I can tell you this: The cost associated with sharing the OCS receipts must be weighed against the cost of inaction. I can tell you for certain, inaction would be devastating. When the destruction of the Hurricanes Rita and Katrina ravaged our Nation's gulf, it was a national tragedy, not simply a regional occurrence. Our response should continue to be national in scope and wide in its vision.

We have all heard the anecdotes of how this region hosts about half of our Nation's refining capacity and infrastructure. We heard statistics from the Mineral Management Service that showed that the Outer Continental Shelf plays a major role in supplying our energy resources.

Let me summarize. The Gulf of Mexico is the most prolific producing offshore region and we cannot leave one giant piece of it—one piece of real estate owned by the people that is probably more energy laden than any other piece of real estate in the lower 48—we can't leave it sit there. We have struck a fair balance in this bill and I can say for certain it deserves the sincere consideration of every Senator.

When we start voting, I believe every Senator should say, in fairness, let us proceed. A few days from now an overwhelming number of Senators should say proceed to permit this property, owned by the people, with supplies of gas for the people—let it be used by the people so we don't have to spend more money overseas, sending our dollars and our hard-earned currency to buy what we own, that we can produce in the next decade.

The production will be astronomical if we put our heads to understanding that it is America's property, it is America's resources. There is no risk. We ought to get on with changing 25 years of what started in California, of a fear that was irrational, and get on with reasonable, rational, safe, deepwater drilling.

I yield the floor.

The Senator from Louisana is here and when she is finished, I would yield the remaining time to Senator MARTINEZ.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized.

Ms. LANDRIEU. Mr. President, I appreciate the introduction to this important measure by the chairman of the Energy Committee, Senator DOMENICI. No one has worked harder, in my view, in this entire Chamber, and perhaps in the entire Congress, to help us reach a reasonable, balanced energy policy. The Chairman knows, and I agree with him, we can't drill our way out of this situation. But neither can we conserve our way. We have to stay on parallel tracks to drill more where we can of oil and gas, and conserve more where we can.

The last Energy bill reached a pretty good balance of that. This is another step forward in that reasonable, rational, progressive road the chairman is trying to provide. He is providing excellent leadership and I am proud to support his efforts.

This bill, as the Senator from New Mexico said, will open up significant tracts of land off of the gulf coast for drilling of oil and gas that we need as a nation. I have spoken about this bill many times in terms of its benefits to Louisiana and the gulf coast, and I will again this morning. But before I do that, I would like to speak to the national issue.

Senator DOMENICI is correct when he said this country needs these reserves—and we need them now. This area of the gulf, 8.3 million acres that we have been able to negotiate based on the good work of Senator MARTINEZ and others in the Gulf Coast States, will provide more than six times the amount of natural gas that this country imports in the form of LNG each year. Let me repeat that—six times the amount of natural gas—liquefied natural gas—that this country imports every year. It has more oil than the proven reserves of Wyoming and Oklahoma combined. There is more oil here for our Nation that desperately needs it.

Our manufacturing sector is doing the best it can do to hold onto jobs in the United States. This is an issue that Senators on both sides of the aisle feel strongly about: keeping jobs in America. If we want to keep jobs in America, we need to follow the Chairman's lead and open up lease sale 181 and 181 South.

Only a year ago, the price of natural gas was $15 per million Btu. Today we are fortunate. It has gone down to $6, but 3 or 4 years ago it was $2. It is volatile and it is too high. We need to take it down and stabilize it for manufacturing and agricultural interests from which every single Senator in this body benefits.

We are competing internationally. Overseas they can produce natural gas for a fraction of what it costs us here. Our industries are struggling to hang on because the price is too high. This will help to get our price down, to stabilize it, and bring down the futures that are driving up our prices.

The same for oil: only a few years ago a barrel of oil was $35 a barrel. Today it is selling for about $75 a barrel.

We need to open up more domestic reserves—first, for the country because it is a smart and balanced energy policy. It is sound economic policy—to keep jobs right in the United States.

Second, we must open up these domestic reserves because it is sound environmental policy. Let me speak about the gulf coast for just a few moments.

I have come to this floor many times in the 10 years that I have been here to talk about the gulf coast where I was born and raised, part of the country that I think is the most beautiful and the most special. Of course, we all think the place we are born is that way. But I have also said this coast is America's only energy coast.

This is a satellite picture taken just recently. It shows the coast of Florida, the coast of Alabama, Mobile Bay, the great boot of Louisiana, the shore of Mississippi, and the great expanse of the shore of Texas. This area, since the 1940s, has been the only area in the United States that has allowed offshore oil and gas drilling. We have experimented there for 40 years. We made a lot of mistakes. But we have done a lot of things right. Now we have an industry that actually resembles the space program more than it does the old-time roughneck industry with oil greasy derricks of the old days, as seen in those black and white pictures. Today, the industry deploys technology that looks like a spaceship out in the Gulf of Mexico. We are proud of the gulf. Every widget, every gadget, every seismic device, every flange, every wellhead in large measure has been crafted, designed, and built by people along the gulf coast—and it is a trade that we are proud of. We do it without major spills. We do it simultaneously as we enhance our fisheries, and we do it proudly. We want to continue to do it.

We have laid thousands of miles of pipeline that send oil and gas not just to Louisiana but all over this country for people who live in New York, New Jersey, Maryland, places like Illinois, places in the Midwest. I want you to see where these pipelines start. They start in the Gulf of Mexico.

We drill for oil and gas proudly—and we don't use it just for ourselves, but we use it for everyone in America, to keep these lights on in this Chamber, to help cool people's homes. As we have seen many times after heat waves strike, people can die in large numbers when the utilities go off.

This is not a laughing matter. This is a very serious matter. We are proud to do it, but we cannot do it any longer without sharing in a portion—a very reasonable portion—of the revenues that are generated. We need those revenues to ensure the safety of the massive amounts of infrastructure that rest atop our rapidly eroding coast.

We generated this year from this section of the gulf about $6 billion. The projections are that it could go up to $12 billion. If we pass this bill, it will open up some other areas which will generate for the Treasury of the United States of America upwards of $15 billion a year.

The question to my colleagues is, do you think the people who help generate this revenue, the 10 million people who live along this coast, could share in a partnership with these great resources so we can provide some revenue stream to help protect ourselves and the nation's energy infrastructure from hurricanes that come our way; restore the vital wetlands that support this entire Nation; protect and support the mouth of the greatest river system in North America, the Mississippi, help drain two-thirds of the United States, the river that takes 70 percent of the grain from the Midwest?

Is it possible that we could set up a partnership that works for everyone? Or is that impossible these days in Washington?

My people at home can't even understand it. They say: Senator, who would be against revenue sharing?

We are not asking for all of it. We would like 50 percent, but we negotiated a good deal, at 37.5 percent the same percentage that onshore states used to receive from production on the federal lands in their states before it was raised to 50 percent. We are not trying to be hogs, but we are drowning down here.

If you think I am joking about drowning, I would like to show you a picture of one road. Senator DOMENICI has seen this. It made him shudder. This is the highway to Port Fourchon, which is the highway that links the United States of America to about 70 percent of U.S. offshore oil and gas production. This looks like a Third World nation.

I have come here and begged for money to help with this highway. We cannot, as a State of only 4.5 million people, support the entire infrastructure of the United States of America. We can't do it. We are not that rich. We are a Southern State that has serious challenges. I am not saying we are a charity case, but we can't build highways for everybody with only our money, particularly highways that basically carry the natural resources of the Nation. This is what it looks like.

This is the scientists' projected land loss of the Delta plains. This is from the USGS at the Department of the Interior. This map shows the projected land loss. From 1932 to 2050, this is the land lost and the projected land loss by 2050.

People wonder why New Orleans is flooding. This picture shows us why. The great marshland that protected us—up the great river system and the major ports which helped western expansion for the Nation—put it away from the water and protected it so it could help the Nation grow. Since then, we have not done our job using the revenues wisely and reinvesting in this great wetlands to protect it.

This is an opportunity to pass a bill that is balanced, that is smart, that is necessary, that is needed, and that will be put to great use by the coast of Louisiana, Mississippi, Alabama, and Texas to protect the barrier islands that protect the great energy resources of the Nation and the wonderful people who live there.

In conclusion, I will say this: I have taken Senators on planes, flying over these coastal wetlands. I look down at these ports and these bays. In the middle of hurricanes, people whose homes, schools, and churches were destroyed were sleeping on concrete in tents to keep these pipelines open for the Nation when they did not have homes for themselves.

I am not going to go home until a solution is found for the wetlands.

I see the Senator from Florida. I will yield my time. I thank him for his extraordinary leadership in finding the solution for the gulf coast. This is a gulf coast bill. It is not a Louisiana bill, nor a Florida bill—it is a gulf coast bill. We are Gulf Coast States. I am very proud to have Senator MARTINEZ's support.

The ACTING PRESIDENT pro tempore. The Senator from Florida is recognized.

Mr. MARTINEZ. Mr. President, I join my colleague, the Senator from Louisiana, and thank the chairman of the Energy Committee for his help in moving this bill today. I know it is a very important day for the United States but also for the people of Florida.

S. 3711, the Gulf of Mexico Energy Security Act of 2006, is a bill that will not only provide very needed resources for our Nation, but it also provides something that is very important to those of us who love and are from the State of Florida, which is protections for our State from encroachment by those who would wish to drill and explore for oil and gas in the Gulf of Mexico.

For many years, Members of the House and Senate from Florida have been joined in a struggle to ensure that Florida's economic and environmental interests be protected as exploration for oil and gas in the Gulf of Mexico took place.

I am pleased to say that as we have worked through this issue, one of the things that was paramount in our minds was providing some zone of permanent protection for the State of Florida. In this particular arrangement, which we have been able to reach thanks to the good work and understanding of the needs of Florida by Chairman DOMENICI and others, we have been able to find a zone of protection for the State of Florida—a zone of protection that begins in Pensacola and moves south 125 miles in Florida waters but provides an extraordinary zone of protection for the State of Florida, as we obtained not only 125 miles but frankly 237 miles from the coast of Tampa and almost 325 miles from the coast of Naples. The entire west coast of Florida is going to enjoy protection of well over 200 to 300 miles.

We are, in fact, going to be protecting the State of Florida's military mission line. The military in Florida have had a long and close working relationship. We value what they bring to our State and what they provide for our national defense.

The military mission line, in this area, is going to be observed and protected. That is what provides this extraordinary zone of protection beyond the 125 miles we see here. Why is this important? Because while we could not do this permanently—and there is no such thing as permanence—we have been able to provide this zone of protection, all of this in yellow, to the State of Florida until the year 2022, a long time from now.

In addition, a further protection of that, which is incredibly important for our State, there are any number of leases that were at a different time under different leadership and, perhaps, with not as much thought of the impact it could have on our State, our economy, our beaches, our environment. Many leases were given to oil companies, not much more than 3 miles off the coast of Florida, some 8, 10, 15, or 17 miles off the coast. The State of Florida has, in fact, purchased some of the leases in the past. I commend Governor Bush for leading the effort to do so.

Under this bill, under this arrangement, the leases that are interior in the area of Florida can then be swapped out for leases in the areas that will be explored. It is a great and wonderful opportunity for those who are holding leases close to the coast of Florida to swap them out for areas far beyond where they currently are, thus eliminating, beyond the year 2022, any threat on the gulf coast from drilling.

This is an important and good day for Florida. It is something we have battled for long and hard. Senator BILL NELSON and I—my colleague from Florida—filed a bill early this year which provides a 150-mile zone of protection. This is not 150 miles relating to the panhandle, but it is 125 miles and is, as others have said, the best deal on the table.

Is this the answer to our problems? Certainly not long term, certainly not forever. Certainly we have to understand that the future of America, as the President said in his State of the Union Message, is moving away from our dependence, our addiction to fossil fuels. We have to understand that this is at best a bridge into the future. This is at best a way to provide for now so that Florida industries that have been so dependent on gas, such as the phosphate industry, such as fertilizers, and the generation of electricity to cool and warm Florida homes, will not be imperiled.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MARTINEZ. I ask unanimous consent for an additional 30 seconds to conclude.

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

Mr. MARTINEZ. I know Florida can play a significant role in the development of ethanol and other alternative fuels. I know this is an opportunity for us to bridge into the future. I am delighted that today we are going to provide Florida the kind of protection it needs.

I welcome the opportunity to move S. 3711. It is the last measure, it is the last line. There cannot be any other way but this way if we will have the support of Florida Senators.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who seeks time? The Senator from the great State of New Mexico.

Mr. BINGAMAN. How much time remains?

The ACTING PRESIDENT pro tempore. Twenty-eight minutes on your side.

Mr. BINGAMAN. Is there time remaining for the proponents?

The ACTING PRESIDENT pro tempore. There is no time remaining for the proponents.

Mr. BINGAMAN. Mr. President, shortly I will be voting for cloture on the motion to proceed to S. 3711. I will be urging other colleagues to do as well. I am not casting my vote for cloture because I support the bill in its current form. On the contrary, I think the bill that has been brought before the Senate is seriously flawed on several grounds. I am voting for cloture on the motion to proceed because I want to have a chance to propose amendments to the bill, propose improvements to the bill. I want this bill to represent good, long-term energy policy and good, long-term fiscal policy for the country.

I am aware of statements made by some that once the Senate is on the bill, there will be an attempt to frustrate the ability of Senators to offer legitimate energy amendments. I will certainly oppose any attempt to prematurely invoke cloture on the bill. Our energy problems in the country are serious business. They cry out for thoughtful responses. They also deserve a process in the Senate that is serious and is thoughtful.

In this Congress, we made great progress on energy because we adopted an open, inclusive, and bipartisan approach on the issues. In my view, that record is at risk if we adopt a process on this bill that is a closed process.

I hope the Senate consideration of this bill will be in the vein of the consideration we gave to the last Energy bill. Americans want positive, forward-looking solutions to our energy problems. They want us to use America's technological know-how to come up with innovative solutions and approaches to our problems. We are only going to be able to find those forward-looking solutions if everyone is given a legitimate opportunity to help the Senate work its will on this legislation.

I yield the floor and retain the remainder of my time.

I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. I ask that the time during the quorum call be charged equally against both sides.

The ACTING PRESIDENT pro tempore. No time is remaining on the side of the proponents.

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

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

The legislative clerk proceeded to call the roll.

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

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

Mr. FRIST. Mr. President, this past weekend I was in Tennessee—in Nashville, my hometown. The visit was an opportunity for me to catch up with constituents. Again and again, whether I was in Nashville or over in Carter County at a wonderful pig roast or over in Jackson, TN, west Tennessee or Memphis, the concern of the high cost of gasoline, the high cost of cooling homes, and the impact on local businesses came up again and again and again.

As I was driving through the streets of Tennessee, the average price of gasoline in Nashville, I remember specifically, was $2.87 a gallon—kind of a bargain if you compare it to here in DC, where many metro area prices averaged over $3.08 a gallon this weekend. But people back home in Tennessee feel that it is anything but a bargain. They feel the pinch in their wallets, and it affects how they live every day—whether it is driving their kids to school or taking their vacation at this time of year or filling that tractor with fuel.

Across the Nation, Americans are compensating for these high gas prices and high energy prices by cutting back, feeling the squeeze and having to cut back in other areas. We think twice about going out for dinner or lunch at a restaurant. We select our vacation destinations based today on how far one has to drive from home rather than the appeal of that destination. And we wait a few weeks longer than comfortable before turning on that air-conditioner or heating our homes. That is the direct cost these high energy prices have on our everyday family life.

Many Americans fail to realize the indirect but the very real passthrough costs of high energy prices, the extra energy costs that are hidden in the

prices of the consumer goods and services we use every day. It is not just gasoline prices that are putting that squeeze on American consumers. Right now, American consumers and industries are paying the highest natural gas prices in the world. That translates into, yes, higher heating and cooling bills but also higher prices for farmers trying to buy fertilizer for their fields, higher prices for products made with chemicals, higher prices for paper products, higher prices for manufacturing jobs, which means those jobs ultimately are lost here in America.

Six years ago, America's natural gas bill was $50 billion. Last year, it was four times that, $200 billion. In countries competing for American jobs, the price of natural gas is often one-sixth—one-sixth—as much as it is here in the United States. Thus, when U.S. companies are having to pay more for the energy they need, it makes it harder and harder for them to compete in this global marketplace. When they can't compete, they have to make very tough economic decisions that many times result in American jobs having to move overseas—where energy supplies are much more plentiful and the costs are much lower.

The National Association of Manufacturers estimates that more than 3.1 million high-wage manufacturing jobs have been lost in this country over the last 6 years—largely as a result of those high energy prices. Of more than 120 world-scale chemical plants under construction around the world, only 1 is here in the United States. The high cost of natural gas hurts farmers because natural gas is used to make fertilizer. It is hurting the forest industry. It is hurting the paper products industry. Mr. President, 267 mills have closed, and 189,000 jobs have been lost since this runup in natural gas prices over the last 6 years.

We are all familiar with the energy challenges facing America. We are dangerously dependent on foreign sources of oil. We are dangerously dependent on foreign sources of oil—much of it coming from countries with unstable governments or with interests that are cleary contrary to those of our country.

This disparity will only increase if we do not take action. We have to act to increase the amount of American energy. And that, of course, we could use right here in America today.

The bill before us—the Gulf of Mexico Energy Security Act—is going to do just that. It is action. It will reduce our dependence on foreign oil and natural gas by opening up more than 8 million acres in the gulf to domestic exploration. The area opened under this bill is estimated to contain 1.26 billion barrels of oil and over 5.8 trillion cubic feet of natural gas. It will have an impact on the prices consumers pay at the pump and on their power bills, as we look to the future. It makes sense: increased supply, when we know that price point is ultimately a product of supply and demand.

I want to make it clear that while this is a first step toward addressing the energy challenges we face, it is an important step. There is a lot more we can and should do in the future to break what the President called our ''addiction'' to oil, to diversify our energy resources, to increase the use of renewables and alternative sources such as ethanol and biodiesel, clean coal technology, and nuclear power, and to decrease, to minimize, to lessen consumption by consumers.

One year ago this week, the Senate passed a comprehensive national energy policy which, over the course of the last 12 months, has achieved impressive results. As a result of the Energy bill, 27 new ethanol plants have broken ground, 150 more are in the works. The amount of ethanol and biodiesel we use in our gasoline will more than double over the next 6 years, saving 80,000 barrels of oil a day, and 401 new E–85 pumps have been installed. As a result of that comprehensive Energy bill passed last year, the nuclear industry is planning to build 25 new reactors in the United States, enough to power 15 million households with clean, emission-free electricity. Because of the Energy bill passed last year, 120 clean coal facilities are in the planning stages, enough to replace 2 million barrels of oil a day by the year 2025. And because of the comprehensive Energy bill of last year, wind power, solar power, and hydrogen fuel cells all got a major boost. The Energy bill was part of the solution.

The bill on the floor today is that next critical step. Once we pass this bill and begin producing more of America's energy, we will still have a lot more work to do. We need to do more to encourage development of innovative 21st century technologies that will break our addiction to foreign oil. Whether ethanol or hydrogen or coal-to-liquids or new approaches that we can't even imagine today, we must do all we can to support those new technologies, those advanced technologies that will move us beyond the debate over oil and over gas.

For the foreseeable future, we are going to be talking about oil and gas. That is why the bill before us today is so critical. The Gulf of Mexico Energy Security Act will substantially reduce our dependence on foreign oil and natural gas. It will increase moving toward energy independence. It will strengthen our national policy. It will reduce the cost of living for American consumers.

In a post-9/11 world, energy security is a matter of national security. Now more than ever America needs America's energy. That is what this bill does. It brings more American energy to American consumers. It is a bipartisan bill.

I especially thank Senators DOMENICI and LANDRIEU, VITTER, and MARTINEZ, and so many others for helping us get to this point. I hope the Senate will now vote to allow us to begin debate on this legislation so that we can continue to deliver meaningful solutions to the American people.

I yield the floor.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the hour of 10 a.m. having arrived, the Senate will proceed to a vote on the motion to invoke cloture on the motion to proceed to S. 3711. Under the previous order, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 529, S. 3711, a bill to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes.

Bill Frist, Pete Domenici, Richard G. Lugar, Mitch McConnell, Kay Bailey Hutchison, Jim Bunning, Trent Lott, Christopher S. Bond, Tom Coburn, Wayne Allard, David Vitter, Mel Martinez, Thad Cochran, Jim DeMint, John Cornyn, Lindsey Graham, Jeff Sessions.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is: Is it the sense of the Senate that debate on the motion to proceed to S. 3711, a bill to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I further announce that if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote ''yea.''

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

The yeas and nays resulted—yeas 86, nays 12, as follows:

[Rollcall Vote No. 217 Leg.]

YEAS—86

| | | |
|---|---|---|
| Akaka | Chambliss | Ensign |
| Alexander | Clinton | Enzi |
| Allard | Coburn | Feingold |
| Allen | Cochran | Frist |
| Baucus | Coleman | Graham |
| Bayh | Collins | Grassley |
| Bennett | Conrad | Gregg |
| Bingaman | Cornyn | Hagel |
| Bond | Craig | Hatch |
| Brownback | Crapo | Hutchison |
| Bunning | DeMint | Inhofe |
| Burns | DeWine | Inouye |
| Burr | Dodd | Isakson |
| Byrd | Dole | Jeffords |
| Cantwell | Domenici | Johnson |
| Carper | Dorgan | Kennedy |
| Chafee | Durbin | Kohl |

| | | |
|---|---|---|
| Kyl | Nelson (FL) | Smith |
| Landrieu | Nelson (NE) | Specter |
| Leahy | Obama | Stabenow |
| Levin | Pryor | Stevens |
| Lincoln | Reid | Sununu |
| Lott | Roberts | Talent |
| Lugar | Rockefeller | Thomas |
| Martinez | Salazar | Thune |
| McCain | Santorum | Vitter |
| McConnell | Schumer | Voinovich |
| Mikulski | Sessions | Warner |
| Murkowski | Shelby | |

NAYS—12

| | | |
|---|---|---|
| Boxer | Lautenberg | Reed |
| Dayton | Lieberman | Sarbanes |
| Feinstein | Menendez | Snowe |
| Harkin | Murray | Wyden |

NOT VOTING—2

| | |
|---|---|
| Biden | Kerry |

The PRESIDING OFFICER. On this vote, the yeas are 86, the nays are 12. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

## UNANIMOUS CONSENT AGREEMENT—H.J. RES. 87

Mr. MARTINEZ. Mr. President, I ask unanimous consent that at 12 noon on Wednesday, July 26, the Senate proceed to the immediate consideration of H.J. Res. 87, which was received from the House. I further ask unanimous consent that there be 30 minutes equally divided between the two leaders or their designees, and that following the use or yielding of time, the joint resolution be read a third time and the Senate proceed to a vote on passage without intervening action or debate.

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

## RETURNED AMERICANS PROTECTION ACT OF 2006

Mr. MARTINEZ. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 5865, which was received from the House.

The ACTING PRESIDENT pro tempore. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 5865) to amend the Social Security Act to increase the limit on payments for temporary assistance to U.S. citizens returned from foreign countries.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, recent events in the Middle East have led to the evacuation of thousands of U.S. citizens from Lebanon. This evacuation is being conducted by the U.S. State Department.

However, the Department of Health and Human Services, or more specifically, the Administration for Children and Families, ACF, is responsible for assisting U.S. citizens upon their return to the United States.

Over the past several days, ACF has established repatriation facilities at the Baltimore/Washington airport, the Philadelphia airport, and McGuire Air Force Base in New Jersey. More than 5,000 Americans have been offered assistance at these facilities in recent days. Thousands more are expected within the week.

These repatriation facilities are staffed by Federal and State employees who provide assistance with travel, lodging, and access to medical facilities, as necessary. These employees are doing a tremendous job assisting all of the evacuees.

Unfortunately, under current law, this critical assistance is subject to a statutory cap of $1 million dollars. Given the expected number of evacuees, the statutory cap could be reached at any moment. Unless Congress acts quickly to raise the cap, the ongoing repatriation efforts will be suspended. We must not allow that to happen.

The legislation I have offered today, along with my colleague from Montana, Senator BAUCUS, will raise the cap to $6 million through the end of this fiscal year. This increase is expected to fully cover the anticipated costs of the evacuation this year, as well as provide for the continued operation of the repatriation program next year.

In addition to temporarily raising the cap, this legislation would provide the States with the option to use the National Directory of New Hires to verify eligibility under the Food Stamp Program. This language is similar to the provisions in current law now being used to verify eligibility for the SSI Program and to collect delinquent child support payments.

According to the Congressional Budget Office, the utilization of this option in the Food Stamp Program would save roughly $1 million a year, thus offsetting the cost of raising the cap.

In contrast to the legislation passed by the House yesterday, this legislation does not sunset the repatriation program. The repatriation program has been in operation, in one form or another, since the 1930s. There is no reason to believe this program should be abolished. Thus, the sunset provision contained in the House bill is merely a gimmick to create the appearance that the bill is paid for when in fact it is not.

On another matter, the House language includes a requirement for an IG report on the repatriation program. However, it does not appear such a report is necessary.

According to ACF, under the emergency repatriation program each State has an approved plan which they implement when needed. They are allowed to assume costs for all of the activities contained in their approved plan. The States then submit a detailed explanation of how the funds were spent, along with supporting documentation.

Finally, it should be noted that the language in the House bill was intended to lift the million-dollar cap for the current fiscal year. But it is not entirely clear it accomplishes that goal. Under current law, the cap is effective for fiscal years beginning after September 30, 2003. Under the House-passed language, the cap is effective for fiscal years beginning after September 30, 2006. Since the current fiscal year occurs after 2003 but before 2006, that begs the question—what is the cap for this year? The answer to this question should not be ambiguous. The Senate language clearly states the cap for the current fiscal year is $6 million.

Given all of these concerns, I urge my colleagues to reject the House language and support the Senate alternative. The Senate alternative will maintain the critical assistance now being provided to evacuees, while at the same time offsetting the cost of this assistance in a reasonable and responsible manner.

I urge its adoption.

Mr. BAUCUS. Mr. President, I urge the Senate to adopt the Grassley-Baucus amendment to the bill H.R. 5864—The Returned Americans Protection Act of 2006. This bill provides needed resources to the United States Repatriation Program, which is currently assisting U.S. citizens who are returning to United States from Lebanon.

The United States Repatriation Program was established by title XI, section 1113 of the Social Security Act to provide temporary assistance to U.S. citizens and their dependents who have been identified by the Department of State as having returned, or been brought from a foreign country to the U.S. because of destitution, illness, war, threat of war, or a similar crisis. The program is currently being used to provide assistance to citizens returning from Lebanon, but estimates indicate that the program could reach its statutory spending cap at any moment. The cap is currently $1 million per fiscal year. We have been asked by HHS to increase the cap for fiscal year 2006 to $6 million.

The Grassley-Baucus amendment lifts the cap for fiscal year 2006 from $1 million to $6 million. The amendment also includes an offset from the President's fiscal year 2006 budget to use the National Directory of New Hires, NDNH, to improve the administration of the Food Stamp Program. Access to the NDNH will help USDA verify wage and employment information on food stamp applications. That proposal was scored by CBO has providing $11 million in savings over 10 years.

We have worked with the Department of Health and Human Services and other Government agencies in creating this legislation. We believe we have a reasonable and fiscally responsible solution to this relatively minor problem. We urge the Senate to adopt our amendment, pass the bill, and send the bill to the House for their immediate consideration.

This bill involves a small and, thankfully, seldom-used Federal program. But as recent news events have made clear, this is a program that can provide much-needed assistance to our constituents during difficult circumstances. We should not allow these

important resources to be needlessly delayed.

Mr. MARTINEZ. Mr. President, I ask unanimous consent that the Grassley-Baucus substitute amendment at the desk be agreed to, the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 4695) was agreed to, as follows:

Strike all after the enacting clause and insert:

**SECTION 1. PAYMENTS FOR TEMPORARY ASSISTANCE TO UNITED STATES CITIZENS RETURNED FROM FOREIGN COUNTRIES.**

(a) INCREASE IN AGGREGATE PAYMENTS LIMIT FOR FISCAL YEAR 2006.—Section 1113(d) of the Social Security Act (42 U.S.C. 1313(d)) is amended by inserting '', except that, in the case of fiscal year 2006, the total amount of such assistance provided during that fiscal year shall not exceed $6,000,000'' after ''2003''.

**SEC. 2. DISCLOSURE OF INFORMATION IN THE DIRECTORY OF NEW HIRES TO ASSIST ADMINISTRATION OF FOOD STAMP PROGRAMS.**

Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended—

(1) by redesignating the second paragraph (7) as paragraph (9); and

(2) by adding at the end the following new paragraph

''(10) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF FOOD STAMP PROGRAMS.—

''(A) IN GENERAL.—If, for purposes of administering a food stamp program under the Food Stamp Act of 1977, a State agency responsible for the administration of the program transmits to the Secretary the names and social security account numbers of individuals, the Secretary shall disclose to the State agency information on the individuals and their employers maintained in the National Directory of New Hires, subject to this paragraph.

''(B) CONDITION ON DISCLOSURE BY THE SECRETARY.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

''(C) USE AND DISCLOSURE OF INFORMATION BY STATE AGENCIES.—

''(i) IN GENERAL.—A State agency may not use or disclose information provided under this paragraph except for purposes of administering a program referred to in subparagraph (A).

''(ii) INFORMATION SECURITY.—The State agency shall have in effect data security and control policies that the Secretary finds adequate to ensure the security of information obtained under this paragraph and to ensure that access to such information is restricted to authorized persons for purposes of authorized uses and disclosures.

''(iii) PENALTY FOR MISUSE OF INFORMATION.—An officer or employee of the State agency who fails to comply with this subparagraph shall be subject to the sanctions under subsection (l)(2) to the same extent as if the officer or employee were an officer or employee of the United States.

''(D) PROCEDURAL REQUIREMENTS.—State agencies requesting information under this paragraph shall adhere to uniform procedures established by the Secretary governing information requests and data matching under this paragraph.

''(E) REIMBURSEMENT OF COSTS.—The State agency shall reimburse the Secretary, in accordance with subsection (k)(3), for the costs incurred by the Secretary in furnishing the information requested under this paragraph.''.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 5865), as amended, was read the third time, and passed.

## JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRIME MINISTER OF THE REPUBLIC OF IRAQ

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 12 noon for a joint meeting with the Prime Minister of Iraq.

Thereupon, the Senate, at 10:40 a.m., recessed until 12 noon, and the Senate, preceded by the Secretary of the Senate, Emily Reynolds; the Deputy Sergeant at Arms, Lynne Halbrooks; the Vice President of the United States; and the President pro tempore, Mr. STEVENS, proceeded to the Hall of the House of Representatives to hear the address by Prime Minister Maliki of the Republic of Iraq.

(The address delivered by the Prime Minister of the Republic of Iraq to the joint meeting of the two Houses of Congress is printed in the Proceedings of the House of Representatives in today's RECORD.)

At 12:02 p.m., the Senate having returned to its Chamber, reassembled and was called to order by the Presiding Officer (Ms. MURKOWSKI).

## BURMESE FREEDOM AND DEMOCRACY ACT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of H.J. Res. 86, which the clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 86) approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, and for other purposes.

The PRESIDING OFFICER. There will now be 30 minutes of debate equally divided.

Mr. MCCONNELL. Madam President, I ask unanimous consent that the debate from 12:30 to 6:30 this evening on energy security be equally divided between the two leaders or their designees with respect to the motion to proceed to S. 3711; provided further that following any opening remarks of the two leaders on Thursday, July 27, the motion to proceed be agreed to, and the Senate then begin the consideration of S. 3711.

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

ADDRESS OF IRAQI PRIME MINISTER NOURI AL-MALIKI

Mr. MCCONNELL. Madam President, before speaking on the Burmese Freedom and Democracy Act, I want to make a few comments about the speech of the Prime Minister of Iraq which we just had an opportunity a few moments ago to hear in the joint session over in the House Chamber.

Today we mark a step forward in the war on terror. A mere 3½ years ago, the dictator, Saddam Hussein, would have addressed his regime's legislature of lackeys. Today, the democratically elected Prime Minister of Iraq addressed a joint meeting of the U.S. Congress.

A mere 3½ years ago, the dictator, Saddam Hussein, ruled Iraq. He terrorized his own countrymen with murder, torture, and weapons of mass death. He posed a security threat to the entire region and to the United States. The international community decided he had to face serious consequences.

In March of 2003, America, as we all well know, led a multinational coalition of forces to depose the dictator and to liberate Iraq. Since then, the country has made remarkable progress as it throws off the shackles of tyranny and embraces democracy.

Iraqis have held three successful national elections, ratified a constitution, elected a permanent unity government, and formed a cabinet with a strong prime minister at its head: Prime Minister Nouri al-Maliki, whom we had the pleasure of hearing from just an hour or so ago.

It took our country 13 years to go from independence to the implementation of our Constitution. Iraqis have done it in 3—and under the glare of the 24-hour news cycle coverage and the threat of terrorist attacks.

When Prime Minister Maliki ascended to the podium today, it was hard to deny the importance of the moment. His presence in this Capitol represents a victory for democracy. And his country is, and will continue to be, an important ally in the war on terror. Of course, there will be many tough days ahead in Iraq. There is no denying that the security situation represents a real challenge. But America does not avoid challenges, and we do not abandon our allies when the going gets tough.

We are moving forward in Iraq. The country recently realized its highest oil production and export levels since before its liberation, and during the past 3 years, per capita income in Iraq has doubled.

I would also like to call to my colleagues' attention an article titled ''Iraq as a Sovereign Nation'' written by the Prime Minister that appeared in Monday's Wall Street Journal. It points to very tangible proof that Iraq is moving forward.

The Iraqi province of al-Muthanna, located at the southernmost border of that country, has become the first province in which local Iraqi forces have taken full responsibility for law enforcement and security, taking over for our coalition forces. President Bush has frequently said: As Iraqis stand up,

we will stand down. That is exactly what has happened in al-Muthanna, home to over a half million Iraqis.

Local Iraqi police and military have stood up and taken the place of 1,400 coalition troops. The Governor of al-Muthanna has command of the provincial police. Iraqi national police and Iraqi Army troops will operate in the province under the control of the Prime Minister and the National Government.

The transfer of power in al-Muthanna is only the first step. The Prime Minister writes that ''current estimates envision half of Iraqi's provinces transferring security responsibility before the end of 2006''—this year. He and I agree that this process should not be driven by an arbitrary timeline but by the situation on the ground; nevertheless, this is an encouraging sign.

He goes on to write that the decisions for future transfers of power will be made based on the threat assessment in the province, the readiness of the local Iraqi forces, the readiness of the local governmental authorities, and overall coalition force posture.

The historic achievement of local control in al-Muthanna represents an important step forward in our mission in Iraq. As Iraqis stand up, we will stand down, and we will leave behind a proud and free Iraq.

The Prime Minister ends his article by saying:

> With God's help, and continued assistance from the coalition, our regional neighbors and the larger international community, our people will unite and prosper. Together, we can and will succeed.

I think we should all commend the Prime Minister for his vision and leadership. America will and must continue to stand by Iraq. None of what has been achieved in the last 3 years there has been at all easy, but we have succeeded and we will continue to succeed because freedom and democracy are stronger than the terrorists' tools of mayhem and fear.

Great credit must go to President Bush for his strong leadership in the war on terror which has enabled us to reach this transfer of power in al-Muthanna, and soon, in other provinces as well. I also commend the Iraqi Government, Iraqi police, and Iraqi security forces for their hard work in promoting stability in the country.

Of course, Madam President, I know our colleagues join me in thanking the men and women of America's Armed Forces for their courage, dedication, and sacrifice.

Stability in Iraq means stability in the region and greater security at home. As the Prime Minister said in his speech just delivered, according to translation:

> Do not imagine that this problem [of terrorism] is solely an Iraqi problem, because the terrorist front represents a threat to all free countries and free peoples of the world. . . .The responsibility of facing this challenge lies on the shoulders of every country and every people that respects and cherishes freedom.

The Prime Minister is exactly right. For that reason, America must stand firm in the war on terror, and we must stand side by side with our Iraqi allies in their war on the terrorists.

Before I finish, let me say a few words about the current situation in the Middle East regarding Israel and Hezbollah. Israel is America's longstanding friend and an ally in the war on terror. In fact, the horrors of September 11 awoke many in this country to what Israelis face daily and have faced daily for literally years. That country has been and continues to be on the front lines of the war on terror. I, for one, support Israel's efforts during this intense time to do whatever it takes to defend her people and her borders.

Maybe some have forgotten, but the terrorist group, Hezbollah, killed 241 American service men and women in Beirut in 1983. Hezbollah's love of death and destruction is on a par with al-Qaida. They are enemies to every peace-loving, democratic country. They are a threat, and Israel has a right to pursue them wherever they exist.

Now, Madam President, if I may, I would like to turn to speak in support of the Burmese Freedom and Democracy Act, which is the bill before us this afternoon.

This May, along with a number of cosponsors, including my good friends, Senator FEINSTEIN and Senator MCCAIN, I introduced this bill for Senate consideration. Passage of this bill would mean continued sanctions against the illegitimate, dictatorial regime that currently holds Burma literally in its grip—the Orwellian-named State Peace and Development Council, or SPDC. This Senate will be acting on behalf of those in Burma who are being repressed. The Burmese people want these sanctions because they want democracy, justice, and freedom, and we stand with them.

I see my friend, Senator MCCAIN, here to speak on this issue as well. He has actually had the privilege of meeting with Daw Aung San Suu Kyi, the hero of Burmese independence, an opportunity that has been denied to most because she has been essentially under house arrest for 10 of the last 17 years.

The broad, bipartisan coalition in this Chamber for this legislation indicates America's firm resolve to oppose the tyrannical SPDC regime, and America's recognition that Burma, under the SPDC, poses an immediate threat to its region. To put it simply, the allies of the Burmese people have a moral obligation to continue to stand up against the SPDC. I take great pride that we are continuing to do so.

As many of my colleagues are well aware, last year, the extension of sanctions was signed into law by President Bush on July 27, 2005. It enjoyed strong, bipartisan support and passed this body by a vote of 97 to 1. Unfortunately, recent events have reminded us of the need to keep up the pressure on the villainous SPDC regime.

Ibrahim Gambari, the United Nations Under-Secretary-General for Political Affairs, visited Burma in May as a representative of Secretary-General Kofi Annan. He met with the ringleaders with the SPDC as well as Nobel Peace Prize winner, Daw Aung San Suu Kyi, who, as I indicated earlier, is a political prisoner and has been the leader of that country's democracy movement for quite some time. Suu Kyi, as I indicated earlier, has spent 10 of the last 17 years in detention or under house arrest for her efforts to bring freedom and democracy to her people. Many other members of her party, the National League for Democracy—the NLD—have been detained as well.

After returning, U.N. Diplomat Gambari wrote a column for the International Herald-Tribune titled ''A Crack in the Burmese Door.'' After acknowledging the SPDC's years of repression and misrule, Gambari wrote:

> Last month, something seemed to change. Burma's locked door popped open a small crack.

Gambari wrote this based on his discussions with the SPDC. But I think we should judge actions rather than words, and those actions tell an entirely different story. In fact, nothing fundamentally has changed in Burma. Suu Kyi remains under house arrest and the regime continues to engage in outrageous behavior.

I do not share Mr. Gambari's optimistic view that the SPDC is ready to, as he puts it, ''turn a new page.'' In my view, the junta is only interested in deflecting growing pressure from the international community to change its repressive ways—and in avoiding the U.N. Security Council's consideration of a nonpunitive resolution that addresses the threat the SPDC poses to its own people and the entire region.

Shortly after Mr. Gambari's visit, Suu Kyi's house arrest was extended for another year—double the length of the extensions she typically receives, under the regime's perverted concept of a legal process.

Even worse, Suu Kyi's life. was threatened in a state-run newspaper. The New Light of Myanmar, a mouthpiece for the SPDC junta, printed the following in a story on July 6:

> The days of Daw Suu Kyi and NLD are numbered. They are heading for the tragic end . . . Daw Suu Kyi and the National League for Democracy (NLD) pose the most dangerous threat to the nation.

That is an ominous threat. And the people who make it have the power to see it carried out.

They have made an attempt on her life before, and are apparently threatening to do so again.

In addition to the immediate danger its misrule poses to the Burmese people, we cannot forget for a single moment that the military regime in Rangoon poses a significant and non-traditional threat to the entire region. Their litany of abuses is well known.

Refugees spill into Thailand, fleeing the SPDC's brutal war against ethnic minorities.

Illegal drugs pour across Burma's borders into China, India, and Thailand, and destroy the lives of the region's youth.

And an unchecked HIV/AIDS virus closely follows drug trafficking routes, leaving disease and human tragedy in its wake.

It is worth noting that the SPDC spent $70,000 in 2004 to combat HIV/AIDS. This is in stark contrast to the millions of dollars spent on weapons from China and Russia—and, according to recent news reports, North Korea.

This is no time for the international community and multilateral organizations, including the Association of Southeast Asian Nations, ASEAN, to soften its stance on Burma.

I want to emphasize for my colleagues one very important point. This Senate has already done much on behalf of the Burmese people. Now it is time for the U.N. to do its part.

We need less talk and more action at the U.N. in support of democracy, freedom, and justice in Burma. We must keep in mind that the situation is so dire in Burma that the U.N. has already adopted 28 nonbinding resolutions regarding that country. It is now time for the U.N. Security Council to act.

The criteria and justification for bringing a country before the Security Council was outlined in a report commissioned by former Czech President Vaclav Havel and South African Archbishop Desmond Tutu. There is no one in this Chamber who does not applaud their sustained efforts to bring about a peaceful solution to the Burma problem.

In fact, the Senate passed in May a measure that I sponsored calling on the U.N. Security Council to discuss a binding, nonpunitive resolution on Burma that calls for the immediate and unconditional release of Suu Kyi and all other political prisoners in that country; an end to abuses against minorities, including the use of rape as a weapon of war; and the beginning of a meaningful national reconciliation process that includes the unfettered participation of the NLD and ethnic minorities with the SPDC.

It is time for the U.N. Security Council to take such action. It is time for free nations to stand for freedom.

I specifically call on the respective governments of Ghana and the Republic of Congo, current nonpermanent members of the Security Council, to support this resolution.

Ghana, in particular, is a country that values freedom and the rule of law, and support for the resolution would unequivocally demonstrate that they stand on the side of justice in Burma.

I urge our Representative to the United Nations to continue efforts to move toward Security Council consideration of a nonpunitive resolution on Burma. To do any less would be to take a step backward.

Mr. President, the Congress has stood with the people of Burma in their quest for freedom and democracy. It is time for the U.N. Security Council to do the same.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Madam President, I thank Senator MCCONNELL and Senator FEINSTEIN for their leadership once again in renewing the sanctions contained in the 2003 Burmese Freedom and Democracy Act. I am proud to cosponsor and support this resolution.

I again thank the Senator from Kentucky and the Senator from California for their leadership and their advocacy. I thank Senator MCCONNELL for his very strong and inspirational remarks that he completed.

As we renew these sanctions, the situation inside Burma continues to worsen still. The military junta in that country controls the population through a campaign of violence and terror, and the lack of freedom and justice there is simply appalling. The Burmese regime has murdered political opponents, used child soldiers and forced labor, and employed rape as a weapon of war. Political activists remain imprisoned, including elected members of parliament. And that courageous woman, Aung San Suu Kyi, has spent yet another year in captivity.

Aung San Suu Kyi's resolve in the face of tyranny inspires me and, I believe, every individual who holds democracy dear. Because she stands for freedom, this heroic woman has endured attacks, arrest, captivity, and untold suffering at the hands of the regime. Burma's rulers fear Aung San Suu Kyi because of what she represents—peace, freedom and justice for all Burmese people. The thugs who run the country have tried to stifle her voice, but they will never extinguish her moral courage. Her leadership and example shine brightly for the millions of Burmese who hunger for freedom and for those of us outside Burma who seek justice for its people. The work of Aung San Suu Kyi and the members of the National League for Democracy must be the world's work. We must continue to press the junta until it is willing to negotiate an irreversible transition to democratic rule. The Burmese people deserve no less.

And, while we see encouraging signs that the world is no longer content to sit on the sidelines, not everyone has gotten the message. Nine years after Burma joined ASEAN, the Southeast Asian nations remain too passive in the face of Burma's outrages. The European Union has recently announced that it will waive a travel ban on Burma's top leaders so that the Burmese foreign minister can attend the Asia-Europe meeting in Finland this September. It is hard to see what new actions the Burmese junta must commit in order to induce the world to treat the junta like the pariah it wishes to be.

At least there should be no mistaking where the United States stands when it comes to repression in Burma. The U.S. Congress has been in the forefront of efforts to isolate that country, and we stepped up these measures significantly in 2003 with the Burmese Freedom and Democracy Act. In doing so, we took active steps to pressure the military junta, and we sent a signal to the Burmese people that they are not forgotten—that the American people care about their freedom and will stand up for justice in their country. Today's renewal of the import restrictions—sanctions that are supplied by supported by the National League for Democracy—is just one of those steps. I believe that these restrictions must remain in place until Burma embarks on a true path of reconciliation—a process that must include the NLD and Burmese ethnic minorities.

But the import ban must not be the only step. The U.S. has pushed for a resolution at the United Nations Security Council, and this step should garner wide support. The Europeans and ASEAN too should take up the Burma issue and put it on their front burners. Every responsible member of the international community must realize that the desire of people to be free is universal, and it does not stop at the gates of Rangoon. The people of Burma desire freedom and democracy, they have expressed this desire, and they shall one day have it. The question is not ''if'' but ''when.'' We shall help them get there, and we shall never forget their brave struggle.

Again, I thank the Senator from Kentucky and the Senator from California for their leadership on this very important issue.

There are many issues that are before America's attention today and that dominate our television and our newspapers. But this struggle for freedom on the part of the Burmese people has been there before and, unfortunately, will be after. We must be steadfast in our advocacy until they attain the freedom that they deserve under the leadership of this magnificent, Nobel Prize-winning hero for men and women throughout the world.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. If I can say to my friend from Arizona before he leaves the floor, it is hard to imagine that the world simply doesn't pay any attention to this outrageous regime. I ask my friend, if they had a weapon of mass destruction, probably we would be paying a little more attention to this pariah regime—does my friend from Arizona not agree?

Mr. MCCAIN. I agree with my friend from Kentucky. Let me respond by referencing, again, this struggle carried out by this magnificent woman. She has endured 17 years of house arrest. When her husband was in England, he was dying of cancer. She has two sons, by the way. He was dying of cancer, and she wanted, of course, to go to be with her husband in his last hours. The

junta said: Yes, you can go, but you can never come back.

Among the incredible sacrifices she has made, she was not even allowed to be with her husband as he died.

One time she was surrounded by these thugs who killed some of her supporters. She was in a car for a week—inside of her car for a week, surrounded by these unspeakable, brutal thugs who were the goons of this regime.

The things she has undergone. Yet, incredibly, whenever she is with these thugs from this junta, she treats them with the utmost courtesy. She serves them tea. She treats them as only a woman of her caliber can treat her mortal enemies.

Her story needs to be told and retold throughout the world, thousands and thousands of times. As a person who is a hero worshiper, an admirer, I believe that heroes have an important place in our Nation and the world. When I see her, she ranks in the first ranks of heroes in the world. It seems to me, with all due respect to the other nations of the world—our European friends, our ASEAN friends, and others—that we should be far more energetic in her advocacy and advocacy of freedom for her people.

I thank the Senator from Kentucky.

Mr. MCCONNELL. I thank the Senator as well. He makes a very important point.

The United Nations has not responded to efforts to prod them into moving this item up on the agenda. It could well be because of the lack of enthusiasm, shall I say, of the Chinese and the Russians—two permanent members of the Security Council. Nevertheless, the efforts persist. This U.S. sanctions bill is important, but it is not going to get the job done. We know that. It would require multilateral sanctions of a dramatic basis, such as were imposed against South Africa, to get the job done. At least at this point, the ASEAN countries seem to be more interested in doing business there than they are squeezing the regime.

There was, however, one encouraging sign. Burma was scheduled to host the ASEAN meeting this year. That did, I think, embarrass the members to the extent that they were unwilling to do that. So ASEAN obviously is not meeting in Burma in 2006.

The struggle continues. I thank our colleagues. This is going to pass on a voice vote shortly. I thank our colleagues for their awareness of this issue. I think it is one that will be before us for some time to come.

I don't know if there are other speakers. I see the Democratic leader. Does he wish to speak on this bill?

I yield the floor.

Mr. BAUCUS. Madam President, 3 years ago, Burma's military junta arrested democracy advocate Aung San Suu Kyi and returned her to the house arrest that she has endured with only intermittent periods of release since 1989.

Three years ago, Congress enacted the Burmese Freedom and Democracy Act of 2003, and we have renewed the sanctions called for under that legislation every year since then.

That legislation is set to expire this summer, and we are now considering whether to extend its provisions for another 3 years.

Tragically, Burma's human rights record has worsened, rather than improved, in the 3 years since Congress enacted the Burmese Freedom and Democracy Act.

Earlier this year, the detention of Aung San Suu Kyi was extended for another year. More than 1,100 political prisoners languish in jail in Burma, prevented from expressing their aspirations for a democratic government.

The military junta ruling Burma still refuses to enter into a dialog with the opposition National League for Democracy. Its brutal treatment of ethnic minorities and advocates of democracy remains unabated. Forced labor is a widespread problem, and labor activists are regularly imprisoned for trying to combat it.

The failure of Burma's dictators to address the HIV/AIDS and avian influenza situation in the country contributes to the horrific situation of the Burmese people.

And the regime's effects are not confined to Burma's borders. Thousands of refugees have fled to Thailand, Malaysia, India, and Bangladesh. Burma is the world's second largest opium producer, supplying 90 percent of the heroin from Southeast Asia. It is also the single largest producer of methamphetamine in the region.

One year ago, nearly to the day, I stood on the Senate floor and questioned whether these economic sanctions were the most appropriate tool for bringing about the kind of change we need to see in Burma.

The arguments against economic sanctions continue to be quite compelling. First of all, they have a very poor record of success. The kinds of governments that merit this sort of treatment are not sensitive to international opprobrium, nor are they swayed by it to make changes. Second, economic sanctions tend to hurt the people that they are intended to help. Ordinary people lose their jobs, while the military and its leaders are left untouched. Third, severing economic ties shuts off an important avenue of dialog that can promote change.

Those who support the sanctions point out, rightly, that Burma's rulers are not willing to engage in dialog, either at home or with its neighbors. It is plain that Burma's military dictators are not interested in being members of the international community. They have rebuffed the United Nations. And they have refused to allow U.N. Special Rapporteur on Human Rights Paulo Sergio Pinheiro to visit Burma since November 2003.

They are equally uninterested in improving the lives of their people, or participating in the global economy. While more and more nations have turned to freer markets to bolster their growth, Burma has actually worked to dismantle fundamental economic institutions like property rights, contract enforcement, sustainable fiscal policies, and a reliable currency.

It is difficult to imagine an environment less conducive to growth and less attractive to foreign investment. Revenues from oil and gas exports flow to the regime. Businesses and farmers are routinely shaken down. And productive assets are concentrated in the hands of the regime's cronies.

In December of last year, America led the effort that produced the U.N. Security Council's first-ever discussion of the human rights abuses in Burma. I welcome the administration's efforts to increase international pressure on the military dictatorship.

But if we are serious about trying to isolate the junta through sanctions, we cannot act alone. The European Union has also imposed sanctions on Burma, but neighboring countries continue to trade with Burma and to direct investment there.

The administration needs to work with other countries, especially the countries in the region Thailand, China, India—that are still economically engaged with the dictatorship to intensify the pressure on the regime.

The countries in the region have the most to lose from the worsening of the situation in Burma. As the oppression and abuse continue, more refugees will flee across the borders. As the junta focuses on enriching itself and ignoring the needs of its people, more drugs will flow across the border, and the risk of diseases like HIV/AIDS, malaria, antibiotic-resistant tuberculosis, and avian influenzas will increase in the region.

Despite my reservations about the effectiveness of sanctions to effect change, I will support this resolution, extending the Burmese Freedom and Democracy Act for a further 3 years.

This extension adds our voice to the voice of the Burmese people, muffled by the oppressive regime, in calling out for democracy and human rights. It is my hope that our action today will increase the awareness of the worsening human rights situation and bolster international support for democracy in Burma.

Mr. GRASSLEY. Madam President, I rise in support of H.J. Res. 86, which will renew the import ban we first imposed on Burma in 2003.

The Burmese Freedom and Democracy Act was our response to the reprehensible attack on the National League for Democracy which occurred on May 30, 2003, and the arrest of many NLD officials, including their leader, Daw Aung San Suu Kyi.

I worked with my colleagues, Senator MCCONNELL and Senator BAUCUS, to develop and pass that legislation. We authorized a ban on imports from Burma for 3 years, subject to annual renewal by Congress.

Well, the 3 years are about to end, and unfortunately the situation in

Burma has not improved. The latest report from the State Department notes the continuation of killings and rape, use of forced labor, forced conscription, arrests and disappearances of political activists, and other abuses by the ruling military junta. And on May 23, 2006, the ruling junta extended for another year the unjustified house arrest of Daw Aung San Suu Kyi. To renew trade with Burma now would send exactly the wrong signal. We need to renew the import ban as a visible demonstration to the ruling junta that their actions are unacceptable and that they must change their ways.

We also need to encourage other nations to take strong action. The European Union has imposed some sanctions. Canada, Australia, Japan, and Norway also have some restrictions in place. I think they should each join us in doing more. Other nations should be acting as well, in particular, China. I urge the administration to continue engaging our trading partners to join us in strengthening sanctions against the ruling military junta. We need to work together in order to spur meaningful democratic reform in Burma.

For these reasons, I support authorizing the import ban for another 3 years, and I support the outright renewal of the import ban for another year. I, therefore, urge my colleagues to join me in supporting passage of H.J. Res. 86 and getting it to the President's desk for his signature as soon as possible.

Mrs. FEINSTEIN. Madam President, I rise today in support of legislation to renew the ban on all imports from Burma for another year.

The House unanimously passed this bill earlier this month and I urge the Senate to follow suit today.

This bill amends the original Burmese Freedom and Democracy Act of 2003 to allow the sanctions to be renewed, 1 year at a time, for up to 6 years.

Simply put, the ruling military junta, the State Peace and Development Council has done nothing over the past 3 years to warrant a lifting of the sanctions.

It has failed miserably to make ''substantial and measurable progress'' towards recognition of the 1990 elections—decisively won by Aung San Suu Ky's National League for Democracy—and a full restoration of representative government.

If we vote to lift the sanctions prematurely, we will only reward Rangoon for its rejection of democracy, human rights, and the rule of law.

Let us review the facts.

Aung San Suu Kyi, Nobel Peace Prize recipient and leader of the National League for Democracy, is confined to her home by orders of the military junta. She recently celebrated her 61st birthday under house arrest and on June 9, 2006, her detention was renewed for another year.

She has spent the better part of the past 16 years imprisoned or under house arrest.

The human rights situation in Burma is deplorable and demands a clear, unified response from the international community: 1,300 political prisoners are still in jail; according to a report by the Asian human rights group, Assistance Association for Political Prisoners, 127 democracy activists have been tortured to death since 1988; 70,000 child soldiers have been forcibly recruited; the practice of rape as a form of repression has been sanctioned by the Burmese military; use of forced labor is widespread; human trafficking is rampant; and the government engages in the production and distribution of opium and methamphetamine.

Given this substantial list of abuses, it is no surprise that a recent report by former Czech President Vaclav Havel and retired archbishop Desmond Tutu of South Africa—''Threat to Peace: A Call for the UN Security Council to Act on Burma''—confirms the need for United Nations intervention.

It details how the situation in Burma fulfills each of the criteria used for past intervention by the Security Council: overthrow of an elected government; armed conflicts with ethnic minorities; widespread human right violations; outflow of refugees—over 700,000—and drug production and trafficking and the spread of HIV/AIDS.

The report should be required reading for all members of the United Nations who doubt whether or not the Security Council should take up Burma immediately.

Some may argue that because the sanctions have not achieved their desired goals—the release of Suu Kyi, the restoration of a free and democratic Burma—they should be terminated.

I could not disagree more. First, Aung San Suu Kyi and the democratic opposition continue to support a ban on all imports from Burma.

Second, the international community is coming together to put pressure on Burma: In July 2005, ASEAN forced Burma to forgo its scheduled rotation as chairman of the organization; on December 16, 2005, the U.N. Security Council debated the situation in Burma for the first time.

Last month, the United Nations Under Secretary for Political Affairs briefed members of the Security Council on his meeting with Suu Kyi, her first meeting with a foreigner since 2004; a group of legislators from member countries strongly urged ASEAN last week to take concrete measures to resolve the political situation in Burma; Malaysian Foreign Minister Syed Hamid Albar, whose country currently chairs ASEAN, blasted Burma in an op-ed in the Wall Street Journal this week for undermining the credibility of ASEAN by not moving closer to democracy.

And, finally, I believe we are making progress on having a majority of the United Nations Security Council support adding Burma to the agenda of the Security Council for debate and possible passage of a binding, nonpunitive resolution on Burma.

By taking a leadership role on this issue, the United States has inspired other countries in the United Nations to put pressure on Burma to respect the wishes of its people and the international community to release Suu Kyi and restore a democratic, representative government.

They have begun to recognize that—as the Havel-Tutu report documents—Burma's actions not only represent a threat to the rights and freedoms of the Burmese people, but to the region and international community as a whole.

I strongly urge those members of the Security Council who have not done so to add their names to the growing list of countries who support adding Burma to the council's agenda. Passage of this legislation today will serve as another beacon of hope for the Burmese people and another example of leadership that will bring other countries to their side.

I remind my colleagues that under the provisions of this legislation, we will have the opportunity to debate sanctions on Burma every year. That is how it should be.

Sanctions are not a panacea for every foreign policy dispute. But, when they are backed by a robust international response, they can be effective and they can compel change.

Archbishop Desmond Tutu has rightly said, ''As long as [Suu Kyi] remains under house arrest, not one of us is truly free''.

Today, I urge the SPDC to release Aung San Suu Kyi, recognize the 1990 elections, and engage in a true dialogue with the National League for Democracy.

I urge the United Nations Security Council to debate and pass a binding, nonpunitive resolution on Burma that recognizes the threat the regime poses to the region and calls for Suu Kyi and all prisoners of conscience to be released.

And, finally, I urge the Senate to renew the sanctions on Burma for another year.

The PRESIDING OFFICER. The Democratic leader.

Mr. REID. Madam President, the Senator from Kentucky has been working on this matter for years. I appreciate his vigilance and diligence. I also say to my friend from Arizona, for the Senator from Arizona to stand and talk about brutality and suppression means a lot. He understands it. We all know he understands it, having been a victim of that for years when he was a prisoner of war. I appreciate the leadership of these two fine Senators moving this matter forward.

I am going to speak on another issue at this time, Madam President. Are there others from either side who are going to speak on this matter?

Mr. McCONNELL. I say to my friend from Nevada, I am not aware of any other speakers on either side.

Mr. REID. Then we should pass it, and I will get the floor and move on.

Mr. McCONNELL. How much time remains?

The PRESIDING OFFICER. There is 14 minutes.

Mr. MCCONNELL. I yield the remainder of the time on this side.

Mr. REID. I yield all of our time.

The PRESIDING OFFICER. All time is yielded back. The question is on third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 86) was ordered to a third reading, was read the third time, and passed.

Mr. MCCONNELL. 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.

## GULF OF MEXICO ENERGY SECURITY ACT OF 2006—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The minority leader.

Mr. REID. Madam President, today the Senate is considering a bill that represents a positive step for our Nation's energy security. The Gulf of Mexico Energy Security Act can play a role in building a better energy future for our country and especially a better future for the people of the gulf coast.

I want the record to reflect my deep appreciation to Senator BINGAMAN, who is the ranking member of this Energy Committee, for working with us on this issue. Senator BINGAMAN has—at least to my understanding—no problems with where this bill will allow drilling. He has concerns as to how the money is going to be allocated following the drilling. I understand his concern and appreciate it. Senator BINGAMAN is the epitome of a gentleman. Even though he has concerns about how we are moving this bill forward, he has not been an impediment, and we are moving forward as quickly as we can so, again, I want the record to reflect my deep appreciation for Senator BINGAMAN, what a good friend he is and a good Member of the Senate.

I am going to say more about the specifics of this legislation. Prior to doing that, I ask unanimous consent that during the consideration of S. 3711, there be a limitation of five first-degree amendments, energy-related amendments, in order on each side.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Madam President, reserving the right to object, I say to my good friend, the Democratic leader, as he knows the development of this bill was done on a bipartisan basis. It is narrowly targeted but represents a delicate compromise between the gulf coast Senators, Senators from Florida, and it is the feeling of all those involved in developing this legislation, as I say, again, on a truly bipartisan basis, that if we open this bill up to amendments—we have lots of good ideas on this side of the aisle, and I expect there are lots of good ideas on that side of the aisle. I recall when we were doing the major Energy bill last year about this time, we spent several weeks on it as we considered virtually everybody's good idea about what to do, either on the conservation side or the production side.

So I say to my good friend, the only way to achieve success, it strikes the sponsors of the bill, is to keep it very narrowly crafted and to pass it as is out of the Senate.

I know that is not what we customarily do, but this is an unusual situation. We are trying to respond to high energy prices in America. Even though natural gas prices have subsided somewhat in recent months, we anticipate them going up again next fall. There is a good chance that the futures market in natural gas will actually respond favorably to this measure, if we can get it out of the Senate. Natural gas prices, we all know, are set in America. It is not a global price setting. It could provide immediate relief to natural gas customers all over America.

For all of those reasons, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. Madam President, I am disappointed that the majority has objected. I think the proposal I made would permit the Senate to make improvements to the bill. We limited the number of amendments and we certainly would be willing to limit the time on them. But I understand the objection of the majority.

This legislation opens approximately the same area President Clinton proposed when he was President. This would be opening an area of oil and gas exploration in the Gulf of Mexico. But when President Bush came into office, he narrowed the consideration at the request of his brother, the Governor of Florida. This bill moves us back closer to President Clinton's proposal with some additional deepwater acreage opened south of the 181 area. It satisfies the concerns of the State of Florida. It is also a positive step for those who want to see the restoration of the gulf coast wetlands. I can remember the first time Senator Breaux spoke to me about the State of Louisiana and what was happening to his State.

During the time I am going to be here on the floor, which will be a few minutes—I came here 15 minutes ago and listened to the remarks of the two Senators from Kentucky and Arizona, and I hope to leave in 10 or 15 minutes—there will be an area the size of three football fields washed into the gulf, gone forever. Huge tracts of land are being washed into the ocean every day. We must have coastal restoration. We can do this, but it is not easy.

We learned with Katrina that had Katrina hit several decades ago—50 years ago—the damage would have been much less than it was because it would have had a barrier and the storm would not have hit the City of New Orleans as it did, and other coastal areas. I have been there. I saw what happened in New Orleans. I have been there a number of times. I saw what happened in Pass Christian, MS. I will always remember that in my mind's eye—the devastation from the wind.

But this legislation gives New Orleans, LA, hope because it provides a source of money to restore the wetlands that are being devastated. That is the basis for my strong support of this piece of legislation. This bill will help them get the resources which are needed to rebuild in a sustainable manner.

Everyone in Louisiana should know that they have a tireless champion in Senator MARY LANDRIEU. I wish I could express to her father, Moon Landrieu, former mayor of New Orleans, a Cabinet Secretary here in Washington, as I have done in the past. I wish I could express my support and admiration of his daughter MARY LANDRIEU, a wonderful family of 10 children. She has done so much work in this regard. If it weren't for her efforts, without any question the Senate would not be considering and passing this bill, which we will do in a few days. I am not going to be able to say this to Moon Landrieu today, but I am sure I will in the near future, and tell him about the good work his daughter has done here. Her whole family should be proud of her, and the whole State of Louisiana should be happy and satisfied with the work she has done in this regard.

For the first time in the history of this country, the delta area of the Mississippi River, because of the work we have done on it through the Corps of Engineers, and all the other governmental entities, which is one of the reasons the gulf is washing away, that we will be able to for the first time have a long-term project to restore the coastland. It is expensive and hard, but it is so important for our country.

Having said all the good things about this bill and about Senator LANDRIEU, I want it to be very clear in my remarks here today that this bill is not going to fix America's energy needs. It is not going to solve America's energy crisis. We have a failed energy policy in this country. The Bush-Cheney failed energy policies—simply more for big oil—won't work.

British Petroleum announced yesterday that their profits have gone up. In Reno, NV, the price of gasoline is $3.12 a gallon today. The price of gasoline in Nevada on an average has gone up more than 50 cents a gallon in the last year. The Bush-Cheney energy policies do nothing to alleviate the problems we are having in Nevada and around the country.

This bill will do nothing to bring down the price of gasoline or diesel. It won't come down as long as demand keeps growing and big oil companies are not investing their billions and billions of dollars in profits in new American energy jobs and manufacturing and in developing alternatives to oil.

As my friend from Oregon said better than I, we are marinating ourselves in oil. The country is being marinated with fossil fuel. We need to bring much

more fuel-efficient cars and trucks quickly to market and to promote as a country energy efficiency and conservation.

That is the one real difference between Democrats and Republicans—speed. We have been ready for months and months and months, going into years, to fund and uphold a project like energy. If we can get to the Moon, we can solve our energy crisis. But we can't do it by continuing to do something we have done for 50 years. The Sun is there producing energy every day. The wind is there blowing every day and producing energy. We need to capture that energy. We need to capture geothermal energy. We are not doing it.

It appears to me the majority is not interested. The Republicans have proposed emergency spending on energy and underfunded even the mediocre Energy bill from last year. The administration still has not gotten around to issuing loan guarantees to build new biofuels plants.

Democrats want to transform the Nation's energy policy, and we want to do it now. But the Bush administration and the Republican Congress is content to let the market and Big Oil crush consumers, squeezing every last coin out of their pockets.

I had a press event across the hall in the LBJ Room this morning. I had with me a family from Colorado. They have a little 5-year-old boy. He is little, but he is a husky little kid, Johnathan. They have to fill their two vehicles. One drives a lot to his job, and the other doesn't drive as much. But they fill their cars on average of twice a week. It costs them $45 every time they fill their gas tank. It is $180 a month which they cannot afford. They have no health insurance. It is true all over America.

This morning the majority leader said there was a lot more we can do relating to energy, and we should do it in the future. I make this point to the majority leader through the Republicans and to the President, the future is now. Americans are suffering from an energy crisis, and have been since well before last year's energy bill.

In Reno, NV, it's $3.12 a gallon for regular unleaded. The future is now. What are we waiting for? Is this the best we can do? I hope we can do better before we finish this congressional term. We are not going to do it before August. That is what we have demanded, but we have tomorrow and a few days next week, and that is it.

We have good ideas. In May, the Democrats introduced the Clean EDGE bill. That stands for Energy Development for a Growing Economy. That describes the problems we have in America today. We need to do energy development. We have to do it if we want to keep our economy growing. It is a bill to accelerate development in commercialization of energy efficiency technologies, renewable energy production and alternative fueled vehicle market penetration.

Isn't it a shame that the Federal fleet, the biggest we have in America, is not one which we are using with alternative energy? And we are not. The Clean EDGE bill adds important provisions to make the Federal Government a real leader in energy instead of just the largest consumer.

The Clean EDGE bill contains important provisions to set a national oil savings goal, increases penalties to punish price gouging, and reigns in energy market speculators who are driving up the price of natural gas.

Let me say this. On public radio this morning—I enjoy listening to public radio every morning; I love that medium—I can't remember the name of the man who was there in ANWR, but he was there 50 years ago with the people who first pushed to set that aside as pristine wilderness. What he said today was remarkable. He said, I was there more than 50 years ago. He said it is the same today as it was then. He is 73 years old now. He was a young man 53 years ago when he was there.

I know how strongly the Presiding Officer feels about that. America feels just as strongly that we did the right thing in protecting ANWR. In listening to that radio program, I felt in my heart we had done the right thing.

We need to move forward with innovative, good legislation. The Clean EDGE bill does that. A few days ago, 41 Democratic Senators sent a letter to the majority leader stating our desire to move legislation such as the Clean EDGE bill before we recess to bring down prices and give consumers affordable alternatives. Unfortunately, it seems we will have to continue looking for other legislative opportunities since we need to pass S. 3711 as soon as possible, and send it to the House where they can send it to the President.

But let us not kid ourselves; this bill is good for the gulf coast and will contribute to the Nation's energy security and, more importantly, for coastal restoration. It will not affect gas prices and just extends our addiction to oil.

I again compliment the very good work of MARY LANDRIEU in moving this bill forward.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Madam President, before he leaves the floor, I want to commend the distinguished leader from Nevada. He has for a long time championed the needs of consumers. In the West, we understand the devastation gasoline prices have had on our consumers. And his case for a new energy policy, a red, white, and blue energy policy that makes us free of our dependence on foreign oil, is a case he has eloquently made, and made frequently. I want him to know how much I appreciate his leadership before he leaves the floor.

I want to start the discussion about the legislation which is before us now by acknowledging the enormous pain and hurt so many citizens of our Gulf States have endured since Katrina struck their communities. Pictures of this tragedy are seared into our minds at this point. In the Senate, I sit next to the distinguished Senator from Louisiana, Senator LANDRIEU. She has brought passion, energy, and eloquence to the cause of securing help for those she represents so well as folks in the Gulf States try and get on their feet.

My view is that the challenge for the Senate is to reconcile the need to help those folks hurting in the Gulf States with the urgent need for Congress to legislate fresh, bolder energy policies for our entire country. My understanding is the distinguished majority leader from Tennessee, Senator FRIST, will not allow amendments to this legislation. If that is the case, my view is this legislation does not balance the need to help folks in the Gulf States with the urgent need to get that fresh red, white, and blue energy policy for our country's future.

Does the Senate truly believe more shouldn't be done to promote renewable energy? Does the Senate truly believe more shouldn't be done to promote automobile efficiency? Does the Senate truly believe more shouldn't be done to protect consumers from exploitive practices? Does the Senate truly believe taxpayer dollars should be used to subsidize oil companies even though the President, to his credit, has said subsidies aren't needed when the price of oil is over $55 a barrel?

If no amendments are allowed under this legislation, which is my understanding from the statement made by the distinguished majority leader, essentially what the Senate will be saying to the country is if we go off and drill in the gulf a bit, then the country can call it a day as far as getting a new energy policy. I don't think that is good enough.

I support responsible drilling in the gulf. We obviously need more energy production. By any realistic calculus, we know oil will be part of our future and we are going to need to encourage production in a responsible way. In the Senate Committee on Finance, again, working on a bipartisan basis, the Senator from Wyoming, the distinguished Senator who sits on the Committee on Finance, Senator THOMAS, has some excellent ideas in terms of encouraging production, particularly getting more oil from existing wells. We do need more oil production. But drilling alone is not the new energy policy this country needs. It is more business as usual.

We have been down this road before. In the 1990s, for example, the Congress passed a royalty program that was supposed to stimulate energy production and be good for the Gulf States and for our country as a whole. What it has done is something very different than what was envisioned. In fact, the sponsor of that legislation, our respected colleague from the State of Louisiana, former Senator Johnston, has said the program, as it has developed, is nothing along the lines of what he envisioned.

The Government Accountability Office has said with the royalty program created in the 1990s when oil was about $19 a barrel—it is over $70 a barrel now—that program that was created in the 1990s is going to cost taxpayers a minimum of $20 billion and possibly as much as $80 billion.

That is the royalty program we have on the books now. As we start this discussion about setting up a new program, I want to make sure the Senate is up on how much money is being frittered away under the mismanaged program that is on the books today. One would think it is common sense to fix the old program before we start a new program. One would think it is common sense to take the savings generated by fixing the old program and applying those savings to paying for the new program before the Senate this afternoon. However, neither of those commonsense steps is being taken. A new program is being considered by the Senate today when Congress has not corrected the old program which even the oil companies acknowledge is not needed today, and even the sponsor, our former colleague, Senator Johnston, has indicated is not working.

I have talked with Chairman DOMENICI about this. Chairman DOMENICI has indicated he wants to fix this old program, this old, mismanaged program that has wasted so much of the taxpayers' scarce resources. We all know Chairman DOMENICI is a straight shooter and forthright and I have appreciated his discussions with me.

However, I don't think the oil companies are going to easily give up this multibillion dollar boondoggle, this sweetheart deal they have obtained. Time is not on the side of those who want to put a stop to the billions of dollars being needlessly dispensed under the 1990s program.

The legislation before the Senate now is one of the last opportunities the Senate will have to permanently fix the broken royalty program that began in the 1990s. Senator KYL and I have been working in a bipartisan way to change this. There has been action in both the other body, the House, and in the Senate, in the Senate Committee on Appropriations where the distinguished senior Senator from California, Senator FEINSTEIN, has done an excellent job of trying to advance the cause of stopping these subsidies, but my guess is the legislation the Senate has been able to at least start in the appropriations process may not even hit the floor of this body, and even if it does, the oil companies are very well positioned to run out the clock on the effort in this session of Congress to stop the needless subsidies that were granted in the 1990s.

For example, there is mediation now going on between the companies and the Government, but it is nonbinding, so the oil companies hold all the cards. The appropriations process, of course, only lasts for a year so the companies can run out the clock on that, as well.

Senator KYL and I spent a lot of time in the Senate making the case for why this was a needless expense, particularly at a time when we have so many other needs in our country. That day, despite the fact I stood in this spot for almost 5 hours, we could not even get a vote on a measure to stop these subsidies that the General Accounting Office has calculated is at least $20 billion and possibly $80 billion.

Put me down as pretty skeptical that the oil companies are going to voluntarily give up these huge sums of money. As of now, in this session, one measure after another has failed in terms of potential steps that could protect the consumer. Let's review: The Federal Trade Commission, the agency that is supposed to protect the consumer and to deal with concentration and mergers in the oil industry, a big goose egg from the Federal Trade Commission. In fact, the chair, Deborah Majoras, has all but said that high prices are essentially good for the consumer because by her theory that will promote more energy production. That is a pretty astounding theory of consumer protection, but Senators can look it up. That is what she said before the Energy Committee.

The agency that regulates commodities? Zip, with respect to dealing with speculative practices, practices that contribute very significantly to the cost of oil. In fact, when oil company executives came before our committee—the distinguished Senator from Alaska will recall—one oil company executive said speculative practices are a big factor in driving up the cost of oil for our consumers. We have not seen anything to reign in those speculative practices.

How about stopping needless tax breaks? When the oil company executives came before the Energy and Natural Resources Committee, I went down the row and asked each one of the executives whether they needed all these tax breaks. They now have record profits, consumers have record prices, so I made the point, why in the world would you need record tax breaks? The executives, when they had to answer in broad daylight, said they did not need them. Ever since then, I have been trying to roll back some of those tax breaks. The President, to his credit, said tax breaks are not needed when the price of oil is over $55 a barrel, but we have taken only the most modest step. A tiny bit of the tax relief that the oil companies are getting has been rolled back under a proposal I made involving a drilling writeoff that the companies get.

So, Federal Trade Commission, zip; anti-speculative efforts, zip; tax breaks that are needless expenditures that the oil companies say they don't need, virtually nothing. So put me down as pretty skeptical given the fact that in each of those areas the Government has ducked taking on the oil companies. Put me down as pretty skeptical that somehow these oil companies are going to come to the table and walk away and leave behind $20 to $60 billion worth of breaks in royalty relief from the 1990s. I don't think it is going to happen. I hope it does.

Chairman DOMENICI is very sincere in his views, but given the track record in this Congress of the oil companies being able to escape any kind of effort at those various agencies I have outlined, I don't think the oil companies are going to voluntarily clean up a program in the 1990s that has been so mismanaged. My sense is it is going to be necessary to pass legislation in this Congress to force the companies to give up these needless subsidies.

There is a compromise with respect to how it could be done in a bipartisan way. It is a compromise that I and the distinguished Senator from Arizona, Senator KYL, have been talking about. We actually proposed it to the distinguished chairman of the committee, Senator DOMENICI. I suggested what we might do is allow the negotiations between the companies and the Government under the 1990s royalty program to proceed for a bit longer. Possibly that will work. I am skeptical, but possibly it will.

But if those negotiations did not produce the savings for taxpayers and the cleansing of this old program that is so important, then we have to be tougher. After a period for negotiations, I would propose as part of a bipartisan compromise that the Senate then insist the companies get no new leases until the old program has been cleaned up. That would bring together some of the ideas advanced by the distinguished chairman of the Energy and Natural Resources Committee, Senator DOMENICI, and some of the ideas Senator KYL and I and others have offered on a bipartisan basis.

We suggested that be done in this bill. We said: Here is an opportunity in this legislation to permanently fix the old program before you start a new one. We thought it was a chance to take two approaches Senators have been talking about and bringing them together and permanently fixing the program. I believe if the Senate does not do that, the clock is going to run down on the program, and I think, in all likelihood, the Senate, in the beginning of 2007, will be in much the same place it is today. I do not want to see that happen.

I think it is time for a fresh approach with respect to how our country makes energy policy. I think we need to be much bolder and much more creative. I have advanced ideas in this area; a number of Senators have. But we have seen precious little of that kind of bold thinking. What we have seen is essentially business as usual.

I hope colleagues will take a look at the analysis that has been done by the Senate Budget Committee of the impact of the legislation before us today. This is, of course, S. 3711. I asked the Democratic staff of the Senate Budget Committee to do an analysis of the impact of the bill before us today. The

legislation before us now authorizes at least a 50-year commitment. The oil companies, in my view, under this legislation have been able to parlay the suffering of our citizens in the Gulf States into something that I believe could become an unaffordable gravy train.

What the Budget Committee staff found is that between 2017 and 2055, the U.S. Treasury and Federal taxpayers would be out almost $20 billion beyond what is already going out the door under the broken royalty relief program from the 1990s that I have described once again on the floor of the Senate. But beyond that, all bets are off. Lost revenues after that could be as much as $12 billion to $15 billion each year.

So I would ask the Senate: At a time when clearly folks in those Gulf States are hurting, and the Senate ought to step in and be of assistance to them, does it make sense to authorize a 50-year program that, particularly after the initial period, will involve additional sums, additional untold billions of dollars of revenues that could be lost?

The challenge for the Senate now, it seems to me, is, first and foremost, to get some amendments to this legislation. I hope the majority leader, the distinguished Senator from Tennessee, Mr. FRIST, will change his mind. I hope the distinguished majority leader will allow amendments on automobile efficiency, on renewable energy, on protecting consumers from exploitive practices, and protecting taxpayers from needless subsidies. We would not be talking about hundreds of amendments. I think amendments in those four areas would provide an opportunity to strike a balance in this legislation to make sure that urgently needed help is directed to these Gulf States, that efforts are being made to get a new energy policy for our country.

It does not make any sense, to me, for the Senate to say: Let's go drill a bit in the Gulf—and pretty much call it a day. But that is what the legislation in its present form essentially says. It says: At a time when the country desperately needs a new energy policy, when people are clamoring for it at townhall meetings and in chambers of commerce and in virtually every other place a Senator goes, what we are going to say is nothing doing. We are going to say a bit of drilling in the Gulf will cover it, and a bit of drilling in the Gulf can take place, even though billions of dollars are being wasted under a program—a previous program—that was directed to the Gulf States from the 1990s.

I think the Senate can do better. I think the Senate can do better on a bipartisan basis. Senator KYL and I are ready to propose what we believe could be a bipartisan initiative that would involve recommendations made by the chairman of the Energy Committee, Senator DOMENICI, ourselves, Senator FEINSTEIN, and others. We think we could save a big chunk of money—billions and billions of dollars—that could be applied to the new program that is being considered by the Senate today.

That is the kind of bipartisan work the Senate should focus on. I look forward to the discussion and particularly hope the distinguished majority leader, Senator FRIST, will change his mind. This subject is too important to bar Senators from offering meaningful amendments and allowing the Senate to get a more balanced energy policy and securing the needs of our citizens.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Without objection, the quorum calls will be equally divided.

The Senator from Florida.

Mr. MARTINEZ. Mr. President, I rise to express my strong support for S. 3711, the Gulf of Mexico Energy Security Act of 2006.

This is an important and timely piece of legislation that deals with an issue that is very near and dear to Floridians, which is protecting our gulf coast from drilling.

Protecting Florida's coastline is an issue of monumental concern to me and to my constituents, and I commend Chairman DOMENICI and his staff, as well as Leader FRIST and Senator MITCH MCCONNELL, for their hard work in forging a strong bipartisan compromise that allows us to do just that. I also thank the distinguished Senator from Louisiana for her work in bringing about this bill.

As Floridians know, and many of my colleagues have learned over the past several months, our beaches are extremely important to our way of life. We value their unique and fragile ecosystem. Our State's special scenery and fragile environment bring millions from across the Nation and the globe to enjoy its sugar-sand beaches and world class angling and boating.

I have spent a great amount of time and energy since arriving in the Senate fighting to protect Florida's treasures from the threat of offshore drilling, together with my colleague, Senator NELSON, as well as with the Members of the Florida delegation in the House of Representatives.

Several different pieces of legislation have been introduced over the past year in the House and the Senate that the Florida delegation has found extremely worrisome, and we have been successful up to this point in keeping drilling at bay. But the drilling battle has gotten fiercer and the stakes have gotten much higher as our Nation struggles to meet our energy demands in an increasingly uncertain world.

Pressure continues to mount in Congress to develop Federal deepwater resources in the Outer Continental Shelf. And because high oil and natural gas prices are not a Republican or a Democrat problem but they are our Nation's problem, there is a bipartisan majority that grows stronger each day behind the effort to open the Eastern Planning Zone of the Gulf of Mexico to more drilling.

So our options are whether to be part of a solution—a real solution that provides concrete protections for our State—or watch our protections be eaten away year after year by those who do not share Florida's values. I chose to be part of a solution for Florida.

I want to assure Floridians that Florida is protected under this bill. This legislation, which I was proud to help negotiate, will provide unprecedented protections for the gulf coast of Florida. This bill establishes in law a 235-mile buffer from Tampa and a minimum of 125 miles of protection from the Panhandle of Florida south through the year 2022. It provides over 300 miles of protection from Naples west. And it protects our very important military mission line. The military mission line is important to Florida because we are also blessed in Florida to host a great number of military facilities and the very important facilities in the Florida Panhandle. Eglin Air Force Base, Hurlburt Field, and the Pensacola Naval Air Station are facilities that rely on the Gulf of Mexico for training and for firing ranges, all of which would be incompatible with drilling.

Any lease within 125 miles of the coast, inside the no-drill zone, can be exchanged for new leases in deepwater in the Gulf of Mexico. In addition, the critical ''Stovepipe'' area located in extreme proximity to Pensacola will be protected from oil and gas exploration through the year 2022. These are historic protections that Floridians can count on for years to come.

I would like to make clear that this is not an opening for negotiation. I am firmly committed to this deal. Anything else that subtracts from the protections for our State as laid out in this legislation is not enough for our State. This is it.

To me, this compromise is a bridge to the future. It is my hope that by 2022, and maybe long before then, we will have developed a long-term energy strategy to lessen our dependence on oil. It is that simple and something I feel very strongly about for our future.

Just last year, the Senate passed a large, bipartisan Energy Policy Act that doubled the amount of ethanol in our fuel mix to 7.5 billion gallons. The bill also included provisions that I supported that increased funding for sugarcane and cellulosic ethanol development, as well as $50 million in loan guarantees to build alternative energy plants. We must buckle down and advance the use of renewables and alternative sources of energy. We are only

scratching the surface of our future potential, and we should not limit the capacity or ingenuity of America's scientists to tackle this energy problem. However, we need a bridge to get to that future. S. 3711 is a way to keep our industries and utilities running while we find new ways to power our cars, heat and cool our homes, and create our energy—America's energy.

As important a priority as it is to Floridians that we protect our coasts and our environment, we must be realistic about our own energy demands. It is a difficult thing—and it has been a difficult thing as I have tried to fight for Florida's environment—to stand here and say we want no new drilling, we want no drilling anywhere in the gulf, when Florida's size alone makes it one of the Nation's largest consumers. And these consumers are Florida's families who are struggling to fill their cars and heat and cool their homes. These are struggling families who sit around the kitchen table while they balance their family budget and find the budget busted by ever-increasing energy costs. The rising cost of fuel and the strains that this is placing on their pocketbook are dominating talk of America's families.

In addition, we have to keep in mind how critical energy is to many of our industries that help drive the economies of our State. As a member of the Energy and Natural Resources Committee, I have heard countless testimony from our Nation's chemical, fertilizer, and manufacturing industries that are vitally dependent on increasing natural gas supplies within our Nation. Unlike petroleum, which is traded globally, much of the natural gas market is traded on a regional basis, and U.S. natural gas prices are among the highest in the world. For example, Florida provides 75 percent of the phosphate fertilizers used by American farmers and gardeners every day. The Florida phosphate industry is one of the State's oldest and largest economic engines, accounting for more than 6,000 direct jobs. The Tampa Port Authority estimates that that industry has created more than 41,000 indirect jobs and $5.9 billion of economic impact in the Tampa Bay region alone.

Prior to the significant increases in natural gas prices, the U.S. nitrogen industry typically supplied approximately 85 percent of U.S. farmers' nitrogen fertilizer needs. As a result of the continuing natural gas crisis, farmers have been forced to import more than 50 percent of the nitrogen fertilizers they use. In total, at least 21 nitrogen fertilizer production facilities have closed since July of 1998. Sixteen of those plants have closed permanently. That represents a 25-percent drop in total U.S. production capacity, while five plants remain idle even today. S. 3711 will provide over 5.8 trillion cubic feet of natural gas for our impaired industries, utilities, and also my constituents who are dealing with soaring heating and cooling bills.

I would like to focus now on a series of concerns that have been raised regarding this bill, how it is different and, in my opinion, better than OCS legislation recently passed in the House of Representatives. Let me say, first, that my colleagues in the Florida delegation worked tirelessly to find and obtain the best protection possible for our State under very difficult circumstances. Some have questioned the protections afforded to the buffer zone around Florida. The buffer zone provided by S. 3711, in my opinion, is clearly preferable to any other one that has been offered as an alternative. This legislation ensures that the Federal Government will continue to have jurisdiction over the Federal waters off each State's coast. We do not cede the responsibility of energy development, environmental protection or military preparedness to the desires of State legislatures. The buffer zone in the Gulf of Mexico is good through the year 2022 and also prohibits drilling in our military critical training areas.

Some have asked why Florida's Atlantic coast is not included in this bill. I would say, quite simply, that Florida's Atlantic coast has been under relentless attack for the last year and a half by those who want to drill. The Atlantic coast of Florida is still under a Presidential withdrawal until 2012, as well as the entire eastern and western coasts of the United States. This means that until the year 2012, the eastern coast of Florida is safe. Our compromise legislation in no way weakens the existing coastal protections. The House-passed OCS bill removes the entire Presidential withdrawals off of every coast and forces State legislatures to pass legislation every 5 years to keep or extend those protections.

Other coastal Senators have raised their objection to S. 3711 because they want to increase coastal buffer zones in their own States. This is a focused piece of legislation that deals only with the Gulf of Mexico. Adding additional protections to areas that frankly are not promising to the energy industry should not be an impediment to moving forward with this compromise bill. To quote the old bank robber, when asked why he robbed banks, he replied: Because that is where the money is. The area being opened for exploration is the most promising area of discovery for the industry and can be leased right away.

During negotiations, I chose to focus on protecting the area of Florida under greatest pressure, and I thank my colleagues, Senator DOMENICI, Leader FRIST, and Senator MCCONNELL, for honoring me and Florida's environmental concerns.

The last major concern that has been raised is objection to revenue sharing with western Gulf States and targeted revenues to the stateside Land and Water Conservation Fund. It is perfectly fitting and appropriate that we share revenues with the States that produce our Nation's energy and deal with its corresponding onshore repercussions. We in Florida do not want to participate in the development of this extensive oil and gas infrastructure but recognize that others in the western gulf pay the price to bring reliable energy to the country. We share 50 percent of revenues on public land within a State's boundary, and it is fitting that we provide energy-producing States with at least similar treatment. Sharing 37.5 percent of the new OCS revenues will not bankrupt the Nation, nor increase the Nation's national debt. Currently, these areas off the coast are not being leased and are providing no revenue to the General Treasury. Keeping 100 percent of zero revenues is just that—nothing.

Finally, for those concerned with funding the Land and Water Conservation Fund, S. 3711 will provide a real boost for the program. The mandatory funding stream established under this bill does not replace appropriated funding and does nothing to disadvantage the program in the appropriations process. The President's budget request has been zeroed out the last 2 years for this program and under our compromise bill, the Land and Water Conservation Fund will provide up to $450 million or 12.5 percent of the revenues generated from the new leasing each year.

This compromise was delicate and difficult to forge. Some argue more could have been done for Florida. Others protest that Florida is afforded far too many protections, given that our State consumes nearly 20 million gallons of petroleum per day. High oil and natural gas prices are not a Republican or Democratic problem, but they are our Nation's problem. It is imperative that we pass the Gulf of Mexico Energy Security Act to provide Florida with the critical environmental protections it needs, as well as bringing 1.25 billion barrels of oil and 5.8 trillion cubic feet of natural gas to keep our industries and Nation afloat as we develop future sources of alternative energy. Failure to act is not an option. I urge my colleagues to support this well-crafted, bipartisan measure.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I am proud to follow Senator MARTINEZ from Florida, who has truly gone the extra mile in realizing his responsibility to his home State of Florida but also recognizing his responsibility to the Nation and trying to balance the two in a very intricate way. There isn't a Senator on this floor who doesn't appreciate the value and beauty of Florida's vast coastlines and recognize that they are not only a Florida treasure, they are a national treasure. We know we have the technology today, as has been clearly demonstrated over the last two decades, to drill not very far offshore anywhere and make sure that it is done in an environmentally sound way to

protect the beauty of those beaches and the vistas of those marvelous coastlines that make up the great State of Florida.

For Florida or any State to suggest that the oil that lies off its shore is not a national asset and, therefore, should be treated only as a State asset is simply wrong. It would be as though my suggesting, as a Senator from Idaho with millions of acres of Federal forest lands, that not one tree should be cut for the sake of building homes anywhere in our Nation. Why? Because of the environmental consequences, when we know today we, in fact, can cut trees in a clear, clean, and precise way, preserve the environment, and provide the fiber to the national fiber market, be it paper or 2 by 4s to build homes. It is also true of the minerals that lie under the subsurface of my property—but not my property, the Nation's property—on the Federal lands of the State of Idaho.

There is an intricate and important balance between what is a State's responsibility and a State's right and what is a Federal property and, therefore, the responsibility of the Congress in exercising the authority over that Federal responsibility, that Federal resource that we are today talking about in an important piece of legislation that is now before the Senate.

Embodied in S. 3711 is an effort to very carefully go at part of the resource that lies in the Gulf of Mexico that is a Federal asset and a Federal resource and do so in a way that clearly benefits the State of Florida but, more importantly, benefits every consumer in America today.

Here is the current situation that Americans face and that America simply cannot understand. Every area of this red zone around our country is a designated area by a Federal action in which we are not allowing our companies to develop and explore for gas and oil. I call it the no zone—no, you can't go there; no, you can't touch it; no, you can't drill; and, no, you can't develop. What does it mean to our country? Well, it means literally billions of barrels of oil and trillions of cubic feet of gas all around this area—Alaska, ANWR, the west coast from the State of Washington down to the border with Mexico off the coast of California, all around Florida, all the way up to the State of Maine. It is difficult to determine how many billions of barrels of oil are there, but we know that it is significant and it is phenomenal.

Let me give an example. On this little piece of paper is a green strip. It is a green strip that recognizes S. 3711. We are going to place it in its proper location in this debate. I am going to put it right there. That is all this bill does. How big is this spot? This spot is 8.3 million acres out of the Gulf of Mexico. This little spot, by this perspective, represents 1.6 billion barrels of oil, we believe, based on a U.S. Geological Survey, and 5.83 trillion cubic feet of gas right there, this little, tiny spot. Is it significant? In the mix of all of this, yes, it is. But more importantly, it says that a comprehensive broad policy under sound environmental guidelines could make this Nation tremendously less dependent on foreign oil and gas coming out of Canada.

The industries that the Senator from Florida talked about that are losing their base, agriculture and nitrogen fertilizer, the petrochemical industry and natural gas that is now going offshore, and we are losing those jobs, all of that would stop if this Senate and this Congress and this Government got their heads on right about national energy policy. S. 3711 is a step in the right direction. Is it a big step? No, it is not. It is a rather small step. But it is a tremendously important step, as we head down the road of beginning to recognize that this Nation could, in fact, become very much self-sufficient in many ways in its energy needs through its own energy production.

You have heard some rather tired and old debate about needing a comprehensive energy policy, and we shouldn't do S. 3711 without it because it simply isn't broad enough. How can any Senator stand on the floor today who stood on the floor a year ago today and debate the Energy Policy Act of 2005, the most significant, broad-ranging energy development, energy conservation, new technology for energy bill that this Congress has ever passed? It is now law. It is now being implemented. And whether you are in the Midwest or the upper Midwest or in Idaho, we have ethanol refineries going up all around us. Twenty percent of the corn crop this year will be used in the production of ethanol and into the future. Why? Because of new technology and national energy policy. You don't need to reinstate or restate what we did last year. All you need to do is keep adding to it and strengthening it in a way that allows us as a nation to become increasingly self-sufficient.

S. 3711 does just that. Let me bring your eye back to the chart, back to this little, tiny spot on the map, this 3.8 million acres. That is a lot of land, isn't it? In this case, it is a lot of water. Under that water and in that land rests an opportunity to bring down the energy costs to the average American consumer by a significant amount and to make us less dependent on foreign sources for our oil today in areas of the world that are politically very unstable.

I could go on about a lot of facts, statistics, and figures. But let me take you to the real important part of this debate. It is called security for the average American family. America is frustrated today, and the average consumer and average mom and dad are tremendously frustrated because their cost of living is not keeping pace with their paycheck. Why? Because instead of driving to the gas pump and filling up for $10 or $15, they are paying $40 or $50 each time, or more. What does that do to a family budget? You may say that is one energy cost; they can surely abide that. Did you check their thermostats and their other energy bills, the cost of electricity to turn the lights on and keep their computer on for them and their kids? What about the temperature in the home in the cold winter months? All of that has costs significantly more in a very short period of time.

In 6 years—that is the life of one term of a Senator—natural gas prices that heat the homes of America have gone up 286 percent. While I know we ought to be concerned about all of the politics and all of the surrounding land and doing it environmentally sound, what we are talking about today is beginning to understand the burden and the sense of insecurity that the American consumer is suffering from and doing something about it. It would be one thing to say there isn't any more gas, there isn't any more oil, and we are shifting to a bunch of alternatives, and in the meantime you are going to have to pay the price.

The reason the American consumer is paying more at the pump today, more for their electrical bill and heating is because of politics, because the American politician for the last two decades has denied the American consumer the right to have access to the resources they are entitled to have. I hope we got the message.

S. 3711 begins to say to American consumers that we hear you. We may be a little late, but we hear you. In hearing you, we are going to bring 5.83 trillion cubic feet of gas online in a relatively short period of time—18 months to 2 years at the very latest. And we have the potential of bringing 1.6 billion barrels of oil into the gulf coast refineries. That is billions of barrels that we will not buy from Venezuela, Saudi Arabia or any other place that is politically unstable. We are going to produce it in this country. That should help bring down or stabilize the cost of gas at the pump.

The American consumer ought to be able to rely on its Government not to stand in the way of the private industry sector of our country and its ability to produce for that American consumer. But for decades upon decades, we have done just that, all in the name of environment—in most instances, even when we knew that the environment wasn't going to be damaged. And now we know for sure.

Remember Katrina? Remember what happened a year ago, as one of the most powerful storms in the world surged up the Gulf of Mexico and across the coast of Louisiana and Mississippi and Arkansas? It tipped over oil rigs out in the gulf, shut down thousands of wells that are in this green area. And no oil was spilled. Why? Because of the safety mechanisms, the environmental ability that our industries have today to do it right.

Few of you remember what happened off of the coast of California in the late 1950s and early 1960s; it was an oil spill

known as Santa Barbara. From that day forward, the environmentalists' call was: Remember Santa Barbara. The reason we had so much difficulty with this little sale was the ghost of Santa Barbara. Let me tell you, Santa Barbara is dead, buried, and gone. From that day forward, the American oil-producing industry learned lessons, developed technologies, wellhead shutoffs, did all of the right things not only in a voluntary way but also because of mandates of public policy from our Federal Government. We began to get it better, and it is the best it is today. Americans ought not fear drilling off their coasts because it is done right. Remember Katrina and not one drop spilled.

Let me talk about something else that simply demonstrates the reality of where we are. Let's dial up your scope and not look at the whole of the United States; let's go right to the gulf on this chart. Here we are. Here is 181. This is what S. 3711 talks about, this 8.3 million acres. We provide excellent buffer for the State of Florida all around. Yet we are going to allow production to come off in that area so that the American consumer can feel a little more secure, hoping that the price at the pump will not go up anymore and might go down a little, and their energy bills this winter may go down a little bit. But the reason I bring this to the floor is because of the speech I gave some months ago on the Senate floor about what is going on right here, the Northern Basin off Cuba, 50 miles from the Florida coastline. We have five foreign countries drilling there today. That is 50 miles off of our coastline; it is property that belongs to the Cuban nation. China is there drilling, as are Spain and Canada. It is not 120 miles away, not the big buffer zone we created to protect the Florida coastline from our own effort, our own expertise, from the world's best deep-sea drillers, the U.S. petroleum companies. In some instances there, it is nations that know little about the technology and are borrowing it from others and don't have our quick shutoff systems and our wellhead protection systems. They are not 120 miles off of our coast, they are 50 miles off of our coast, and we cannot do a thing about it.

Let me rephrase that. There is something we could do. Right now, we have prohibition that no U.S. company can go there. It is Federal policy, U.S. foreign policy. Why? Because it is Cuban. Yet the Cubans would love to have us there. Why? Because of our expertise and talent. They want their beaches protected. This particular area of Cuba has beautiful, sandy white beaches being developed by foreign interests today for resorts, so foreign tourists can come there from all over the world. They don't want those beaches at risk, but they also want oil developed. They would love to have us do it, but we have a prohibition against that. We will debate that on the floor.

I have a bill that 20-plus Senators are cosponsors of. It would change the policy and allow U.S. companies to play in that area, to bid, and to become the producer—not for a Chinese market but for a U.S. market. Isn't it phenomenal? Here we go, again. Here is the ''no zone.'' We say: No, you can't. No U.S. company can touch any of this. But right down here, we say: China can come and drill. We say that by the absence of good foreign policy; we don't say it in reality. But by denying ourselves the opportunity, we invite the world to come.

The reason it is important that I say this in the context of S. 3711 is for the American people to understand that, as we struggle to get it right, with lease sale 181 embodied in the Senate bill, it is but a small step in the right direction—albeit the right direction—with potentially a very significant impact to the consumer's pocketbook. At the same time, we have a long way to go as a country, as our economy struggles under dramatically increased energy costs, as the average family struggles to balance their budget, their household budget.

There is no way that mom's or dad's salary is going to go up 280 percent in a few months' time. It will not happen. Yet everything that is tied to energy, everything that is tied to the petrochemical industry, their costs have gone up dramatically, and all of those are put off on the American consumer. Did you hear the Senator from Florida? Twenty-five to thirty percent of our nitrogen production has gone offshore. Now, we are so silly that we are stepping on our food bills. Nitrogen goes on the ground, nitrogen produces crops, crops produce food, and food gets to the consumer shelf. By our public policy, we are suggesting that food costs will even go up, or at least the producer's costs will go up. If the producer's costs will go up, they will attempt to pass that through to the market shelf, to the grocery store. So not only by the absence of good policy are we going to cause mom to pay more to get to the grocery store, we are going to ask that she pay more when she gets there, all because of an incoherent lack of policy that doesn't fit the absolute needs of the American consumer.

I could go on a lot longer about national security and our dependence on foreign oil and, when that dependence is at risk, then we have to suffer or we put our military in harm's way, in part, to protect our foreign interests and keep rural stability. We will argue that it is in the name of human freedom, but in the process it holds down energy costs by creating a stable world.

Senator DOMENICI chairs the Energy Committee, and he has worked now for a year to produce the legislation that is before us. He recognizes, as do many of us who serve on the Energy Committee, the reality of where we are today and where we have to go. The American consumer will, I believe, feel the positive result of this legislation when it becomes law, when the drilling starts, when the marketplace recognizes that the potential of bringing 5.83 trillion cubic feet of gas to the market and 1.6 billion barrels of oil is very significant, and it is done in a safe way and environmentally sound way and it is out of harm's way from the rest of the world that is growing increasingly unstable, which happens to be one of the primary producers of crude oil for the world market. No, finally the Senate gets it.

Senator DOMENICI and I and members of the Energy Committee and this Senate struggled for 5 years to craft the Energy Policy Act of last year, a very significant bill.

A lot of work is underway. Billions are being invested in all forms of new technology and energy and energy development. But in the interim, in the next decade or two, as we transition this great economy of ours to different forms of energy, you don't turn off the energy you have, you don't tell the consumer not to drive the car for 5 years until we can get them a hydrogen fuel cell car that doesn't do any emission, or maybe is supplied by energy that is going to cost less. Our country doesn't work that way and it never has.

S. 3711 begins to put us in sync with reality. I say to the American consumer that we hear you. We hear you loudly and clearly and we grasp your sense of frustration and insecurity at this moment. Passage of this bill will help stabilize energy costs and, in some instances, especially in natural gas, it may well bring down those prices for the winter months and the heating months of 2006 and 2007. If we can accomplish that—and I think we can—then this Senate ought to vote unanimously for S. 3711. We ought not get caught up in the minutiae of the politics of the past because the minutiae of the politics of the past have produced $3 gas, have produced $10 and $12-per-million-cubic-feet gas, and have caused the American consumer to develop a sense of insecurity about themselves, their families, and their futures like none we have ever had.

The chairman of the Energy Committee gets it. That is why he has worked as hard as he has. I believe I understand those issues, and I am proud to be a cosponsor of this legislation.

Let us say to the American people: Let's take a step further. Let's erase this red area from surrounding the American coastline. Let's look at new offshore policy that says to the American consumer: Here is an opportunity, and we ought to deal with it in an environmentally sound way, instead of just saying no. You can't just say no and be able to deal with that at the gas pump the next day because when you do, that means the American consumer pays more.

I see that as the essence of this bill. And in supporting S. 3711, albeit a strong step, it is clearly a step in the right direction. Let's remember the responsibility we have to the consumer

as we effectively deal with and develop these resources because that consumer is also an environmentalist who wants it done in a safe and sound and environmentally clean way. That is what we are about.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first, before the distinguished Senator leaves the floor—I see he is still here and I am glad he is—I thank him very much not just for me or for that speech, for that statement, for that set of thoughts, but I thank him for the American people for his thoughtfulness.

If anyone wants to read the text of something that summarizes from beginning to end the problems we are having and why in the areas of high costs of natural gas and crude oil and insecurity and lack of consistency and fluctuation in prices that are frightening and scaring everybody, read the speech that was just delivered by the distinguished Senator from Idaho. It is a tremendous introduction to the problem and then a total summation and wrap-up of what we can do for ourselves and why we should do it and why with the problem of energy supply in the fields of natural gas and crude oil, wherever America can, we must use our resources, especially these days when insecurity in the world causes such a problem. Even if they are supplied, the price is totally out of focus, and everybody should know that if we have our own supplies, that is what we ought to use—it is sitting right off our coast—with no damage, as the Senator from Idaho indicated.

We saw the little piece of property out of acres and acres and miles—this little piece of property, 8.3 million acres. He showed it to us on a map. It is loaded with natural gas. How do they know? They have already proven it. Part of it was ready to be leased; isn't that right, I say to the Senator? Part of it was ready to be leased in the regime of the Governor of the State of Florida, a former Senator, Lawton Chiles. As a Floridian, he, years ago, acknowledged this must happen, that part of this property was prepared. We know it. When we put it to bid, it will be ready to go.

Not only that, as the distinguished Senator indicated, to have an impact on the cost, we don't have to wait until they drill—right?—because it is such a big supply that the marketplace will take cognizance, will be aware of, will respond to the fact that we are ready to do it.

Once this bill leaves here, even that might have an impact. But I am not sure, until it is signed, as I think of it, that will have an impact because there is always a chance for a slip between the cup and the lip.

We have to get it done, and we have to get it voted on. It is ours. It is ready to go.

I once again thank my good friend and valued member of the Committee on Energy and Natural Resources—and many others around here—for his terrific speech summarizing the problem we have and the way this American solution to an American problem should be addressed and why.

I thank the Senator. I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I rise today to join in the conversation and the discussion about energy and in support of S. 3711, the Gulf of Mexico Energy bill.

We are coming up on the anniversary of the Energy Policy Act which we passed sometime back. It is comprehensive energy legislation that recognizes the difficulties we have in this country, recognizes the directions we need to go, recognizes in general terms where we have to be, whether it is increased production, whether it is efficiency and conservation, whether it is alternative methods, whatever. All those issues are excellent, and I am glad we did that.

Of course, now we are in the position of implementing those policies and implementing the policies, of course, is what will have an impact on people in this country, what will have an impact on the costs.

Despite the Energy bill, prices, of course, have risen. They have increased because we haven't been able to implement the bill to bolster production. There are a number of things going on, and I think we have to continue to remember that there are at least two aspects of the future in terms of energy.

One is, out 20 years, we will be looking at all new kinds of sources, all new kinds of supplies, whether they be wind energy, sun energy, but those are down the road. We are not there yet. On the other hand, we need to be talking about how we are going to supply our cars and how we are going to take care of the costs for American families this year, next year, and 5 years from now. So there are two aspects that are very much involved.

One of the reasons, of course, is we haven't been able to move. There has been some resistance to including production in measures. The recent jump in prices has been linked directly to that resistance. It is time to do something about U.S. production.

I echo the comments the senior Senator from Louisiana made earlier today that we cannot drill our way to energy independence and we cannot conserve our way to energy independence. We have to do both. We have to have production, we have to have efficiency, we have to have conservation. Oil and gas is the easiest way we know to do this.

I come from Wyoming, one of the large production States of oil, gas, and coal, the largest producer of fossil fuels. We know how to do these things, but we have to find new sources, new ways of moving toward the energy that is there.

For the sake of security, we must do more. We must reduce our increased reliance on foreign sources of energy. Obviously, as the world changes—and we see every day on the TV how difficult it is to continue to do that—the Outer Continental Shelf holds great promise for accomplishing that goal.

The higher prices we have seen recently are the result of many factors, and we need to address those factors. We all agree increased supply lowers prices. We need to produce more energy in the United States, and, of course, this is a politically charged issue.

Many people have proposals they believe will help. I have my own bill to reduce prices that Americans pay for energy, increase efficiency, new refineries, and better infrastructure and all the things we must do.

We cannot deny the basic economic principle that increased supply reduces cost. It is simple. The bill we are debating today will increase domestic supplies of gas and oil. It will do so in ways that are sensitive to the environment, that will make us more secure and bolster economic opportunities. And it represents an agreement between the States that are most directly impacted by gulf coast production.

Too often people complain about the high energy prices and attempt to blame others. We have an opportunity to do something about that cost of energy today. In 6 months' time it will be winter. I am certain that Members will complain about the cost of energy then, too. I am also sure there will be a call for more money to spend on LIHEAP and other programs. I ask that we deal with those problems now and not later.

The American people are paying close attention to this bill and want us to continue with this debate and make some improvement in domestic production.

If we do not increase supply now, the American people will know who to blame. There are, of course, other things that Congress needs to be doing on energy. Coal conversion technologies need our full support. We have over 200 years' worth of coal in the United States that can be cheaply produced. Wyoming supplies a third of our Nation's current coal needs.

We put this coal on railcars and send it across the Nation. That is increasingly becoming expensive. We want to put the coal in pipelines and convert it to diesel and electric power for cleaner power.

Our electric transmission grid needs to be modernized. Several hundred thousand people lost power this last week in California, Missouri, Illinois, and New York. The grid is stressed, and we need to encourage investments to strengthen it.

I would like all of our coasts opened to responsible production. This bill makes 1.3 billion barrels of oil and 5.8 trillion cubic feet of natural gas available. That is a good thing. Let's not forget there is an additional 19.3 billion barrels and 83 trillion cubic feet of oil

and gas off our coasts that are currently off limits. This bill does not make those areas available.

Yes, I prefer that revenues from these activities be used to reduce our Nation's debt. There is continued resistance to all of these broader approaches, however.

I hope that lease sale 181 can serve as an example to other coastal States that offshore production works. What we need now is a bill on which we can agree, and we have it before us. We need something that can make a difference in the short term. This bill is a pragmatic approach that achieves these goals. This is something we know can happen. We know how to produce it. It is available. It recognizes the value of increased production and strikes the necessary balance to make those activities a reality.

We are faced with a broad challenge in energy, of course, a long-term challenge. We have all kinds of approaches to it. But here is one before us that we know how to handle, that we can handle, it has an impact, and it is prepared for us to do today. I urge my colleagues to support the bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President, I will be glad to defer to the distinguished ranking member of the committee. I won't be long. I will go ahead and address this very important issue.

I begin my remarks by thanking the distinguished senior Senator from New Mexico, Mr. DOMENICI, for his leadership in this area. He is one of our more knowledgeable Members. After years of watching him at play, I now refer to him as our No. 1 utility player. Whatever the problem was, he can be helpful. He is knowledgeable on budget issues, energy issues, and also has a practical side: Let's find a way to get it done. Once again, he has done that with this bill.

I know he wants to work with his committee. I know he wants to work with Members on both sides of the aisle. But I know more than anything else he wants to do the right thing for our country. So I thank Senator DOMENICI for his leadership. He has agreed to do some things in ways he would not do it if he could do it in a vacuum. But that is what leadership is all about. In the legislative process, you don't get it 100 percent the way you want it. You have to give a little and get a little to do the right thing, to produce a product for the American people. So that is the main reason I am here. I want to thank you for that.

I also acknowledge the leadership and encouragement of Senator MARTINEZ, the Senator from Florida, and others from Florida who have been helpful in this effort. I have a great admiration for Florida. It is more or less a neighboring State—a little bit of Alabama intervenes between my State, where I actually live, and the Panhandle of Florida—and I haven't been able to understand why they have been so opposed to oil and gas production in the Gulf of Mexico. I understand the concern about coastal areas—the beaches. But there has to be a reasonable and practical way to protect the American people and their needs for this production, and shield our beaches and our tourist industry from harm.

It is easy to say: No, no, I am not going to have it at all. It takes courage and leadership to say: Well, let's work this out in a way that would be the right thing for our military bases in the Panhandle of Florida, and for our tourist industries in Florida, Alabama, Mississippi, Louisiana, and Texas—we all have that—and take advantage of the tremendous resource that will help the American people, that will reduce our dependence on foreign oil. This is what this is all about.

It is not just the prices at the pump today; it is about the long-term plan. We have a problem here. It is a growing problem. Are we going to do something about it? This is a step in the right direction. That is the message here. Will this bill solve the problem tomorrow? No. It will have an impact almost immediately, because people will see we have taken some action and they will act. And it probably will have some impact on natural gas pretty quickly. But it is a clear statement to everyone that we realize there is a problem here and we are going to do something about it.

So I thank Senator MARTINEZ for stepping up. Senator NELSON has been involved, and I hope we are going to have a unified group of Senators from the entire Gulf of Mexico area to endorse this concept. We have worked at that. Florida, Alabama, Mississippi, Louisiana, and Texas, have met and talked on a bipartisan basis about doing the right thing. I have been proud to be a part of that.

Senator LANDRIEU of Louisiana has been relentless—relentless—has she not, I ask the Senator?

Mr. DOMENICI. You bet.

Mr. LOTT. She has worked this issue hard. Senator VITTER has made sure we have done it in the right way. He has looked at the language very carefully. I commend them in particular. Their State has probably been more active involving this issue than any other Gulf States. Their State has also taken some of the negative impact—on the coastal areas—in recent years. Therefore, it is only right that they get a higher percentage of the coastal impact fees and that they be recognized for their effort. Senator HUTCHISON and Senator CORNYN, Senator COCHRAN, Senator SHELBY and Senator SESSIONS also deserve to be recognized. We have all been involved.

The next point I want to make is I don't quite understand why we are finding it harder and harder to produce a result. It is has become so hard to be bipartisan. I admit it is almost impossible to get a bipartisan agreement that is bicameral. Maybe it is just a sign of the times; maybe it is the political season we are in which may be a little more testy than normal. But here we have a perfect example of a bipartisan bill. A wide margin of you vote earlier on the motion to proceed to this bill, and we are now in the debate time on that. I predict when we get to the final vote, it once again will be bipartisan, probably higher than anybody would have thought. But this is the way it can happen. This is the way it should happen. So I am glad we are working in a bipartisan way.

I want to say: Look, we made some progress last year with our Energy Policy Act of 2005. It didn't entirely address our energy needs, obviously, but it was a step in the right direction. Now, here is the next step. For years, I have been stressing that our energy policy in this country has to be balanced. I would prefer to produce our way out of our energy situation. I believe we can have more: more oil, more gas, more hydrogen, more nuclear, probably more wind and solar energy too. We can do it all. But I finally came to the conclusion we are not going to be able to just do one part of this equation; we are going to have to produce more, we are going to have to conserve more, we are going to have to look for alternative fuels, and we are going to have to be innovative. I have made that concession. After all, it makes sense. Why don't we do the whole package?

That is what last year's Energy Policy Act began to do, it made some improvements in nuclear and in hydrogen and alternative fuels. However, we can't do all of those things instantly. Very few places are ready to build a new nuclear plant. My State of Mississippi may have been one of the first to build a new nuclear reactor. That is great. We need to move towards alternatives such as liquefied natural gas, and once again, we have to build the facilities. And that won't happen tomorrow.

In the meantime, while we need to make stronger conservation efforts and come up with more alternatives and innovative ideas, and we need more oil and gas. It is that simple. Now, we can get it some way or the other from Iraq, Venezuela, Nigeria, Iran or we can get our own safely. When I go to my State of Mississippi, people scratch their head and say, why is it that people from a certain part of the United States are determined we are not going to get oil out of ANWR? What is it to them, and what does it mean to the country?

For whatever reason, without impugning anybody's motives, we haven't done it. But we can do it in the gulf. We can do it in the Gulf of Mexico because we know it can be done. We think it will be in the best interests of our States and our people and we think it is in the best interests of America. It is there, it can be obtained safely, miles off the coast.

I want to emphasize right up front: This is not about putting oil rigs or

natural gas wells within the sight of the beach, although there have been natural gas wells in plain view from my front porch in Pascagoula, MS. It is not about that. We do not want our beaches to be threatened. This is going to be at least 100 miles away—in the case of Florida 125 miles away from this 181 and the other areas we are going to open. I think it can be done and it will produce very early results.

Look at what we are talking about here, freeing up 1¼ billion barrels of oil that we won't have to get from some unstable government overseas, and almost 6 trillion cubic feet of gas, that is huge. Others in this country ought to be willing to do the same thing in other coastal areas. But I want to emphasize that this is not about any other coastal area; this is just about our area. We are prepared to step out, do the right thing for our country, take the risks. But we also want to get a little of the benefits, a little help in trying to deal with some of the problems we have in the coastal region.

By the way, one little aside: This bill will reduce the Federal deficit by almost $1 billion over 10 years—$1 billion—probably more. I think all of the numbers are understated. I think we are going to get more oil, more gas, more benefits, more money coming into the Federal Treasury and our States. We will do it without raising taxes or fees on anybody. So we get the benefit of additional supply, we get the benefit of impacting our Federal budget, drilling will produce hundreds of jobs, good-paying jobs. I know the people who work on those rigs out there in the Gulf of Mexico, and I know the kind of money they make. Yes, they work hard and they take risks and they are away from their families, but these will be good, new jobs for good, hard-working people—people who need a little help right now, these are the people who have been hammered by Hurricanes Katrina and Rita.

For decades, almost every dime generated from leasing of Gulf of Mexico areas for oil and gas all came to Washington—all of it came to Washington. Mississippi, Louisiana, Texas, and Alabama, the States which permit energy exploration off their coasts, reaped very little benefit, but they incurred a lot of the risks, some of the damage and some of the threats. We provide the infrastructure. These boats don't just take off from nowhere; they have to be built somewhere. All of this goes on—it is not all perfect, let me be honest about that. There are certain challenges. So we feel there should be an equitable distribution of the royalties from the Outer Continental Shelf to those of us who are on the front line.

For years States that allow energy production on Federal land receive 50 percent of the Federal revenues from these activities. Those of us in the gulf: zip—other than what we get indirectly through the Land and Water Conservation Fund and through Federal largess, which, in our area, is not much.

So we think this is important. We are trying to stand up and do what we think is right for our country, but we want to also do the right thing for our States. There is a coastal impact. We all know that. This is an acknowledgment of that. The Gulf States which will be producing this would get under this agreement 37½ percent of the Federal revenues from the new leases entered into after the date of enactment. Twelve and one-half percent, though, of the revenues would go to the Federal Land and Water Conservation Fund, for all of the States to use. We are not greedy, but we want our fair share for a change. There was a time when we wouldn't stand up, speak up, and fight for what is right for our people. This time, we are going to. It is a win-win. It is right for our country and it is right for us. I think this is a good arrangement.

The money that goes to the States—Senator LANDRIEU and I have felt it shouldn't all go to the States. Our State capitals and our State Governors are quite often not from the marshes of Louisiana or the beaches of Mississippi. We have to make them understand where we are and who we are. Once again, part of the problem over the years has been our own fault because the attitude in the south of Louisiana and the south of Mississippi is: Oh, well, we will do it ourselves. Well, we are trying to get a better rate. We are trying to make more sense. So 20 percent will go to the coastal counties that are impacted.

I know the Senator from New Mexico, Senator BINGAMAN, is here, and he cares about those areas. I want to tell him what these monies will be dedicated to. They will not be frivolously squandered on some project that is not along the coastline. The funds are going to go to coastal conservation, coastal protection, and restoration. Hurricane protection—hello—do we need to do that? By the way, if we don't do it, we know who is going to pay our bill because when we are flat on our back the Federal Government will have to come in again with hundreds of billions of dollars. Let's be proactive. Let's try to do a better job in protecting our coastal areas and our marshes. If we do not take action, the impact on fisheries could be absolutely detrimental. If you don't have these areas of brackish water, you are not going to have the shrimp and the fish we have been trying to develop there. This money will provide for mitigation of natural resource damage.

I firmly believe this will have a great impact in our area. It is the right thing to do. These areas will be better, and in some instances they will be restored. Louisiana is losing land every hour, and although we may not have that big a problem in Mississippi yet, this problem is only going to get worse. We can take action to protect the future.

We have a chance to do some innovative work. In my State of Mississippi, we are not trying to put things back as they were before Hurricane Katrina; we want them to be better. We are coming up with innovative ideas. We are thinking about how can we be better prepared to withstand a hurricane. These funds will make a huge difference in the long run.

I want to make this clear: I think this is a great effort that we will all be able to point to in the future and say that we did something great. This is something that will make a difference. We will be saying to the American people: We understand your pain, we feel it, and we are taking steps to do something about it.

This will not be the last effort. We are going to have to do more. But now is the time to do this. Now is when the people are suffering due to higher prices for oil and for natural gas. It has made it very difficult for people. This legislation will reduce our dependence on foreign oil, it will help us with our budget needs, it will provide more money to protect natural resources, and it will bring much needed funds and jobs to the gulf area which was hammered by Katrina and Rita. This is truly a plan which Congress should pass and be proud of and the President should adopt.

I look forward to working with my colleagues as we go forward in the next couple of days to complete action on this important legislation.

Mr. LOTT. Obviously, people who have the time to look at this believe it has been a very unfair situation, one that for some reason or another we have tolerated for years. When they realize the way it is handled in other parts of the country, they feel very strongly it is time we step up and get some benefit.

It is also further exaggerated and exacerbated by the fact that if we believe that we are on the line, dealing with all the costs and all the potential problems that could go along with this, we ought to get some of the benefits so we can prepare for that.

I want to say that the people in the Senate and the American people have been very concerned, sympathetic, and helpful to us after the hurricane. But they know we have coastal impact problems. We need to address some of those problems now, not later, because they have become very serious. There are areas we are losing that are basically going into the Gulf of Mexico, and we can also take steps to preserve what we have and to better prepare for hurricanes, use for protection and mitigation for the future.

The people feel very strongly about it. It is not just our Governors who see this obviously as one way to help us deal with the future needs we have, but also just the rank-and-file people. We understand we need to get it done.

This proposal, which would give our Gulf States some share for our coastal impact, will give us the benefit of getting some help. Also, the people understand this is something we need to do for our country and are willing to do it

in the gulf. I wish the rest of the country would follow our lead. However, we are not going to fuss about that, we are just going to step up and do the job.

Our people do feel very strongly about it. They believe we have not been treated fairly and it is time to do something about it.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BINGAMAN. Mr. President, how much time remains on the two sides?

The PRESIDING OFFICER. The Senator from New Mexico controls 2 hours 23 minutes, and the majority controls 1 hour 50 minutes.

Mr. BINGAMAN. Let me speak for a few minutes to give my view of the legislation.

First, let me just say energy issues are very much on the minds of the American people. Rightly so. We have oil trading at above $75 a barrel. We have the price of gas at the pump above $3 in most parts of this country today. Clearly there are a lot of explanations for that, but that is part of the reason we should be focusing on this set of issues.

We have high and growing demand for energy in the world. We have high prices because not only do we have high demand, we have constrained supply, and we have great uncertainty in the world. All of that affects the price of oil and the price of natural gas as well. Whether the uncertainty is in the Middle East, whether it is in the Nigerian Delta, whether it is threats of curtailed imports from Venezuela—there are all kinds of reasons the price of oil is high.

We need to focus on how do we begin to pursue a strategy that helps solve these problems. The truth is, our country is on the wrong track when it comes to oil and gas. According to the Energy Information Administration Annual Energy Outlook, our projected future demand for oil and natural gas is going to far outstrip our domestic production capabilities, and that circumstance is getting worse, not better. All of the projections are that after the passage of this bill, it will continue to get worse, not better.

We have the opportunity, the Members of the Senate and Members of Congress, to try to make some decisions to get the supply/demand equation better into balance. How can we use oil and gas more efficiently and thereby need less than the projections would indicate we might wind up needing? How do we substitute the alternative fuels in our energy mix on a faster basis, on an accelerated basis? How do we produce more and how do we find ways to be more efficient?

A year ago this coming Saturday, we had final passage of the comprehensive Energy bill we passed last year, the Energy Policy Act of 2005. On balance, I believe—I still believe and believed at that time—that was a good piece of legislation. Mr. President, 74 Senators voted for it. We had a majority of Republicans voting for it. We had a majority of Democrats voting for it. The bill was put together on a bipartisan basis in the Senate Energy Committee under the leadership of its chairman, Senator DOMENICI, from my home State of New Mexico.

When the bill came to the floor, of course, Senators on all sides of the many issues in that bill were given an opportunity to bring their amendments to the floor, to debate those amendments, to have them voted on, and despite the broad sweep of that legislation, we completed that process in 2 weeks.

After passage of the bill, we went ahead and had a very fair and open and inclusive conference with the House of Representatives that resulted in a conference report that enjoyed broad, bipartisan support.

The Energy Policy Act addressed energy production. It addressed energy conservation. It addressed energy technology and renewable energy, and it addressed oil and gas and coastal impact assistance, including assistance to the States which are most interested in this legislation. It made significant strides in the right direction on a host of issues.

I had hoped, frankly, that we could continue to move forward in the energy policy area this year by acting on a series of measures to address the remaining issues. There are clearly remaining issues that need attention. One of those is the lack of effective steps to increase efficiency in the use of oil and natural gas.

We did not do what we should have done in last year's Energy bill to deal with that issue. The Senate version of the bill had some good ideas in it. Unfortunately, they were dropped in the conference. We were not able to persuade the House to agree to those. For that reason, this past May, I joined with a bipartisan group here in the Senate to introduce S. 2747, the Enhanced Energy Security Act. That bill addresses oil savings and alternative fuel infrastructure and provides for a renewable portfolio standard and various other efficiency and conservation measures.

Another energy measure I hoped we could act on this year is S. 2253. That is the bill which would have required the Secretary of the Interior to offer for lease lands within this original lease sale 181 area we have been discussing as part of this legislation. Early this year, I joined with Senator DOMENICI to develop and introduce the bill on a bipartisan basis. The bill would have opened portions of the original lease sale 181 area that had been proposed for leasing in 1997 by the Clinton administration. That proposal by the Clinton administration was made after negotiations with then-Governor Lawton Chiles, our former colleague here in the Senate, Governor Lawton Chiles from Florida.

Those areas had been taken off limits by a decision by the Bush administration. I think some may not realize that we would not even be here today talking about opening lease sale 181 for possible drilling if the Bush administration had followed through on the Clinton administration's schedule for leasing. They proposed to do that, and it was on their schedule when this administration came into office.

The bill Senator DOMENICI and I introduced did nothing to affect areas under congressional moratoria or areas that had been withdrawn by Presidential decree or order. No part of the area to be leased was closer than 100 miles from any point in Florida.

We have a map here that will give people an idea of what was involved with lease sale 181. This is the bill which was reported out of the Energy Committee with bipartisan support. You can see the line there, which is the 100-mile line, showing we are not getting within 100 miles of Florida and showing the additional area that would be open for leasing.

I should point out that between the time Senator DOMENICI and I introduced S. 2253 and the date our committee had a hearing on that bill, the administration published its own draft proposed program for oil and gas leasing for the period 2007 through 2012. That 5-year plan called for a lease sale in the 181 area in the fall of 2007. The area the administration proposed for leasing contained about 3.07 trillion cubic feet of natural gas and 620 million barrels of oil.

The current state of play under current law is that even if this legislation does not become law, the administration plans to open that area for leasing beginning in the fall of 2007. It was good news when we learned the administration intended to proceed to lease this new area. It meant that a substantial new development of oil and gas would take place even if we didn't succeed with the bill Senator DOMENICI and I introduced.

At the hearing we had on S. 2253, I asked the Director of the Minerals Management Service, which is the agency with responsibility for this leasing, Ms. Johnnie Burton, whether the administration's plans would wind up coinciding with what the bill envisioned if passage of the bill was delayed. She replied that that certainly would be the case.

After the Energy Committee reported the bill in early March, we received additional evidence that the plans for leasing new areas in this draft 5-year plan were on fairly solid ground, and the new evidence was that the Congressional Budget Office booked the expected revenues from royalties and bonus bids in the budget baseline for this 10-year period, 2006 through 2016.

Even though a good portion of the oil and gas contemplated in the original bill reported by the Energy Committee was incorporated into the developing plans of the Minerals Management Service, I thought it made sense that with the balance of the initial area

opened by S. 2253, we go ahead with the bill and try to enact it. Unfortunately, at least from my perspective, events since the committee reported the bill to the full Senate have changed the bill in very substantial ways. In my view, this is not the bill that we worked on in committee. Several of our colleagues in the Senate took the position that S. 2253 should not move forward without certain modifications.

My colleagues from Florida expressed a desire for a long-term moratorium off the coasts of their State. My colleagues from other Gulf Coast States indicated that they would object to S. 2253 being considered without those States receiving a fixed percentage of the revenues from the oil and gas produced in the Federal Outer Continental Shelf off their coasts.

Both of these demands, which were satisfied in this bill, which has now come to the Senate floor, S. 3711, in my view, have undermined the goals of the original bill. Because S. 3711, which is the bill now pending in the Senate, locks up vast areas of the Outer Continental Shelf off Florida, and because the bill provides for the ceding to 4 of our 50 States billions of dollars of Federal revenues, I find myself in the position of having to oppose the bill.

The chairman of the Energy Committee will point out that S. 3711 opens two new areas in the Gulf of Mexico. That is true. Beyond the area proposed for opening by the new 5-year plan that I talked about, Minerals Management Service, S. 3711 opens a triangular sliver in the area known as ''the bulge.'' You can see that sort of orange area on here. That is new under this legislation. The legislation also opens the so-called 181 south area, which is currently under a congressional moratorium that expires this September 30.

There is also a Presidential withdrawal for that area which is 181 south. That is the lighter orange area down below the area that we have been talking about.

In order to get these additional resources that are provided for in this bill, which amounts to 2.76 trillion cubic feet of gas, S. 2711 puts 21.83 trillion cubic feet of natural gas in the eastern Gulf of Mexico off limits until 2022.

I don't think it is a very good trade for the people of America for us to give up access to 21 trillion cubic feet of natural gas in order to gain access to 2.76 trillion cubic feet. Some of that 21 trillion cubic feet of natural gas that is being put under a 16-year moratorium in this bill is in areas that have never been controversial in Congress. These areas were part of the original lease sale 181 area that every annual congressional moratorium had exempted.

We are talking about this entire yellow area. I think this chart is very similar to the chart that the Senator from Florida, Mr. MARTINEZ, has been using. It shows a very much larger area that is being subjected to this 16-year moratorium than we have ever put under moratorium before.

These yellow moratorium areas that are within the blue of the original lease sale 181 area shown on the chart, these three resource-rich areas are not now under moratorium. If Congress does not enact S. 3711, these areas could be leased under the next 5-year plan, if the administration decided to include them, instead of being locked up until 2022.

Let me, also, for a moment show a chart that our colleague, Senator CRAIG, was using earlier this afternoon. He has a chart showing what is happening south of the area that we are locking up for the next 16 years. This is the thatched area down near Cuba. I think looking at his chart sort of brings home the unfortunate handicap we are putting ourselves under with this legislation. In fact, Senator CRAIG's bill, of which I am a cosponsor, would allow U.S. oil companies to participate in the development of this thatched area, the oil and gas resources in this thatched area down near Cuba, some of which is as close as 50 miles from the State of Florida. But at the same time in this legislation, we are saying we are going to prohibit drilling for the next 16 years in areas as far as 230 miles from the State of Florida. To my mind, that doesn't make good sense.

It would be ironic if Cuba proceeded with drilling in its waters to extract at least 4 billion barrels of oil under its territory, while at same time we were passing legislation saying there would be no drilling in the waters we control through 2022. That is exactly what this legislation says.

Referring again to Senator CRAIG's statement, he talked about the ''no zone''—the large ''no zone'' all around the country, where nobody wants to allow drilling. I will say we are adding to the ''no zone'' very substantially with this legislation by putting in this yellow area areas that had not been subject to moratorium and certainly have not been subject to anything such as a 16-year moratorium, as we are about to enact here.

In addition to being bad energy supply policy for the long term, S. 3711 is also, in my view, bad fiscal and budgetary policy for the long term.

The bill directs, as I think many have mentioned, 37.5 percent of revenues from new leases to the four States, Texas, Louisiana, Mississippi, and Alabama. Starting in 2017, a second royalty diversion using the same percentage would be applied to new leases in existing areas of the Gulf of Mexico open to production.

We have a chart which makes the case as to what we are talking about. We are saying, in the western Gulf of Mexico and the middle Gulf of Mexico, that we are, in fact, going to cede 37.5 percent of the royalties from production on new wells in those areas to these four States as well; that those are funds which otherwise would go into the Federal Treasury.

In order to avoid a point of order under the Budget Act, S. 3711 purports to cap the revenue sharing, from 2016 to 2035, at $500 million per year. And then it has a very interesting provision. It says ''net of receipts.'' Rather than actually capping the revenue sharing, the bill allows receipts from the 181 and the 181 south area to be added to the $500 million cap. That makes the so-called cap, in my view, at least much higher. However, even with the cap, the amount flowing to the four Gulf States is estimated to be somewhere between $27.5 billion and $30.5 billion during this period. After 2056, the full entitlement comes into play with estimated losses to the Federal Treasury of between $12.5 billion per year and $15 billion in 2056 alone.

This underscores the point which people need to understand—that this legislation calls for this sharing of revenue or ceding of revenue to these four States in perpetuity. This is not in any way sunset. There is no time limit. This is from now on. The legislation says these States will be entitled to the money.

As many of my colleagues know, I have strongly opposed diverting revenues from the Outer Continental Shelf. It is clear to me, in reading the history of this country and the laws of this country, that this is a Federal asset and that ceding of these revenues to State and county treasuries of coastal States is bad policy. The resources of the Outer Continental Shelf belong to the entire Nation. Over the years, there have been several attempts by coastal States to assert some form of ownership rights over the Outer Continental Shelf. In the 1940s, coastal States tried to issue leases to oil companies in these Federal waters. That led to a landmark decision in our Supreme Court in 1947. The Supreme Court ruled in 1947 that offshore lands were, and always had been, owned by the United States as a feature of its national sovereignty.

Having been stopped by the courts, the States turned to Congress to request that it turn these so-called submerged lands over to the States themselves. President Truman strongly objected to this. He vetoed the legislation that was sent to him. Let me read the quotation from his veto statement. He said that he could not:

> approve this joint resolution because it would turn over to certain States as a free gift very valuable lands and mineral resources of the United States as a whole; that is, all the people of the country. I do not believe such an action would be in the national interest. I do not see how any President could fail to oppose it.

That was the basis for his very veto.

President Truman left office and Eisenhower took a different view. He signed the Submerged Lands Act of 1954 that granted the coastal States title to submerged lands within 3 miles of their coasts.

Later that year, Congress also passed the Outer Continental Shelf Lands Act, asserting Federal control over the subsoil and the seabed of the Outer Continental Shelf. The legislative history of

these acts is clear. They were intended as a final settlement of the issue of who owned what on the Federal Outer Continental Shelf.

In recent years, as the resources of State waters which were granted under the 1953 act have been depleted, and as the great resource potential of the Federal waters has come into full review, a new drumbeat has arisen. The claim is that coastal States should have a preferential share of the resources of the Outer Continental Shelf over and above other States that, under current law, are equally entitled to these receipts, and under the Supreme Court's view are entitled to these receipts.

We are not talking about trivial sums of money. Oil and gas receipts from the Outer Continental Shelf are the third largest source of income to the United States after taxes and Customs duties.

Over the next several decades, it is estimated that oil and gas royalties from the Outer Continental Shelf will exceed $1.2 trillion. As we look to the future, a future in which we will have large bills coming due at the Federal level, with the retirement of the baby boomer generation, it is unwise, in my opinion, to consider permanently diverting these revenues away from the Federal Treasury to these four coastal States.

I have often heard the argument that we ought to give a percentage of Federal royalties to the Outer Continental Shelf, to the nearby States because Western States, such as my own, New Mexico, receive a portion of the royalties from the Federal lands within their borders.

Let me address what I believe is a false comparison head on. The first obvious point is that the Mineral Leasing Act which has been adopted made provisions for my State to receive 50 percent of the royalties for production on Federal lands. This Mineral Leasing Act does not discriminate against Louisiana, Mississippi, or any other coastal State. To the extent that the Federal Government reduces oil and gas and collects royalties on Federal land within their borders, the Federal Government pays 50 percent of those revenues to the States just as they do in my State, just as they do in Wyoming, just as they do in every other State in the Union.

Indeed, according to the Minerals Management Service, between 1982 and 2003 the Federal Government distributed $14.8 million to Louisiana from onshore Federal leases under the Mineral Leasing Act. The reason Louisiana did not get more was because there is very little Federal land in Louisiana that produces oil and gas. Most onshore oil and gas development in Louisiana takes place on State or private land and not on Federal land.

Louisiana, like any other State, receives 50 percent of the royalties collected by the Federal Government from Federal oil and gas leases. Western States, such as New Mexico, and eastern States have very different histories when it comes to patterns of life ownership. A long time ago, in the 19th century, a large part of States such as Louisiana consisted of public land. But the laws at that time allowed that Federal land to be patented and bought into private ownership or given to the State where it now forms the tax base for those States. That explains why there is relatively little Federal land in a State such as Louisiana. The State enjoys the ability to levee taxes, including severance taxes on all the oil and gas that is produced within the State, which is considerable.

The development of the western States took a very different turn in 1920 when it became clear that there was a significant amount of Federal land that had oil and gas potential. Instead of allowing that land to be patented and brought into private ownership under the mining laws, as had happened in earlier years in States further east, Congress passed a new law—and that is the Mineral Leasing Act I was just referring to. This act forges a very different bargain.

In return for keeping the lands with rich oil and gas resources under Federal ownership, therefore, out of the State's tax base, the Federal Government agreed to give the States a share of the Federal royalties as compensation for the lost tax revenue involved. This compromise represented no injustice to any State that had previously had all of its Federal lands converted into private land through land patents. These eastern States already had what the western States were giving up; that is, the ability to tax all of the economic activity within their borders.

If you read the legislative history of the Mineral Leasing Act of 1920, it is clear that the split of revenues between the Federal Government and the State governments was in compensation for removing lands from the tax base of the States.

So when you recognize the reason for the 50–50 split of royalties on Federal lands within the boundaries of States under the Mineral Leasing Act, it is clear to me that transposing this system to the Outer Continental Shelf makes absolutely no sense. Federal ownership of the Outer Continental Shelf takes nothing away from the tax base of any coastal State. To the contrary, Federal development of national assets on the Outer Continental Shelf actually results in enhanced economic activity, increased tax revenues in adjacent coastal States.

One report that illustrates this fact is published in 2002 by Louisiana Midcontinent Oil and Gas Association. It is entitled ''The Energy Sector Still A Giant Economic Engine for the Louisiana Economy.'' That title is a pretty good thumbnail description of the true impact Outer Continental Shelf activity has on the Gulf Coast States. That activity is a giant engine for their economies.

Here are some of the facts in that report. The report says the energy sector has a $93 billion impact in Louisiana and employs 62,000 people. The energy sector in Louisiana supports $12.5 billion in household earnings. It pays $1.14 billion in State taxes. Workers employed by the offshore oil and gas industry can expect to earn salaries between $75,000 and $100,000 a year. That was in 2002 when the report was issued. Oil exploration and production value-added income already exceeds $17 billion and refined value-added income is nearly $5 billion.

The same facts can be told for each of the coastal States that border the Gulf of Mexico. They derive substantial economic benefit from their strategic location next to these oil and gas deposits that are still owned by the United States.

For these reasons, I cannot support the current proposal to set in motion a permanent and a very large diversion of Federal royalties from the Outer Continental Shelf to these four States. I am sympathetic to the environmental damage that has been caused over the years to coastal wetlands. Much of that damage in the past was from causes other than oil and gas activities. An important source of the future threat is from factors such as global warming.

Last year, in the Energy Policy Act, we enacted a Coastal Impact Assistance Program that directed $1 billion be paid as mandatory spending over 4 years to the Gulf Coast States. I strongly supported that measure. I have strongly supported funding for reconstruction of the gulf coast in the tragic aftermath of Hurricanes Katrina and Rita last summer.

The policy rationale for the permanent revenue diversion proposed in this bill, in my opinion, is highly flawed, just as the energy policy rationale for the bill is also flawed. If you want to have a strong and fiscally solvent Federal Government, you need to be very careful about new spending entitlements and claims on Federal revenues being created by the Congress. The provisions of this bill do not reflect that kind of concern.

If we are to cope with the rising demand for energy, and particularly for natural gas, we must also approach that matter. Strictly giving up, for the long term, access to 21 trillion cubic feet of natural gas just to obtain just over 2 trillion cubic feet is shortsighted, in my view. Undertaking to solve our long-term problems with natural gas supply and demand by focusing just on the supply side I also see as shortsighted.

Let me talk a little bit about the precedent of what we are doing. I see that as another and somewhat separate reason for opposing this legislation. S. 3711 sets bad precedent both in the energy policy area and in the fiscal policy area. There is no reason I can think of why coastal States up and down our seaboards will not demand the same kinds of treatment being demanded by the States that are insistent upon the provisions in this legislation.

Let me put up the chart that shows what we are talking about. The Outer Continental Shelf is the blue area surrounding the country. Of course, this bill just deals with the gulf. We all understand that. But let's just think about the precedent we are setting that will come back to haunt us when we have this issue revisited in the future.

My sincere concern is that if we take the steps that we are proposing to take in this legislation that lock up Florida until 2022, or the areas off the coast of Florida going out at least 125 miles until 2022, we are well on our way to making these other resources unavailable also until 2022.

We are also setting a bad precedent in the fiscal arena, as well. Where production is allowed, other States are likely to demand the treatment that we are here affording to Texas, Louisiana, Mississippi, and Alabama.

Take Alaska, for example. If you do a little reading on where our undeveloped natural gas and oil resources are, much of it is off the coast of Alaska. The Federal Outer Continental Shelf off the coast of Alaska covers a vast area, some 600 million acres. The Outer Continental Shelf off Alaska's coast is more than twice the size of Alaska itself.

To give an idea of the immensity of this OCS area, the onshore lands of the State of Alaska comprise some 366 million acres. The Federal Outer Continental Shelf off Alaska contains vast resources, an estimated 26.6 billion barrels of oil, and 132 trillion cubic feet of gas.

If we start down this road, as this bill does, in my opinion, with respect to the Gulf Coast States, we will certainly be asked to give 37.5 percent of the revenues of producing these Federal resources off Alaska's coast to the State of Alaska. In fact, such a proposal has already been developed. Other States are likely to follow. This is a precedent that I think we will all come to regret.

I know there are strong feelings on the other side of this issue. I understand the sentiments that some have, but I am persuaded this is bad energy policy for the country, that this is bad fiscal policy for the country, and I hope that we are able to make some changes in this legislation before we finally dispose of it so we can correct these problems.

I yield the floor.

Mr. DOMENICI. Mr. President, I will yield quickly, but I want to try to get the record straight with Senators so they will know where we are timewise. We are in postcloture where every Senator has a certain amount of time. By consent today, we are taking 6 hours, 3 hours to those in favor and 3 hours to those against. I am in charge of the 3 hours in favor, and Senator BINGAMAN, so far, has been the only one who has spoken. But he is in charge of the time on the opposition. He might give us some of his 3 hours today if we run out, or we would ask the leader. I have a lot of speakers.

In any event, Senator BOND asked to be next. He is here. Senator SESSIONS is speaking for our side. We will go back and forth. Senator SESSIONS asked he be next on our side. And the senior Senator from Alabama who is here, also, would like to speak next.

How much time does Senator BOND want?

Mr. BOND. Seven minutes.

Mr. DOMENICI. Senator SESSIONS?

Mr. SESSIONS. Fifteen minutes.

Mr. DOMENICI. Senator SHELBY?

Mr. SHELBY. Ten minutes. I will try to do it in less.

Mr. DOMENICI. I have 1 hour 50 minutes; is that right? And Senator BINGAMAN has how much?

The PRESIDING OFFICER (Mr. MARTINEZ). One hour forty-five minutes.

Mr. DOMENICI. Senator LANDRIEU wants to speak 10 or 15 minutes. We will welcome that. If we add that up, we have plenty of time.

I want the Senators to know we have a schedule. It is not me; Members have to follow each other.

I take a minute and say to Senator BINGAMAN, I am not going to answer now the detailed allegations today. I think two or three are significant, but I am just going to say to the Senate I have the most respect for my colleague. I think everyone knows we work together, shoulder to shoulder. It is good to work with him. I think he must feel the same. We got something great done.

However, I believe there is one flaw in the argument that is imperative. That is, plain and simple, do you want to hang tight with an ideology of the past and get no bill and no new development or do you want to adjust to change and get something significant?

Now, he might not agree, my friend might not agree that I am correct in saying what we are getting, but I truly believe the final product of the path we were going to follow—which was to not share the revenue; and we had not made any arrangement with Florida—was doomed to yield nothing, and we would be back where we were.

Secondly, if we want to wait around for MMS to do their plans and assume that they end up with what they started with, then just look at history. They hardly ever come out anywhere close to what they started with, and they probably would have done it again on this one. We are better off, in my opinion, adjusting a bit to the reality of getting something real than to stand rigid on the philosophy of the past.

Revenues: If you do not drill, you do not get any revenues. We have been in a no-drill posture for the American Treasury for almost 20 years. I do not know how many more years we will be with no revenues and no drilling, so I am not worried about the fiscal policy because I am worried about the effect on the economy and on people of not using the resource.

I can hardly measure that, I say to Senator BOND. It is too big for me to measure as a budgeteer. So I wanted to make that point just in kind of a summary manner, which is part of what my friend and great colleague has been arguing in derogation of this bill on the Senate floor.

Then I had one more observation. As to the big piece of land we are not going to be able to drill in in the future that my friend has alluded to, if you just look at that map, the perpendicular line is a line established in a letter from the military which said they needed, for future use, everything beyond that line. And everybody had been agreeing we would not, without the military's consent, ever drill there. And that is essentially why most of that property is off limits. Now, there is more to the story than that, but that is the biggest portion of the story.

Having said that, I would certainly like to say to my colleague, Senator BINGAMAN, I trust that we are back together soon to get another great Energy bill; and we will. I would feel much better if you and I were together on this, but I feel just as confident, or more so than I did on the Energy bill, that the way to get Outer Continental Shelf drilling is to start with this new precedent and get it going. And I think the ball will roll. If you get this, you will get offshore drilling in real quantities. You will get more than ever to the Treasury and more than ever to the bounty of production. That is what the real ball game is about. And you either do something like that or you sit around and wish. We have been wishing, and it never happens.

So with that, I yield to Senators. I will be off the floor. You can take time in your sequence. I will come back in an hour and a half or so, and if there is time, I will wrap up this afternoon.

Thank you very much.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I just ask that my and Senator SHELBY's time slots be reversed.

Mr. DOMENICI. Sure.

Mr. SESSIONS. He has another appointment, and I would be glad to yield to him and take the slot you originally had for Senator SHELBY.

Mr. DOMENICI. Sure. Senator SHELBY would go right after Senator BOND on the proponents list. And they would be followed by Senator SESSIONS.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, could I just indicate for my colleague, I appreciate his comments. We do have a couple of Senators who are in opposition who are coming to the floor and will wish to speak, too, at some stage. I do not want to line up so many proponents that they are not able to make their statements within a reasonable period of time. So if we can fit them in at some stage in the proceedings, that would be great, as soon as they arrive.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say to my colleague, that is fine. I

noted your staff had apparently gone and checked, and there might be somebody. I would like to ask that they let you know as soon as possible so you do not have people with the expectation of being next because they are right here, and all of a sudden somebody drops in and says: I am next because I am in opposition. I think that would be a little unfair. I wish the Senator would work with us on that.

All right, having said that, I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I rise to offer a compromise and support a compromise. I have agreed to limit my remarks to 7 minutes in the hope, however faint it might be, that people might listen to me.

Secondly, I am here to support a compromise. I am here to support a compromise led by our good friend, Chairman DOMENICI, involving the occupant of the Chair, the Senator from Louisiana, and a distinguished bipartisan group of Senators who are coming together to bring out a compromise that is going to solve a major problem.

We hear—on the floor, and wherever politicians gather, and pundits gather, and at coffee shops—people complain about the high cost of gasoline, the high price of natural gas, and our unhealthy dependence on foreign oil. Well, my gosh, they are all right. They are all correct. We are importing over 60 percent of our petroleum.

We hear lots of people pontificate about the skyrocketing costs of natural gas, heating homes, and how that affects the need for low-income heating assistance programs, and how it squeezes all of us who, like me, depend upon natural gas to heat a house. Once again they are right. Over the last few years, natural gas prices in America have been some of the most expensive in the world. Some people cry out for the need to do something to reduce these high oil and gas prices.

Well, in the past, when it has come down to it, too many people have stood up and said: No, we are not going to do it. The reasons range from ''not in my backyard''—they do not want anything produced right near them, whether it is oil or minerals or a manufacturing process—that is called the NIMBY approach. Others are pushing environmental concerns to the extreme, not realizing that modern-day exploration of oil and gas is done with new techniques that are designed to be as friendly to the environment as possible. Then of course, there are others who think that high gas prices make a great campaign issue in an election year, and that it is in their best interest to do nothing before November.

Well, there is a way to begin to reduce the price of oil and natural gas; and that is to increase domestic supplies. Let me point out to my colleagues that for all the laws we pass, we have not been able to repeal the law of supply and demand. If you have more demand than you have supply, the cost goes up. And that is what we have.

Now, we are trying to reduce the demand by conservation, but people continue to make choices, and the economy grows. Not only our economy grows, but the economies of India and China, which are putting real pressure on demand, grow faster. But we are not keeping up with the demand from production in the United States. Thus, our percentage of contribution to supply continues to decline.

The area specified in S. 3711 will open up 8.3 million acres of the Outer Continental Shelf for oil and gas leasing as soon as practicable, but no later than one year from the date of enactment. This area, which includes Lease 181 and an area south of Lease 181, is estimated to contain roughly 1.26 billion barrels of oil and 5.8 trillion cubic feet of natural gas. The natural gas supply alone made available under this bill is enough to heat and cool 6 million homes for 15 years. That is a good start. We would like to have more, but with the demand for energy so high, and the supply limited, we need to take what steps we can.

With the price of gasoline over $3 a gallon, all of us are looking at the need to conserve, and that is one way we can make a difference: stop driving so much, carpool, walk. People still get there. I used to walk to school, ride a bicycle to school. That is not a bad idea for a lot of kids. It keeps you in better shape.

In addition to the growing demand for energy, disruptions in supply due to geopolitical instability in the middle east and South America have caused energy prices to spike upward. All of these factors have caused the price of gasoline to increase by over 125 percent since 2000. As fighting continues in the Middle East and political instability remains in South America and North Africa, energy analysts warn that $100 barrel oil could indeed be a reality in the future.

The situation with natural gas is no different. To say that we are in a natural gas crisis is an understatement. Why is this the case? Again, the answer is quite simple. Over the years demand for natural gas has skyrocketed while domestic supplies have dwindled. And when that happens, simple economics tells us that prices soar as they have in recent years for natural gas.

We have a lot of demand for natural gas because of the increasing demand for this resource in the generation of electricity. More and more electric utility generation plants have been forced to switch to natural gas. Natural gas is also in short supply because of all the restrictions on its production and delivery, including restrictions on access to these gas supplies and strict environmental regulations, which have pushed a massive expansion of natural gas usage as opposed to the use other energy resources such as coal.

According to a Wall Street Journal editorial, there has been a 40-percent increase in the use of natural gas since 1986, and that accounts for nearly 25 percent of our energy. And it is set to increase by another 40 percent by 2025. We cannot afford to do that. Our production of natural gas has fallen from 19.2 trillion cubic feet to 18.2 trillion cubic feet. That is a 7.2-percent decline. We cannot afford to do that.

We need to liquefy and gasify coal so coal gas can fit in, too. That is some ways down the line. But in the meantime, we have to go ahead with lease 181 and the adjacent areas.

Price increases hurt our economy. They hurt people who drive cars. U.S. consumers spent $200 billion on natural gas in 2005, which is four times as much as we spent in 1999. This has caused both Federal Reserve Chairmen Greenspan and Bernanke to repeatedly warn that ''natural gas bottlenecks endanger economic expansion'' and ''pose risks to both economic activity and inflation.''

High natural gas prices cost us manufacturing jobs. The National Association of Manufacturers says that roughly 3 million manufacturing jobs have been lost due in large part to natural gas price increases. Chemical plants are moving overseas along with and fertilizer plants.

According to the U.S. Chemistry Council, it is estimated that from 2000 to 2005, the chemical industry saw the loss of 100,000 jobs and $50 billion to overseas competition. Furthermore, the magazine Business Week reported that of the 120 major chemical facilities in the planning and construction stages around the world, only one is in the United States—50 plants are going up in China.

Job loss due to increased natural gas prices has also had a devastating impact on the fertilizer industry because natural gas is a key component in the production of nitrogen fertilizer. Late last year, Ford B. West of the Fertilizer Institute informed the Senate Appropriations Subcommittee on Interior that sixteen U.S. production facilities have closed permanently and an additional five have been idled due to rising natural gas prices—this represents a 35 percent decline in U.S. fertilizer production

The agricultural sector is also taking it on the chops. The president of the Missouri Farm Bureau, Charlie Kruse, on March 17, 2005, testified that in the last 4 years, the retail nitrogen fertilizer prices, because of the shortage of the supply of natural gas, have skyrocketed from $100 per ton to $350 per ton. These are real costs being put on our farmers.

Analysis from the Food and Agricultural Policy Institute, FAPRI, at the University of Missouri-Columbia indicates that fertilizer prices paid by agricultural producers increased by almost 50 percent between 2002 and 2006, with fuel prices increasing over 100 percent in the same time frame. This leads to cost increases of over $80 per acre for rice, $50 per acre for corn and $10 to $25

per acre for soybeans, wheat and cotton.

Farmers are hurting. These increased costs are going to curtail the availability of our food supply and raise the cost of our food as well. Transportation costs will also rise.

Well, the concern has been raised by the distinguished Senator from New Mexico that this legislation is not the best deal.

I might agree with him, but I will tell you something. Standing here on the floor of the Senate, it is the best looking one of the whole ugly bunch because I have been waiting for a long time to find a way to increase the supply of oil and gas produced in the United States. This is a start. He has pointed out, we need to do a lot more things. Well, I will be there to support whatever we can do to make a reasonable compromise to overcome the objections, so we can start producing gas in deep sea offshore drilling.

I hope one of these days we can go back up to the barren reaches above the Arctic Circle in ANWR. I have been up and watched them drill in Prudhoe Bay. There is no harm to the environment. I will tell you, the caribou and the birds love it. The mosquitos are great. They are just as healthy as they are in southern Alaska.

Tapping the energy resources in the areas specified in this bill can have an immediate impact on both the price of oil and natural gas because these areas are located in the Gulf of Mexico near existing oil and gas production infrastructure. With its proximity to major oil and natural gas transport terminals and pipelines, these new energy resources could be quickly shipped to the market for use.

Well, in closing, I commend Senator DOMENICI for putting together a bipartisan group to support this bill. I laud his efforts. It is going to be done in an environmentally friendly manner. Last year's devastating category 5 hurricane did not cause any significant oil or gas spillage. And this new technology can produce this oil and gas from offshore areas in an environmentally friendly manner and begin to break the logjam where supply cannot keep up with demand.

I urge my colleagues to support S. 3711.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BOND. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, at this point I rise to discuss the legislation currently before the Senate, S. 3711, the Gulf of Mexico Energy bill. I am an original cosponsor of this bill and strongly support its passage.

Over the last few years, we have seen drastic increases in the prices of crude oil and natural gas. While demand for these products in our country continues to grow, the domestic supply of these commodities remains stagnant at best. This lack of domestic productivity and the volatility of the global energy market are causing the everyday lives of Alabamians and people all across this Nation to become increasingly difficult.

I have no doubt that my colleagues have heard the same stories that I have heard from my constituents in Alabama—that they are having trouble making ends meet because of the prices at the pump. They tell me they cannot afford to commute to and from work, pay their monthly bills—particularly with record high temperatures—or run their small businesses.

These are not luxury costs. These are the basic costs of everyday life. Alabamians have asked that the Congress do something to alleviate the burden of rising energy prices, just as constituents have all over America. While the Gulf of Mexico energy bill will not immediately lower gas prices, it will take a significant step forward in addressing many of the problems that cause rising prices. Whether short or long-term effect, one thing is abundantly clear: The status quo is unacceptable. More importantly is the fact that because we have neglected to tap domestic resources that are currently available to us, we are forced to purchase energy sources from foreign nations that are often hostile to U.S. interests. Economic security is the underpinning of national security. Energy independence, as I have said many times, is vital to economic stability.

To achieve a higher level of energy independence, we must increase domestic capacity and production. While no single solution will immediately solve our current problem, there are immediate steps we can and must take toward that end. I believe the legislation before us, crafted by Senator DOMENICI, myself and other Senators, represents a critical step in that direction.

According to the Minerals Management Service, MMS, S. 3711 would open more than 8.3 million acres on the Outer Continental Shelf in the Gulf of Mexico for oil and gas leasing. MMS estimates these 8.3 million acres contain at least 1.26 billion barrels of oil and 5.8 trillion cubic feet of natural gas, perhaps more. Tapping these resources would reduce the cost of energy nationwide and serve to move us further down the path of energy independence as we continue to explore and develop new sources of energy.

For Gulf States—and my State of Alabama is one—that choose to allow drilling off their coast, the legislation also contains a long overdue revenuesharing mechanism. Gulf States allowing oil and gas production off their shorelines will receive 37.5 percent of revenues from new leases. In addition, 12.5 percent of the revenues will go to the stateside Land and Water Conservation Fund for the acquisition of parks and recreation facilities across the Nation. The remaining 50 percent will flow into the coffers of the Federal Treasury.

Some in this Chamber will surely object to the provisions of S. 3711. They will say that the legislation diverts needed revenue from the Federal Treasury and bestows upon gulf producing States a financial windfall. It is important to point out that CBO estimates this legislation will produce nearly $1 billion in new and unexpected revenue for the Federal Treasury over the next 10 years. In my view, assertions that the gulf producing States should not receive a share of these revenues assumes that those States have done and sacrificed nothing to deserve a share of the revenues. For too long the gulf producing States have borne the brunt of our Nation's domestic energy needs while receiving virtually nothing in return.

I would also point out that 37.5 percent is less than the 50 percent currently provided to States with onshore production. And I would dare to guess that the impact to our coasts is as significant as any impact from onshore drilling. I would also reiterate that the bill provides 12.5 percent of the stateside LWCF which will be made available to all 50 States. The Gulf States portion will ensure that the States of Alabama, Mississippi, Louisiana, and Texas are compensated for the decades of oil and gas exploration and production that has taken place off their coasts, the impact the production has had on our coastal areas and the billions of dollars this production has brought into the Federal Treasury.

The legislation clearly lays out a formula that compensates the States according to their proximity to drilling as well as their historic production and does so while positively impacting the budget. The legislation also ensures that the coastal counties and parishes that are impacted the most have a dedicated funding source to address the needs of their communities.

This agreement also represents a commitment by the gulf producing States to continue energy exploration and production off their coasts. This commitment contributes to the energy independence of the Nation. It is time that the gulf producing States were rewarded for their contributions and sacrifices. And while it is difficult to estimate what this will mean in the way of revenues over the next 60 years, there is no doubt it will be a great resource to the Nation and provide substantial revenues to Federal and State treasuries.

I have no doubt this legislation will provide billions of dollars to Alabama and its producing partners in the Gulf of Mexico. These funds will be available to our State and local coastal governments to address the problems that come with drilling production and its required infrastructure. It will ensure we can begin to reverse the coastal erosion and begin barrier island restoration that will protect our States from the all-too-familiar hurricanes. These funds will allow Alabama, Mississippi, Texas, and Louisiana to enhance their

fisheries and coastal infrastructure and put hurricane mitigation programs in place to help us better prepare for the storms of the future.

The sponsors of this legislation have also worked closely with the State of Florida to address the longstanding concerns of the State regarding offshore drilling on their coast. Specifically, the legislation includes a 125-mile moratorium on drilling off the coast of Florida until the year 2022. I strongly believe all revenues leading to U.S. energy independence should be aggressively pursued. We should continue to develop alternative sources of energy. We should promote energy efficiency. We should encourage refinery capacity expansion, and we certainly should continue to explore and develop resources that are currently available to us. We recognize that some of these options will take time to affect our current crisis. Others, however, remain current capabilities.

S. 3711 provides that leasing must commence in a substantial portion of the 8.3 million acres within at least 1 year of enactment. It says that leasing must occur in the remainder of the 8.3 million acres as soon as practicable. In the context of Federal energy policy, these are tangible measures that would have a considerable and direct effect in the short term on consumers and businesses and on the Nation's economy as a whole.

In closing, this legislation is the product of careful coordination among affected States on behalf of the needs of the entire country. It makes much needed contributions to the Nation's energy supply and compensates participating States justly. At the same time it accommodates the concerns of those who do not want oil and gas production to occur off their shorelines, and it provides a mitigating mechanism for States that elect to participate. The American people rightly expect their elected representatives to act on their behalf to stem the escalation of our current energy crisis. While this measure alone is not sufficient to solve our energy crisis, it is absolutely a necessary component of the overall solution.

I urge my colleagues' strong support for this crucial legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, I yield myself 20 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. REED. Mr. President, the Senate today is considering the Gulf of Mexico Energy Security Act. I believe this legislation is not appropriate energy legislation and also not responsible fiscal policy for the United States, as we face a Federal deficit of $8.4 trillion and looming cuts to many vital programs that the Federal Government must support. Next week we will begin to take up the Defense appropriations bill for this year. As we consider that bill, we will discover huge unmet needs to finance the current operations of our military. If we diminish the Federal Treasury, our ability to respond to that issue and a host of other issues will be contemporaneously diminished.

This legislation would mandate that almost 38 percent of revenue from Federal resources generated by new leases in new areas of production made available by this bill will be given to four Gulf Coast States. Revenues that currently would be provided to the Treasury for the benefit of the Nation as a whole will be diverted to four States. This bill, if passed, will cost the Federal Treasury billions of dollars over time. I am not alone in my opposition to this legislation. Taxpayer advocates and environmentalists share my concerns. I ask unanimous consent that the text of several letters be printed in the RECORD expressing these concerns.

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

TAXPAYERS FOR COMMON SENSE,
*July 24, 2006.*

DEAR SENATOR: Taxpayers for Common Sense Action (TCS Action), a non-partisan budget watchdog organization, urges you to oppose S. 3711, the Gulf of Mexico Energy Security Act of 2006. TCS Action is alarmed by provisions in the bill which alter existing federal-state revenue sharing provisions for royalty payments. Royalty payments represent the second largest source of federal revenues after federal taxes. These provisions will siphon off billions of dollars that would have gone to the Treasury, further straining the nation's fiscal health.

TCS Action is not opposed to off-shore oil and gas exploration and development. However, federal waters are owned by all U.S. taxpayers and the public has a right to receive a fair return for the resources they own. Oil and gas resources located within federal waters should not be converted into cash cows benefiting only four Gulf coast states. Gulf coast states currently receive significant royalty payments from waters within 6 miles of their coastline. In fact, under current policy, Louisiana received nearly a billion in revenue from oil and gas royalty payments from 1986–2003.

This legislation would dramatically deplete federal revenue generated by leases in lease sale 181 and 181 south and all leases that are issued after enactment of the bill. Currently royalties from these waters would return entirely to the federal government. Moreover, lease sale 181 would likely be opened in the next several years regardless of this legislation. Despite attempts to disguise this legislation as a revenue generator, opening these tracts of off-shore waters under the proposed royalty-sharing provisions with the four Gulf coast states would have detrimental long-term effects on the federal budget. The Administration has also raised similar concerns to changes in revenue-sharing on current leases and their cost to federal taxpayers.

With the federal debt mounting and oil and gas prices nearing record highs, reducing the federal earnings on our natural resource royalties does not make fiscal sense. We urge you to vote against the S. 3711 and return some fiscal sanity to our nation's energy policy. If you have any questions, please contact Autumn Hanna at (202) 546–8500.

Sincerely,

STEVE ELLIS,
*Vice President of Programs.*

LEAGUE OF CONSERVATION VOTERS,
*July 24, 2006.*

Re oppose S. 3711, the so-called Gulf of Mexico Energy Security Act of 2006.

DEAR SENATOR: The League of Conservation Voters (LCV) is the political voice of the national environmental community. Each year, LCV publishes the National Environmental Scorecard, which details the voting records of Members of Congress on environmental legislation. The Scorecard is distributed to LCV members, concerned voters nationwide, and the press.

LCV urges you to oppose S. 3711, the so-called Gulf of Mexico Energy Security Act of 2006. This backward-looking legislation fails to address our energy problems, raids the federal treasury, and threatens our coastal economies and ecosystems with pollution and oil spills.

Opening more of our coastlines to drilling is clearly not the answer to our energy problems, especially given that eighty percent of offshore oil and gas resources are already open to drilling, and oil companies currently hold more than 4,000 untapped leases in the Gulf of Mexico. Instead of despoiling our shores and perpetuating our dependence on oil, Congress should pursue faster, cheaper, and more environmentally friendly solutions, including making cars and trucks go further on a gallon of gasoline and increasing our use of clean, renewable energy such as wind and solar power.

Unfortunately, rather than using American ingenuity to advance a new energy future that benefits both the economy and the environment, S. 3711 continues to promote failed policies of the past. It opens eight million acres of Florida's Gulf Coast waters to offshore drilling rigs, including more than six million acres that are currently protected by the bipartisan moratorium on offshore drilling that has been in place for twenty-five years. S. 3711 would also divert tens of billions of dollars in offshore drilling revenues from the federal treasury and give the money to just four states. If the Senate were to pass S. 3711, it would pave the way for a conference with H.R. 4761, the even more harmful House-passed bill that would lift the moratorium on offshore drilling for all of our coastlines across the country.

We urge you to protect our coasts, our environment, and our economy by voting NO on S. 3711, and instead supporting real solutions to our energy problems. LCV has scored votes related to energy policy and coastal protection on numerous occasions in the past few years, and the Political Advisory Committee will strongly consider including votes on this bill in compiling LCV's 2006 Scorecard. If you need more information, please call Tiernan Sittenfeld or Nat Mund at my office at (202) 785–8683.

Sincerely,

GENE KARPINSKI,
*President.*

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SIERRA CLUB,
*July 25, 2006.*

DEAR SENATOR: On behalf of the nearly 800,000 Sierra Club members, I urge you to defeat The Gulf of Mexico Energy Security Act, sponsored by Senator Domenici, and instead fight for energy solutions that will save American families money and cure our addiction to oil.

The Gulf of Mexico Energy Security Act, S. 3711, will open an area the size ofthe State of Maryland to new oil and gas drilling, approximately 8 million acres in the Gulf of Mexico. This bill would also repeal parts of the offshore drilling moratorium that has protected America's coast for more than 25 years. It would also divert 37.5 percent of the revenues from new oil and gas drilling in the

Gulf to just four states, costing the Federal Treasury nearly $20 billion over the next 20 years.

Not only does this bill lift the moratorium on drilling in the eastern Gulf of Mexico, it jeopardizes every other coastal state. The House has already passed an expansive drilling bill that puts the entire Atlantic and Pacific coasts on the chopping block. If the Domenici bill passes the Senate it will certainly get much worse in a House-Senate conference committee, putting our wetlands, marine environments, beaches and coastal economies at risk.

The Sierra Club strongly supports permanent protection for our beaches and coastal waters. Our coasts provide essential habitat for fish and wildlife, a detination for thousands of vacationing families each year, and the economic lifeblood for thousands of tourism and fishing communities.

The Domenici drilling bill continues to lead America away from smart energy solutions. It is estimated that drilling off of Florida's coast would only bring 47 days of oil and 4 months of natural gas, and we wouldn't see any of it for at least 7 years. There are faster, cheaper, cleaner and longerterm energy solutions like energy efficiency and clean, renewable energy that will start saving families and businesses money today.. We do not need to sacrifice our beaches and coastal waters to meet America's energy needs.

Thank you for consideration of our recommendations. If you have questions, please feel free to contact Athan Manuel at 202–548–4580.

Sincerely,

CARL POPE,
*Executive Director.*

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DEFENDERS OF WILDLIFE ACTION FUND,
*July 25, 2006.*

Re oppose S. 3711, the budget-busting offshore drilling bill.

DEAR SENATOR: The Defenders of Wildlife Action Fund is an independent organization committed to giving conservation issues a political voice on Capitol Hill and around the nation. The Action Fund publishes an annual Conservation Report Card which highlights the voting records of Members of Congress on legislation vital to protecting our nation's wildlife and wild landscapes for future generations.

Protection of marine life in the outer continental shelf is one of Defenders of Wildlife Action Fund's highest priorities. S. 3711, the Gulf of Mexico Energy Security Act, would dismantle the 25 year bipartisan offshore drilling moratorium by opening 6 million acres of currently protected waters in Florida's Gulf coast to oil and gas development. The Action Fund urges you in the strongest possible terms to oppose S. 3711, which will most likely be included in the next Conservation Report Card.

The eight million acres proposed for oil and gas development in the Gulf of Mexico are home to more than 20 species of whales and dolphins, five species of sea turtles, dozens of fish species and hundreds of species of birds. All would be put at risk of collision and exposure to the routine pollution associated with oil and gas drilling if S. 3711 were to pass. An oil spill would further devastate our marine wildlife.

While the bill would threaten our marine wildlife and coastal economies, it would do nothing to lower oil or natural gas prices; it will simply feed our country's unsustainable addiction to oil. From enforcing strict conservation measures to making our cars go farther on a gallon of gas, Defenders of Wildlife Action Fund supports faster, cleaner, cheaper solutions than oil and gas drilling to meet our energy needs.

I further urge you to oppose S. 3711 so that a conference report with HR 4761, the House-passed offshore drilling bill authored by Rep. Richard Pombo (R–CA), never sees the light of day. The House bill lifts the entire offshore drilling moratorium nationwide, and Rep. Pombo has made clear that the House intends on using the conference process to add as many of the House bill's provisions to the Senate bill as possible. We oppose S. 3711 in its own right; a conference with the House bill would be disastrous.

Thank you for your consideration in this matter.

Sincerely,

RODGER SCHLICKEISEN,
*President.*

Mr. REED. In 1952, President Truman, speaking about proposals to give coastal States Federal offshore oil and gas revenue said:

If we back down on our determination to hold these rights for all the people, we will act to rob them of this great national asset. That is just what the oil lobby wants. They want us to turn the vast treasure over to a handful of States where the powerful private oil interests hope to exploit it to suit themselves.

Those sentiments are not far off from today. In 1953, Congress enacted the Submerged Land Act. This law provided that each coastal State would have a seaward boundary of at least 3 miles and that the Federal Government would relinquish to the States the interests of the United States in lands beneath the navigable waters within the State boundaries. Importantly, the law affirmed the Federal Government's ownership in lands seaward of the State boundary. Revenues from Outer Continental Shelf drilling belong to the American people in all 50 States. The legislation the Senate is considering today violates this pact with the American people, and it denies the Federal Treasury and the American people essential revenue to address the needs of our Nation.

Again, to quote President Truman, since his comments still ring true today:

I can see how Members of Congress from [affected areas] might like to have all the offshore oil for their States. But I certainly can't understand how Members of Congress from the other 45 States can vote to give away the interest the people of their own States have in this tremendous asset. It is just over my head and beyond me how any interior Senator or Congressman could vote to give that asset away. I am still puzzled about it. As far as I am concerned, I intend to stand up and fight to protect the people's interest in this matter.

Proponents of this bill argue that their coastal States deserve to share in the Federal revenues because they have tremendous costs and environmental challenges arising from energy development and production that benefits the whole Nation. They argue, with some validity, that they bear costs, although the benefits are shared by the entire Nation. I acknowledge that. I fully acknowledge that energy development is harming our coastal zones, leading to habitat loss and erosion. For this reason, in 2001 Congress authorized a coastal impact assistance program that provided Federal funding to States and local communities for mitigating the impacts of OCS oil and gas development and production. It is also the reason why I supported an amendment to the Energy Policy Act of 2005 that mandated $1 billion over 4 years in direct Federal spending to gulf coast States and other producing States for the purposes of remediating environmental problems caused by the extraction and production of energy. That is the right approach, to appropriate Federal resources, directed to help States address a problem that is caused in large part by production activity.

What I object to is a permanent entitlement that does not state specific eligible uses to mitigate the environmental harm of OCS production. For example, the bill before us today would allow the States to decide to fund a category described as ''mitigation of the impacts of Outer Continental Shelf activities through the funding of onshore infrastructure projects.'' This could cover any appropriate bricks and mortar project in any State along the gulf coast, from schools to highways to community centers, all of which I think could and would be legitimately argued by a State official as somehow mitigating the impacts of outer Continental Shelf activities.

So in a sense what we have opened up here is a general revenue sharing, not a targeted approach to mitigating the specific harms caused by the extraction and production of petroleum and natural gas products.

Nothing in this bill requires the States and communities to report back to taxpayers and the Federal Government how the funds are being used. I don't think there is any appropriate mechanism of routine reporting. I suppose that if you objected to a particular project, you might sue in Federal Court saying they violated the act, but that is hardly an appropriate and routine and rational way to ensure that the spending is appropriate.

Again, reading the very general language in the bill, I would think that you could make a case that a school, community center, and a range of other projects would be infrastructure that would mitigate in some way the broad effects of production of energy in these States. An argument may be made that a vote against the bill is a vote against the communities and people harmed by Hurricanes Katrina and Rita. I don't think that is true. This debate has to be about responsible national energy and responsible fiscal policy.

We in this body have voted to provide $123 billion to help the gulf coast recover. That money, because of our difficult financial situation, is literally being borrowed. The interest on that debt and the principal of that debt will be paid by all Americans. It is an example of why we need Federal resources in difficult times, because there will be other occasions where other Americans will see the same kind of suffering, the same kind of destruction that was visited upon the gulf coast, and we as a Congress have to be able to stand up, not just with words but resources, to help these people. As

we diminish the Federal resources by a very narrow revenue-sharing plan for four States, we diminish our capacity to respond.

We have also directed and voted recently for a $2 billion authorization for Louisiana's coastal restoration program as part of the Water Resources Development Act. If more money is necessary to restore the gulf coast, then more money should be provided, and that is not the sentiment of just the people who live there, that is the sentiment of the American people because, frankly, if any part of our country was similarly devastated, we would all be here asking our friends and colleagues to help us, and I think they would respond. What they may not be able to do, if we pass this bill, is respond with the same kind of financial clout because we will have already given Federal resources for the benefit of only four states.

There are other aspects of funding that inure to the benefit of these coastal communities. Section 8(g) of the Outer Continental Shelf Lands Act provides coastal States with a share of the revenues received by the Federal Government from leases on Federal tracts that are adjacent to and within 3 miles of a State's seaward boundary. That is a specialized source of revenue which goes to coastal States. Between 1986 and 2003, Alabama, Louisiana, Mississippi, and Texas received nearly $2 billion in revenues from the Federal Government under section 8(g). This funding is precisely the type of funding that could be used to mitigate the impacts of OCS production.

Further, the Coastal Zone Management Act's ''Federal consistency'' provision ensures that Federal actions, such as OCS leases for energy production, that are likely to affect any land or water use or natural resources of the coastal zone must be consistent with a coastal State's approved coastal zone management programs. That means that if Gulf Coast States put into place strong coastal zone management plans to protect against erosion and the loss of wetlands and environmental complications, the law would require a Federal OCS lease to be consistent with these plans and make these States less vulnerable to storms. So not only is this an issue of funding, it is an issue of States taking action to ensure that they have strong environmental protections, and these plans, in turn, according to the law, will be imposed upon the OCS leases.

Now, we understand that energy production is a burden to the States, but it is also, in many situations, an economic benefit to these very same States.

The oil and gas industry is central to Louisiana's economy, with an estimated $93 billion impact in 2001. Over $1.3 billion worth of oil and gas is produced annually in Alabama. The State receives direct benefits of approximately $285 million annually in the form of lease bonuses, royalties, trust fund investments, and severance taxes. In 2005, Texas petroleum and coal were valued at $8.89 billion. All of these revenues provide a strong and powerful force of economic progress for all of these communities. I daresay that, as much as a burden is imposed, there would be great reluctance for any of these States to try to curtail this economic production because it benefits the community.

Now, what is also troubling about the legislation is not only the fiscal implications, but also it is proposing a permanent entitlement that is unnecessary to generate new domestic natural gas and oil supplies. There are over 40 million acres of Federal Outer Continental Shelf under lease, but the oil and gas industry is sitting on over 33 million acres of undeveloped leases. They have less than 7 million acres in production, and there is 328 trillion cubic feet of recoverable natural gas in the nonmoratoria areas.

The United States consumes 25 percent of the world's energy, and yet we have less than 3 percent of the world's oil supplies. We cannot drill our way to energy security; yet this bill essentially provides only one way forward—to drill in the Gulf of Mexico. We deserve an energy bill that will reduce our dependency on fossil fuels and strengthen our economy.

On July 20, I joined 40 of my colleagues in sending a letter to the majority leader asking that we consider energy legislation that sets national goals to reduce our overall national dependence on petroleum by increasing fuel efficiency and alternative vehicle technologies, that protects Americans from price-gouging and market manipulation, and that levels the playing field for new renewable and energy efficiency technology and, more specifically to this debate we are having, ensures that new energy proposals that affect spending or revenues must be fiscally responsible and take into account the true long-term impact of these proposals. That is not the bill we are considering today.

I am left wondering why, as the Senate finally takes up energy legislation, we are not debating and voting on a bill to increase fuel efficiency in cars and trucks. Why are we not voting on oil savings provisions? Where are the provisions in our energy legislation to protect consumers from price-gouging or restore lost royalties to the Federal Treasury from oil and natural gas companies making record profits? Where is the mandated Federal funding dedicated to fully funding energy efficiency and renewable energy?

I hope the Senate will get to vote on an increase in fuel efficiency standards. Gasoline consumption in the transportation sector represents about 44 percent of total oil consumption in the United States each year. Including diesel fuel, the number jumps to 57 percent. To bring about any serious reduction in our dependence on foreign oil, we must increase the fuel efficiency of our cars and light trucks, as well as promote the use of hybrids and vehicles that use alternative fuels.

I also hope we will have a chance to amend this bill. I hope we have a chance to have a debate on an energy bill that will include not only supply-side considerations but also demand-side considerations. All of this legislation is important to consider, but I fear we will be constrained to this bill.

Finally, I am concerned that whatever we do in the Senate would open up a conference with the other body. Their legislation, H.R. 4761, the Deep Ocean Energy Resources Act, would lift the moratorium on offshore drilling for all of our coastlines, not just the gulf coast. I believe this would be a serious step, putting in jeopardy fisheries and marine sanctuaries, further depleting the Treasury, further eroding States' current positions with respect to drilling, and undermining environmental mitigation for energy development and production. My Rhode Island coastline, like the coastline of every State, is something we want to preserve and protect, and there is a fear that if the House version prevails, these coastlines will be jeopardized.

We are in a situation where we have a burgeoning energy crisis. We just have to go to the gasoline pump to figure that one out. This burgeoning energy crisis impacts our foreign relations. We have scores of troops across the globe today because of our dependency on oil. But this should not be the occasion to entertain legislation that is unwise in terms of energy policy and potentially very damaging to the fiscal integrity of the United States.

Before we open new lands to development, we need to ensure that the oil and gas industries are putting undeveloped leases into production, and we need to take meaningful action to reduce our consumption and increase renewable energy supplies. We need to be more independent with respect to energy, reduce our consumption of fossil fuels overall. This is an energy policy which we should pursue, and as a fiscal policy, we have to maintain Federal resources for Federal responsibilities.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the order of speakers be as follows: SESSIONS, MENENDEZ, COCHRAN, LANDRIEU, and ALEXANDER.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SESSIONS. Mr. President, I believe I had asked for 15 minutes. I will try to do it in 10. I ask that I be notified at the end of 10 minutes.

Mr. President, I travel my State, and I know that Senator SHELBY, who spoke earlier, travels Alabama, also. We meet with people and talk with people. I see people back in my hometown in church and in other places, and I get asked about energy prices all the time. People are concerned about it.

I have studied some of the economic numbers in this country, and I am a bit troubled. I think it is a valid concern for our Nation that, while the country is doing well economically and unemployment is down, middle and lower income workers' salaries have not increased as much as we would like them to. In fact, the higher income salaried workers, wage and hour workers, are doing better percentage-wise than the lower income workers. That means the cost of energy impacts them significantly. They ask me to do something about it. I talk about what I have been trying to do since I came to the Senate 10 years ago, which includes voting and working to try to open up the ANWR region, where large reserves exist, and to support nuclear power and clean coal. I have been a supporter of ethanol, and I am hopeful that we will see ethanol, biodiesel and matters of that kind really advance as an option for America.

I have to tell you that the most certain and direct thing we can do is to increase domestic production of oil and gas in this country. That is what we are about to act on now. This legislation is a concrete, direct way that will make a difference in the price of oil and gas in our country.

One of my colleagues mentioned that some people like to use this phrase: Big oil companies. I want to make one thing clear: the reason we should open up production in the Gulf of Mexico is not to help big oil companies. We should open it up if, and only if, it is good for the American consumer and the American economy.

In fact, I am confident that many of the big oil companies will have no interest in producing oil and gas from the Gulf of Mexico. They may be sitting on large reserves of oil and gas right now, and they may be very happy with $75 a barrel. Why should they want a competitor to go out and produce more in some other area if it might reduce the value of the oil and gas reserves that they possess? It is a myth and a falsehood that this has anything to do with oil and gas companies.

What it has to do with is increasing the supply of natural gas and increasing the supply of oil for American consumers, keeping our wealth at home.

One thing is obvious to us: We very much depend on natural gas. Eighteen percent of U.S. electricity comes from natural gas—18 percent—is generated from natural gas. Nuclear power provides 20 percent of our electricity. Nuclear power is the only source of clean, reliable, and affordable electricity. Nineteen applications for nuclear powerplants have been issued since we passed the Energy bill last year. Nineteen applications for new nuclear powerplants have been issued since we passed the Energy bill last year. It will make a big difference, but I have to tell you, I don't expect 18 percent of electricity that comes from natural gas to be reduced any time in the future.

Oil prices are at high levels. On July 14, 2006, the price of crude oil closed around $77 a barrel. Many Wall Street analysts say it may hit $80 if this Mideast crisis continues. By comparison, the price of crude oil 2 years ago was $35 a barrel. That has been an increase of 100-plus percent.

High energy prices, for all practical purposes, result in a tax on the American consumer. And to whom do we pay that tax? We pay it to foreign nations. Many of those nations are hostile to us diplomatically and politically. They are not our greatest friends. In fact, somebody has written an article stating that the more oil wealth a country has, the less friendly that country becomes.

Mr. Bernanke, the Chairman of the Federal Reserve Board, in April of this year said:

> Rising energy prices pose risk to both economic activity and inflation.

On June 15, he said:

> The steep increases in energy prices over the past several years have had significant consequences for households, businesses, and economic policy.

One article I saw recently estimated that higher energy costs have knocked down our growth in GDP by 1 percent this year.

The average price of gasoline has now hit $3.02. It is up from $2.28 a year ago. This hurts families. It hurts consumers. We know that. We hate to see that happen. We know there is a worldwide increase in demand for oil and gas. We know that China and India are growing. I was in South America recently. Almost every country I visited had been having a 5-percent or more increase in growth. That means they will use more oil and gas.

I will tell you it makes a big difference to a working Alabamian, a working man or woman anywhere in this country, who now has to pay an additional $50 a month for gasoline and maybe some more for heating as a result of natural gas.

Natural gas prices have risen dramatically. On July 14 of this year, natural gas in the United States was a little over $6.25 per million Btu's. Not too long ago it was $12. It has dropped about half, which is great news. But in Russia and Oman, for example, natural gas comes in at about $1.25 per million Btu. These higher costs do impact American businesses, particularly, as well as consumers.

The vice president of Nucor Steel in Tuscaloosa, AL, said recently:

> The high price of natural gas significantly impacts our ability to remain competitive and have a productive manufacturing sector.

Some of the natural gas spike in prices is the result of speculation, it is the result of a fear of shortage, a fear that is out there. We have seen that prices have gone up and down in natural gas.

I would say this: Natural gas production in the Gulf of Mexico is at a point where we need to expand our areas of drilling. Natural gas wells produce for a good long time, but they dry up faster than oil wells do. And if we don't constantly replace them, then we have a problem.

We have had a controversy in Alabama recently about LNG, liquefied natural gas. This is natural gas that may be produced in the Middle East. It is liquefied, frozen or brought to a point of liquid by reducing its temperature. It is brought to the United States. A plant is set up, probably offshore, to heat it up and put it into the American pipeline after we pay the foreign shipper, after we pay the people to produce it in the foreign country, after we pay the foreign country for this natural gas. That is what Alan Greenspan told us we will have to do more of, importing LNG. And we will be doing more of that if we're not careful.

How silly it is to do that when right off our own shores we have huge reserves of natural gas. We could keep all that wealth at home in our Nation. We could produce that oil and gas so it goes right into our American pipelines without having to be liquefied. It would go right to the consumers around the country.

Mr. President, 60 percent of our oil comes from foreign sources, including, 49 percent from OPEC nations in all, 14 percent from Saudi Arabia, and 12 percent from Venezuela—boy, they have been taking action recently to see if they can discomfort the United States—10.5 percent from Nigeria, and 6.4 percent from Iraq.

We paid $200 billion last year for foreign oil and gas—$200 billion, wealth that Americans would rather see invested in our country, hiring Americans to produce oil and gas. They would pay taxes and be able to raise their families, have high wages and good retirement plans and good health care plans.

A lot of people have wondered why these companies try to buy up our ports and are buying up American industries. Why are these foreign countries able to do it? One reason is, a number of them are oil-producing nations. These oil-producing nations have wealth they don't know what to do with. They want to invest it wherever they can, and the United States is a good, safe place. I think that is a factor. The transfer of our wealth to foreign nations, many of whom are not our friends or allies, impacts American jobs and American companies.

With regard to where we get our natural gas, less than 20 percent of it is imported. Most of it is imported through pipelines from Canada or Mexico, but only 2.8 percent represents liquefied natural gas. That comes in from Algeria, Egypt, and Trinidad.

So we are, in many ways, a self-contained natural gas community. If we have a real shortage, the price is going to go up. It means if you heat your home with natural gas—and many Americans do—or if your business depends on natural gas for operations—and many American businesses do,

their costs are going to go up significantly.

If we produce natural gas off our coast and put it directly in our pipelines, that will help in a dramatic way to contain the price of natural gas in America.

Alan Greenspan recently said:

> Notable cost productions for both liquefication and transportation of LNG—Liquefied natural gas—and high gas prices projected in the American distant futures market have made us a potential very large importer. Access to world natural gas supplies will require a major expansion of LNG terminal import capacity.

He has been warning about that for some time. That is what we are wrestling with in Alabama today: Do we want an LNG plant? We already produce a lot of oil and gas offshore that goes directly into our pipelines. People are comfortable with that. We have had no significant spills in our State. We are comfortable with that. But environmentalists and others are uneasy about this LNG terminal and whether we should go in that direction.

So for every argument, from the environmental argument to the American economy, to reducing the cost, we would do better to use oil and gas offshore.

Conservation, alternative fuels, and domestic production are all important things we need to work on. The Government has had moratoriums on producing from offshore areas. It is something I have been involved in since I have been in the Senate, almost 10 years. We have had debate after debate, vote after vote, but for a whole host of reasons, we have not been able to get around this moratorium. We have not been able to produce more oil and gas in the Gulf of Mexico because of it.

The State of Alabama produces oil and gas in Mobile Bay. I live in Mobile. It is almost close enough to throw a rock at from Fort Morgan Peninsula and hit it. It is right off the coast. We have them in the gulf right off the coast. They produce a lot of oil and gas for this country.

In fact, I will show this chart. It is sort of amusing to me. I used to complain about it back in 2002. We were building a pipeline then. I see Senator COCHRAN from Mississippi is now on the floor. He has seen all this before. We have been producing oil and gas up in Mississippi and Alabama for quite a number of years.

In 2002, our good friends down in Florida, who want no drilling 125 miles or more offshore, objected to new natural gas exploration. But they were perfectly happy to build a pipeline to take our oil and gas down to Tampa, FL, so they can sit out on the dock and have their mint juleps and watch the sunset over the gulf before they go back in their big houses kept cool with air-conditioning run by natural gas. I understand their environmental concerns. But at some point, the producing States have to feel we have been taken here a little as chumps in this deal, getting not 1 cent from the 4,000 wells that exist in the gulf—4,000 wells.

By the way, we have 4,000 wells in the gulf, and this most powerful storm, Katrina, came through so did several other powerful hurricanes last year. Mr. President, over 3,000 of those wells were in the direct paths of those hurricanes, and we never had any significant spill of oil in the gulf. It goes to show how good the technology is, how hard they have worked scientifically to make oil and gas production safer. I think that is why Florida is beginning to reevaluate this and are being more amenable to the idea. Senator MARTINEZ has worked hard to try to protect Florida's interest as much as he can but allow some additional drilling there. I think we have gotten past that. So I would say to my colleagues I have been in the Senate for 10 years and we have been trying to open up additional reserves in the gulf, and we should do that. But we haven't been successful. It hasn't worked. We have tried and tried and tried some more.

Now Chairman DOMENICI has worked his heart out, and Senator LANDRIEU, working on the Democratic side, has met him halfway, and they have worked and planned, and so many other Members of this body have worked on it.

So we have a proposal now which I think will clear this Senate, will open up huge areas, 8 million acres of gulf for production that can produce, and, as we heard from other speakers, large amounts of oil and gas. It will be done in a way that is bipartisan and in a way that we all can be happy about.

We can keep the oil and gas people busy for the period that the oil and gas moratorium on the other parts of the gulf remains in effect. So at that time we will see what happens. If there is a mess or if there is unhappiness—maybe nothing will change. Or, maybe at that point we can decide to open up more land in the gulf for production.

Mr. President, I don't know what my time was.

The PRESIDING OFFICER (Mr. COBURN). The Senator has used 19½ minutes.

Mr. SESSIONS. I have gone beyond the 10 minutes I was looking to speak—far too far. I will wrap up and say I thank each of the Members of this body who has worked hard to reach an accord that will have bipartisan support that should pass. Because this is important to the American consumer; it is important to the American economy; it is important to jobs in this country. It will reduce the transfer of American wealth to foreign nations where we are now sending it to buy the energy we must have.

This is not a little matter; it is a huge matter. Every now and then we have an opportunity to truly do something about an issue that our constituents have raised with us. They have asked us to do something about rising energy prices. This plan will work. It will produce large amounts of oil and gas for our Nation and it will keep us producing energy for quite a number of years.

This is what we should do to fulfill that obligation to our constituents.

I thank the Chair, and I yield the floor.

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

Mr. MENENDEZ. Mr. President, I yield myself 20 minutes of Senator BINGAMAN's time.

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

Mr. MENENDEZ. Mr. President, I rise in strong opposition to this bill which would do little, if anything, to improve the energy situation in this country. It would end up costing the Federal Government tens of billions of dollars in the long run, and it would create an opening for those who want to eliminate coastal protections that tens of millions of Americans want and enjoy.

My primary concern with this bill is the fact that it does absolutely nothing to protect New Jersey. I don't think it does anything for 44 other States, either, but I am here to represent the people of New Jersey, and they are ill-served by the legislation.

We do have a large chemical industry in the State, and I am sensitive to the problems they are facing with the high cost of natural gas, which is a critical feedstock for them. I have received letters from the industry urging me to support this bill, saying we must pass this bill to lower gas prices and put ourselves on the path toward energy independence. But this bill will do nothing of the sort, particularly in the short term. I believe the outside groups supporting this bill know this, and they are hoping this is a ticket into a conference with the bill the House of Representatives passed last month, a bill that is stunning in its disregard for environmental protections.

The bill passed by the House would immediately eliminate the long-standing moratoria that protect our coastlines, not just in one part of the country but everywhere along the Atlantic, along the Pacific, the Arctic, and gulf coasts. Then it would be a free-for-all. States that wanted to could allow drilling a few miles off their shores. Neighboring States that could be heavily impacted by the drilling, particularly in the event of a spill, would have almost no say in the process. States that didn't want to drill would be given 50 miles of protection, way down from the 200 miles we have now. If a State wanted to get an extra 50 miles, it would have to apply to the Federal Government every 5 years for that privilege.

The House bill also has a provision that opens national parks and marine sanctuaries to drilling. As long as your rig is parked outside of a protected area, you are free to directionally drill into that region. No thought is given to the environmental damage that might be occurring, the drill cuttings and toxic metals that can litter the sea floor. But then again, some thought must have been given, because the House bill also provides broad waivers for a number of environmental laws.

One of the fundamental flaws of the House bill is an idea that we can split up the ocean into administrative boxes with each State controlling its offshore territory. But the ocean has no boundaries, and an oil spill will not respect any artificial lines we draw. There is territory off the eastern seaboard less than 75 miles from the coast of New Jersey the administration has already proposed opening to drilling. The House bill is yet another opportunity for that to happen. It is another assault on the Jersey shore, one of the most ecologically sensitive and economically important parts of the State of New Jersey.

Our beaches are part of our $222 billion tourism industry, which is responsible for over 10 percent of the jobs in the State. The New Jersey coastal counties are home to over 1.5 million people.

New Jersey is also home to a huge fishing industry. According to the American Sports Fishing Association, there are over 800,000 recreational anglers in the State, contributing over $1.3 billion and 12,000 jobs to the State economy. Our commercial fisheries are critical as well. The port of Cape May and Wildwood is the fifth largest commercial port in the country, by value. According to the National Marine Fisheries Service, New Jersey landed over 185 million pounds of fish last year, worth over $139 million.

The waters off the coast of New Jersey are home to over 300 species of fish and 300 species of birds, and our beaches are crucial stopping points for countless numbers of migratory birds, including some endangered and threatened ones such as the red knot.

The House bill is a direct threat to all of this, and if S. 3711 passes, the House will have an opportunity to move their bill forward another step toward becoming law.

I know we have been told that the Senate will try to avoid a conference—and I certainly appreciate that—and that we may be able to get the House to accept this bill as is. I have not heard any sort of commitment to that effect from the majority leader, and no one has presented a clear way to this body to avoid a conference with the House. The House, meanwhile, seems quite clear that it doesn't find this bill satisfactory at all. RICHARD POMBO, the chairman of the House Resources Committee who would lead the House delegation in a conference, has been fairly blunt about this. Here are two of his quotes:

> Given the fact that the House bill passed with overwhelming support, it is unlikely that the House would accept the Senate bill without having the opportunity to debate at least a couple of provisions, if not the opportunity to bring it up to par with the House bill.

Referring to the Senate bill:

> It is a third of the bill that the House passed overwhelmingly in a bipartisan fashion just two weeks ago,

Pombo spokesman Brian Kennedy said yesterday:

> The House passed a comprehensive national solution.

Here are two news reports from this week:

> House Resources Committee Chairman Richard Pombo, the lead advocate of the House plan, has scoffed at the idea of simply accepting the Senate plan.
>
> Richard Pombo said that if the Senate passes its bill this week, he plans to work in conference to add as many of the House provisions as possible.

Then yesterday, in an AP report:

> Representative Richard Pombo, a key sponsor of the House bill passed last month, said Tuesday he saw no way the House would accept the limited Senate legislation as a substitute for its bill—no way.

Any Member of this Chamber who believes we can get the House to accept this bill as is should listen to these statements and think again.

But I also don't believe this is all that great a bill to begin with. First, the fact is it doesn't do that much. Let me show you this map of the region we are talking about.

This region outlined in black, the contours of it are lease sale 181. The purple lines are the existing pipelines in the gulf over here, and the gray squares are the oil and gas platforms that already exist. This orange rectangle right here has already been opened. So S. 3711 would open this red area in the middle, and these two tan areas, but the red area is already likely to be open next year by the administration anyway. Congressional action isn't necessary here at all. It is not under a moratorium, it is not under withdrawal, so there is no need for us to act to get that gas.

The only new areas the bill opens are these two tan areas here, a wedge-shaped area in 181, and a bigger area called 181 south. They may look pretty big, particularly this one here in the south, but combined, these two areas have less gas than this red region alone.

Look how far these new regions are from the existing infrastructure in the region. Even if they were opened today, it would take years for companies to start developing them. And once they do start developing them some years down the road, there is not all that much gas there to begin with.

Here is the claim the proponents of this bill make: 5.8 trillion cubic feet of gas opened in this whole bill, which would be enough to heat and cool 6 million homes for 15 years. It would take care of the Nation's needs for 3 months. That is what they say. But how long will it take to get that gas?

Here are the estimates that the Mineral and Mines Management Service say even going out 50 years—even going out 50 years—we only get about 80 percent of that 5.8 trillion cubic feet, about 2½ months' worth.

Looking into the median term, in the next 15 years, this whole bill would open half a trillion cubic feet of gas. That is about 9 days' worth. The new areas, the areas that wouldn't be opened, anyway, provide less than half of that, enough to take care of the country for a cozy Thanksgiving weekend.

But in the near term, in the next 10 years, we get almost nothing out of this bill, and there will be absolutely nothing until 2011.

Take a look at these numbers from the Minerals Management Service and ask yourself, will this have a real effect on natural gas prices, with this type of supply? Will this have any effect on natural gas supply?

Nothing in the short term. But, in exchange for that ''nothing,'' we give away 37.5 percent of the royalties, money that could be used for homeland security, defense, housing, education—or actually helping the coastal States in this region to actually meet their challenges. I do believe we should help them meet their challenges, particularly Louisiana. Senator LANDRIEU has made a powerful argument on behalf of her State and those needs. But the question is, How do we best achieve that? Money for these other priorities we cede to four States, and for those four States it is a great deal, but for New Jersey and the other 45 States, I don't see how it is.

There are some people who might support this bill because of the money that will go directly to the Land and Water Conservation Fund stateside program. But the amount of money in that fund that we will get in the first 10 years is a trifle. These are the funding levels for the stateside grant program for the past 6 years—see where they are—and the amount in this year's Senate Appropriations Committee report. The average over that time is about $82.3 million.

Under the bill we are debating, this new direct funding for the Land and Water Conservation Fund would provide a small fraction of what it had been getting in the past and barely even meet the lower funding levels of recent years. While this does not replace the appropriations process for the Land and Water Conservation Fund, it could make it harder in the future to get appropriators to provide additional funds to this program, beyond that which is allocated in this bill. This is no windfall for the Land and Water Conservation Fund, and it certainly doesn't make up for the giveaways from the Federal Treasury.

Finally, this bill provides statutory protections for Florida's western coast until 2022. That is unprecedented and treats Florida differently from all other coastal States. I do not begrudge Florida their attempts to get statutory protections to 2022. They deserve the right to try to protect their coastline. But New Jersey also deserves the right to protect our own. While we must fight each year for a 1-year extension to the drilling moratorium and are beholden to the whims of the executive branch which could remove the Presidential withdrawal at any time, Florida would be protected.

We simply seek the same protections Florida is being offered, a continuation

of the moratorium until 2022. So I will be filing an amendment, cosponsored by a broad, bipartisan coalition of Members from both coasts, including Senators SNOWE, FEINSTEIN, LAUTENBERG, BOXER, COLLINS, and many others, that would put the Atlantic and Pacific Oceans off limits to oil and gas drilling until 2022.

While we file those amendments, we are being told, unfortunately, that we will not be given the opportunity to offer any amendments to this bill. I believe that is wrong. We have record-high gas prices. We face even higher ones in the future due to instability in the Middle East. We are putting a squeeze on families around the country while allowing oil and gas companies to report new record profits this week. We also have an electric grid in California that is straining under a record heat wave, and global warming threatens to bring us even more heat waves like this in the future. Yet this is the only piece of energy legislation which is likely to move this year, and we are not likely to be given the opportunity to address any of the real energy problems this country faces.

There are a number of excellent amendments that are being filed by people on both sides of the aisle, amendments that would raise fuel efficiency or provide for a real plan to cut down on the amount of oil we use or create new incentives for renewable energy. I will be filing amendments to encourage the production of biofuels and the development of new vehicle technologies, increase the amount of renewable energy the Federal Government is required to purchase, spur the growth of transit-oriented development corridors to help reduce people's dependence on cars, and others.

But at the very least, we should be allowing other coastal States, such as New Jersey, the opportunity to protect their own beaches the same way Florida has already been taken care of in this bill. The complete lack of protections for the New Jersey shore in this bill and the lack of guarantees that something much worse will not come out of a conference with the House forces me to oppose this bill. That is our fundamental problem. I certainly hope, if the bill is to pass the Senate, it certainly does not come back in any way other than its present version, or else we will clearly be forced to do anything and everything necessary to achieve its defeat.

I yield the remainder of my time. I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I am pleased to be a cosponsor of the Gulf of Mexico Energy Security Act. The legislation will expedite oil and gas production in areas that are at least 100 miles from the coastlines of Gulf Coast States and will enable our Nation to reduce our dependence on foreign sources of energy. This will improve our national economy and help increase job opportunities for American citizens across the country. It also authorizes the sharing of 37.5 percent of the revenue from new production of oil and gas in the Gulf of Mexico with the States of Alabama, Mississippi, Louisiana, and Texas.

Mr. President, 12.5 percent of the revenue from this production will be shared with all States through the Land and Water Conservation Fund. The sharing of revenue with States is consistent with the way other areas of the country have benefited from oil and gas production, such as the western Rocky Mountain region, where 50 percent of oil and gas revenue goes to the producing States.

The Congressional Budget Office estimates that this legislation will reduce Federal spending by $900 million over the 2008 through 2016 period. It increases domestic energy production and saves the Federal Government money.

The legislation will open 8.3 million acres to production on the Outer Continental Shelf, and it will do it responsibly. The offshore program will be conducted under Federal environmental mandates, including the Outer Continental Shelf Lands Act and the National Environmental Policy Act.

As unrest in the Middle East continues, the development of an uninterrupted supply of domestic energy becomes more and more important to our national interests. Our economic security depends on it. At the present time, 37 percent of our petroleum comes from the Middle East or Africa. This legislation will reduce our dependence on these foreign sources of oil and gas.

American families and businesses feel the impact of increasing energy costs every day. As gasoline prices rise, the heating and cooling of homes becomes more and more costly. The new supply of natural gas which will be made available by the Gulf of Mexico Security Act is enough to heat and cool nearly 6 million homes for 15 years.

Small businesses are strained by unexpected increases in the cost of energy. As the cost of raw materials and fuel rise due to supply not meeting demand, the cost of production and transport of goods is passed on to consumers. Disruptions in our supply mean higher prices, lower productivity, and ultimately the loss of jobs—especially in small and medium size businesses.

American manufacturers face intense competition from foreign companies who have an energy cost advantage. Increased domestic supplies of natural gas would assist our Nation's industries whose competitiveness relies on natural gas as a raw material. The U.S. agricultural industry, for instance, has been facing a natural gas crisis since 1999. Farmers across the country use natural gas for food processing, irrigation, and in the production of crop-protection chemicals and fertilizers. The U.S. fertilizer industry estimates that in the 1990s, 85 percent of its domestic needs were supplied through U.S.-based production. But today, this industry relies on imports for more than 50 percent of natural gas supplies. This adversely affects businesses such as Terra Industries in Yazoo City, MS, which produces nitrogen fertilizer and relies heavily on natural gas as a feedstock.

We must act now to take advantage, in an environmentally acceptable way, of our national resources in the Gulf of Mexico. This legislation will do just that. It is estimated that this legislation will provide us with 5.8 trillion cubic feet of gas and 1.26 billion barrels of oil. The process to begin extracting those resources could begin almost immediately upon the enactment of this legislation.

I compliment the distinguished Senator from New Mexico, Mr. DOMENICI, the chairman of the Energy Committee, for his leadership in bringing this bill to the floor of the Senate. The Gulf of Mexico Energy Security Act is a step in the right direction and will benefit our entire Nation. I encourage its adoption by the Senate.

The PRESIDING OFFICER. Who yields time? The Senator from Louisiana is recognized.

Ms. LANDRIEU. Mr. President, I intend to speak for about 15 minutes. I think that was part of our unanimous consent agreement earlier. I know there are other Senators who want to speak for and against.

I wish to begin again by thanking Senator DOMENICI for his strong and able leadership. I want to associate myself with the remarks of the chairman of the Appropriations Committee, the senior Senator from Mississippi, Mr. COCHRAN, who has been a real leader in our effort to pull a coalition of Senators together who are concerned about the Nation's energy supply and our growing dependence on areas of this world that are not friendly to downright dangerous. This coalition of Senators understands how important a partnership is to maintain a long-range, mutually beneficial relationship that helps the coastal States that agree to drill and the Nation that so desperately needs new supplies.

I am going to try to answer some of the charges that were made. As the chairman, the Senator from New Mexico, said, some of them are not worth responding to because they are so weak on their face. But some do need to be responded to.

One of them that I want to set right is President Truman's position. Somebody might say: Senator LANDRIEU, why is it so important to know what President Truman did? We need to look forward, not backward.

But you know, as a leader and as an elected official, I find it very helpful sometimes to understand history—the things we did right and the things we did wrong—because it helps us to make wiser decisions in the future. When so many lives depend on it—300 million, in this case, in the United States, and

more in the rest of the world—I think it is important for us, as fast as we move up here, to try to get it right. So I want to get something right for the record. If somebody wants to come down here and debate me, please do, because I have many books about the Tidelands oil controversy with which I am prepared to debate. I have excerpts of the veto letter Truman sent. I read the original law. Why would I do this? Because this is very important to my State.

The truth of the matter is this: In the late 1940s, we didn't know there was oil and gas in the waters off the coast. I think the first well was found in Pennsylvania, maybe the second one in Texas, and the first offshore well was off of a pier in California. I say a pier because that is the way they first were because nobody knew how they could swim out. They made a pier to walk out to put the rig in the water. And lo and behold, they discovered oil and gas. It wasn't soon after that first well, there was a second well offshore in Creole, LA. I know about it because it is in my State, a little town that was virtually destroyed by Katrina and Rita, where a lot of brave souls, pioneers—just like the West is proud of the cowboys and the pioneers and the wagon trains that went out West, those of us along the gulf coast, the roughnecks who started this industry, those who own pirogues and skiffs and flat boats and walked in the marsh are proud of the industry which we developed.

We don't hang our head in shame about it, despite the rambling up here about big oil companies this and big oil companies that. People have made a good living. It helped this country to be the strongest economy in the world and in large measure because of the way we manage our resources. We need to do a better job of that.

President Truman offered the Gulf Coast States 37.5 percent. He said the land belongs to the Federal Government. There is no question it is Federal Government land and it is Federal resources. But as your President, I will agree to share the bounty.

Why? Because he was a smart man. He was an able leader, and wise, and knew that sharing is always better than hoarding. It is the first lesson kids learn in kindergarten. Why we can't learn it in Congress I don't know. But President Truman figured that partnership is better than in lateral taking. So he offered us 37.5 percent and he put a bill in and sent it to the Congress. You can read what happened.

But because of States rights issues and all sorts of other politics of the time, the Congress, for whatever reason, decided the States should get 100 percent. They amended his law that he sent to Congress to give 100 percent and the Federal Government to get nothing. That, of course, didn't make any sense. And President Truman was correct. He vetoed it. I would have, too, if I were the President, and so would THAD COCHRAN, if he were the President back then. It didn't make any sense.

But for Members to come to the floor and read only a part of the history and use it for their argument is not being forthright. That is what history books will say. That is why those of us in Louisiana understood that it was Leander Perez, who was leading the charge for a greater share, 100 percent. We were so angry because we basically ended up with nothing. We should have taken the 37.5 percent.

That is what brings us here 50 years later—not to rob the Federal Treasury, not to ask for something that is not ours but to cut a good deal, a fair deal, a square deal for the people of the gulf coast, for the coastal States, and to honor the wise offer made to us by President Truman.

Here is a picture of it. I would have no such objection to such a provision, which is similar to existing provisions under which the States receive 37.5 percent of revenues from the Federal Government, oil-producing public lands within their borders. Because in the 1920s the record will reflect, when oil was discovered on land, the Minerals Leasing Act gave 37.5 percent to States such as New Mexico, to States such as Wyoming, to States such as Colorado. No oil or gas had been discovered in water. So there was no reason for the coastal States to be included.

The Senator from New Mexico is correct because western States came into the Union under completely different rules than the eastern States. There was a lot more western land. So the Minerals Leasing Act was passed. It was set at 37.5 percent. When oil and gas began to be discovered in little places such as Creole and off the coast of California, there was interest in having the coastal States at 37. But because there was an overreach, we got nothing.

Yes, we have had jobs, we have had economic opportunity. I am not denying that. But what I am saying is a partnership is always better than going it alone. The strategy of going it alone has resulted in not one new refinery being built in this country in the last 30 years and only expansion very recently, no new nuclear powerplants being built until recently, and no new areas opened under leasing because of no partnership.

I wanted to get the Truman issue straight this afternoon.

I also want to say that this bill is good overall energy policy. I know we cannot drill our way out of the situation we are in. But we had better change course. Since 1960, we have been on a course of further dependence on oil and gas. We are building and trying to permit more liquefied natural gas terminals, which is good, but we are building an infrastructure of dependence. We need to build an infrastructure of independence so that we can make wise choices and not be beholding to the suppliers of a commodity and a resource which we need to keep the lights on and to keep this economy moving forward.

This bill comes to the floor not saying it is the solution to all of our energy problems but arguing forcefully that increasing supply is important and saying we have not done that in over 20 years. We need to open areas of new drilling.

As a story, I had a group of French Parliament members from France in my office not too long ago. I cochair the French caucus. We talked about a lot of issues. They were particularly interested in the issue of energy. I put up a map of the United States. And first they asked me about nuclear because, of course, the French are leaders of the world in that. They produce a different kind energy technology than we do, and 80 percent of their energy comes from nuclear sources. They were asking me about that. They also asked me about other aspects of the energy legislation. I showed them a map of the United States. I said this is where we allow drilling, and this is where we don't, but we think we might have reserves in many other places. When they saw the map of how restricted drilling is they were dumbfounded. They said: Senator, why? This is a great country. America has resources. I said: Because we have a backward-looking approach. We have not recognized new technology. We have not recognized that you can drill in places and minimize the footprint and expand opportunities for the economy while making sure that you are protecting the environment.

This is a step in right direction. The gulf coast is our Nation's only energy coast. Three-hundred million Americans depend on this coast to work—and work we do.

This is a picture of a graph that I like to show. I have shown it many times. The red is a natural gas pipeline company, and all the pipeline companies that exist in the Nation. You can see there is a great cluster right here along the Texas coast, Louisiana, Mississippi and Alabama. It comes right here at Mobile Bay. This one lonely little pipeline brings gas right over here to Florida because we are not able to drill for several reasons. That is a subject for another day. But this is the gulf cost compromise. By the nature of it, we all can't get what we want. It is a compromise. These five States—four that are drilling States and one that is a nondrilling State—have come together, Senators MARTINEZ and NELSON, all of us, to say: OK. Let's stop fighting and let us start working for the benefit of the country. Let us give Florida a reasonable buffer, new revenue sharing to these States, open some additional drilling and help the country get the domestic oil and gas it needs. Maybe it makes too much sense for people to vote for, but there is another reason that this money is so critical to Louisiana and Mississippi, Alabama and Texas and, in particular, Louisiana because our topography is

different. I know people can't grasp it because you do not see pictures of it very much. We don't have beaches similar to California and Florida. We have only two. They are 7 miles long each—Holly Beach on the west and Grand Island on the east. All the rest of our coast is quite expansive. It is marshland and grassland. It is the home of the mouth of the greatest river—the Mississippi River—system in North America. That river goes all the way through our country. So this land is very fragile. Because of global warming, and because of other things, because of some of the canals that were dredged back in the early days before we understood the degradation that can be caused, this coastal land is eroding. The hurricanes that are coming are more fierce and strong. We lost in Rita and Katrina alone total land equal to 73,000 football fields. We lose the equivalent of one football field every 38 minutes, 73,000 football fields in 48 hours. That is the size of the District of Columbia gone in 2 days because of the great surges from the water and wind from Katrina and Rita.

This money is critical. And unlike our opponents who say there is no direct use of this money, the people of Louisiana are poised to pass a constitutional amendment that all of that money will go to coastal restoration and hurricane protection.

I might add we are happy to do that. It is obviously popular and quite necessary in the State of Louisiana to do that. That is what our State wants to do. I might add that the interior States of New Mexico, Colorado, and Wyoming have no restrictions. The States that share 50 percent of their revenues have no restrictions on the way the money can be spent. They can reduce taxes with it. They can build universities with it. They can build highways with it. They could put it in a trust fund and give out a check to everybody who lives in the State. But we have targeted uses for these funds in this bill. We want them to go for general environmental purposes and to secure our coast—not just for the benefit of the 10 million people who live along the coast but the 300 million people who depend on this coast to be there decades from now, hopefully, centuries from now—a very valuable working coast for the Nation.

Energy comes from this coast, fisheries come from this coast, the Mississippi River empties into the gulf here, and 70 percent of the rain from the Midwest comes down through this river system. It is important that we don't wash it away.

I know my time is up. I will come back again to speak. Maybe there are some other Senators who would like to speak. But I wanted to get President Truman's position straight for the RECORD. I wanted to say that our uses are going to go for environmental purposes and I wanted to say that without this money the coast will wash away.

I yield the floor. 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. KYL. 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. KYL. Mr. President, I ask unanimous consent the order of speakers be as follows: Senators KYL, MURKOWSKI, TALENT, and ALEXANDER, with the understanding that Democrats will be accommodated if they come to the floor.

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

Mr. KYL. Mr. President, today I come to the Senate floor to talk briefly about S. 3711, the Gulf of Mexico Energy Security Act of 2006, which will open new federally controlled areas in the gulf to oil and gas leasing. I support the purpose of this bill as a necessary step in securing American oil and natural gas for America's energy consumers. It will start to address the root cause of high energy prices which is, of course, demand outpacing supply.

However, there is one aspect of our Federal oil and gas leasing program that needs fixing. That program is the Royalty Relief Program. I am hoping we will have the opportunity to offer some modest reforms to this part of the program.

Let me first explain how it works. Royalties are collected by the Department of Interior from leases as a fixed percentage of the net value of oil or gas produced from the leased area. The terms of the lease specify the royalty rate that applies to future production from that area, on average, about 15 percent, as well as the conditions under which the lessee may qualify for a royalty holiday, a waiver of royalty payments commonly called royalty relief.

Mandatory royalty relief was provided pursuant to the Deep Water Royalty Relief Act of 1995 as an incentive to companies to undertake investment in the deep waters. The incentive was intended to provide companies that undertook these investments specific volumes of royalty-free production to help recover a portion of their capital costs before starting to pay royalties. The act also gave the Secretary of the Interior the authority to limit royalty relief based on market price. These limits are called price thresholds. Price thresholds act to set a gross revenue ceiling so that companies do not benefit from both high market prices and royalty-free volumes.

These incentives were offered at a time when oil and gas prices were low and interest in deep water exploration and development was lacking. Since the passage of the 1995 act, natural gas production is up 407 percent and oil 386 percent based on figures provided by the American Petroleum Institute.

Despite the program's successes, recent news reports and the administration's own statements suggest that the Government may be unable to collect billions in royalties from leases issued under this act. Many have probably heard the reports to the effect that in 1998 and 1999 the Clinton administration issued leases that did not include price thresholds. Why is this a big deal? It is a big deal because energy prices have skyrocketed and without price thresholds to trigger payment of royalties, we will not see a dime from these leases. GAO estimates that the mistake could cost up to $10 billion in lost revenues.

I wish that were the only problem, but it isn't. A few producers who signed leases in 1997, 1998, and 2000 that did include price thresholds have refused to pay royalty on production even though the thresholds have been exceeded. One of the companies has sued the Department of the Interior, arguing that Interior does not have the authority to establish price thresholds for leases issued between 1995 and 2000. This could have significant implications for royalties already collected. GAO estimates the potential return revenue to be almost $60 billion.

Despite these concerns, the Congress enacted the Energy Policy Act which, again, made royalty relief mandatory in deep water leases but did not require that royalty relief be conditioned upon price thresholds.

This brings me back to the bill under consideration and the modest reforms to the royalty program that I seek to offer to improve the program going forward. First, Congress must require that the Secretary of Interior impose price thresholds in all new leases that include royalty relief. Directing the Secretary to include price thresholds in all leases is an important near-term action that will ensure that the American taxpayer gets a fair return for the oil and gas produced from Federal land. The 1998 and 1999 leases demonstrate that the Interior Department cannot be trusted to do this on its own, and we cannot afford another $10 billion mistake.

Second, Congress must reaffirm the Secretary's authority under the 1995 act to put price thresholds in leases. Congress intended that royalties be paid when prices were high. We must ensure this is the case.

This bill is a natural place to make these fixes to the Royalty Relief Program. After all, any royalty payments made or not made will directly affect the revenues that can be shared under this bill.

I urge my colleagues to work with me on these important reforms. I hope we can all agree that including these reforms in this bill will improve and not hinder the bill.

I conclude by saying that I have spoken with Senator DOMENICI, the author of the bill, and that Senator WYDEN and I have urged some form of this relief be included in the bill. I appreciate very much Senator DOMENICI's leadership on this issue overall and hope that we can reach some kind of agreement.

In conclusion, I ask unanimous consent to have printed in the RECORD a

Legislative Notice produced by the Republican Policy Committee on S. 3711.

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

LEGISLATIVE NOTICE

S. 3711—GULF OF MEXICO ENERGY SECURITY ACT OF 2006

Read the second time on July 21, 2006, and placed on the Senate Legislative Calendar under General Orders; no written report.

NOTEWORTHY

On Monday, the Majority Leader filed a cloture petition on the motion to proceed to S. 3711, the Gulf of Mexico Energy Security Act of 2006. As per Senate rules, a vote on cloture on the motion will occur on Wednesday. The Majority Leader has announced his intention to hold the vote prior to the 11:00 a.m. Joint Meeting of Congress.

Americans are facing high energy costs due to supply problems for both oil and natural gas, which are having an adverse effect on the nation's economy. Opening up the Outer Continental Shelf (OCS) to energy development would increase U.S. energy supplies, which in turn would help reduce energy prices.

In April 2006, the Senate Energy Committee reported S. 2253, a bipartisan bill cosponsored by Chairman Domenici and Ranking Member Bingaman, by a vote of 16–5 (with 1 ''present'' vote), requiring the Secretary of the Interior to offer for oil and gas leasing 3.6-million acres of Original Lease Sale 181.

Concerns over S. 2253 prompted additional negotiations, culminating in a new bill, S. 3711, which was introduced by Chairman Domenici on July 20 with 10 cosponsors, including Senator Landrieu (D–LA), the Senator who had voted ''present'' on reporting S. 2253.

S. 3711 represents a bipartisan agreement among Gulf State Senators to enact legislation that would increase domestic supplies of oil and natural gas.

HIGHLIGHTS

S. 3711 would:

Require the Secretary to offer a portion of the Gulf of Mexico, including a portion of Lease Sale 181 and an area south of Lease Sale 181, for oil and gas leasing.

Make available to U.S. consumers an additional 1.26 billion barrels of domestically produced oil and 5.83 trillion cubic feet of natural gas.

Put into place a 125-mile buffer until [statutory] 2022 for energy development in waters off the coast of Florida in the Gulf of Mexico.

Put some areas within Original Lease Sale 181, previously available for energy development, under moratoria.

Extend existing moratoria on energy exploration and development in the Gulf from 2012 to 2022.

Distribute 37.5 percent of lease sale revenues (by a formula to be established by the Secretary of the Interior) to Alabama, Louisiana, Mississippi, and Texas. These revenues must be dedicated to coastal protection, restoration, and mitigation.

Distribute 12.5 percent of lease sale revenues to the stateside Land and Water Conservation fund, which provides matching grants to States and local governments for the acquisition and development of public outdoor recreation areas and facilities.

Retain 50 percent of lease sale revenues in the General Treasury.

BACKGROUND

The following background information is drawn from two RPC policy papers issued last month and titled, ''Revisiting Energy Development in the Gulf of Mexico,'' and ''Evaluating the Risks of Opening an Area to Energy Development.''

EVALUATING THE NEED FOR ENERGY DEVELOPMENT IN THE OCS

Americans are facing high energy costs due to supply problems for both oil and natural gas, which are having an adverse effect on the nation's economy. Crude oil prices, for example, have hovered around $70 per barrel since April and recently reached $77 per barrel. As a result, American consumers have been faced with high gasoline prices, sometimes exceeding $3 per gallon on average.

As high as gasoline prices have been, the high price of natural gas may be having a greater impact on the economy. Throughout most of the 1980s and 1990s, the wholesale price (commonly referred to as the ''city gate'' price) of natural gas hovered around $3 per thousand cubic feet. By 2004, wholesale prices exceeded $6, and by the end of 2005, they exceeded $10. Since then, the price has moderated somewhat, but it is still high at $6.19 per thousand cubic feet. In 2005, natural gas consumers spent $200 billion on natural gas, which is four times as much as was spent in 1999, the last time natural gas traded within its historic price band (the yearly average wholesale price during the 1980s and 1990s was between $2.78 and $3.95).

High natural gas prices have led directly to job losses, particularly in the manufacturing sector. The U.S. chemical industry, whose products are found in 96 percent of all U.S. manufactured goods, has been hit hard by high natural gas prices. The industry uses natural gas as both an energy input and as a key ingredient in its products (accounting for more than 10 percent of total U.S. consumption). It has been estimated that, from 2000 to 2005, the industry lost $50 billion in business to overseas competition, and reduced U.S. jobs by 100,000 In the same time frame, the National Association of Manufacturers estimates that, overall, the United States lost 2.9 million manufacturing jobs, due in large part to high natural gas prices.

Opening up the OCS to energy development would increase U.S. energy supplies, which in turn would help reduce energy prices. To the extent that energy development would add to the world supply of oil, it would reduce the world price for oil. More importantly, developing domestic natural gas resources would substantially reduce natural gas prices, thereby lowering Americans' heating and electricity bills. It would also help halt job losses in the nation's manufacturing industry and contribute to robust economic growth within that industry and the economy as a whole.

HISTORY OF MORATORIA ON THE OCS

The Outer Continental Shelf (OCS), as a whole, is estimated to contain approximately 60 percent of the remaining undiscovered oil in the U.S., or 75 billion barrels of technically recoverable oil. It also contains as much as half of the remaining undiscovered natural gas, or 362 trillion cubic feet of natural gas. However, much of the OCS, including the U.S. waters off the coasts of New England, California, the Eastern Gulf of Mexico, the Mid-Atlantic, South Atlantic, Alaska's North Aleutian Basin, and the Pacific Northwest have been put off limits by Congressional moratoria or Presidential withdrawal.

Although Congress had enacted moratoria on Interior Department appropriations bills beginning in 1982, the areas covered by the moratoria varied from year to year. The initial action to remove most of the OCS from energy development activities on a more permanent basis began in 1990 when President George H.W. Bush issued an Executive Order prohibiting lease sales off the East and West coasts for 10 years. In 1998, President Clinton, in a memorandum to the Secretary of the Interior, withdrew from leasing through June 30, 2012, those areas of the OCS put under Congressional moratoria in the Department of the Interior and Related Agencies Appropriations Act of 1998. Those areas included those previously put under moratoria by President Bush, as well as the North Aleutian Basin, the eastern Gulf of Mexico, and the Mid-Atlantic and South Atlantic. Not included in either of these Bush or Clinton acts was the Lease Sale 181 area.

HISTORY OF LEASE SALE 181

In November 1996, President Clinton's Secretary of the Interior, Bruce Babbitt, adopted a five-year leasing program (1997–2002) to start the multi-step process to allow for eventual energy exploration and development in the Original Lease Sale 181 area. The Secretary's decision was made after extensive consultations by the federal government with coastal states, including the State of Florida (which, among the Gulf Coast states, has traditionally offered the strongest opposition to energy activities off its coasts).

In June 2001, after President George W. Bush came into office, a Final Environmental Impact Statement was completed for the full 181 area, giving the lease owners the green light to begin development activities. However, within weeks, the U.S. House of Representatives passed an amendment to the FY2002 Interior Appropriations bill (H.R. 2217) to prevent the use of funds to execute a final lease agreement. The amendment passed by a vote of 247–164, but was eventually stripped out in conference. However, the strong opposition demonstrated by the House vote convinced the Administration to offer a compromise proposal to adjust the lease sale area from 5.9 million acres to just 1.5 million, such that every point of the proposed area would be at least 100 miles from the coast of Florida.

In April 2006, the Senate Energy Committee reported S. 2253, a bipartisan bill cosponsored by Chairman Domenici and Ranking Member Bingaman, by a vote of 16–5 (with 1 ''present'' vote). It required the Secretary of the Interior to offer for oil and gas leasing, within a year of enactment, 3.6 million acres of Original Lease Sale 181 that were not subject to any moratoria or Presidential withdrawal. Concerns over S. 2253 prompted additional negotiations, culminating in a new bill, S. 3711, which was introduced by Energy Committee Chairman Domenici on July 20 with 10 cosponsors, including Senator Landrieu (D–LA), the Senator who had voted ''present'' on reporting S. 2253.

The Senate Energy and Natural Resources Committee estimated that the area that would have been made available for energy development under S. 2253 contains 930 billion barrels of technically recoverable oil and 6.03 trillion cubic feet of technically recoverable natural gas. This new bill would make available an area for energy development containing 1.26 billion barrels of technically recoverable oil and 5.83 trillion cubic feet of technically recoverable natural gas, according to the Committee.

EVALUATING THE RISKS OF ENERGY DEVELOPMENT IN THE OCS

As with virtually any economic activity, energy development in the OCS carries risk. A major oil spill, for example, theoretically could occur and could reach the U.S. coast, thereby imposing major costs on the affected state. Such a spill could also inflict significant, even irreversible, harm on certain marine species. Nobody denies these possibilities; nor should the mere possibility of harm (no matter how small) justify inaction. Policy makers attempt to weigh risks and benefits—they evaluate the likelihood of harm

and then weigh the potential costs of action against the costs of inaction. When framed in this way, sensible decisions can be made on the acceptable level of risk.

An actual analysis of the last 30 years of experience with offshore exploration and production activities shows that any harms are likely to be small in size and cost, and are unlikely to pose a significant threat to the survival of any species populations. Due to advances in exploration and extraction technology, major oil spills associated with U.S. offshore oil and gas production have been virtually eliminated. Indeed, since 1980, there has not been a single, significant oil spill from a U.S. exploration and production platform. The last oil spill to reach U.S. shores occurred 37 years ago, in 1969, in California's Santa Barbara Channel. Further, there is no documented evidence of any oil spill occurring in U.S. waters more than 12 miles from the shore reaching the shore. Moreover, only 2 percent of total petroleum inputs into the U.S. marine environment originates from offshore oil and gas development activities. Rather, fully 63 percent of total petroleum inputs into the U.S. marine environment comes from natural seeps on the ocean floor. This strongly suggests that the risk associated with deepwater energy development is very low.

BILL PROVISIONS

[Note: This Notice includes a map that details the area that would be made available for energy development in the deep waters of the Gulf of Mexico under this bill.]

Section 1—Title: Gulf of Mexico Energy Security Act of 2006.

Section 2—Definitions.

Section 3—Offshore Oil and Gas Leasing in 181 Area and 181 South Area of Gulf of Mexico.

This section requires the Secretary of the Interior to offer the 181 Area (that is, the tan area within the blue border on the map above) for oil and gas leasing not later than 1 year after the date of enactment of this Act. It also directs the Secretary to offer the 181 South Area (tan area outside blue border), previously under moratorium, for leasing as soon as practicable.

Section 4—Moratorium on Oil and Gas Leasing in Certain Areas of Gulf of Mexico.

This section expands the moratorium on oil and gas leasing to include areas previously available for leasing in the Sale 181 Call Area (the full area within the blue border, sometimes referred to as ''Original Lease Sale 181'') and extends moratorium until June 30, 2022. The moratoria apply to: any area east of the Military Mission Line in the Gulf of Mexico; any area in the Eastern Planning Area (east of the green line) that is within 125 miles of the coastline of the State of Florida; or any area in the Central Planning Area (west of the green line) that is within 100 miles of the coastline of the State of Florida (the yellow area, both inside and outside the 181 area, west of the green line).

This section provides for oil and gas development east of the Military Mission Line after June 30, 2022, though the Secretary of Defense retains authority to veto leasing in these areas.

It also provides that owners of existing oil and gas leases within the areas newly under moratorium may exchange those leases for a bonus or royalty credit that may only be used in the Gulf of Mexico; that the value of the lease to be exchanged will be equal to the amount of the bonus bid and any rent paid for the lease; and that within a year of enactment, the Secretary shall promulgate regulations to govern the lease exchange process.

Section 5—Disposition of Qualified Outer Continental Shelf Revenues From 181 Area, 181 South Area, and 2002–2007 Planning Areas of Gulf of Mexico.

This section provides that 50 percent of revenues derived from lease sale revenues in the OCS be deposited into the general fund of the Treasury and 50 percent shall be deposited into a special account in the Treasury, 75 percent of which (i.e., 37.5 percent of the total) will be disbursed to Gulf producing States and 25 percent of which (i.e., 12.5 percent of the total) will be disbursed to the stateside Land and Water Conservation fund.

The 37.5 percent of total OCS revenues reserved for Gulf producing States shall be distributed according to a formula established by the Secretary of the Interior. The formula will distribute the funds in amounts that are inversely proportional to the distance between the point on the coastline of each Gulf producing State that is closest to the geographic center of the applicable leased tract and the geographic center of the leased tract. In other words, the further away a Gulf producing State is from the leased tract, the less money it gets. Each Gulf producing State shall receive a minimum allocation of 10 percent in each fiscal year.

Beginning in 2017, the same allocation formula will apply to the 181 Area and the 181 South Area. For leases entered into for the 2002–2007 planning area, starting in 2017 revenues shall be allocated to Gulf producing States in amounts that are inversely proportional to the distance between the points on the coastline of Gulf producing States that are closest to the geographic center of each historical lease site and the geographic center of the historical lease site, as determined by the Secretary. Again, the minimum allocation for Gulf producing States in each fiscal year is 10 percent. Historical lease sites include all leases entered into by the Secretary in the 2002–2007 planning area from October 1, 1982 to December 31, 2015. The ending date will be extended every five years beginning on January 1, 2022. For each of the fiscal years 2016 through 2055, the amount to be distributed from Continental Shelf revenues shall not exceed $500 million.

Twenty percent of the share disbursed to each Gulf producing State shall be paid by the Secretary to the coastal political subdivisions of the Gulf producing States to be allocated according to an existing formula.

Gulf producing States shall use the amount received under this section only for one or more of the following purposes: coastal protection; mitigation and damage to fish, wildlife, or natural resources; implementation of a federally approved marine, coastal, or comprehensive conservation management plan; mitigation of OCS activities through funding of onshore infrastructure projects; and planning assistance and the administrative costs of this section (no more than 3 percent).

COST

The Congressional Budget Office estimates that S. 3711 would reduce direct spending by $926 billion through 2016.

ADMINISTRATION POSITION

A Statement of Administration Policy (SAP) on the bill was not available at press time.

Mr. KYL. 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. DORGAN. 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. DORGAN. Mr. President, let me ask that my time be taken from the time allotted to Senator BINGAMAN.

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

INDIAN HEALTH CARE

Mr. DORGAN. Mr. President, I will speak to an issue I spoke about nearly a month ago in the Senate. Because nothing has happened substantially since then, I wanted to raise the issue. We are coming to the end of the legislative session. We will be here the rest of this week and next week. The time for consideration is going to be devoted to legislation the majority leader has already described. Then we are off in August for an August break, back in September, off in October for the election.

The issue I want to talk about is the Indian Health Care Improvement Act. The reason I want to do that is I want to describe something that is happening in this country that very few people think much about, perhaps some don't care much about, but I know that there are some in this Senate who do, and I believe they would agree with me that we need to move forward and pass the Indian Health Care Improvement Act.

Let me describe why this is urgent. Some while ago I came to the Senate and told my colleagues about a young woman—I did that with the consent of the young woman's relatives—a young woman named Avis Littlewind. Avis was, I believe, 14 years old. Avis took her own life. She laid in a bed for 90 days. She was supposed to have been in school. Instead, she lay in a fetal position in bed. At the end of that time she took her own life.

No warning signs went up to anyone, nobody from the school, nobody from the mental health area, the tribe, or the family. Somehow she just escaped attention. She, like her sister, 2 years before her who had also taken her life, decided that life was hopeless, that she was helpless, and she ended her life.

I went to that Indian reservation because there are clusters of teenage suicides on some of these reservations. We had a cluster on the Standing Rock Indian Reservation shortly after that period.

I talked to the folks on this reservation, the school officials, the family members, the classmates, the tribal council. I discovered that had this young woman been referred to treatment, there was very little treatment available, very little mental health capability available to this young girl, and that is the case on most reservations.

Because I have known about the sad situation with respect to health care for American Indians for some long while, I was not particularly surprised at what is happening with respect to mental health treatment on reservations.

We have a trust responsibility for American Indians. We have a trust responsibility for their health care. We

fail miserably. We have tried—my colleague, Senator MCCAIN, myself, and other members of the Committee on Indian Affairs—to put together a piece of legislation to extend the Indian Health Care Improvement Act and try to make some improvements in delivery of health care to American Indians—yes, for children, but elderly folks and others who are suffering. Yet that piece of legislation languishes. Senator MCCAIN and I just talked about it yesterday, and the committee wants to get that legislation through, get it passed, complete it.

Let me describe the circumstances in terms of numbers. Then I will talk about some of the Indian folks who have had some difficulty. We have a responsibility under Medicare. Here is what we provide: The per-person expenditure on Medicare is $5,900 a year. We also have a responsibility, by the way, for health care for Federal prisoners, those whom we arrest and convict and send to Federal prison, putting them away from society. We provide a cell, a bed, and we are required to provide for their health care. With respect to their health care, we spend $3,800 a year for Federal prisoners' health care.

We have a responsibility, a trust responsibility, for the health care of American Indians, as well. That responsibility is met in this manner: Indian Health Care Services medical care, $1,900. We spend exactly one-half of what we spend for Federal prisoners on health care for American Indians. The per capita expenditures are exactly one-half.

I have asked the Indian Health System, the folks in charge, how much health care is delivered versus what is needed. The answer is about 60 percent. Forty percent is not available. So the question is: Who is sick, who is hurting, who is injured, who does not get treatment on these Indian reservations?

I mentioned, when I spoke about this before, that one of the chairmen of the Indian tribes in my State said that you cannot get sick after June. The answer is: Don't get sick after June. If you get sick after June, our contract health money is gone, and you are not going to get any help because then the criteria is the only help you get is life or limb. If you lose a limb or lose your life, you get help; otherwise, hobble around in pain. Whatever that chronic condition is, sorry, tough luck, out of luck, out of money. Don't get sick after June.

What an unbelievable message. This is not a Third World country. This is a big country, and we do a lot of things. But some things we don't do nearly well enough; and that is, keep our promise and keep our trust responsibilities with respect to health care for Native Americans.

A man from the Turtle Mountain Band of Chippewa Indians in my State said: Well, the doctor told me that I needed an MRI urgently on my knee. But he said: The Indian Health System facility on Turtle Mountain has no money, so you don't get an MRI. You have a bad knee, you have trouble, you have pain, but we are sorry, there is no money to find out what the problem is. No MRI.

A member from the Mandan, Hidatsa, and Arikara Tribes had a daughter who was born prematurely and suffered some complications as a result. That child died when she was 2 years old because they did not have any funds, the Indian Health Service had no funds to send that young child to a high-risk hospital, one that could probably begin to treat those conditions.

The chairman of one of the tribes told me one day about being out riding a horse with another tribal member when the other member was injured. He was bleeding severely from his injury. That reservation does not have a 911 emergency service. There was no ambulance to take the man to the hospital, not to mention that the health facility on the reservation is not open after hours anyway. And it is not open on weekends.

On that reservation, there are isolated communities, some 30 minutes, almost an hour from an ambulance or a health care facility. So the chairman of this tribe then tried to play doctor and made a tourniquet and tried to find a way to get this person to a health care facility before the person bled to death.

It is pretty unbelievable what is happening with respect to Indian health care. We have a very serious diabetes issue. The prevalence of diabetes on Indian reservations, in many cases, is not double or triple or quadruple; it is even much higher than that. The Indian diabetes mortality rate is quadruple the diabetes mortality rate among other Americans.

On the Spirit Lake Indian Reservation, a couple of the elders ran out of insulin. It was not a very good beginning to that story. You need insulin if you have diabetes. But it got much worse. They went to the Indian Health Service clinic that serves that reservation, and there was no insulin available—none. They said: We will not get another shipment for 24 hours.

That sort of thing goes on because there is not sufficient resources devoted to meet our responsibility to the Indian health needs.

In addition to the kinds of things I have described—these things are rampant—in addition to that, we have this methamphetamine scourge that has a devastating impact all across this country but especially on Indian reservations. The statistics that describe the problems and the chronic difficulties that the Indian Health Service confronts dealing with methamphetamine is just, as I said, devastating.

At a recent hearing we had in the Indian Affairs Committee, a young woman who is a tribal judge from the Turtle Mountain Chippewa Reservation testified that methamphetamine is related to 90 percent of the cases of tribal individuals who enter treatment on the reservation. And there are very few places to get treatment, as a matter of fact.

The plain fact is, this is an area of responsibility for this Congress, and we are not meeting it. We passed a piece of legislation through the Indian Affairs Committee a long while ago, describing the need and describing the requirement for reauthorizing the Indian Health Care Improvement Act, and that bill languishes. We have lots of things to bring to the floor of the Senate that should not be here and do not need to be here. This Congress often treats the light far too seriously and the serious far too lightly.

This is a serious matter, and we ought to be dealing with it. We ought to deal with it now. We have responsibilities. Go to Indian reservations and take a look at these children and ask yourself whether the health care of these children ought to be a function of whether this Congress decides to appropriate enough money. It ought not be. A sick child is a sick child anywhere in this country and ought to feel, and their parents ought to feel, they have access to decent health care when that child is sick.

So on behalf of myself and Senator MCCAIN and other members of the Indian Affairs Committee, I say that I believe this is a priority. This is not a Third World country. I do not want anybody to say to me: In our area the refrain is ''Don't get sick after June 1 because there is no money.'' Let's not have that happen in this country anymore. Let's provide the funding that we require for the Indian Health Service to do what they should do to provide the kind of health care we know is necessary.

Once again, we have responsibility for prisoners whom we incarcerate in Federal prisons, and we have trust responsibility for the health care of American Indians; and we are spending half as much for the health care for American Indians per capita as we spend on Federal prisoners. That, in my judgment, is a shame. I am not suggesting we spend too much on Federal prisoners. They are our charge. They are incarcerated. We are responsible for their health care, but so too are we responsible, under a trust relationship, to help take care of the health care needs of that population.

Mr. President, I hope that with the cooperation of the majority leader and others in this Chamber, that Senator MCCAIN and I and others can move this piece of legislation through the Senate and through the House and get it to the President for signature—the sooner the better.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Ms. MURKOWSKI. Thank you, Mr. President.

Mr. President, I rise to speak to the legislation before us, the OCS lease

sale 181. I know there have been colleagues before me this afternoon who have spoken to the need for additional oil and gas reserves and resources in this country. The fact is, this Nation badly needs to accelerate its efforts to obtain more natural gas and more oil and doing it domestically.

We have heard the comments that we are addicted to oil, that we need to be looking to renewables, and I do not dispute or doubt that for one moment. We absolutely do. We need to be conserving more. We need to be focused more on renewables and alternatives. That is the next generation. But our reality is we are here and now with a reliance on fossilized fuels. We need to transition out of that to that next generation of fuels. But until we do so, we are in an extremely vulnerable spot, particularly with our oil and our nearly 60 percent dependency on foreign sources and with our natural gas and recognizing the trends in terms of our supply and the demand picture for natural gas.

In the past 5 years, the price of natural gas in this country has more than tripled, rising sevenfold after last summer's hurricanes. We all know the prices at the gasoline pump. There is not a day goes by where there is not some exchange about what somebody was paying somewhere for a gallon of gas at one location or another. And I can tell you, prices in my State—when you get out into the rural communities and you look at paying $4.50 for a gallon of gasoline, I can tell you, the hurt is real. The tripling of natural gas prices has had, of course, a very severe impact. And it is not just on those who heat their homes with natural gas. Manufacturing jobs—we have heard this today—manufacturing jobs have fallen by 3.1 million jobs, 18 percent in the past 6 years.

We talk to those in the petrochemical and chemical industry. Jobs in that industry are being forced to move overseas. We have had over 20 fertilizer plants in this country close. And as has been mentioned already on this floor, America's annual natural gas bill has risen to more than $200 billion a year. This is up from $50 billion, and that was just 6 years ago.

While natural gas prices today, following a warm winter, are temporarily below $6 per 1,000 cubic feet, we know the hurricane season is coming upon us in the gulf, we have global political disruptions, and we could have continued hot summer weather, and that we can anticipate a cold winter, and that any one of these—and certainly a combination of them—could promptly send our natural gas prices skyrocketing again.

I cannot speak to the issue of natural gas without mentioning the opportunity we have in Alaska for incredible quantities of natural gas coming down from Alaska's North Slope. And while we await the construction of a pipeline that can deliver this needed commodity from the North Slope into the lower 48, we have to recognize one of the best ways we can bring down prices that will increase the domestic supplies of gas is to produce more gas from the gulf coast, where the existing infrastructure is in place, and to figure out a way to get that gas to market quickly.

Mr. President, we cannot fool ourselves and say we can just snap our fingers and the price of natural gas is going to go down, we are going to have a ready and available supply just because we pass legislation. We recognize it is a period of time in coming. But what can be sent is the signal to the market that that supply of natural gas is on its way in an expedited manner.

The best way—the best way—to produce more gas quickly, to get it on more quickly, is to open parts of the eastern Gulf of Mexico. This proposal before us is to finally allow OCS development in part of formally proposed lease sale 181 off the Florida, Alabama, and Mississippi coasts and to open acreage south of that sale—some 8.3 million acres in all that have been previously closed in moratoria. In return for speeding such leasing, this bill prevents development within 125 miles of the Florida Peninsula, swaps out existing leases within that buffer, and prevents leasing east of the Military Mission Line to protect the military training facilities, at least until the year 2022.

This proposal, this legislation that we have in front of us, is a reasonable compromise. It was one that was attempted but not completed during the debate last year over the Energy Policy Act of 2005. So what we have in front of us today is an outgrowth of that bill.

In the Energy Policy Act, we allocated billions of dollars to foster energy conservation and greater energy efficiency. We moved toward and we pushed renewable energy development, such as wind, solar, and biomass. We funded new technology to further coal while working to help sequester the carbon. There was a push made on the front of a new generation of nuclear power. We funded hydrogen fuel-cell vehicle development and new transportation and building technology. There were good things contained within that Energy bill. But what was not contained in that legislation—or since that legislation was passed—was an increase in domestic production of fossil fuel.

This legislation will balance last year's Energy bill by actually letting us get up to 5.8 trillion cubic feet of natural gas flowing to the market and, again, flowing to the market in a more expedited manner than might otherwise be seen.

There have been those who have stood on the floor today speaking about the various protections contained in this legislation. There is a protection of Florida's tourism and military bases. It doesn't jeopardize the fisheries. When we look to what happened last year when these massive hurricanes came through the gulf, while there were a few minor spills following those hurricanes, there were no well failures or major pipeline breaks from the record intensity of the hurricanes. So we look to the development that is out there in the OCS area and can really point to environmental integrity.

The proposal before us gives the States of Alabama, Mississippi, Louisiana, and Texas reasonable revenues to offset the impacts of OCS development off of their coasts, particularly, again, in view of what they suffered after Hurricanes Rita and Katrina. It allows the Federal Government to keep 50 percent of the revenues in the Federal Treasury. This is the exact same percentage that it gets from oil and gas development onshore, whether the onshore development is in New Mexico or California or Oklahoma. It gives the coastal States 37.5 percent to offset their cost as being the host for that offshore development. It also shares 12.5 percent of such revenues with all the States for park and habitat improvements through contributions to the stateside Land and Water Conservation Fund. This is an effort to help alleviate the truly chronic underfunding of the Land and Water Conservation Fund without affecting land ownership and private property rights. This money would generally go toward building ballfields, neighborhood parks, recreational opportunities, not buy up the private land or to harm private property rights.

As I have reviewed this legislation and have worked with the sponsors, I do need to certainly give credit to the chairman of the Energy Committee, Mr. DOMENICI, for his efforts in bringing this matter to where we are today, and also to my colleague from Florida, Senator MARTINEZ, who has been working with the chairman to craft legislation that he believes will work for the people of Florida, and certainly to my colleague and friend from Louisiana, who has been working for years to achieve a level of revenue sharing for her State, a battle we know has been waged for many years. That is what I would like to speak to right now.

My only major disappointment with this measure is that it doesn't provide revenue sharing to all the States that choose to allow OCS development off of their coasts. The question has to be asked, why not? Why would you not include all of those States which have made the choice to allow for that development off of their coasts? If they are going to allow for it, why would they not be eligible or able to take advantage of Federal revenue sharing as well? I don't believe there is a rational explanation for not including all the States.

We have heard some of the arguments—that the Federal Government should share revenues with the States only in those waters from 3 to 12 miles offshore where Federal production

might drain onshore or State hydrocarbon reservoirs. Again, the question has to be asked: Why is that? For the past three decades, the Federal Government has shared revenues from onshore development with all States. The only possible excuse for not extending that policy to the offshore would be if the coastal States bore no impacts from offshore development. But that would imply that somehow or other the development offshore kind of sprouts magically from nowhere without any onshore activity. We know that is not the case.

I had the opportunity to go to Port Fourchon, LA, which is the jumping-off place for the offshore activity. It is a beehive of activity through there—airports and helicopter pads, all the services that have to come in, whether it is the food or the people moving back and forth, to support that offshore activity. We know that offshore activity just doesn't magically happen without some onshore impact. I know my friend from Louisiana has spoken quite eloquently to the impacts of OCS development in their waters. I will let her and others from the Gulf States speak to that impact.

I wish to talk about the impact of OCS development on my State of Alaska. In Alaska, we have been seeking some sort of Federal revenue sharing to offset the cost of OCS development along our 34,000 miles of shoreline for nearly two decades. For budget reasons, we lost out in the 1991–1992 Energy bill. We lost it again in 1995 with the Conservation and Recovery Act, CARA. It was proposed and debated. It ran into other political hurdles. And we lost again last year in the Energy bill. That was partially because you had certain landlocked States that didn't want to see current Federal revenues go to just the coastal States. But you have to stop and think, if there is not some fair form of revenue sharing to offset the impact costs, why should the coastal States allow OCS production, particularly given the recent ease of obtaining the moratorium to prevent them? And without such production, where are we going to be as a country? Americans will be paying even more when they fill up their cars, their trucks, cook their food, heat their homes. That is reality. That is the consequence.

In Alaska, we currently have OCS production from just one field. This is the Northstar field in the Beaufort Sea. It produced 22.4 million barrels of oil last year. Since it was within 12 miles of the shore, Alaska received $10.8 million in revenue sharing. If that field had been more than 12 miles from the shore, Alaska would have received nothing. There is actually a little bit of an exception to that because last year in the Energy Policy Act, there was a very small amount of aid that was directed to the State for 4 years to assist with the impact onshore of the offshore development.

Previously, Senator BINGAMAN made a point. I believe he was correct when he said that Alaska contains nearly a dozen OCS bases off of our coast, all but one of them—this is the North Aleutian Shelf, down near Alaska's Bristol Bay—being open to leasing. The North Aleutian Shelf is closed by Presidential moratorium. But when we look at Alaska's Outer Continental Shelf, we are looking at the potential of 26.6 billion barrels of oil and 132 trillion cubic feet of natural gas. This is according to the mean estimates. That production would more than double the Nation's known reserves of oil and nearly equal the amount of gas likely along the coasts of the rest of the Nation. But to accommodate OCS development and any proposed future OCS development in the Beaufort and Chukchi Seas—we have other potential areas, in Cook Inlet, the State governmental units—the State of Alaska, the North Slope Borough, local governments have to spend millions of dollars on hosts of services to protect, to regulate, to inspect, and to support the OCS development.

For instance, the State of Alaska's Department of Environmental Conservation spends more than half a million dollars a year to inspect and monitor oil and gas operations. This is just in northern Alaska. The State's Department of Transportation and Public Facilities spends nearly $10 million each year to keep the Dalton Highway going up to the North Slope open so that we can move oil and gas equipment and our supplies north. This also helps to maintain the Deadhorse Airport.

The North Slope Borough spends nearly $1 million for search-and-rescue capabilities. This is not counting the cost to the Alaska State troopers if they have to mobilize to assist oil workers who might perhaps get in trouble. The State of Alaska spends money on coastal zone planning to understand the impacts of OCS development. The State also spends millions of dollars on new infrastructure to handle the arrival and the movement of employees and materials that are needed to support the oil industry offshore.

Last week in Fairbanks, the State broke ground on a $90 million expansion of the Fairbanks International Airport terminal. This expansion is partially needed to accommodate the oil workers who may be jumping off for OCS work. Last year down in Anchorage, the State finished work on a 440,000-square-foot terminal expansion at the airport there, costing well over $100 million. So our airports are clearly impacted by the effects on the industry.

As things are happening, we see the impact within our communities. The local governments, smaller communities from Barrow to Kotzebue, Kenai to Dillingham, and Kodiak to Sitka, are all spending money to prepare for the possible development of the State's coast. The point is to recognize that there are very real costs to offshore development that are borne by the States that serve as service and support bases for the development.

It is true that States sometimes recoup part of the costs through income taxes on workers or through property taxes on businesses that will support the facilities onshore. They may gain a small stipend from Federal coastal zone planning funds. But when you look at how much is gained, it is fair to say that the recovery has seldom covered their costs.

So the question would be to the State: Why would you even welcome OCS development off of your coast? This is where you need to take the bigger picture. Our energy security, reliability, the whole issue surrounding the vulnerability we have as a nation because of our reliance on others for our energy sources, this is why it is essential that we as a nation figure out a way to produce more oil and gas domestically. Sharing oil and gas revenues with States in a fair manner will ensure that energy can get to market. It is that fact which is probably the difficulty with this legislation in terms of passage of a fair revenue-sharing system. That may be because we have some around here who would want to discourage States from allowing any OCS development, perhaps out of environmental concerns, perhaps displaced environmental concerns. But denying coastal States needed revenues is one way to discourage greater offshore oil and gas production.

Last week, Senator STEVENS and I sought to ensure that any revenue sharing proposed in this bill would apply also to Alaska or to any State that allows OCS development off of its shores. We were told at that time that if that provision stays in, it would be a death sentence for this bill.

I have been asked many times in the past few days have I changed my position on this legislation, have I changed my position in support of opening lease sale 181 to exploration and development. I have not. I have not changed that. I remain committed to a sound policy, which I believe this is, that allows for the opening of lease sale 181.

I can appreciate why it was tailored so that revenue from the gulf would only be shared among the Gulf States. I can appreciate where they are coming from. I can appreciate the narrow scope of the Senate version and the delicate negotiation that went into it. But from a matter of equity, from a matter of fairness, for those States that are willing to open their coasts, their States, to allow for the development offshore, it is only right that allowing all the States who have OCS development off their shores to share in some form of revenue.

By structuring the revenue sharing that we have before us in this legislation in this manner, Alaska is the only currently producing OCS State that allows new development that would not receive any aid. It was suggested last week that, well, Alaska is asking for a special deal. That is absolutely not the

case. We are asking to be treated the same as any other currently producing State when it comes to revenuesharing. So to those of you who suggested this was something special for Alaska, it was absolutely not. It was equitable for all those States that are currently producing. So by excluding Alaska, we are the only State that is disenfranchised when it comes to the Federal revenue sharing right now.

I have had an opportunity to go down and observe for myself—so I have seen with my own eyes—what is happening in Louisiana, in the gulf, with the erosion. As I was presiding earlier, I was reminded again by the minority leader that Louisiana loses three football fields of land a day. But we also, in the State of Alaska, face serious erosion challenges. We have some 80 villages that are facing coastal erosion problems. I use the word ''problems'' lightly, because in some of the communities it is an absolute crisis; the villages are dropping into the ocean. We may not be hit by the hurricane forces we see in the gulf that are given names and much publicity through the media, but many parts of coastal Alaska are hit by storms that meet the definition of hurricanes. There are winds exceeding 75 miles an hour, waves and storm surges that can equal those of the hurricanes. The big difference is they are not named as hurricanes. We don't get that attention or that focus. Money from OCS development could help pay for mitigation efforts and perhaps, in some cases, pay for village relocation costs. So Alaska is not unlike the other Gulf States—Louisiana, Mississippi, Alabama, and Texas—for coastal mitigation and habitat protection.

I am sure we will have an opportunity on this floor to discuss a lot more about the coastal erosion problems in Alaska in the future. I do feel strongly that we need to pass a bill to speed oil and natural gas leasing in the Gulf of Mexico. It will provide natural gas for our Nation, while helping the Gulf Coast States gain the revenues they need not just to recover from the hurricanes but to deal with the coastal erosion and wetlands habitat loss issues they face.

I believe the formula for such aid should cover all States that allow OCS development off their coasts, while providing other aid to all States that need it.

I tell my colleagues that, regardless of the outcome of the bill—and I intend to support the measure—I will continue to seek to provide aid to all of the coastal States that allow OCS development, especially since all other States gain an equal sharing of revenues from energy development onshore. It truly is the only equitable thing to do.

With that, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALENT. 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. TALENT. Mr. President, I ask unanimous consent that I be allowed to speak on the measure without counting against the time on this side.

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

Mr. TALENT. Mr. President, I rise in support of S. 3711, the Gulf of Mexico Energy Security Act, which can certainly be described simply that it will open a portion of the gulf to exploration for oil and natural gas.

I don't want to be understood as criticizing or begrudging anybody their opinions in opposition to the bill, but it seems to me that given what the country has gone through and is going through because of the high cost of energy, it should not be a difficult debate to allow the United States to explore for oil that is within or close to its borders, doing that in a way that is sensitive to the environment and to other considerations in order to produce more oil and natural gas that will lower costs, ease the pressure on our consumers, and allow our economy to grow and continue to produce jobs.

How difficult is it in a time such as this to decide that we are in favor of getting more oil and natural gas? I speak as a person who offered the renewable fuel standard in committee. I am cochairman of the renewable fuels caucus. I am a huge believer that ethanol, biodiesel, and renewable fuel attained through those feedstocks and other feedstocks is the future of this country in terms of energy. It is the way we are going to get energy independence and reduce dependence on foreign oil in the long term.

But our people need relief now, or as soon as we can get it to them. Natural gas prices set record highs last winter. They exceeded $15 per thousand cubic feet. We are paying much higher than our competitors are paying and, as a result of that, according to the Industrial Energy Consumers of America, since 2001, natural gas prices have significantly contributed to the loss of 3 million manufacturing jobs and the shifting of future investment overseas.

I know this is true. There are people who have come to my office and told me they don't want to send jobs overseas, but they cannot compete because of the high cost of natural gas. The Government has encouraged industry to use natural gas and utilities to use natural gas in producing energy because natural gas is a clean fuel. We have all heard the commercials—and it is true—that natural gas is environmentally very friendly. It makes no sense to pass laws and otherwise encourage producers to rely on natural gas and then not to explore for the natural gas we have available.

It is hurting the American farmer. It hurts the farmers for a lot of reasons. Farmers have to absorb the high energy costs just as any other consumer, but, specifically, most of the price of nitrogen fertilizers—90 percent of the price of nitrogen fertilizers is due to the cost of natural gas, because natural gas is a feedstock in the production of virtually all commercial nitrogen fertilizers manufactured in the United States. It is not just used to power the facilities that produce fertilizers; it is actually part of the fertilizer itself. So in 2002, farmers were paying $250 per ton for anhydrous ammonia, and in 2005, $415 per ton, an increase of well over 50 percent.

Why is this happening? Why is the price of natural gas and oil going up? It is because supply relative to demand is going down. Demand is expected to grow—demand for natural gas—by over 30 percent. Yet, since 1998, even though we are drilling more for natural gas, production has declined by 1.5 percent. That shows we are getting all we can out of the available fields. Yet that is not enough. We must have access to domestic resources and specifically to the easily recovered oil and gas in the Gulf of Mexico.

Energy is vital to any economy. We all know that. We have learned in the last year or two that high energy prices are certainly not a good thing. That is something most of us knew as a matter of common sense, but we have now learned that as a matter of experience.

We can make a difference with this piece of legislation and we can make a difference soon. Resource estimates for the area that would be opened indicate that there are 1.26 billion barrels of oil there and 5.8 trillion cubic feet of natural gas. The natural gas supply made available by this compromise legislation would be enough to heat and cool nearly 6 million homes for 15 years. I don't know why they use 6 million homes for 15 years as a measurement, but that surely seems a lot to me, and certainly it is a lot more natural gas than we now have available.

I have listened to the arguments offered against the legislation. A lot of them have centered around where the revenue from the natural gas exploration is going to go. A lot of it is going to go to the coastal States under this compromise. I certainly would be willing to consider something that directed that revenue somewhere else. But the reality is this is what we have to do in order to get the oil and natural gas in the first place. If we cannot pass this legislation, there is not going to be any exploration. If there is no exploration, there are no revenues. So I am certainly willing to support the legislation on that basis. It will help ease the energy situation for the employees of my manufacturers in Missouri. It will help ease the price of fertilizer for my farmers. It will help ease the energy crisis in this country. Clearly, it seems worth doing to me.

It is certainly not all we need to do. We should not structure our energy policy on the assumption that we can

continue to rely on oil and natural gas indefinitely, because we cannot. That is why the Energy bill last year encouraged a production of so many other different kinds of energy—nuclear, renewables, coal, wind. It is all important to the future, but this is important to the future as well. So I am pleased to support the legislation.

I congratulate the Senators who have worked so hard on a bipartisan basis. I know it has not been easy. Certainly, it has been nowhere near as easy as it should have been given the common sense that I think underlies this piece of legislation. I am glad they put it together. I have wanted to do something such as this for some time. It makes no sense when our manufacturers are crying for energy, our farmers are crying for energy, our consumers need energy, to turn down the opportunity to explore for the energy we have right offshore and that we can get in a way that fully protects the environment and other concerns.

Mr. President, I thank the Senate for its indulgence, and I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Mr. President, I ask unanimous consent to speak on behalf of S. 3711 and that the time not be counted against the Republican time.

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

Mr. ALLARD. Mr. President, I rise in support of S. 3711, which is the Gulf of Mexico Energy Security Act. I am heartened by the fact that this is a bipartisan effort, agreed to by those Senators who represent our Gulf States. It is an important step in continuing to reduce our dependence on foreign oil, and we need to increase our supply of domestic oil and gas. Certainly, this is a step in the right direction.

My approach to the energy needs of this country has always been that we need to have a broad-based approach. I was pleased with the Energy bill we passed in the last session of Congress which provided for a broad approach to meet our energy needs in this country.

I think we understood as a body that in order to meet the short-term needs of this country's energy needs, we need to continue to rely on fossil fuels. We need to continue to expand exploration for oil and gas. We need to continue to rely on coal. But in addition, we also need to be looking at additional sources of energy, particularly the renewable energy area, which is wind, solar, geothermal, and biofuels, as well as looking at sources such as hydroelectric and nuclear power.

As I look back on the effects of that bill we passed last session, I am already beginning to see positive effects from that legislation, and I am heartened by that. I can see those energy developments occurring in my own State, which involves new technologies, such as looking at oil shale as a source of a high-grade fuel that requires little refinement.

Our current energy prices clearly still indicate that all is not well with supply, and the demand is still greater than supply. We need to also look at conservation. But right now with this bill, we are concerning ourselves with supply.

While the price of natural gas is well below what it was this time last year, these prices are still well above what we were paying several years ago; and, as my colleague from Missouri mentioned, it is having an adverse impact throughout our economy, not the least of which it is having a serious adverse impact on our agricultural sector.

I believe the fact that prices have decreased at all is directly due to the fact that we passed the Energy Policy Act last year. We have all seen the figures: 27 new ethanol plants have broken ground; 401 E–85 fueling pumps have been installed. These are pumps that provide an ethanol-gasoline mixture. And the number of hybrid vehicles has increased. Between now and the year 2020, the 15 new efficiency standards included in the bill will save 50,000 megawatts of energy, and the amount of electricity generated from renewable sources has increased dramatically. But we need to do more to encourage domestic production of oil and gas.

It is argued—and I think argued well—that we should be reducing our energy consumption and increasing the amounts of energy we get from renewable and alternative sources. I agree. But the reality is that reducing consumption and increasing alternative resources does not happen overnight. I cannot ask my constituents to park the car and turn off the lights until we get there.

The estimates of the resources that will be made available under this proposal are 1.26 billion barrels of oil and 5.8 trillion cubic feet of natural gas. These are not insignificant amounts. These resources will provide a strong source of domestic energy for our country.

I believe that the compromise struck by this bill is a good one. The fact that almost every Member who represents a coastal State that is affected cosponsored this bill strikes me as significant. I strongly believe in local control, and as part of that, I often defer to Members who represent a State if a bill will directly affect that State. I use the example of wilderness designation. If a bill designating wilderness in a certain State is sponsored and supported by both Members of that State, I see no reason not to support it. The same is true here. If the Members from the coastal States are supportive of this bill, I support them.

I was hopeful that we would have the chance to address an amendment I wanted to offer on funding for the Payment in Lieu of Taxes Program. This particular program is extremely important to States, such as Colorado, that have a high percentage of federally owned land. Many people are unaware of the fact that 35 percent of Colorado is owned by the Federal Government. Federal ownership of these lands can be beneficial, but there is an unseen cost to local communities, to local governments. The Federal Government does not pay property taxes, and this translates into reduced revenue for local governments while there are some costs that they are burdened with in trying to meet the needs of the Federal agencies that are in that county or local community.

For Colorado, it means $129 million each year in lost property tax revenue. This is funding that could be used for education, law enforcement efforts or road building. Unfortunately, PILT, or payment in lieu of taxes, is chronically underfunded, and the amendment I planned on offering would have helped to overcome this annual shortfall.

Regardless of the fact that my amendment will not be considered, I am pleased that we are moving on this bill. I am hopeful that we can continue to put in place policies that will allow us to increase domestic production of all energy sources which will, in turn, reduce our reliance on foreign sources.

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

The PRESIDING OFFICER. Will the Senator withhold his request?

Mr. ALLARD. I withhold my request, and I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. ALEXANDER. Mr. President, is there a limit on the amount of time I may speak?

The PRESIDING OFFICER. The Senator needs consent to speak, as the majority's time has expired.

Mr. ALEXANDER. Mr. President, I ask unanimous consent to speak for up to 15 minutes.

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

Mr. ALEXANDER. Mr. President, 2 years ago, the Senator from South Dakota, Mr. JOHNSON, and I introduced a bill we called the Natural Gas Price Reduction Act. We did that to give focus to the energy debate. We were hearing a lot about the price of gasoline. Gasoline prices were high and remain high because of the huge supply and demand around the world. We know that. We know that is going to continue for a while, most likely. We know that China is growing. We know that India is growing. We know that the United States and our huge economy uses 25 percent of all the oil in the world. And so the supply and the demand are going to require that the price of oil, therefore gasoline, is going to be high for a while.

We wanted to shift the focus to natural gas, which we didn't hear about as much at that time, because natural gas prices in this country had gone from the lowest in the world to the highest in the world. This was a huge problem for our country.

High gasoline prices are a big problem every day. Natural gas prices are a bigger problem every day. They are a bigger problem for farmers who have seen their fertilizer costs go up. They

are a bigger problem for homeowners as they pay to heat and cool their homes, and they see their bills go up. They are a bigger problem for blue collar workers in this country, such as the 1 million blue collar and white collar men and women—Americans in good-paying jobs—who work in the chemical industry. These are the kinds of jobs about which we all make speeches. We don't want them to be outsourced. We don't want their jobs to go overseas.

If a chemical plant uses natural gas as a raw material—meaning, for example, as Dow Chemical testified before our Energy Committee that 40 percent of the cost of its product was natural gas—and if the price of natural gas is $14 or $15 a unit in the United States compared to $2 or $3 a unit in some other part of the world that has a good, reasonable economy, guess where that chemical plant is going to end up. It is going to be there, not here. Guess where those 1 million jobs are going to be. They are going to be there, not here.

That is why of the 70 or 80 new chemical plants being built around the world, only one of them is in the United States. There are several reasons for that, but the main reason is the high cost of natural gas.

So for the farmer, for the blue collar worker, for the homeowner, the high price of natural gas is a great big problem. We saw that 2 years ago, and so Senator JOHNSON and I offered our bill to try to lower the price of natural gas.

Energy policy is like a big freight train. It is hard to get started, it takes a long time to get going, and then it is hard to stop.

So the Energy Policy Act that the Congress adopted in a bipartisan way a year ago, which included a great many of the parts of our Natural Gas Price Reduction Act, is just beginning to have some effect. But today as we talk about this deep sea drilling in the Gulf of Mexico, it is important that we put it in the context of the whole picture because this is the whole picture: If we want to reduce the price of natural gas in the United States and lower the cost of home heating and cooling bills, and lower the cost of fertilizer for farmers, and if we want to keep those chemical jobs and other jobs in the United States, then there are several things we need to do.

The first thing we need to do is conservation, and the Energy Policy Act of a year ago had an important section on conservation.

The second thing we need to do is produce large amounts of electricity in some way other than using natural gas. Using natural gas to produce electricity is like burning the antiques in your backyard to make a fire. But most of the new electric powerplants have been using natural gas over the last 10 or 15 years.

The Energy Policy Act had important new sections to encourage the use of nuclear power, which supplies 20 percent of our power while producing no mercury, no sulfur, no hydrogen, and no carbon. It is 70 percent of our carbon-free energy. That affects global warming.

So the first way to reduce the cost of natural gas is conservation. We provided for that.

The second way was to encourage nuclear power, and there has begun to be a renaissance of nuclear power production in the United States.

The third thing we did was to encourage the production of power from clean coal. Fifty percent of our electricity comes from coal. We have a lot of coal. We are the Saudi Arabia of coal—we all say that—but it is dirty. It does produce mercury, it does produce nitrogen, it does produce sulfur, and it does produce carbon. So we need clean coal, and eventually we need to capture the carbon, put it in the ground to store it somewhere, and we need large amounts of energy.

We also had significant dollars in support of renewable energy, whether it was for fuels or for electricity. We also made it easier to import natural gas through LNG terminals from around the world, which we are going to have to do for a while. We also made it easier to refine. All of those things had to do with natural gas. But one thing we didn't do was increase our supply of natural gas at home.

But we have come a long way. Two years ago, you couldn't even talk. You couldn't have a polite conversation on the Senate floor about offshore drilling because it was an unmentionable word. People would run out of the room as if you said something bad. But, last year, when the Energy Policy Act came up, we had a majority of votes on this floor for an offshore drilling provision that would have permitted a State such as Virginia, for example, to drill for gas and oil—with the rigs so far off the coast you couldn't see them—and give a share of the revenues to Virginia, which it might use for education or to lower taxes or for coastal beach refurbishment, and put the rest in the Federal Treasury. That is a pretty good idea, but we couldn't get it passed because here it takes 60 votes to overcome objections from a minority of senators.

We also had the perfectly obvious idea of enlarging the area of drilling in the area called Lease Sale 181 in the Gulf of Mexico, deep sea drilling for natural gas which we are talking about today, but we weren't able to do that a year ago. So what this piece of legislation does—at a time when high natural gas prices still are problems for the homeowner, the blue-collar worker, and the farmer in this country—is to give the most immediate relief we can in terms of supply. It doesn't take the place of conservation. It doesn't take the place of nuclear power. It doesn't take the place of coal or renewable energy or LNG or all of these other things we authorize—but it adds to that, and we ought to do it. Lease Sale 181 means that the four gulf producing States will have a chance to share in the revenues that come; that is coastal assistance in this area damaged by the hurricanes.

Twelve and a half percent of the revenues will go to the Land and Water Conservation Fund, so every State will have that for city parks, soccer fields and other things. That is an appropriate use. The remaining half of the revenues will go to the Federal Treasury.

So I am delighted that this bill has come to the floor. I was delighted with the large vote we had this morning—86 votes—to move ahead. I am very hopeful that with the cloture vote on Monday, we will have more than 60 votes.

I believe this is important for the American people to know that sometimes senators stand up and say: Well, why are we debating this issue or that issue? I see the assistant Democratic leader on the Senate floor. Sometimes I hear the assistant Democratic leader saying things like: Why are we talking about this issue or that issue? Why aren't we talking about gasoline prices or natural gas prices? Mr. President, we are. This legislation is about natural gas prices, this is about blue-collar workers, this is about farmers, and this is about homeowners. This is the way we increase the supply and lower the price.

It is that simple: produce energy here instead of bringing it in from the Middle East or some other part of the world.

Senator DOMENICI deserves an enormous amount of credit for working on this bill, as do Senator MARTINEZ, Senator LANDRIEU, Senator VITTER, and many others. The bill is a limited, sensible step in the right direction. I would like to see us go further and give Virginia the opportunity if it wishes to have offshore drilling, but that would disrupt the consensus we have here, and I don't want to disrupt that consensus.

So it is very important that the American people know that as we continue the debate this week and then come back here Monday and vote, we will be voting on the surest way to increase the supply of natural gas in this country. That will make it more likely for the 10,000 workers at Eastman Chemical in east Tennessee that their jobs will stay in east Tennessee instead of moving to Germany, and that the farmers' jobs will stay in west Tennessee instead of moving to Brazil, and that the homeowners will be able to turn on their heat in the winter and turn up their air-conditioner in the summer and still be able to afford it. That is exactly what this is about. A vote for this legislation is a vote for the blue-collar worker, for the farmer, and for the homeowner, and a vote against it is a vote against the blue-collar worker, against the farmer, and against the homeowner. That is pretty simple. That is pretty straightforward. We have several days to think about it.

I am delighted to see that there are Democrats and Republicans for this. I

hope the large number of votes we saw in favor of cloture this morning continues.

We have a big economy, which means we have big energy needs. Yes, we want the conservation we put into law a year ago. We want this renaissance of nuclear power. We want clean coal with carbon recaptured. We want renewable power, we want LNG from overseas, and we want other things. We want more refining capacity. But supply is a part of the picture, and the legislation we are debating today is the most obvious example of increasing supply.

I am pleased to be a cosponsor of this legislation. I am delighted with the way the leadership has presented it to the Senate. It will help the country. I hope the blue-collar workers, the farmers, and the homeowners are listening because this debate and this vote will be about them and their future and their pocketbooks.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I thought my colleague from the great State of Tennessee, Senator ALEXANDER, made an excellent statement. Although I might disagree with some part of it, I really believe he is speaking to this issue in good terms. I was heartened by the fact that the first thing he said about energy was conservation. I believe that is a critical starting place.

I am going to give the Senator from Tennessee four numbers—not for the lottery, for the Powerball or anything, but four numbers to think about. The numbers are 3, 25, 4, and 3 again. Here is what they signify.

We have within our command and control in the United States of America 3 percent of the energy reserves of the world—3 percent. Everything we could possibly turn to and explore and bring out of the Earth, whether offshore or in the continental United States, is 3 percent.

Twenty-five: We consume 25 percent of the world's energy. It is clear that we cannot drill our way into energy independence. It just does not work. The numbers do not come together.

The next number is 4. Four represents the number of months of natural gas which we hope we can bring out of this offshore drilling for the United States—a 4-month supply of natural gas for our country.

The final number, 3, represents a 3-month supply of the oil our country consumes.

So as important as exploration is and finding new sources, you had the right starting point. You hit the nail on the head. We cannot drill our way out of energy dependence, looking at the 3 percent that we have, the 25 percent we consume, and we cannot rely on even offshore drilling to give us more than just a respite from the demands we are going to face in the future, the competition we face around the world.

So my feeling—and I think the feeling of many on both sides of the aisle—is what we should look for is environmentally responsible exploration.

I have made no secret of the fact that I think the notion of drilling in the Arctic National Wildlife Refuge is a terrible idea. It has been rejected by Congress year after year. It is an act of environmental desperation that we would go to a wilderness area—a wildlife refuge area, I should say to be more specific—and say that after a few years, we have to start drilling there because there is no other place for America to go in order to give us confidence we will have energy sources in the future. So I haven't hidden my feelings about that particular project, but I am open to the suggestion that this may work.

I have not made a final commitment on the bill pending before us. I join with my colleagues in moving it forward. Let's move this debate forward. Let's bring this issue to the floor.

A couple of the things mentioned by the Senator from Tennessee are intriguing. Nuclear power—I am not sure nationally how much electricity is generated by nuclear power. It may be a third, it may be a little more.

Mr. ALEXANDER. Mr. President, if the——

Mr. DURBIN. I am happy to yield to the Senator from Tennessee.

Mr. ALEXANDER. The answer is 20 percent of all our electricity in the United States and 70 percent of our carbon-free electricity is produced by nuclear power.

Mr. DURBIN. Mr. President, I thank the Senator from Tennessee. In my home State of Illinois, the number is 50 percent. Fifty percent of our electricity is generated by nuclear power. So for those who say: Get rid of it tomorrow, they better be ready to sit in darkness for a while in my State of Illinois if that is their option.

But I hope the Senator from Tennessee feels as I do, that the future of nuclear power is wedded to two issues we have to deal with forthrightly: what are we going to do with the nuclear waste that is likely to threaten us in some form or another for generations to come, for hundreds, if not thousands, of years; and secondly, how do we promote nuclear power without promoting the production of nuclear weapons?

We are facing that issue everywhere—in North Korea, in Iran. As we look at the world, we worry that countries moving toward nuclear power are, in fact, also creating an option for the production of nuclear weapons, which would make the world perhaps more self-sufficient when it came to electricity but in a more dangerous state if it led to nuclear proliferation.

Those are the two challenges with nuclear power as I see them.

I believe—maybe I am not being realistic here, but I believe they can be addressed and they should be addressed. If we address them in a responsible fashion, the day may come—and I hope it does—when we can say that the spent nuclear fuel rods coming out of the nuclear powerplants are no longer a threat to the health and safety of America and that the production of nuclear power is not an invitation to produce nuclear weapons. Those are two things I think we have to face head-on.

I am lured by the notion that this is carbon-free power—electricity—having seen a production of a documentary by a gentleman from Tennessee by the name of Gore. Al Gore's documentary ''An Inconvenient Truth'' was an unsettling experience as he laid out in an hour and a half or so, I thought with real clarity and precision, the challenge of global warming and what will happen if we continue to add carbon dioxide to the atmosphere, increasing greenhouse gases and global warming, watching climate change, and all of the things that are likely to occur. It is a challenge to all of us. So I salute the Senator from Tennessee because there are many things he said with which I agree.

I am going to look at this bill carefully. I am troubled; I think the allocation of money to the States is very generous. It is a departure from where we have been in the past for offshore drilling to this extent, this far away from the coast. But I am going to look at it carefully and honestly to see if it is the right approach before I make a final decision. But I thank him for his statement on the floor here this evening relative to energy, and there is probably more that brings us together than divides us on this important issue.

(The remarks of Mr. DURBIN pertaining to the introduction of S. 3744 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

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

## MORNING BUSINESS

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

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

## TRIBUTE TO THE 25TH ANNIVERSARY OF THE TAHOE RIM TRAIL ASSOCIATION

Mr. REID. Mr. President, I rise today to recognize the 25th anniversary of the Tahoe Rim Trail Association—an organization of volunteers that came

together to build one of the world's premier trails—the Tahoe Rim Trail. This Saturday, the association will hold a Silver Anniversary Celebration to honor this occasion, and I am pleased to acknowledge their efforts here today.

The Tahoe Rim Trail Association is a successful public-private partnership that was founded in 1981. The original idea was to bring together community leaders, volunteers, and government agencies such as the Forest Service and the Nevada Division of State Parks to establish a trail around the Lake Tahoe Basin. Working hand-in-hand, volunteers created the incredible 165-mile trail that now exists around Lake Tahoe, allowing visitors a new way to experience one of the most magnificent places in America.

Visitors to the Tahoe Rim Trail are struck by the incredible diversity of the landscape and the wealth of wildlife. From the wildflowers of our alpine meadows to the soaring mountain peaks of the Sierra Nevada, the Tahoe Rim Trail offers something for everyone. Visitors to the trail enjoy a diverse range of opportunities from hiking and backpacking to horseback riding and mountain biking. Portions of the trail are also handicapped accessible so that everyone may enjoy this important piece of our State's rich natural heritage.

Although the trail is now complete, the Tahoe Rim Trail Association continues to educate visitors about the trail. Every Tuesday and Saturday during the summer months, the association organizes a group of volunteers to maintain and enhance the trail. These important efforts and community partnerships ensure that Nevadans, Californians, and people from around the world will be able to enjoy the beauty of the Lake Tahoe Basin for generations to come.

I am pleased to recognize the 25th anniversary of the Tahoe Rim Trail Association, and I hope that all of my colleagues will have the opportunity to visit this incredible part of Nevada.

## 16TH ANNIVERSARY OF THE AMERICANS WITH DISABILITIES ACT

Mr. HARKIN. Mr. President, today, July 26, marks the 16th anniversary of the signing of the Americans with Disabilities Act.

On this 16th anniversary, we celebrate one of the great, landmark civil rights laws of the 20th century—a long-overdue emancipation proclamation for people with disabilities.

We also celebrate the men and women, from all across America, whose daily acts of protest and persistence and courage moved this law forward to passage 16 years ago.

We celebrate some 50 million Americans with disabilities, who now begin each day with the right to equal opportunity, full participation, independent living, and economic self-sufficiency.

That is the triumph we celebrate today.

That is the spirit that made the Americans with Disabilities Act possible.

And that is the promise that will continue to move this country and the disability community forward.

Our society is so dynamic and so rapidly changing, we are often oblivious to quiet revolutions taking place in our midst. One such a revolution has been unfolding since the Americans with Disabilities Act became law 16 years ago.

How soon we forget that, prior to the ADA, Americans with disabilities routinely faced prejudice, discrimination, and exclusion—not to mention physical barriers to movement and access in their everyday lives. People with disabilities faced blatant discrimination in the workplace. They were often denied employment, no matter how well qualified they were. People in wheelchairs faced a nearly impossible obstacle course of curbs, stairs, and narrow doors.

One of those courageous people who fought for passage of the ADA was a young Iowan with severe cerebral palsy named Danette Crawford. I remember vividly when I first met Danette in 1990, when I was making the final push to get ADA through Congress. She was just 14 and one of the brightest persons I had ever met. I talked to her about what ADA would mean to her in terms of educational and job opportunities—ensuring that she would not be discriminated against in the workplace.

She listened to all this, and in her wonderful way, she said: ''That's very nice, very important, Senator. But, you know, all I really want to do is just be able to go out and buy a pair of shoes just like anybody else.'' And, of course, she was right. That is exactly what the ADA is all about.

The reach—the triumph—of the ADA revolution is all around us. It has become part of America. In May, I attended a convention in downtown Washington of several hundred disability rights advocates, many with severe impairments. They arrived on trains and airplanes built to accommodate people in wheelchairs. They came to the hotel on Metro and in regular busses, all seamlessly accessible by wheelchair. They navigated city streets equipped with curb cuts and ramps. The hotel where the convention took place was equipped in countless ways to accommodate people with disabilities. A woman on the dais translated the speeches into sign language so that people with hearing disabilities could be full participants.

For those of us who are able-bodied, these many changes are all but invisible. For a person who uses a wheelchair, they are transforming and liberating. So are provisions in the ADA outlawing discrimination against qualified individuals with disabilities in the workplace and requiring employers to provide ''reasonable accommodations.''

Just as important, the ADA has changed attitudes. It used to be perfectly acceptable to treat people with disabilities as second-class citizens, to exclude and marginalize them. I remember my brother, Frank, who was deaf. Frank was the real inspiration behind all of my work in the Senate on the Americans with Disabilities Act. He passed away 6 years ago, a month before the 10th anniversary of ADA. He always said that he was sorry that the ADA was not there for him when he was growing up but that he was very happy that the ADA is here now for young people so they can have a better future.

Frank lost his hearing at an early age. Then he was taken from his home, his family and his community and sent across the State to the Iowa State School for the Deaf. People often referred to it as the school for the ''deaf and dumb.'' Yes, that is the insensitive way that people used to talk. I remember my brother telling me, ''I may be deaf, but I am not dumb.''

While at school, Frank was told he could be one of three things: a cobbler, a printer's assistant, or a baker. He said he didn't want to be any one of those things. They said: OK, you are going to be a baker. So after he got out of school, Frank became a baker. But that is not what he wanted to do. Frank stubbornly refused to accept the biases and stereotypes that society tried to impose on him. He fought for—and won—a life of dignity.

But I remember how difficult everyday tasks were for him. For example, I remember, as a young boy, going with my older brother Frank to a store. The salesperson, when she found out that Frank was deaf, looked through him like he was invisible and turned to me to ask me what he wanted. I remember when he wanted to get a driver's license, he was told that ''deaf people don't drive.'' So the deck was stacked against Frank in a thousand ways, strictly because he was a person with a disability.

I remember when my brother finally found a job to his liking. He got a job at a manufacturing plant in Des Moines—a good job at Delavan Corporation. Mr. Delavan decided he wanted to hire people with disabilities, and so my brother went to work there. It was a great job. He became a drill press operator making nozzles for jet engines. He took enormous pride in his work.

Later on, when I was in the Navy, I remember coming home on leave for Christmas. I was unmarried at the time, as was Frank. So I went with him to the company where he worked, which was putting on a Christmas dinner. I didn't expect anything special. But it turned out that they were honoring Frank that night because in 10 years at Delevan, he had not missed a single day of work and hadn't been late once.

That is characteristic of how hard-working and dedicated people with disabilities are when they are given a

chance in the workplace. Frank worked at that plant for 23 years and missed just 3 days of work, and that was because of a blizzard.

Today the brazen discrimination and prejudice that Frank faced are part of what seems like a medieval past. We have overcome the false dichotomy between ''disabled'' and ''able.'' We recognize that people with disabilities—like all people—have unique abilities, talents, and aptitudes and that America is better, fairer, and richer when we make full use of those gifts.

We have made amazing progress in just 16 years. For millions of Americans with disabilities, it truly is a revolution. It has been a quiet revolution, but it has also been a profound revolution.

The day that the ADA passed was the proudest day of my legislative career. But every Senator who voted ''aye'' can look back, 16 years later, with enormous pride in this achievement. We were present at the creation. But our creation now has a robust life of its own. The ADA has been integrated into the fabric of American life. It has changed lives—and changed our Nation. It has made the American Dream possible for tens of millions of people who used to be trapped in a nightmare of prejudice and exclusion. This truly is a triumph.

I am reluctant, in any way, to take away from the celebration of this anniversary, but I am obliged to point out that the ADA revolution is not yet complete.

When we passed the ADA, we set four great national goals for Americans with disabilities: equal opportunity, independent living, full participation, and economic self-sufficiency. There is more work that needs to be done to reach the full promise of these goals.

Right now, 16 years after the passage of the Americans with Disabilities Act, it is a shocking fact that more than 60 percent of people with disabilities are not employed. We need to do a better job of ensuring that people with disabilities have job opportunities—and not just any job but one that is equal to their interests and talents and pays accordingly.

We need to make sure that people with disabilities have access to health care, with accessible medical equipment and properly trained medical professionals. We also need to make sure that they have access to health and wellness programs that focus on their unique needs. Just this week, I introduced a bill—S. 3717—that will go a long way toward accomplishing these goals.

At the same time, we need to continue our progress in reversing the institutional bias in Medicaid. We need to move away from the days when two-thirds of Medicaid long-term-care dollars are spent on institutional services, with only one-third going to community-based care.

My bill, S. 401, also known as MiCASSA—which is short for the Medicaid Community-Based Attendant Services and Supports Act—would level the playing field by requiring States to cover community services under their Medicaid Programs.

With appropriate community-based services and supports, we can transform the lives of people with disabilities. They can live with family and friends, not strangers. They can be the neighbor down the street, not the person warehoused down the hall. This is not asking too much. This is the bare minimum that we should demand for every human being.

The ADA is to people with disabilities what the Emancipation Proclamation was to African-Americans. But one of the great shames of American history is that it took a full century from the Emancipation Proclamation until the Civil Rights Act actually made good on Lincoln's promise.

I say to my colleagues, we cannot allow history to repeat itself. We cannot wait a century for people with disabilities to be fully integrated into our society and our workforce. We need to fulfill the full promise of the ADA now.

Yes, it takes money to pay for personal attendant services. But I think of my nephew, Kelly, who became a paraplegic while serving in the military. The Veterans Administration pays for his attendant services. This allows Kelly to get up in the morning, go to work, operate his small business, pay his taxes, and be a fully contributing member of our society.

That is what every person with a disability wants. The costs of MiCASSA would be largely offset by the benefit of having people with disabilities who are employed, paying taxes, and contributing to the economy.

It is a disgrace that, as I said, more than 60 percent of people with disabilities do not have jobs. Right now, they are unemployed and dependent. We want them employed and independent. This would be a boon for them. It would be a boon for the economy. And it would be a boon for the budget.

So I cannot think of a better way to celebrate the 16th anniversary of the ADA than by rededicating ourselves to completing the ADA revolution. This means passing MiCASSA. This means passing the Promoting Wellness for Individuals with Disabilities Act. It means giving people with disabilities not just the right to be independent and have a job but the wherewithal to be independent and hold a job.

Mr. President, one final thought: In sign language, there is a wonderful sign for the word ''America.'' It is this: all the fingers in one hand joined tightly together, with the other hand tracing a circle around the joined fingers. This describes an America for all, where we are not separate, where no one is left out, and we are all embraced by a circle, the circle of the American family.

For centuries, Americans with disabilities were tragically left out of that circle. Our American family was not yet whole, not yet fully inclusive. The passage of the ADA 16 years ago rectified that. It brought everyone, including people with disabilities, into the circle. It made our American family—at last—complete.

That is the historic achievement we celebrate today. That is the historic achievement that we must safeguard for generations to come. One America. One inclusive American family that respects the dignity, the value, and the civil rights of all, including Americans with disabilities.

## SCHIP AT 10: A DECADE OF COVERING CHILDREN

Mr. CHAFEE. Mr. President, I am pleased to commend the Finance Committee and Senators HATCH and ROCKEFELLER for holding a hearing on the State Children's Health Insurance Program, SCHIP. This program has meant a decade of health care coverage for millions of low-income children who would otherwise be uninsured.

My interest and commitment to the success of the SCHIP program goes back to its inception. My father, the late Senator John H. Chafee, along with Senator ROCKEFELLER, designed and introduced S. 674, the Children's Health Insurance Provides Security, CHIPS, Act on April 30, 1997. With help from a bipartisan coalition of Members, including Senators HATCH and KENNEDY, this effort came to fruition later that year when Congress approved the State Children's Health Insurance Program, SCHIP.

When SCHIP was introduced there were 10 million uninsured children in the United States including 3 million who were eligible for Medicaid but were not enrolled. The SCHIP program sought to alleviate this unmet need by offering States additional Federal funds if they provided Medicaid coverage to children from families whose income was under 150 percent of the Federal poverty level. This would mean coverage for a family of four earning $30,000 per year. The bill also provided grant funds for States to reach out and enroll eligible children.

Although some States were slow to implement their programs, to date all 50 States, the District of Columbia, and the 5 territories have SCHIP programs in operation. The SCHIP program has been a tremendous success; the share of uninsured children has dropped from 23 percent to 15 percent of the population since 1997. Today, more than 4 million low-income children who would otherwise be uninsured have access to doctors, immunizations, and preventative health care through SCHIP. Since 1997, enrollment has steadily increased to the point that 6.2 million children are currently covered.

Rhode Island's program has also been a success story. Since the program began on October 1, 1997, that State has enrolled 25,573 uninsured children. The State has also expanded its income eligibility requirement to cover additional low-income families. One reason for this great success is the SCHIP program's flexibility in benefit structure

and design. States are allowed to expand eligibility levels, cover parents of children on SCHIP, and in some cases childless adults. Rhode Island has utilized this flexibility to develop innovative strategies to address its uninsured.

One example of this innovation was Rhode Island's recognition of the importance of covering families. Studies cited by the Kaiser Commission on Medicaid and the Uninsured show that parents are more likely to enroll their children in SCHIP if the entire family is covered. Parents who have the proper health care coverage are more likely to stay healthy and avoid missed days at work. The same is true of their children; preventative screenings and immunizations will allow them to remain healthy, avoid expensive hospitalizations, and stay in school.

States may appeal to the Secretary of Health and Human Services for waivers to expand their program beyond current law requirements. Along with 15 other States, Rhode Island has a waiver that allows it to use SCHIP funds to cope with the growing number of uninsured. States such as Arizona, Idaho, Oregon, Minnesota, New Mexico, and Virginia have similar waivers.

We have a growing crisis with the number of uninsured in this country. Estimates place the number of uninsured at 45 million, up from 41 million a few years ago. We should reward States that use innovative approaches with their SCHIP programs to expand coverage. Until comprehensive solutions are found to help States fill the coverage gaps, we should not penalize them for taking advantage of existing resources and programs.

To this end, I have been proud to support legislation that maintained funding for the SCHIP program and reallocated funding to coverage-expanding States. In 2003 I was the lead Republican on legislation introduced by Senator ROCKEFELLER to keep $2.7 billion in the program until the end of fiscal year 2004 and reallocate funds to other States through fiscal year 2005. This bill also included a provision I fought for that is important to States like Rhode Island. It allows States with expansive Medicaid Programs that covered uninsured children prior to SCHIP's enactment to use 20 percent of SCHIP funds to cover these children. This is significant since SCHIP provides a higher Federal match than Medicaid. States that did the right thing by covering pre-SCHIP children were being penalized by not receiving the higher match.

In closing, I thank Senators ROCKEFELLER and HATCH for holding a hearing on SCHIP and honoring its tremendous accomplishments over the past 10 years. The SCHIP program has been an integral part of our health care safety net. As we turn to reauthorization and the challenges facing the program in fiscal year 2007, I look forward to working with the bipartisan coalition whose vision created the program. We must work together to keep SCHIP strong so that the progress and the innovations made with the program will not be lost.

## PASSAGE OF THE VOTING RIGHTS ACT

Mr. COLEMAN. Mr. President, I wish to add my voice to the celebration of a significant event in this Senate: the renewal of the Voting Rights Act for 25 years. This legislation is part of our efforts in the Senate to come together to make sure the America of 2031 is a whole lot more successful at bridging racial divides than we are today.

I grew up in a large Jewish family in New York City. One of my parent's favorite entertainers was a Jewish comedian named Georgie Jessel. I am sure some of my senior colleagues remember him. In the 1950s he was a good friend of the stunning and talented African-American singer and actress Lena Horne. From time to time they would go out to dinner. You should know that even in New York in those days, they had segregated clubs. Well, by chance or by accident, Mr. Jessel scheduled one of their dinner dates in one of those clubs. The maitre'd took one look at her skin color and said indignantly, ''Who made your reservation?'' Jessel shot back, ''Abraham Lincoln.''

Lincoln made a reservation for us all. One hundred and forty years later, we are still struggling to keep it.

One of my most vivid experiences since I came to the Senate was a civil rights delegation to Alabama sponsored by the Faith and Politics Institute a couple years ago. Representative JOHN LEWIS helped to lead the delegation, and shared with us his experiences. We stopped at the Rosa Parks Museum at Troy State University in Montgomery and reflected on the bus boycott. We visited the Dexter Avenue King Memorial Baptist Church, where the Reverend Martin Luther King, Jr., used to preach, and the civil rights Memorial. I was struck with the fact that I visited these historic locations in peace and security. A generation ago, the visitors who came from outside the South to these locations endured threats, vilification, and violence.

This visit reminded me of a simple truth: Individuals such as Parks, King and so many others, shape our society. As we look at the challenges and injustices of the world around us, we often ask the question, How can we change the world? I think we often look in the wrong place for change. We look to big government, big business, big entertainment, or big publishing to bring about change. It is comparatively easy to change a speech or a law or a budget. The real challenge is in changing hearts. And that job falls to all of us who are willing to speak out, willing to model understanding and willing to change. Our hope lies in the fact that in America, there are no ''ordinary people.''

I often like to say that a leader without followers is just a person taking a walk. The Dr. Kings and Rosa Parks are all around us, in need of the followers and workers who will inspire major change.

Every person has the ability to shape our Nation with their vote. As a democracy, this Nation is built on the idea that we look to the people, and the way we do that is by the power of their vote. Voting is the recognition that each person, each individual, each vote, is important. We cannot afford to sustain any impediment to that process. If we do not defend the freedom to vote, the product of our democracy is dulled and diminished—it is not a true reflection of what is America.

Legislation we passed in the Congress has been crucial: the Civil Rights Act, the Voting Rights Act, and a series of additional measures right into our own decade. Vigorous enforcement of those statutes is essential. The Voting Rights Act recognizes that one of the best things that government can do for their people is make them secure to cast their votes. The Voting Rights Act recognizes that in a free society, the people lead.

The United States is unique in world history because we are a nation built upon rights rather than privileges. We believe we have been endowed by our Creator—not our government—with rights such as life, liberty and the pursuit of happiness.

The American concept of rights is a large set. We have the freedom of religion. We have the freedom of speech and assembly. We have the right to be secure against government intrusion in our homes and private affairs. We have a free press. And to a greater degree than ever, we have the freedom to vote in this country and to have those votes count.

If you pull any one of those freedoms out of the set, the whole thing collapses. Each of our rights protects and reinforces all the others. All the American rights get stronger with the passage of this bill and that's something to celebrate.

But we shouldn't pat ourselves on the back for too long. We can deal with voting inequality by strictly and aggressively enforcing this law, but we have a long list of issues of economic inequality to deal with. We have achievement gaps in our schools. We have housing gaps in our home ownership markets. We have health gaps in access to quality care.

Racial equality in America is race without a finish line. We have finished a lap today, but as Robert Frost wrote, ''We have promises to keep, and miles to go before we sleep.''

## TRIBUTE TO FLOYD LANDIS, WINNER OF THE 2006 TOUR DE FRANCE

Mr. SANTORUM. Mr. President, I rise today to commemorate an incredible feat of physical and mental endurance, a feat that was completed on Sunday, July 23. Floyd Landis, a native

of Lancaster County, PA, completed the 20th stage of the 2006 Tour de France with an overall time of 89 hours, 39 minutes and 30 seconds, winning the race by 57 seconds in the closest three-way finish in the long history of the tour.

In winning the 93rd Tour de France, Floyd Landis became just the third American cyclist to win this most prestigious of races, joining previous American victors Greg Lemond and Lance Armstrong. He, like them before him, has become the face of American cycling, and, frankly, we could not ask for a better spokesman.

The Tour de France, with this year's race totaling over 2,200 miles, is known around the globe as one of the toughest physical challenges in the sporting world. It is an incredible feat for anyone to finish this grueling, 20-stage race. But that Floyd Landis finished—and that he won—is even more astounding. Landis suffers from osteoporosis of the hip, an ailment so severe he will require hip replacement surgery in the very near future. Yet, in a staggering display of determination and mental toughness, Landis put aside the pain that was, in his words, ''bad, it's grinding, it's bone rubbing on bone,'' to win the race in convincing fashion.

Landis and his Phonak Hearing Systems team also demonstrated that cycling is a mental challenge as much as a physical one. In spite of the temptation to stay as the frontrunner and in the face of various pundits questioning their strategy, Phonak purposely relinquished the overall lead of the race in the 13th stage, conserving their energy for the late push that ultimately resulted in victory.

In the course of the race, Floyd Landis also proved the wisdom of the oft-quoted adage, ''Never give up.'' After struggling through the 16th stage, a stage which saw him lose 10 minutes and fall from first to eleventh place, Landis stunned the field and the pundits with what former champion Lemond aptly described as ''the best day I've seen in cycling in years . . . maybe ever,'' winning the 17th stage by more than 6 minutes and putting himself in prime position to win the race. Landis followed up his epic ride with a strong showing in the final individual time trial, outpacing his closest rival by nearly a minute and a half and regaining the overall lead, a lead he held for the remainder of the race.

Floyd Landis grew up in Farmersville, PA, a small town located about 50 miles to the southeast of Harrisburg. The Landis family was and is a tight-knit, modest group that instilled in Floyd a belief in the merit of working hard. As the story goes, Floyd was often so inundated with chores that the only time he could ride was in the middle of the night—which, of course, he did. Surely, as with so many of us, Floyd Landis's family played an integral role in shaping him into the man he is today and in the successes that he has enjoyed.

Floyd Landis, whom I am proud to call a fellow Pennsylvanian, has proven that with determination and an immense strength of spirit, even the most extreme obstacles can be overcome and success can be attained. He has inspired countless Americans across our Nation, and many more around the world, and I congratulate him on his remarkable achievement.

## NOMINATION OF JEROME A. HOLMES

Mr. INHOFE. Mr. President, I ask unanimous consent that these letters in support of Jerome Holmes be printed in the RECORD.

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

JULY 21, 2006.

Hon. JAMES M. INHOFE,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR INHOFE: I am writing to encourage the confirmation of the nomination of Jerome A. Holmes to be a United States Circuit Judge for the Tenth Circuit Court of Appeals.

As a U.S. District Judge for over 30 years I have known and worked with many federal law clerks, lawyers, district and circuit judges. I have known first hand of their intelligence, skills, judgment, character, temperament and sense of fairness. In every single one of these criteria Mr. Holmes has uniquely excelled. His scholarship and other credentials are well documented so permit me to emphasize one critically important additional one. Mr. Holmes is dedicated completely to the rule of law, the proper role of the judiciary and to applying and interpreting the law without regard to personal views on given issues. I have seen this commitment guide his every professional task, in civil and criminal cases, as a law clerk, prosecutor and civil practitioner. The Senators and the people of the country can be assured that, if confirmed, Jerome Holmes will be a circuit judge of compassion, fairness and a total commitment to the rule of law. Having personally observed these qualities throughout the years, I could not give a higher recommendation.

Respectfully,

RALPH G. THOMPSON.

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JULY 24, 2006.

Senator JIM INHOFE,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR INHOFE: I write in support of the nomination of Jerome Holmes to be a Judge on the Court of Appeals for the Tenth Circuit. In his many years of public service—including over a decade with the Department of Justice—Jerome has earned a reputation for excellence that few can equal. He served as the Deputy Criminal Chief and the lead prosecutor on some of the most important and challenging investigations and cases in this Office. He was recognized by his fellow career prosecutors for his legal talents, fairness, and fine character.

As Assistant United States Attorneys together, I had the opportunity to work closely with Jerome on counterterrorism, public corruption, and civil rights investigations and cases. I observed first-hand his tremendous dedication, legal acumen, judgment, ethics, professionalism, and commitment to equal justice under the law.

I am confident that, as a Judge on the Court of Appeals, he will continue to serve our Nation with great distinction.

If I can provide you any further information, please do not hesitate to contact me.

Sincerely yours,

JOHN C. RICHTER.

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CROWE & DUNLEVY,
*Oklahoma City, OK, June 14, 2006.*

Hon. JAMES M. INHOFE,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR INHOFE: I am writing in support of the nomination of Jerome A. Holmes, Esq. to the United States Court of Appeals for the Tenth Circuit. I have know Jerome by reputation since 1991 when I was working for the Honorable Glenn English (D–OK) and personally since 1993 when I moved back to Oklahoma to begin my legal career.

Jerome is a known leader in a multitude of community activities. He currently serves as a Commissioner on the American Bar Association's Commission on Homelessness and Poverty where his local work has translated into national recognition. He also serves as Chairman of the Board for our local City Rescue Mission, a homeless shelter located in Oklahoma City. As a member of the board myself, I can attest to Jerome's devotion to assisting those who are less fortunate and his incredible leadership style culminating in proven results for the homeless of Oklahoma.

Hard work and dedication to his profession are just some of Jerome's hallmarks through which he has earned the respect of his colleagues in the legal profession. He always displays a judicious demeanor and temperament that will serve him and his country well on the Tenth Circuit Court of Appeals. The first person to turn the lights on and the last to turn the lights off at our office, Jerome's unwavering commitment to his chosen profession is evident. I highly recommend Jerome Holmes for confirmation—both personally and professionally—one cannot find a better nominee.

Very truly yours,

WILLIAM H. HOCH,
*For the Firm.*

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CROWE & DUNLEVY,
ATTORNEYS AND COUNSELORS AT LAW,
*Oklahoma City, OK, June 14, 2006.*

Re Jerome Holmes

Senator JAMES M. INHOFE,
*Russell Senate Office Building,*
*Washington, DC.*

DEAR SENATOR: I write to support the nomination of Jerome Holmes to serve on the United States Court of Appeals for the Tenth Circuit. Having served as United States Attorney for the years 2001—2005, I am well acquainted with the very high standards expected in the federal judicial system, and I know that Jerome would be an outstanding addition to the bench.

I have known Jerome for many years in the course of us both practicing law in Oklahoma City. I worked closely with Jerome when we were both Assistant U.S. Attorneys in the early 1990s and observed first hand Jerome's work ethic, professional excellence, and intelligence.

Later when I returned to the U.S. Attorney's Office in 2001, I had the opportunity to work very closely with Jerome again. One of Jerome's strengths is his ability to take on and be successful with the hardest and most complex tasks. For example, he served as Anti-Terrorist Coordinator for the Western District of Oklahoma. He made a success of that position because of his ability to analyze the complex issues involved, his ability to work well with many different government agencies, and his outstanding judgment. He also proved himself to be an outstanding administrator in his service as Deputy Chief of the Criminal Division.

One of the most significant cases Jerome prosecuted was a public corruption case involving the Oklahoma Department of Health. In that case, a nursing home owner had been bribing the Deputy Commissioner of the Department of Health. Jerome tried the case, won convictions, and won the appeals. The case was significant not only because it was a complex and difficult public corruption case, but because it led to material reform at the Department of Health and within the nursing home industry in Oklahoma. The case is an example of the dedication Jerome brings to his work as a public servant.

Jerome's character is beyond reproach. He approaches every task with the highest level of professional integrity and ethics. He has the right temperament for service on the bench as well. He can be counted on to be courteous, fair, and reasonable in any endeavor.

Jerome is well liked and well respected within the local bar. His ability to get along with people and inspire trust in others is illustrated in his election as Vice President of the Bar Association for the State of Oklahoma and his selection to serve on prestigious community boards such as the Oklahoma Medical Research Foundation, the Oklahoma Academy for State Goals, and the Oklahoma City National Memorial Foundation.

Jerome would be an outstanding court of appeals judge. He possesses the judgement, intelligence, professional excellence, and integrity to be a truly great judge.

Sincerely yours,

ROBERT G. MCCAMPBELL.

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*Oklahoma City, OK, July 6, 2006.*

Re Nomination of Jerome A. Holmes

Hon. EDWARD M. KENNEDY,
*U.S. Senator,*
*Washington, DC.*

DEAR SENATOR KENNEDY: This letter is written to you in your capacity as a member of the Senate Committee on the Judiciary, and in support of the pending nomination of Jerome A. Holmes to the Tenth Circuit Court of Appeals. Under separate cover I have also written to Senator Specter with a copy to Senator Leahy. Rather than merely sending a copy of the other letter to you, I wanted to take time to write to you personally.

For the past 30 years I have had the pleasure of serving as a member of the legal profession, as an active trial lawyer on both the State and Federal level. For 22 of those years, I have also served as the chief municipal judge for the City of The Village, a community located in the northwest quadrant of the Oklahoma City metropolitan area. My practice is not on the appellate level, although, of necessity, I carefully follow the decisions that emanate from the appellate courts.

Since my primary practice involves criminal defense, I have, on numerous occasions, had reason to meet with, oppose and observe Attorney Holmes. There has never been a time when I felt the nominee was anything less than candid, knowledgeable, professional and ethical. He is a worthy opponent, an excellent trial attorney, and has the respect of my fellow defense counsel.

The appellate courts of our country need—and deserve—to have jurists of Attorney Holmes' high caliber. I have absolutely no doubt that the nominee would devote his considerable intellect to ensuring that the Constitution is properly protected and that cases before him are decided based on the law. If he is elevated to the Tenth Circuit, there will undoubtedly be times when I disagree with his opinion, as is always the case. I can, however, assure you that I firmly believe he will never insert personal beliefs or bias into his judicial thoughts.

Please permit me a point of personal privilege as part of this letter.

In 1961 I reported to Marine Barracks, 8th & Eye Streets, as a PFC just out of Parris Island. For the next two years I served as a member of Ceremonial Guard Company.

The highlight of my tour at 8th & Eye was on July 12, 1962 when, as a member of the Silent Drill Team, I had the honor of drilling for President Kennedy, the reviewing officer that evening for the Sunset Parade. I saved the program and sent it to the President. An autographed copy of the program and the transmittal letter from Ms. Lincoln occupy a position of honor on my office wall.

Senator, I am a Democrat, with deep ties to the party. My father was a Central Committeeman in Ohio, and my grandmother was the party's poll watcher in our small town. I imagine Attorney Holmes is a Republican or he would not have been nominated. His party affiliation does not bother me in the least. He is a lawyer first and foremost and will, I believe, continue to bring honor to our profession and Constitutional protection to our clients.

As I told Senator Specter, should an opportunity present itself, I would be honored to personally appear before the Committee to speak on behalf of Jerome Holmes.

Respectfully yours,

ROBERT A. MANCHESTER, III.

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OKLAHOMA CITY UNIVERSITY,
SCHOOL OF LAW,
*Oklahoma City, OK, July 21, 2006.*

Re Confirmation of Jerome Holmes

Senator JAMES INHOFE,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR INHOFE: I write in support of the confirmation of Jerome Holmes to serve as a Judge of the United States Court of Appeals for the Tenth Circuit.

I have worked closely with Mr. Holmes over a period of years on an important committee of the Oklahoma Bar Association tasked with revising the rules of professional conduct for lawyers. As co-chair of this committee, I observed him closely. He was always extremely well-prepared, thoughtful, cooperative, and considerate. In addition, as a supervisor of student externs from my law school, he was always conscientious and responsible.

While Mr. Holmes has taken positions on issues with which I disagree, I have no reservations regarding the criteria by which he should be judged in this confirmation: professional competence, integrity, and judicial temperament.

Thus, I hope the Senate will confirm Jerome Holmes for this position.

Sincerely yours,

LAWRENCE K. HELLMAN,
*Dean and Professor of Law.*

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CROWE & DUNLEVY,
*Oklahoma City, OK, July 21, 2006.*

Re confirmation of Jerome Holmes.

DEAR SENATOR INHOFE: I wish to voice my support for the confirmation of Jerome Holmes to serve as a Judge of the United States Court of Appeals for the Tenth Circuit.

I have known Jerome Holmes for several years, first when he was an Assistant U.S. Attorney, and most recently when he associated with my firm, Crowe & Dunlevy of Oklahoma City. I know him to be very intelligent, very diligent and to possess a high degree of competence on the functioning of the federal judicial system. His background in the law will serve him well in this position. He is dedicated to serving the justice system and the legal profession.

Although I am a registered Democrat, I believe Jerome Holmes is entitled to non-partisan support because he will be an outstanding jurist who will follow the law, not personal views or beliefs.

I hope the Senate will confirm Jerome Holmes for this very important judicial post.

Sincerely,

WILLIAM G. PAUL,
*Past-President, American Bar Association.*

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Senator JAMES INHOFE
*U.S. Senate,*
*Washington, DC.*

Re Nomination of Jerome Holmes.

DEAR JIM: I write in support of the nomination of Jerome Holmes to become a Judge of the United States Court of Appeals for the Tenth Circuit.

Jerome is a very bright, capable, and conscientious person. I have known him for many years, and I know that he became a very able prosecutor in the years he served as an Assistant United States Attorney for the United States Western District of Oklahoma. In that position, he demonstrated common sense and fairness in applying the law.

When Robert Macy retired as the District Attorney for Oklahoma County, I served, at the appointment of then Governor Frank Keating, on the committee to select a successor. Jerome Holmes was one of the finalists, and I was assigned the task of doing a workup on his skills, abilities, and suitability for the job. In that capacity, I interviewed several federal judges and several agents of the F.B.I. who had observed and worked with Jerome in his years in the U.S. Attorney's Office. All were high in their praise for Jerome, his dedication, and work ethic.

He has been most helpful in establishing minority scholarships here at the College of Law.

He is a delightful person, and I commend him to you for this judgeship enthusiastically and without reservation.

ANDREW M. COATS,
*Dean and Professor, College of Law.*

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COUNTY OF SAN DIEGO,
DEPARTMENT OF THE PUBLIC DEFENDER,
*San Diego, CA, June 15, 2006.*

Re Jerome A. Holmes

Hon. ARLEN SPECTER,
*Chairman, Committee on the Judiciary,*
*U.S. Senate, Washington, DC.*

DEAR SENATOR SPECTER: I am honored to support the nomination of Jerome A. Holmes to the Tenth Circuit Court of Appeals. I am a deputy public defender, Chair of the ABA Commission on Homelessness and Poverty and co-founder of the Homeless Court Program.

Jerome is a member of the ABA Commission on Homelessness and Poverty. Jerome's contributions to the Commission's discussions on homeless and poverty issues are always well reasoned and articulate. He is inquisitive and insightful. Commission members rely on his input and value his contributions. I know Jerome to be thoughtful and deliberative in his approach to a myriad of issues that come before the Commission. He is respectful of diverging viewpoints that

come with review of a wide range of issues such as housing, education and people involved with the criminal justice system, to name but a few.

I am confident Jerome will uphold the highest level of judicial decorum and professional integrity as a member of the Tenth Circuit Court of Appeals. I recommend Jerome A. Holmes for appointment to this important judicial position.

If you have any questions, please call me at (619) 338–4708.

Sincerely,

STEVEN BINDER,
*Deputy Pubic Defender.*

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CITY RESCUE MISSION,
*Oklahoma City, OK, June 21, 2006.*

Re Nomination of Jerome A. Holmes, Esq. to the United States Court of Appeals for the Tenth Circuit.

Hon. JAMES M. INHOFE,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR INHOFE: I am writing in support of the nomination of Jerome A. Holmes, Esq., to the United States Court of Appeals for the Tenth Circuit. I have known Jerome since 2001 when Jerome and I were selected for the class of Oklahoma City Leadership. In 2003, Jerome was asked to serve as a director on the board of City Rescue Mission, a local homeless shelter and rehabilitation center located in Oklahoma City.

Jerome is a recognized leader in many levels of community service. Locally, he currently serves as Chairman of the Board for City Rescue Mission. His leadership has greatly contributed to City Rescue Mission's national recognition as a model rescue mission for the homeless and poor. Nationally, he currently serves as a Commissioner on the American Bar Association's Commission on Homelessness and Poverty where his work has received national recognition. I can personally attest to Jerome's leadership ability seasoned with character and integrity.

Jerome is passionately dedicated to his profession as well as his volunteer leadership roles. He has gained the respected of his colleagues in the legal profession as well as those in the human services realm. I have witnessed Jerome in a variety of leadership situations and have always been greatly impressed with his demeanor, temperament, and thoroughness. Jerome is the first person I call when I need a fair unbiased carefully considered point of view—he leaves no stone unturned. I highly recommend Jerome Holmes for confirmation to the United States Court of Appeals for the Tenth Circuit—he will serve our country well.

Respectfully,

REV. GLENN GRANFIELD,
*President/CEO.*

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OKLAHOMA CITY, OK
*July 24, 2006.*

Hon. JAMES INHOFE,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR INHOFE: This letter is written to support the nomination of Jerome Holmes to the 10th Circuit Court of Appeals. I am an African American attorney and active member of the community as well as an adjunct teacher at Douglass High School and I hope that Jerome is confirmed by the U.S. Senate. I have known Jerome for almost 15 years and I am very proud to call him a friend. It was that friendship I relied upon when I asked that he serve as a volunteer coach for the Frederick Douglass High School Mock Trial team which has a predominantly African American student population.

Jerome was very instrumental in helping the Frederick Douglass team in the first year of competition advance in the competition. It was a result of his personal and professional dedication to the students that he was successful in helping inspire these young African American students both male and female to excel in this academic competition. I know Jerome stated that he was greatly enriched by the young men and women that competed on his team.

I strongly believe that Jerome Holmes has the integrity, personal track record and character to represent the 10th Circuit in a successful manner. Jerome Holmes is a good person who has always reflected his strong belief in the American dream. I personally witnessed as he was able to effectively, passionately and successfully share with the Douglass students that the dreams they hold can be realized in the same manner. I am confident that Jerome Holmes if given the opportunity to serve will uphold the Constitution first and foremost and serve in such a manner that I along with the mock trial students at Douglass will celebrate this achievement.

If I can provide additional information please don't hesitate to contact me.

L. DON SMITHERMAN, ESQ.,
*Attorney at Law.6*

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## RURAL PLANNING ORGANIZATIONS OF AMERICA

Mr. BOND. Mr. President, this past June, the National Association of Development Organizations, NADO, formed the Rural Planning Organizations of America, RPO America, a national voluntary organization, which was designed to strengthen our Nation's rural transportation planning, development, and infrastructure system.

Under the leadership of NADO, RPO America will support rural transportation planners and practitioners by providing professional development, peer networking, research and educational initiatives in order to promote and showcase the benefits and value of transportation planning and infrastructure development throughout our Nation's rural communities.

Investing in our rural roadways and bridges is more than just investing in concrete and steel; it is also an investment in our future. For this reason, it is essential that our Nation's rural transportation professionals be provided with the necessary tools and support to promote and showcase the value, benefits, and accomplishments of rural transportation planning and development.

Efficient transportation infrastructure plays a critical role in a successful and thriving community. Furthermore, a reliable transportation system within our Nation's rural community is not only critical to our rural communities but also to our Nation's economy.

Mr. President, I ask my colleagues to join me in recognizing this newly formed organization that will support the role of rural transportation planners and the efforts to improve rural community access throughout the country.

## SMALL BUSINESS PENSION AND RETIREMENT SAVINGS

Ms. SNOWE. Mr. President, as chair of the Senate Committee on Small Business and Entrepreneurship, I have long believed that it is my responsibility and the duty of this Chamber to help small businesses, as they are the driver of this Nation's economy, responsible for generating approximately 75 percent of net new jobs annually.

On Monday I introduced legislation that would help to address the retirement needs of millions of small business employees. My bill will make it easier for small employers to offer pension and 401(k) benefits to their employees, who typically have lower retirement savings rates. My bill makes it easier for small businesses to offer a ''DB/K plan'' which is a combination of a defined benefit plan and a section 401(k) plan that is included in a single plan document. Currently, due to defined benefit plans' complex rules and high establishment costs, many small businesses are unable to set up these types of pension plans for their employees. Instead, many small businesses choose to offer less complex 401(k) plans that do not require employer contributions and offer their employees less guaranteed retirement benefits.

Many small employers would like to offer defined benefit pension plans but are currently hampered by top-heavy rules designed to prevent large companies from exclusively offering pensions to key employees. These well-meaning regulations prevent most small companies, with a few key employees, from providing pension benefits. Legislation that establishes DB/K plans would provide small businesses with reasonable exemptions from these top-heavy rules. This increased flexibility will enable employers to offer employees pension benefits as well as the capability to save incrementally in 401(k) type accounts.

Another advantage of DB/K plans is that they offer employees increased flexibility. Employees with DB/K plans would be allowed to take their DB/K assets with them when they switch employers. This portability would make DB/Ks attractive to many younger employees, who tend to change jobs often. Portability is a DB/K innovation not offered by traditional defined benefit plans which have vesting periods and stop accumulating value when the employee leaves a company. For older workers, the main attraction would be the defined benefit feature, which provides that at least part of their retirement savings would provide a monthly pension check at retirement.

According to the Employee Benefit Research Institute, only 16 percent of employees at companies with 10 workers or fewer and 32 percent of employees at companies with 100 employees or fewer participate in their company-sponsored retirement savings plans. Comparatively, almost 60 percent of employees at companies with more

than 1,000 workers save for retirement through a company sponsored plan. Small business workers' low participation rates in retirement savings plan are troubling as small businesses employ half of all private sector employees. Many policymakers who are closely watching the aging of the American population worry that small business owners' and their employees' low savings rates will leave this group inadequately prepared to pay for their retirements. The creation of DB/K plans is one option for helping small business owners and their employees increase their overall retirement savings.

Under this legislation each part of the DB/K plan would be subject to the present-law rules for defined benefit plans or 401(k) plans, but the rules would be simplified. Like 401(k) plans, the proposed DB/Ks would allow employees to make pretax contributions to their accounts, could include employer matching funds and permit employees to invest their 401(k) portion in mutual funds etc. The assets of both components of the DB/K plan could be held in a trust covered by a single trust instrument. However, the assets of the defined benefit component of the plan and the assets of the 401(k) component of the plan must be clearly identified and allocated to the appropriate part of the trust.

## ''DISCOVERY'' SPACE SHUTTLE LANDING

Mr. AKAKA. Mr. President, I rise in celebration of the National Aeronautics and Space Administration's successful return to Earth of Space Shuttle *Discovery* and to welcome the crew of flight STS–121 home.

Over the last few decades, NASA has experienced tragic lessons in the dangers of space exploration. That is why it was heartwarming to see Commander Steven Lindsey, Pilot Mark Kelly, and Mission Specialists Michael Fossum, Lisa Nowak, Stephanie Wilson, and Piers Sellers, safely return home after spending 13 days in orbit.

After two weather-related delays, the *Discovery* launched on July 4, 2006, Independence Day. During the STS–121 mission, the crew made critical tests of shuttle safety improvements. In addition, the crew transported European Space Agency astronaut, Thomas Reiter, to the International Space Station where they delivered additional supplies and equipment. During their time on the International Space Station, the STS–121 crew worked in conjunction with the Expedition 13 crew on joint operations. The crew also performed maintenance on the International Space Station's mobile transporter and tested orbiter heat shield repair techniques during their three space walks. The flight marked the 115th space shuttle flight and was the second flight since the 2003 *Columbia* tragedy.

This successful mission is a testament to NASA and our valiant astronauts that continue to strive for excellence. Through current exploration, the lives of those lost in both the *Columbia* and *Challenger* accidents, including Astronaut Ellison Onizuka, who was born and raised in my home State of Hawaii, live on. I am proud of the advances we have made in space exploration and am grateful for all those who have made the dream of space exploration possible. Again, I extend my warm welcome to the *Discovery* crew and congratulate them on completing their mission.

## REMEMBERING YVONNE GOODMAN

Mr. GRASSLEY. Mr. President, I rise to pay tribute to Yvonne R. Goodman. Funeral services were held for her this morning. Yvonne served on my Washington, DC, staff in the Senate and in the House of Representatives for a total of 28 years, and she worked for my predecessor in the House of Representatives, Congressman H.R. Gross, for 25 years. She began helping me the first day I arrived on Capitol Hill and continued until she retired in 2002. In total, Yvonne served the people of Iowa for a remarkable 53 years. There is no doubt that Iowans benefited from her loyalty to their representatives in the Congress and her standard of excellence in her work. I was very fortunate to have her on my staff. Yvonne was from Osage, IA. She was a special person and a valuable and trusted employee. She made a great contribution with her selfless and dedicated public service. Her husband Jim is also a friend. He, too, worked in government and shared Yvonne's commitment to the people's business. Yvonne and Jim were an integral part of my office family for 28 years. They touched the lives of so many fellow staffers with their caring ways. They were gardeners who loved to share their beautiful flowers and plants. My wife Barbara joins me today in extending our sympathy to Jim and saluting the life and many good deeds of his beloved Yvonne.

# ADDITIONAL STATEMENTS

## CRATER LAKE NATIONAL PARK

• Mr. SMITH. Mr. President, on behalf of all Oregonians, I wish to recognize the recent accomplishments of Oregon's first national park at Crater Lake.

President Theodore Roosevelt had never set his eyes on the deep blue waters of Crater Lake when he signed the law in 1902 making Crater Lake the fifth oldest national park in the United States. He was, however, well aware of the 17-year battle fought to make its protection a reality. The father of Crater Lake, William Gladstone Steel, devoted his life to seeing Crater Lake protected and walked these halls of Congress to make sure that the majesty of this Oregon jewel was forever enshrined. Hard work and perseverance have been at the core of the entire storied history of Crater Lake National Park.

On August 25, 2006, the Crater Lake National Park will open the doors to its new Science and Learning Center. Just as William Gladstone Steel spent his early years participating in scientific experiments at Crater Lake, the Science and Learning Center will provide the public with an entry into one of nature's most spectacular laboratories. Scientists, teachers, students, artists and the general public alike will benefit from this new facility at the park, which will be one of a very few National Park Service Learning Centers in the Nation.

The opening of the Crater Lake Science and Learning Center is the culmination of many years of perseverance and hard work from the dedicated staff and partners of Crater Lake National Park. Specifically, I want to recognize the dedication and ingenuity of Crater Lake National Park Superintendent, Charles ''Chuck'' Lundy. Chuck has gone above and beyond the call of duty and Oregon is lucky to have him at the helm of the Crater Lake ''Phantom Ship.'' During Chuck's 8-year tenure at the Park, he has worked in the spirit of William Gladstone Steel using his innovative mind to mold the future of America's deepest and most pristine lake. The Crater Lake Centennial license plate campaign, under Chuck's direction, has given each and every Oregonian the ability to express just how special Crater Lake is to them and to our State. As of July of 2006, 138,000 license plates have been purchased by Oregonians, with the proceeds going directly to the new Science and Learning Center.

Mr. President, I am extremely proud of the successes being exhibited by the outstanding team of National Park Service employees at Crater Lake National Park. I congratulate them on the opening of the Science and Learning Center and wish them all the best as they continue to preserve and protect the national park Oregonians love so much.•

## PASSING OF MAX METZGER

• Mr. COLEMAN. Mr. President, I wish today to recognize the passing of my friend Max Metzger this past Saturday morning. As we grieve the loss for his family, the citizens of St. Paul are grateful for the music he brought to them. As the former mayor of St. Paul, I had the opportunity to become acquainted with Max and was touched by the love of music he brought to our community.

To say Max was an icon in the St. Paul Music scene would be an understatement. For 56 summers he brought music to thousands of Minnesotans, conducting pops concerts at the Como Lakeside Pavilion. He was a gifted musician, director, and entertainer. He was a kind and gentle man with a great sense of humor, a love for his city, and passionately devoted to his wife Nell.

Max Metzger was born in Germany in 1922, and his family emigrated to the United States in 1931. His mother was Mady Metzger-Zeigler, an internationally renowned mezzo-soprano who founded the St. Paul Opera Workshop. Max was involved in the Workshop for several decades, before taking it over upon his mother's death in 1979.

Yet while Max clearly loved music and had a high aptitude for producing and performing, he had not inherited his mother's beautiful voice. In fact, his mother made Max promise never to sing or she would disown him.

So Max found other outlets for his musicality. He started to play the bassoon at a young age. He played with the St. Paul Civic Opera Workshop, directed the Civic Opera orchestra, and played with a symphony orchestra in Duluth.

Max Metzger personified the thriving arts culture in St. Paul for decades, touching innumerable lives. In fact, in appreciation of his amazing deeds and accomplishments, the City of St. Paul dedicated a street in his name in beautiful Como Park. The Nobel Prize winning poet T.S. Eliot once said that ''you are the music while the music lasts.''

Mr. President, the music will last in the hearts and minds of countless Minnesotans, thanks to Mr. Max Metzger.●

## FREDERICK P. GRIFFITH, JR. WATER TREATMENT FACILITY

● Mr. WARNER. Mr. President, today I rise to congratulate the dedicated leadership and employees of Fairfax Water. Their vision and hard work has paved the way for the opening of the Frederick P. Griffith, Jr. Water Treatment Facility on July 15, 2006. The Griffith plant is truly state of the art and we are proud that the Commonwealth has such an entity leading the way and setting such high standards for the rest of the country. Leaders at Fairfax Water truly recognize the importance of protecting our natural resources and preserving the facets of the surrounding area.

I think it is most important to recognize that this new facility embodies our Nation's commitment to homeland security. The Griffith plant is equipped with numerous security measures which go a long way to ensure that Fairfax Water's nearly 1.5 million customers are well protected from potential threats be they natural or manmade. This is comforting to know especially when one considers the large number of critical government facilities which are served by Fairfax Water. These facilities include Fort Belvoir U.S. Army Reservation, Fort Belvoir Proving Grounds, facilities of the Central Intelligence Agency, U.S. Fish and Wildlife Service Laboratories, U.S. Navy Family Housing, U.S. Coast Guard Information Systems Center, facilities of the General Services Administration, facilities of the U.S. Department of State; and office space and warehouses for the U.S. Securities and Exchange Commission. As the senior Senator from the Commonwealth of Virginia, I am proud that these important installations are in my State. They provide many crucial services to all Americans, and have responsibilities beyond the Commonwealth. I am proud that Fairfax Water serves its local and national constituencies so well.

Mr. President, I am sure that my colleagues will join me in offering congratulations and continued success to my friends at Fairfax Water.●

## RECOGNIZING ROOSEVELT ELEMENTARY SCHOOL, MANKATO, MINNESOTA

● Mr. DAYTON. Mr. President, today I honor Roosevelt Elementary School, in Mankato, MN, which recently earned an Award for Excellence in Education for its exceptional and innovative achievements in educating children.

Roosevelt Elementary School is truly a model of educational success, in keeping with its mission: ''To Educate the Whole Child . . . For Life.''

In 2005, the Minnesota Department of Education recognized Roosevelt Elementary as a five-star school in both reading and math, an achievement reached by less than 7 percent of all Minnesota schools. Another source of school pride is the significant progress made in these subjects over the past 7 years.

In 1998, the math and reading scores of Roosevelt's third graders were well below the threshold necessary for the ''adequate yearly progress'' under the existing State standards. The average math score in 1998 was 1401, and the average reading score was 1361; an average of 1420 was necessary for the State's ''adequate yearly progress'' designation. Thanks to a concerted ''team effort,'' to improve achievement, test scores have risen dramatically. In 2005, the average reading score was 1594, an increase of 193 points over the 1998 average; the average math score was 1650, an increase of 289 points.

The Roosevelt fifth graders showed similar gains. Their lowest average scores of 1408 in reading and 1395 in math occurred in 1999. In 2005, the average reading score was 1719, an increase of 311 points; the average math score increased to 1641, an increase of 246 points.

Roosevelt attributes its success to the strong team effort, involving teachers, administrators, and parents working closely together to set goals and objectives for the children.

Another component of the success of all of Mankato's schools is the tremendous support from the community. Last fall, Mankato-area voters approved two referenda: to provide $6 million to update many existing buildings throughout the district and to provide $3.5 million over 7 years to update the schools' technology. In 2002, voters approved a $2.5 million per year operating referendum.

Much of the credit for Roosevelt Elementary School's success belongs to its principal, Rick Lund, and the dedicated teachers. The students and staff at Roosevelt Elementary School understand that, in order to be successful, a school must go beyond achieving academic success; it must also provide a nurturing environment where students can develop the knowledge, skills, and attitudes for success throughout life. All of the faculty, staff, and students at Roosevelt Elementary School should be very proud of their accomplishments.

I congratulate Roosevelt Elementary School in Mankato for winning the Award for Excellence in Education and for its exceptional contributions to education in Minnesota.●

## RECOGNIZING KENNEDY ELEMENTARY SCHOOL, MANKATO, MINNESOTA

● Mr. DAYTON. Mr. President, today I honor Kennedy Elementary School, in Mankato, MN, which recently earned an Award for Excellence in Education for its exceptional and innovative achievements in educating children.

Kennedy Elementary School is truly a model of educational success. It achieves the goal embodied in its mission statement: ''Learning and Succeeding Together for Tomorrow's World.''

Kennedy Elementary is implementing Reading First, a 3-year program which provides intensive professional development for all teachers, kindergarten through third grade. One teacher from both the fourth and fifth grades also takes part, to ensure continuity of reading instruction beyond the third grade.

Since 2002, Kennedy teachers have, on their own time, attended study groups that meet for 2 hours each week. They follow a protocol to explore scientifically based reading research, which they apply in their teaching. The teachers regularly review test data to tailor their reading instruction to each child. Teams of teachers, including the classroom teachers, the title I reading teacher, and the English language learner teachers, collaborate to create successful intervention plans for any pupil performing below grade-level benchmarks in reading. During the study groups, teachers also review and critique video clips of each other's teaching. Through this process of reflection, teachers evaluate themselves to improve their instructional techniques and teaching practices.

The North Central Association for Accreditation and School Improvement recently conducted a peer review of Kennedy Elementary School's reading instruction. The school earned a perfect score.

The study and research of the Kennedy Elementary Leadership Team identified early educational interventions and programs to increase

achievement. This research resulted in specific changes intended to improve the achievement of all children, including a full-day kindergarten program, hiring an additional English language learner teacher, and adding three reading intervention teachers. In addition, more teachers were hired to reduce class sizes in grades K–3.

Another component of the success of all of Mankato's schools is the tremendous support from the community. Last fall, Mankato-area voters approved two referenda: to provide $6 million to update many existing buildings throughout the district and to provide $3.5 million over 7 years to update the schools' technology. In 2002, voters approved a $2.5 million per year operating referendum.

Much of the credit for Kennedy Elementary School's success belongs to its principal, Greg Stoffel, and the dedicated teachers. The students and staff at Kennedy Elementary School understand that, in order to be successful, a school must go beyond achieving academic success; it must also provide a nurturing environment where students can develop the knowledge, skills, and attitudes for success throughout life. All of the faculty, staff, and students at Kennedy Elementary School should be very proud of their accomplishments.

I congratulate Kennedy Elementary School in Mankato for winning the Award for Excellence in Education and for its exceptional contributions to education in Minnesota.●

## RECOGNIZING WASHINGTON ELEMENTARY SCHOOL, MANKATO, MINNESOTA

● Mr. DAYTON. Mr. President, today I honor Washington Elementary School, in Mankato, MN, which recently earned an Award for Excellence in Education for its exceptional and innovative achievements in educating children.

Washington Elementary School is truly a model of educational success. The school is one of 9 elementary schools in Mankato and serves 380 pupils, including a large number of children of diverse backgrounds, and many who settled in Mankato upon arriving from other countries. Thirteen percent of Washington children are English language learners, and 40 percent qualify for free or reduced-price lunches.

The large percentages of English language learners and children from low-income families present a significant challenge to the school; and although Washington Elementary has never failed to make adequate yearly progress relative to the requirements of No Child Left Behind, that success has required a constant focus on academic achievement.

The staff at Washington Elementary consistently strive to make classroom learning more meaningful by finding connections with all other aspects of the children's daily lives. Teachers also demonstrate their belief that the children can and will succeed; they then take time to celebrate their pupils' successes.

At a monthly celebration assembly, a feature of the continuing focus on acknowledging successes, children are publicly recognized for curricular and noncurricular attainments, which can involve such areas as most improved, citizenship, and academic achievement. At each assembly, every teacher recognizes three pupils, who receive student-of-the-month ribbons. Their names are also posted in the school's front lobby. It is a goal that, by the end of the year, every child will have been recognized for some accomplishment. This recognition builds self-esteem, promotes a sense of individual responsibility, and effectively motivates pupils to work hard academically.

Another component of the success of all of Mankato's schools is the tremendous support from the community. Last fall, Mankato-area voters approved two referenda: to provide $6 million to update many existing buildings throughout the district, and to provide $3.5 million over 7 years to update the schools' technology. In 2002, voters approved a $2.5 million per year operating referendum.

Much of the credit for Washington Elementary School's success belongs to its principal, Judi Brandon, and the dedicated teachers. The students and staff at Washington Elementary School understand that, in order to be successful, a school must go beyond achieving academic success; it must also provide a nurturing environment where students can develop the knowledge, skills, and attitudes for success throughout life. All of the faculty, staff, and students at Washington Elementary School should be very proud of their accomplishments.

I congratulate Washington Elementary School in Mankato for winning the Award for Excellence in Education and for its exceptional contributions to education in Minnesota.●

## RECOGNIZING THE BREN ROAD EDUCATION CENTER, MINNETONKA, MINNESOTA

● Mr. DAYTON. Mr. President, today I honor the Bren Road Education Center, in Minnetonka, MN, which recently earned an Award for Excellence in Education for its exceptional and innovative achievements in educating children.

The Bren Road Education Center is truly a model of educational success. The center serves high school students, who often present the greatest challenges for educators. Those enrolled at Bren Road have been referred by their school districts and come with behavioral problems, unsuccessful social interactions, and, in some cases, neurobiological disorders and developmental delays. Nearly all students have significant special education needs in the areas of emotional and behavior functioning. Many have substance abuse and/or mental health illnesses or a history of involvement with the juvenile courts. All the teachers and staff at the Bren Road Education Center approach these tremendous challenges with the assumption that their students will succeed.

The Bren Road Education Center opened its doors in September, 2005, with a true sense of excitement and promise. One observer said, ''There was a sense of relief that the students at the Bren Road Education Center would now have a new chance, an opportunity for success, and a bright future!''

The staff at Bren Road consider each student to be unique, and they work tirelessly to build relationships with the students by engaging them respectfully. The philosophy at Bren Road is that these young people have often struggled unsuccessfully in traditional, large high schools, because their particular needs had gone unrecognized. Given the right environment, appropriate support, positive relationships with adults, and opportunities to give and receive respect, they can do well in an academic setting.

Bren Road's individualized instruction in reading, writing, and math prepares students to pass State-level proficiency tests. Experimental learning labs including science, art, and independent living labs afford students hands-on learning and vocational experiences. One student was repeatedly suspended from his regular high school, because he could not control his anger. At Bren Road, however, he has developed his interest in woodworking and takes pride in making Adirondack furniture.

Much of the credit for the Bren Road Education Center's success belongs to its supervisor, Jan Joslin, and the dedicated teachers and staff. The students and staff at the Bren Road Education Center understand that, in order to be successful, a school must go beyond achieving academic success; it must also provide a nurturing environment where students can develop the knowledge, skills, and attitudes for success throughout life. All of the faculty, staff, and students at the Bren Road Education Center should be very proud of their accomplishments.

I congratulate the Bren Road Education Center in Minnetonka for winning the Award for Excellence in Education and for its exceptional contributions to education in Minnesota.●

## RECOGNIZING THE EDEN PRAIRIE SCHOOL DISTRICT, EDEN PRAIRIE, MINNESOTA

● Mr. DAYTON. Mr. President, today I honor the Eden Prairie School District, in Eden Prairie, MN, which recently earned an Award for Excellence in Education for its exceptional and innovative achievements in educating children.

The Eden Prairie School District is truly a model of educational success.

The district takes a systemwide approach to ending a subtle form of racism that can plague schools and other institutions.

Some schools use an approach to teaching that has a bias—an approach that benefits white students and puts black students at a disadvantage. Eden Prairie Schools Superintendent Dr. Melissa Krull, believes the district has made progress toward a solution.

The 2005 Minnesota Comprehensive Assessments, MCA, results for Eden Prairie were impressive: All schools showed dramatic improvements. However, the district found that its Black students were not realizing the same level of success as other students.

Eden Prairie found that even excluding factors such as poverty, learning disabilities, and English as a second language, the district's Black students were still not doing as well as White students, who earned approximately 22 to 25 percentage points more than Black students on the MCAs.

Eden Prairie Schools have made a great commitment of time and resources to eliminating the achievement gap. Eden Prairie administrators base their response on research and data, breaking down test results by racial groups, then determining which schools, classrooms, and students need that extra attention.

The district created a program, at one elementary school, called ''The Mom's Club,'' inviting single mothers to visit and talk with staff and other single mothers while their sons interact with male high school students to establish friendships. Through the district's Somali Liaison Program, a Somali staff member visits new Somali families to answer questions about the schools and show families how to get involved. As part of a Homework Zone Initiative, staff members go to apartment complexes with diverse families and offer free, afterschool tutoring.

Much of the credit for the Eden Prairie School District's success belongs to its superintendent, Dr. Melissa Krull, the dedicated principals, teachers, and other staff. The students and staff within the district understand that, in order to be successful, a district must go beyond achieving academic success; it must also provide a nurturing environment where all students can develop the knowledge, skills, and attitudes for success throughout life. All of the faculty, staff, and students at the Eden Prairie School District should be very proud of their accomplishments.

I congratulate Eden Prairie School District in Eden Prairie for winning the Award for Excellence in Education and for its exceptional contributions to education in Minnesota.●

## RECOGNIZING THE ARTS HIGH SCHOOL—PERPICH CENTER FOR ARTS EDUCATION—GOLDEN VALLEY, MINNESOTA

● Mr. DAYTON. Mr. President, today I honor the Arts High School at the Perpich Center for Arts Education, in Golden Valley, MN, which recently earned an Award for Excellence in Education for its exceptional and innovative achievements in educating children.

The Arts High School is truly a model of educational success. The school is a residential, tuition-free, public high school delivering a comprehensive education for eleventh- and twelfth-grade students motivated to focus their studies on the arts. Enrollment is limited to 310 students, affording a relatively small learning environment while allowing students from every part of Minnesota to take advantage of the wonderful arts resources in the Twin Cities. Dedicated and caring staff members furnish 24-hour supervision and coordinate many special activities for dormitory residents. Its 16-year history has demonstrated that the Arts High School is a highly effective means of promoting student achievement and artistic attainment.

In their morning classes, Arts High students study math, science, world languages, English, and social studies. In the afternoon, they delve deeply into their arts area studies; students can concentrate on dance, literary arts, media arts, music, theater, or visual arts. Over the past 5 years, the Arts High has had 9 National Merit Scholarship Finalists, 6 Semifinalists, and 18 Commended Students.

Testimonials from the Arts High School's graduates convey their appreciation of the school's merits. Ashley Wilkinson, class of 2004, says, ''My experiences at the Arts High School have given me the confidence to approach any situation and succeed. The extra confidence has made me stronger and prepared me for the world.'' Brian McManamon, class of 1993, who is an MFA candidate at the Yale School of Drama, says, ''As a student, I found myself continually interested in challenging myself and experiencing not just acting, but taking a risk once in a while and doing something I was not familiar with. I wouldn't be where I am today, if I hadn't gone to the Arts High School.''

Much of the credit for the Arts High School's success belongs to its Director, Rie Gilsdorf, and the dedicated teachers. The students and staff at the Arts High School understand that, in order to be successful, a school must go beyond achieving academic success; it must also provide a nurturing environment where students can develop the knowledge, skills, and attitudes for success throughout life. All of the faculty, staff, and students at the Arts High School should be very proud of their accomplishments.

I congratulate the Arts High School in Golden Valley for winning the Award for Excellence in Education and for its exceptional contributions to education in Minnesota.●

## RECOGNIZING MANKATO EAST JUNIOR HIGH SCHOOL, MANKATO, MINNESOTA

● Mr. DAYTON. Mr. President, today I honor Mankato East Junior High School, in Mankato, MN, which recently earned an Award for Excellence in Education for its exceptional and innovative achievements in educating children.

Mankato East Junior High School is truly a model of educational success. The school has formed a partnership with the Greater Mankato Diversity Council to augment the community's commitment to creating an environment of inclusiveness. Mankato East Junior High offers the council's prejudice reduction workshops to the seventh and eighth grades. The curriculum's core value is respect.

The seventh grade curriculum at Mankato East Junior High focuses on ''Global Awareness/World Mindedness: If the World Were a Village.'' This workshop identifies inequities in the distribution of resources among the world's people, and it encourages dialogue about how students can contribute to finding a solution to the problem.

The eighth grade workshop, ''Vive la Difference,'' gives students an opportunity to participate in an activity to learn about the feelings and behaviors accompanying inclusion and exclusion.

Mankato East Junior High School also supports P.E.A.C.E. People Experiencing and Accepting Cultures Everywhere. Approximately 50 of the school's 465 seventh and eighth graders participate in the PEACE project, helping them find new ways to increase cultural awareness, promote acceptance among all students, speak out against violence and racism, teach tolerance, lead by positive example, serve the community through special projects, improve self-esteem, and support others.

As part of its efforts to increase awareness and appreciation of other cultures, Mankato East Junior High invites the Mixed Blood Theater to perform for the entire student body. This year's presentation, the ''Black Eagle,'' tells the story of Dr. Ronald McNair, the African-American scientist who was aboard the Space Shuttle Challenger in 1986.

Another component of the success of all of Mankato's schools is the tremendous support from the community. Last fall, Mankato-area voters approved two referenda: to provide $6 million to update many existing buildings throughout the district and to provide $3.5 million over 7 years to update the schools' technology. In 2002, voters approved a $2.5 million per year operating referendum.

Much of the credit for Mankato East Junior High School's success belongs to its principal, Rich Dahman, and the dedicated teachers. The students and staff at Mankato East Junior High School understand that, in order to be successful, a school must go beyond

achieving academic success; it must also provide a nurturing environment where students can develop the knowledge, skills, and attitudes for success throughout life. All of the faculty, staff, and students at Mankato East Junior High School should be very proud of their accomplishments.

I congratulate Mankato East Junior High School in Mankato for winning the Award for Excellence in Education and for its exceptional contributions to education in Minnesota.●

## MESSAGES FROM THE HOUSE

### ENROLLED BILLS SIGNED

At 10:43 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 310. An act to direct the Secretary of the Interior to convey the Newlands Project Headquarters and Maintenance Yard Facility to the Truckee-Carson Irrigation District in the State of Nevada.

H.R. 2977. An act to designate the facility of the United States Postal Service located at 306 2nd Avenue in Brockway, Montana, as the ''Paul Kasten Post Office Building''.

H.R. 3440. An act to designate the facility of the United States Postal Service located at 100 Avenida RL Rodriguez in Bayamon, Puerto Rico, as the ''Dr. Jose Celso Barbosa Post Office Building''.

H.R. 3549. An act to designate the facility of the United States Postal Service located at 210 West 3rd Avenue in Warren, Pennsylvania, as the ''William F. Clinger, Jr. Post Office Building''.

H.R. 3934. An act to designate the facility of the United States Postal Service located at 80 Killian Road in Massupequa, New York, as the ''Gerard A. Fiorenza Post Office Building''.

H.R. 4101. An act to designate the facility of the United States Postal Service located at 170 East Main Street in Patchogue, New York, as the ''Lieutenant Michael P. Murphy Post Office Building''.

H.R. 4108. An act to designate the facility of the United States Postal Service located at 3000 Homewood Avenue in Baltimore, Maryland, as the ''State Senator Verda Welcome and Dr. Henry Welcome Post Office Building''.

H.R. 4456. An act to designate the facility of the United States Postal Service located at 2404 Race Street in Jonesboro, Arkansas, as the ''Hattie W. Caraway Station''.

H.R. 4561. An act to designate the facility of the United States Postal Service located at 8624 Ferguson Road in Dallas, Texas, as the ''Francisco 'Pancho' Medrano Post Office Building''.

H.R. 4688. An act to designate the facility of the United States Postal Service located at 1 Boyden Street in Badin, North Carolina, as the ''Mayor John Thompson 'Tom' Garrison Memorial Post Office''.

H.R. 4786. An act to designate the facility of the United States Postal Service located at 535 Wood Street in Bethlehem, Pennsylvania, as the ''H. Gordon Payrow Post Office Building''.

H.R. 4995. An act to designate the facility of the United States Postal Service located at 7 Columbus Avenue in Tuckahoe, New York, as the ''Roland Bucca Post Office''.

H.R. 5245. An act to designate the facility of the United States Postal Service located at 1 Marble Street in Fair Haven, Vermont, as the ''Matthew Lyon Post Office Building''.

The enrolled bills were subsequently signed by the President pro tempore (Mr. STEVENS).

### ENROLLED BILL SIGNED

At 12:30 p.m., a message from the House of Representatives, delivered by one of its clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 4472. An act to protect children from sexual exploitation and violent crime, to prevent child abuse and child pornography, to promote Internet safety, and to honor the memory of Adam Walsh and other child crime victims.

The enrolled bill was subsequently signed by the President pro tempore (Mr. STEVENS).

### ENROLLED BILL SIGNED

At 1:09 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 9. An act to amend the Voting Rights Act of 1965.

The enrolled bill was subsequently signed by the President pro tempore (Mr. STEVENS).

At 4:46 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4804. An act to modernize the manufactured housing loan insurance program under title I of the National Housing Act.

H.R. 5013. An act to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to prohibit the confiscation of firearms during certain national emergencies.

H.R. 5024. An act to require annual oral testimony before the Financial Services Committee of the Chairperson or a designee of the Chairperson of the Securities and Exchange Commission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board, relating to their efforts to promote transparency in financial reporting.

H.R. 5068. An act to reauthorize the operations of the Export-Import Bank, and to reform certain operations of the Bank, and for other purposes.

H.R. 5074. An act to amend the Railroad Retirement Act of 1974 to provide for continued payment of railroad retirement annuities by the Department of the Treasury, and for other purposes.

H.R. 5121. An act to modernize and update the National Housing Act and enable the Federal Housing Administration to use risk-based pricing to more effectively reach underserved borrowers, and for other purposes.

H.R. 5187. An act to amend the John F. Kennedy Center Act to authorize additional appropriations for the John F. Kennedy Center for the Performing Arts for fiscal year 2007.

H.R. 5852. An act to amend the Homeland Security Act of 2002 to enhance emergency communications at the Department of Homeland Security, and for other purposes.

The message also announced that the House passed the following bill with amendments, in which it requests the concurrence of the Senate:

S. 3525. An act to amend subpart 2 of part B of title IV of the Social Security Act to improve outcomes for children in families affected by methamphetamine abuse and addiction, to reauthorize the promoting safe and stable families program, and for other purposes.

The message further announced that the House agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 145. Concurrent resolution expressing the sense of Congress in support of a national bike month and in appreciation of cyclists and others for promoting bicycle safety and the benefits of cycling.

H. Con. Res. 235. Concurrent resolution expressing the sense of the Congress that States should require candidates for driver's licenses to demonstrate an ability to exercise greatly increased caution when driving in the proximity of a potentially visually impaired individual.

H. Con. Res. 384. Concurrent resolution recognizing and honoring the 100th anniversary of the founding of the Alpha Phi Alpha Fraternity, Incorporated, the first intercollegiate Greek-letter fraternity established for African Americans.

H. Con. Res. 449. Concurrent resolution commemorating the 60th anniversary of the historic 1946 season of Major League Baseball Hall of Fame member Bob Feller and his return from military service to the United States.

At 5:41 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 456. Concurrent resolution providing for a correction to the enrollment of the bill, S. 203.

At 6:01 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 5865) to amend section 113 of the Social Security Act to temporarily assist United States citizens returned from foreign countries, and for other purposes.

## MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 4804. An act to modernize the manufactured housing loan insurance program under title I of the National Housing Act; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 5024. An act to require annual oral testimony before the Financial Services Committee of the Chairperson or a designee of the Chairperson of the Securities and Exchange Commission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board, relating to their efforts to promote transparency in financial reporting; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 5068. An act to reauthorize the operations of the Export-Import Bank, and to reform certain operations of the Bank, and for

other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 5074. An act to amend the Railroad Retirement Act of 1974 to provide for continued payment of railroad retirement annuities by the Department of the Treasury, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

H.R. 5121. An act to modernize and update the National Housing Act and enable the Federal Housing Administration to use risk-based pricing to more effectively reach underserved borrowers, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 5852. An act to amend the Homeland Security Act of 2002 to enhance emergency communications at the Department of Homeland Security, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 145. Concurrent resolution expressing the sense of Congress in support of a national bike month and in appreciation of cyclists and others for promoting bicycle safety and the benefits of cycling; to the Committee on Commerce, Science, and Transportation.

H. Con. Res. 235. Concurrent resolution expressing the sense of the Congress that States should require candidates for driver's licenses to demonstrate an ability to exercise greatly increased caution when driving in the proximity of a potentially visually impaired individual; to the Committee on Commerce, Science, and Transportation.

H. Con. Res. 384. Concurrent resolution recognizing and honoring the 100th anniversary of the founding of the Alpha Phi Alpha Fraternity, Incorporated, the first intercollegiate Greek-letter fraternity established for African Americans; to the Committee on the Judiciary.

H. Con. Res. 449. Concurrent resolution commemorating the 60th anniversary of the historic 1946 season of Major League Baseball Hall of Fame member Bob Feller and his return from military service to the United States; to the Committee on the Judiciary.

## ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 26, 2006, she had presented to the President of the United States the following enrolled bill:

S. 310. An act to direct the Secretary of the Interior to convey the Newlans Project Headquarters and Maintenance Yard Facility to the Truckee-Carson Irrigation District in the State of Nevada.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–412. A Senate Joint Memorial adopted by the Colorado General Assembly relative to recognition of NASA's space exploration vision; to the Committee on Commerce, Science, and Transportation.

SENATE JOINT MEMORIAL NO. 06–002

Whereas, since its inception in 1958, the National Aeronautics and Space Administration (NASA) has accomplished many great scientific and technological feats, in addition to advancing humankind's knowledge of the earth and the universe; and

Whereas, Colorado, a leader in the aerospace industry, is home to more than 300 aerospace companies, has over 157,000 direct and indirect employees supported by the aerospace industry, and ranks third in the nation in private aerospace absolute employment; and

Whereas, Colorado is home to Air Force Space Command with facilities at Peterson, Schriever, and Buckley Air Force bases as well as the operational home to the Air Force Satellite Control Network and the Global Positioning System (GPS), for accurate navigation, position determination, and timing; and

Whereas, Colorado is also home to Northern Command, and the Army Space Battle Lab, each providing the Department of Defense with leading space technologies and homeland security, aiding in the protection of America from terrorists; and

Whereas, Colorado is home to world-class aerospace companies such as Lockheed Martin Space Systems, Ball Aerospace, Northrop Grumman, Boeing, Raytheon, and hundreds of small and mid-sized companies; and

Whereas, Colorado is home to world-class institutions of higher learning that continue to keep Colorado premier among the states with the most high-tech workers per capita and many astronauts, including the first Native American astronaut, and are the recipients of millions of dollars of federal government space research science and engineering grants and contracts; and

Whereas, Colorado is home to the Space Foundation, where the Aerospace Industry meets and focuses on 21st century education and the economic growth and strength of a broad range of space enterprises; and

Whereas, the desire to explore is part of America's character, and history has shown that space exploration benefits all humankind through new technologies for everyday application, new jobs across the entire economic enterprise, economic contributions through new markets and commercial products, education and inspiration, United States leadership, increased security, and a legacy for future generations; and

Whereas, a Space Exploration Vision has been articulated to affirm the United States' commitment to human space exploration and to give NASA a new focus and clear objectives, including long-term human and robotic programs to explore the solar system and a return to the moon that will ultimately enable future exploration of Mars and other destinations; and

Whereas, the Space Exploration Vision began with NASA returning the space shuttle to safe flight, with the chief purpose of completing assembly on the International Space Station, in addition to developing a new crew exploration vehicle to explore beyond earth's orbit to other worlds; and

Whereas, the Space Exploration Vision has the potential to drive innovation, development, and advancement in the aerospace and other high-technology industries across the nation and in the state of Colorado; Now, therefore, be it

*Resolved by the Senate of the Sixty-fifth General Assembly of the State of Colorado, the House of Representatives concurring herein,* That the General Assembly of the State of Colorado hereby strongly encourages all members of the United States Congress to support the National Aeronautics and Space Administration's Space Exploration Vision to enable the United States and the State of Colorado to remain leaders in the exploration and development of space; and be it further

*Resolved,* That copies of this Joint Memorial be sent to George W. Bush, President of the United States; Dick Cheney, Vice President of the United States; the members of Colorado's Congressional delegation; and the National Aeronautics and Space Administration Administrator.

POM–413. A resolution adopted by the Senate of the Legislature of the State of Texas relative to enacting a free trade agreement between the United States and Taiwan; to the Committee on Finance.

SENATE RESOLUTION NO. 720

Whereas, Taiwan is Texas' fifth-largest foreign market, and the agriculture and manufacturing sectors of the Texas economy, most notably the computer and electronic products, chemicals, and machinery industries, would benefit significantly if the United States enacted a free trade agreement with Taiwan; and

Whereas, a free trade agreement between the United States and Taiwan would substantially reduce or eliminate most import quotas, duties, and other trade barriers and expand market opportunities for manufactured goods and agricultural products from Texas and the entire United States; and

Whereas, the United States has completed or is in the process of negotiating free trade agreements with several countries and regions; reasons for pursuing a free trade agreement with Taiwan include its status as the United States' eighth-largest trading partner, its robust economy, and its long-standing educational and cultural ties with the United States; and

Whereas, Taiwan was admitted to the World Trade Organization on January 1, 2001; a free trade agreement between the United States and Taiwan would extend the coverage of World Trade Organization agreements to products, sectors, and conditions of trade that are now not adequately covered, and it would provide a platform to address issues such as Taiwan's 15.2 percent average tariff rate on agricultural imports from the United States; and

Whereas, Public Law 107–210, the Trade Act of 2002, gives the president the authority to enter into trade agreements with foreign countries whenever the president determines that one or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States; and

Whereas, President George W. Bush, speaking before the historic signing of the United States-Australia Free Trade Agreement in 2004, emphasized that he supports free and open trade because ''it has the power to create new wealth for whole nations and new opportunities for millions of people'' and ''has a record of creating jobs, raising living standards, and lowering consumer prices''; Now, therefore, be it

*Resolved, That the Senate of the State of Texas, 79th Legislature,* Hereby respectfully encourage the president of the United States to extend the benefits of free trade by enacting a free trade agreement between the United States and Taiwan; and be it further

*Resolved,* That the secretary of the senate forward official copies of this Resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress.

POM–414. A Senate Joint Resolution adopted by the Colorado General Assembly relative to the condemnation of the Chinese government's persecution of practitioners of Falun Gong; to the Committee on Foreign Relations

SENATE JOINT RESOLUTION NO. 06–027

Whereas, Falun Gong is a peaceful spiritual movement that originated in the People's Republic of China and has grown rapidly worldwide, including thousands of practitioners in the United States; and

Whereas, Falun Gong encourages its practitioners to cultivate ''truthfulness, compassion, and forbearance''; and

Whereas, the Constitution of the People's Republic of China provides to its citizens freedom of speech, assembly, association, and religious belief; and

Whereas, Falun Gong practitioners, as well as members of pro-democracy groups and advocates of human rights reform, have become targets of severe government persecution in China in violation of China's own laws; and

Whereas, the 2005 United States Department of State's annual report on International Religious Freedom cited the Chinese government's persecution of Falun Gong practitioners in China; and

Whereas, a 2005 press release from the United Nations Special Rapporteur on Torture, Manfred Nowak, referred to continuing ill-treatment and torture of Chinese ethnic minorities, political dissidents, and religious groups, including practitioners of Falun Gong; and

Whereas, Falun Gong practitioners report first-hand of the Chinese government's terror campaign, which survivors say includes persecution, arrests, imprisonment, torture, and murder; and

Whereas, recent reports from Chinese journalists describe a hospital in Sujiatun, a suburb of Shenyeng in northeast China, that serves as a concentration camp for 6,000 Falun Gong practitioners and in which the medical staff performs experiments on detainees, including harvesting organs to be sold; and

Whereas, in addition to persecution in China, Falun Gong followers in the United States report that they have been victims of spying, harassment, intimidation, and violence by agents of the Chinese government; and

Whereas, the United States Constitution guarantees to its citizens freedom of religion, association, and speech, which allows Americans to live without fear and in accordance with their personal beliefs; now, therefore, be it

*Resolved by the Senate of the Sixty-fifth General Assembly of the State of Colorado, the House of Representatives concurring herein,* (1) That we, the members of the Sixty-fifth General Assembly, strongly urge the government of the People's Republic of China to: (a) End immediately the harassment, detention, physical abuse, and imprisonment of its own citizens who exercise their legitimate rights to freedom of religion, speech, and association; and (b) Cease its interference in the constitutionally guaranteed religious and political freedoms of United States citizens who practice Falun Gong; and (2) That, in order to encourage China to respect the religious freedom of its citizens, we urge the government of the United States to: (a) Issue, an official, public, diplomatic statement to the Chinese Foreign Ministry condemning China's repeated violations of basic human rights protected in international covenants to which the People's Republic of China is a signatory; (b) Work with Chinese human rights activists, including practitioners of Falun Gong, to identify any Chinese authorities who have been responsible for acts of violence and persecution against Falun Gong followers in the United States; and (c) Investigate any illegal acts committed by Chinese consular officials and agents in the United States and determine an appropriate legal response; and be it further

*Resolved,* That copies of this Joint Resolution be sent to George W. Bush, President of the United States; Richard Cheney, Vice President of the United States; Condoleezza Rice, Secretary of State; Bill Frist, Senate Majority Leader; Dennis Hastert, Speaker of the House of Representatives; His Excellency Zhou Wenzhong, the Ambasador of the People's Republic of China to the United States; Bill Owens, Governor of * * *

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POM–415. A joint resolution adopted by the General Assembly of the State of Tennessee relative to the Meth-Endangered Children Protection Act of 2005; to the Committee on Health, Education, Labor, and Pensions.

SENATE JOINT RESOLUTION NO. 750

Whereas, meth trafficking and abuse is on the rise in the United States, and it has increased sharply since 2000; according to the 2003 National Survey on Drug Use and Health, approximately 12.3 million Americans ages 12 and older reported trying meth at least once during their lifetimes; and

Whereas, the Office of National Drug Policy reports that between 2000 and 2003, more than 51,000 illegal meth labs were seized in the United States, and the number of clandestine labs has been rising rapidly; in fact, a high number of state and local governments now consider meth the greatest drug threat in the country; and

Whereas, sadly, thousands of children have become innocent victims of the meth epidemic; approximately 10,600 children in the United States were affected by meth lab seizures and incidents between 2000 and 2003; these children were either present at lab seizures or lived where the labs were seized, often in extremely filthy and neglectful conditions; and

Whereas, another 2,900 children were removed from their homes during the same period because of neglect or abuse by meth-addicted parents; incidents related to meth labs also accounted for injuries to 96 children and the deaths of eight others; in Tennessee alone, law enforcement seized nearly 1,200 labs between 2003 and 2004, representing a 397 percent increase from 2000; Tennessee accounts for 75 percent of the meth lab seizures in the Southeast, and more than 700 children in Tennessee are placed in protective custody each year as a result of meth lab seizures; and

Whereas, children exposed to meth because of a lab in the home often need specialized services to overcome the effects of their exposure; children removed from homes where meth is manufactured can suffer from increased heart rate, agitation, irritability and vomiting, muscle breakdown, fever, ataxia, and seizures; they can also suffer physical, medical, education neglect, and learning disabilities; and

Whereas, many of the children rescued from these environments need specialized medical attention, psychological care, and other services; unfortunately, few states have the funds to provide these services or to provide social workers and other professionals with the specialized training and resources necessary to render appropriate care to children and ensure that subsequent placements in foster or adoptive homes are successful; and

Whereas, the Meth-Endangered Children Protection Act would establish a $10 million annual competitive grant program to support model efforts such as California's DEC program and to assist states in establishing similar programs; grantees would be required to provide matching dollars for federal funds awarded under this grant; and

Whereas, thousands of children have become victims of the rising meth epidemic; through no fault of their own, these children, suffering at the hands of their meth-addicted parents, urgently need medical attention, psychological care, and social services; the Meth-Endangered Children Protection Act is of vital importance in ensuring that our nation's children recover from the ravages of meth abuse; now, therefore, be it

*Resolved by the Senate of the 104th General Assembly of the State of Tennessee, the House of Representatives concurring,* That we hereby urge the United States Congress to pass the Meth-Endangered Children Protection Act of 2005 to aid the most vulnerable victims of this terrible and destructive drug epidemic; and be it further

*Resolved,* That an enrolled copy of this resolution be transmitted to the President and the Secretary of the United States Senate, the Speaker and the Clerk of the United States House of Representatives, and each member of Tennessee's Congressional delegation.

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POM–416. A joint resolution adopted by the General Assembly of the State of Tennessee relative to the reauthorization of the special provisions of the Voting Rights Act of 1965; to the Committee on the Judiciary.

SENATE JOINT RESOLUTION NO. 911

Whereas, following the Civil War, Congress adopted the Thirteenth Amendment abolishing slavery, the Fourteenth Amendment establishing the citizenship rights of all persons born in the United States and requiring that no one be denied due process or equal protection of the laws, and the Fifteenth Amendment securing the right to vote for all citizens, regardless of a person's race, color, or former condition of servitude; and

Whereas, despite the enactment of these significant constitutional commands, for nearly 100 years, states and local jurisdictions passed laws and instituted practices designed to circumvent the Civil War amendments; many states erected barriers to access to the polls, including infamous poll taxes and literacy or good character tests; African-Americans, Latinos, and other minorities and those who advocated on their behalf often were subjected to severe violence and intimidation or, in some cases, death if they attempted to register to vote or cast a ballot; and

Whereas, confronted with aggressive and relentless defiance of the Constitution, Congress enacted the Voting Rights Act of 1965 in order to ensure that the rights guaranteed by the Fourteenth and Fifteenth Amendments were enforced; and

Whereas, the Voting Rights Act of 1965 is widely viewed as one of the most successful civil rights statutes ever enacted; it bans literacy tests and other discriminatory devices, outlaws discriminatory practices and procedures during the voting process, authorizes the appointment of federal election monitors and observers, and creates various means for protecting and enforcing the rights of American citizens, including racial and language minorities, to vote; and

Whereas, although the struggle to ensure fairness in the electoral process continues, as a result of the Voting Rights Act, racial and language minorities have enjoyed enhanced opportunities to participate in the electoral process, cast votes, and elect their candidates of choice; and

Whereas, in 2007, certain ''special provisions'' of the Voting Rights Act that were enacted to address discriminatory voting practices and the present effects of those practices could expire if not renewed by Congress; and

Whereas, these provisions include:

Section 2: This provision equips voters with the means to challenge election laws that result in a denial or abridgement of voting rights on account of race, color, or language minority status;

Section 4: The coverage provision, which determines which states and jurisdictions must seek Section 5 pre-clearance; the coverage formula reaches states and jurisdictions with some of the most active histories of discrimination;

Section 5: The federal pre-clearance of voting changes provisions, which requires covered jurisdictions to prove that voting

changes are not discriminatory before they may legally take effect;

Sections 6–9: The Federal Examiner/Observer provisions, which set forth criteria for election monitoring by the Department of Justice; and

Section 203: The bilingual voting materials provisions, which mandate that certain voting materials must be translated for language minorities in certain jurisdictions; and

Whereas, by 2007, Congress will vote on whether to extend these ''special provisions'' of the Voting Rights Act; the effects of the long history of voting discrimination persist; the ''special provisions'' of the Voting Rights Act continue to be extremely important tools for protecting minority voting; during the reauthorization process, Congress will compile a record that sets forth the continuing effects of the nation's widespread voting discrimination; and

Whereas, voting is the cornerstone of American democracy and, during the reauthorization process, Congress and individuals and organizations concerned with maintaining the protections afforded by the Voting Rights Act of 1965 will have an opportunity to present the evidence necessary to support renewal of the ''special provisions'' of the Voting Rights Act of 1965; in the meantime, all eligible voters should register, confirm their registration status, and exercise the right to vote so that the long struggle to expand the franchise yields meaningful results: Now, therefore, be it

*Resolved by the Senate of the 104th General Assembly of the State of Tennessee, the House of Representatives concurring*, That we hereby urge Congress to reauthorize the ''special provisions'' of the Voting Rights Act of 1965; and be it further

*Resolved*, That the General Assembly of the State of Tennessee will collaborate with all organizations dedicated to ensuring the reauthorization of the Voting Rights Act of 1965; and be it further

*Resolved*, That an enrolled copy of this resolution be transmitted to the Speaker and the Clerk of the U.S. House of Representatives, the President and the Secretary of the U.S. Senate, and each member of the Tennessee Congressional Delegation.

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POM–417. A resolution adopted by the Senate of the Legislature of the State of Texas relative to memorializing the Congress of the United States to address problems in the Department of Veterans Affairs concerning the provision of health care and benefits, the adjudication of claims, accountability, and outreach and to enact legislation that creates an appropriation formula that ensures predictable and adequate funding for the health care programs of the Veterans Health Administration; to the Committee on Veterans' Affairs.

SENATE RESOLUTION NO. 9

Whereas, military veterans who have served their country honorably and who were promised and have earned health care and benefits from the federal government through the Department of Veterans Affairs are now in need of these benefit; and

Whereas, the funding of the health care programs of the Veterans Health Administration of the Department of Veterans Affairs has failed to reflect the admission of newly eligible veterans in the wake of the Veterans' Health Care Eligibility Reform Act of 1996 and has fallen short of the amount needed to counter soaring medical care inflation, resulting in a funding shortfall of at least $10 billion; and

Whereas, the current discretionary method of funding the health care programs of the Veterans Health Administration is uncertain and is subject annually to the whim and competing priorities of congress, to the detriment of the veterans being served; and

Whereas, the Vietnam Veterans of America organization supports the adoption of a new funding mechanism for the health care programs of the Veterans Health Administration that is indexed to medical inflation and the per capita use of the administration's health care system; and

Whereas, the substantial delay in adjudicating veterans' claims for service-connected disability compensation is the cause of much anguish and anger among veterans and is the result of a lack of funding of the Veterans Benefits Administration of the Department of Veterans Affairs, which has led to an insufficient number of adjudicators and the inadequate training and supervision of adjudicators; and

Whereas, while the vast majority of Department of Veterans Affairs employees are dedicated to serving veterans, it is necessary to ensure that employee accountability standards be strengthened at senior and junior levels; and

Whereas, while more than five million veterans use the Veterans Health Administration of the Department of Veterans Affairs for their health care needs, tens of thousands more are eligible for benefits of which they are unaware due, to inadequate outreach efforts by the department: Now, therefore be it

*Resolved*, That the Senate of the State of Texas, 79th Legislature, 3rd Called Session, hereby respectfully urge the Congress of the United States to address problems in the Department of Veterans Affairs related to the provision of health care and benefits, the adjudication of claims, accountability, and outreach and to enact legislation that creates an appropriation formula that ensures predictable and adequate funding of the health care programs of the Veterans Health Administration; and be it further

*Resolved*, That the secretary of the senate forward official copies of this Resolution to the secretary of veterans affairs, the president of the United States, the president of the senate and speaker of the house of representatives of the United States Congress, and all members of the Texas delegation to the congress with the request that this Resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

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POM–418. A resolution adopted by the Cook County Board of Commissioners of the State of Illinois relative to extending or making permanent all sections of the Voting Right Act of 1965; to the Committee on the Judiciary.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BOND, from the Committee on Appropriations, with an amendment in the nature of a substitute:

H.R. 5576. A bill making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2007, and for other purposes (Rept. No. 109–293).

By Mr. MCCAIN, from the Committee on Indian Affairs, without amendment:

S. 3526. A bill to amend the Indian Land Consolidation Act to modify certain requirements under that Act (Rept. No. 109–294).

By Mr. SPECTER, from the Committee on the Judiciary:

Report to accompany S. 2703, a bill to amend the Voting Rights Act of 1965 (Rept. No. 109–295).

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. SPECTER:

S. 3731. A bill to regulate the judicial use of presidential signing statements in the interpretation of Acts of Congress; to the Committee on the Judiciary.

By Mr. PRYOR:

S. 3732. A bill to suspend temporarily the duty on certain liquid crystal divide (LCD) flat panel displays; to the Committee on Finance.

By Mr. PRYOR:

S. 3733. A bill to suspend temporarily the duty on certain plasma flat panel displays; to the Committee on Finance.

By Mr. HATCH (for himself and Mr. SESSIONS):

S. 3734. A bill to amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and for other purposes; to the Committee on the Judiciary.

By Mr. BAUCUS:

S. 3735. A bill to suspend temporarily the duty on vulcanized rubber felt bottom boots for use in waders; to the Committee on Finance.

By Mr. BAUCUS:

S. 3736. A bill to suspend temporarily the duty on vulcanized rubber lug bottom boots for use in fishing waders; to the Committee on Finance.

By Mr. LIEBERMAN (for himself, Mr. WARNER, Mr. BIDEN, Mr. REED, Mr. MENENDEZ, Mr. DODD, and Mr. CHAFEE):

S. 3737. A bill to amend the National Trails System Act to designate the Washington-Rochambeau Route National Historic Trail; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS (for himself and Mr. MENENDEZ):

S. 3738. A bill to amend the Internal Revenue Code of 1986 to provide an additional standard deduction for real property taxes for nonitemizers; to the Committee on Finance.

By Mr. COLEMAN (for himself, Mr. REED, Mr. KOHL, and Mr. MARTINEZ):

S. 3739. A bill to establish a Consortium on the Impact of Technology in Aging Health Services; to the Committee on Health, Education, Labor, and Pensions.

By Mr. FEINGOLD:

S. 3740. A bill to amend the Internal Revenue Code of 1986 to reform the system of public financing for Presidential elections, and for other purposes; to the Committee on Finance.

By Mr. LUGAR (for himself, Mr. BIDEN, Ms. STABENOW, and Mr. LEAHY):

S. 3741. A bill to provide funding authority to facilitate the evacuation of persons from Lebanon, and for other purposes; considered and passed.

By Mr. LOTT (for himself, Mr. CONRAD, Mr. SMITH, Mr. CRAPO, Mr. INOUYE, Mr. HAGEL, Mr. NELSON of Nebraska, Mr. ISAKSON, and Mr. GRAHAM):

S. 3742. A bill to amend the Internal Revenue Code of 1986 to provide incentives to encourage investment in the expansion of freight rail infrastructure capacity and to enhance modal tax equity; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. ALLEN):

S. 3743. A bill to amend the Public Health Service Act to improve newborn screening

activities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DURBIN (for himself and Mr. COLEMAN):

S. 3744. A bill to establish the Abraham Lincoln Study Abroad Program; to the Committee on Foreign Relations.

## ADDITIONAL COSPONSORS

S. 78

At the request of Mrs. HUTCHISON, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of S. 78, a bill to make permanent marriage penalty relief.

S. 351

At the request of Mr. KENNEDY, the name of the Senator from New Jersey (Mr. MENENDEZ) was added as a cosponsor of S. 351, a bill to amend title XVIII of the Social Security Act to provide for patient protection by limiting the number of mandatory overtime hours a nurse may be required to work in certain providers of services to which payments are made under the Medicare Program.

S. 709

At the request of Mr. DEWINE, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 709, a bill to amend the Public Health Service Act to establish a grant program to provide supportive services in permanent supportive housing for chronically homeless individuals, and for other purposes.

S. 1035

At the request of Mr. INHOFE, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1035, a bill to authorize the presentation of commemorative medals on behalf of Congress to Native Americans who served as Code Talkers during foreign conflicts in which the United States was involved during the 20th century in recognition of the service of those Native Americans to the United States.

S. 1112

At the request of Mr. GRASSLEY, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 1112, a bill to make permanent the enhanced educational savings provisions for qualified tuition programs enacted as part of the Economic Growth and Tax Relief Reconciliation Act of 2001.

S. 1376

At the request of Mr. COCHRAN, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1376, a bill to improve and expand geographic literacy among kindergarten through grade 12 students in the United States by improving professional development programs for kindergarten through grade 12 teachers offered through institutions of higher education.

S. 1537

At the request of Mr. AKAKA, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1537, a bill to amend title 38, United States Code, to provide for the establishment of Parkinson's Disease Research Education and Clinical Centers in the Veterans Health Administration of the Department of Veterans Affairs and Multiple Sclerosis Centers of Excellence.

S. 1621

At the request of Ms. COLLINS, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 1621, a bill to amend the Internal Revenue Code of 1986 to increase the above-the-line deduction for teacher classroom supplies and to expand such deduction to include qualified professional development expenses.

S. 1915

At the request of Mr. ENSIGN, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 1915, a bill to amend the Horse Protection Act to prohibit the shipping, transporting, moving, delivering, receiving, possessing, purchasing, selling, or donation of horses and other equines to be slaughtered for human consumption, and for other purposes.

S. 2284

At the request of Ms. MIKULSKI, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 2284, a bill to extend the termination date for the exemption of returning workers from the numerical limitations for temporary workers.

S. 2305

At the request of Mr. AKAKA, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 2305, a bill to amend title XIX of the Social Security Act to repeal the amendments made by the Deficit Reduction Act of 2005 requiring documentation evidencing citizenship or nationality as a condition for receipt of medical assistance under the Medicaid program.

S. 2393

At the request of Mr. COLEMAN, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 2393, a bill to amend the Public Health Service Act to advance medical research and treatments into pediatric cancers, ensure patients and families have access to the current treatments and information regarding pediatric cancers, establish a population-based national childhood cancer database, and promote public awareness of pediatric cancers.

S. 2435

At the request of Mr. LUGAR, the names of the Senator from West Virginia (Mr. ROCKEFELLER) and the Senator from Illinois (Mr. OBAMA) were added as cosponsors of S. 2435, a bill to increase cooperation on energy issues between the United States Government and foreign governments and entities in order to secure the strategic and economic interests of the United States, and for other purposes.

S. 2590

At the request of Mr. COBURN, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 2590, a bill to require full disclosure of all entities and organizations receiving Federal funds.

S. 2824

At the request of Mr. DEMINT, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 2824, a bill to reduce the burdens of the implementation of section 404 of the Sarbanes-Oxley Act of 2002.

S. 3499

At the request of Mr. KYL, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of S. 3499, a bill to amend title 18, United States Code, to protect youth from exploitation by adults using the Internet, and for other purposes.

S. 3512

At the request of Mr. SMITH, the name of the Senator from Colorado (Mr. SALAZAR) was added as a cosponsor of S. 3512, a bill to amend the Internal Revenue Code of 1986 to allow an offset against income tax refunds to pay for State judicial debts that are past due.

S. 3535

At the request of Mrs. HUTCHISON, her name was added as a cosponsor of S. 3535, a bill to modernize and update the National Housing Act and to enable the Federal Housing Administration to use risk based pricing to more effectively reach underserved borrowers, and for other purposes.

S. 3647

At the request of Mr. DORGAN, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 3647, a bill to amend title XVIII of the Social Security Act to waive the monthly beneficiary premium under a prescription drug plan or an MA-PD plan during months in which an individual enrolled in such a plan has a gap in prescription drug coverage.

S. 3656

At the request of Mrs. FEINSTEIN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 3656, a bill to provide additional assistance to combat HIV/AIDS among young people, and for other purposes.

S. 3680

At the request of Mr. KERRY, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 3680, a bill to amend the Small Business Investment Act of 1958 to reauthorize and expand the New Markets Venture Capital Program, and for other purposes.

S. 3694

At the request of Mr. OBAMA, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 3694, a bill to increase fuel economy standards for automobiles, and for other purposes.

S. 3706

At the request of Mr. MARTINEZ, the name of the Senator from North Carolina (Mrs. DOLE) was added as a cosponsor of S. 3706, a bill to amend the Internal Revenue Code of 1986 to treat spaceports like airports under the exempt facility bond rules.

S. 3724

At the request of Mr. ROCKEFELLER, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 3724, a bill to enhance scientific research and competitiveness through the Experimental Program to Stimulate Competitive Research, and for other purposes.

S. RES. 312

At the request of Mr. LUGAR, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. Res. 312, a resolution expressing the sense of the Senate regarding the need for the United States to address global climate change through the negotiation of fair and effective international commitments.

S. RES. 407

At the request of Mr. MENENDEZ, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. Res. 407, a resolution recognizing the African American Spiritual as a national treasure.

S. RES. 494

At the request of Mr. SANTORUM, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. Res. 494, a resolution expressing the sense of the Senate regarding the creation of refugee populations in the Middle East, North Africa, and the Persian Gulf region as a result of human rights violations.

S. RES. 540

At the request of Mr. DEMINT, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. Res. 540, a resolution encouraging all 50 States to recognize and accommodate the release of public school pupils from school attendance to attend off-campus religious classes at their churches, synagogues, houses of worship, and faith-based organizations.

AMENDMENT NO. 4690

At the request of Mr. NELSON of Florida, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of amendment No. 4690 intended to be proposed to S. 3711, a bill to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER:

S. 3731. A bill to regulate the judicial use of presidential signing statements in the interpretation of Acts of Congress; to the Committee on the Judiciary.

Mr. SPECTER. Mr. President, I seek recognition today to introduce the Presidential Signing Statements Act of 2006. This bill achieves three important goals.

First, it prevents the President from issuing a signing statement that alters the meaning of a statute by instructing Federal and State courts not to rely on Presidential signing statements in interpreting a statute.

Second, it permits the Congress to seek what amounts to a declaratory judgment on the legality of Presidential signing statements that seek to modify—or even to nullify—a duly enacted statute.

Third, it grants Congress the power to intervene in any case in the Supreme Court where the construction or constitutionality of any act of Congress is in question and a presidential signing statement for that act was issued.

Presidential signing statements are nothing new. Since the days of President James Monroe, Presidents have issued statements when signing bills. It is widely agreed that there are legitimate uses for signing statements. For example, Presidents may use signing statements to instruct executive branch officials how to administer a law. They may also use them to explain to the public the likely effect of a law. And, there may be a host of other legitimate uses.

However, the use of signing statements has risen dramatically in recent years. As of June 26, 2006, President Bush had issued 130 signing statements. President Clinton issued 105 signing statements during his two terms. While the mere numbers may not be significant, the reality is that the way the President has used those statements renders the legislative process a virtual nullity.

The President cannot use a signing statement to rewrite the words of a statute nor can the President use a signing statement to selectively nullify those provisions he does not like. This much is clear from our Constitution. The Constitution grants the President a specific, narrowly defined role in enacting legislation. Article I, section 1 of the Constitution vests ''all legislative powers . . . in a Congress.'' Article I, section 7 of the Constitution provides that when a bill is presented to the President, he may either sign it or veto it with his objections. He may also choose to do nothing, thus rendering a so-called pocket veto. The President cannot veto part of bill, however; he cannot veto certain provisions he does not like.

The Founders had good reason for constructing the legislative process as it is: by creating a bicameral legislature and then granting the President the veto power. According to The Records of the Constitutional Convention, the veto power was designed by our Framers to protect citizens from a particular Congress that might enact oppressive legislation. However, the Framers did not want the veto power to be unchecked, and so, in article I, section 7, they balanced it by allowing Congress to override a veto by two-thirds vote.

As you can see, this is a finely structured constitutional procedure that goes straight to the heart of our system of check and balances. Any action by the President that circumvents this finely structured procedure is an unconstitutional attempt to usurp legislative authority. If the President is permitted to rewrite the bills that Congress passes and cherry pick which provisions he likes and does not like, he subverts the constitutional process designed by our Framers.

The Supreme Court has affirmed that the constitutional process for enacting legislation must be safe guarded. As the Supreme Court explained in INS v. Chahda, ''It emerges clearly that the prescription for legislative action in Article I, Section 1, clause 7 represents the Framers' decision that the legislative power of the Federal government be exercised in accord with a single, finely wrought and exhaustively considered, procedure.''

So, while signing statements have been commonplace since our country's founding, we must make sure that they are not being used in an unconstitutional manner; a manner that seeks to rewrite legislation, and exercise line item vetoes.

President Bush has used signing statements in ways that have raised some eyebrows. For example, Congress passed the PATRIOT Act after months of deliberation. We debated nearly every provision—often redrafting and revising. Moreover, we worked very closely with the President because we wanted to get it right. We wanted to make sure that we were passing legislation that the executive branch would find workable. In fact, in many ways, the process was an excellent example of the legislative branch and the executive branch working together towards a common goal.

In the end, the bill that was passed by the Senate and the House contained several oversight provisions intended to make sure the FBI did not abuse the special terrorism-related powers to search homes and secretly seize papers. It also required Justice Department officials to keep closer track of how often the FBI uses the new powers and in what type of situations.

The President signed the PATRIOT Act into law, but afterwards, he wrote a signing statement that said he could withhold any information from Congress provided in the oversight provisions if he decided that disclosure would impair foreign relations, national security, the deliberative process of the executive, or the performance of the executive's constitutional duties.

Now, during the entire process of working with the President to draft

the PATRIOT Act, he never asked the Congress to include this language in the Act. At a hearing we held on signing statements, I asked an executive branch official, Michelle Boardman from the Office of Legal Counsel, why the President did not ask the Congress to put the signing statement language into the bill. She simply didn't have an answer. I asked her to get back to me with the answer and I still have not gotten a response.

Take another example, the McCain amendment. In that legislation, Congress voted by an overwhelming margin—90 to 9—to ban all U.S. personnel from inflicting cruel, inhuman or degrading treatment on any prisoner held anywhere by the United States. President Bush, who had threatened to veto the legislation, instead invited its prime sponsor, Senator JOHN MCCAIN, to the White House for a public reconciliation and declared they had a common objective: to make it clear to the world that this government does not torture and that we adhere to the international convention of torture.

Now from that, you might conclude that by signing the McCain amendment into law, the Bush administration has fully committed to not using torture. But you would be wrong. After the public ceremony of signing the bill into law, the President issued a signing statement saying his administration would interpret the new law ''in a manner consistent with the constitutional authority of the President to supervise the unitary executive branch and as Commander in Chief and consistent with the constitutional limitations on the judicial power.'' This vague language may mean that—despite the McCain amendment—the administration may still be preserving a right to inflict torture on prisoners and to evade the International Convention Against Torture.

The constitutional structure of enacting legislation must be safeguarded. That is why I am here today to introduce the Presidential Signing Statements Act of 2006. This bill does not seek to limit the President's power—and this bill does not seek to expand Congress's power. Rather, this bill simply seeks to safeguard our constitution.

First, the bill instructs courts not to rely on Presidential signing statements in construing an act. This will provide courts with much-needed guidance on how legislation should be interpreted. The Supreme Court's reliance on Presidential signing statements has been sporadic and unpredictable. In some cases—such as United States v. Lopez, where the Court struck down the Gun-Free School Zones Act—the Supreme Court has relied on Presidential signing statements as a source of authority, while in other cases, such as the recent military tribunals case, Hamdan v. Rumsfeld, it has conspicuously declined to do so. This inconsistency has the unfortunate effect of rendering the interpretation of Federal law unpredictable.

It is well within Congress's power to resolve judicial disputes such as this by enacting rules of statutory interpretation. This power flows from article I, section 8, clause 18 of the Constitution, which gives Congress the power ''To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof.'' Rules of statutory interpretation are necessary and proper to execute the legislative power. Moreover, any legislation that sets out rules for interpreting an act makes legislation more clear and precise which is exactly what we aim to achieve here in Congress. Congress can and should exercise this power over the interpretation of Federal statutes in a systematic and comprehensive manner.

Second, this bill permits the Congress to seek a declaratory judgment on the legality of Presidential signing statements that seek to modify—or even to nullify—a duly enacted statute. Again, this simply ensures that signing statements are not used in an unconstitutional manner.

Third, it grants Congress the power to intervene in any case in the Supreme Court where the construction or constitutionality of any act of Congress is in question and a Presidential signing statement for that act was issued. That way, if the court is trying to determine the meaning or the constitutionality of an act, the Congress gets a voice in the debate.

Take for example United States v. Lopez. In that case, the Supreme Court struck down the Gun-Free School Zones Act as beyond Congress's power to regulate commerce. Chief Justice Rehnquist relied, in part, on President George Bush's signing statement to support the Court's conclusion that the plain language of the statute does not suggest that it affects interstate commerce. Now, I do not see, in a case like this, why Congress should not get to explain its side. This bill would allow Congress to intervene and present evidence as to the meaning of an act in question.

This bill does not seek to limit the President's power and it does not seek to expand Congress's power. It simply seeks to put measures in place that will safeguard the constitutional structure of enacting legislation. In preserving this structure, this bill reinforces our system of checks and balances and separation of powers set out in our Constitution and I urge my colleagues to support it.

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By Mr. HATCH (for himself and Mr. SESSIONS):

S. 3734. A bill to amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and for other purposes; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, I rise today to introduce the Multidistrict Litigation Restoration Act of 2006.

The word ''Lexecon'' is well known in the Federal judiciary. It refers to the 1998 Supreme Court decision holding that statutory authority does not exist for transferee courts handling cases centralized by the Multidistrict Litigation Panel, or the MDL Panel, to retain these cases for trial. For approximately 30 years, courts receiving cases for pretrial proceedings from the MDL Panel invoked the general venue statute to transfer cases to themselves for trial. The process worked well because the court that had handled the pretrial phase was well-versed in the case's facts and was in the best position to encourage all parties to reach a settlement, or—barring settlement—make a final determination by adjudicating the dispute. But with the Lexecon decision that practice ended, and ever since we have been left with a multidistrict, multiparty, multiforum system that is costly, time-consuming, repetitive, inefficient, and often inconsistent.

As many of my colleagues know, the MDL Panel is an entity comprising seven judges, authorized to transfer civil actions pending in more than one district and involving one or more common questions of fact to any district court for coordinated pretrial proceedings. The MDL Panel authorizes the transfer upon determining that it will be for the convenience of the parties and witnesses, and promote the just and efficient conduct of such actions. Congress established this centralization mechanism in 1968 to avoid duplication of discovery, prevent inconsistent rulings, and conserve the resources of the parties, their counsel, and the judiciary.

Typically, cases centralized by the MDL Panel are numerous and complex. About 150,000 cases with millions of claims have been resolved through the process since its creation. They have included such matters as mass torts, antitrust price fixing, securities fraud, and unfair employment practices. The transferee judge becomes highly knowledgeable about the litigation during his or her consideration of voluminous pretrial proceedings. When all of the cases are remanded to the various transferor courts following completion of pretrial proceedings, those courts know little or nothing about the litigation. Even when all the parties agree to keep the matter that has been transferred in the court it was transferred to, it cannot be done under the current law. In some instances, judges have followed cases to courts outside their judicial circuit to conduct trial, at considerable inconvenience and expense, in order to spare other judges from the nightmare of having such mammoth cases so suddenly thrust upon them.

Let me give you an example of what this means in real terms. In my own State of Utah, there have been nearly 1,000 cases that have been transferred

either in or out of Utah's judicial district by the MDL Panel since 1968. In fiscal year 2005, there were nearly 50 cases transferred out of Utah through the MDL process. That is 50 cases that could be dumped back onto our judges in Utah without any warning or preparation. At the same time, there were six MDL cases pending in Utah at the end of 2005. Under the post-Lexecon system, one or more of our judges could be required to follow these cases to other districts throughout the United States for trial. Both of these scenarios would prove to be a serious burden for a small judicial district like Utah, and could hamper or delay justice for the people of my State. This is the same challenge our courts face nationwide as a result of the Lexecon decision.

Congress is the only entity that can solve these problems. Writing for the Court in Lexecon, Justice Souter stated that ''the proper venue for resolving the issue remains the floor of Congress.'' That is why I am introducing the Multidistrict Litigation Restoration Act of 2006 today, to give the Federal judiciary the necessary statutory authority to transfer multidistrict litigation cases for the purposes of trial. This legislation will return the law to what was in effect for almost three decades prior to the Lexecon decision. It will provide the MDL Panel with the most efficient option for resolving complex issues, the best means to encourage universal settlements, and the most consistent approach for rendering decisions.

This legislation is supported by the Judicial Conference of the United States, the policy arm of the Federal judicial branch, as well as the U.S. Department of Justice. The legislation is also supported by the U.S. Chamber of Commerce Institute for Legal Reform.

Moreover, this is not a partisan effort. Proposals to reform multidistrict, multiparty litigation were first advanced by the Carter administration. I introduced similar legislation in the 106th Congress with Senators LEAHY, KOHL, and SCHUMER. That bill passed the Senate by unanimous consent.

This legislation is long overdue. Lexecon was decided 8 years ago. The House has passed a Lexecon fix four times since 1999. In a letter to the chairman of the MDL Panel, Judge Thomas W. Thrash, a Federal district court judge for the Northern District of Georgia, reporting on the disposition of a multidistrict litigation case that he was required to try in Texas because he could not transfer the case to Georgia, summed up the situation well. Judge Thrash wrote, ''Needless to say, resolution of this case has been prolonged and involved greater expense to the judiciary . . . because of my inability to transfer the Northern District of Texas case to myself for trial here in the Northern District of Georgia. On the other hand, it would have been almost criminal to dump this case on a new Northern District of Texas judge for trial. . . . I hope that this problem will be fixed by Congress soon.''

Mr. President, I share that hope. I urge all of my colleagues to support the Multidistrict Litigation Restoration Act of 2006 and I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 3734

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Multidistrict Litigation Restoration Act of 2005''.

**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) under section 1407 of title 28, United States Code (enacted April 29, 1968), the Judicial Panel on Multidistrict Litigation (in this section referred to as the ''Judicial Panel''), a group of 7 Federal judges selected by the Chief Justice of the United States, assists in the centralization of civil actions which share common questions of fact filed in more than 1 Federal judicial district nationwide;

(2) civil actions described under paragraph (1)—

(A) often arise from mass single-action torts that cause death and destruction in which the plaintiffs are from many different States; and

(B) often involve issues of critical importance to the Nation, including information technology, intellectual property, antitrust, contracts, and products liability cases;

(3) the Judicial Panel—

(A) identifies the 1 United States district court (referred to in this section as the ''transferee court'') best equipped at adjudicating pretrial matters; and

(B) after pretrial, remands individual civil actions back to the district where the civil action was originally filed unless that action has been previously terminated;

(4)(A) for approximately 3 decades, the transferee court often invoked a general venue statute that authorizes a district court to transfer a civil action in the interest of justice and for the convenience of the parties and witnesses;

(B) in effect, the transferee court simply transferred all of the civil actions for trial to itself; and

(C) this process worked well because the transferee court was well-versed in the facts and law of the centralized litigation and the court could assist all parties to settle when appropriate;

(5) in 1998, the United States Supreme Court held that the plain language of section 1407 of title 28, United States Code, requires the Judicial Panel to remand all civil actions for trial back to the respective districts from which such actions were originally referred;

(6) the absence of authority to transfer a centralized civil action for trial hampers the Judicial Panel and transferee judges in their ability to achieve the important goals of section 1407 of that title promoting the just and efficient conduct of multidistrict litigation;

(7) the Judicial Panel has inherent rulemaking authority to promulgate procedural rules pertaining to multidistrict litigation which the Judicial Panel has already exercised to ensure that when a centralization occurs all civil actions of a similar nature then filed and all later civil actions that may be filed are sent to 1 district court;

(8) Congress has statutorily conferred the Judicial Panel with rulemaking authority for the conduct of its business not inconsistent with the United States Constitution, Acts of Congress, and the Federal Rules of Civil Procedure; and

(9) in civil actions in which punitive damages are to be imposed, individual courts, including transferee courts, must ensure that the measure of punishment is both reasonable and proportionate to the amount of harm to plaintiffs and to the amount of compensatory damages received.

(b) PURPOSE.—The purpose of this Act is to improve the litigation system in the Nation to allow a Federal judge to whom a civil action is transferred under section 1407 of title 28, United States Code, to retain jurisdiction over certain civil actions for trial to determine liability and compensatory and punitive damages, if appropriate, in compliance with due process requirements.

**SEC. 3. MULTIDISTRICT LITIGATION.**

Section 1407 of title 28, United States Code, is amended—

(1) in the third sentence of subsection (a), by inserting ''or ordered transferred to the transferee or other district under subsection (i)'' after ''terminated''; and

(2) by adding at the end the following:

''(i)(I) Subject to paragraph (2) and except as provided in subsection (j), any action transferred under this section by the panel may be transferred for trial purposes, by the judge or judges of the transferee district to whom the action was assigned, to the transferee or other district in the interest of justice and for the convenience of the parties and witnesses.

''(2) Any action transferred for trial purposes under paragraph (1) shall be remanded by the panel for the determination of compensatory damages to the district court from which it was transferred, unless the court to which the action has been transferred for trial purposes also finds, for the convenience of the parties and witnesses and in the interests of justice, that the action should be retained for the determination of compensatory damages.''.

**SEC. 4. TECHNICAL AMENDMENT TO MULTIPARTY, MULTI FORM TRIAL JURISDICTION ACT OF 2002.**

Section 1407 of title 28, United States Code, as amended by section 3 of this Act, is further amended by adding at the end the following:

''(j)(1) In actions transferred under this section when jurisdiction is or could have been based, in whole or in part, on section 1369 of this title, the transferee district court may, notwithstanding any other provision of this section, retain actions so transferred for the determination of liability and punitive damages. An action retained for the determination of liability shall be remanded to the district court from which the action was transferred, or to the State court from which the action was removed, for the determination of damages, other than punitive damages, unless the court finds, for the convenience of parties and witnesses and in the interest of justice, that the action should be retained for the determination of damages.

''(2) Any remand under paragraph (1) shall not be effective until 60 days after the transferee court has issued an order determining liability and has certified its intention to remand some or all of the transferred actions for the determination of damages. An appeal with respect to the liability determination and the choice of law determination of the transferee court may be taken during that 60-day period to the court of appeals with appellate jurisdiction over the transferee court. In the event a party files such an appeal, the remand shall not be effective until the appeal has been finally disposed of. Once the remand has become effective, the liability determination and the choice of law determination shall not be subject to further review by appeal or otherwise.

''(3) An appeal with respect to determination of punitive damages by the transferee court may be taken, during the 60-day period beginning on the date the order making the determination is issued, to the court of appeals with jurisdiction over the transferee court.

''( 4) Any decision under this subsection concerning remand for the determination of damages, other than punitive damages, shall not be reviewable by appeal or otherwise.

''(5) Nothing in this subsection shall restrict the authority of the transferee court to transfer or dismiss an action on the ground of inconvenient forum.''.

**SEC. 5. EFFECTIVE DATE.**

(a) MULTIDISTRICT LITIGATION.—The amendments made by section 3 shall apply to any civil action pending on or brought on or after the date of the enactment of this Act.

(b) TECHNICAL AMENDMENT.—The amendment made by section 4 shall be effective as if enacted in section 11020(b) of the Multiparty, Multiforum Trial Jurisdiction Act of 2002 (Public Law 107–273; 116 Stat. 1826 et seq.).

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By Mr. COLEMAN (for himself, Mr. REED, Mr. KOHL, and Mr. MARTINEZ):

S. 3739. A bill to establish a Consortium on the Impact of Technology in Aging Health Services; to the Committee on Health, Education, Labor, and Pensions.

Mr. REED. I am pleased to join my colleagues, Senator COLEMAN, Senator KOHL, Senator MARTINEZ, Congressman RAMSTAD, and Congresswoman ESHOO, today to introduce the Consortium on the Impact of Technology in Health Services Act.

We face a challenging and exciting time in the evolution of America's health care system. Today, roughly 40 million men and women are over age 65. A full doubling of the elderly population is predicted to occur by the year 2030—with the first of the baby boom generation turning 65 in the year 2011—only 5 years from now.

Nowhere is the aging of the population more apparent than in my home State of Rhode Island. We exceed the national average in terms of citizens over the age of 65 as well as those over the age of 85. In a State of slightly more than a million people, almost 15 percent of the population is over the age of 65 today. According to Census Bureau estimates, the number of elderly is expected to increase to 18.8 percent of Rhode Island's population by 2025. Rhode Island also has one of the highest concentrations of persons age 85 and over in the country.

Dramatic increases in life expectancy over the last century can be attributed to tremendous advances in public health and medical research. These demographic changes also pose new challenges to our health care system that require creative and innovative solutions.

In addition to Americans living longer, keeping up with advancements in medical science poses unique burdens and challenges for our health care system. We are facing shortages in a number of critical health care fields—nurses, primary care physicians, and geriatricians—to name a few. These workforce issues further hinder our ability to keep up with the health care needs of aging Americans.

Greater use of technology has the potential to enhance the quality of care to our aging population and enable seniors to remain healthy and live independently longer.

The application of technology in the aging health care services field would also help mitigate the burden on providers by allowing physicians, home health care workers, and family members to keep in regular contact with patients and loved ones. Better monitoring of elderly patients would also serve to identify changes in their health condition before a serious problem arises.

Smarter applications of technology in caring for the aged could also address some of the growing concerns with skyrocketing budget deficits. As we grapple with Medicare and Medicaid taking up a growing proportion of overall Federal spending, we need to carefully balance health care expenditures while also improving the quality of care. We need to be thoughtful and wiser with our health care dollars as well as creative in the provision of services to the elderly.

The Consortium on the Impact of Technology in Health Services Act will bring together experts from the medical, aging, and technology fields to build a vision and a framework for the development and implementation of a 21st century health care system able to meet the needs of our burgeoning aging population.

We need to change the way we think about health care for our Nation's seniors. We need a model that is oriented toward health promotion and disease prevention. This legislation gives us a jumpstart on developing and implementing the tools and strategies needed to serve the senior population of America more effectively and with greater cost savings.

I am pleased to join with my colleagues in introducing this important initiative and hope the Senate will give it careful consideration.

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By Mr. FEINGOLD:

S. 3740. A bill to amend the Internal Revenue Code of 1986 to reform the system of public financing for Presidential elections, and for other purposes; to the Committee on Finance.

Mr. FEINGOLD. Mr. President, today I will introduce a bill to repair and strengthen the Presidential public financing system. The Presidential Funding Act of 2006 will ensure that this system that has served our country so well for over a generation will continue to fulfill its promise in the 21st century.

The Presidential public financing system was put into place in the wake of the Watergate scandals as part of the Federal Election Campaign Act of 1974. It was held to be constitutional by the Supreme Court in Buckley v. Valeo. The system, of course, is voluntary, as the Supreme Court required. Every major party nominee for President since 1976 has participated in the system for the general election and, prior to 2000, every major party nominee had participated in the system for the primary election, too. In the last election, President Bush and two Democratic candidates, Howard Dean and the eventual nominee JOHN KERRY, opted out of the system for the Presidential primaries. President Bush and Senator KERRY elected to take the taxpayer-funded grant in the general election. President Bush also opted out of the system for the Republican primaries in 2000 but took the general election grant.

It is unfortunate that the matching funds system for the primaries is becoming less viable. The system protects the integrity of the electoral process by allowing candidates to run viable campaigns without becoming overly dependent on private donors. The system has worked well in the past, and it is worth repairing so that it can work in the future. If we don't repair it, the pressures on candidates to opt out because their opponents are opting out will increase until the system collapses from disuse.

This bill makes changes to both the primary and general election public financing system to address the weaknesses and problems that have been identified by both participants in the system and experts on the presidential election financing process. First and most important, it eliminates the State-by-State spending limits in the current law and substantially increases the overall spending limit from the current limit of approximately $45 million to $150 million, of which up to $100 million can be spent before April 1 of the election year. This should make the system much more viable for serious candidates facing opponents who are capable of raising significant sums outside the system. The bill also makes available substantially more public money for participating candidates by increasing the match of small contributions from 1:1 to 4:1.

One very important provision of this bill ties the primary and general election systems together and requires candidates to make a single decision on whether to participate. Candidates who opt out of the primary system and decide to rely solely on private money cannot return to the system for the general election. And candidates must commit to participate in the system in the general election if they want to receive Federal matching funds in the primaries. The bill also increases the spending limits for participating candidates in the primaries who face a nonparticipating opponent if that opponent raises more than 20 percent more than the spending limit. This provides some protection against being far outspent by a nonparticipating opponent. Additional grants of public

money are also available to participating candidates who face a nonparticipating candidate spending substantially more than the spending limit.

The bill also sets the general election spending limit at $100 million, indexed for inflation. And if a general election candidate does not participate in the system and spends more than 20 percent more than the combined primary and general election spending limits, a participating candidate will receive a grant equal to twice the general election spending limit.

This bill also addresses what some have called the ''gap'' between the primary and general election seasons. Presumptive Presidential nominees have emerged earlier in the election year over the life of the public financing system. This had led to some nominees being essentially out of money between the time that they nail down the nomination and the convention where they are formally nominated and become eligible for the general election grant. For a few cycles, soft money raised by the parties filled in that gap, but the Bipartisan Campaign Reform Act of 2002 fortunately has now closed that loophole. This bill allows candidates who are still in the primary race as of April 1 to spend an additional $50 million. In addition, the bill allows the political parties to spend up to $25 million between April 1 and the date that a candidate is nominated and an additional $25 million after the nomination. The total amount of $50 million is over three times the amount allowed under current law. This should allow any gap to be more than adequately filled.

Obviously, these changes make this a more generous system. So the bill also makes the requirement for qualifying more difficult. To be eligible for matching funds, a candidate must raise $25,000 in matchable contributions—up to $200 for each donor—in at least 20 States. That is five times the threshold under current law.

The bill also makes a number of changes in the system to reflect the changes in our Presidential races over the past several decades. For one thing, it makes matching funds available starting on July 1 of the year preceding the election, 6 months earlier than is currently the case. For another, it sets a single date for release of the public grant for the general election—the Friday before Labor Day. This addresses an inequity in the current system, under which the general election grant is released after each nominating convention, which can be several weeks apart.

The bill will also end the political parties' use of soft money for their conventions and requires presidential candidates to disclose bundled contributions. Additional provisions, and those I have discussed in summary form here, are explained in a section-by-section analysis of the bill that I will ask to be printed in the RECORD, following my statement. I will also ask that a copy of the bill itself be printed in the RECORD, following my statement.

Mr. President, the purpose of this bill is to improve the campaign finance system, not to advance one party's interests. In fact, with the country looking forward to the first Presidential election since 1952 where both the incumbent President and the sitting Vice-President are not running, this is a perfect time to make changes in the Presidential public funding system. Each party will have numerous candidates in the primaries, and no party can claim it will be helped or hurt by these changes.

Fixing the Presidential public financing system will cost money, but our best calculations at the present time indicate that the changes to the system in this bill can be paid for by raising the income tax check-off on an individual return from $3 to just $10. The total cost of the changes to the system, based on data from the 2004 elections, is projected to be around $360 million over the 4-year election cycle. To offset that increased cost, this bill caps taxpayer subsidies for promotion of agricultural products, including some brand-name goods, by limiting the Market Access Program to $100 million per year.

Though the numbers are large, this is actually a very small investment to make to protect the health of our democracy and integrity of our Presidential elections. The American people do not want to see a return to the pre-Watergate days of unlimited spending on presidential elections and candidates entirely beholden to private donors. We must act now to preserve the crown jewel of the Watergate reforms and ensure the fairness of our elections and the confidence of our citizens in the process.

Mr. President, I ask unanimous consent that the text of the bill and additional materials be printed in the RECORD.

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

S. 3740

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Presidential Funding Act of 2006''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Revisions to system of Presidential primary matching payments.
Sec. 3. Requiring participation in primary payment system as condition of eligibility for general election payments.
Sec. 4. Revisions to expenditure limits.
Sec. 5. Additional payments and increased expenditure limits for candidates participating in public financing who face certain nonparticipating opponents.
Sec. 6. Establishment of uniform date for release of payments from Presidential Election Campaign Fund to eligible candidates.
Sec. 7. Revisions to designation of income tax payments by individual taxpayers.
Sec. 8. Amounts in Presidential Election Campaign Fund.
Sec. 9. Repeal of priority in use of funds for political conventions.
Sec. 10. Regulation of convention financing.
Sec. 11. Disclosure of bundled contributions.
Sec. 12. Offset.
Sec. 13. Effective date.

**SEC. 2. REVISIONS TO SYSTEM OF PRESIDENTIAL PRIMARY MATCHING PAYMENTS.**

(a) INCREASE IN MATCHING PAYMENTS.—

(1) IN GENERAL.—Section 9034(a) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''an amount equal to the amount'' and inserting ''an amount equal to 400 percent of the amount''; and

(B) by striking ''$250'' and inserting ''$200''.

(2) ADDITIONAL MATCHING PAYMENTS FOR CANDIDATES AFTER MARCH 31 OF THE ELECTION YEAR.—Section 9034(b) of such Code is amended to read as follows:

''(b) ADDITIONAL PAYMENTS FOR CANDIDATES AFTER MARCH 31 OF THE ELECTION YEAR.—In addition to any payment under subsection (a), an individual who is a candidate after March 31 of the calendar year in which the presidential election is held and who is eligible to receive payments under section 9033 shall be entitled to payments under section 9037 in an amount equal to the amount of each contribution received by such individual after March 31 of the calendar year in which such presidential election is held, disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person after such date exceeds $200.''.

(3) CONFORMING AMENDMENTS.—Section 9034 of such Code, as amended by paragraph (2), is amended—

(A) by striking the last sentence of subsection (a); and

(B) by inserting after subsection (b) the following new subsection:

''(c) CONTRIBUTION DEFINED.—For purposes of this section and section 9033(b), the term 'contribution' means a gift of money made by a written instrument which identifies the person making the contribution by full name and mailing address, but does not include a subscription, loan, advance, or deposit of money, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9032(4).''.

(b) ELIGIBILITY REQUIREMENTS.—

(1) AMOUNT OF AGGREGATE CONTRIBUTIONS PER STATE.—Section 9033(b)(3) of such Code is amended by striking ''$5,000'' and inserting ''$25,000''.

(2) AMOUNT OF INDIVIDUAL CONTRIBUTIONS.—Section 9033(b)(4) of such Code is amended by striking ''$250'' and inserting ''$200''.

(3) PARTICIPATION IN SYSTEM FOR PAYMENTS FOR GENERAL ELECTION.—Section 9033(b) of such Code is amended—

(A) by striking ''and'' at the end of paragraph (3);

(B) by striking the period at the end of paragraph (4) and inserting '', and''; and

(C) by adding at the end the following new paragraph:

''(5) if the candidate is nominated by a political party for election to the office of President, the candidate will apply for and accept payments with respect to the general election for such office in accordance with chapter 95, including the requirement that the candidate and the candidate's authorized committees will not incur qualified campaign expenses in excess of the aggregate payments to which they will be entitled under section 9004.''.

(c) PERIOD OF AVAILABILITY OF PAYMENTS.—

(1) IN GENERAL.—Section 9032(6) of such Code is amended by striking ''the beginning

of the calendar year'' and inserting ''July 1 of the calendar year preceding the calendar year''.

(2) CONFORMING AMENDMENT.—Section 9034(a) of such Code is amended by striking ''the beginning of the calendar year'' and inserting ''July 1 of the calendar year preceding the calendar year''.

**SEC. 3. REQUIRING PARTICIPATION IN PRIMARY PAYMENT SYSTEM AS CONDITION OF ELIGIBILITY FOR GENERAL ELECTION PAYMENTS.**

(a) MAJOR PARTY CANDIDATES.—Section 9003(b) of the Internal Revenue Code of 1986 is amended—

(1) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3); and

(2) by inserting before paragraph (2) (as so redesignated) the following new paragraph:

''(1) the candidate received payments under chapter 96 for the campaign for nomination;''.

(b) MINOR PARTY CANDIDATES.—Section 9003(c) of such Code is amended—

(1) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3); and

(2) by inserting before paragraph (2) (as so redesignated) the following new paragraph:

''(1) the candidate received payments under chapter 96 for the campaign for nomination;''.

**SEC. 4. REVISIONS TO EXPENDITURE LIMITS.**

(a) INCREASE IN EXPENDITURE LIMITS FOR PARTICIPATING CANDIDATES; ELIMINATION OF STATE-SPECIFIC LIMITS.—

(1) IN GENERAL.—Section 315(b)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(b)(1)) is amended by striking ''may make expenditures in excess of'' and all that follows and inserting ''may make expenditures—

''(A) with respect to a campaign for nomination for election to such office—

''(i) in excess of $100,000,000 before April 1 of the calendar year in which the presidential election is held; and

''(ii) in excess of $150,000,000 before the date described in section 9006(b) of the Internal Revenue Code of 1986; and

''(B) with respect to a campaign for election to such office, in excess of $100,000,000.''.

(2) CLERICAL CORRECTION.—Section 9004(a)(1) of the Internal Revenue Code of 1986 is amended by striking ''section 320(b)(1)(B) of the Federal Election Campaign Act of 1971'' and inserting ''section 315(b)(1)(B) of the Federal Election Campaign Act of 1971''.

(b) INCREASE IN LIMIT ON COORDINATED PARTY EXPENDITURES.—Section 315(d)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)(2)) is amended to read as follows:

''(2)(A) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds $25,000,000.

''(B) Notwithstanding the limitation under subparagraph (A), during the period beginning on April 1 of the year in which a presidential election is held and ending on the date described in section 9006(b) of the Internal Revenue Code of 1986, the national committee of a political party may make additional expenditures in connection with the general election campaign of a candidate for President of the United States who is affiliated with such party in an amount not to exceed $25,000,000.

''(C)(i) Notwithstanding subparagraph (B) or the limitation under subparagraph (A), if any nonparticipating primary candidate (within the meaning of subsection (b)(3)) affiliated with the national committee of a political party receives contributions or makes expenditures with respect to such candidate's campaign in an aggregate amount greater than 120 percent of the expenditure limitation in effect under subsection (b)(1)(A)(ii), then, during the period described in clause (ii), the national committee of any other political party may make expenditures in connection with the general election campaign of a candidate for President of the United States who is affiliated with such other party without limitation.

''(ii) The period described in this clause is the period—

''(I) beginning on the later of April 1 of the year in which a presidential election is held or the date on which such nonparticipating primary candidate first receives contributions or makes expenditures in the aggregate amount described in clause (i); and

''(II) ending on the earlier of the date such nonparticipating primary candidate ceases to be a candidate for nomination to the office of President of the United States and is not a candidate for such office or the date described in section 9006(b) of the Internal Revenue Code of 1986.

''(iii) If the nonparticipating primary candidate described in clause (i) ceases to be a candidate for nomination to the office of President of the United States and is not a candidate for such office, clause (i) shall not apply and the limitations under subparagraphs (A) and (B) shall apply. It shall not be considered to be a violation of this Act if the application of the preceding sentence results in the national committee of a political party violating the limitations under subparagraphs (A) and (B) solely by reason of expenditures made by such national committee during the period in which clause (i) applied.

''(D) For purposes of this paragraph—

''(i) any expenditure made by or on behalf of a national committee of a political party and in connection with a presidential election shall be considered to be made in connection with the general election campaign of a candidate for President of the United States who is affiliated with such party; and

''(ii) any communication made by or on behalf of such party shall be considered to be made in connection with the general election campaign of a candidate for President of the United States who is affiliated with such party if any portion of the communication is in connection with such election.

''(E) Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States.''.

(c) CONFORMING AMENDMENTS RELATING TO TIMING OF COST-OF-LIVING ADJUSTMENT.—

(1) IN GENERAL.—Section 315(c)(1) of such Act (2 U.S.C. 441(c)(1)) is amended—

(A) in subparagraph (B), by striking ''(b), (d),'' and inserting ''(d)(3)''; and

(B) by inserting at the end the following new subparagraph:

''(D) In any calendar year after 2008—

''(i) a limitation established by subsection (b) or (d)(2) shall be increased by the percent difference determined under subparagraph (A);

''(ii) each amount so increased shall remain in effect for the calendar year; and

''(iii) if any amount after adjustment under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.''.

(2) BASE YEAR.—Section 315(c)(2)(B) of such Act (2 U.S.C. 441a(c)(2)(B)) is amended—

(A) in clause (i)—

(i) by striking ''subsections (b) and (d)'' and inserting ''subsection (d)(3)''; and

(ii) by striking ''and'' at the end;

(B) in clause (ii), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new clause:

''(iii) for purposes of subsection (b) and (d)(2), calendar year 2007.''.

(d) REPEAL OF EXCLUSION OF FUNDRAISING COSTS FROM TREATMENT AS EXPENDITURES.—Section 301(9)(B)(vi) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)(vi)) is amended by striking ''in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 315(b)'' and inserting the following: ''who is seeking nomination for election or election to the office of President or Vice President of the United States''.

**SEC. 5. ADDITIONAL PAYMENTS AND INCREASED EXPENDITURE LIMITS FOR CANDIDATES PARTICIPATING IN PUBLIC FINANCING WHO FACE CERTAIN NONPARTICIPATING OPPONENTS.**

(a) CANDIDATES IN PRIMARY ELECTIONS.—

(1) ADDITIONAL PAYMENTS.—

(A) IN GENERAL.—Section 9034 of the Internal Revenue Code of 1986, as amended by section 2, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) ADDITIONAL PAYMENTS FOR CANDIDATES FACING NONPARTICIPATING OPPONENTS.—

''(1) IN GENERAL.—In addition to any payments provided under subsections (a) and (b), each candidate described in paragraph (2) shall be entitled to—

''(A) a payment under section 9037 in an amount equal to the amount of each contribution received by such candidate on or after July 1 of the calendar year preceding the calendar year of the presidential election with respect to which such candidate is seeking nomination and before the qualifying date, disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person exceeds $200, and

''(B) payments under section 9037 in an amount equal to the amount of each contribution received by such candidate on or after the qualifying date, disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person exceeds $200.

''(2) CANDIDATES TO WHOM THIS SUBSECTION APPLIES.—A candidate is described in this paragraph if such candidate—

''(A) is eligible to receive payments under section 9033, and

''(B) is opposed by a nonparticipating primary candidate of the same political party who receives contributions or makes expenditures with respect to the campaign—

''(i) before April 1 of the year in which the presidential election is held, in an aggregate amount greater than 120 percent of the expenditure limitation under section 315(b)(1)(A)(i) of the Federal Election Campaign Act of 1971, or

''(ii) before the date described in section 9006(b), in an aggregate amount greater than 120 percent of the expenditure limitation under section 315(b)(1)(A)(ii) of such Act.

''(3) NONPARTICIPATING PRIMARY CANDIDATE.—In this subsection, the term 'nonparticipating primary candidate' means a candidate for nomination for election for the office of President who is not eligible under section 9033 to receive payments from the Secretary under this chapter.

''(4) QUALIFYING DATE.—In this subsection, the term 'qualifying date' means the first date on which the contributions received or expenditures made by the nonparticipating primary candidate described in paragraph (2)(B) exceed the amount described under either clause (i) or clause (ii) of such paragraph.''.

(B) CONFORMING AMENDMENT.—Section 9034(b)(2) of such Code, as amended by section 2, is amended by striking ''subsection (a)'' and inserting ''subsections (a) and (c)''.

(2) INCREASE IN EXPENDITURE LIMIT.—Section 315(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(b)) is amended by adding at the end the following new paragraph:

''(3)(A) In the case of an eligible candidate, each of the limitations under clause (i) and (ii) of paragraph (1)(A) shall be increased—

''(i) by $50,000,000, if any nonparticipating primary candidate of the same political party as such candidate receives contributions or makes expenditures with respect to the campaign in an aggregate amount greater than 120 percent of the expenditure limitation applicable to eligible candidates under clause (i) or (ii) of paragraph (1)(A) (before the application of this clause), and

''(ii) by $100,000,000, if such nonparticipating primary candidate receives contributions or makes expenditures with respect to the campaign in an aggregate amount greater than 120 percent of the expenditure limitation applicable to eligible candidates under clause (i) or (ii) of paragraph (1)(A) after the application of clause (i).

''(B) Each dollar amount under subparagraph (A) shall be considered a limitation under this subsection for purposes of subsection (c).

''(C) In this paragraph, the term 'eligible candidate' means, with respect to any period, a candidate—

''(i) who is eligible to receive payments under section 9033 of the Internal Revenue Code of 1986;

''(ii) who is opposed by a nonparticipating primary candidate; and

''(iii) with respect to whom the Commission has given notice under section 304(i)(1)(B)(i).

''(D) In this paragraph, the term 'nonparticipating primary candidate' means, with respect to any eligible candidate, a candidate for nomination for election for the office of President who is not eligible under section 9033 of the Internal Revenue Code of 1986 to receive payments from the Secretary of the Treasury under chapter 96 of such Code.''.

(b) CANDIDATES IN GENERAL ELECTIONS.—

(1) ADDITIONAL PAYMENTS.—

(A) IN GENERAL.—Section 9004(a)(1) of the Internal Revenue Code of 1986 is amended—

(i) by striking ''(1) The eligible candidates'' and inserting ''(1)(A) Except as provided in subparagraph (B), the eligible candidates''; and

(ii) by adding at the end the following new subparagraph:

''(B) In addition to the payments described in subparagraph (A), each eligible candidate of a major party in a presidential election with an opponent in the election who is not eligible to receive payments under section 9006 and who receives contributions or makes expenditures with respect to the primary and general elections in an aggregate amount greater than 120 percent of the combined expenditure limitations applicable to eligible candidates under section 315(b)(1) of the Federal Election Campaign Act of 1971 shall be entitled to an equal payment under section 9006 in an amount equal to 100 percent of the expenditure limitation applicable under such section with respect to a campaign for election to the office of President.''.

(B) SPECIAL RULE FOR MINOR PARTY CANDIDATES.—Section 9004(a)(2)(A) of such Code is amended—

(i) by striking ''(A) The eligible candidates'' and inserting ''(A)(i) Except as provided in clause (ii), the eligible candidates''; and

(ii) by adding at the end the following new clause:

''(ii) In addition to the payments described in clause (i), each eligible candidate of a minor party in a presidential election with an opponent in the election who is not eligible to receive payments under section 9006 and who receives contributions or makes expenditures with respect to the primary and general elections in an aggregate amount greater than 120 percent of the combined expenditure limitations applicable to eligible candidates under section 315(b)(1) of the Federal Election Campaign Act of 1971 shall be entitled to an equal payment under section 9006 in an amount equal to 100 percent of the payment to which such candidate is entitled under clause (i).''.

(2) EXCLUSION OF ADDITIONAL PAYMENT FROM DETERMINATION OF EXPENDITURE LIMITS.—Section 315(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(b)), as amended by subsection (a), is amended by adding at the end the following new paragraph:

''(4) In the case of a candidate who is eligible to receive payments under section 9004(a)(1)(B) or 9004(a)(2)(A)(ii) of the Internal Revenue Code of 1986, the limitation under paragraph (1)(B) shall be increased by the amount of such payments received by the candidate.''.

(c) PROCESS FOR DETERMINATION OF ELIGIBILITY FOR ADDITIONAL PAYMENT AND INCREASED EXPENDITURE LIMITS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following new subsection:

''(i) REPORTING AND CERTIFICATION FOR ADDITIONAL PUBLIC FINANCING PAYMENTS FOR CANDIDATES.—

''(1) PRIMARY CANDIDATES.—

''(A) NOTIFICATION OF EXPENDITURES BY INELIGIBLE CANDIDATES.—

''(i) EXPENDITURES IN EXCESS OF 120 PERCENT OF LIMIT.—If a candidate for a nomination for election for the office of President who is not eligible to receive payments under section 9033 of the Internal Revenue Code of 1986 receives contributions or makes expenditures with respect to the primary election in an aggregate amount greater than 120 percent of the expenditure limitation applicable to eligible candidates under clause (i) or (ii) of section 315(b)(1)(A), the candidate shall notify the Commission in writing that the candidate has received aggregate contributions or made aggregate expenditures in such an amount not later than 24 hours after first receiving aggregate contributions or making aggregate expenditures in such an amount.

''(ii) EXPENDITURES IN EXCESS OF 120 PERCENT OF INCREASED LIMIT.—If a candidate for a nomination for election for the office of President who is not eligible to receive payments under section 9033 of the Internal Revenue Code of 1986 receives contributions or makes expenditures with respect to the primary election in an aggregate amount greater than 120 percent of the expenditure limitation applicable to eligible candidates under section 315(b) after the application of paragraph (3)(A)(i) thereof, the candidate shall notify the Commission in writing that the candidate has received aggregate contributions or made aggregate expenditures in such an amount not later than 24 hours after first receiving aggregate contributions or making aggregate expenditures in such an amount.

''(B) CERTIFICATION.—Not later than 24 hours after receiving any written notice under subparagraph (A) from a candidate, the Commission shall—

''(i) certify to the Secretary of the Treasury that opponents of the candidate are eligible for additional payments under section 9034(c) of the Internal Revenue Code of 1986;

''(ii) notify each opponent of the candidate who is eligible to receive payments under section 9033 of the Internal Revenue Code of 1986 of the amount of the increased limitation on expenditures which applies pursuant to section 315(b)(3); and

''(iii) in the case of a notice under subparagraph (A)(i), notify the national committee of each political party (other than the political party with which the candidate is affiliated) of the inapplicability of expenditure limits under section 315(d)(2) pursuant to subparagraph (C) thereof.

''(2) GENERAL ELECTION CANDIDATES.—

''(A) NOTIFICATION OF EXPENDITURES BY INELIGIBLE CANDIDATES.—If a candidate in a presidential election who is not eligible to receive payments under section 9006 of the Internal Revenue Code of 1986 receives contributions or makes expenditures with respect to the primary and general elections in an aggregate amount greater than 120 percent of the combined expenditure limitations applicable to eligible candidates under section 315(b)(1), the candidate shall notify the Commission in writing that the candidate has received aggregate contributions or made aggregate expenditures in such an amount not later than 24 hours after first receiving aggregate contributions or making aggregate expenditures in such an amount.

''(B) CERTIFICATION.—Not later than 24 hours after receiving a written notice under subparagraph (A), the Commission shall certify to the Secretary of the Treasury for payment to any eligible candidate who is entitled to an additional payment under paragraph (1)(B) or (2)(A)(ii) of section 9004(a) of the Internal Revenue Code of 1986 that the candidate is entitled to payment in full of the additional payment under such section.''.

**SEC. 6. ESTABLISHMENT OF UNIFORM DATE FOR RELEASE OF PAYMENTS FROM PRESIDENTIAL ELECTION CAMPAIGN FUND TO ELIGIBLE CANDIDATES.**

(a) IN GENERAL.—The first sentence of section 9006(b) of the Internal Revenue Code of 1986 is amended to read as follows: ''If the Secretary of the Treasury receives a certification from the Commission under section 9005 for payment to the eligible candidates of a political party, the Secretary shall, on the last Friday occurring before the first Monday in September, pay to such candidates of the fund the amount certified by the Commission.''.

(b) CONFORMING AMENDMENT.—The first sentence of section 9006(c) of such Code is amended by striking ''the time of a certification by the Comptroller General under section 9005 for payment'' and inserting ''the time of making a payment under subsection (b)''.

**SEC. 7. REVISIONS TO DESIGNATION OF INCOME TAX PAYMENTS BY INDIVIDUAL TAXPAYERS.**

(a) INCREASE IN AMOUNT DESIGNATED.—Section 6096(a) of the Internal Revenue Code of 1986 is amended—

(1) in the first sentence, by striking ''$3'' each place it appears and inserting ''$10''; and

(2) in the second sentence—

(A) by striking ''$6'' and inserting ''$20''; and

(B) by striking ''$3'' and inserting ''$10''.

(b) INDEXING.—Section 6096 of such Code is amended by adding at the end the following new subsection:

''(d) INDEXING OF AMOUNT DESIGNATED.—

''(1) IN GENERAL.—With respect to each taxable year after 2006, each amount referred to in subsection (a) shall be increased by the percent difference described in paragraph (2), except that if any such amount after such an increase is not a multiple of $1, such amount shall be rounded to the nearest multiple of $1.

''(2) PERCENT DIFFERENCE DESCRIBED.—The percent difference described in this paragraph with respect to a taxable year is the percent difference determined under section 315(c)(1)(A) of the Federal Election Campaign Act of 1971 with respect to the calendar year during which the taxable year begins, except that the base year involved shall be 2006.''.

(c) ENSURING TAX PREPARATION SOFTWARE DOES NOT PROVIDE AUTOMATIC RESPONSE TO DESIGNATION QUESTION.—Section 6096 of such Code, as amended by subsection (b), is amended by adding at the end the following new subsection:

''(e) ENSURING TAX PREPARATION SOFTWARE DOES NOT PROVIDE AUTOMATIC RESPONSE TO DESIGNATION QUESTION.—The Secretary shall promulgate regulations to ensure that electronic software used in the preparation or filing of individual income tax returns does not automatically accept or decline a designation of a payment under this section.''.

(d) PUBLIC INFORMATION PROGRAM ON DESIGNATION.—Section 6096 of such Code, as amended by subsections (b) and (c), is amended by adding at the end the following new subsection:

''(f) PUBLIC INFORMATION PROGRAM.—

''(1) IN GENERAL.—The Federal Election Commission shall conduct a program to inform and educate the public regarding the purposes of the Presidential Election Campaign Fund, the procedures for the designation of payments under this section, and the effect of such a designation on the income tax liability of taxpayers.

''(2) USE OF FUNDS FOR PROGRAM.—Amounts in the Presidential Election Campaign Fund shall be made available to the Federal Election Commission to carry out the program under this subsection, except that the amount made available for this purpose may not exceed $10,000,000 with respect to any Presidential election cycle. In this paragraph, a 'Presidential election cycle' is the 4-year period beginning with January of the year following a Presidential election.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

**SEC. 8. AMOUNTS IN PRESIDENTIAL ELECTION CAMPAIGN FUND.**

(a) DETERMINATION OF AMOUNTS IN FUND.—Section 9006(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: ''In making a determination of whether there are insufficient moneys in the fund for purposes of the previous sentence, the Secretary shall take into account in determining the balance of the fund for a Presidential election year the Secretary's best estimate of the amount of moneys which will be deposited into the fund during the year, except that the amount of the estimate may not exceed the average of the annual amounts deposited in the fund during the previous 3 years.''.

(b) SPECIAL RULE FOR FIRST CAMPAIGN CYCLE UNDER THIS ACT.—

(1) IN GENERAL.—Section 9006 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(d) SPECIAL AUTHORITY TO BORROW.—

''(1) IN GENERAL.—Notwithstanding subsection (c), there are authorized to be appropriated to the fund, as repayable advances, such sums as are necessary to carry out the purposes of the fund during the period ending on the first presidential election occurring after the date of the enactment of this subsection.

''(2) REPAYMENT OF ADVANCES.—

''(A) IN GENERAL.—Advances made to the fund shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the Secretary determines that moneys are available for such purposes in the fund.

''(B) RATE OF INTEREST.—Interest on advances made to the fund shall be at a rate determined by the Secretary of the Treasury (as of the close of the calendar month preceding the month in which the advance is made) to be equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the anticipated period during which the advance will be outstanding and shall be compounded annually.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on the date of the enactment of this Act.

**SEC. 9. REPEAL OF PRIORITY IN USE OF FUNDS FOR POLITICAL CONVENTIONS.**

(a) IN GENERAL.—Section 9008(a) of the Internal Revenue Code of 1986 is amended by striking the period at the end of the second sentence and all that follows and inserting the following: '', except that the amount deposited may not exceed the amount available after the Secretary determines that amounts for payments under section 9006 and section 9037 are available for such payments.''.

(b) CONFORMING AMENDMENT.—The second sentence of section 9037(a) of such Code is amended by striking ''section 9006(c) and for payments under section 9008(b)(3)'' and inserting ''section 9006''.

**SEC. 10. REGULATION OF CONVENTION FINANCING.**

(a) IN GENERAL.—Section 323 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441i) is amended by adding at the end the following new subsection:

''(g) NATIONAL CONVENTIONS.—

''(1) IN GENERAL.—Any person described in subsection (a) or (e) shall not solicit, receive, direct, transfer, or spend any funds in connection with a presidential nominating convention of any political party, including funds for a host committee, civic committee, municipality, or any other person or entity spending funds in connection with such a convention, unless such funds—

''(A) are not in excess of the amounts permitted with respect to contributions to the political committee established and maintained by a national political party committee under section 315; and

''(B) are not from sources prohibited by this Act from making contributions in connection with an election for Federal office.

''(2) EXCEPTION.—Paragraph (1) shall not apply to—

''(A) payments by a Federal, State, or local government if the funds used for the payments are from the general public tax revenues of such government and are not derived from donations made to a State or local government for purposes of any convention; and

''(B) payments by any person for the purpose of promoting the suitability of a city as a convention site in advance of its selection, welcoming convention attendees to the city, or providing shopping or entertainment guides to convention attendees.''.

(b) PUBLIC FINANCING.—Subsection (d) of section 9008 of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) EXPENDITURES FOR CONVENTIONS.—

''(1) IN GENERAL.—The Commission shall not certify any major party or minor party under subsection (g) unless such party agrees that—

''(A) expenses incurred with respect to a presidential nominating convention will only be paid with payments received under subsection (a) or with funds that are subject to the limitations, prohibitions, and reporting requirements of the Federal Election Campaign Act of 1971, and

''(B) the committee will not accept or use any goods or services related to or in connection with any presidential nominating convention that are paid for or provided by any other person.

''(2) EXCEPTION.—Paragraph (1) shall not apply to—

''(A) payments by a Federal, State, or local government if the funds used for the payments are from the general public tax revenues of such government and are not derived from donations made to a State or local government for purposes of any convention, and

''(B) payments by any person for the purpose of promoting the suitability of a city as a convention site in advance of its selection, welcoming convention attendees to the city, or providing shopping or entertainment guides to convention attendees.''.

**SEC. 11. DISCLOSURE OF BUNDLED CONTRIBUTIONS.**

(a) IN GENERAL.—Section 304(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)) is amended—

(1) by striking ''and'' at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(9) in the case of an authorized committee of a candidate for President, the name, address, occupation, and employer of each person who makes a bundled contribution, and the aggregate amount of the bundled contributions made by such person during the reporting period.''.

(b) BUNDLED CONTRIBUTION.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following new paragraph:

''(27) BUNDLED CONTRIBUTION.—The term 'bundled contribution' means a series of contributions that are, in the aggregate, $10,000 or more and—

''(A) are transferred to the candidate or the authorized committee of the candidate by one person; or

''(B) include a written or oral notification that the contribution was solicited, arranged, or directed by a person other than the donor.''.

**SEC. 12. OFFSET.**

(a) IN GENERAL.—Section 211(c)(1)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A)) is amended by striking ''and $200,000,000 for each of fiscal years 2006 and 2007'' and inserting ''$200,000,000 for fiscal year 2006, and $100,000,000 for fiscal year 2007''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act.

**SEC. 13. EFFECTIVE DATE.**

Except as otherwise provided in this Act, the amendments made by this Act shall apply with respect to elections occurring after January 1, 2006.

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

PRESIDENTIAL FUNDING ACT OF 2006—SECTION-BY-SECTION ANALYSIS

SECTION 1: SHORT TITLE

SECTION 2: REVISIONS TO SYSTEM OF PRESIDENTIAL PRIMARY MATCHING PAYMENTS

(a) Matching Funds: Current law provides for a 1-to-1 match, where up to $250 of each individual's contributions for the primaries is matched with $250 in public funds. Under the new matching system, individual contributions of up to $200 from each individual will be matched at a 4-to-1 ratio, so $200 in individual contribution can be matched with $800 from public funds.

Candidates who remain in the primary race can also receive an additional 1-to-1 match of up to $200 of contributions received after

March 31 of a presidential election year. This additional match applies both to an initial contribution made after March 31 and to contributions from individuals who already gave $200 or more prior to April 1.

The bill defines ''contribution'' as ''a gift of money made by a written instrument which identifies the person making the contribution by full name and mailing address.''

(b) Eligibility for matching funds: Current law requires candidates to raise $5,000 in matchable contributions (currently $250 or less) in 20 states. To be eligible for matching funds under this bill, a candidate must raise $25,000 of matchable contributions (up to $200 per individual donor) in at least 20 states.

In addition, to receive matching funds in the primary, candidates must pledge to apply for public money in the general election if nominated and to not exceed the general election spending limits.

(c) Timing of payments: Current law makes matching funds available on January 1 of a presidential election year. The bill makes such funds available beginning on July 1 of the previous year.

SECTION 3: REQUIRING PARTICIPATION IN PRIMARY PAYMENT SYSTEM AS CONDITION OF ELIGIBILITY FOR GENERAL ELECTIONS PAYMENTS

Currently, candidates can participate in either the primary or the general election public financing system, or both. Under the bill, a candidate must participate in the primary matching system in order to be eligible to receive public funds in the general election.

SECTION 4: REVISIONS TO EXPENDITURE LIMITS

(a) Spending limits for candidates: In 2004, under current law, candidates participating in the public funding system had to abide by a primary election spending limit of about $45 million and a general election spending limit of about $75 million (all of which was public money). The bill sets a total primary spending ceiling for participating candidates in 2008 of $150 million, of which only $100 million can be spent before April 1. State by state spending limits are eliminated. The general election limit, which the major party candidates will receive in public funds, will be $100 million.

(b) Spending limit for parties: Current law provides a single coordinated spending limit for national party committees based on population. In 2004 that limit was about $15 million. The bill provides two limits of $25 million. The first applies after April 1 until a candidate is nominated. The second limit kicks in after the nomination. Any part of the limit not spent before the nomination can be spent after. In addition, the party coordinated spending limit is eliminated entirely until the general election public funds are released if there is an active candidate from the opposing party who has exceeded the primary spending limits by more than 20%.

This will allow the party to support the presumptive nominee during the so-called ''gap'' between the end of the primaries and the conventions. The entire cost of a coordinated party communication is subject to the limit if any portion of that communication has to do with the presidential election.

(c) Inflation adjustment: Party and candidate spending limits will be indexed for inflation, with 2008 as the base year.

(d) Fundraising expenses: Under the bill, all the costs of fundraising by candidates are subject to their spending limits.

SECTION 5: ADDITIONAL PAYMENTS AND INCREASED EXPENDITURES LIMITS FOR CANDIDATES PARTICIPATING IN PUBLIC FINANCING WHO FACE CERTAIN NONPARTICIPATING OPPONENTS

(a) Primary candidates: When a participating candidate is opposed in a primary by a nonparticipating candidate who spends more than 120 percent of the primary spending limit ($100 million prior to April 1 and $150 million after April 1), the participating candidate will receive a 5–to–1 match, instead of a 4–to–1 match for contributions of less than $200 per donor. That additional match applies to all contributions received by the participating candidate both before and after the nonparticipating candidate crosses the 120 percent threshold. In addition, the participating candidate's primary spending limit is raised by $50 million when a nonparticipating candidate raise spends more than the 120 percent of either the $100 million (before April 1) or $150 million (after April 1) limit. The limit is raised by another $50 million if the nonparticipating candidate spends more than 120 percent of the increased limit. Thus, the maximum spending limit in the primary would be $250 million if an opposing candidate has spent more than $240 million.

(b) General election candidates: When a participating candidate is opposed in a general election by a nonparticipating candidate who spends more than 120 percent of the combined primary and general election spending limits, the participating candidate shall receive an additional grant of public money equal to the amount provided for that election—$100 million in 2008. Minor party candidates are also eligible for an additional grant equal to the amount they otherwise receive (which is based on the performance of that party in the previous presidential election).

(c) Reporting and Certification: In order to provide for timely determination of a participating candidate's eligibility for increased spending limits, matching funds, and/or general election grants, non-participating candidates must notify the FEC within 24 hours after receiving contributions or making expenditures of greater than the applicable 120 percent threshold. Within 24 hours of receiving such a notice, the FEC will inform candidates participating in the system of their increased expenditure limits and will certify to the Secretary of the Treasury that participating candidates are eligible to receive additional payments.

SECTION 6: ESTABLISHMENT OF UNIFORM DATE FOR RELEASE OF PAYMENTS FROM PRESIDENTIAL ELECTIONS CAMPAIGN FUNDS TO ELIGIBLE CANDIDATES

Under current law, candidates participating in the system for the general election receive their grants of public money immediately after receiving the nomination of their party, meaning that the two major parties receive their grants on different dates. Under the bill, all candidates eligible to receive public money in the general election would receive that money on the Friday before Labor Day, unless a candidate's formal nomination occurs later.

SECTION 7: REVISIONS TO DESIGNATION OF INCOME TAX PAYMENTS BY INDIVIDUAL TAXPAYERS

The tax check-off is increased from $3 (individual) and $6 (couple) to $10 and $20. This amount will be adjusted during each tax year after 2006. The amount will be adjusted for inflation, and rounded to the nearest dollar, beginning in 2007.

The IRS shall require by regulation that electronic tax preparation software does not automatically accept or decline the tax checkoff. The FEC is required to inform and educate the public about the purpose of the Presidential Election Campaign Fund (''PECF'') and how to make a contribution. Funding for this program of up to $10 million in a four year presidential election cycle, will come from the PECF.

SECTION 8: AMOUNTS IN PRESIDENTIAL ELECTION CAMPAIGN FUND

Under current law, in January of an election year if the Treasury Department determines that there are insufficient funds in the PECF to make the required payments to participating primary candidates, the party conventions, and the general election candidates, it must reduce the payments available to participating primary candidates and it cannot make up the shortfall from any other source until those funds come in. Under the bill, in making that determination the Department can include an estimate of the amount that will be received by the PECF during that election year, but the estimate cannot exceed the past three years' average contribution to the fund. This will allow primary candidates to receive their full payments as long as a reasonable estimate of the funds that will come into the PECF that year will cover the general election candidate payments. The bill allows the Secretary of the Treasury to borrow the funds necessary to carry out the purposes of the fund during the first campaign cycle in which the bill is in effect.

SECTION 9: REPEAL OF PRIORITY IN USE OF FUNDS FOR POLITICAL CONVENTIONS

Current law gives the political parties priority on receiving the funds they are entitled to from the PECF. This means that parties get money for their conventions even if adequate funds are not available for participating candidates. This section would make funds available for the conventions only if all participating candidates have received the funds to which they are entitled.

SECTION 10: REGULATION OF CONVENTION FINANCING

(a) Soft money ban: National political parties and federal candidates and officeholders are prohibited from raising or spending soft money in connection with a nominating convention of any political party, including funds for a host committee, civic committee, or municipality.

(b) Agreement not to spend soft money: To receive public money for its nominating convention, a political party must agree not to spend soft money on that convention and that it will not accept any goods or services donated by any person in connection with the convention.

These soft money prohibitions do not apply to payments by Federal, state or local governments from general tax revenues or payments from any person for the purpose of promoting a particular city as the site for a future convention or to welcome or provide shopping or entertainment guides to convention attendees.

SECTION 11: DISCLOSURE OF BUNDLED CONTRIBUTIONS

(a) Disclosure requirement: The authorized committees of presidential candidate committee must report the name, address, and occupation of each person making a bundled contribution and the aggregate amount of bundled contributions made by that person.

(b) Definition of bundled contribution. A bundled contribution is a series of contributions totaling $10,000 or more that are (1) collected by one person and transferred to the candidate; or (2) delivered directly to the candidate from the donor but include a written or oral communication that the funds were ''solicited, arranged, or directed'' by someone other than the donor. This covers the two most common bundling arrangements where fundraisers get ''credit'' for collecting contributions for a candidate.

SECTION 12: EFFECTIVE DATE

Provides that the amendments will apply to presidential elections occurring after January 1, 2006.

By Mrs. CLINTON (for herself and Mr. ALLEN):

S. 3743. A bill to amend the Public Health Service Act to improve newborn screening activities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mrs. CLINTON. Mr. President, today I am pleased to introduce the SHINE Act of 2006 with my colleague Senator GEORGE ALLEN. This legislation is critical for the health of newborns and children.

Each year in our Nation at least 4 million newborns are screened and severe disorders are detected in 5,000 of them. Although these numbers may seem small, these disorders are often life threatening and can cause mental and physical disabilities if left untreated. Early detection by newborn screening can lessen side effects or completely prevent progression of many of these disorders if medical intervention is started early enough.

I am proud to say that New York has been a leader in newborn screening since 1960 when Dr. Robert Guthrie developed the first newborn screening test. Since then, more than 10 million babies have been tested. In 2004, New York expanded their newborn screening panel from 11 to 44 conditions. These improvements were a concerted effort by State officials and parent advocacy groups like the Newborn Screening Saves Lives and Hunter's Hope Foundation. They share a common goal that every child born with a treatable disease should receive early diagnosis and lifesaving treatment so that they can grow up happy and healthy. Today, we want to ensure that the great strides made by New York can be a model for all States and that New York can continue to make advancements that will benefit the children of New York and around the Nation.

Newborn screening experts suggest States should test for a minimum of 29 treatable core conditions. However, as of today, some States only screen for seven conditions. Every child should have access to tests that may prevent them from a life-threatening disease. Parents should not have to drive across State lines to improve the health of their baby. This bill establishes grant programs so that States can increase their capacity to screen for all the core conditions. Grant funds are also available for States like New York to expand newborn screening panels above and beyond the core conditions by developing additional newborn screening tests.

We should expect equity within newborn screening so that it does not matter where your baby is born. This legislation will establish recommended guidelines for States for newborn screening tests, reporting, and data standards. Our goal should be that affected babies be identified quickly, babies who have the diseases should not be missed, and the number of newborns falsely identified as sick should be minimized. By tracking the prevalence of diseases identified by newborn screening within States, we will be able to meet these goals and improve the long-term health of our children.

I hear from many parents how scary it is to have a sick child and to not have a diagnosis. Many parents spend years trying to find out what is wrong with their child and feel helpless. This legislation will make sure that current information on newborn screening is available and accessible to health providers and parents. The SHINE Act will provide interactive formats so that parents and providers can ask questions and receive answers about the newborn screening test, diagnosis, follow-up and treatment.

Early treatment can prevent negative and irreversible health outcomes for affected newborns. We should be doing all we can to give every child born in our country the opportunity for a happy and healthy life.

I ask unanimous consent that the following letters in support of this legislation from the March of Dimes, Hunter's Hope Foundation, Save Babies Through Screening Foundation, and Blythedale Children's Hospital be printed in the RECORD.

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

SAVE BABIES THOUGH SCREENING FOUNDATION, INC.,
*Scarsdale, NY, July 24, 2006.*

Hon. HILLARY CLINTON,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR CLINTON: I am writing on behalf of the Save Babies Through Screening Foundation to show our support for the Screening for Health of Infants and NEwborns (SHINE Act). As you know, our organization's mission is to improve the lives of babies by working to prevent disabilities and early death resulting from disorders detectable through newborn screening. Our organization was founded in 1998 and is the only organization solely dedicated to raising awareness in regard to newborn screening.

We believe that this bill will greatly enhance the expansion of newborn screening throughout the United States and will save the lives of thousands of babies—our tiniest citizens. Additionally, this will spare Parents the agonizing pain of watching their children suffer as I can attest to first-hand. With the great expansion of newborn screening, children will be able to live healthy and productive lives.

We thank you for your vision and hard work. Nobody should suffer the loss or impairment of a child when there are tests and treatment available and this bill will put an end to future suffering. Please feel free to contact me if we can be of any assistance.

Regards,

JILL LEVY-FISCH,
*President.*

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HUNTER'S HOPE,
*Orchard Park, NY, July 21, 2006.*

Hon. HILLARY CLINTON,
*U.S. Senate, Washington, DC.*

DEAR SENATOR CLINTON: On behalf of the Hunter's Hope Foundation, I respectively submit this letter as our full and complete support for the bill titled ''Screening for Health of Infants and NEwborns (SHINE Act)''.

The Hunter's Hope Foundation was established in 1997 by Pro Football Hall of Fame member and former Buffalo Bills Quarterback, Jim Kelly, and his wife, Jill, after their infant son, Hunter, was diagnosed with Krabbe (Crab ã) Leukodystrophy, an inherited, fatal, nervous system disease.

The Foundation's mission is to: Increase public awareness of Krabbe disease and other leukodystrophies, support those afflicted and their families, identify new treatments, and ultimately find a cure.

Since 1997, Cord Blood Transplant (CBT) has become a viable treatment for Krabbe disease as well as a few other leukodystrophies. But, CBT is only effective if the child is treated before the disease inflicts irreversible damage to the brain and nervous system. There are many other treatable diseases that if not treated early will cause irreversible damage. And, the number of such diseases continues to increase with advancements in science and technology. We must establish an infrastructure in our country that not only addresses the immediate need, but also creates a system for expansion. The SHINE Act will accomplish this.

Hunter passed away August 5, 2005. Like thousands of other children, if he had been screened at birth, he may be living a healthy life today. Please help these children and their families and pass this bill. We implore you to expedite the passing and implementing of this bill. With each day that passes, children are suffering and dying needlessly.

Thank you from the bottom of our hearts.

Sincerely,

JACQUE WAGGONER,
*Board of Directors, Chair.*

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BLYTHEDALE CHILDREN'S HOSPITAL,
*Valhalla, NY, July 25, 2006.*

Hon. HILLARY RODHAM CLINTON,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR CLINTON: We are pleased to write this letter of support for the Screening for Health of Infants and Newborns Act of 2006. We commend you for your leadership in calling for a uniform and comprehensive national approach to screening newborns for the full panel of core conditions recommended by the American College of Medical Genetics and endorsed by the American Academy of Pediatrics. If diagnosed early, these disorders, including metabolic and hearing deficiency, can be managed or treated to prevent severe consequences.

As a hospital which provides a wide array of services to children with special health care needs, we know how important early detection and treatment of conditions can be. We were particularly pleased to see the provisions of this legislation which provide for a Central Clearinghouse of current educational and family support information, critical to assuring a national standard of care.

According to the latest March of Dimes Newborn Screening Report Card, nearly two-thirds of all babies born in the United States this year will be screened for more than 20 life-threatening disorders. However, disparities in state newborn screening programs mean some babies will die or develop brain damage or other severe complications from these disorders because they are not identified in time for effective treatment.

At present, the United States lacks consistent national guidelines for newborn screening, and each state decides how many and which screening tests are required for every baby. As a result, only 9 percent of all

babies are screened for all of the 29 recommended conditions. Clearly it is a wise investment to take full advantage of the information available to detect treatable conditions in children.

We commend you for your leadership on this most important issue and look forward to working with you and your colleagues to secure passage of this legislation.

Sincerely,

LARRY LEVINE,
*President.*
JUDITH WIENER GOODHUE,
*Vice Chair, Board of Trustees, Chair, Government Relations Committee.*

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MARCH OF DIMES,
*Washington, DC, July 24, 2006.*

Hon. HILLARY CLINTON,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR CLINTON: On behalf of more than 3 million volunteers and 1,400 staff members of the March of Dimes, I am writing to thank you for introducing the ''Screening for Health of Infants and Newborns (SHINE) Act.'' If enacted, this legislation would authorize grant programs to assist states in expanding the number of conditions screened for at birth and improve the dissemination of educational resources to the public and healthcare providers.

As you know, disparities among states in health screening at birth mean too many babies with serious birth defects are not being diagnosed and treated in time to avoid long term disability or even death. The March of Dimes has endorsed the recommendation of the American College of Medical Genetics that calls for every baby born in the United States to be screened for twenty-nine disorders, including certain metabolic conditions and hearing deficiency. The July 2006 March of Dimes newborn screening report card made clear the need for additional state efforts to expand programs to screen for the full range of the twenty-nine disorders. Specifically, only 9 percent of the babies born in the United States were tested for all of the recommended conditions. The ''SHINE Act'' will enhance state's capacity to expand the number of screens and provide important newborn screening educational materials to families via the internet.

We at the March of Dimes are sincerely grateful for your efforts related to newborn screening and look forward to working with you, and others in Congress with an interest in newborn screening.

Sincerely,

MARINA L. WEISS,
*Senior Vice President,*
*Public Policy & Government Affairs.*

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By Mr. DURBIN (for himself and Mr. COLEMAN):

S. 3744. A bill to establish the Abraham Lincoln Study Abroad Program; to the Committee on Foreign Relations.

Mr. DURBIN. Mr. President, I am a lucky politician, a fortunate soul. I am lucky that early in my political life, I met two men who had a dramatic impact on me and on my decision to seek public office and to be involved in public service. The first was a Senator from Illinois named Paul Douglas who served from 1948 to 1966 and decided in the year 1966 to hire a college intern named DURBIN from East St. Louis, IL, who was going to school at Georgetown University. That was the first time I ever walked into a Senate office building, and I tell you, I was swept away by the experience. I knew at that time that I wanted to be a part of the excitement of this life on Capitol Hill and government, and I didn't know how I would ever have a chance to do it. I never dreamed I would run for office. But Paul Douglas, my first mentor in public service and political office, was there at the right moment in my life to inspire me to pursue at least some aspect of public service.

He introduced me to a fellow named Paul Simon who later served as the U.S. Senator from Illinois. Paul was elected in 1984 and served until 1996. During that 12-year period of time, I was a Member of the House of Representatives. For many years before, Paul Simon had been my closest friend and mentor in politics. He gave me my first job out of law school, when my wife Loretta and I packed everything we owned in a very small truck. She took the baby on a plane to fly to Springfield, IL, and I drove the truck out with our dog sitting in the front seat of my U-Haul truck with me and took my first job working for then Lieutenant Governor Paul Simon.

I was lucky. I learned the craft of politics from Paul Simon. I saw in his public service, in his public life, how good this job can be and how important it can be if you realize you need to be driven by some basic principles. Paul Simon used to say—and I have heard the speech so many times; I have even given it—that politics is about two things. First, people expect you to be honest, and I think he meant beyond dollar honesty—issue honesty; people expect you to tell them what you really believe rather than try to hide what your beliefs might be in some political double-talk.

The second thing Paul Simon says is that politics is about helping the helpless. He believed there is some mission to this. He was a son of a Lutheran minister and a proud Christian but reached across to other denominations of religions for his own inspiration. He believed that helping the helpless was an important part of government responsibility.

Mr. President, today I am going to introduce legislation with Senator NORM COLEMAN of Minnesota. It is legislation that reflects the vision of Senator Paul Simon.

After the terrible attack of September 11, 2001, Paul Simon, typical of his outlook on the world, decided that he could imagine a more peaceful world, even in that time of great upheaval. He talked about promoting peace and security through understanding and global awareness. Specifically, he began to lay out a path to a United States that would be populated by Americans who have been abroad and have a personal connection to another part of the world. His vision was to help prepare a generation with greater cultural competence and real life experience in societies unlike our own.

In the months before his untimely death, Senator Paul Simon came back to Washington to talk to me and his former colleagues in the Senate about the need to strengthen this country's international understanding. As a direct result of his work, Congress established the Abraham Lincoln Study Abroad Commission to develop the framework for an international study abroad program for America's college students. I was honored to serve on this bipartisan Lincoln Commission.

Late last year, the Commission published its report recommending the Congress establish a study abroad program for undergraduate students that would help build this global awareness and international understanding. It is a privilege for me to introduce legislation based on the recommendations of this Commission.

Paul Simon, like so many committed to strengthening our ability to lead by investing in the education of young people, struggled with the question of how America could lead while so few of our citizens have an appropriate knowledge and understanding of the world outside of our borders. The United States is a military and economic superpower, yet it is continuously threatened by a serious lack of international competence in an age of growing globalization. When you travel overseas, you cannot help but be struck by the fact that people in other countries know so much more about us than we know about them.

Our lack of world awareness is now seen as a national liability. The challenges we face as Americans are increasingly global in nature, and our youth must be well prepared for its future. Our national security, international economic competitiveness, and diplomatic efforts in working toward a peaceful society rest on our global competence and ability to appreciate language and culture throughout the world.

Today I joined a number of our colleagues who walked across the Rotunda over to the House of Representatives for a joint meeting of Congress where the Prime Minister of Iraq, Mr. al-Maliki, spoke to us. He spoke in inspiring terms about his goals for Iraq, an Iraq that was based on democratic principles, an Iraq that was based on freedom, an Iraq that was free of terrorism.

The United States has made a major investment in that effort. We are now in the fourth year of a war, a war that has claimed over 2,569 American lives, including 102 brave soldiers from my home State of Illinois. Over 20,000 of our soldiers have returned with serious injuries—2,000 of those with brain injuries and lives that will be compromised and more challenging because they agreed to stand and serve and fight for America and they went to Iraq and paid a heavy price.

We have spent some $320 billion of American treasure on the war in Iraq, and we continue to spend, by estimate, $3 billion every single week on Iraq, realizing that the end is not near and

there is no end in sight. We hope our troops will start to come home soon, but there is no indication they will.

Yet, the best military leaders in America, when they sit face to face with us here in private meetings, tell us the same thing we have heard from many members of this administration. We will not win in Iraq a military victory. The victory ultimately has to be a political victory, a victory where we convince the Iraqi people that this is a far better course to follow, to move toward self-governance and democracy, freedom and free markets, and to move away from the days of dictatorships and the thinking that led people to a divisive moment in their lives. We need to move away from that.

It suggests, even with the strongest military in the world, giving it their best efforts every single minute of every single day, the ultimate answer in Iraq and so many other countries is not a military answer. It is an answer that brings together political and economic elements that ultimately will spell the success of that nation.

The capacity of the United States to lead in the 21st century, not just in Iraq but all over the world, demands that we school new generations of American citizens who understand the cultural and social realities beyond what they have experienced here at home. Senator Simon understood this. He saw the United States as a large community, part of an even larger world family. When he saw signs that read, ''God bless America,'' Paul Simon used to say, ''I wish they would read 'God bless America and the rest of the world.' ''

Senator Simon was a great public servant. His service in Congress was exemplary. He was a man with an intrinsic sense of justice and passion for the public good. His deep convictions were matched by a genuine zeal for the work he did here in Washington and back in Illinois.

When he retired from the Senate, there was a little ceremony on the floor of the Senate, the likes of which this Chamber has never seen. The decision was made that since Paul Simon always wore a bow tie, that on one given day all of the Senators would come to the floor wearing bow ties. To Paul's surprise, he walked in here to find so many of his colleagues on both sides of the aisle saluting his retirement by wearing his trademark bow tie.

After he retired from the Senate, Paul Simon carried his vision and his energy for leadership back to Southern Illinois University, founding the Public Policy Institute at that university in Carbondale, IL. In that role, he trained future generations to understand the values he fought for his entire life.

The Abraham Lincoln Study Abroad Fellowship Program, which Paul Simon inspired, is designed to encourage and support the experience of studying overseas in countries whose people, culture, language, government, and religion might be very different from ours. The bill I am introducing today with Senator COLEMAN would create a program that encourages nontraditional students to spend part of their undergraduate careers in nontraditional study abroad destinations. It is said you never understand a country until you visit it and you never appreciate your home until you leave it. The program we envision provides direct fellowships to students but also provides financial incentives to colleges and universities to make internal policy changes that make it easier for students to study abroad.

We believe it is the institutional change that will allow the U.S. to sustain a steady growth in the number of students who experience this learning abroad. As we become a nation whose citizens have studied in other countries, we will become more understanding of the rest of the world and they will come to know us better.

We learned this with the Peace Corps. As I travel around the world, I never cease to be amazed at the impact which the Peace Corps has had on countries, on small villages, and on people. I can recall visiting Nepal. I went to Nepal with a former colleague from the home State of the Presiding Officer, Oklahoma, Mike Synar. We went to a tiny little village way up in the mountains outside of Kathmandu. After we trekked up there at high altitudes, out of breath, we came to this little village and all of the people were there. They had the third eye on their head. There were garlands of flowers around their necks. They were dressed in the best clothes they had, and offered us food. And as we sat down, they asked us if we knew Paul Jones, from Pittsburgh, PA.

Of course, we didn't. But we didn't want to say that right off. We said, ''Who was he?''

''Well, you must know him. He was our Peace Corps volunteer. He was here for 2 years. He made such a difference in this village. You must know Paul.''

I made up the name, but it goes to show you that the efforts and involvement of Americans overseas not only will help people there but will help those who live through the experience. For so many Peace Corps volunteers that I met, it was a transformative moment, to serve in that Peace Corps at that moment in their life and to go through that experience.

Sending more American students for that overseas experience will not only help those students, it will help others around the world to see who we are. Think of the battle of images going on in the world today even as we speak, images of America that are terrible, images that are distorted, that are being shown to people around the world every day. And they say this is what America looks like when in fact it isn't even close to the truth.

We can become a nation where we use our public education system to expand not only the reach of America's message, but the experience of Americans in other countries. I can think of no more appropriate tribute to honor Paul Simon, a great statesman himself, than to establish this study abroad program.

In the weeks before Senator Simon's death, Senator Simon wrote the following:

> A nation cannot drift into greatness. We must dream and we must be willing to make small sacrifices to achieve those dreams. If I want to improve my home, I must sacrifice a little. If we want to improve our Nation and the world, we must be willing to sacrifice a little. This major national initiative . . . can lift our vision and responsiveness to the rest of the world. Those who read these lines need to do more than nod in agreement [Paul Simon wrote.] This is a battle for understanding that you must help wage.

I ask my colleagues to join Senator COLEMAN and myself in this bipartisan legislation to help keep alive Senator Paul Simon's vision for a culturally aware and a better world.

## AMENDMENTS SUBMITTED AND PROPOSED

SA 4695. Mr. MARTINEZ (for Mr. GRASSLEY (for himself and Mr. BAUCUS)) proposed an amendment to the bill H.R. 5865, to amend section 1113 of the Social Security Act to temporarily increase funding for the program of temporary assistance for United States citizens returned from foreign countries, and for other purposes.

SA 4696. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table.

SA 4697. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4698. Mrs. FEINSTEIN (for herself and Ms. CANTWELL) submitted an amendment intended to be proposed by her to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4699. Mrs. FEINSTEIN (for herself, Ms. SNOWE, Mr. DURBIN, Mr. CHAFEE, Mr. INOUYE, Ms. COLLINS, Ms. CANTWELL, Mr. LAUTENBERG, Mrs. BOXER, Mr. MENENDEZ, Mr. LIEBERMAN, and Mr. REED) submitted an amendment intended to be proposed by her to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4700. Ms. SNOWE (for herself, Mrs. FEINSTEIN, and Mr. KERRY) submitted an amendment intended to be proposed by her to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4701. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4702. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4703. Mr. SHELBY proposed an amendment to the bill S. 3549, to amend the Defense Production Act of 1950 to strengthen Government review and oversight of foreign investment in the United States, to provide for enhanced Congressional Oversight with respect thereto, and for other purposes.

SA 4704. Mr. HARKIN (for himself, Mr. JOHNSON, Mr. BAYH, and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance

the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table.

SA 4705. Mr. HARKIN (for himself, Mr. LUGAR, and Mr. JOHNSON) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4706. Mr. BAYH (for himself, Mr. BROWNBACK, Mr. LIEBERMAN, Mr. COLEMAN, Mr. SALAZAR, Mr. LUGAR, Mr. OBAMA, Mr. CHAFEE, Mr. AKAKA, Mrs. CLINTON, Ms. CANTWELL, Ms. COLLINS, Mr. KOHL, Mr. KERRY, Mr. KENNEDY, Mr. GRAHAM, Mr. MENENDEZ, Mr. DODD, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4707. Mr. BAYH (for himself, Mr. BROWNBACK, Mr. LIEBERMAN, Mr. COLEMAN, Mr. SALAZAR, Mr. LUGAR, Mr. OBAMA, Mr. CHAFEE, Mr. AKAKA, Mrs. CLINTON, Mr. DODD, Mr. KOHL, Ms. CANTWELL, Mr. KERRY, Mr. GRAHAM, Mr. MENENDEZ, Ms. COLLINS, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4708. Mr. BAYH (for himself, Mr. BROWNBACK, Mr. LIEBERMAN, Mr. COLEMAN, Mr. SALAZAR, Mr. LUGAR, Mr. OBAMA, Mr. CHAFEE, Mr. AKAKA, Mrs. CLINTON, Mr. DODD, Mr. KOHL, Ms. CANTWELL, Mr. KERRY, Mr. GRAHAM, Mr. MENENDEZ, Ms. COLLINS, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4709. Mr. OBAMA (for himself, Mr. LUGAR, Mr. BIDEN, Mr. BINGAMAN, Mr. COLEMAN, Mr. SPECTER, Mr. SMITH, and Mr. HARKIN) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4710. Mr. OBAMA (for himself and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4711. Mr. OBAMA (for himself and Mr. LUGAR) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

## TEXT OF AMENDMENTS

**SA 4695.** Mr. MARTINEZ (for Mr. GRASSLEY (for himself and Mr. BAUCUS)) proposed an amendment to the bill H.R. 5865, to amend section 1113 of the Social Security Act to temporarily increase funding for the program of temporary assistance to United States citizens returned from foreign countries, and for other purposes; as follows:

Strike all after the enacting clause and insert

**SECTION 1. PAYMENTS FOR TEMPORARY ASSISTANCE TO UNITED STATES CITIZENS RETURNED FROM FOREIGN COUNTRIES.**

(a) INCREASE IN AGGREGATE PAYMENTS LIMIT FOR FISCAL YEAR 2006.—Section 1113(d) of the Social Security Act (42 U.S.C. 1313(d)) is amended by inserting '', except that, in the case of fiscal year 2006, the total amount of such assistance provided during that fiscal year shall not exceed $6,000,000'' after ''2003''.

**SEC. 2. DISCLOSURE OF INFORMATION IN THE DIRECTORY OF NEW HIRES TO ASSIST ADMINISTRATION OF FOOD STAMP PROGRAMS.**

Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended—

(1) by redesignating the second paragraph (7) as paragraph (9); and

(2) by adding at the end the following new paragraph

''(10) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF FOOD STAMP PROGRAMS.—

''(A) IN GENERAL.—If, for purposes of administering a food stamp program under the Food Stamp Act of 1977, a State agency responsible for the administration of the program transmits to the Secretary the names and social security account numbers of individuals, the Secretary shall disclose to the State agency information on the individuals and their employers maintained in the National Directory of New Hires, subject to this paragraph.

''(B) CONDITION ON DISCLOSURE BY THE SECRETARY.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

''(C) USE AND DISCLOSURE OF INFORMATION BY STATE AGENCIES.—

''(i) IN GENERAL.—A State agency may not use or disclose information provided under this paragraph except for purposes of administering a program referred to in subparagraph (A).

''(ii) INFORMATION SECURITY.—The State agency shall have in effect data security and control policies that the Secretary finds adequate to ensure the security of information obtained under this paragraph and to ensure that access to such information is restricted to authorized persons for purposes of authorized uses and disclosures.

''(iii) PENALTY FOR MISUSE OF INFORMATION.—An officer or employee of the State agency who fails to comply with this subparagraph shall be subject to the sanctions under subsection (l)(2) to the same extent as if the officer or employee were an officer or employee of the United States.

''(D) PROCEDURAL REQUIREMENTS.—State agencies requesting information under this paragraph shall adhere to uniform procedures established by the Secretary governing information requests and data matching under this paragraph.

''(E) REIMBURSEMENT OF COSTS.—The State agency shall reimburse the Secretary, in accordance with subsection (k)(3), for the costs incurred by the Secretary in furnishing the information requested under this paragraph.''.

**SA 4696.** Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

On page 11, line 21, insert after ''Treasury'' the following: '', from which the Secretary of the Treasury shall transfer to the Secretary such amounts as are necessary to carry out the payment in lieu of taxes program under chapter 69 of title 31, United States Code''.

On page 18, after line 17, add the following:

(g) AVAILABILITY OF PAYMENT IN LIEU OF TAXES AMOUNTS.—Amounts made available for the payment in lieu of taxes program under subsection (a)(1) shall—

(1) be made available without further appropriation;

(2) remain available until expended; and

(3) be in addition to any amounts made available for the payment in lieu of taxes program under—

(A) section 6906 of title 31, United States Code; or

(B) any other provision of law.

**SA 4697.** Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. _____. REFINERY PERMITTING PROCESS.**

(a) SHORT TITLE.—This section may be cited as the ''Domestic Fuel Security Act''.

(b) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) PERMIT.—The term ''permit'' means any permit, license, approval, variance, or other form of authorization that a refiner is required to obtain—

(A) under any Federal law; or

(B) from a State or Indian tribal government agency delegated authority by the Federal Government, or authorized under Federal law, to issue permits.

(4) REFINER.—The term ''refiner'' means a person that—

(A) owns or operates a refinery; or

(B) seeks to become an owner or operator of a refinery.

(5) REFINERY.—

(A) IN GENERAL.—The term ''refinery'' means—

(i) a facility at which crude oil is refined into transportation fuel or other petroleum products; and

(ii) a coal liquification or coal-to-liquid facility at which coal is processed into synthetic crude oil or any other fuel.

(B) INCLUSIONS.—The term ''refinery'' includes—

(i) an expansion of a refinery;

(ii) a biorefinery; and

(iii) any facility that produces a renewable fuel (as defined in section 211(o)(1) of the Clean Air Act (42 U.S.C. 7545(o)(1)).

(6) REFINERY EXPANSION.—The term ''refinery expansion'' means a physical change in a refinery that results in an increase in the capacity of the refinery.

(7) REFINERY PERMITTING AGREEMENT.—The term ''refinery permitting agreement'' means an agreement entered into between the Administrator and a State or Indian tribe under subsection (d).

(8) REFINERY PROJECT.—The term ''refinery project'' means a project for—

(A) acquisition or development of a base realignment and closure site for use for a refinery; or

(B) acquisition, development, rehabilitation, expansion, or improvement of refining operations on a base realignment and closure site or in a community affected by a base realignment and closure site.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

(10) STATE.—The term ''State'' means—

(A) a State;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico; and

(D) any other territory or possession of the United States.

(c) ECONOMIC DEVELOPMENT ASSISTANCE TO ENCOURAGE PETROLEUM-BASED REFINERY ACTIVITY ON BRAC PROPERTY.—

(1) PRIORITY.—Notwithstanding section 206 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3146), in awarding funds made available to carry out section 209(c)(1) of that Act (42 U.S.C. 3149(c)(1)) pursuant to section 702 of that Act (42 U.S.C. 3232), the Secretary and the Economic Development Administration shall give priority to refinery projects.

(2) FEDERAL SHARE.—Except as provided in paragraph (3)(C)(ii) and notwithstanding the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.), the Federal share of a refinery project shall be 80 percent of the project cost.

(3) ADDITIONAL AWARD.—

(A) IN GENERAL.—The Secretary shall make an additional award in connection with a grant made to a recipient for a refinery project.

(B) AMOUNT.—The amount of an additional award shall be 10 percent of the amount of the grant for the refinery project.

(C) USE.—An additional award under this paragraph shall be used—

(i) to carry out any eligible purpose under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.);

(ii) notwithstanding section 204 of that Act (42 U.S.C. 3144), to pay up to 100 percent of the cost of an eligible project or activity under that Act; or

(iii) to meet the non-Federal share requirements of that Act or any other Act.

(D) NON-FEDERAL SOURCE.—For the purpose of subparagraph (C)(iii), an additional award shall be treated as funds from a non-Federal source.

(E) FUNDING.—The Secretary shall use to carry out this paragraph any amounts made available for economic development assistance programs or under section 702 of that Act (42 U.S.C. 3232).

(d) STREAMLINING OF REFINERY PERMITTING PROCESS.—

(1) IN GENERAL.—At the request of the Governor of a State or the governing body of an Indian tribe, the Administrator shall enter into a refinery permitting agreement with the State or Indian tribe under which the process for obtaining all permits necessary for the construction and operation of a refinery shall be streamlined using a systematic interdisciplinary multimedia approach as provided in this section.

(2) AUTHORITY OF ADMINISTRATOR.—Under a refinery permitting agreement—

(A) the Administrator shall have authority, as applicable and necessary, to—

(i) accept from a refiner a consolidated application for all permits that the refiner is required to obtain to construct and operate a refinery;

(ii) in consultation and cooperation with each Federal, State, or Indian tribal government agency that is required to make any determination to authorize the issuance of a permit, establish a schedule under which each agency shall—

(I) concurrently consider, to the maximum extent practicable, each determination to be made; and

(II) complete each step in the permitting process; and

(iii) issue a consolidated permit that combines all permits issued under the schedule established under clause (ii); and

(B) the Administrator shall provide to State and Indian tribal government agencies—

(i) financial assistance in such amounts as the agencies reasonably require to hire such additional personnel as are necessary to enable the government agencies to comply with the applicable schedule established under subparagraph (A)(ii); and

(ii) technical, legal, and other assistance in complying with the refinery permitting agreement.

(3) AGREEMENT BY THE STATE.—Under a refinery permitting agreement, a State or governing body of an Indian tribe shall agree that—

(A) the Administrator shall have each of the authorities described in paragraph (2); and

(B) each State or Indian tribal government agency shall—

(i) in accordance with State law, make such structural and operational changes in the agencies as are necessary to enable the agencies to carry out consolidated project-wide permit reviews concurrently and in coordination with the Environmental Protection Agency and other Federal agencies; and

(ii) comply, to the maximum extent practicable, with the applicable schedule established under paragraph (2)(A)(ii).

(4) INTERDISCIPLINARY APPROACH.—

(A) IN GENERAL.—The Administrator and a State or governing body of an Indian tribe shall incorporate an interdisciplinary approach, to the maximum extent practicable, in the development, review, and approval of permits subject to this subsection.

(B) OPTIONS.—Among other options, the interdisciplinary approach may include use of—

(i) environmental management practices; and

(ii) third party contractors.

(5) DEADLINES.—

(A) NEW REFINERIES.—In the case of a consolidated permit for the construction of a new refinery, the Administrator and the State or governing body of an Indian tribe shall approve or disapprove the consolidated permit not later than—

(i) 360 days after the date of the receipt of the administratively complete application for the consolidated permit; or

(ii) on agreement of the applicant, the Administrator, and the State or governing body of the Indian tribe, 90 days after the expiration of the deadline established under clause (i).

(B) EXPANSION OF EXISTING REFINERIES.—In the case of a consolidated permit for the expansion of an existing refinery, the Administrator and the State or governing body of an Indian tribe shall approve or disapprove the consolidated permit not later than—

(i) 120 days after the date of the receipt of the administratively complete application for the consolidated permit; or

(ii) on agreement of the applicant, the Administrator, and the State or governing body of the Indian tribe, 30 days after the expiration of the deadline established under clause (i).

(6) FEDERAL AGENCIES.—Each Federal agency that is required to make any determination to authorize the issuance of a permit shall comply with the applicable schedule established under paragraph (2)(A)(ii).

(7) JUDICIAL REVIEW.—Any civil action for review of any permit determination under a refinery permitting agreement shall be brought exclusively in the United States district court for the district in which the refinery is located or proposed to be located.

(8) EFFICIENT PERMIT REVIEW.—In order to reduce the duplication of procedures, the Administrator shall use State permitting and monitoring procedures to satisfy substantially equivalent Federal requirements under this title.

(9) SEVERABILITY.—If 1 or more permits that are required for the construction or operation of a refinery are not approved on or before any deadline established under paragraph (5), the Administrator may issue a consolidated permit that combines all other permits that the refiner is required to obtain other than any permits that are not approved.

(10) SAVINGS.—Nothing in this subsection affects the operation or implementation of otherwise applicable law regarding permits necessary for the construction and operation of a refinery.

(11) CONSULTATION WITH LOCAL GOVERNMENTS.—Congress encourages the Administrator, States, and tribal governments to consult, to the maximum extent practicable, with local governments in carrying out this subsection.

(12) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

(13) EFFECT ON LOCAL AUTHORITY.—Nothing in this subsection affects—

(A) the authority of a local government with respect to the issuance of permits; or

(B) any requirement or ordinance of a local government (such as a zoning regulation).

(e) EFFICIENCY.—

(1) NATURAL GAS EFFICIENCY PROJECTS.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Administrator shall solicit applications from eligible entities, as determined by the Administrator, for grants under the Natural Gas STAR Program under the Environmental Protection Agency to pay the Federal share of the cost of projects relating to the reduction of methane emissions in the oil and gas industries.

(B) PROJECT INCLUSIONS.—To receive a grant under subparagraph (A), the application of the eligible entity shall include—

(i) an identification of 1 or more technologies used to achieve a reduction in the emission of methane; and

(ii) an analysis of the cost-effectiveness of a technology described in clause (i).

(C) LIMITATION.—A grant to an eligible entity under this paragraph shall not exceed $50,000.

(D) FEDERAL SHARE.—The Federal share of the cost of a project under this paragraph shall not exceed 50 percent.

(E) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $1,000,000 for the period of fiscal years 2006 through 2010.

(2) EFFICIENCY PROMOTION WORKSHOPS.—

(A) IN GENERAL.—The Administrator, in conjunction with the Interstate Oil and Gas Compact Commission, shall conduct a series of technical workshops to provide information to officials in oil- and gas-producing States relating to methane emission reduction techniques.

(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $1,000,000 for the period of fiscal years 2006 through 2010.

(f) FUEL EMERGENCY WAIVERS.—Section 211(c)(4)(C) of the Clean Air Act (42 U.S.C. 7545(c)(4)(C)) (as amended by section 1541 of the Energy Policy Act of 2005 (Public Law 109–58; 119 Stat. 1106)) is amended—

(1) by redesignating the first clause (v) as clause (vi);

(2) by redesignating the second clause (v) as clause (vii); and

(3) by inserting after clause (iv) the following:

''(v) A State shall be held harmless and not be required to revise its State implementation plan under section 110 to account for the emissions from a waiver granted by the Administrator under clause (ii).''.

(g) PROCUREMENT OF FUEL DERIVED FROM COAL, OIL SHALE, AND TAR SANDS.—

(1) DEFINITIONS.—In this subsection:

(A) COAL-TO-LIQUID.—The term ''coal-to-liquid'' means—

(i) with respect to a process or technology, the use of the coal resources of the United

States, using the class of chemical reactions known as Fischer-Tropsch, to produce synthetic fuel suitable for transportation; and

(ii) with respect to a facility, the portion of a facility related to the Fischer-Tropsch process, Fischer-Tropsch finished fuel production, or the capture, transportation, or sequestration of byproducts of the use of coal at the Fischer-Tropsch facility, including carbon emissions.

(B) COVERED FUEL.—The term ''covered fuel'' means fuel that is—

(i) produced, in whole or in part, from coal, oil shale, or tar sands;

(ii) extracted by mining or in-situ methods; and

(iii) refined or otherwise processed in the United States.

(C) SECRETARY.—The term ''Secretary'' means the Secretary of Defense.

(2) USE OF FUEL TO MEET DEPARTMENT OF DEFENSE NEEDS.—The Secretary shall develop a strategy to use covered fuel to assist in meeting the fuel requirements of the Department of Defense at any time at which the Secretary determines that the use of covered fuel would be in the national interest.

(3) PROCUREMENT AUTHORITY.—

(A) IN GENERAL.—The Secretary may enter into 1 or more contracts or other agreements that meet the requirements of this subsection to procure covered fuel to meet 1 or more fuel requirements of the Department of Defense.

(B) COAL-TO-LIQUID PRODUCTION FACILITIES.—

(i) IN GENERAL.—The Secretary may enter into contracts or other agreements with private and other entities to develop and operate coal-to-liquid facilities on or near military installations.

(ii) CONSIDERATIONS.—In entering into contracts and other agreements under clause (i), the Secretary shall consider land availability, testing opportunities, and proximity of raw materials.

(4) CLEAN FUEL REQUIREMENTS.—A covered fuel may be procured under this subsection only if the covered fuel meets such standards for clean fuel produced from domestic sources as the Secretary, in consultation with the Secretary of Energy, shall establish for purposes of this subsection.

(5) LONG-TERM CONTRACT AUTHORITY.—The Secretary may enter into any contract or other agreement under this subsection for a period of up to 25 years.

(6) FUEL SOURCE ANALYSIS.—To facilitate the procurement by the Department of Defense of covered fuel under this subsection, the Secretary may carry out a comprehensive assessment of current and potential locations in the United States for the supply of covered fuel to the Department of Defense.

(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

(h) FISCHER-TROPSCH FUELS.—

(1) IN GENERAL.—In cooperation with the Secretary of Energy, the Secretary of Defense, the Administrator of the Federal Aviation Administration, Secretary of Health and Human Services, and Fischer-Tropsch industry representatives, the Administrator shall—

(A) conduct a research and demonstration program to evaluate the air quality benefits of ultra-clean Fischer-Tropsch transportation fuel, including diesel and jet fuel;

(B) evaluate the use of ultra-clean Fischer-Tropsch transportation fuel as a mechanism for reducing engine exhaust emissions; and

(C) submit recommendations to Congress on the most effective use and associated benefits of these ultra-clean fuel for reducing public exposure to exhaust emissions.

(2) GUIDANCE AND TECHNICAL SUPPORT.—The Administrator shall, to the extent necessary, issue any guidance or technical support documents that would facilitate the effective use and associated benefit of Fischer-Tropsch fuel and blends.

(3) REQUIREMENTS.—The program described in paragraph (1) shall consider—

(A) the use of neat (100 percent) Fischer-Tropsch fuel and blends with conventional crude oil-derived fuel for heavy-duty and light-duty diesel engines and the aviation sector; and

(B) the production costs associated with domestic production of those ultra clean fuel and prices for consumers.

(4) REPORTS.—The Administrator shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Energy and Commerce of the House of Representatives—

(A) not later than October 1, 2006, an interim report on actions taken to carry out this subsection; and

(B) not later than December 1, 2007, a final report on actions taken to carry out this subsection.

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**SA 4698.** Mrs. FEINSTEIN (for herself and Ms. CANTWELL) submitted an amendment intended to be proposed by her to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

**SEC. 6. ENSURING AVAILABILITY OF FLEXIBLE FUEL VEHICLES.**

(a) AMENDMENT.—

(1) IN GENERAL.—Chapter 329 of title 49, United States Code, is amended by inserting after section 32902 the following:

**''§ 32902A. Requirement to manufacture flexible fuel vehicles**

''(a) IN GENERAL.—For each model year, each manufacturer of new motor vehicles (as defined under section 30(c)(2) of the Internal Revenue Code of 1986) described in subsection (b) shall ensure that the percentage of such vehicles manufactured in a particular model year that are flexible fuel vehicles shall be not less than the percentage set forth for that model year in the following table:

| ''If the model year is: | The percentage of flexible fuel vehicles shall be: |
|---|---|
| 2010 | 25 percent |
| 2020 | 50 percent |

''(b) MOTOR VEHICLES DESCRIBED.—A motor vehicle is described in this subsection if the vehicle—

''(1) is capable of operating on gasoline or diesel fuel;

''(2) is distributed in interstate commerce for sale in the United States; and

''(3) does not contain certain engines that the Secretary of Transportation, in consultation with the Administrator of the Environmental Protection Agency and the Secretary of Energy, may temporarily exclude from the definition because it is technologically infeasible for the engines to have flexible fuel capability at any time during a period that the Secretaries and the Administrator are engaged in an active research program with the vehicle manufacturers to develop that capability for the engines.''.

(2) DEFINITION OF FLEXIBLE FUEL VEHICLE.—Section 32901(8) of title 49, United States Code, is amended by inserting ''or 'flexible fuel vehicle' '' after '''dual fueled automobile' ''.

(3) CLERICAL AMENDMENT.—The table of sections for chapter 329 of title 49, United States Code, is amended by inserting after the item relating to section 32902 the following:

''Sec. 32902A. Requirements to manufacture flexible fuel vehicles.''.

(b) RULEMAKING.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Transportation shall issue regulations to carry out the amendments made by subsection (a).

(2) HARDSHIP EXEMPTION.—The regulations issued pursuant to paragraph (1) shall include a process by which a manufacturer may be exempted from the requirement under section 32902A(a) upon demonstrating that such requirement would create a substantial economic hardship for the manufacturer.

**SEC. 7. ALTERNATIVE FUELS INFRASTRUCTURE.**

(a) GOAL.—Congress declares that it is the goal of the United States to increase the accessibility of alternative fuels to retail consumers, and to ensure that at least 10 percent of motor vehicle refueling stations provide alternative fuels, by calendar year 2015.

(b) ALTERNATIVE FUEL INFRASTRUCTURE INITIATIVE.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, and every 2 years thereafter, the Secretary of Energy, in coordination with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, and in consultation with State and local governments, shall—

(A) subject to subparagraph (B), develop and implement measures to increase the accessibility of alternative fuels to retail consumers to a level sufficient to ensure that at least 10 percent of motor vehicle refueling stations provide alternative fuels by calendar year 2015; and

(B) if the Secretary of Energy determines that there are insufficient legal authorities to achieve the target for calendar year 2015 described in subparagraph (A)—

(i) develop and implement measures to increase the accessibility of alternative fuels to retail consumers, to the maximum extent practicable; and

(ii) submit to Congress by January 1, 2008, proposed legislation or other recommendations to achieve that target.

(2) REQUIREMENT FOR MAJOR INTEGRATED OIL COMPANIES.—

(A) IN GENERAL.—Each major integrated oil company shall install and make available to retail consumers alternative fuels refueling infrastructure at—

(i) not less than 50 percent of the motor vehicle fueling stations owned by the company by not later than December 31, 2010; and

(ii) 100 percent of the motor vehicle refueling stations owned by the company by not later than January 1, 2015.

(B) MEANS OF COMPLIANCE.—A major integrated oil company shall meet the requirements of subparagraph (A) by—

(i) installing alternative refueling infrastructure at motor vehicle fueling stations;

(ii) purchasing alternative refueling infrastructure credits issued under subparagraph (C); or

(iii) carrying out a combination of the actions described in clauses (i) and (ii).

(C) ALTERNATIVE REFUELING INFRASTRUCTURE CREDIT TRADING PROGRAM.—Not later than 180 days after the date of enactment of this Act, the Secretary shall establish a credit trading program—

(i) to permit a major integrated oil company that does not install alternative refueling infrastructure to comply with subparagraphs (A) and (B) to achieve that compliance by purchasing sufficient alternative refueling infrastructure credits; and

(ii) under which the Secretary shall issue alternative refueling infrastructure credits to entities that install new alternative refueling infrastructure.

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**SA 4699.** Mrs. FEINSTEIN (for herself, Ms. SNOWE, Mr. DURBIN, Mr. CHAFEE, Mr. INOUYE, Ms. COLLINS, Ms. CANTWELL, Mr. LAUTENBERG, Mrs. BOXER, Mr. MENENDEZ, Mr. LIEBERMAN, and Mr. REED) submitted an amendment intended to be proposed by her to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

**SEC. ___. AUTOMOBILE FUEL ECONOMY AND SAFETY; REDUCTION IN GREENHOUSE GAS EMISSIONS AND DEPENDENCE ON FOREIGN OIL.**

(a) AVERAGE FUEL ECONOMY STANDARDS FOR PASSENGER AUTOMOBILES AND LIGHT TRUCKS.—

(1) INCREASED STANDARDS.—Section 32902 of title 49, United States Code, is amended—

(A) in subsection (a)—

(i) by striking the subsection heading and inserting ''PRESCRIPTION OF STANDARDS BY REGULATION.—''; and

(ii) by striking ''(except passenger automobiles)'' and inserting ''(except passenger automobiles and light trucks)''; and

(B) by striking subsection (b) and inserting the following:

''(b) STANDARDS FOR PASSENGER AUTOMOBILES AND LIGHT TRUCKS.—

''(1) IN GENERAL.—The Secretary of Transportation, after consultation with the Administrator of the Environmental Protection Agency, shall prescribe average fuel economy standards for passenger automobiles and light trucks manufactured by a manufacturer in each model year beginning with model year 2009 in order to achieve a combined average fuel economy standard for passenger automobiles and light trucks for model year 2017 of at least 35 miles per gallon, or such other number as the Secretary may prescribe under subsection (c).

''(2) ELIMINATION OF SUV LOOPHOLE.—Beginning not later than with model year 2011, the regulations prescribed under this section may not make any distinction between passenger automobiles and light trucks.

''(3) PROGRESS TOWARD STANDARD REQUIRED.—In prescribing average fuel economy standards under paragraph (1), the Secretary shall prescribe appropriate annual fuel economy standard increases for passenger automobiles and light trucks that—

''(A) increase the applicable average fuel economy standard ratably beginning with model year 2009 and ending with model year 2017; and

''(B) require that each manufacturer achieve—

''(i) a fuel economy standard for passenger automobiles manufactured by that manufacturer of at least 31.1 miles per gallon not later than model year 2009; and

''(ii) a fuel economy standard for light trucks manufactured by that manufacturer of at least 23.6 miles per gallon not later than model year 2009.

''(4) FUEL ECONOMY BASELINE FOR PASSENGER AUTOMOBILES.—Notwithstanding the maximum feasible average fuel economy level established by regulations prescribed under subsection (c), the minimum fleetwide average fuel economy standard for passenger automobiles manufactured by a manufacturer in a model year for the domestic fleet and foreign fleet of the manufacturer, as calculated under section 32904 of this title (as in effect before the date of enactment of the Gulf of Mexico Energy Security Act of 2006), shall be the greater of—

''(A) 27.5 miles per gallon; or

''(B) 92 percent of the average fuel economy projected by the Secretary for the combined domestic and foreign fleets manufactured by all manufacturers in that model year.

''(5) DEADLINE FOR REGULATIONS.—The Secretary shall promulgate the regulations required by paragraphs (1) and (2) in final form not later than 18 months after the date of enactment of the Gulf of Mexico Energy Security Act of 2006.''.

(b) PASSENGER CAR PROGRAM REFORM.—Section 32902 of title 49, United States Code, is amended—

(1) in subsection (a), by striking the last sentence; and

(2) in subsection (c)—

(A) by striking paragraph (2); and

(B) in paragraph (1)—

(i) in the first sentence—

(I) by striking ''(1) Subject to paragraph (2) of this subsection'' and inserting the following:

''(1) IN GENERAL.—Not later than 18 months before the beginning of each model year''; and

(II) by striking ''the standard under subsection (b) of this section'' and inserting ''a standard under subsection (b)''; and

(ii) in the second sentence—

(I) by striking ''Section'' and inserting the following:

''(2) AMENDMENTS.—Section''; and

(II) by striking ''the standard'' and inserting ''any standard prescribed under subsection (b)''.

(c) DEFINITION OF WORK TRUCK.—

(1) DEFINITION OF WORK TRUCK.—Section 32901(a) of title 49, United States Code, is amended by adding at the end the following:

''(18) 'work truck' means an automobile that the Secretary determines by regulation—

''(A) is rated at between 8,500 and 10,000 pounds gross vehicle weight; and

''(B) is not a medium duty passenger vehicle, as defined in section 86.1803–01 of title 40, Code of Federal Regulations (or a successor regulation).''.

(2) DEADLINE FOR REGULATIONS.—The Secretary of Transportation—

(A) shall issue proposed regulations implementing the amendment made by subsection (a) not later than 1 year after the date of enactment of this Act; and

(B) shall issue final regulations implementing that amendment not later than 18 months after the date of enactment of this Act.

(3) FUEL ECONOMY STANDARDS FOR WORK TRUCKS.—The Secretary of Transportation, in consultation with the Administrator of the Environmental Protection Agency, shall prescribe standards to achieve the maximum feasible fuel economy for work trucks (as defined in section 32901(a)(18) of title 49, United States Code) manufactured by a manufacturer in each model year beginning in model year 2011.

(d) DEFINITION OF LIGHT TRUCK.—

(1) DEFINITION.—

(A) IN GENERAL.—Section 32901(a) of title 49, United States Code (as amended by subsection (c)), is amended—

(i) by redesignating paragraphs (12) through (16) as paragraphs (13) through (17), respectively; and

(ii) by inserting after paragraph (11) the following:

''(12) 'light truck' means an automobile that the Secretary determines by regulation—

''(A) is manufactured primarily for transporting not more than 10 individuals;

''(B) is rated at not more than 10,000 pounds gross vehicle weight;

''(C) is not a passenger automobile; and

''(D) is not a work truck.''.

(B) DEADLINE FOR REGULATIONS.—The Secretary of Transportation—

(i) shall issue proposed regulations implementing the amendment made by subparagraph (A) not later than 1 year after the date of enactment of this Act; and

(ii) shall issue final regulations implementing that amendment not later than 18 months after the date of enactment of this Act.

(C) EFFECTIVE DATE.—Regulations prescribed under subparagraph (A) shall apply beginning with model year 2009.

(2) APPLICABILITY OF EXISTING STANDARDS.—This section does not affect the application of section 32902 of title 49, United States Code, to passenger automobiles or non-passenger automobiles manufactured before model year 2009.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation to carry out chapter 329 of title 49, United States Code, $25,000,000 for each of fiscal years 2007 through 2019.

(e) ENSURING SAFETY OF PASSENGER AUTOMOBILES AND LIGHT TRUCKS.—

(1) IN GENERAL.—The Secretary of Transportation shall exercise such authority under Federal law as the Secretary may have to ensure that—

(A) passenger automobiles and light trucks (as those terms are defined in section 32901 of title 49, United States Code) are safe;

(B) progress is made in improving the overall safety of passenger automobiles and light trucks; and

(C) progress is made in maximizing United States employment.

(2) VEHICLE SAFETY.—Subchapter II of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

**''§ 30129. Vehicle compatibility and aggressivity reduction standard**

''(a) STANDARDS.—The Secretary of Transportation shall issue a motor vehicle safety standard to reduce vehicle incompatibility and aggressivity between passenger vehicles and non-passenger vehicles. The standard shall address characteristics necessary to ensure better management of crash forces in multiple vehicle frontal and side impact crashes between different types, sizes, and weights of vehicles with a gross vehicle weight of 10,000 pounds or less in order to decrease occupant deaths and injuries.

''(b) CONSUMER INFORMATION.—The Secretary shall develop and implement a public information side and frontal compatibility crash test program with vehicle ratings based on risks to occupants, risks to other motorists, and combined risks by vehicle make and model.''.

(3) RULEMAKING DEADLINES.—

(A) RULEMAKING.—The Secretary of Transportation shall issue—

(i) a notice of a proposed rulemaking under section 30129 of title 49, United States Code, not later than January 1, 2008; and

(ii) a final rule under that section not later than December 31, 2009.

(B) EFFECTIVE DATE OF REQUIREMENTS.—Any requirement imposed under the final

rule issued under subparagraph (A) shall become fully effective not later than September 1, 2012.

(4) CONFORMING AMENDMENT.—The chapter analysis for chapter 301 is amended by inserting after the item relating to section 30128 the following:

''30129. Vehicle compatibility and aggressivity reduction standard''.

(f) TRUTH IN FUEL ECONOMY TESTING.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency, in consultation with the Secretary of Transportation, shall use, as appropriate, existing emission test cycles and updated adjustment factors to update and revise the process used to determine fuel economy values for labeling purposes as described in sections 600.209–85 and 600.209–95 of title 40, Code of Federal Regulations (or successor regulations), to take into consideration current factors, such as—

(A) speed limits;

(B) acceleration rates;

(C) braking;

(D) variations in weather and temperature;

(E) vehicle load;

(F) use of air conditioning;

(G) driving patterns; and

(H) the use of other fuel-consuming features.

(2) LABELS FOR FUEL ECONOMY MODE DEVICES.—The Administrator of the Environmental Protection Agency shall include fuel economy label information for all fuel economy modes provided by devices described in paragraph (1).

(3) DEADLINE.—In carrying out paragraph (1), the Administrator shall—

(A) issue a notice of proposed rulemaking, or amend the notice of proposed rulemaking for Docket Id. No. OAR–2003–0214, not later than 90 days after the date of enactment of this Act; and

(B) promulgate a final rule not later than 180 days after the date on which the notice under subparagraph (A) is issued.

(4) USE OF COMMON MEASUREMENTS FOR LABELING AND COMPLIANCE TESTING.—Section 32904 of title 49, United States Code, is amended by striking subsection (c) and inserting the following:

''(c) TESTING AND CALCULATION PROCEDURES.—The Administrator shall measure fuel economy for each model and calculate average fuel economy for a manufacturer using the same procedures and factors used by the Administrator for labeling purposes under section 32908 by model year 2015.''.

(5) REEVALUATION AND REPORT.—Not later than 3 years after the date of promulgation of the final rule under paragraph (3)(B), and triennially thereafter, the Administrator shall—

(A) reevaluate the fuel economy labeling procedures described in paragraphs (2) and (4) to determine whether changes in the factors used to establish the labeling procedures warrant a revision of that process; and

(B) submit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives that describes the results of the reevaluation process.

(g) ONBOARD FUEL ECONOMY INDICATORS AND DEVICES.—

(1) IN GENERAL.—Chapter 329 of title 49, United States Code (as amended by subsection (e)), is further amended by adding at the end the following:

**''§ 32921. Fuel economy indicators and devices**

''(a) IN GENERAL.—The Secretary of Transportation, in consultation with the Administrator of the Environmental Protection Agency, shall prescribe a fuel economy standard for passenger automobiles and light trucks manufactured by a manufacturer in each model year beginning with model year 2013 that requires each such automobile and light truck to be equipped with—

''(1) an onboard electronic instrument that provides real-time and cumulative fuel economy data;

''(2) an onboard electronic instrument that signals a driver when inadequate tire pressure may be affecting fuel economy; and

''(3) a device that will allow drivers to place the automobile or light truck in a mode that will automatically produce greater fuel economy.

''(b) EXCEPTION.—Subsection (a) does not apply to any vehicle that is not subject to an average fuel economy standard under section 32902(b).

''(c) ENFORCEMENT.—Subchapter IV of chapter 301 of this title shall apply to a fuel economy standard prescribed under subsection (a) to the same extent and in the same manner as if that standard were a motor vehicle safety standard under chapter 301.''.

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 329 of title 49, United States Code (as amended by subsection (e)), is amended by inserting after the item relating to section 32920 the following:

''32921. Fuel economy indicators and devices''.

(h) SECRETARY OF TRANSPORTATION TO CERTIFY BENEFITS.—Beginning with model year 2009, the Secretary of Transportation, in consultation with the Administrator of the Environmental Protection Agency, shall determine and certify annually to Congress, in accordance with the average fuel economy standards under section 32902 of title 49, United States Code—

(1) the annual reduction in United States consumption of gasoline or petroleum distillates used for vehicle fuel, and

(2) the annual reduction in greenhouse gas emissions,

(i) CREDIT TRADING PROGRAM.—Section 32903 of title 49, United States Code, is amended—

(1) in subsections (a) through (d), by striking ''passenger'' each place it appears;

(2) in subsections (a), (b), and (c), by striking ''section 32902(b)–(d) of this title'' each place it appears and inserting ''subsection (a), (c), or (d) of section 32902'';

(3) in subsection (a)(2), by striking ''clause (1) of this subsection'' and inserting ''paragraph (1)''; and

(4) by striking subsection (e) and inserting the following:

''(e) CREDIT TRADING AMONG MANUFACTURERS.—The Secretary of Transportation may establish, by regulation, a corporate average fuel economy credit trading program to allow manufacturers whose automobiles exceed the average fuel economy standards prescribed under section 32902 of this title to earn credits to be sold to manufacturers whose automobiles fail to achieve the prescribed standards.''.

(j) REPORT TO CONGRESS.—Not later than December 31, 2012, the Secretary of Transportation shall submit to Congress a report on the progress made by the automobile manufacturing industry towards meeting the 35 miles per gallon average fuel economy standard required under section 32902(b)(4) of title 49, United States Code.

(k) LABELS FOR FUEL ECONOMY AND GREENHOUSE GAS EMISSIONS.—Section 32908 of title 49, United States Code, is amended—

(1) in subsection (a)(1), by striking the period at the end and inserting '', and a light truck manufactured by a manufacturer in a model year after model year 2009; and''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by redesignating subparagraph (F) as subparagraph (H); and

(ii) by inserting after subparagraph (E) the following:

''(F) A label (or a logo imprinted on a label required by this paragraph) that—

''(i) reflects the performance of an automobile on the basis of criteria developed by the Administrator to reflect the fuel economy and greenhouse gas and other emissions consequences of operating the automobile over its likely useful life;

''(ii) permits consumers to compare performance results under clause (i) among all passenger automobiles and light duty trucks; and

''(iii) is designed to encourage the manufacture and sale of passenger automobiles and light trucks that meet or exceed applicable fuel economy standards under section 32902.

''(G) A fuelstar under paragraph (5).''; and

(B) by adding at the end the following:

''(4) GREEN LABEL PROGRAM.—

''(A) MARKETING ANALYSIS.—Not later than 2 years after the date of enactment of the Gulf of Mexico Energy Security Act of 2006, the Administrator shall complete a study of social marketing strategies with the goal of maximizing consumer understanding of point-of-sale labels or logos described in paragraph (1)(F).

''(B) ELIGIBILITY.—Not later than 3 years after the date of enactment of the Gulf of Mexico Energy Security Act of 2006, the Administrator shall issue requirements for the label or logo required by paragraph (1)(F) to ensure that a passenger automobile or light truck is not eligible for the label or logo unless it—

''(i) meets or exceeds the applicable fuel economy standard; or

''(ii) will have the lowest greenhouse gas emissions over the useful life of the vehicle of all vehicles in the vehicle class to which it belongs in that model year.

''(C) CRITERIA.—In developing criteria for the label or logo, the Administrator shall also consider, among others as appropriate, the following factors:

''(i) The recyclability of the automobile.

''(ii) Any other pollutants or harmful byproducts related to the automobile, which may include those generated during manufacture of the automobile, those issued during use of the automobile, or those generated after the automobile ceases to be operated.

''(5) FUELSTAR PROGRAM.—

''(A) IN GENERAL.—The Secretary shall establish a program, to be known as the 'fuelstar' program, under which stars shall be imprinted on or attached to the label required by paragraph (1).

''(B) GREEN STARS.—Under the program a manufacturer may place green stars on the label maintained on an automobile under paragraph (1) as follows:

''(i) 1 green star for any automobile that meets the average fuel economy standard for the model year under section 32902.

''(ii) 1 additional green star for each 2 miles per gallon by which the automobile exceeds that standard.

''(C) GOLD STARS.—Under the program a manufacturer may place a gold star on the label maintained on an automobile under paragraph (1) if—

''(i) in the case of a passenger automobile, it obtains a fuel economy of 50 miles per gallon or more; and

''(ii) in the case of a light truck, it obtains a fuel economy of 37 miles per gallon or more.''.

**SA 4700.** Ms. SNOWE (for herself. Mrs. FEINSTEIN, and Mr. KERRY) submitted an amendment intended to be proposed by her to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

**TITLE II—EXTEND THE EFFICIENCY INCENTIVES ACT OF 2006**

**SEC. 200. SHORT TITLE; ETC.**

(a) SHORT TITLE.—This title may be cited as the ''EXTEND the Energy Efficiency Incentives Act of 2006''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

**Subtitle A—Non-Business Energy Improvements**

**SEC. 201. PERFORMANCE BASED ENERGY IMPROVEMENTS FOR NON-BUSINESS PROPERTY.**

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 25D the following new section:

**''SEC. 25E. PERFORMANCE BASED ENERGY IMPROVEMENTS.**

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount of qualified energy efficiency expenditures paid or incurred by the taxpayer during the taxable year.

''(b) LIMITATIONS.—

''(1) IN GENERAL.—The amount allowed as a credit under subsection (a) shall not exceed—

''(A) in the case of a principal residence that achieves a qualified energy savings of 50 percent or more, $2,000, and

''(B) in the case of a principal residence which achieves a qualified energy savings of less than 50 percent, the product of—

''(i) the qualified energy savings achieved, and

''(ii) $4,000.

''(2) MINIMUM AMOUNT OF QUALIFIED ENERGY SAVINGS.—No credit shall be allowed under subsection (a) with respect to any principal residence which achieves a qualified energy savings of less than 20 percent.

''(c) QUALIFIED ENERGY EFFICIENCY EXPENDITURES.—For purposes of this section:

''(1) IN GENERAL.—The term 'qualified energy efficiency expenditures' means any amount paid or incurred which is related to producing qualified energy savings in a principal residence of the taxpayer which is located in the United States.

''(2) NO DOUBLE BENEFIT FOR CERTAIN EXPENDITURES.—The term 'qualified energy efficiency expenditures' shall not include any expenditure for which a deduction or credit is otherwise allowed to the taxpayer under this chapter.

''(3) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 121, except that—

''(A) no ownership requirement shall be imposed, and

''(B) the period for which a building is treated as used as a principal residence shall also include the 60-day period ending on the 1st day on which it would (but for this subparagraph) first be treated as used as a principal residence.

''(d) QUALIFIED ENERGY SAVINGS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified energy savings' means, with respect to any principal residence, the amount (measured as a percentage) by which—

''(A) the annual energy use with respect to the principal residence after qualified energy efficiency expenditures are made, as certified under paragraph (2), is less than

''(B) the annual energy use with respect to the principal residence before the qualified energy efficiency expenditures were made, as certified under paragraph (2).

In determining annual energy use under subparagraph (B), any energy efficiency improvements which are not attributable to qualified energy efficiency expenditures shall be disregarded.

''(2) CERTIFICATION.—

''(A) IN GENERAL.—The Secretary, in consultation with the Secretary of Energy, shall prescribe the procedures and methods for the making of certifications under this paragraph based on the Residential Energy Services Network (RESNET) Technical Guidelines in effect on the date of the enactment of this section.

''(B) QUALIFIED INDIVIDUALS.—Any certification made under this paragraph may only be made by an individual who is recognized by an organization certified by the Secretary for such purposes.

''(e) SPECIAL RULES.—For purposes of this section rules similar to the rules under paragraphs (4), (5), (6), (7), (8), and (9) of section 25D(e) and section 25C(e)(2) shall apply.

''(f) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section with respect to any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(g) TERMINATION.—This section shall not apply with respect to any property placed in service after December 31, 2010.''.

(b) INTERIM GUIDANCE ON CERTIFICATION.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of Energy, shall issue interim guidance on—

(A) the procedures and methods for making certifications under sections 25E(d)(2)(A) and 179E(d)(2)(A) of the Internal Revenue Code of 1986, as added by subsection (a) and section 213, respectively; and

(B) the recognition of qualified individuals under sections 25E(d)(2)(B) and 179E(d)(2)(B) of such Code for the purpose of making such certifications.

(2) CONSULTATION WITH STAKEHOLDERS.—

(A) IN GENERAL.—The Secretary of the Treasury, in issuing guidance pursuant to paragraph (1), shall consider comments from energy efficiency experts and other interested parties.

(B) OTHER CONSIDERATIONS.—In the case of guidance issued pursuant to paragraph (1)(B), the Secretary of the Treasury shall also consider—

(i) the Residential Energy Services Network Technical Guidelines and other pertinent guidelines for evaluating energy savings;

(ii) energy modeling software, including software accredited through the Residential Energy Services Network; and

(iii) quality assurance procedures of the Building Performance Institute, Home Performance through Energy Star, and the Residential Energy Services Network.

(c) ALTERNATIVE CERTIFICATION METHODS.—

(1) IN GENERAL.—The Secretary of the Treasury shall establish a procedure for individuals and businesses to petition for the approval of alternative methods of certification under sections 25E(d)(2)(A) and 179E(d)(2)(A) of the Internal Revenue Code of 1986, as added by subsection (a) and section 213, respectively.

(2) DETERMINATION.—The Secretary of the Treasury shall make a determination on the approval or disapproval of such alternative methods of certification not later than 90 days after receiving a petition under paragraph (1).

(d) CONFORMING AMENDMENTS.—

(1) Section 1016(a) is amended by striking ''and'' at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting '', and'', and by adding at the end the following new paragraph:

''(38) to the extent provided in section 25E(f).''.

(2) The table of sections for subpart A of part IV of subchapter A chapter 1 is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Performance based energy improvements.''.

(e) EFFECTIVE DATES.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

**SEC. 202. EXTENSION AND MODIFICATION OF CREDIT FOR NONBUSINESS ENERGY PROPERTY.**

(a) EXTENSION.—Subsection (g) of section 25C of the Internal Revenue Code of 1986 (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2010''.

(b) MODIFICATIONS FOR RESIDENTIAL ENERGY EFFICIENCY PROPERTY EXPENDITURES.—

(1) INCREASED LIMITATION FOR OIL FURNACES AND NATURAL GAS, PROPANE, AND OIL HOT WATER BOILERS.—

(A) IN GENERAL.—Subparagraphs (B) and (C) of section 25C(b)(3) are amended to read as follows:

''(B) $150 for any qualified natural gas furnace or qualified propane furnace, and

''(C) $300 for—

''(i) any item of energy-efficient building property, and

''(ii) any qualified oil furnace, qualified natural gas hot water boiler, qualified propane hot water boiler, or qualified oil hot water boiler.''.

(B) CONFORMING AMENDMENT.—Clause (ii) of section 25C(d)(2)(A) is amended to read as follows:

''(ii) any qualified natural gas furnace, qualified propane furnace, qualified oil furnace, qualified natural gas hot water boiler, qualified propane hot water boiler, or qualified oil hot water boiler, or''.

(2) MODIFICATIONS OF STANDARDS FOR ENERGY-EFFICIENT BUILDING PROPERTY.—

(A) ELECTRIC HEAT PUMPS.—Subparagraph (B) of section 25C(d)(3) is amended to read as follows:

''(A) an electric heat pump which achieves the highest efficiency tier established by the Consortium for Energy Efficiency, as in effect on January 1, 2007.''.

(B) CENTRAL AIR CONDITIONERS.—Section 25C(d)(3)(D) is amended by striking ''2006'' and inserting ''2007''.

(C) OIL FURNACES AND HOT WATER BOILERS.—Paragraph (4) of section 25C(d) is amended to read as follows:

''(4) QUALIFIED NATURAL GAS, PROPANE, AND OIL FURNACES AND HOT WATER BOILERS.—

''(A) QUALIFIED NATURAL GAS FURNACE.—The term 'qualified natural gas furnace' means any natural gas furnace which achieves an annual fuel utilization efficiency rate of not less than 95.

''(B) QUALIFIED NATURAL GAS HOT WATER BOILER.—The term 'qualified natural gas hot water boiler' means any natural gas hot

water boiler which achieves an annual fuel utilization efficiency rate of not less than 95.

''(C) QUALIFIED PROPANE FURNACE.—The term 'qualified propane furnace' means any propane furnace which achieves an annual fuel utilization efficiency rate of not less than 95.

''(D) QUALIFIED PROPANE HOT WATER BOILER.—The term 'qualified propane hot water boiler' means any propane hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 95.

''(E) QUALIFIED OIL FURNACES.—The term 'qualified oil furnace' means any oil furnace which achieves an annual fuel utilization efficiency rate of not less than 90.

''(F) QUALIFIED OIL HOT WATER BOILER.—The term 'qualified oil hot water boiler' means any oil hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.''.

(c) MODIFICATION OF QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS.—

(1) IN GENERAL.—Paragraph (1) of section 25C(c) is amended by inserting '', or an asphalt roof with appropriate cooling granules,'' before ''which meet the Energy Star program requirements''.

(2) BUILDING ENVELOPE COMPONENT.—Subparagraph (D) of section 25C(c)(2) is amended—

(A) by inserting ''or asphalt roof'' after ''metal roof'', and

(B) by inserting ''or cooling granules'' after ''pigmented coatings''.

(d) ELIMINATION OF CREDIT FOR QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS IN 2010.—

(1) IN GENERAL.—Subsection (a) of section 25C of the Internal Revenue Code of 1986 is amended to read as follows:

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount of residential energy property expenditures paid or incurred by the taxpayer during the taxable year.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 25C(b) of such Code, as amended by subsection (b)(1), is amended by striking paragraphs (1) and (2) and by redesignating paragraph (3) as paragraph (1).

(B) Section 25C(b)(1) of such Code, as redesignated by subparagraph (A), is amended by striking ''by reason of subsection (a)(2)''.

(C) Section 25C of such Code is amended by striking subsection (c).

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to property placed in service after December 31, 2006.

(3) SUBSECTION (d).—The amendments made by subsection (d) shall apply to property placed in service after December 31, 2009.

**SEC. 203. MODIFICATION OF CREDIT FOR SOLAR ELECTRIC PROPERTY AND SOLAR HOT WATER PROPERTY.**

(a) IN GENERAL.—Subsection (a) of section 25D (relating to allowance of credit) is amended by striking paragraphs (1) and (2) and inserting the following:

''(1) 100 percent of the qualified solar electric property expenditures made by the taxpayer during such year,

''(2) 100 percent of the qualified solar hot water property expenditures made by the taxpayer during such year, and''.

(b) LIMITATIONS.—

(1) IN GENERAL.—Paragraph (1) of section 25D(b) is amended by striking subparagraphs (A) and (B) and inserting the following:

''(A) $2 with respect to each peak watt of capacity of qualified solar electric property for which qualified solar electric property expenditures are made,

''(B) in the case of qualified solar water heating property expenditures, an amount equal to—

''(i) in the case of a dwelling unit which uses electricity to heat water, $0.35 with respect to each kilowatt per year of savings of qualified solar hot water property for which qualified solar water heating property expenditures are made, or

''(ii) in the case of a dwelling unit which uses natural gas to heat water, $7 with respect to each annual Therm of natural gas savings of qualified solar hot water property for which qualified solar water heating property expenditures are made, and''.

(2) DETERMINATION OF SAVINGS.—Paragraph (1) of section 25D(b) is amended by adding at the end the following new flush sentence:

''For purposes of subparagraph (B), savings shall be determined under regulations prescribed by the Secretary based on the OG–300 Standard for the Annual Performance of OG–300 Certified Systems of the Solar Rating and Certification Corporation.''.

(c) DEFINITIONS.—

(1) IN GENERAL.—Section 25D(d) is amended—

(A) by redesignating paragraph (3) as paragraph (5), and

(B) by striking paragraphs (1) and (2) and inserting the following:

''(1) QUALIFIED SOLAR ELECTRIC PROPERTY EXPENDITURES.—The term ' qualified solar electric property expenditures' means any amount paid or incurred for qualified solar electric property.

''(2) QUALIFIED SOLAR ELECTRIC PROPERTY.—The term 'qualified solar electric property' means solar electric property (as defined in section 179F(c)(2)(B)) installed on or in connection with a dwelling unit located in the United States and used as a residence by the taxpayer.

''(3) QUALIFIED SOLAR WATER HEATING PROPERTY EXPENDITURES.—The term 'qualified solar water heating property expenditures' means any amount paid or incurred for qualified solar hot water property.

''(4) QUALIFIED SOLAR HOT WATER PROPERTY.—The term 'qualified solar hot water property' means solar hot water property (as defined in section 179F(c)(2)(C)) installed on or in connection with a dwelling unit located in the United States and used as a residence by the taxpayer.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 25D(e)(2) is amended by striking ''property described in paragraph (1) and (2) of subsection (d)'' and inserting ''qualified solar electric property or qualified solar hot water property''.

(B) Section 25D(e)(4)(C) is amended by striking ''paragraphs (1), (2), and (3)'' and inserting ''paragraphs (1),(3), and (5)''.

(d) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—Clauses (i) and (ii) of section 25D(e)(4)(A) are amended to read as follows:

''(i) $2 in the case of each peak watt of capacity of qualified solar electric property for which qualified solar electric property expenditures are made,

''(ii) in the case of qualified solar water heating property expenditures, an amount equal to—

''(I) in the case of a dwelling unit which uses electricity to heat water, $0.35 with respect to each kilowatt per year of savings of qualified solar hot water property for which qualified solar water heating property expenditures are made, or

''(II) in the case of a dwelling unit which uses natural gas to heat water, $7 with respect to each annual Therm of natural gas savings of qualified solar hot water property for which qualified solar water heating property expenditures are made, and''.

(e) EXTENSION OF CREDIT.—Subsection (g) of section 25D is amended by striking ''2007'' and inserting ''2010''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

**Subtitle B—Business-Related Energy Improvements**

**SEC. 211. EXTENSION AND CLARIFICATION OF NEW ENERGY EFFICIENT HOME CREDIT.**

(a) EXTENSION.—Subsection (g) of section 45L (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2010''.

(b) CLARIFICATION.—

(1) IN GENERAL.—Paragraph (1) of section 45L(a) is amended by striking ''and'' at the end of subparagraph (A) and by striking subparagraph (B) and inserting the following:

''(B) acquired by a person from such eligible contractor, and

''(C) used by any person as a residence during the taxable year.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in section 1332 of the Energy Policy Act of 2005.

**SEC. 212. EXTENSION AND MODIFICATION OF DEDUCTION FOR ENERGY EFFICIENT COMMERCIAL BUILDINGS.**

(a) EXTENSION.—Subsection (h) of section 179D (relating to termination) is amended to read as follows:

''(h) TERMINATION.—This section shall not apply with respect to property—

''(1) which is certified under subsection (d)(6) after December 31, 2011, or

''(2) which is placed in service after December 31, 2013.''.

(b) INCREASE IN MAXIMUM AMOUNT OF DEDUCTION.—

(1) IN GENERAL.—Subparagraph (A) of section 179D(b)(1) is amended by striking ''$1.80'' and inserting ''$2.25''.

(2) PARTIAL ALLOWANCE.—Paragraph (1) of section 179D(d) is amended—

(A) by striking ''$.60'' and inserting ''$0.75'', and

(B) by striking ''$1.80'' and inserting ''$2.25''.

(c) MODIFICATIONS TO CERTAIN SPECIAL RULES.—

(1) REQUIREMENTS FOR COMPUTER SOFTWARE USED IN CALCULATING ENERGY AND POWER CONSUMPTION COSTS.—Computer software used in preparing a calculation under section 179D(d)(2) of the Internal Revenue Code of 1986 shall automatically—

(A) generate the features, energy use, and energy and power consumption costs of a reference building that meets Standard 90.1–2001 (as defined under section 179D(c)(2) of such Code), and

(B) compare such features, energy use, and consumption costs to the features, energy use, and consumption costs of the building or system with respect to which the calculation is being made.

(2) TARGETS FOR PARTIAL ALLOWANCE OF CREDIT.—The targets established by the Secretary of Treasury under section 179D(b)(1)(B) of the Internal Revenue Code of 1986 shall be based on prescriptive criteria that can be modeled explicitly.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service in taxable years beginning after the date of the enactment of this Act.

**SEC. 213. DEDUCTION FOR ENERGY EFFICIENT LOW-RISE BUILDINGS.**

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by inserting after section 179D the following new section:

**''SEC. 179E. ENERGY EFFICIENT LOW-RISE BUILDINGS DEDUCTION.**

''(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the

amount of qualified energy efficiency expenditures paid or incurred by the taxpayer during the taxable year.

''(b) LIMITATIONS.—

''(1) IN GENERAL.—The amount allowed as a credit under subsection (a) shall not exceed—

''(A) in the case of a qualified low-rise building that achieves a qualified energy savings of 50 percent or more, $6,000, and

''(B) in the case of a qualified low-rise building which achieves a qualified energy savings of less than 50 percent, the product of—

''(i) the qualified energy savings achieved, and

''(ii) $12,000.

''(2) MINIMUM AMOUNT OF QUALIFIED ENERGY SAVINGS.—No credit shall be allowed under subsection (a) with respect to any qualified low-rise building which achieves a qualified energy savings of less than 20 percent.

''(c) QUALIFIED ENERGY EFFICIENCY EXPENDITURES.—For purposes of this section:

''(1) IN GENERAL.—The term 'qualified energy efficiency expenditures' means any amount paid or incurred which is related to producing qualified energy savings in a qualified low-rise building of the taxpayer which is located in the United States.

''(2) NO DOUBLE BENEFIT FOR CERTAIN EXPENDITURES.—The term 'qualified energy efficiency expenditures' shall not include any expenditure for any property for which a deduction has been allowed to the taxpayer under section 179F.

''(3) QUALIFIED LOW-RISE BUILDING.—The term 'qualified low-rise building' means a building—

''(A) with respect to which depreciation is allowable under section 167, and

''(B) which is not within the scope of Standard 90.1–2001 (as defined under section 179D(c)(2)).

''(d) QUALIFIED ENERGY SAVINGS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified energy savings' means, with respect to any qualified low-rise building, the amount (measured as a percentage) by which—

''(A) the annual energy use with respect to the qualified low-rise building after qualified energy efficiency expenditures are made, as certified under paragraph (2), is less than

''(B) the annual energy use with respect to the qualified low-rise building before the qualified energy efficiency expenditures were made, as certified under paragraph (2).

In determining annual energy use under subparagraph (B), any energy efficiency improvements which are not attributable to qualified energy efficiency expenditures shall be disregarded.

''(2) CERTIFICATION.—

''(A) IN GENERAL.—The Secretary, in consultation with the Secretary of Energy, shall prescribe the procedures and method for the making of certifications under this paragraph based on the Residential Energy Services Network (RESNET) Technical Guidelines in effect on the date of the enactment of this Act.

''(B) QUALIFIED INDIVIDUALS.—Any certification made under this paragraph may only be made by an individual who is recognized by an organization certified by the Secretary for such purposes.

''(e) SPECIAL RULES.—For purposes of this section, rules similar to the rules under paragraphs (8) and (9) of section 25D(e) shall apply.

''(f) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section with respect to any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(g) TERMINATION.—This section shall not apply with respect to any property placed in service after December 31, 2010.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a), as amended by section 201, is amended by striking ''and'' at the end of paragraph (37), by striking the period at the end of paragraph (38) and inserting '', and'', and by adding at the end the following new paragraph:

''(39) to the extent provided in section 179E(f).''.

(2) Section 1245(a) is amended by inserting ''179E,'' after ''179D,'' both places it appears in paragraphs (2)(C) and (3)(C).

(3) Section 1250(b)(3) is amended by inserting ''or 179E'' after ''section 179D''.

(4) Section 263(a)(1) is amended by striking ''or'' at the end of subparagraph (J), by striking the period at the end of subparagraph (K) and inserting '', or'', and by inserting after subparagraph (K) the following new subparagraph:

''(L) expenditures for which a deduction is allowed under section 179E.''.

(5) Section 312(k)(3)(B) is amended by striking ''179, 179A, 179B, 179C, or 179D'' each place it appears in the heading and text and inserting ''179, 179A, 179B, 179C, 179D, or 179E''.

(6) The table of sections for part VI of subchapter B is amended by inserting after the item relating to section 179D the following new item:

''Sec. 179E. Energy efficient low-rise buildings deduction.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

**SEC. 214. ENERGY EFFICIENT PROPERTY DEDUCTION.**

(a) IN GENERAL.—Part VI of subchapter B of chapter 1, as amended by section 213, is amended by inserting after section 179E the following new section:

**''SEC. 179F. ENERGY EFFICIENT PROPERTY.**

''(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the energy efficient property expenditures paid or incurred by the taxpayer during the taxable year

''(b) LIMITATION.—The amount of the deduction allowed under subsection (a) for any taxable years shall not exceed—

''(1) $150 for any advanced main air circulating fan,

''(2) $450 for any qualified natural gas furnace or qualified propane furnace,

''(3) $900 for—

''(A) any item of energy-efficient building property, and

''(B) any qualified oil furnace, qualified natural gas hot water boiler, qualified propane hot water boiler, or qualified oil hot water boiler.

''(4) $9 with respect to each peak watt of capacity of solar electric property,

''(5) in the case of solar hot water property, an amount equal to—

''(A) in the case of a dwelling unit which uses electricity to heat water, $1 with respect to each kilowatt per year of savings of such solar hot water property, or

''(B) in the case of a dwelling unit which uses natural gas to heat water, $21 with respect to each annual Therm of natural gas savings of such solar hot water property.

For purposes of paragraph (5), savings shall be determined under regulations prescribed by the Secretary based on the OG–300 Standard for the Annual Performance of OG–300 Certified Systems of the Solar Rating and Certification Corporation.

''(c) ENERGY EFFICIENT PROPERTY EXPENDITURES.—For purposes of this section—

''(1) IN GENERAL.—The term 'energy efficient property expenditures' means expenditures paid by the taxpayer for qualified energy property which is—

''(A) of a character subject to the allowance for depreciation, and

''(B) originally placed in service by the taxpayer.

''(2) QUALIFIED ENERGY PROPERTY.—

''(A) IN GENERAL.—The term 'qualified energy property' has the meaning given such term by section 25C(d)(2), except that such term shall include solar electric property and solar hot water property.

''(B) SOLAR ELECTRIC PROPERTY.—The term 'solar electric property' means property which uses solar energy to generate electricity.

''(C) SOLAR HOT WATER PROPERTY.—The term 'solar hot water property' means property used to heat water if at least half of the energy used by such property for such purpose is derived from the sun.

''(d) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section with respect to any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(e) TERMINATION.—This section shall not apply with respect to any property placed in service after December 31, 2010.''.

(b) NO DOUBLE BENEFIT.—Section 179D(c) is amended by adding at the end the following new paragraph:

''(3) CERTAIN PROPERTY EXCLUDED.—The term 'energy efficient commercial building property' does not include any property with respect to which a credit has been allowed to the taxpayer under section 179F.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 1016(a), as amended by section 213, is amended by striking ''and'' at the end of paragraph (38), by striking the period at the end of paragraph (39) and inserting '', and'', and by adding at the end the following new paragraph:

''(40) to the extent provided in section 179E(e).''.

(2) Section 1245(a), as amended by section 213 is amended by inserting ''179F,'' after ''179E,'' both places it appears in paragraphs (2)(C) and (3)(C).

(3) Section 1250(b)(3), as amended by section 213, is amended by inserting ''or 179F'' after ''section 179E''.

(4) Section 263(a)(1), as amended by section 213, is amended by striking ''or'' at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting '', or'', and by inserting after subparagraph (L) the following new subparagraph:

''(M) expenditures for which a deduction is allowed under section 179F.''.

(5) Section 312(k)(3)(B), as amended by section 213, is amended by striking ''179, 179A, 179B, 179C, 179D, or 179E'' each place it appears in the heading and text and inserting ''179, 179A, 179B, 179C, 179D, 179E, or 179F''.

(6) The table of sections for part VI of subchapter B is amended by inserting after the item relating to section 179E the following new item:

''Sec. 179F. Energy efficient property.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service in taxable years beginning after the date of the enactment of this Act.

**SEC. 215. EXTENSION OF INVESTMENT TAX CREDIT WITH RESPECT TO SOLAR ENERGY PROPERTY AND QUALIFIED FUEL CELL PROPERTY.**

(a) SOLAR ENERGY PROPERTY.—Paragraphs (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) are each amended by striking ''2008'' and inserting ''2012''.

(b) ELIGIBLE FUEL CELL PROPERTY.—Paragraph (1)(E) of section 48(c) is amended by striking ''2007'' and inserting ''2011''.

**Subtitle C—Incentives for Energy Savings Certifications**

**SEC. 221. CREDIT FOR ENERGY SAVINGS CERTIFICATIONS.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

**"SEC. 45N. ENERGY SAVINGS CERTIFICATION CREDIT.**

''(a) IN GENERAL.—For purposes of section 38, the energy savings certification credit determined under this section for any taxable year is an amount equal to the sum of—

''(1) the qualified training and certification costs paid or incurred by the taxpayer which may be taken into account for such taxable year, plus

''(2) the qualified certification equipment expenditures paid or incurred by the taxpayer which may be taken into account for such taxable year.

''(b) QUALIFIED TRAINING AND CERTIFICATION COSTS.—

''(1) IN GENERAL.—The term 'qualified training and certification costs' means costs paid or incurred for training which is required for the taxpayer or employees of the taxpayer to be certified by the Secretary under section 25D(d)(2)(B) or 179E(d)(2)(B) for the purpose of certifying energy savings.

''(2) LIMITATION.—The qualified training and certification costs taken into account under subsection (a)(1) for the taxable year with respect to any individual shall not exceed $500 reduced by the amount of the credit allowed under subsection (a)(1) to the taxpayer (or any predecessor) with respect to such individual for all prior taxable years.

''(3) YEAR COSTS TAKEN INTO ACCOUNT.—Qualified training and certifications costs with respect to any individual shall not be taken into account under subsection (a)(1) before the taxable year in which the individual with respect to whom such costs are paid or incurred has performed 25 certifications under sections 25E(d)(2)(A) and 179E(d)(2)(A).

''(c) QUALIFIED CERTIFICATION EQUIPMENT EXPENDITURES.—

''(1) IN GENERAL.—The term 'qualified training equipment expenditures' means costs paid or incurred for—

''(A) blower doors,

''(B) duct leakage testing equipment,

''(C) flue gas combustion equipment, and

''(D) digital manometers.

''(2) LIMITATION.—

''(A) IN GENERAL.—The qualified certification equipment expenditures taken into account under subsection (a)(2) with respect to any taxpayer for any taxable year shall not exceed $1,000.

''(B) LIMITATION ON INDIVIDUAL ITEMS.—The qualified certification equipment expenditures taken into account under subsection (a)(2) shall not exceed—

''(i) $500 with respect to any blower door or duct leakage testing equipment, and

''(ii) $100 with respect to any flue gas combustion equipment or digital manometer.

''(3) YEAR EXPENDITURES TAKEN INTO ACCOUNT.—The qualified certification equipment expenditures of any taxpayer shall not be taken into account under subsection (a)(2) before the taxable year in which the taxpayer has performed 25 certifications under sections 25E(d)(2)(A) and 179E(d)(2)(A).

''(d) SPECIAL RULES.—

''(1) AGGREGATION RULES.—For purposes of this section, all persons treated as a single employer under subsections (a) and (b) of section 52 shall be treated as 1 person.

''(2) BASIS REDUCTION.—The basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a).

''(3) DENIAL OF DOUBLE BENEFIT.—

''(A) IN GENERAL.—No deduction shall be allowed for that portion of the expenses otherwise allowable as a deduction for the taxable year which is equal to the amount taken into account under subsection (a) for such taxable year.

''(B) AMOUNT PREVIOUSLY DEDUCTED.—No credit shall be allowed under subsection (a) with respect to any amount for which a deduction has been allowed in any preceding taxable year.''.

(b) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) is amended by striking ''and'' at the end of paragraph (29), by striking the period at the end of paragraph (30) and inserting ''plus'', and by adding at the end the following new paragraph:

''(31) the energy savings certification credit determined under section 45N(a).''.

(c) CONFORMING AMENDMENTS.—

(1) Section 1016(a), as amended by this title, is amended by striking ''and'' at the end of paragraph (39), by striking the period at the end of paragraph (40) and inserting ''and'', and by adding at the end the following new paragraph:

''(41) to the extent provided in section 45N(d)(2).''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 45M the following new item:

''Sec. 45N. Energy savings certification credit.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

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**SA 4701.** Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. ____. PROHIBITION ON RESTRICTION OF INSTALLATION OF RENEWABLE FUEL PUMPS.**

(a) IN GENERAL.—Title I of the Petroleum Marketing Practices Act (15 U.S.C. 2801 et seq.) is amended by adding at the end the following:

**"SEC. 107. PROHIBITION ON RESTRICTION OF INSTALLATION OF RENEWABLE FUEL PUMPS.**

''(a) DEFINITION OF FRANCHISE-RELATED DOCUMENT.—In this section, the term 'franchise-related document' means—

''(1) a franchise under this Act; and

''(2) any other contract or directive of a franchisor relating to terms or conditions of the sale of fuel by a franchisee.

''(b) PROHIBITIONS.—

''(1) IN GENERAL.—Notwithstanding any provision of a franchise-related document in effect on the date of enactment of this section, no franchisee or affiliate of a franchisee shall be restricted from—

''(A) installing on the marketing premises of the franchisee a renewable fuel pump;

''(B) converting an existing tank and pump on the marketing premises of the franchisee for renewable fuel use;

''(C) advertising (including through the use of signage or logos) the sale of any renewable fuel; or

''(D) selling renewable fuel in any specified area on the marketing premises of the franchisee (including any area in which a name or logo of a franchisor or any other entity appears).

''(2) ENFORCEMENT.—Any restriction described in paragraph (1) that is contained in a franchise-related document and in effect on the date of enactment of this section—

''(A) shall be considered to be null and void as of that date; and

''(B) shall not be enforced under section 105.

''(c) EXCEPTION TO 3-GRADE REQUIREMENT.—No franchise-related document that requires that 3 grades of gasoline be sold by the applicable franchisee shall prevent the franchisee from selling a renewable fuel in lieu of 1 grade of gasoline.''.

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Section 101(13) of the Petroleum Marketing Practices Act (15 U.S.C. 2801(13)) is amended by adjusting the indentation of subparagraph (C) appropriately.

(2) TABLE OF CONTENTS.—The table of contents of the Petroleum Marketing Practices Act (15 U.S.C. 2801 note) is amended—

(A) by inserting after the item relating to section 106 the following:

''Sec. 107. Prohibition on restriction of installation of renewable fuel pumps.'';

and

(B) by striking the item relating to section 202 and inserting the following:

''Sec. 202. Automotive fuel rating testing and disclosure requirements.''.

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**SA 4702.** Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

**SEC. 6. REPORT.**

Not later than October 31 of each year beginning after the date of enactment of this Act, the President shall submit to Congress a report that describes—

(1) the progress of the agencies of the Federal government (including the Executive Office of the President) in complying with—

(A) the Energy Policy Act of 1992 (42 U.S.C. 13201 et seq.); and

(B) Executive Order 13149 (65 Fed. Reg. 24607; relating to greening the government through Federal fleet and transportation efficiency);

(2) the number of fueling centers operated by each Federal agency;

(3) the number of the fueling centers that are equipped to supply renewable fuels; and

(4) which renewable fuel blends are offered at those fueling centers.

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**SA 4703.** Mr. SHELBY proposed an amendment to the bill S. 3549, to amend the Defense Production Act of 1950 to strengthen Government review and oversight of foreign investment in the United States, to provide for enhanced Congressional Oversight with respect thereto, and for other purposes; as follows:

On page 3, line 8, strike ''written notification'' and insert the following: ''a written request for review by a person involved in the transaction, or by one or more members of CFIUS,''.

On page 3, line 10, strike ''under this section'' and insert ''in accordance with paragraph (1)(A)''.

On page 3, line 24, strike ''entity'' and insert ''person''.

On page 4, beginning on line 19, strike ''additional assurances'' and insert ''assurances provided or renewed with the approval of CFIUS''.

On page 4, line 22, strike ''and'' and insert ''or''.

On page 5, line 2, insert before the period the following: '', and the issues that could result in an impairment to national security are not resolved through negotiation of assurances between one or more members of CFIUS and the entities involved in the transaction''.

On page 5, strike line 22 and all that follows through page 6, line 6 and insert the following:

''(4) MONITORING OF WITHDRAWN TRANSACTIONS.—If the notification or filing with respect to a proposed transaction is withdrawn or rescinded, CFIUS shall continue to monitor such transaction, unless the transaction is terminated by agreement of the parties to the transaction. If CFIUS has reason to believe that the proposed transaction has not been so terminated, CFIUS shall initiate a review or investigation under this section if the parties do not resubmit the notification or filing within an appropriate period of time.''.

On page 6, strike lines 7 through 23 and insert the following:

''(5) MANDATORY NOTIFICATION RELATED TO CERTAIN TRANSACTIONS AFFECTING NATIONAL SECURITY.—The chairperson and vice chairperson of CFIUS shall, not later than 90 days after the date of enactment of the Foreign Investment and National Security Act of 2006, issue rules, including the imposition of appropriate penalties for failure to comply with this paragraph, that require each person controlled by or acting on behalf of a foreign government to notify the chairperson of CFIUS in writing of any proposed transaction involving such person and United States critical infrastructure relating to United States national security.''.

On page 8, line 17, strike ''(or longer)''.

On page 9, line 3, strike ''AND CLASSIFICATIONS''.

On page 9, line 15, strike ''and classifying''.

On page 10, line 17, strike ''and classification''.

On page 15, line 1, strike ''ranking'' and insert ''assessments''.

On page 16, line 5, strike ''ADDITIONAL''.

On page 17, line 6, insert ''of CFIUS'' after ''vice chairperson''.

On page 19, line 12, strike ''transaction'' and all that follows through line 16 and insert ''transaction; and''.

On page 20, line 3, insert ''does or'' before ''does not''.

On page 23, strike lines 21 through 24.

On page 24, line 1, strike ''(vi)'' and insert ''(v)''.

On page 24, line 10, strike ''(vii)'' and insert ''(vi)''

On page 24, line 17, strike ''(vii)'' and insert ''(vii)''.

On page 27, line 4, strike ''the term'' and insert the following: ''the term 'assurances' means any term, understanding, commitment, agreement, or limitation, however described, that relates to ameliorating in any way the potential effect of a transaction on the national security;

''(2) the term''.

On page 27, line 12, strike ''(2)'' and insert ''(3)''.

On page 27, line 19, strike ''(3)'' and insert ''(4)''.

On page 27, line 22, strike ''(4)'' and insert ''(5)''.

On page 27, line 25, strike the period and all that follows through ''The term includes'' on page 28, line 1 and insert '', and includes''.

On page 28, line 5, strike ''(5)'' and insert ''(6)''.

On page 28, line 11, strike ''(6)'' and insert ''(7)''.

On page 28, line 14, strike ''(7)'' and insert ''(8)''.

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**SA 4704.** Mr. HARKIN (for himself, Mr. JOHNSON, Mr. BAYH, and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

**SEC. 6 RENEWABLE FUEL PROGRAM.**

Section 211(o)(2) of the Clean Air Act (42 U.S.C. 7545(o)(2)) is amended by striking subparagraph (B) and inserting the following:

''(B) APPLICABLE VOLUME.—For the purpose of subparagraph (A), the applicable volume for calendar years 2007 through 2010 shall be determined, by rule, by the Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, in a manner that ensures that the applicable volume for calendar year 2010 and each calendar year thereafter is at least 10,000,000,000 gallons of renewable fuel.''.

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**SA 4705.** Mr. HARKIN (for himself, Mr. LUGAR, and Mr. JOHNSON) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

**SEC. 6. BIOFUELS SECURITY.**

(a) SHORT TITLE.—This section may be cited as the ''Biofuels Security Act of 2006''.

(b) RENEWABLE FUELS.—

(1) RENEWABLE FUEL PROGRAM.—Section 211(o)(2) of the Clean Air Act (42 U.S.C. 7545(o)(2)) is amended by striking subparagraph (B) and inserting the following:

''(B) APPLICABLE VOLUME.—

''(i) IN GENERAL.—For the purpose of subparagraph (A), the applicable volume for calendar year 2010 and each calendar year thereafter shall be determined, by rule, by the Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, in a manner that ensures that—

''(I) the requirements described in clause (ii) for specified calendar years are met; and

''(II) the applicable volume for each calendar year not specified in clause (ii) is determined on an annual basis.

''(ii) REQUIREMENTS.—The requirements referred to in clause (i) are—

''(I) for calendar year 2010, at least 10,000,000,000 gallons of renewable fuel;

''(II) for calendar year 2020, at least 30,000,000,000 gallons of renewable fuel; and

''(III) for calendar year 2030, at least 60,000,000,000 gallons of renewable fuel.''.

(2) INSTALLATION OF E–85 FUEL PUMPS BY MAJOR OIL COMPANIES AT OWNED STATIONS AND BRANDED STATIONS.—Section 211(o) of the Clean Air Act (42 U.S.C. 7545(o)) is amended by adding at the end the following:

''(11) INSTALLATION OF E–85 FUEL PUMPS BY MAJOR OIL COMPANIES AT OWNED STATIONS AND BRANDED STATIONS.—

''(A) DEFINITIONS.—In this paragraph:

''(i) E–85 FUEL.—The term 'E–85 fuel' means a blend of gasoline approximately 85 percent of the content of which is derived from ethanol produced in the United States.

''(ii) MAJOR OIL COMPANY.—The term 'major oil company' means any person that, individually or together with any other person with respect to which the person has an affiliate relationship or significant ownership interest, has not less than 4,500 retail station outlets according to the latest publication of the Petroleum News Annual Factbook.

''(iii) SECRETARY.—The term 'Secretary' means the Secretary of Energy, acting in consultation with the Administrator of the Environmental Protection Agency and the Secretary of Agriculture.

''(B) REGULATIONS.—The Secretary shall promulgate regulations to ensure that each major oil company that sells or introduces gasoline into commerce in the United States through wholly-owned stations or branded stations installs or otherwise makes available 1 or more pumps that dispense E–85 fuel (including any other equipment necessary, such as including tanks, to ensure that the pumps function properly) at not less than the applicable percentage of the wholly-owned stations and the branded stations of the major oil company specified in subparagraph (C).

''(C) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (B), the applicable percentage of the wholly-owned stations and the branded stations shall be determined in accordance with the following table:

| Calendar year: | "Applicable percentage of wholly-owned stations and branded stations (percent): |
|---|---|
| 2007 | 5 |
| 2008 | 10 |
| 2009 | 15 |
| 2010 | 20 |
| 2011 | 25 |
| 2012 | 30 |
| 2013 | 35 |
| 2014 | 40 |
| 2015 | 45 |
| 2016 and each calendar year thereafter. | 50. |

''(D) GEOGRAPHIC DISTRIBUTION.—

''(i) IN GENERAL.—Subject to clause (ii), in promulgating regulations under subparagraph (B), the Secretary shall ensure that each major oil company described in subparagraph (B) installs or otherwise makes available 1 or more pumps that dispense E–85 fuel at not less than a minimum percentage (specified in the regulations) of the wholly-owned stations and the branded stations of the major oil company in each State.

''(ii) REQUIREMENT.—In specifying the minimum percentage under clause (i), the Secretary shall ensure that each major oil company installs or otherwise makes available 1 or more pumps described in that clause in each State in which the major oil company operates.

''(E) FINANCIAL RESPONSIBILITY.—In promulgating regulations under subparagraph (B), the Secretary shall ensure that each major oil company described in that subparagraph assumes full financial responsibility for the costs of installing or otherwise making available the pumps described in that subparagraph and any other equipment necessary (including tanks) to ensure that the pumps function properly.

''(F) PRODUCTION CREDITS FOR EXCEEDING E–85 FUEL PUMPS INSTALLATION REQUIREMENT.—

''(i) EARNING AND PERIOD FOR APPLYING CREDITS.—If the percentage of the wholly-

owned stations and the branded stations of a major oil company at which the major oil company installs E–85 fuel pumps in a particular calendar year exceeds the percentage required under subparagraph (C), the major oil company earns credits under this paragraph, which may be applied to any of the 3 consecutive calendar years immediately after the calendar year for which the credits are earned.

''(ii) TRADING CREDITS.—Subject to clause (iii), a major oil company that has earned credits under clause (i) may sell credits to another major oil company to enable the purchaser to meet the requirement under subparagraph (C).

''(iii) EXCEPTION.—A major oil company may not use credits purchased under clause (ii) to fulfill the geographic distribution requirement in subparagraph (D).''.

(3) MINIMUM FEDERAL FLEET REQUIREMENT.—Section 303(b)(1) of the Energy Policy Act of 1992 (42 U.S.C. 13212(b)(1)) is amended—

(A) in subparagraph (C), by striking ''and'' after the semicolon;

(B) in subparagraph (D), by striking ''fiscal year 1999 and thereafter'' and inserting ''each of fiscal years 1999 through 2006; and''; and

(C) by inserting after subparagraph (D) the following:

''(E) 100 percent in fiscal year 2007 and thereafter,''.

(4) APPLICATION OF GASOHOL COMPETITION ACT OF 1980.—Section 26 of the Clayton Act (15 U.S.C. 26a) is amended—

(A) by redesignating subsection (c) as subsection (d);

(B) by inserting after subsection (b) the following:

''(c) For purposes of subsection (a), restricting the right of a franchisee to install on the premises of that franchisee a renewable fuel pump, such as one that dispenses E85, shall be considered an unlawful restriction.''; and

(C) in subsection (d) (as redesignated by subparagraph (A))—

(i) by striking ''section,'' and inserting the following: ''section—

''(1) the term'';

(ii) by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(2) the term 'gasohol' includes any blend of ethanol and gasoline such as E–85.''.

(c) DUAL FUELED AUTOMOBILES.—

(1) REQUIREMENT TO MANUFACTURE DUAL FUELED AUTOMOBILES.—

(A) REQUIREMENT.—

(i) IN GENERAL.—Chapter 329 of title 49, United States Code, is amended by inserting after section 32902 the following:

**''§ 32902A. Requirement to manufacture dual fueled automobiles**

''(a) REQUIREMENT.—Each manufacturer of new automobiles that are capable of operating on gasoline or diesel fuel shall ensure that the percentage of such automobiles, manufactured in any model year after model year 2006 and distributed in commerce for sale in the United States, which are dual fueled automobiles is equal to not less than the applicable percentage set forth in the following table:

| ''For each of the following model years: | The percentage of dual fueled automobiles manufactured shall be not less than: |
|---|---|
| 2007 | 10 |
| 2008 | 20 |
| 2009 | 30 |
| 2010 | 40 |
| 2011 | 50 |
| 2012 | 60 |
| 2013 | 70 |
| 2014 | 80 |
| 2015 | 90 |
| 2016 and beyond | 100. |

''(b) PRODUCTION CREDITS FOR EXCEEDING FLEXIBLE FUEL AUTOMOBILE PRODUCTION REQUIREMENT.—

''(1) EARNING AND PERIOD FOR APPLYING CREDITS.—If the number of dual fueled automobiles manufactured by a manufacturer in a particular model year exceeds the number required under subsection (a), the manufacturer earns credits under this section, which may be applied to any of the 3 consecutive model years immediately after the model year for which the credits are earned.

''(2) TRADING CREDITS.—A manufacturer that has earned credits under paragraph (1) may sell credits to another manufacturer to enable the purchaser to meet the requirement under subsection (a).''.

(ii) TECHNICAL AMENDMENT.—The table of sections for chapter 329 of title 49, United States Code, is amended by inserting after the item relating to section 32902 the following:

''32902A. Requirement to manufacture dual fueled automobiles.''.

(B) ACTIVITIES TO PROMOTE THE USE OF CERTAIN ALTERNATIVE FUELS.—The Secretary of Transportation shall carry out activities to promote the use of fuel mixtures containing gasoline or diesel fuel and 1 or more alternative fuels, including a mixture containing at least 85 percent of methanol, denatured ethanol, and other alcohols by volume with gasoline or other fuels, to power automobiles in the United States.

(2) MANUFACTURING INCENTIVES FOR DUAL FUELED AUTOMOBILES.—Section 32905(b) of title 49, United States Code, is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(B) by inserting ''(1)'' before ''Except'';

(C) by striking ''model years 1993–2010'' and inserting ''model year 1993 through the first model year beginning not less than 18 months after the date of enactment of the Biofuels Security Act of 2006''; and

(D) by adding at the end the following:

''(2) Except as provided in paragraph (5) of this subsection, subsection (d) of this section, or section 32904(a)(2) of this title, the Administrator shall measure the fuel economy for each model of dual fueled automobiles manufactured by a manufacturer in the first model year beginning not less than 30 months after the date of enactment of the Biofuels Security Act of 2006 by dividing 1.0 by the sum of—

''(A) 0.7 divided by the fuel economy measured under section 32904(c) of this title when operating the model on gasoline or diesel fuel; and

''(B) 0.3 divided by the fuel economy measured under subsection (a) when operating the model on alternative fuel.

''(3) Except as provided in paragraph (5) of this subsection, subsection (d) of this section, or section 32904(a)(2) of this title, the Administrator shall measure the fuel economy for each model of dual fueled automobiles manufactured by a manufacturer in the first model year beginning not less than 42 months after the date of enactment of the Biofuels Security Act of 2006 by dividing 1.0 by the sum of—

''(A) 0.9 divided by the fuel economy measured under section 32904(c) of this title when operating the model on gasoline or diesel fuel; and

''(B) 0.1 divided by the fuel economy measured under subsection (a) when operating the model on alternative fuel.

''(4) Except as provided in subsection (d) of this section, or section 32904(a)(2) of this title, the Administrator shall measure the fuel economy for each model of dual fueled automobiles manufactured by a manufacturer in each model year beginning not less than 54 months after the date of enactment of the Biofuels Security Act of 2006 in accordance with section 32904(c) of this title.

''(5) Notwithstanding paragraphs (2) through (4) of this subsection, the fuel economy for all dual fueled automobiles manufactured to comply with the requirements under section 32902A(a) of this title, including automobiles for which dual fueled automobile credits have been used or traded under section 32902A(b) of this title, shall be measured in accordance with section 32904(c) of this title.''.

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**SA 4706.** Mr. BAYH (for himself, Mr. BROWNBACK, Mr. LIEBERMAN, Mr. COLEMAN, Mr. SALAZAR, Mr. LUGAR, Mr. OBAMA, Mr. CHAFEE, Mr. AKAKA, Mrs. CLINTON, Ms. CANTWELL, Ms. COLLINS, Mr. KOHL, Mr. KERRY, Mr. KENNEDY, Mr. GRAHAM, Mr. MENENDEZ, Mr. DODD, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**TITLE ____—VEHICLE AND FUEL CHOICES FOR AMERICAN SECURITY**

**SEC. __01. FINDINGS AND PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) the United States is dangerously dependent on oil;

(2) that dependence threatens the national security, weakens the economy, and harms the environment of the United States;

(3) the United States currently imports nearly 60 percent of oil needed in the United States, and that percentage is expected to grow to almost 70 percent by 2025 if no actions are taken;

(4) approximately 2,500,000 barrels of oil per day are imported from countries in the Persian Gulf region;

(5) dependence on foreign oil has led to strategic partnerships with some regimes that do not share the democratic values of the United States;

(6) terrorists have identified oil as a strategic vulnerability and have increased attacks against oil infrastructure worldwide;

(7) oil imports comprise nearly 30 percent of the dangerously high United States trade deficit;

(8) it is technically feasible to achieve oil savings of more than 2,500,000 barrels per day by 2017 and 7,000,000 barrels per day by 2026;

(9) those goals can be achieved by establishing a set of flexible policies, including—

(A) increasing the gasoline-efficiency of cars, trucks, tires, and oil;

(B) providing economic incentives for companies and consumers to purchase fuel-efficient vehicles;

(C) encouraging the use of transit and the reduction of truck idling; and

(D) increasing production and commercialization of alternative liquid fuels;

(10) technology available as of the date of enactment of this Act (including popular hybrid-electric vehicle models, the sales of

which in the United States increased 173 percent in the first 5 months of 2005 as compared with the same period in 2004) make an oil savings plan eminently achievable;

(11) achieving those goals will benefit consumers and businesses through lower fuel bills and reduction in world oil prices;

(12) achieving those goals will help protect the economy of the United States from high and volatile oil prices; and

(13) it is urgent, essential, and feasible to implement an action plan to achieve oil savings as soon as practicable because any delay in initiating action will—

(A) make achieving necessary oil savings more difficult and expensive; and

(B) increase the risks to the national security, economy, and environment of the United States.

(b) PURPOSES.—The purposes of this title are—

(1) to accelerate market penetration of electric drive and alternative motor vehicles;

(2) to enable the accelerated market penetration of efficient technologies and alternative fuels without adverse impact on air quality while maintaining a policy of fuel neutrality, so as to allow market forces to elect the technologies and fuels that are consumer-friendly, safe, environmentally-sound, and economic;

(3) to provide time-limited financial incentives to encourage production and consumer purchase of oil saving technologies and fuels nationwide; and

(4) to promote a nationwide diversity of motor vehicle fuels and advanced motor vehicle technology, including advanced lean burn technology, hybrid technology, flexible fuel motor vehicles, alternatively fueled motor vehicles, and other oil saving technologies.

**Subtitle A—Oil Savings Plan and Requirements**

**SEC. __11. OIL SAVINGS TARGET AND ACTION PLAN.**

Not later than 270 days after the date of enactment of this Act, the Director of the Office of Management and Budget (referred to in this subtitle as the ''Director'') shall publish in the Federal Register an action plan consisting of—

(1) a list of requirements proposed or to be proposed pursuant to section __12 that are authorized to be issued under law in effect on the date of enactment of this Act, and this Act, that will be sufficient, when taken together, to save from the baseline determined under section __15—

(A) 2,500,000 barrels of oil per day on average during calendar year 2016;

(B) 7,000,000 barrels of oil per day on average during calendar year 2026; and

(C) 10,000,000 barrels per day on average during calendar year 2031; and

(2) a Federal Government-wide analysis of—

(A) the expected oil savings from the baseline to be accomplished by each requirement; and

(B) whether all such requirements, taken together, will achieve the oil savings specified in this section.

**SEC. __12. STANDARDS AND REQUIREMENTS.**

(a) IN GENERAL.—On or before the date of publication of the action plan under section __11, the Secretary of Energy, the Secretary of Transportation, the Secretary of Defense, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and the head of any other agency the President determines appropriate shall each propose, or issue a notice of intent to propose, regulations establishing each standard or other requirement listed in the action plan that is under the jurisdiction of the respective agency using authorities described in subsection (b).

(b) AUTHORITIES.—The head of each agency described in subsection (a) shall use to carry out this section—

(1) any authority in existence on the date of enactment of this Act (including regulations); and

(2) any new authority provided under this Act (including an amendment made by this Act).

(c) FINAL REGULATIONS.—Not later than 18 months after the date of enactment of this Act, the head of each agency described in subsection (a) shall promulgate final versions of the regulations required under this section.

(d) AGENCY ANALYSES.—Each proposed and final regulation promulgated under this section shall—

(1) be designed to achieve at least the oil savings resulting from the regulation under the action plan published under section __11; and

(2) be accompanied by an analysis by the applicable agency describing the manner in which the regulation will promote the achievement of the oil savings from the baseline determined under section __15.

**SEC. __13. INITIAL EVALUATION.**

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Director shall publish in the Federal Register a Federal Government-wide analysis of the oil savings achieved from the baseline established under section __15.

(b) INADEQUATE OIL SAVINGS.—If the oil savings are less than the targets established under section __11, simultaneously with the analysis required under subsection (a)—

(1) the Director shall publish a revised action plan that is adequate to achieve the targets; and

(2) the Secretary of Energy, the Secretary of Transportation, and the Administrator shall propose new or revised regulations under subsections (a), (b), and (c), respectively, of section __12.

(c) FINAL REGULATIONS.—Not later than 180 days after the date on which regulations are proposed under subsection (b)(2), the Secretary of Energy, the Secretary of Transportation, and the Administrator shall promulgate final versions of those regulations.

**SEC. __14. REVIEW AND UPDATE OF ACTION PLAN.**

(a) REVIEW.—Not later than January 1, 2011, and every 3 years thereafter, the Director shall submit to Congress, and publish, a report that—

(1) evaluates the progress achieved in implementing the oil savings targets established under section __11;

(2) analyzes the expected oil savings under the standards and requirements established under this Act and the amendments made by this Act; and

(3)(A) analyzes the potential to achieve oil savings that are in addition to the savings required by section __11; and

(B) if the President determines that it is in the national interest, establishes a higher oil savings target for calendar year 2017 or any subsequent calendar year.

(b) INADEQUATE OIL SAVINGS.—If the oil savings are less than the targets established under section __11, simultaneously with the report required under subsection (a)—

(1) the Director shall publish a revised action plan that is adequate to achieve the targets; and

(2) the Secretary of Energy, the Secretary of Transportation, and the Administrator shall propose new or revised regulations under subsections (a), (b), and (c), respectively, of section __12.

(c) FINAL REGULATIONS.—Not later than 180 days after the date on which regulations are proposed under subsection (b)(2), the Secretary of Energy, the Secretary of Transportation, and the Administrator shall promulgate final versions of those regulations.

**SEC. __15. BASELINE AND ANALYSIS REQUIREMENTS.**

In performing the analyses and promulgating proposed or final regulations to establish standards and other requirements necessary to achieve the oil savings required by this subtitle, the Secretary of Energy, the Secretary of Transportation, the Secretary of Defense, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and the head of any other agency the President determines to be appropriate shall—

(1) determine oil savings as the projected reduction in oil consumption from the baseline established by the reference case contained in the report of the Energy Information Administration entitled ''Annual Energy Outlook 2005'';

(2) determine the oil savings projections required on an annual basis for each of calendar years 2009 through 2026; and

(3) account for any overlap among the standards and other requirements to ensure that the projected oil savings from all the promulgated standards and requirements, taken together, are as accurate as practicable.

**Subtitle B—Fuel Efficient Vehicles for the 21st Century**

**SEC. __21. TIRE EFFICIENCY PROGRAM.**

(a) STANDARDS FOR TIRES MANUFACTURED FOR INTERSTATE COMMERCE.—Section 30123 of title 49, United States Code, is amended—

(1) in subsection (b)—

(A) in the first sentence, by striking ''The Secretary'' and inserting the following:

''(1) UNIFORM QUALITY GRADING SYSTEM.—

''(A) IN GENERAL.—The Secretary'';

(B) in the second sentence, by striking ''The Secretary'' and inserting the following:

''(2) NOMENCLATURE AND MARKETING PRACTICES.—The Secretary'';

(C) in the third sentence, by striking ''A tire standard'' and inserting the following:

''(3) EFFECT OF STANDARDS AND REGULATIONS.—A tire standard''; and

(D) in paragraph (1), as designated by subparagraph (A), by adding at the end the following:

''(B) INCLUSION.—The grading system established pursuant to subparagraph (A) shall include standards for rating the fuel efficiency of tires designed for use on passenger cars and light trucks.''; and

(2) by adding at the end the following:

''(d) NATIONAL TIRE EFFICIENCY PROGRAM.—

''(1) DEFINITION.—In this subsection, the term 'fuel economy', with respect to a tire, means the extent to which the tire contributes to the fuel economy of the motor vehicle on which the tire is mounted.

''(2) PROGRAM.—The Secretary shall develop and carry out a national tire fuel efficiency program for tires designed for use on passenger cars and light trucks.

''(3) REQUIREMENTS.—Not later than March 31, 2008, the Secretary shall issue regulations, which establish—

''(A) policies and procedures for testing and labeling tires for fuel economy to enable tire buyers to make informed purchasing decisions about the fuel economy of tires;

''(B) policies and procedures to promote the purchase of energy efficient replacement tires, including purchase incentives, website listings on the Internet, printed fuel economy guide booklets, and mandatory requirements for tire retailers to provide tire buyers with fuel efficiency information on tires; and

''(C) minimum fuel economy standards for tires.

''(4) MINIMUM FUEL ECONOMY STANDARDS.—In promulgating minimum fuel economy standards for tires, the Secretary shall design standards that—

''(A) ensure, in conjunction with the requirements under paragraph (3)(B), that the average fuel economy of replacement tires is not less than the average fuel economy of tires sold as original equipment;

''(B) secure the maximum technically feasible and cost-effective fuel savings;

''(C) do not adversely affect tire safety;

''(D) incorporate the results from—

''(i) laboratory testing; and

''(ii) to the extent appropriate and available, on-road fleet testing programs conducted by manufacturers; and

''(E) do not adversely affect efforts to manage scrap tires.

''(5) APPLICABILITY.—The policies, procedures, and standards developed under paragraph (3) shall apply to all tire types and models regulated under the uniform tire quality grading standards in section 575.104 of title 49, Code of Federal Regulations (or a successor regulation).

''(6) REVIEW.—

''(A) IN GENERAL.—Not less than once every 3 years, the Secretary shall—

''(i) review the minimum fuel economy standards in effect for tires under this subsection; and

''(ii) subject to subparagraph (B), revise the standards as necessary to ensure compliance with standards described in paragraph (4).

''(B) LIMITATION.—The Secretary may not reduce the average fuel economy standards applicable to replacement tires.

''(7) NO PREEMPTION OF STATE LAW.—Nothing in this section shall be construed to preempt any provision of State law relating to higher fuel economy standards applicable to replacement tires designed for use on passenger cars and light trucks.

''(8) EXCEPTIONS.—Nothing in this section shall apply to—

''(A) a tire or group of tires with the same stock keeping unit, plant, and year, for which the volume of tires produced or imported is less than 15,000 annually;

''(B) a deep tread, winter-type snow tire, space-saver tire, or temporary use spare tire;

''(C) a tire with a normal rim diameter of 12 inches or less;

''(D) a motorcycle tire; or

''(E) a tire manufactured specifically for use in an off-road motorized recreational vehicle.''.

(b) CONFORMING AMENDMENT.—Section 30103(b)(1) of title 49, United States Code, is amended by striking ''When'' and inserting ''Except as provided in section 30123(d), if''.

(c) TIME FOR IMPLEMENTATION.—Beginning not later than March 31, 2008, the Secretary of Transportation shall administer the national tire fuel efficiency program established under section 30123(d) of title 49, United States Code, in accordance with the policies, procedures, and standards developed under section 30123(d)(3) of such title.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, for each of fiscal years 2007 through 2011, such sums as may be necessary to carry out section 30123(d) of title 49, United States Code, as added by subsection (a).

**SEC. __22. REDUCTION OF SCHOOL BUS IDLING.**

(a) STATEMENT OF POLICY.—Congress encourages each local educational agency (as defined in section 9101(26) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(26))) that receives Federal funds under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) to develop a policy to reduce the incidence of school bus idling at schools while picking up and unloading students.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator of the Environmental Protection Agency, working in coordination with the Secretary of Education, $5,000,000 for each of fiscal years 2007 through 2012 for use in educating States and local education agencies about—

(1) benefits of reducing school bus idling; and

(2) ways in which school bus idling may be reduced.

**SEC. __23. FUEL EFFICIENCY FOR HEAVY DUTY TRUCKS.**

Part C of subtitle VI of title 49, United States Code, is amended by inserting after chapter 329 the following:

**''CHAPTER 330—HEAVY DUTY VEHICLE FUEL ECONOMY STANDARDS**

''CHAPTER 330—HEAVY DUTY VEHICLE FUEL ECONOMY STANDARDS

''Sec.

''33001. Purpose and policy.

''33002. Definition.

''33003. Testing and assessment.

''33004. Standards.

''33005. Authorization of appropriations.

**''§ 33001. Purpose and policy**

''The purpose of this chapter is to reduce petroleum consumption by heavy duty motor vehicles.

**''§ 33002. Definition**

''In this chapter, the term 'heavy duty motor vehicle'—

''(1) means a vehicle having a gross vehicle weight rating of at least 10,000 pounds that is driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways; and

''(2) does not include a vehicle operated only on a rail line.

**''§ 33003. Testing and assessment**

''(a) GENERAL REQUIREMENTS.—The Administrator of the Environmental Protection Agency (referred to in this section as the 'Administrator') shall develop and coordinate a national testing and assessment program to—

''(1) determine the fuel economy of heavy duty vehicles; and

''(2) assess the fuel efficiency attainable through available technology.

''(b) TESTING.—The Administrator shall—

''(1) design a National testing program to assess the fuel economy of heavy duty vehicles (based on the program for light duty vehicles); and

''(2) implement the program described in paragraph (1) not later than 18 months after the date of enactment of this chapter.

''(c) ASSESSMENT.—The Administrator shall consult with the Secretary of Transportation on the assessment of available technologies to enhance the fuel efficiency of heavy duty vehicles to ensure that vehicle use and needs are considered appropriately in the assessment.

''(d) REPORTING.—The Administrator shall—

''(1) not later than 2 years after the date of enactment of this chapter, submit a report to Congress regarding the results of the assessment of available technologies to improve the fuel efficiency of heavy duty vehicles.

''(2) submit a report to Congress, at least biannually, that addresses the fuel economy of heavy duty vehicles; and

**''§ 33004. Standards**

''(a) GENERAL REQUIREMENTS.—Not later than 18 months after completing the testing and assessments under section 33003, the Secretary of Transportation shall prescribe average heavy duty vehicle fuel economy standards. Each standard shall be the maximum feasible average fuel economy level that the Secretary decides that manufacturers can achieve in that model year. The Secretary may prescribe separate standards for different classes of heavy duty motor vehicles. The standards for each model year shall be completed not later than 18 months before the beginning of each model year.

''(b) CONSIDERATIONS AND CONSULTATION.—In determining maximum feasible average fuel economy, the Secretary shall consider—

''(1) relevant available heavy duty motor vehicle fuel consumption information;

''(2) technological feasibility;

''(3) economic practicability;

''(4) the desirability of reducing United States dependence on oil;

''(5) the effects of average fuel economy standards on vehicle safety;

''(6) the effects of average fuel economy standards on levels of employment and competitiveness of the heavy truck manufacturing industry ; and

''(7) the extent to which the standard will carry out the purpose described in section 33001.

''(c) COOPERATION.—The Secretary may advise, assist, and cooperate with departments, agencies, and instrumentalities of the United States Government, States, and other public and private agencies in developing fuel economy standards for heavy duty motor vehicles.

''(d) 5-YEAR PLAN FOR TESTING STANDARDS.—The Secretary shall establish, periodically review, and continually update a 5-year plan for testing heavy duty motor vehicle fuel economy standards prescribed under this chapter. In developing and establishing testing priorities, the Secretary shall consider factors the Secretary considers appropriate, consistent with the purpose described in section 33001 and the Secretary's other duties and powers under this chapter.

**''§ 33005. Authorization of appropriations**

''There are authorized to be appropriated, for each of fiscal years 2007 through 2011, such sums as may be necessary to carry out this chapter.''.

**SEC. __24. NEAR-TERM VEHICLE TECHNOLOGY PROGRAM.**

(a) PURPOSES.—The purposes of this section are—

(1) to enable and promote, in partnership with industry, comprehensive development, demonstration, and commercialization of a wide range of electric drive components, systems, and vehicles using diverse electric drive transportation technologies;

(2) to make critical public investments to help private industry, institutions of higher education, National Laboratories, and research institutions to expand innovation, industrial growth, and jobs in the United States;

(3) to expand the availability of the existing electric infrastructure for fueling light duty transportation and other on-road and nonroad vehicles that are using petroleum and are mobile sources of emissions—

(A) including the more than 3,000,000 reported units (such as electric forklifts, golf carts, and similar nonroad vehicles) in use on the date of enactment of this Act; and

(B) with the goal of enhancing the energy security of the United States, reduce dependence on imported oil, and reduce emissions through the expansion of grid supported mobility;

(4) to accelerate the widespread commercialization of all types of electric drive vehicle technology into all sizes and applications of vehicles, including commercialization of plug-in hybrid electric vehicles and plug-in hybrid fuel cell vehicles; and

(5) to improve the energy efficiency of and reduce the petroleum use in transportation.

(b) DEFINITIONS.—In this section:

(1) BATTERY.—The term ''battery'' means an energy storage device used in an on-road or nonroad vehicle powered in whole or in part using an off-board or on-board source of electricity.

(2) ELECTRIC DRIVE TRANSPORTATION TECHNOLOGY.—The term ''electric drive transportation technology'' means—

(A) vehicles that use an electric motor for all or part of their motive power and that may or may not use off-board electricity, including battery electric vehicles, fuel cell vehicles, engine dominant hybrid electric vehicles, plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and electric rail; or

(B) equipment relating to transportation or mobile sources of air pollution that use an electric motor to replace an internal combustion engine for all or part of the work of the equipment, including corded electric equipment linked to transportation or mobile sources of air pollution.

(3) ENGINE DOMINANT HYBRID ELECTRIC VEHICLE.—The term ''engine dominant hybrid electric vehicle'' means an on-road or nonroad vehicle that—

(A) is propelled by an internal combustion engine or heat engine using—

(i) any combustible fuel;

(ii) an on-board, rechargeable storage device; and

(B) has no means of using an off-board source of electricity.

(4) FUEL CELL VEHICLE.—The term ''fuel cell vehicle'' means an on-road or nonroad vehicle that uses a fuel cell (as defined in section 3 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990).

(5) NONROAD VEHICLE.—The term ''nonroad vehicle'' has the meaning given the term in section 216 of the Clean Air Act (42 U.S.C. 7550).

(6) PLUG-IN HYBRID ELECTRIC VEHICLE.—The term ''plug-in hybrid electric vehicle'' means an on-road or nonroad vehicle that is propelled by an internal combustion engine or heat engine using—

(A) any combustible fuel;

(B) an on-board, rechargeable storage device; and

(C) a means of using an off-board source of electricity.

(7) PLUG-IN HYBRID FUEL CELL VEHICLE.—The term ''plug-in hybrid fuel cell vehicle'' means a fuel cell vehicle with a battery powered by an off-board source of electricity.

(c) PROGRAM.—The Secretary shall conduct a program of research, development, demonstration, and commercial application for electric drive transportation technology, including—

(1) high capacity, high efficiency batteries;

(2) high efficiency on-board and off-board charging components;

(3) high power drive train systems for passenger and commercial vehicles and for nonroad equipment;

(4) control system development and power train development and integration for plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and engine dominant hybrid electric vehicles, including—

(A) development of efficient cooling systems;

(B) analysis and development of control systems that minimize the emissions profile when clean diesel engines are part of a plug-in hybrid drive system; and

(C) development of different control systems that optimize for different goals, including—

(i) battery life;

(ii) reduction of petroleum consumption; and

(iii) green house gas reduction;

(5) nanomaterial technology applied to both battery and fuel cell systems;

(6) large-scale demonstrations, testing, and evaluation of plug-in hybrid electric vehicles in different applications with different batteries and control systems, including—

(A) military applications;

(B) mass market passenger and light-duty truck applications;

(C) private fleet applications; and

(D) medium- and heavy-duty applications;

(7) a nationwide education strategy for electric drive transportation technologies providing secondary and high school teaching materials and support for university education focused on electric drive system and component engineering;

(8) development, in consultation with the Administrator of the Environmental Protection Agency, of procedures for testing and certification of criteria pollutants, fuel economy, and petroleum use for light-, medium-, and heavy-duty vehicle applications, including consideration of—

(A) the vehicle and fuel as a system, not just an engine; and

(B) nightly off-board charging; and

(9) advancement of battery and corded electric transportation technologies in mobile source applications by—

(A) improvement in battery, drive train, and control system technologies; and

(B) working with industry and the Administrator of the Environmental Protection Agency to—

(i) understand and inventory markets; and

(ii) identify and implement methods of removing barriers for existing and emerging applications.

(d) GOALS.—The goals of the electric drive transportation technology program established under subsection (c) shall be to develop, in partnership with industry and institutions of higher education, projects that focus on—

(1) innovative electric drive technology developed in the United States;

(2) growth of employment in the United States in electric drive design and manufacturing;

(3) validation of the plug-in hybrid potential through fleet demonstrations; and

(4) acceleration of fuel cell commercialization through comprehensive development and commercialization of the electric drive technology systems that are the foundational technology of the fuel cell vehicle system.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $300,000,000 for each of fiscal years 2007 through 2012.

**SEC. __25. LIGHTWEIGHT MATERIALS RESEARCH AND DEVELOPMENT.**

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Energy shall establish a research and development program to determine ways in which—

(1) the weight of vehicles may be reduced to improve fuel efficiency without compromising passenger safety; and

(2) the cost of lightweight materials (such as steel alloys and carbon fibers) required for the construction of lighter-weight vehicles may be reduced.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $60,000,000 for each of fiscal years 2007 through 2012.

**SEC. __26. HYBRID AND ADVANCED DIESEL VEHICLES.**

(a) HYBRID VEHICLES.—The Energy Policy Act of 2005 is amended by striking section 711 (42 U.S.C. 16061) and inserting the following:

**''SEC. 711. HYBRID VEHICLES.**

''(a) DEFINITIONS.—In this section:

''(1) COST.—The term 'cost' has the meaning given the term 'cost of a loan guarantee' within the meaning of section 502(5)(C) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(C)).

''(2) ELIGIBLE PROJECT.—The term 'eligible project' means a project to—

''(A) improve hybrid technologies under subsection (b); or

''(B) encourage domestic production of efficient hybrid and advanced diesel vehicles under section 712(a).

''(3) GUARANTEE.—

''(A) IN GENERAL.—The term 'guarantee' has the meaning given the term 'loan guarantee' in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

''(B) INCLUSION.—The term 'guarantee' includes a loan guarantee commitment (as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)).

''(4) HYBRID TECHNOLOGY.—The term 'hybrid technology' means a battery or other rechargeable energy storage system, power electronic, hybrid systems integration, and any other technology for use in hybrid vehicles.

''(5) OBLIGATION.—The term 'obligation' means the loan or other debt obligation that is guaranteed under this section.

''(b) AUTHORIZATION.—The Secretary shall accelerate efforts directed toward the improvement of hybrid technologies, including through the provision of loan guarantees under subsection (c).

''(c) LOAN GUARANTEES.—

''(1) IN GENERAL.—The Secretary shall make guarantees under this section for eligible projects on such terms and conditions as the Secretary, in consultation with the Secretary of the Treasury, determines to be appropriate.

''(2) SPECIFIC APPROPRIATION OR CONTRIBUTION.—No guarantee shall be made unless—

''(A) an appropriation for the cost has been made; or

''(B) the Secretary has received from the borrower a payment in full for the cost of the obligation and deposited the payment into the Treasury.

''(3) AMOUNT.—Unless otherwise provided by law, a guarantee by the Secretary shall not exceed an amount equal to 80 percent of the project cost of the hybrid technology that is the subject of the guarantee, as estimated at the time at which the guarantee is issued.

''(4) REPAYMENT.—

''(A) IN GENERAL.—No guarantee shall be made unless the Secretary determines that there is a reasonable prospect of repayment of the principal and interest on the obligation by the borrower.

''(B) AMOUNT.—No guarantee shall be made unless the Secretary determines that the amount of the obligation (when combined with amounts available to the borrower from other sources) will be sufficient to carry out the project.

''(C) SUBORDINATION.—The obligation shall be subject to the condition that the obligation is not subordinate to other financing.

''(5) INTEREST RATE.—An obligation shall bear interest at a rate that does not exceed a level that the Secretary determines appropriate, taking into account the prevailing rate of interest in the private sector for similar loans and risks.

''(6) TERM.—The term of an obligation shall require full repayment over a period not to exceed the lesser of—

''(A) 30 years; or

''(B) 90 percent of the projected useful life of the physical asset to be financed by the obligation (as determined by the Secretary).

''(7) DEFAULTS.—

''(A) PAYMENT BY SECRETARY.—

''(i) IN GENERAL.—If a borrower defaults on the obligation (as defined in regulations promulgated by the Secretary and specified in the guarantee contract), the holder of the guarantee shall have the right to demand payment of the unpaid amount from the Secretary.

''(ii) PAYMENT REQUIRED.—Within such period as may be specified in the guarantee or related agreements, the Secretary shall pay to the holder of the guarantee the unpaid interest on, and unpaid principal of the obligation as to which the borrower has defaulted, unless the Secretary finds that—

''(I) there was no default by the borrower in the payment of interest or principal; or

''(II) the default has been remedied.

''(iii) FORBEARANCE.—Nothing in this subsection precludes any forbearance by the holder of the obligation for the benefit of the borrower that may be agreed upon by the parties to the obligation and approved by the Secretary.

''(B) SUBROGATION.—

''(i) IN GENERAL.—If the Secretary makes a payment under subparagraph (A), the Secretary shall be subrogated to the rights of the recipient of the payment as specified in the guarantee or related agreements including, where appropriate, the authority (notwithstanding any other provision of law) to—

''(I) complete, maintain, operate, lease, or otherwise dispose of any property acquired pursuant to the guarantee or related agreements; or

''(II) permit the borrower, pursuant to an agreement with the Secretary, to continue to pursue the purposes of the eligible project, as the Secretary determines to be in the public interest.

''(ii) SUPERIORITY OF RIGHTS.—The rights of the Secretary, with respect to any property acquired pursuant to a guarantee or related agreement, shall be superior to the rights of any other person with respect to the property.

''(iii) TERMS AND CONDITIONS.—A guarantee agreement shall include such detailed terms and conditions as the Secretary determines appropriate to—

''(I) protect the interests of the United States in the case of default; and

''(II) have available all the patents and technology necessary for any person selected, including the Secretary, to complete and operate the eligible project.

''(C) PAYMENT OF PRINCIPAL AND INTEREST BY SECRETARY.—With respect to any obligation guaranteed under this section, the Secretary may enter into a contract to pay, and pay, holders of the obligation, for and on behalf of the borrower, from funds appropriated for that purpose, the principal and interest payments that become due and payable on the unpaid balance of the obligation if the Secretary finds that—

''(i)(I) the borrower is unable to meet the payments and is not in default;

''(II) it is in the public interest to permit the borrower to continue to pursue the purposes of the eligible project; and

''(III) the probable net benefit to the Federal Government in paying the principal and interest will be greater than the benefit that would result in the event of a default;

''(ii) the amount of the payment that the Secretary is authorized to pay will be no greater than the amount of principal and interest that the borrower is obligated to pay under the agreement being guaranteed; and

''(iii) the borrower agrees to reimburse the Secretary for the payment (including interest) on terms and conditions that are satisfactory to the Secretary.

''(D) ACTION BY ATTORNEY GENERAL.—

''(i) NOTIFICATION.—If the borrower defaults on an obligation, the Secretary shall notify the Attorney General of the default.

''(ii) RECOVERY.—On receipt of notification, the Attorney General shall take such action as the Attorney General determines to be appropriate to recover the unpaid principal and interest due from—

''(I) such assets of the defaulting borrower as are associated with the obligation; or

''(II) any other security pledged to secure the obligation.

''(8) FEES.—

''(A) IN GENERAL.—The Secretary shall charge and collect fees for guarantees in amounts the Secretary determines are sufficient to cover applicable administrative expenses.

''(B) AVAILABILITY.—Fees collected under this paragraph shall—

''(i) be deposited by the Secretary into the Treasury; and

''(ii) remain available until expended, subject to such other conditions as are contained in annual appropriations Acts.

''(9) RECORDS; AUDITS.—

''(A) IN GENERAL.—A recipient of a guarantee shall keep such records and other pertinent documents as the Secretary shall prescribe by regulation, including such records as the Secretary may require to facilitate an effective audit.

''(B) ACCESS.—The Secretary and the Comptroller General of the United States, or their duly authorized representatives, shall have access, for the purpose of audit, to the records and other pertinent documents.

''(10) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees issued under this section with respect to principal and interest.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to provide the cost of guarantees under this section.''.

(b) EFFICIENT HYBRID AND ADVANCED DIESEL VEHICLES.—Section 712(a) of the Energy Policy Act of 2005 (42 U.S.C. 16062(a)) is amended in the second sentence by striking ''grants to automobile manufacturers'' and inserting ''grants and the provision of loan guarantees under section 711(c) to automobile manufacturers and suppliers''.

**SEC. __27. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.**

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to foreign tax credit, etc.) is amended by adding at the end the following new section:

**''SEC. 30D. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.**

''(a) CREDIT ALLOWED.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 35 percent of so much of the qualified investment of an eligible taxpayer for such taxable year as does not exceed $75,000,000.

''(b) QUALIFIED INVESTMENT.—For purposes of this section—

''(1) IN GENERAL.—The qualified investment for any taxable year is equal to the incremental costs incurred during such taxable year—

''(A) to re-equip or expand any manufacturing facility of the eleigible taxpayer to produce advanced technology motor vehicles,

''(B) to re-equip, expand, or establish any manufacturing facility of the eligible taxpayer to produce eligible components,

''(C) for engineering integration performed in the United States of such vehicles and components as described in subsection (d), and

''(D) for research and development performed in the United States related to advanced technology motor vehicles and eligible components.

''(2) ATTRIBUTION RULES.—In the event a facility of the eligible taxpayer produces both advanced technology motor vehicles and conventional motor vehicles, or eligible and non-eligible components, only the qualified investment attributable to production of advanced technology motor vehicles and eligible components shall be taken into account.

''(c) ADVANCED TECHNOLOGY MOTOR VEHICLES AND ELIGIBLE COMPONENTS.—For purposes of this section—

''(1) ADVANCED TECHNOLOGY MOTOR VEHICLE.—The term 'advanced technology motor vehicle' means—

''(A) any new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3)), or

''(B) any new qualified hybrid motor vehicle (as defined in section 30B(d)(3)(A) and determined without regard to any gross vehicle weight rating).

''(2) ELIGIBLE COMPONENTS.—The term 'eligible component' means any component inherent to any advanced technology motor vehicle, including—

''(A) with respect to any gasoline or diesel-electric new qualified hybrid motor vehicle—

''(i) electric motor or generator,

''(ii) power split device,

''(iii) power control unit,

''(iv) power controls,

''(v) integrated starter generator, or

''(vi) battery,

''(B) with respect to any hydraulic new qualified hybrid motor vehicle—

''(i) hydraulic accumulator vessel,

''(ii) hydraulic pump, or

''(iii) hydraulic pump-motor assembly,

''(C) with respect to any new advanced lean burn technology motor vehicle—

''(i) diesel engine,

''(ii) turbocharger,

''(iii) fuel injection system, or

''(iv) after-treatment system, such as a particle filter or NOx absorber, and

''(D) with respect to any advanced technology motor vehicle, any other component submitted for approval by the Secretary.

''(d) ENGINEERING INTEGRATION COSTS.—For purposes of subsection (b)(1)(C), costs for engineering integration are costs incurred prior to the market introduction of advanced technology vehicles for engineering tasks related to—

''(1) establishing functional, structural, and performance requirements for component and subsystems to meet overall vehicle objectives for a specific application,

''(2) designing interfaces for components and subsystems with mating systems within a specific vehicle application,

''(3) designing cost effective, efficient, and reliable manufacturing processes to produce components and subsystems for a specific vehicle application, and

''(4) validating functionality and performance of components and subsystems for a specific vehicle application.

''(e) ELIGIBLE TAXPAYER.—For purposes of this section, the term 'eligible taxpayer' means any taxpayer if more than 50 percent of its gross receipts for the taxable year is derived from the manufacture of motor vehicles or any component parts of such vehicles.

''(f) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

''(1) the sum of—

''(A) the regular tax liability (as defined in section 26(b)) for such taxable year, plus

''(B) the tax imposed by section 55 for such taxable year and any prior taxable year beginning after 1986 and not taken into account under section 53 for any prior taxable year, over

''(2) the sum of the credits allowable under subpart A and sections 27, 30, and 30B for the taxable year.

''(g) REDUCTION IN BASIS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(h) NO DOUBLE BENEFIT.—

''(1) COORDINATION WITH OTHER DEDUCTIONS AND CREDITS.—Except as provided in paragraph (2), the amount of any deduction or other credit allowable under this chapter for any cost taken into account in determining the amount of the credit under subsection (a) shall be reduced by the amount of such credit attributable to such cost.

''(2) RESEARCH AND DEVELOPMENT COSTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), any amount described in subsection (b)(1)(D) taken into account in determining the amount of the credit under subsection (a) for any taxable year shall not be taken into account for purposes of determining the credit under section 41 for such taxable year.

''(B) COSTS TAKEN INTO ACCOUNT IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any amounts described in subsection (b)(1)(D) taken into account in determining the amount of the credit under subsection (a) for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

''(i) BUSINESS CARRYOVERS ALLOWED.—If the credit allowable under subsection (a) for a taxable year exceeds the limitation under subsection (f) for such taxable year, such excess (to the extent of the credit allowable with respect to property subject to the allowance for depreciation) shall be allowed as a credit carryback and carryforward under rules similar to the rules of section 39.

''(j) SPECIAL RULES.—For purposes of this section, rules similar to the rules of paragraphs (4) and (5) of section 179A(e) and paragraphs (1) and (2) of section 41(f) shall apply.

''(k) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any property if the taxpayer elects not to have this section apply to such property.

''(l) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

''(m) TERMINATION.—This section shall not apply to any qualified investment after December 31, 2015.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting '', and'', and by adding at the end the following new paragraph:

''(37) to the extent provided in section 30D(g).''.

(2) Section 6501(m) of such Code is amended by inserting ''30D(k),'' after ''30C(e)(5),''.

(3) The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 30C the following new item:

''Sec. 30D. Advanced technology motor vehicles manufacturing credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts incurred in taxable years beginning after December 31, 2005.

**SEC. __28. CONSUMER INCENTIVES TO PURCHASE ADVANCED TECHNOLOGY VEHICLES.**

(a) ELIMINATION ON NUMBER OF NEW QUALIFIED HYBRID AND ADVANCED LEAN BURN TECHNOLOGY VEHICLES ELIGIBLE FOR ALTERNATIVE MOTOR VEHICLE CREDIT.—

(1) IN GENERAL.—Section 30D of the Internal Revenue Code of 1986 is amended by striking subsection (f) and by redesignating subsections (g) through (j) as subsections (f) through (i), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Paragraphs (4) and (6) of section 30B(h) of the Internal Revenue Code of 1986 are each amended amended by striking ''(determined without regard to subsection (g))'' and inserting ''determined without regard to subsection (f))''.

(B) Section 38(b)(25) of such Code is amended by striking ''section 30B(g)(1)'' and inserting ''section 30B(f)(1)''.

(C) Section 55(c)(2) of such Code is amended by striking ''section 30B(g)(2)'' and inserting ''section 30B(f)(2)''.

(D) Section 1016(a)(36) of such Code is amended by striking ''section 30B(h)(4)'' and inserting ''section 30B(g)(4)''.

(E) Section 6501(m) of such Code is amended by striking ''section 30B(h)(9)'' and inserting ''section 30B(g)(9)''.

(b) EXTENSION OF ALTERNATIVE VEHICLE CREDIT FOR NEW QUALIFIED HYBRID MOTOR VEHICLES.—Paragraph (3) of section 30B(i) of the Internal Revenue Code of 1986 (as redesignated by subsection (a)) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

**SEC. __29. FEDERAL FLEET REQUIREMENTS.**

(a) REGULATIONS.—

(1) IN GENERAL.—The Secretary of Energy shall issue regulations for Federal fleets subject to the Energy Policy Act of 1992 (42 U.S.C. 13201 et seq.) requiring that not later than fiscal year 2016 each Federal agency achieve at least a 30 percent reduction in petroleum consumption, as calculated from the baseline established by the Secretary for fiscal year 1999.

(2) REQUIREMENT.—Not later than fiscal year 2016, of the Federal vehicles required to be alternative fueled vehicles under title V of the Energy Policy Act of 1992 (42 U.S.C. 13251 et seq.), at least 30 percent shall be hybrid motor vehicles (including plug-in hybrid motor vehicles) or new advanced lean burn technology motor vehicles (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986).

(b) INCLUSION OF ELECTRIC DRIVE IN ENERGY POLICY ACT OF 1992.—Section 508(a) of the Energy Policy Act of 1992 (42 U.S.C. 13258(a)) is amended—

(1) by inserting ''(1)'' before ''The Secretary''; and

(2) by adding at the end the following:

''(2) Not later than January 31, 2007, the Secretary shall—

''(A) allocate credit in an amount to be determined by the Secretary for—

''(i) acquisition of—

''(I) a light-duty hybrid electric vehicle;

''(II) a plug-in hybrid electric vehicle;

''(III) a fuel cell electric vehicle;

''(IV) a medium- or heavy-duty hybrid electric vehicle;

''(V) a neighborhood electric vehicle; or

''(VI) a medium- or heavy-duty dedicated vehicle; and

''(ii) investment in qualified alternative fuel infrastructure or nonroad equipment, as determined by the Secretary; and

''(B) allocate more than 1, but not to exceed 5, credits for investment in an emerging technology relating to any vehicle described in subparagraph (A) to encourage—

''(i) a reduction in petroleum demand;

''(ii) technological advancement; and

''(iii) environmental safety.''.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section (including the amendments made by subsection (b)) $10,000,000 for the period of fiscal years 2007 through 2012.

**SEC. __30. TAX INCENTIVES FOR PRIVATE FLEETS.**

(a) IN GENERAL.—Subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 48B the following new section:

**''SEC. 48C. FUEL-EFFICIENT FLEET CREDIT.**

''(a) GENERAL RULE.—For purposes of section 46, the fuel-efficient fleet credit for any taxable year is 15 percent of the qualified fuel-efficient vehicle investment amount of an eligible taxpayer for such taxable year.

''(b) VEHICLE PURCHASE REQUIREMENT.—In the case of any eligible taxpayer which places less than 10 qualified fuel-efficient vehicles in service during the taxable year, the qualified fuel-efficient vehicle investment amount shall be zero.

''(c) QUALIFIED FUEL-EFFICIENT VEHICLE INVESTMENT AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified fuel-efficient vehicle investment amount' means the basis of any qualified fuel-efficient vehicle placed in service by an eligible taxpayer during the taxable year.

''(2) QUALIFIED FUEL-EFFICIENT VEHICLE.—The term 'qualified fuel-efficient vehicle' means an automobile which has a fuel economy which is at least 125 percent greater than the average fuel economy standard for an automobile of the same class and model year.

''(3) OTHER TERMS.—The terms 'automobile', 'average fuel economy standard', 'fuel economy', and 'model year' have the meanings given to such terms under section 32901 of title 49, United States Code.

''(d) ELIGIBLE TAXPAYER.—The term 'eligible taxpayer' means, with respect to any taxable year, a taxpayer who owns a fleet of 100 or more vehicles which are used in the trade or business of the taxpayer on the first day of such taxable year.

''(e) TERMINATION.—This section shall not apply to any vehicle placed in service after December 31, 2010.''.

(b) CREDIT TREATED AS PART OF INVESTMENT CREDIT.—Section 46 of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', and'', and by adding at the end the following new paragraph:

''(5) the fuel-efficient fleet credit.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 49(a)(1)(C) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by adding at the end the following new clause:

''(v) the basis of any qualified fuel-efficient vehicle which is taken into account under section 48C.''.

(2) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 48 the following new item:

''Sec. 48C. Fuel-efficient fleet credit.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2005, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal

Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

**SEC. _31. REDUCING INCENTIVES TO GUZZLE GAS.**

(a) INCLUSION OF HEAVY VEHICLES IN LIMITATION ON DEPRECIATION OF CERTAIN LUXURY AUTOMOBILES.—

(1) IN GENERAL.—Section 280F(d)(5)(A) of the Internal Revenue Code of 1986 (defining passenger automobile) is amended—

(A) by striking clause (ii) and inserting the following new clause:

''(ii)(I) which is rated at 6,000 pounds unloaded gross vehicle weight or less, or

''(II) which is rated at more than 6,000 pounds but not more than 14,000 pounds gross vehicle weight.'',

(B) by striking ''clause (ii)'' in the second sentence and inserting ''clause (ii)(I)''.

(2) EXCEPTION FOR VEHICLES USED IN FARMING BUSINESS.—Section 280F(d)(5)(B) of such Code (relating to exception for certain vehicles) is amended by striking ''and'' at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

''(iii) any vehicle used in a farming business (as defined in section 263A(e)(4), and''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after the date of the enactment of this Act.

(b) UPDATED DEPRECIATION DEDUCTION LIMITS.—

(1) IN GENERAL.—Subparagraph (A) of section 280F(a)(1) of the Internal Revenue Code of 1986 (relating to limitation on amount of depreciation for luxury automobiles) is amended to read as follows:

''(I) LIMITATION.—The amount of the depreciation deduction for any taxable year shall not exceed for any passenger automobile—

''(i) for the 1st taxable year in the recovery period—

''(I) described in subsection (d)(5)(A)(ii)(I), $4,000,

''(II) described in the second sentence of subsection (d)(5)(A), $5,000, and

''(III) described in subsection (d)(5)(A)(ii)(II), $6,000,

''(ii) for the 2nd taxable year in the recovery period—

''(I) described in subsection (d)(5)(A)(ii)(I), $6,400,

''(II) described in the second sentence of subsection (d)(5)(A), $8,000, and

''(III) described in subsection (d)(5)(A)(ii)(II), $9,600,

''(iii) for the 3rd taxable year in the recovery period—

''(I) described in subsection (d)(5)(A)(ii)(I), $3,850,

''(II) described in the second sentence of subsection (d)(5)(A), $4,800, and

''(III) described in subsection (d)(5)(A)(ii)(II), $5,775, and

''(iv) for each succeeding taxable year in the recovery period—

''(I) described in subsection (d)(5)(A)(ii)(I), $2,325,

''(II) described in the second sentence of subsection (d)(5)(A), $2,900, and

''(III) described in subsection (d)(5)(A)(ii)(II), $3,475.''.

(2) YEARS AFTER RECOVERY PERIOD.—Section 280F(a)(1)(B)(ii) of such Code is amended to read as follows:

''(ii) LIMITATION.—The amount treated as an expense under clause (i) for any taxable year shall not exceed for any passenger automobile—

''(I) described in subsection (d)(5)(A)(ii)(I), $2,325,

''(II) described in the second sentence of subsection (d)(5)(A), $2,900, and

''(III) described in subsection (d)(5)(A)(ii)(II), $3,475.''.

(3) INFLATION ADJUSTMENT.—Section 280F(d)(7) of such Code (relating to automobile price inflation adjustment) is amended—

(A) by striking ''after 1988'' in subparagraph (A) and inserting ''after 2006'', and

(B) by striking subparagraph (B) and inserting the following new subparagraph:

''(B) AUTOMOBILE PRICE INFLATION ADJUSTMENT.—For purposes of this paragraph—

''(i) IN GENERAL.—The automobile price inflation adjustment for any calendar year is the percentage (if any) by which—

''(I) the average wage index for the preceding calendar year, exceeds

''(II) the average wage index for 2005.

''(ii) AVERAGE WAGE INDEX.—The term 'average wage index' means the average wage index published by the Social Security Administration.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after the date of the enactment of this Act.

(c) EXPENSING LIMITATION FOR FARM VEHICLES.—

(1) IN GENERAL.—Paragraph (6) of section 179(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended to read as follows:

''(6) LIMITATION ON COST TAKEN INTO ACCOUNT FOR FARM VEHICLES.—The cost of any vehicle described in section 280F(d)(5)(B)(iii) for any taxable year which may be taken into account under this section shall not exceed $30,000.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after the date of the enactment of this Act.

**SEC. _32. INCREASING THE EFFICIENCY OF MOTOR VEHICLES.**

(a) DEFINITIONS.—In this section:

(1) ALTERNATIVE FUEL.—The term ''alternative fuel'' has the meaning given the term in section 32901(a) of title 49, United States Code.

(2) E85.—The term ''E85'' means a fuel blend containing 85 percent ethanol and 15 percent gasoline or diesel by volume.

(3) FLEXIBLE FUEL MOTOR VEHICLE.—The term ''flexible fuel motor vehicle'' means a light duty motor vehicle warrantied by the manufacturer of the vehicle to operate on any combination of gasoline, E85, and M85.

(4) HYBRID MOTOR VEHICLE.—The term ''hybrid motor vehicle'' means a new qualified hybrid motor vehicle (as defined in section 30B(d)(3) of the Internal Revenue Code of 1986) that achieves at least 125 percent of the model year 2002 city fuel economy.

(5) LIGHT-DUTY MOTOR VEHICLE.—The term ''light-duty motor vehicle'' means, as defined in regulations promulgated by the Administrator of the Environmental Protection Agency in effect on the date of enactment of this Act—

(A) a light-duty truck; or

(B) a light-duty vehicle.

(6) M85.—The term ''M85'' means a fuel blend containing 85 percent methanol and 15 percent gasoline or diesel by volume.

(7) PLUG-IN HYBRID MOTOR VEHICLE.—The term ''plug-in hybrid electric vehicle'' means a hybrid motor vehicle that—

(A) has an onboard, rechargeable storage device capable of propelling the vehicle solely by electricity for at least 10 miles; and

(B) achieves at least 125 percent of the model year 2002 city fuel economy.

(8) QUALIFIED MOTOR VEHICLE.—The term ''qualified motor vehicle'' means—

(A) a new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986) that achieves at least 125 percent of the model year 2002 city fuel economy;

(B) an alternative fueled automobile (as defined in section 32901(a) of title 49, United States Code);

(C) a flexible fuel motor vehicle;

(D) a new qualified fuel cell motor vehicle (as defined in section 30B(b)(3) of the Internal Revenue Code of 1986);

(E) a hybrid motor vehicle;

(F) a plug-in hybrid motor vehicle; and

(G) any other appropriate motor vehicle that uses substantially new technology and achieve at least 175 percent of the model year 2002 city fuel economy, as determined by the Secretary of Transportation, by regulation.

(b) REQUIREMENTS.—

(1) MODEL YEAR 2012.—Not less than 10 percent of light-duty motor vehicles manufactured for model year 2012 and sold in the United States shall be qualified motor vehicles.

(2) MODEL YEAR 2013.—Not less than 20 percent of light-duty motor vehicles manufactured for model year 2013 and sold in the United States shall be qualified motor vehicles.

(3) MODEL YEAR 2014.—Not less than 30 percent of light-duty motor vehicles manufactured for model year 2014 and sold in the United States shall be qualified motor vehicles.

(4) MODEL YEAR 2015.—Not less than 40 percent of light-duty motor vehicles manufactured for model year 2015 shall be qualified motor vehicles.

(5) MODEL YEAR 2016.—Not less than 50 percent of light-duty motor vehicles manufactured for model year 2016 shall be qualified motor vehicles.

(6) MODEL YEARS 2017 AND THEREAFTER.—Not less than 50 percent of light-duty motor vehicles manufactured for model year 2017 and each model year thereafter and sold in the United States shall be qualified motor vehicles, of which not less than 10 percent shall be—

(A) hybrid motor vehicles;

(B) plug-in hybrid motor vehicles;

(C) new advanced lean burn technology motor vehicles (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986);

(D) new qualified fuel cell motor vehicles (as defined in section 30B(b)(3) of the Internal Revenue Code of 1986); or

(E) any other appropriate motor vehicle that uses substantially new technology and achieve at least 175 percent of the model year 2002 city fuel economy, as determined by the Secretary of Transportation, by regulation.

(c) RULEMAKING.—Not later than 1 year after the date of enactment of this Act, the Secretary of Transportation shall promulgate regulations to carry out this section.

**Subtitle C—Fuel Choices for the 21st Century**

**SEC. _41. INCREASE IN ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.**

(a) IN GENERAL.—Subsection (a) of section 30C of the Internal Revenue Code of 1986 is amended by striking ''30 percent'' and inserting ''50 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

**SEC. _42. USE OF CAFÉ PENALTIES TO BUILD ALTERNATIVE FUELING INFRASTRUCTURE.**

Section 32912 of title 49, United States Code, is amended by adding at the end the following

''(e) ALTERNATIVE FUELING INFRASTRUCTURE TRUST FUND.—(1) There is established in the Treasury of the United States a trust fund, to be known as the Alternative Fueling

Infrastructure Trust Fund, consisting of such amounts as are deposited into the Trust Fund under paragraph (2) and any interest earned on investment of amounts in the Trust Fund.

''(2) The Secretary of Transportation shall remit 90 percent of the amount collected in civil penalties under this section to the Trust Fund.

''(3)(A) The Secretary of Energy shall obligate such sums as are available in the Trust Fund to establish a grant program to increase the number of locations at which consumers may purchase alternative fuels.

''(B)(i) The Secretary of Energy may award grants under this paragraph, in an amount equal to not more than $150,000 per fueling station, to—

''(I) individual fueling stations; and

''(II) corporations (including nonprofit corporations) with demonstrated experience in the administration of grant funding for the purpose of alternative fueling infrastructure.

''(ii) In awarding grants under this paragraph, the Secretary shall consider the number of vehicles in service capable of using a specific type of alternative fuel.

''(iii) Grant recipients shall provide a non-Federal match of not less than $1 for every $3 of grant funds received under this paragraph.

''(iv) Each grant recipient shall select the locations for each alternative fuel station to be constructed with grant funds received under this paragraph on a formal, open, and competitive basis.

''(C) Grant funds received under this paragraph may be used to—

''(i) construct new facilities to dispense alternative fuels;

''(ii) purchase equipment to upgrade, expand, or otherwise improve existing alternative fuel facilities; or

''(iii) purchase equipment or pay for specific turnkey fueling services by alternative fuel providers.

''(D) Facilities constructed or upgraded with grant funds under this paragraph shall—

''(i) provide alternative fuel available to the public for a period not less than 4 years;

''(ii) establish a marketing plan to advance the sale and use of alternative fuels;

''(iii) prominently display the price of alternative fuel on the marquee and in the station;

''(iv) provide point of sale materials on alternative fuel;

''(v) clearly label the dispenser with consistent materials;

''(vi) price the alternative fuel at the same margin that is received for unleaded gasoline; and

''(vii) support and use all available tax incentives to reduce the cost of the alternative fuel to the lowest possible retail price.

''(E) Not later than the date on which each alternative fuel station begins to offer alternative fuel to the public, the grant recipient that used grant funds to construct such station shall notify the Secretary of Energy of such opening. The Secretary of Energy shall add each new alternative fuel station to the alternative fuel station locator on its Website when it receives notification under this subparagraph.

''(F) Not later than 6 months after the receipt of a grant award under this paragraph, and every 6 months thereafter, each grant recipient shall submit a report to the Secretary of Energy that describes—

''(i) the status of each alternative fuel station constructed with grant funds received under this paragraph;

''(ii) the amount of alternative fuel dispensed at each station during the preceding 6-month period; and

''(iii) the average price per gallon of the alternative fuel sold at each station during the preceding 6-month period.''.

**SEC. __43. MINIMUM QUANTITY OF RENEWABLE FUEL DERIVED FROM CELLULOSIC BIOMASS.**

Section 211(o)(2)(B) of the Clean Air Act (42 U.S.C. 7545(o)(2)(B)) is amended by striking clause (iii) and inserting the following:

''(iii) MINIMUM QUANTITY DERIVED FROM CELLULOSIC BIOMASS.—

''(I) IN GENERAL.—The applicable volume referred to in clause (ii) shall contain a minimum of—

''(aa) for each of calendar years 2010 through 2012, 75,000,000 gallons that are derived from cellulosic biomass; and

''(bb) for calendar year 2013 and each calendar year thereafter, 250,000,000 gallons that are derived from cellulosic biomass.

''(II) RATIO.—For calendar year 2010 and each calendar year thereafter, the 2.5-to-1 ratio referred to in paragraph (4) shall not apply.''.

**SEC. __44. MINIMUM QUANTITY OF RENEWABLE FUEL DERIVED FROM SUGAR.**

(a) IN GENERAL.—Section 211(o)(2)(B) of the Clean Air Act (42 U.S.C. 7545(o)(2)(B)) is amended by adding at the end the following:

''(v) MINIMUM QUANTITY DERIVED FROM SUGAR.—For calendar year 2008 and each calendar year thereafter, the applicable volume referred to in clause (ii) shall contain a minimum of 100,000,000 gallons that are derived from domestically-grown sugarcane, sugar beets, or sugar components.''.

(b) APPLICABLE VOLUME.—Section 211(o)(2)(B)(i) of the Clean Air Act (42 U.S.C. 7545(o)(2)(B)(i)) is amended—

(1) in the item relating to calendar year 2008, by striking ''5.4'' and inserting ''5.5'';

(2) in the item relating to calendar year 2009, by striking ''6.1'' and inserting ''6.2'';

(3) in the item relating to calendar year 2010, by striking ''6.8'' and inserting ''6.9'';

(4) in the item relating to calendar year 2011, by striking ''7.4'' and inserting ''7.5''; and

(5) in the item relating to calendar year 2012, by striking ''7.5'' and inserting ''7.6''.

**SEC. __45. BIOENERGY RESEARCH AND DEVELOPMENT.**

Section 931(c) of the Energy Policy Act of 2005 (42 U.S.C. 16231(c)) is amended—

(1) in paragraph (1), by striking ''$213,000,000'' and inserting ''$326,000,000'';

(2) in paragraph (2), by striking ''$251,000,000'' and inserting ''$377,000,000''; and

(3) in paragraph (3), by striking ''$274,000,000'' and inserting ''$398,000,000''.

**SEC. __46. PRODUCTION INCENTIVES FOR CELLULOSIC BIOFUELS.**

Section 942(f) of the Energy Policy Act of 2005 (42 U.S.C. 16251(f)) is amended by striking ''$250,000,000'' and inserting ''$200,000,000 for each of fiscal years 2007 through 2011''.

**SEC. __47. LOW-INTEREST LOAN AND GRANT PROGRAM FOR RETAIL DELIVERY OF E-85 FUEL.**

(a) PURPOSES OF LOANS.—Section 312(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942(a)) is amended—

(1) in paragraph (9)(B)(ii), by striking ''or'' at the end;

(2) in paragraph (10), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(11) building infrastructure, including pump stations, for the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.''.

(b) PROGRAM.—Subtitle B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941 et seq.) is amended by adding at the end the following:

**''SEC. 320. LOW-INTEREST LOAN AND GRANT PROGRAM FOR RETAIL DELIVERY OF E-85 FUEL.**

''(a) IN GENERAL.—The Secretary shall establish a low-interest loan and grant program to assist farmer-owned ethanol producers (including cooperatives and limited liability corporations) to develop and build infrastructure, including pump stations, for the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.

''(b) TERMS.—

''(1) INTEREST RATE.—A low-interest loan under this section shall be fixed at not more than 5 percent for each year.

''(2) AMORTIZATION.—The repayment of a loan under this section shall be amortized over the expected life of the infrastructure project that is being financed with the proceeds of the loan.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.''.

(c) REGULATIONS.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to carry out the amendments made by this section.

**SEC. __48. TRANSIT-ORIENTED DEVELOPMENT CORRIDORS.**

(a) DEFINITIONS.—In this section:

(1) TRANSIT-ORIENTED DEVELOPMENT CORRIDOR.—The term ''Transit-Oriented Development Corridor'' or ''TODC'' means a geographic area designated by the Secretary under subsection (b).

(2) OTHER TERMS.—The terms ''fixed guide way'', ''local governmental authority'', ''mass transportation'', ''Secretary'', ''State'', and ''urbanized area'' have the meanings given the terms in section 5302 of title 49, United States Code.

(b) TRANSIT-ORIENTED DEVELOPMENT CORRIDORS.—

(1) IN GENERAL.—The Secretary shall develop and carry out a program to designate geographic areas in urbanized areas as Transit-Oriented Development Corridors.

(2) CRITERIA.—An area designated as a TODC under paragraph (1) shall include rights-of-way for fixed guide way mass transportation facilities (including commercial development of facilities that have a physical and functional connection with each facility).

(3) NUMBER OF TODCS.—In consultation with State transportation departments and metropolitan planning organizations, the Secretary shall designate—

(A) not fewer than 10 TODCs by December 31, 2015; and

(B) not fewer than 20 TODCs by December 31, 2025.

(4) TRANSIT GRANTS.—

(A) IN GENERAL.—The Secretary make grants to eligible states and local governmental authorities to pay the Federal share of the cost of designating geographic areas in urbanized areas as TODCs.

(B) APPLICATION.—Each eligible State or local governmental authority that desires to receive a grant under this paragraph shall submit an application to the Secretary, at such time, in such manner, and accompanied by such additional information as the Secretary may reasonably require.

(C) LABOR STANDARDS.—Subchapter IV of chapter 31 of title 40, United States Code shall apply to projects that receive funding under this section.

(D) FEDERAL SHARE.—The Federal share of the cost of a project under this subsection shall be 50 percent.

(c) TODC RESEARCH AND DEVELOPMENT.—To support effective deployment of grants and incentives under this section, the Secretary shall establish a TODC research and development program to conduct research on the best practices and performance criteria for TODCs.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to

carry out this section $50,000,000 for each of fiscal years 2007 through 2012.

**Subtitle D—Nationwide Energy Security Media Campaign**

**SEC. __51. NATIONWIDE MEDIA CAMPAIGN TO DECREASE OIL CONSUMPTION.**

(a) IN GENERAL.—The Secretary of Energy, acting through the Assistant Secretary for Energy Efficiency and Renewable Energy (referred to in this section as the ''Secretary''), shall develop and conduct a national media campaign for the purpose of decreasing oil consumption in the United States over the next decade.

(b) CONTRACT WITH ENTITY.—The Secretary shall carry out subsection (a) directly or through—

(1) competitively bid contracts with 1 or more nationally recognized media firms for the development and distribution of monthly television, radio, and newspaper public service announcements; or

(2) collective agreements with 1 or more nationally recognized institutes, businesses, or nonprofit organizations for the funding, development, and distribution of monthly television, radio, and newspaper public service announcements.

(c) USE OF FUNDS.—

(1) IN GENERAL.—Amounts made available to carry out this section shall be used for the following:

(A) ADVERTISING COSTS.—

(i) The purchase of media time and space.

(ii) Creative and talent costs.

(iii) Testing and evaluation of advertising.

(iv) Evaluation of the effectiveness of the media campaign.

(v) The negotiated fees for the winning bidder on requests from proposals issued either by the Secretary for purposes otherwise authorized in this section.

(vi) Entertainment industry outreach, interactive outreach, media projects and activities, public information, news media outreach, and corporate sponsorship and participation.

(B) ADMINISTRATIVE COSTS.—Operational and management expenses.

(2) LIMITATIONS.—In carrying out this section, the Secretary shall allocate not less than 85 percent of funds made available under subsection (e) for each fiscal year for the advertising functions specified under paragraph (1)(A).

(d) REPORTS.—The Secretary shall annually submit to Congress a report that describes—

(1) the strategy of the national media campaign and whether specific objectives of the campaign were accomplished, including—

(A) determinations concerning the rate of change of oil consumption, in both absolute and per capita terms; and

(B) an evaluation that enables consideration whether the media campaign contributed to reduction of oil consumption;

(2) steps taken to ensure that the national media campaign operates in an effective and efficient manner consistent with the overall strategy and focus of the campaign;

(3) plans to purchase advertising time and space;

(4) policies and practices implemented to ensure that Federal funds are used responsibly to purchase advertising time and space and eliminate the potential for waste, fraud, and abuse; and

(5) all contracts or cooperative agreements entered into with a corporation, partnership, or individual working on behalf of the national media campaign.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2006 through 2010.

**SA 4707.** BAYH (for himself, Mr. BROWNBACK, Mr. LIEBERMAN, Mr. COLEMAN, Mr. SALAZAR, Mr. LUGAR, Mr. OBAMA, Mr. CHAFEE, Mr. AKAKA, Mrs. CLINTON, Mr. DODD, Mr. KOHL, Ms. CANTWELL, Mr. KERRY, MR. GRAHAM, Mr. MENENDEZ, Ms. COLLINS, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**TITLE ____—VEHICLE AND FUEL CHOICES FOR AMERICAN SECURITY**

**Subtitle A—Oil Savings Plan and Requirements**

**SEC. __01. OIL SAVINGS TARGET AND ACTION PLAN.**

Not later than 270 days after the date of enactment of this Act, the Director of the Office of Management and Budget (referred to in this subtitle as the ''Director'') shall publish in the Federal Register an action plan consisting of—

(1) a list of requirements proposed or to be proposed pursuant to section __02 that are authorized to be issued under law in effect on the date of enactment of this Act, and this Act, that will be sufficient, when taken together, to save from the baseline determined under section __05—

(A) 2,500,000 barrels of oil per day on average during calendar year 2016;

(B) 7,000,000 barrels of oil per day on average during calendar year 2026; and

(C) 10,000,000 barrels per day on average during calendar year 2031; and

(2) a Federal Government-wide analysis of—

(A) the expected oil savings from the baseline to be accomplished by each requirement; and

(B) whether all such requirements, taken together, will achieve the oil savings specified in this section.

**SEC. __02. STANDARDS AND REQUIREMENTS.**

(a) IN GENERAL.—On or before the date of publication of the action plan under section __01, the Secretary of Energy, the Secretary of Transportation, the Secretary of Defense, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and the head of any other agency the President determines appropriate shall each propose, or issue a notice of intent to propose, regulations establishing each standard or other requirement listed in the action plan that is under the jurisdiction of the respective agency using authorities described in subsection (b).

(b) AUTHORITIES.—The head of each agency described in subsection (a) shall use to carry out this section—

(1) any authority in existence on the date of enactment of this Act (including regulations); and

(2) any new authority provided under this Act (including an amendment made by this Act).

(c) FINAL REGULATIONS.—Not later than 18 months after the date of enactment of this Act, the head of each agency described in subsection (a) shall promulgate final versions of the regulations required under this section.

(d) AGENCY ANALYSES.—Each proposed and final regulation promulgated under this section shall—

(1) be designed to achieve at least the oil savings resulting from the regulation under the action plan published under section __01; and

(2) be accompanied by an analysis by the applicable agency describing the manner in which the regulation will promote the achievement of the oil savings from the baseline determined under section __05.

**SEC. __03. INITIAL EVALUATION.**

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Director shall publish in the Federal Register a Federal Government-wide analysis of the oil savings achieved from the baseline established under section __05.

(b) INADEQUATE OIL SAVINGS.—If the oil savings are less than the targets established under section __01, simultaneously with the analysis required under subsection (a)—

(1) the Director shall publish a revised action plan that is adequate to achieve the targets; and

(2) the Secretary of Energy, the Secretary of Transportation, and the Administrator shall propose new or revised regulations under subsections (a), (b), and (c), respectively, of section __02.

(c) FINAL REGULATIONS.—Not later than 180 days after the date on which regulations are proposed under subsection (b)(2), the Secretary of Energy, the Secretary of Transportation, and the Administrator shall promulgate final versions of those regulations.

**SEC. __04. REVIEW AND UPDATE OF ACTION PLAN.**

(a) REVIEW.—Not later than January 1, 2011, and every 3 years thereafter, the Director shall submit to Congress, and publish, a report that—

(1) evaluates the progress achieved in implementing the oil savings targets established under section __01;

(2) analyzes the expected oil savings under the standards and requirements established under this Act and the amendments made by this Act; and

(3)(A) analyzes the potential to achieve oil savings that are in addition to the savings required by section __01; and

(B) if the President determines that it is in the national interest, establishes a higher oil savings target for calendar year 2017 or any subsequent calendar year.

(b) INADEQUATE OIL SAVINGS.—If the oil savings are less than the targets established under section __01, simultaneously with the report required under subsection (a)—

(1) the Director shall publish a revised action plan that is adequate to achieve the targets; and

(2) the Secretary of Energy, the Secretary of Transportation, and the Administrator shall propose new or revised regulations under subsections (a), (b), and (c), respectively, of section __02.

(c) FINAL REGULATIONS.—Not later than 180 days after the date on which regulations are proposed under subsection (b)(2), the Secretary of Energy, the Secretary of Transportation, and the Administrator shall promulgate final versions of those regulations.

**SEC. __05. BASELINE AND ANALYSIS REQUIREMENTS.**

In performing the analyses and promulgating proposed or final regulations to establish standards and other requirements necessary to achieve the oil savings required by this subtitle, the Secretary of Energy, the Secretary of Transportation, the Secretary of Defense, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and the head of any other agency the President determines to be appropriate shall—

(1) determine oil savings as the projected reduction in oil consumption from the baseline established by the reference case contained in the report of the Energy Information Administration entitled ''Annual Energy Outlook 2005'';

(2) determine the oil savings projections required on an annual basis for each of calendar years 2009 through 2026; and

(3) account for any overlap among the standards and other requirements to ensure that the projected oil savings from all the promulgated standards and requirements, taken together, are as accurate as practicable.

**Subtitle B—Fuel Efficient Vehicles for the 21st Century**

**SEC. __21. TIRE EFFICIENCY PROGRAM.**

(a) STANDARDS FOR TIRES MANUFACTURED FOR INTERSTATE COMMERCE.—Section 30123 of title 49, United States Code, is amended—

(1) in subsection (b)—

(A) in the first sentence, by striking ''The Secretary'' and inserting the following:

''(1) UNIFORM QUALITY GRADING SYSTEM.—

''(A) IN GENERAL.—The Secretary'';

(B) in the second sentence, by striking ''The Secretary'' and inserting the following:

''(2) NOMENCLATURE AND MARKETING PRACTICES.—The Secretary'';

(C) in the third sentence, by striking ''A tire standard'' and inserting the following:

''(3) EFFECT OF STANDARDS AND REGULATIONS.—A tire standard''; and

(D) in paragraph (1), as designated by subparagraph (A), by adding at the end the following:

''(B) INCLUSION.—The grading system established pursuant to subparagraph (A) shall include standards for rating the fuel efficiency of tires designed for use on passenger cars and light trucks.''; and

(2) by adding at the end the following:

''(d) NATIONAL TIRE EFFICIENCY PROGRAM.—

''(1) DEFINITION.—In this subsection, the term 'fuel economy', with respect to a tire, means the extent to which the tire contributes to the fuel economy of the motor vehicle on which the tire is mounted.

''(2) PROGRAM.—The Secretary shall develop and carry out a national tire fuel efficiency program for tires designed for use on passenger cars and light trucks.

''(3) REQUIREMENTS.—Not later than March 31, 2008, the Secretary shall issue regulations, which establish—

''(A) policies and procedures for testing and labeling tires for fuel economy to enable tire buyers to make informed purchasing decisions about the fuel economy of tires;

''(B) policies and procedures to promote the purchase of energy efficient replacement tires, including purchase incentives, website listings on the Internet, printed fuel economy guide booklets, and mandatory requirements for tire retailers to provide tire buyers with fuel efficiency information on tires; and

''(C) minimum fuel economy standards for tires.

''(4) MINIMUM FUEL ECONOMY STANDARDS.—In promulgating minimum fuel economy standards for tires, the Secretary shall design standards that—

''(A) ensure, in conjunction with the requirements under paragraph (3)(B), that the average fuel economy of replacement tires is not less than the average fuel economy of tires sold as original equipment;

''(B) secure the maximum technically feasible and cost-effective fuel savings;

''(C) do not adversely affect tire safety;

''(D) incorporate the results from—

''(i) laboratory testing; and

''(ii) to the extent appropriate and available, on-road fleet testing programs conducted by manufacturers; and

''(E) do not adversely affect efforts to manage scrap tires.

''(5) APPLICABILITY.—The policies, procedures, and standards developed under paragraph (3) shall apply to all tire types and models regulated under the uniform tire quality grading standards in section 575.104 of title 49, Code of Federal Regulations (or a successor regulation).

''(6) REVIEW.—

''(A) IN GENERAL.—Not less than once every 3 years, the Secretary shall—

''(i) review the minimum fuel economy standards in effect for tires under this subsection; and

''(ii) subject to subparagraph (B), revise the standards as necessary to ensure compliance with standards described in paragraph (4).

''(B) LIMITATION.—The Secretary may not reduce the average fuel economy standards applicable to replacement tires.

''(7) NO PREEMPTION OF STATE LAW.—Nothing in this section shall be construed to preempt any provision of State law relating to higher fuel economy standards applicable to replacement tires designed for use on passenger cars and light trucks.

''(8) EXCEPTIONS.—Nothing in this section shall apply to—

''(A) a tire or group of tires with the same stock keeping unit, plant, and year, for which the volume of tires produced or imported is less than 15,000 annually;

''(B) a deep tread, winter-type snow tire, space-saver tire, or temporary use spare tire;

''(C) a tire with a normal rim diameter of 12 inches or less;

''(D) a motorcycle tire; or

''(E) a tire manufactured specifically for use in an off-road motorized recreational vehicle.''.

(b) CONFORMING AMENDMENT.—Section 30103(b)(1) of title 49, United States Code, is amended by striking ''When'' and inserting ''Except as provided in section 30123(d), if''.

(c) TIME FOR IMPLEMENTATION.—Beginning not later than March 31, 2008, the Secretary of Transportation shall administer the national tire fuel efficiency program established under section 30123(d) of title 49, United States Code, in accordance with the policies, procedures, and standards developed under section 30123(d)(3) of such title.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, for each of fiscal years 2007 through 2011, such sums as may be necessary to carry out section 30123(d) of title 49, United States Code, as added by subsection (a).

**SEC. __22. REDUCTION OF SCHOOL BUS IDLING.**

(a) STATEMENT OF POLICY.—Congress encourages each local educational agency (as defined in section 9101(26) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(26))) that receives Federal funds under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) to develop a policy to reduce the incidence of school bus idling at schools while picking up and unloading students.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator of the Environmental Protection Agency, working in coordination with the Secretary of Education, $5,000,000 for each of fiscal years 2007 through 2012 for use in educating States and local education agencies about—

(1) benefits of reducing school bus idling; and

(2) ways in which school bus idling may be reduced.

**SEC. __23. FUEL EFFICIENCY FOR HEAVY DUTY TRUCKS.**

Part C of subtitle VI of title 49, United States Code, is amended by inserting after chapter 329 the following:

**''CHAPTER 330—HEAVY DUTY VEHICLE FUEL ECONOMY STANDARDS**

''CHAPTER 330—HEAVY DUTY VEHICLE FUEL ECONOMY STANDARDS

''Sec.
''33001. Purpose and policy.
''33002. Definition.
''33003. Testing and assessment.
''33004. Standards.
''33005. Authorization of appropriations.

**''§ 33001. Purpose and policy**

''The purpose of this chapter is to reduce petroleum consumption by heavy duty motor vehicles.

**''§ 33002. Definition**

''In this chapter, the term 'heavy duty motor vehicle'—

''(1) means a vehicle having a gross vehicle weight rating of at least 10,000 pounds that is driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways; and

''(2) does not include a vehicle operated only on a rail line.

**''§ 33003. Testing and assessment**

''(a) GENERAL REQUIREMENTS.—The Administrator of the Environmental Protection Agency (referred to in this section as the 'Administrator') shall develop and coordinate a national testing and assessment program to—

''(1) determine the fuel economy of heavy duty vehicles; and

''(2) assess the fuel efficiency attainable through available technology.

''(b) TESTING.—The Administrator shall—

''(1) design a National testing program to assess the fuel economy of heavy duty vehicles (based on the program for light duty vehicles); and

''(2) implement the program described in paragraph (1) not later than 18 months after the date of enactment of this chapter.

''(c) ASSESSMENT.—The Administrator shall consult with the Secretary of Transportation on the assessment of available technologies to enhance the fuel efficiency of heavy duty vehicles to ensure that vehicle use and needs are considered appropriately in the assessment.

''(d) REPORTING.—The Administrator shall—

''(1) not later than 2 years after the date of enactment of this chapter, submit a report to Congress regarding the results of the assessment of available technologies to improve the fuel efficiency of heavy duty vehicles.

''(2) submit a report to Congress, at least biannually, that addresses the fuel economy of heavy duty vehicles; and

**''§ 33004. Standards**

''(a) GENERAL REQUIREMENTS.—Not later than 18 months after completing the testing and assessments under section 33003, the Secretary of Transportation shall prescribe average heavy duty vehicle fuel economy standards. Each standard shall be the maximum feasible average fuel economy level that the Secretary decides that manufacturers can achieve in that model year. The Secretary may prescribe separate standards for different classes of heavy duty motor vehicles. The standards for each model year shall be completed not later than 18 months before the beginning of each model year.

''(b) CONSIDERATIONS AND CONSULTATION.—In determining maximum feasible average fuel economy, the Secretary shall consider—

''(1) relevant available heavy duty motor vehicle fuel consumption information;

''(2) technological feasibility;

''(3) economic practicability;

''(4) the desirability of reducing United States dependence on oil;

''(5) the effects of average fuel economy standards on vehicle safety;

''(6) the effects of average fuel economy standards on levels of employment and competitiveness of the heavy truck manufacturing industry ; and

''(7) the extent to which the standard will carry out the purpose described in section 33001.

''(c) COOPERATION.—The Secretary may advise, assist, and cooperate with departments, agencies, and instrumentalities of the United States Government, States, and other public and private agencies in developing fuel economy standards for heavy duty motor vehicles.

''(d) 5-YEAR PLAN FOR TESTING STANDARDS.—The Secretary shall establish, periodically review, and continually update a 5-year plan for testing heavy duty motor vehicle fuel economy standards prescribed under this chapter. In developing and establishing testing priorities, the Secretary shall consider factors the Secretary considers appropriate, consistent with the purpose described in section 33001 and the Secretary's other duties and powers under this chapter.

**"§ 33005. Authorization of appropriations**

''There are authorized to be appropriated, for each of fiscal years 2007 through 2011, such sums as may be necessary to carry out this chapter.''.

**SEC. __24. NEAR-TERM VEHICLE TECHNOLOGY PROGRAM.**

(a) PURPOSES.—The purposes of this section are—

(1) to enable and promote, in partnership with industry, comprehensive development, demonstration, and commercialization of a wide range of electric drive components, systems, and vehicles using diverse electric drive transportation technologies;

(2) to make critical public investments to help private industry, institutions of higher education, National Laboratories, and research institutions to expand innovation, industrial growth, and jobs in the United States;

(3) to expand the availability of the existing electric infrastructure for fueling light duty transportation and other on-road and nonroad vehicles that are using petroleum and are mobile sources of emissions—

(A) including the more than 3,000,000 reported units (such as electric forklifts, golf carts, and similar nonroad vehicles) in use on the date of enactment of this Act; and

(B) with the goal of enhancing the energy security of the United States, reduce dependence on imported oil, and reduce emissions through the expansion of grid supported mobility;

(4) to accelerate the widespread commercialization of all types of electric drive vehicle technology into all sizes and applications of vehicles, including commercialization of plug-in hybrid electric vehicles and plug-in hybrid fuel cell vehicles; and

(5) to improve the energy efficiency of and reduce the petroleum use in transportation.

(b) DEFINITIONS.—In this section:

(1) BATTERY.—The term ''battery'' means an energy storage device used in an on-road or nonroad vehicle powered in whole or in part using an off-board or on-board source of electricity.

(2) ELECTRIC DRIVE TRANSPORTATION TECHNOLOGY.—The term ''electric drive transportation technology'' means—

(A) vehicles that use an electric motor for all or part of their motive power and that may or may not use off-board electricity, including battery electric vehicles, fuel cell vehicles, engine dominant hybrid electric vehicles, plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and electric rail; or

(B) equipment relating to transportation or mobile sources of air pollution that use an electric motor to replace an internal combustion engine for all or part of the work of the equipment, including corded electric equipment linked to transportation or mobile sources of air pollution.

(3) ENGINE DOMINANT HYBRID ELECTRIC VEHICLE.—The term ''engine dominant hybrid electric vehicle'' means an on-road or nonroad vehicle that—

(A) is propelled by an internal combustion engine or heat engine using—

(i) any combustible fuel;

(ii) an on-board, rechargeable storage device; and

(B) has no means of using an off-board source of electricity.

(4) FUEL CELL VEHICLE.—The term ''fuel cell vehicle'' means an on-road or nonroad vehicle that uses a fuel cell (as defined in section 3 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990).

(5) NONROAD VEHICLE.—The term ''nonroad vehicle'' has the meaning given the term in section 216 of the Clean Air Act (42 U.S.C. 7550).

(6) PLUG-IN HYBRID ELECTRIC VEHICLE.—The term ''plug-in hybrid electric vehicle'' means an on-road or nonroad vehicle that is propelled by an internal combustion engine or heat engine using—

(A) any combustible fuel;

(B) an on-board, rechargeable storage device; and

(C) a means of using an off-board source of electricity.

(7) PLUG-IN HYBRID FUEL CELL VEHICLE.—The term ''plug-in hybrid fuel cell vehicle'' means a fuel cell vehicle with a battery powered by an off-board source of electricity.

(c) PROGRAM.—The Secretary shall conduct a program of research, development, demonstration, and commercial application for electric drive transportation technology, including—

(1) high capacity, high efficiency batteries;

(2) high efficiency on-board and off-board charging components;

(3) high power drive train systems for passenger and commercial vehicles and for nonroad equipment;

(4) control system development and power train development and integration for plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and engine dominant hybrid electric vehicles, including—

(A) development of efficient cooling systems;

(B) analysis and development of control systems that minimize the emissions profile when clean diesel engines are part of a plug-in hybrid drive system; and

(C) development of different control systems that optimize for different goals, including—

(i) battery life;

(ii) reduction of petroleum consumption; and

(iii) green house gas reduction;

(5) nanomaterial technology applied to both battery and fuel cell systems;

(6) large-scale demonstrations, testing, and evaluation of plug-in hybrid electric vehicles in different applications with different batteries and control systems, including—

(A) military applications;

(B) mass market passenger and light-duty truck applications;

(C) private fleet applications; and

(D) medium- and heavy-duty applications;

(7) a nationwide education strategy for electric drive transportation technologies providing secondary and high school teaching materials and support for university education focused on electric drive system and component engineering;

(8) development, in consultation with the Administrator of the Environmental Protection Agency, of procedures for testing and certification of criteria pollutants, fuel economy, and petroleum use for light-, medium-, and heavy-duty vehicle applications, including consideration of—

(A) the vehicle and fuel as a system, not just an engine; and

(B) nightly off-board charging; and

(9) advancement of battery and corded electric transportation technologies in mobile source applications by—

(A) improvement in battery, drive train, and control system technologies; and

(B) working with industry and the Administrator of the Environmental Protection Agency to—

(i) understand and inventory markets; and

(ii) identify and implement methods of removing barriers for existing and emerging applications.

(d) GOALS.—The goals of the electric drive transportation technology program established under subsection (c) shall be to develop, in partnership with industry and institutions of higher education, projects that focus on—

(1) innovative electric drive technology developed in the United States;

(2) growth of employment in the United States in electric drive design and manufacturing;

(3) validation of the plug-in hybrid potential through fleet demonstrations; and

(4) acceleration of fuel cell commercialization through comprehensive development and commercialization of the electric drive technology systems that are the foundational technology of the fuel cell vehicle system.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $300,000,000 for each of fiscal years 2007 through 2012.

**SEC. __25. LIGHTWEIGHT MATERIALS RESEARCH AND DEVELOPMENT.**

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Energy shall establish a research and development program to determine ways in which—

(1) the weight of vehicles may be reduced to improve fuel efficiency without compromising passenger safety; and

(2) the cost of lightweight materials (such as steel alloys and carbon fibers) required for the construction of lighter-weight vehicles may be reduced.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $60,000,000 for each of fiscal years 2007 through 2012.

**SEC. __26. HYBRID AND ADVANCED DIESEL VEHICLES.**

(a) HYBRID VEHICLES.—The Energy Policy Act of 2005 is amended by striking section 711 (42 U.S.C. 16061) and inserting the following:

**"SEC. 711. HYBRID VEHICLES.**

''(a) DEFINITIONS.—In this section:

''(1) COST.—The term 'cost' has the meaning given the term 'cost of a loan guarantee' within the meaning of section 502(5)(C) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(C)).

''(2) ELIGIBLE PROJECT.—The term 'eligible project' means a project to—

''(A) improve hybrid technologies under subsection (b); or

''(B) encourage domestic production of efficient hybrid and advanced diesel vehicles under section 712(a).

''(3) GUARANTEE.—

''(A) IN GENERAL.—The term 'guarantee' has the meaning given the term 'loan guarantee' in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

''(B) INCLUSION.—The term 'guarantee' includes a loan guarantee commitment (as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)).

''(4) HYBRID TECHNOLOGY.—The term 'hybrid technology' means a battery or other rechargeable energy storage system, power electronic, hybrid systems integration, and any other technology for use in hybrid vehicles.

''(5) OBLIGATION.—The term 'obligation' means the loan or other debt obligation that is guaranteed under this section.

''(b) AUTHORIZATION.—The Secretary shall accelerate efforts directed toward the improvement of hybrid technologies, including through the provision of loan guarantees under subsection (c).

''(c) LOAN GUARANTEES.—

''(1) IN GENERAL.—The Secretary shall make guarantees under this section for eligible projects on such terms and conditions as the Secretary, in consultation with the Secretary of the Treasury, determines to be appropriate.

''(2) SPECIFIC APPROPRIATION OR CONTRIBUTION.—No guarantee shall be made unless—

''(A) an appropriation for the cost has been made; or

''(B) the Secretary has received from the borrower a payment in full for the cost of the obligation and deposited the payment into the Treasury.

''(3) AMOUNT.—Unless otherwise provided by law, a guarantee by the Secretary shall not exceed an amount equal to 80 percent of the project cost of the hybrid technology that is the subject of the guarantee, as estimated at the time at which the guarantee is issued.

''(4) REPAYMENT.—

''(A) IN GENERAL.—No guarantee shall be made unless the Secretary determines that there is a reasonable prospect of repayment of the principal and interest on the obligation by the borrower.

''(B) AMOUNT.—No guarantee shall be made unless the Secretary determines that the amount of the obligation (when combined with amounts available to the borrower from other sources) will be sufficient to carry out the project.

''(C) SUBORDINATION.—The obligation shall be subject to the condition that the obligation is not subordinate to other financing.

''(5) INTEREST RATE.—An obligation shall bear interest at a rate that does not exceed a level that the Secretary determines appropriate, taking into account the prevailing rate of interest in the private sector for similar loans and risks.

''(6) TERM.—The term of an obligation shall require full repayment over a period not to exceed the lesser of—

''(A) 30 years; or

''(B) 90 percent of the projected useful life of the physical asset to be financed by the obligation (as determined by the Secretary).

''(7) DEFAULTS.—

''(A) PAYMENT BY SECRETARY.—

''(i) IN GENERAL.—If a borrower defaults on the obligation (as defined in regulations promulgated by the Secretary and specified in the guarantee contract), the holder of the guarantee shall have the right to demand payment of the unpaid amount from the Secretary.

''(ii) PAYMENT REQUIRED.—Within such period as may be specified in the guarantee or related agreements, the Secretary shall pay to the holder of the guarantee the unpaid interest on, and unpaid principal of the obligation as to which the borrower has defaulted, unless the Secretary finds that—

''(I) there was no default by the borrower in the payment of interest or principal; or

''(II) the default has been remedied.

''(iii) FORBEARANCE.—Nothing in this subsection precludes any forbearance by the holder of the obligation for the benefit of the borrower that may be agreed upon by the parties to the obligation and approved by the Secretary.

''(B) SUBROGATION.—

''(i) IN GENERAL.—If the Secretary makes a payment under subparagraph (A), the Secretary shall be subrogated to the rights of the recipient of the payment as specified in the guarantee or related agreements including, where appropriate, the authority (notwithstanding any other provision of law) to—

''(I) complete, maintain, operate, lease, or otherwise dispose of any property acquired pursuant to the guarantee or related agreements; or

''(II) permit the borrower, pursuant to an agreement with the Secretary, to continue to pursue the purposes of the eligible project, as the Secretary determines to be in the public interest.

''(ii) SUPERIORITY OF RIGHTS.—The rights of the Secretary, with respect to any property acquired pursuant to a guarantee or related agreement, shall be superior to the rights of any other person with respect to the property.

''(iii) TERMS AND CONDITIONS.—A guarantee agreement shall include such detailed terms and conditions as the Secretary determines appropriate to—

''(I) protect the interests of the United States in the case of default; and

''(II) have available all the patents and technology necessary for any person selected, including the Secretary, to complete and operate the eligible project.

''(C) PAYMENT OF PRINCIPAL AND INTEREST BY SECRETARY.—With respect to any obligation guaranteed under this section, the Secretary may enter into a contract to pay, and pay, holders of the obligation, for and on behalf of the borrower, from funds appropriated for that purpose, the principal and interest payments that become due and payable on the unpaid balance of the obligation if the Secretary finds that—

''(i)(I) the borrower is unable to meet the payments and is not in default;

''(II) it is in the public interest to permit the borrower to continue to pursue the purposes of the eligible project; and

''(III) the probable net benefit to the Federal Government in paying the principal and interest will be greater than the benefit that would result in the event of a default;

''(ii) the amount of the payment that the Secretary is authorized to pay will be no greater than the amount of principal and interest that the borrower is obligated to pay under the agreement being guaranteed; and

''(iii) the borrower agrees to reimburse the Secretary for the payment (including interest) on terms and conditions that are satisfactory to the Secretary.

''(D) ACTION BY ATTORNEY GENERAL.—

''(i) NOTIFICATION.—If the borrower defaults on an obligation, the Secretary shall notify the Attorney General of the default.

''(ii) RECOVERY.—On receipt of notification, the Attorney General shall take such action as the Attorney General determines to be appropriate to recover the unpaid principal and interest due from—

''(I) such assets of the defaulting borrower as are associated with the obligation; or

''(II) any other security pledged to secure the obligation.

''(8) FEES.—

''(A) IN GENERAL.—The Secretary shall charge and collect fees for guarantees in amounts the Secretary determines are sufficient to cover applicable administrative expenses.

''(B) AVAILABILITY.—Fees collected under this paragraph shall—

''(i) be deposited by the Secretary into the Treasury; and

''(ii) remain available until expended, subject to such other conditions as are contained in annual appropriations Acts.

''(9) RECORDS; AUDITS.—

''(A) IN GENERAL.—A recipient of a guarantee shall keep such records and other pertinent documents as the Secretary shall prescribe by regulation, including such records as the Secretary may require to facilitate an effective audit.

''(B) ACCESS.—The Secretary and the Comptroller General of the United States, or their duly authorized representatives, shall have access, for the purpose of audit, to the records and other pertinent documents.

''(10) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees issued under this section with respect to principal and interest.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to provide the cost of guarantees under this section.''.

(b) EFFICIENT HYBRID AND ADVANCED DIESEL VEHICLES.—Section 712(a) of the Energy Policy Act of 2005 (42 U.S.C. 16062(a)) is amended in the second sentence by striking ''grants to automobile manufacturers'' and inserting ''grants and the provision of loan guarantees under section 711(c) to automobile manufacturers and suppliers''.

**SEC. _27. FEDERAL FLEET REQUIREMENTS.**

(a) REGULATIONS.—

(1) IN GENERAL.—The Secretary of Energy shall issue regulations for Federal fleets subject to the Energy Policy Act of 1992 (42 U.S.C. 13201 et seq.) requiring that not later than fiscal year 2016 each Federal agency achieve at least a 30 percent reduction in petroleum consumption, as calculated from the baseline established by the Secretary for fiscal year 1999.

(2) REQUIREMENT.—Not later than fiscal year 2016, of the Federal vehicles required to be alternative fueled vehicles under title V of the Energy Policy Act of 1992 (42 U.S.C. 13251 et seq.), at least 30 percent shall be hybrid motor vehicles (including plug-in hybrid motor vehicles) or new advanced lean burn technology motor vehicles (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986).

(b) INCLUSION OF ELECTRIC DRIVE IN ENERGY POLICY ACT OF 1992.—Section 508(a) of the Energy Policy Act of 1992 (42 U.S.C. 13258(a)) is amended—

(1) by inserting ''(1)'' before ''The Secretary''; and

(2) by adding at the end the following:

''(2) Not later than January 31, 2007, the Secretary shall—

''(A) allocate credit in an amount to be determined by the Secretary for—

''(i) acquisition of—

''(I) a light-duty hybrid electric vehicle;

''(II) a plug-in hybrid electric vehicle;

''(III) a fuel cell electric vehicle;

''(IV) a medium- or heavy-duty hybrid electric vehicle;

''(V) a neighborhood electric vehicle; or

''(VI) a medium- or heavy-duty dedicated vehicle; and

''(ii) investment in qualified alternative fuel infrastructure or nonroad equipment, as determined by the Secretary; and

''(B) allocate more than 1, but not to exceed 5, credits for investment in an emerging technology relating to any vehicle described in subparagraph (A) to encourage—

''(i) a reduction in petroleum demand;

''(ii) technological advancement; and

''(iii) environmental safety.''.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section (including the amendments made by subsection (b)) $10,000,000 for the period of fiscal years 2007 through 2012

**SEC. __28. INCREASING THE EFFICIENCY OF MOTOR VEHICLES.**

(a) DEFINITIONS.—In this section:

(1) ALTERNATIVE FUEL.—The term ''alternative fuel'' has the meaning given the term in section 32901(a) of title 49, United States Code.

(2) E85.—The term ''E85'' means a fuel blend containing 85 percent ethanol and 15 percent gasoline or diesel by volume.

(3) FLEXIBLE FUEL MOTOR VEHICLE.—The term ''flexible fuel motor vehicle'' means a light duty motor vehicle warrantied by the manufacturer of the vehicle to operate on any combination of gasoline, E85, and M85.

(4) HYBRID MOTOR VEHICLE.—The term ''hybrid motor vehicle'' means a new qualified hybrid motor vehicle (as defined in section 30B(d)(3) of the Internal Revenue Code of 1986) that achieves at least 125 percent of the model year 2002 city fuel economy.

(5) LIGHT-DUTY MOTOR VEHICLE.—The term ''light-duty motor vehicle'' means, as defined in regulations promulgated by the Administrator of the Environmental Protection Agency in effect on the date of enactment of this Act—

(A) a light-duty truck; or

(B) a light-duty vehicle.

(6) M85.—The term ''M85'' means a fuel blend containing 85 percent methanol and 15 percent gasoline or diesel by volume.

(7) PLUG-IN HYBRID MOTOR VEHICLE.—The term ''plug-in hybrid electric vehicle'' means a hybrid motor vehicle that—

(A) has an onboard, rechargeable storage device capable of propelling the vehicle solely by electricity for at least 10 miles; and

(B) achieves at least 125 percent of the model year 2002 city fuel economy.

(8) QUALIFIED MOTOR VEHICLE.—The term ''qualified motor vehicle'' means—

(A) a new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986) that achieves at least 125 percent of the model year 2002 city fuel economy;

(B) an alternative fueled automobile (as defined in section 32901(a) of title 49, United States Code);

(C) a flexible fuel motor vehicle;

(D) a new qualified fuel cell motor vehicle (as defined in section 30B(b)(3) of the Internal Revenue Code of 1986);

(E) a hybrid motor vehicle;

(F) a plug-in hybrid motor vehicle; and

(G) any other appropriate motor vehicle that uses substantially new technology and achieve at least 175 percent of the model year 2002 city fuel economy, as determined by the Secretary of Transportation, by regulation.

(b) REQUIREMENTS.—

(1) MODEL YEAR 2012.—Not less than 10 percent of light-duty motor vehicles manufactured for model year 2012 and sold in the United States shall be qualified motor vehicles.

(2) MODEL YEAR 2013.—Not less than 20 percent of light-duty motor vehicles manufactured for model year 2013 and sold in the United States shall be qualified motor vehicles.

(3) MODEL YEAR 2014.—Not less than 30 percent of light-duty motor vehicles manufactured for model year 2014 and sold in the United States shall be qualified motor vehicles.

(4) MODEL YEAR 2015.—Not less than 40 percent of light-duty motor vehicles manufactured for model year 2015 shall be qualified motor vehicles.

(5) MODEL YEAR 2016.—Not less than 50 percent of light-duty motor vehicles manufactured for model year 2016 shall be qualified motor vehicles.

(6) MODEL YEARS 2017 AND THEREAFTER.—Not less than 50 percent of light-duty motor vehicles manufactured for model year 2017 and each model year thereafter and sold in the United States shall be qualified motor vehicles, of which not less than 10 percent shall be—

(A) hybrid motor vehicles;

(B) plug-in hybrid motor vehicles;

(C) new advanced lean burn technology motor vehicles (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986);

(D) new qualified fuel cell motor vehicles (as defined in section 30B(b)(3) of the Internal Revenue Code of 1986); or

(E) any other appropriate motor vehicle that uses substantially new technology and achieve at least 175 percent of the model year 2002 city fuel economy, as determined by the Secretary of Transportation, by regulation.

(c) RULEMAKING.—Not later than 1 year after the date of enactment of this Act, the Secretary of Transportation shall promulgate regulations to carry out this section.

**Subtitle C—Fuel Choices for the 21st Century**

**SEC. __31. USE OF CAFÉ PENALTIES TO BUILD ALTERNATIVE FUELING INFRASTRUCTURE.**

Section 32912 of title 49, United States Code, is amended by adding at the end the following

''(e) ALTERNATIVE FUELING INFRASTRUCTURE TRUST FUND.—(1) There is established in the Treasury of the United States a trust fund, to be known as the Alternative Fueling Infrastructure Trust Fund, consisting of such amounts as are deposited into the Trust Fund under paragraph (2) and any interest earned on investment of amounts in the Trust Fund.

''(2) The Secretary of Transportation shall remit 90 percent of the amount collected in civil penalties under this section to the Trust Fund.

''(3)(A) The Secretary of Energy shall obligate such sums as are available in the Trust Fund to establish a grant program to increase the number of locations at which consumers may purchase alternative fuels.

''(B)(i) The Secretary of Energy may award grants under this paragraph, in an amount equal to not more than $150,000 per fueling station, to—

''(I) individual fueling stations; and

''(II) corporations (including nonprofit corporations) with demonstrated experience in the administration of grant funding for the purpose of alternative fueling infrastructure.

''(ii) In awarding grants under this paragraph, the Secretary shall consider the number of vehicles in service capable of using a specific type of alternative fuel.

''(iii) Grant recipients shall provide a non-Federal match of not less than $1 for every $3 of grant funds received under this paragraph.

''(iv) Each grant recipient shall select the locations for each alternative fuel station to be constructed with grant funds received under this paragraph on a formal, open, and competitive basis.

''(C) Grant funds received under this paragraph may be used to—

''(i) construct new facilities to dispense alternative fuels;

''(ii) purchase equipment to upgrade, expand, or otherwise improve existing alternative fuel facilities; or

''(iii) purchase equipment or pay for specific turnkey fueling services by alternative fuel providers.

''(D) Facilities constructed or upgraded with grant funds under this paragraph shall—

''(i) provide alternative fuel available to the public for a period not less than 4 years;

''(ii) establish a marketing plan to advance the sale and use of alternative fuels;

''(iii) prominently display the price of alternative fuel on the marquee and in the station;

''(iv) provide point of sale materials on alternative fuel;

''(v) clearly label the dispenser with consistent materials;

''(vi) price the alternative fuel at the same margin that is received for unleaded gasoline; and

''(vii) support and use all available tax incentives to reduce the cost of the alternative fuel to the lowest possible retail price.

''(E) Not later than the date on which each alternative fuel station begins to offer alternative fuel to the public, the grant recipient that used grant funds to construct such station shall notify the Secretary of Energy of such opening. The Secretary of Energy shall add each new alternative fuel station to the alternative fuel station locator on its Website when it receives notification under this subparagraph.

''(F) Not later than 6 months after the receipt of a grant award under this paragraph, and every 6 months thereafter, each grant recipient shall submit a report to the Secretary of Energy that describes—

''(i) the status of each alternative fuel station constructed with grant funds received under this paragraph;

''(ii) the amount of alternative fuel dispensed at each station during the preceding 6-month period; and

''(iii) the average price per gallon of the alternative fuel sold at each station during the preceding 6-month period.''.

**SEC. __32. MINIMUM QUANTITY OF RENEWABLE FUEL DERIVED FROM CELLULOSIC BIOMASS.**

Section 211(o)(2)(B) of the Clean Air Act (42 U.S.C. 7545(o)(2)(B)) is amended by striking clause (iii) and inserting the following:

''(iii) MINIMUM QUANTITY DERIVED FROM CELLULOSIC BIOMASS.—

''(I) IN GENERAL.—The applicable volume referred to in clause (ii) shall contain a minimum of—

''(aa) for each of calendar years 2010 through 2012, 75,000,000 gallons that are derived from cellulosic biomass; and

''(bb) for calendar year 2013 and each calendar year thereafter, 250,000,000 gallons that are derived from cellulosic biomass.

''(II) RATIO.—For calendar year 2010 and each calendar year thereafter, the 2.5-to-1 ratio referred to in paragraph (4) shall not apply.''.

**SEC. __33. MINIMUM QUANTITY OF RENEWABLE FUEL DERIVED FROM SUGAR.**

(a) IN GENERAL.—Section 211(o)(2)(B) of the Clean Air Act (42 U.S.C. 7545(o)(2)(B)) is amended by adding at the end the following:

''(v) MINIMUM QUANTITY DERIVED FROM SUGAR.—For calendar year 2008 and each calendar year thereafter, the applicable volume referred to in clause (ii) shall contain a minimum of 100,000,000 gallons that are derived from domestically-grown sugarcane, sugar beets, or sugar components.''.

(b) APPLICABLE VOLUME.—Section 211(o)(2)(B)(i) of the Clean Air Act (42 U.S.C. 7545(o)(2)(B)(i)) is amended—

(1) in the item relating to calendar year 2008, by striking ''5.4'' and inserting ''5.5'';

(2) in the item relating to calendar year 2009, by striking ''6.1'' and inserting ''6.2'';

(3) in the item relating to calendar year 2010, by striking ''6.8'' and inserting ''6.9'';

(4) in the item relating to calendar year 2011, by striking ''7.4'' and inserting ''7.5''; and

(5) in the item relating to calendar year 2012, by striking ''7.5'' and inserting ''7.6''.

**SEC. __34. BIOENERGY RESEARCH AND DEVELOPMENT.**

Section 931(c) of the Energy Policy Act of 2005 (42 U.S.C. 16231(c)) is amended—

(1) in paragraph (1), by striking ''$213,000,000'' and inserting ''$326,000,000'';

(2) in paragraph (2), by striking ''$251,000,000'' and inserting ''$377,000,000''; and

(3) in paragraph (3), by striking ''$274,000,000'' and inserting ''$398,000,000''.

**SEC. __35. PRODUCTION INCENTIVES FOR CELLULOSIC BIOFUELS.**

Section 942(f) of the Energy Policy Act of 2005 (42 U.S.C. 16251(f)) is amended by striking ''$250,000,000'' and inserting ''$200,000,000 for each of fiscal years 2007 through 2011''.

**SEC. __36. LOW-INTEREST LOAN AND GRANT PROGRAM FOR RETAIL DELIVERY OF E–85 FUEL.**

(a) PURPOSES OF LOANS.—Section 312(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942(a)) is amended—

(1) in paragraph (9)(B)(ii), by striking ''or'' at the end;

(2) in paragraph (10), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(11) building infrastructure, including pump stations, for the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.''.

(b) PROGRAM.—Subtitle B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941 et seq.) is amended by adding at the end the following:

**''SEC. 320. LOW-INTEREST LOAN AND GRANT PROGRAM FOR RETAIL DELIVERY OF E–85 FUEL.**

''(a) IN GENERAL.—The Secretary shall establish a low-interest loan and grant program to assist farmer-owned ethanol producers (including cooperatives and limited liability corporations) to develop and build infrastructure, including pump stations, for the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.

''(b) TERMS.—

''(1) INTEREST RATE.—A low-interest loan under this section shall be fixed at not more than 5 percent for each year.

''(2) AMORTIZATION.—The repayment of a loan under this section shall be amortized over the expected life of the infrastructure project that is being financed with the proceeds of the loan.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.''.

(c) REGULATIONS.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to carry out the amendments made by this section.

**SEC. __37. TRANSIT-ORIENTED DEVELOPMENT CORRIDORS.**

(a) DEFINITIONS.—In this section:

(1) TRANSIT-ORIENTED DEVELOPMENT CORRIDOR.—The term ''Transit-Oriented Development Corridor'' or ''TODC'' means a geographic area designated by the Secretary under subsection (b).

(2) OTHER TERMS.—The terms ''fixed guide way'', ''local governmental authority'', ''mass transportation'', ''Secretary'', ''State'', and ''urbanized area'' have the meanings given the terms in section 5302 of title 49, United States Code.

(b) TRANSIT-ORIENTED DEVELOPMENT CORRIDORS.—

(1) IN GENERAL.—The Secretary shall develop and carry out a program to designate geographic areas in urbanized areas as Transit-Oriented Development Corridors.

(2) CRITERIA.—An area designated as a TODC under paragraph (1) shall include rights-of-way for fixed guide way mass transportation facilities (including commercial development of facilities that have a physical and functional connection with each facility).

(3) NUMBER OF TODCS.—In consultation with State transportation departments and metropolitan planning organizations, the Secretary shall designate—

(A) not fewer than 10 TODCs by December 31, 2015; and

(B) not fewer than 20 TODCs by December 31, 2025.

(4) TRANSIT GRANTS.—

(A) IN GENERAL.—The Secretary make grants to eligible states and local governmental authorities to pay the Federal share of the cost of designating geographic areas in urbanized areas as TODCs.

(B) APPLICATION.—Each eligible State or local governmental authority that desires to receive a grant under this paragraph shall submit an application to the Secretary, at such time, in such manner, and accompanied by such additional information as the Secretary may reasonably require.

(C) LABOR STANDARDS.—Subchapter IV of chapter 31 of title 40, United States Code shall apply to projects that receive funding under this section.

(D) FEDERAL SHARE.—The Federal share of the cost of a project under this subsection shall be 50 percent.

(c) TODC RESEARCH AND DEVELOPMENT.—To support effective deployment of grants and incentives under this section, the Secretary shall establish a TODC research and development program to conduct research on the best practices and performance criteria for TODCs.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2007 through 2012.

**Subtitle D—Nationwide Energy Security Media Campaign**

**SEC. __41. NATIONWIDE MEDIA CAMPAIGN TO DECREASE OIL CONSUMPTION.**

(a) IN GENERAL.—The Secretary of Energy, acting through the Assistant Secretary for Energy Efficiency and Renewable Energy (referred to in this section as the ''Secretary''), shall develop and conduct a national media campaign for the purpose of decreasing oil consumption in the United States over the next decade.

(b) CONTRACT WITH ENTITY.—The Secretary shall carry out subsection (a) directly or through—

(1) competitively bid contracts with 1 or more nationally recognized media firms for the development and distribution of monthly television, radio, and newspaper public service announcements; or

(2) collective agreements with 1 or more nationally recognized institutes, businesses, or nonprofit organizations for the funding, development, and distribution of monthly television, radio, and newspaper public service announcements.

(c) USE OF FUNDS.—

(1) IN GENERAL.—Amounts made available to carry out this section shall be used for the following:

(A) ADVERTISING COSTS.—

(i) The purchase of media time and space.

(ii) Creative and talent costs.

(iii) Testing and evaluation of advertising.

(iv) Evaluation of the effectiveness of the media campaign.

(v) The negotiated fees for the winning bidder on requests from proposals issued either by the Secretary for purposes otherwise authorized in this section.

(vi) Entertainment industry outreach, interactive outreach, media projects and activities, public information, news media outreach, and corporate sponsorship and participation.

(B) ADMINISTRATIVE COSTS.—Operational and management expenses.

(2) LIMITATIONS.—In carrying out this section, the Secretary shall allocate not less than 85 percent of funds made available under subsection (e) for each fiscal year for the advertising functions specified under paragraph (1)(A).

(d) REPORTS.—The Secretary shall annually submit to Congress a report that describes—

(1) the strategy of the national media campaign and whether specific objectives of the campaign were accomplished, including—

(A) determinations concerning the rate of change of oil consumption, in both absolute and per capita terms; and

(B) an evaluation that enables consideration whether the media campaign contributed to reduction of oil consumption;

(2) steps taken to ensure that the national media campaign operates in an effective and efficient manner consistent with the overall strategy and focus of the campaign;

(3) plans to purchase advertising time and space;

(4) policies and practices implemented to ensure that Federal funds are used responsibly to purchase advertising time and space and eliminate the potential for waste, fraud, and abuse; and

(5) all contracts or cooperative agreements entered into with a corporation, partnership, or individual working on behalf of the national media campaign.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2006 through 2010.

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**SA 4708.** Mr. BAYH (for himself, Mr. BROWNBACK, Mr. LIEBERMAN, Mr. COLEMAN, Mr. SALAZAR, Mr. LUGAR, Mr. OBAMA, Mr. CHAFEE, Mr. AKAKA, Mrs. CLINTON, Mr. DODD, Mr. KOHL, Ms. CANTWELL, Mr. KERRY, Mr. GRAHAM, Mr. MENENDEZ, Ms. COLLINS, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**TITLE ___—TAX INCENTIVES FOR VEHICLE AND FUEL CHOICES FOR AMERICAN SECURITY**

**Subtitle A—Fuel Efficient Vehicles for the 21st Century**

**SEC. __01. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.**

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to foreign tax credit, etc.) is amended by adding at the end the following new section:

**''SEC. 30D. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.**

''(a) CREDIT ALLOWED.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 35 percent of so much of the qualified investment of an eligible taxpayer for such taxable year as does not exceed $75,000,000.

''(b) QUALIFIED INVESTMENT.—For purposes of this section—

''(1) IN GENERAL.—The qualified investment for any taxable year is equal to the incremental costs incurred during such taxable year—

''(A) to re-equip or expand any manufacturing facility of the eleigible taxpayer to produce advanced technology motor vehicles,

''(B) to re-equip, expand, or establish any manufacturing facility of the eligible taxpayer to produce eligible components,

''(C) for engineering integration performed in the United States of such vehicles and components as described in subsection (d), and

''(D) for research and development performed in the United States related to advanced technology motor vehicles and eligible components.

''(2) ATTRIBUTION RULES.—In the event a facility of the eligible taxpayer produces both advanced technology motor vehicles and conventional motor vehicles, or eligible and non-eligible components, only the qualified investment attributable to production of advanced technology motor vehicles and eligible components shall be taken into account.

''(c) ADVANCED TECHNOLOGY MOTOR VEHICLES AND ELIGIBLE COMPONENTS.—For purposes of this section—

''(1) ADVANCED TECHNOLOGY MOTOR VEHICLE.—The term 'advanced technology motor vehicle' means—

''(A) any new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3)), or

''(B) any new qualified hybrid motor vehicle (as defined in section 30B(d)(3)(A) and determined without regard to any gross vehicle weight rating).

''(2) ELIGIBLE COMPONENTS.—The term 'eligible component' means any component inherent to any advanced technology motor vehicle, including—

''(A) with respect to any gasoline or diesel-electric new qualified hybrid motor vehicle—

''(i) electric motor or generator,

''(ii) power split device,

''(iii) power control unit,

''(iv) power controls,

''(v) integrated starter generator, or

''(vi) battery,

''(B) with respect to any hydraulic new qualified hybrid motor vehicle—

''(i) hydraulic accumulator vessel,

''(ii) hydraulic pump, or

''(iii) hydraulic pump-motor assembly,

''(C) with respect to any new advanced lean burn technology motor vehicle—

''(i) diesel engine,

''(ii) turbocharger,

''(iii) fuel injection system, or

''(iv) after-treatment system, such as a particle filter or NOx absorber, and

''(D) with respect to any advanced technology motor vehicle, any other component submitted for approval by the Secretary.

''(d) ENGINEERING INTEGRATION COSTS.—For purposes of subsection (b)(1)(C), costs for engineering integration are costs incurred prior to the market introduction of advanced technology vehicles for engineering tasks related to—

''(1) establishing functional, structural, and performance requirements for component and subsystems to meet overall vehicle objectives for a specific application,

''(2) designing interfaces for components and subsystems with mating systems within a specific vehicle application,

''(3) designing cost effective, efficient, and reliable manufacturing processes to produce components and subsystems for a specific vehicle application, and

''(4) validating functionality and performance of components and subsystems for a specific vehicle application.

''(e) ELIGIBLE TAXPAYER.—For purposes of this section, the term 'eligible taxpayer' means any taxpayer if more than 50 percent of its gross receipts for the taxable year is derived from the manufacture of motor vehicles or any component parts of such vehicles.

''(f) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

''(1) the sum of—

''(A) the regular tax liability (as defined in section 26(b)) for such taxable year, plus

''(B) the tax imposed by section 55 for such taxable year and any prior taxable year beginning after 1986 and not taken into account under section 53 for any prior taxable year, over

''(2) the sum of the credits allowable under subpart A and sections 27, 30, and 30B for the taxable year.

''(g) REDUCTION IN BASIS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(h) NO DOUBLE BENEFIT.—

''(1) COORDINATION WITH OTHER DEDUCTIONS AND CREDITS.—Except as provided in paragraph (2), the amount of any deduction or other credit allowable under this chapter for any cost taken into account in determining the amount of the credit under subsection (a) shall be reduced by the amount of such credit attributable to such cost.

''(2) RESEARCH AND DEVELOPMENT COSTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), any amount described in subsection (b)(1)(D) taken into account in determining the amount of the credit under subsection (a) for any taxable year shall not be taken into account for purposes of determining the credit under section 41 for such taxable year.

''(B) COSTS TAKEN INTO ACCOUNT IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any amounts described in subsection (b)(1)(D) taken into account in determining the amount of the credit under subsection (a) for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

''(i) BUSINESS CARRYOVERS ALLOWED.—If the credit allowable under subsection (a) for a taxable year exceeds the limitation under subsection (f) for such taxable year, such excess (to the extent of the credit allowable with respect to property subject to the allowance for depreciation) shall be allowed as a credit carryback and carryforward under rules similar to the rules of section 39.

''(j) SPECIAL RULES.—For purposes of this section, rules similar to the rules of paragraphs (4) and (5) of section 179A(e) and paragraphs (1) and (2) of section 41(f) shall apply

''(k) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any property if the taxpayer elects not to have this section apply to such property.

''(l) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

''(m) TERMINATION.—This section shall not apply to any qualified investment after December 31, 2015.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting '', and'', and by adding at the end the following new paragraph:

''(37) to the extent provided in section 30D(g).''.

(2) Section 6501(m) of such Code is amended by inserting ''30D(k),'' after ''30C(e)(5),''.

(3) The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 30C the following new item:

''Sec. 30D. Advanced technology motor vehicles manufacturing credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts incurred in taxable years beginning after December 31, 2005.

**SEC. __02. CONSUMER INCENTIVES TO PURCHASE ADVANCED TECHNOLOGY VEHICLES.**

(a) ELIMINATION ON NUMBER OF NEW QUALIFIED HYBRID AND ADVANCED LEAN BURN TECHNOLOGY VEHICLES ELIGIBLE FOR ALTERNATIVE MOTOR VEHICLE CREDIT.—

(1) IN GENERAL.—Section 30D of the Internal Revenue Code of 1986 is amended by striking subsection (f) and by redesignating subsections (g) through (j) as subsections (f) through (i), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Paragraphs (4) and (6) of section 30B(h) of the Internal Revenue Code of 1986 are each amended amended by striking ''(determined without regard to subsection (g))'' and inserting ''determined without regard to subsection (f))''.

(B) Section 38(b)(25) of such Code is amended by striking ''section 30B(g)(1)'' and inserting ''section 30B(f)(1)''.

(C) Section 55(c)(2) of such Code is amended by striking ''section 30B(g)(2)'' and inserting ''section 30B(f)(2)''.

(D) Section 1016(a)(36) of such Code is amended by striking ''section 30B(h)(4)'' and inserting ''section 30B(g)(4)''.

(E) Section 6501(m) of such Code is amended by striking ''section 30B(h)(9)'' and inserting ''section 30B(g)(9)''.

(b) EXTENSION OF ALTERNATIVE VEHICLE CREDIT FOR NEW QUALIFIED HYBRID MOTOR VEHICLES.—Paragraph (3) of section 30B(i) of the Internal Revenue Code of 1986 (as redesignated by subsection (a)) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

**SEC. __03. TAX INCENTIVES FOR PRIVATE FLEETS.**

(a) IN GENERAL.—Subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 48B the following new section:

**''SEC. 48C. FUEL-EFFICIENT FLEET CREDIT.**

''(a) GENERAL RULE.—For purposes of section 46, the fuel-efficient fleet credit for any taxable year is 15 percent of the qualified fuel-efficient vehicle investment amount of an eligible taxpayer for such taxable year.

''(b) VEHICLE PURCHASE REQUIREMENT.—In the case of any eligible taxpayer which places less than 10 qualified fuel-efficient vehicles in service during the taxable year, the qualified fuel-efficient vehicle investment amount shall be zero.

''(c) QUALIFIED FUEL-EFFICIENT VEHICLE INVESTMENT AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified fuel-efficient vehicle investment amount' means the basis of any qualified fuel-efficient vehicle placed in service by an eligible taxpayer during the taxable year.

''(2) QUALIFIED FUEL-EFFICIENT VEHICLE.—The term 'qualified fuel-efficient vehicle' means an automobile which has a fuel economy which is at least 125 percent greater than the average fuel economy standard for

an automobile of the same class and model year.

''(3) OTHER TERMS.—The terms 'automobile', 'average fuel economy standard', 'fuel economy', and 'model year' have the meanings given to such terms under section 32901 of title 49, United States Code.

''(d) ELIGIBLE TAXPAYER.—The term 'eligible taxpayer' means, with respect to any taxable year, a taxpayer who owns a fleet of 100 or more vehicles which are used in the trade or business of the taxpayer on the first day of such taxable year.

''(e) TERMINATION.—This section shall not apply to any vehicle placed in service after December 31, 2010.''.

(b) CREDIT TREATED AS PART OF INVESTMENT CREDIT.—Section 46 of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', and'', and by adding at the end the following new paragraph:

''(5) the fuel-efficient fleet credit.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 49(a)(1)(C) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by adding at the end the following new clause:

''(v) the basis of any qualified fuel-efficient vehicle which is taken into account under section 48C.''.

(2) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 48 the following new item:

''Sec. 48C. Fuel-efficient fleet credit.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2005, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

**SEC. __04. REDUCING INCENTIVES TO GUZZLE GAS.**

(a) INCLUSION OF HEAVY VEHICLES IN LIMITATION ON DEPRECIATION OF CERTAIN LUXURY AUTOMOBILES.—

(1) IN GENERAL.—Section 280F(d)(5)(A) of the Internal Revenue Code of 1986 (defining passenger automobile) is amended—

(A) by striking clause (ii) and inserting the following new clause:

''(ii)(I) which is rated at 6,000 pounds unloaded gross vehicle weight or less, or

''(II) which is rated at more than 6,000 pounds but not more than 14,000 pounds gross vehicle weight.'',

(B) by striking ''clause (ii)'' in the second sentence and inserting ''clause (ii)(I)''.

(2) EXCEPTION FOR VEHICLES USED IN FARMING BUSINESS.—Section 280F(d)(5)(B) of such Code (relating to exception for certain vehicles) is amended by striking ''and'' at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

''(iii) any vehicle used in a farming business (as defined in section 263A(e)(4), and''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after the date of the enactment of this Act.

(b) UPDATED DEPRECIATION DEDUCTION LIMITS.—

(1) IN GENERAL.—Subparagraph (A) of section 280F(a)(1) of the Internal Revenue Code of 1986 (relating to limitation on amount of depreciation for luxury automobiles) is amended to read as follows:

''(I) LIMITATION.—The amount of the depreciation deduction for any taxable year shall not exceed for any passenger automobile—

''(i) for the 1st taxable year in the recovery period—

''(I) described in subsection (d)(5)(A)(ii)(I), $4,000,

''(II) described in the second sentence of subsection (d)(5)(A), $5,000, and

''(III) described in subsection (d)(5)(A)(ii)(II), $6,000,

''(ii) for the 2nd taxable year in the recovery period—

''(I) described in subsection (d)(5)(A)(ii)(I), $6,400,

''(II) described in the second sentence of subsection (d)(5)(A), $8,000, and

''(III) described in subsection (d)(5)(A)(ii)(II), $9,600,

''(iii) for the 3rd taxable year in the recovery period—

''(I) described in subsection (d)(5)(A)(ii)(I), $3,850,

''(II) described in the second sentence of subsection (d)(5)(A), $4,800, and

''(III) described in subsection (d)(5)(A)(ii)(II), $5,775, and

''(iv) for each succeeding taxable year in the recovery period—

''(I) described in subsection (d)(5)(A)(ii)(I), $2,325,

''(II) described in the second sentence of subsection (d)(5)(A), $2,900, and

''(III) described in subsection (d)(5)(A)(ii)(II), $3,475.''.

(2) YEARS AFTER RECOVERY PERIOD.—Section 280F(a)(1)(B)(ii) of such Code is amended to read as follows:

''(ii) LIMITATION.—The amount treated as an expense under clause (i) for any taxable year shall not exceed for any passenger automobile—

''(I) described in subsection (d)(5)(A)(ii)(I), $2,325,

''(II) described in the second sentence of subsection (d)(5)(A), $2,900, and

''(III) described in subsection (d)(5)(A)(ii)(II), $3,475.''.

(3) INFLATION ADJUSTMENT.—Section 280F(d)(7) of such Code (relating to automobile price inflation adjustment) is amended—

(A) by striking ''after 1988'' in subparagraph (A) and inserting ''after 2006'', and

(B) by striking subparagraph (B) and inserting the following new subparagraph:

''(B) AUTOMOBILE PRICE INFLATION ADJUSTMENT.—For purposes of this paragraph—

''(i) IN GENERAL.—The automobile price inflation adjustment for any calendar year is the percentage (if any) by which—

''(I) the average wage index for the preceding calendar year, exceeds

''(II) the average wage index for 2005.

''(ii) AVERAGE WAGE INDEX.—The term 'average wage index' means the average wage index published by the Social Security Administration.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after the date of the enactment of this Act.

(c) EXPENSING LIMITATION FOR FARM VEHICLES.—

(1) IN GENERAL.—Paragraph (6) of section 179(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended to read as follows:

''(6) LIMITATION ON COST TAKEN INTO ACCOUNT FOR FARM VEHICLES.—The cost of any vehicle described in section 280F(d)(5)(B)(iii) for any taxable year which may be taken into account under this section shall not exceed $30,000.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after the date of the enactment of this Act.

**Subtitle B—Fuel Choices for the 21st Century**

**SEC. __11. INCREASE IN ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.**

(a) IN GENERAL.—Subsection (a) of section 30C of the Internal Revenue Code of 1986 is amended by striking ''30 percent'' and inserting ''50 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

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**SA 4709.** Mr. OBAMA (for himself, Mr. LUGAR, Mr. BIDEN, Mr. BINGAMAN, Mr. COLEMAN, Mr. SPECTER, Mr. SMITH, and Mr. HARKIN) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

On page 18, after line 17, add the following:

**SEC. 6. FUEL ECONOMY REFORM.**

(a) SHORT TITLE.—This section may be cited as the ''Fuel Economy Reform Act''.

(b) FINDINGS.—Congress makes the following findings:

(1) United States dependence on oil imports imposes tremendous burdens on America's economy, foreign policy, and military.

(2) According to the Energy Information Administration, 60 percent of the crude oil and petroleum products consumed in the United States between April 2005 and March 2006 (12,400,000 barrels per day) was imported. At a cost of $75 per barrel of oil, Americans remit more than $600,000 per minute to other countries for petroleum, money that could have been spent creating domestic jobs and strengthening our Nation's economy.

(3) A significant percentage of these petroleum imports originate in countries controlled by regimes that are unstable or openly hostile to the interests of the United States. Dependence on production from these countries contributes to the volatility of domestic and global markets and the ''risk premium'' paid by American consumers.

(4) The Energy Information Administration projects that the total petroleum demand in the United States will increase by 23 percent between 2006 and 2026, while domestic crude production is expected to decrease by 11 percent, resulting in an anticipated 28 percent increase in petroleum imports. Absent significant action, our Nation will become more vulnerable to oil price increases, more dependent upon foreign oil, and less able to pursue our national interests.

(5) America's ability to broadly transition to alternative fuels, such as cellulosic ethanol and hydrogen, is predicated upon producing more fuel-efficient vehicles. Failure to do so would tax scarce resources and increase long-term costs.

(6) Two-thirds of all domestic oil use occurs in the transportation sector, which is 97 percent reliant upon petroleum-based fuels. Passenger vehicles, including light trucks under 10,000 pounds gross vehicle weight, represent over 60 percent of the oil used in the transportation sector.

(7) Corporate average fuel economy of all cars and trucks improved by 70 percent between 1975 and 1987. Between 1987 and 2006, fuel economy improvements have stagnated and are much worse than the vehicle fuel economy in many developed countries and some developing countries, including China.

(8) Significant improvements in engine technology occurred between 1986 and 2006.

These advances have been used to make vehicles larger and more powerful, rather than to increase fuel economy. Between 1985 and 2005, average vehicle horsepower nearly doubled, average vehicle weight increased by 25 percent, and acceleration times for new vehicles improved by 25 percent. During the same time period, average vehicle fuel economy decreased by 2 percent.

(9) According to a 2002 fuel economy report by the National Academies of Science, improvements in gasoline engine technology offer the opportunity to increase fuel economy by 50 percent, while maintaining vehicle size and performance and improving safety. The fleet analyzed by the Academies would average 37 miles per gallon. When the report was released in 2002, it noted that these technologies could be available for wide use within 10 to 15 years.

(10) The 2002 fuel economy report study clearly states that fuel economy can be increased without negatively impacting the safety of America's cars and trucks. Some new technologies can increase both safety and fuel economy (such as high strength materials, unibody design, lower bumpers). Design changes related to fuel economy also present opportunities to reduce the incompatibility of tall, stiff, heavy vehicles with the majority of vehicles on the road.

(11) A 2004 report by David Greene of Oak Ridge National Labs entitled, ''The Effect of Fuel Economy on Automobile Safety: A Reexamination'', demonstrates that fuel economy is not linked with increased fatalities. The report notes that, ''higher mpg is significantly correlated with fewer fatalities''. In other words, a thorough analysis of data from 1966 to 2002 indicates that vehicle manufacturers can simultaneously increase fuel economy and improve vehicle safety.

(12) A 2002 study entitled, ''An Analysis of Traffic Deaths by Vehicle Type and Model'', by Marc Ross and Tom Wenzel from the University of Michigan, demonstrates that large vehicles do not have lower fatality rates than smaller vehicles. Ross and Wenzel analyzed Federal accident data between 1995 and 1999 and showed that the Honda Civic and Volkswagen Jetta both had lower fatality rates for the driver than the Ford Explorer, the Dodge Ram, or the Toyota 4Runner. Even the largest vehicles, such as the Chevrolet Tahoe and Suburban, had fatality rates that were no better than the Jetta or the Nissan Maxima. In other words, a well-designed compact car can be safer than an sport-utility vehicle or a pickup truck. Design, rather than weight, is the key to vehicle safety.

(13) Significant change must occur to strengthen the economic competitiveness of the domestic auto industry. According to a recent study by the University of Michigan, a sustained gasoline price of $2.86 per gallon would lead Detroit's Big 3 automakers' profits to shrink by $7,000,000,000 as they absorb 75 percent of the lost vehicle sales. This would put nearly 300,000 Americans out of work.

(14) Opportunities exist to strengthen the domestic vehicle industry while improving fuel economy. A 2004 study performed by the University of Michigan concludes that the provision of $1,500,000,000 in tax incentives over 10 years to enable the retrofit of domestic manufacturing and parts facilities to produce clean cars would lead to a gain of nearly 60,000 domestic jobs and pay for itself through the resulting increase in domestic tax receipts.

(c) DEFINITION OF AUTOMOBILE.—

(1) IN GENERAL.—Section 32901(a)(3) of title 49, United States Code, is amended by striking ''rated at—'' and all that follows through the period at the end and inserting ''rated at not more than 10,000 pounds gross vehicle weight.''.

(2) FUEL ECONOMY INFORMATION.—Section 32908(a) of title 49, United States Code, is amended, by striking ''section—'' and all that follows through ''(2)'' and inserting ''section, the term''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to model year 2009 and each subsequent model year.

(d) AVERAGE FUEL ECONOMY STANDARDS.—

(1) STANDARDS.—Section 32902 of title 49, United States Code, is amended—

(A) in subsection (a)—

(i) in the header, by inserting ''MANUFACTURED BEFORE MODEL YEAR 2012'' after ''NON-PASSENGER AUTOMOBILES''; and

(ii) by adding at the end the following: ''This subsection shall not apply to automobiles manufactured after model year 2011.'';

(B) in subsection (b)—

(i) in the header, by inserting ''MANUFACTURED BEFORE MODEL YEAR 2012'' after ''PASSENGER AUTOMOBILES'';

(ii) by inserting ''and before model year 2009'' after ''1984''; and

(iii) by adding at the end the following: ''Such standard shall be increased by 4 percent per year for model years 2009 through 2011 (rounded to the nearest 1/10 mile per gallon)'';

(C) by amending subsection (c) to read as follows:

''(c) AUTOMOBILES MANUFACTURED AFTER MODEL YEAR 2011.—(1) Not later than 18 months before the beginning of each model year after model year 2011, the Secretary of Transportation shall prescribe, by regulation—

''(A) an average fuel economy standard for automobiles manufactured by a manufacturer in that model year; or

''(B) based on 1 or more vehicle attributes that relate to fuel economy—

''(i) separate standards for different classes of automobiles; or

''(ii) standards expressed in the form of a mathematical function.

''(2)(A) Except as provided under paragraphs (3) and (4) and subsection (d), standards under paragraph (1) shall attain a projected aggregate level of average fuel economy of 27.5 miles per gallon for all automobiles manufactured by all manufacturers for model year 2012.

''(B) The projected aggregate level of average fuel economy for model year 2013 and each succeeding model year shall be increased by 4 percent from the level for the prior model year (rounded to the nearest 1/10 mile per gallon).

''(C) Notwithstanding subparagraphs (A) and (B), the fleetwide average fuel economy standard for passenger automobiles manufactured by a manufacturer in a model year for that manufacturer's domestic fleet and for its foreign fleet as calculated under section 32904 as in effect before the date of enactment of the Fuel Economy Reform Act shall not be less than 92 percent of the average fuel economy projected by the Secretary for the combined domestic and foreign fleets manufactured by all manufacturers in that model year.

''(3) If the actual aggregate level of average fuel economy achieved by manufacturers for each of 3 consecutive model years is at least 5 percent less than the projected aggregate level of average fuel economy for such model year, the Secretary shall make appropriate adjustments to the standards prescribed under this subsection.

''(4)(A) Notwithstanding paragraphs (1) through (3) and subsection (b), the Secretary of Transportation may prescribe a lower average fuel economy standard for 1 or more model years if the Secretary of Transportation, in consultation with the Secretary of Energy, determines that the minimum standards prescribed under paragraph (2) or (3) or subsection (b) for each model year—

''(i) are technologically unachievable;

''(ii) cannot be achieved without materially reducing the overall safety of automobiles manufactured or sold in the United States; or

''(iii) is shown, by clear and convincing evidence, not to be cost effective.

''(B) If a lower standard is prescribed for a model year under subparagraph (A), such standard shall be the maximum standard that—

''(i) is technologically achievable;

''(ii) can be achieved without materially reducing the overall safety of automobiles manufactured or sold in the United States; and

''(iii) is cost effective.

''(5) In determining cost effectiveness under paragraph (4)(A)(iii), the Secretary of Transportation shall take into account the total value to the Nation of reduced petroleum use, including the value of reducing external costs of petroleum use, using a value for such costs equal to 50 percent of the value of a gallon of gasoline saved or the amount determined in an analysis of the external costs of petroleum use that considers—

''(A) value to consumers;

''(B) economic security;

''(C) national security;

''(D) foreign policy;

''(E) the impact of oil use—

''(i) on sustained cartel rents paid to foreign suppliers;

''(ii) on long-run potential gross domestic product due to higher normal-market oil price levels, including inflationary impacts;

''(iii) on import costs, wealth transfers, and potential gross domestic product due to increased trade imbalances;

''(iv) on import costs and wealth transfers during oil shocks;

''(v) on macroeconomic dislocation and adjustment costs during oil shocks;

''(vi) on the cost of existing energy security policies, including the management of the Strategic Petroleum Reserve;

''(vii) on the timing and severity of the oil peaking problem;

''(viii) on the risk, probability, size, and duration of oil supply disruptions;

''(ix) on OPEC strategic behavior and long-run oil pricing;

''(x) on the short term elasticity of energy demand and the magnitude of price increases resulting from a supply shock;

''(xi) on oil imports, military costs, and related security costs, including intelligence, homeland security, sea lane security and infrastructure, and other military activities;

''(xii) on oil imports, diplomatic and foreign policy flexibility, and connections to geopolitical strife, terrorism, and international development activities;

''(xiii) all relevant environmental hazards under the jurisdiction of the Environmental Protection Agency; and

''(xiv) on well-to-wheels urban and local air emissions of 'pollutants' and their uninternalized costs;

''(F) the impact of the oil or energy intensity of the United States economy on the sensitivity of the economy to oil price changes, including the magnitude of gross domestic product losses in response to short term price shocks or long term price increases;

''(G) the impact of United States payments for oil imports on political, economic, and military developments in unstable or unfriendly oil exporting countries;

''(H) the uninternalized costs of pipeline and storage oil seepage, and for risk of oil

spills from production, handling, and transport, and related landscape damage; and

''(I) additional relevant factors, as determined by the Secretary.

''(6) When considering the value to consumers of a gallon of gasoline saved, the Secretary of Transportation may not use a value less than the greatest of—

''(A) the average national cost of a gallon of gasoline sold in the United States during the 12-month period ending on the date on which the new fuel economy standard is proposed;

''(B) the most recent weekly estimate by the Energy Information Administration of the Department of Energy of the average national cost of a gallon of gasoline (all grades) sold in the United States; or

''(C) the gasoline prices projected by the Energy Information Administration for the 20-year period beginning in the year following the year in which the standards are established.

''(7) In prescribing standards under this subsection, the Secretary may prescribe standards for 1 or more model years.

''(8)(A) Not later than December 31, 2016, the Secretary of Transportation, the Secretary of Energy, and the Administrator of the Environmental Protection Agency shall submit a joint report to Congress on the state of global automotive efficiency technology development, and on the accuracy of tests used to measure fuel economy of automobiles under section 32904(c), utilizing the study and assessment of the National Academy of Sciences referred to in subparagraph (B).

''(B) The Secretary shall enter into appropriate arrangements with the National Academy of Sciences to conduct a comprehensive study of the technological opportunities to enhance fuel economy and an analysis and assessment of the accuracy of fuel economy tests used by the Administrator of the Environmental Protection Agency to measure fuel economy for each model under section 32904(c). Such analysis and assessment shall identify any additional factors or methods that should be included in tests to measure fuel economy for each model to more accurately reflect actual fuel economy of automobiles. The Secretary and the Administrator of the Environmental Protection Agency shall furnish, at the request of the Academy, any information which the Academy determines to be necessary to conduct the study, analysis, and assessment under this subparagraph.

''(C) The report submitted under subparagraph (A) shall include—

''(i) the study of the National Academy of Sciences referred to in subparagraph (B); and

''(ii) an assessment by the Secretary of technological opportunities to enhance fuel economy and opportunities to increase overall fleet safety.

''(D) The report submitted under subparagraph (A) shall identify and examine additional opportunities to reform the regulatory structure under this chapter, including approaches that seek to merge vehicle and fuel requirements into a single system that achieves equal or greater reduction in petroleum use and environmental benefits.

''(E) The report submitted under subparagraph (A) shall—

''(i) include conclusions reached by the Administrator of the Environmental Protection Agency, as a result of detailed analysis and public comment, on the accuracy of current fuel economy tests;

''(ii) identify any additional factors that the Administrator determines should be included in tests to measure fuel economy for each model to more accurately reflect actual fuel economy of automobiles; and

''(iii) include a description of options, formulated by the Secretary and the Administrator, to incorporate such additional factors in fuel economy tests in a manner that will not effectively increase or decrease average fuel economy for any automobile manufacturer.

''(F) There is authorized to be appropriated to the Secretary such amounts as are required to carry out the study, analysis, and assessment required by subparagraph (B).''; and

(D) in subsection (g)(2), by striking ''(and submit the amendment to Congress when required under subsection (c)(2) of this section)''.

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Chapter 329 of title 49, United States Code, is amended—

(i) in section 32903—

(I) by striking ''passenger'' each place it appears;

(II) by striking ''section 32902(b)–(d) of this title'' each place it appears and inserting ''subsection (c) or (d) of section 32902'';

(III) by striking subsection (e); and

(IV) by redesignating subsection (f) as subsection (e); and

(ii) in section 32904(a)—

(I) by striking ''passenger'' each place it appears; and

(II) in paragraph (1), by striking ''subject to'' and all that follows through ''section 32902(b)–(d) of this title'' and inserting ''subsection (c) or (d) of section 32902''.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall apply to automobiles manufactured after model year 2011.

(e) CREDIT TRADING AND COMPLIANCE.—

(1) CREDIT TRADING.—Section 32903(a) of title 49, United States Code, is amended—

(A) by inserting ''Credits earned by a manufacturer under this section may be sold to any other manufacturer and used as if earned by that manufacturer; except that credits earned by a manufacturer described in section 32904(b)(1)(A)(i) may not be sold to or purchased by a manufacturer described in 32904(b)(1)(A)(ii),'' after ''earns credits.''; and

(B) by striking ''3 consecutive model years immediately'' each place it appears and inserting ''model years''.

(2) TREATMENT OF IMPORTS.—

(A) CONFORMING AMENDMENT.—Section 32904(b) is amended by striking ''passenger'' each place it appears.

(B) APPLICABILITY.—The amendments made by subparagraph (A) shall apply to automobiles manufactured after model year 2011.

(3) MULTI-YEAR COMPLIANCE PERIOD.—Section 32904(c) of such title is amended—

(A) by inserting ''(1)'' before ''The Administrator''; and

(B) by adding at the end the following:

''(2) The Secretary, by rule, may allow a manufacturer to elect a multi-year compliance period of not more than 4 consecutive model years in lieu of the single model year compliance period otherwise applicable under this chapter.''.

(f) CONSUMER TAX CREDIT.—

(1) ELIMINATION ON NUMBER OF NEW QUALIFIED HYBRID AND ADVANCED LEAN BURN TECHNOLOGY VEHICLES ELIGIBLE FOR ALTERNATIVE MOTOR VEHICLE CREDIT.—

(A) IN GENERAL.—Section 30B of the Internal Revenue Code of 1986 is amended—

(i) in subsection (c)(2)(A), by inserting ''and highway'' after ''city'' in each place it appears;

(ii) in subsection (d)(2)(B)(ii), by inserting ''and highway'' after ''city'' in each place it appears;

(iii) by striking subsection (f);

(iv) by redesignating subsections (g) through (j) as subsections (f) through (i), respectively; and

(v) in subsection (g)(2), as redesignated, by inserting ''and highway'' after ''city'' in each place it appears.

(B) CONFORMING AMENDMENTS.—

(i) Paragraphs (4) and (6) of section 30B(h) of such Code are each amended by striking ''(determined without regard to subsection (g))'' and inserting ''determined without regard to subsection (f))''.

(ii) Section 38(b)(25) of such Code is amended by striking ''section 30B(g)(1)'' and inserting ''section 30B(f)(1)''.

(iii) Section 55(c)(2) of such Code is amended by striking ''section 30B(g)(2)'' and inserting ''section 30B(f)(2)''.

(iv) Section 1016(a)(36) of such Code is amended by striking ''section 30B(h)(4)'' and inserting ''section 30B(g)(4)''.

(v) Section 6501(m) of such Code is amended by striking ''section 30B(h)(9)'' and inserting ''section 30B(g)(9)''.

(2) EXTENSION OF ALTERNATIVE VEHICLE CREDIT FOR NEW QUALIFIED HYBRID MOTOR VEHICLES.—Paragraph (3) of section 30B(i) of such Code (as redesignated by paragraph (1)) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

(g) ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.—

(1) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to foreign tax credit, etc.) is amended by adding at the end the following:

**''SEC. 30D. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.**

''(a) CREDIT ALLOWED.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 35 percent of the qualified investment of an eligible taxpayer for such taxable year.

''(b) QUALIFIED INVESTMENT.—For purposes of this section—

''(1) IN GENERAL.—The qualified investment for any taxable year is equal to the incremental costs incurred during such taxable year—

''(A) to re-equip, expand, or establish any manufacturing facility in the United States of the eligible taxpayer to produce advanced technology motor vehicles or to produce eligible components,

''(B) for engineering integration performed in the United States of such vehicles and components as described in subsection (d),

''(C) for research and development performed in the United States related to advanced technology motor vehicles and eligible components, and

''(D) for employee retraining with respect to the manufacturing of such vehicles or components (determined without regard to wages or salaries of such retrained employees).

''(2) ATTRIBUTION RULES.—In the event a facility of the eligible taxpayer produces both advanced technology motor vehicles and conventional motor vehicles, or eligible and non-eligible components, only the qualified investment attributable to production of advanced technology motor vehicles and eligible components shall be taken into account.

''(c) DEFINITIONS.—In this section:

''(1) ADVANCED TECHNOLOGY MOTOR VEHICLE.—The term 'advanced technology motor vehicle' means—

''(A) any qualified electric vehicle (as defined in section 30(c)(1)),

''(B) any new qualified fuel cell motor vehicle (as defined in section 30B(b)(3)),

''(C) any new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3)),

''(D) any new qualified hybrid motor vehicle (as defined in section 30B(d)(2)(A) and determined without regard to any gross vehicle weight rating),

''(E) any new qualified alternative fuel motor vehicle (as defined in section 30B(e)(4), including any mixed-fuel vehicle (as defined in section 30B(e)(5)(B)), and

''(F) any other motor vehicle using electric drive transportation technology (as defined in paragraph (3)).

''(2) ELECTRIC DRIVE TRANSPORTATION TECHNOLOGY.—The term 'electric drive transportation technology' means technology used by vehicles that use an electric motor for all or part of their motive power and that may or may not use off-board electricity, such as battery electric vehicles, fuel cell vehicles, engine dominant hybrid electric vehicles, plug-in hybrid electric vehicles, and plug-in hybrid fuel cell vehicles.

''(3) ELIGIBLE COMPONENTS.—The term 'eligible component' means any component inherent to any advanced technology motor vehicle, including—

''(A) with respect to any gasoline or diesel-electric new qualified hybrid motor vehicle—

''(i) electric motor or generator;

''(ii) power split device;

''(iii) power control unit;

''(iv) power controls;

''(v) integrated starter generator; or

''(vi) battery;

''(B) with respect to any hydraulic new qualified hybrid motor vehicle—

''(i) accumulator or other energy storage device;

''(ii) hydraulic pump;

''(iii) hydraulic pump-motor assembly;

''(iv) power control unit; and

''(v) power controls;

''(C) with respect to any new advanced lean burn technology motor vehicle—

''(i) diesel engine;

''(ii) turbo charger;

''(iii) fuel injection system; or

''(iv) after-treatment system, such as a particle filter or NOx absorber; and

''(D) with respect to any advanced technology motor vehicle, any other component submitted for approval by the Secretary.

''(4) ELIGIBLE TAXPAYER.—The term 'eligible taxpayer' means any taxpayer if more than 20 percent of the taxpayer's gross receipts for the taxable year is derived from the manufacture of motor vehicles or any component parts of such vehicles.

''(d) ENGINEERING INTEGRATION COSTS.—For purposes of subsection (b)(1)(B), costs for engineering integration are costs incurred prior to the market introduction of advanced technology vehicles for engineering tasks related to—

''(1) establishing functional, structural, and performance requirements for component and subsystems to meet overall vehicle objectives for a specific application,

''(2) designing interfaces for components and subsystems with mating systems within a specific vehicle application,

''(3) designing cost effective, efficient, and reliable manufacturing processes to produce components and subsystems for a specific vehicle application, and

''(4) validating functionality and performance of components and subsystems for a specific vehicle application.

''(e) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

''(1) the sum of—

''(A) the regular tax liability (as defined in section 26(b)) for such taxable year, plus

''(B) the tax imposed by section 55 for such taxable year and any prior taxable year beginning after 1986 and not taken into account under section 53 for any prior taxable year, over

''(2) the sum of the credits allowable under subpart A and sections 27, 30, and 30B for the taxable year.

''(f) REDUCTION IN BASIS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(g) NO DOUBLE BENEFIT.—

''(1) COORDINATION WITH OTHER DEDUCTIONS AND CREDITS.—Except as provided in paragraph (2), the amount of any deduction or other credit allowable under this chapter for any cost taken into account in determining the amount of the credit under subsection (a) shall be reduced by the amount of such credit attributable to such cost.

''(2) RESEARCH AND DEVELOPMENT COSTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), any amount described in subsection (b)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year shall not be taken into account for purposes of determining the credit under section 41 for such taxable year.

''(B) COSTS TAKEN INTO ACCOUNT IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any amounts described in subsection (b)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

''(h) BUSINESS CARRYOVERS ALLOWED.—If the credit allowable under subsection (a) for a taxable year exceeds the limitation under subsection (e) for such taxable year, such excess (to the extent of the credit allowable with respect to property subject to the allowance for depreciation) shall be allowed as a credit carryback to each of the 15 taxable years immediately preceding the unused credit year and as a carryforward to each of the 20 taxable years immediately following the unused credit year.

''(i) SPECIAL RULES.—For purposes of this section, rules similar to the rules of section 179A(e)(4) and paragraphs (1) and (2) of section 41(f) shall apply

''(j) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any property if the taxpayer elects not to have this section apply to such property.

''(k) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

''(l) TERMINATION.—This section shall not apply to any qualified investment after December 31, 2010.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1016(a) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting '', and'', and by adding at the end the following:

''(38) to the extent provided in section 30D(g).''.

(B) Section 6501(m) of such Code is amended by inserting ''30D(k),'' after ''30C(e)(5),''.

(C) The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 30C the following:

''Sec. 30D. Advanced technology motor vehicles manufacturing credit.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts incurred in taxable years beginning after December 31, 1999.

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**SA 4710.** Mr. OBAMA (for himself and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**TITLE ____—HEALTH CARE FOR HYBRIDS**

**SEC. __01. SHORT TITLE.**

This title may be cited as the ''Health Care for Hybrids Act''.

**SEC. __02. FINDINGS.**

Congress makes the following findings:

(1) The United States imports over half the oil it consumes.

(2) According to present trends, the United States reliance on foreign oil will increase to 68 percent of its total consumption by 2025.

(3) With only 3 percent of the world's known oil reserves, the health of the United States economy is dependent on world oil prices.

(4) World oil prices are overwhelmingly dictated by countries other than the United States, thus endangering our economic and national security.

(5) Legacy health care costs associated with retiree workers are an increasing burden on the global competitiveness of American industries.

(6) American automakers have lagged behind their foreign competitors in producing hybrid and other energy efficient automobiles.

(7) Innovative uses of new technology in automobiles in the United States will help retain American jobs, support health care obligations for retiring workers in the automotive sector, decrease America's dependence on foreign oil, and address pressing environmental concerns.

**Subtitle A—Program**

**SEC. __11. COORDINATING TASK FORCE.**

Not later than 6 months after the date of enactment of this Act, the Secretary of Energy, the Secretary of Health and Human Services, the Secretary of Transportation, and the Secretary of the Treasury shall establish, and appoint an equal number of representatives to, a task force (referred to in this Act as the ''task force'') to administer the program established under this Act.

**SEC. __12. ESTABLISHMENT OF PROGRAM.**

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the task force established under section __11 shall establish a program to provide financial assistance to eligible domestic automobile manufacturers for the costs incurred in providing health benefits to their retired employees.

(b) CONSULTATION.—In establishing the program under subsection (a), the task force shall consult with representatives from the domestic automobile manufacturers, unions representing employees of such manufacturers, and consumer and environmental groups.

(c) ELIGIBLE DOMESTIC AUTOMOBILE MANUFACTURER.—To be eligible to receive financial assistance under the program established under subsection (a), a domestic automobile manufacturer shall—

(1) submit an application to the task force at such time, in such manner, and containing such information as the task force shall require;

(2) certify that such manufacturer is providing full health care coverage to all of its domestic employees;

(3) provide an assurance that the manufacturer will invest an amount equal to not less than 50 percent of the amount of health savings derived by the manufacturer as a result of its retiree health care costs being covered under the program under this section, in—

(A) the domestic manufacture and commercialization of petroleum fuel reduction technologies, including alternative or flexible fuel vehicles, hybrids, and other state-of-the-art fuel saving technologies;

(B) the retraining of workers and retooling of assembly lines for such domestic manufacture and commercialization;

(C) research and development, design, commercialization, and other costs related to the diversifying of domestic production of automobiles through the offering of high performance fuel efficient vehicles; and

(D) assisting domestic automobile component suppliers to retool their domestic manufacturing plants to produce components for petroleum fuel reduction technologies, including alternative or flexible fuel vehicles, hybrid, advanced diesel, or other state-of-the-art fuel saving technologies; and

(4) provide additional assurances and information as the task force may require, including information needed by the task force to audit the manufacturer's compliance with the requirements of the program.

(d) LIMITATION.—The total amount of financial assistance that may be provided each year under the program under this section with respect to any single domestic automobile manufacturer shall not exceed an amount equal to 10 percent of the retiree health care costs of that manufacturer for that year.

**SEC. __13. REPORTING.**

Not later than 6 months after the date of enactment of this Act, and every 6 months thereafter, the task force shall submit to Congress a report on any financial assistance provided under this program under this Act and the resulting changes in the manufacture and commercialization of fuel saving technologies implemented by auto manufacturers as a result of such financial assistance. Not later than 1 year after the date of enactment of this Act, the task force shall submit a report to Congress on the effectiveness of current consumer incentives available for the purchase of hybrid vehicles in encouraging the purchase of such vehicles and whether these incentives should be expanded.

**SEC. __14. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated, such sums as may be necessary in each fiscal year to carry out this Act.

**SEC. __15. LIMITATION ON BACKSLIDING.**

To be eligible to receive financial assistance under this subtitle, a manufacturer shall provide assurances to the task force that fuel savings achieved with respect its average adjusted fuel economy will not result in decreases with respect to fuel economy elsewhere in the domestic fleet. The task force shall determine compliance with such assurances using accepted measurements of fuel savings.

**SEC. __16. TERMINATION OF PROGRAM.**

The program established under this subtitle shall terminate on December 31, 2015.

**Subtitle B—Offsets**

**SEC. __21. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.**

(a) IN GENERAL.—Section 7701 of the Internal Revenue Code of 1986 is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

''(o) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

''(1) GENERAL RULES.—

''(A) IN GENERAL.—In any case in which a court determines that the economic substance doctrine is relevant for purposes of this title to a transaction (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

''(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—A transaction has economic substance only if—

''(I) the transaction changes in a meaningful way (apart from Federal tax effects) the taxpayer's economic position, and

''(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

In applying subclause (II), a purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax

''(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

''(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

''(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

''(C) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

''(2) SPECIAL RULES FOR TRANSACTION WITH TAX-INDIFFERENT PARTIES.—

''(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction is substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

''(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

''(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

''(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

''(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) ECONOMIC SUBSTANCE DOCTRINE.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

''(B) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

''(C) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

''(D) TREATMENT OF LESSORS.—In applying paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease—

''(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

''(I) depreciation,

''(II) any tax credit, or

''(III) any other deduction as provided in guidance by the Secretary, and

''(ii) subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

''(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

''(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

**SEC. __22. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.**

(a) IN GENERAL.—Subchapter A of chapter 68 of the Internal Revenue Code of 1986 is amended by inserting after section 6662A the following new section:

**"SEC. 6662A. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.**

''(a) IMPOSITION OF PENALTY.—If a taxpayer has an noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

''(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by substituting '20 percent' for '40 percent' with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

''(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'noneconomic substance transaction understatement' means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than items to which section 6662A would apply without regard to this paragraph.

''(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term 'noneconomic substance transaction' means any transaction if—

''(A) there is a lack of economic substance (within the meaning of section 7701(o)(1)) for the transaction giving rise to the claimed

benefit or the transaction was not respected under section 7701(o)(2), or

''(B) the transaction fails to meet the requirements of any similar rule of law.

''(d) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

''(1) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

''(2) APPLICABLE RULES.—The rules of paragraphs (2) and (3) of section 6707A(d) shall apply for purposes of paragraph (1).

''(e) COORDINATION WITH OTHER PENALTIES.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

''(f) CROSS REFERENCES.—

''(1) For coordination of penalty with understatements under section 6662 and other special rules, see section 6662A(e).

''(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e).''.

(b) COORDINATION WITH OTHER UNDERSTATEMENTS AND PENALTIES.—

(1) The second sentence of section 6662(d)(2)(A) of the Internal Revenue Code of 1986 is amended by inserting ''and without regard to items with respect to which a penalty is imposed by section 6662B'' before the period at the end.

(2) Subsection (e) of section 6662A of the Internal Revenue Code of 1986 is amended—

(A) in paragraph (1), by inserting ''and noneconomic substance transaction understatements'' after ''reportable transaction understatements'' both places it appears,

(B) in paragraph (2)(A), by inserting ''and a noneconomic substance transaction understatement'' after ''reportable transaction understatement'',

(C) in paragraph (2)(B), by inserting ''6662B or'' before ''6663'',

(D) in paragraph (2)(C)(i), by inserting ''or section 6662B'' before the period at the end,

(E) in paragraph (2)(C)(ii), by inserting ''and section 6662B'' after ''This section'',

(F) in paragraph (3), by inserting ''or noneconomic substance transaction understatement'' after ''reportable transaction understatement'', and

(G) by adding at the end the following new paragraph:

''(3) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this subsection, the term 'noneconomic substance transaction understatement' has the meaning given such term by section 6662B(c).''.

(3) Subsection (e) of section 6707A of the Internal Revenue Code of 1986 is amended—

(A) by striking ''or'' at the end of subparagraph (B), and

(B) by striking subparagraph (C) and inserting the following new subparagraphs:

''(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction, or

''(D) is required to pay a penalty under section 6662(h) with respect to any transaction and would (but for section 6662A(e)(2)(C)) have been subject to penalty under section 6662A at a rate prescribed under section 6662A(c) or under section 6662B,''.

(c) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 68 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 6662A the following new item:

''Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

**SEC. _23. DENIAL OF DEDUCTION FOR INTEREST ON UNDERPAYMENTS ATTRIBUTABLE TO NONECONOMIC SUBSTANCE TRANSACTIONS.**

(a) IN GENERAL.—Section 163(m) of the Internal Revenue Code of 1986 (relating to interest on unpaid taxes attributable to nondisclosed reportable transactions) is amended—

(1) by striking ''attributable'' and all that follows and inserting the following: ''attributable to—

''(1) the portion of any reportable transaction understatement (as defined in section 6662A(b)) with respect to which the requirement of section 6664(d)(2)(A) is not met, or

''(2) any noneconomic substance transaction understatement (as defined in section 6662B(c)).''; and

(2) by inserting ''and noneconomic substance transactions'' after ''transactions''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act in taxable years ending after such date.

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**SA 4711.** Mr. OBAMA (for himself and Mr. LUGAR) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**TITLE ____—ALTERNATIVE FUELS**

**SEC. ___01. OFFICE OF ENERGY SECURITY.**

(a) DEFINITIONS.—In this section:

(1) DIRECTOR.—The term ''Director'' means the Director of Energy Security appointed under subsection (c)(1).

(2) OFFICE.—The term ''Office'' means the Office of Energy Security established by subsection (b).

(b) ESTABLISHMENT.—There is established in the Executive Office of the President the Office of Energy Security.

(c) DIRECTOR.—

(1) IN GENERAL.—The Office shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) RATE OF PAY.—The Director shall be paid at a rate of pay equal to level I of the Executive Schedule under section 5312 of title 5, United States Code.

(d) RESPONSIBILITIES.—

(1) IN GENERAL.—The Office, acting through the Director, shall be responsible for overseeing all Federal energy security programs, including the coordination of efforts of Federal agencies to assist the United States in achieving full energy independence.

(2) SPECIFIC RESPONSIBILITIES.—In carrying out paragraph (1), the Director shall—

(A) serve as head of the energy community;

(B) act as the principal advisor to the President, the National Security Council, the National Economic Council, the Domestic Policy Council, and the Homeland Security Council with respect to intelligence matters relating to energy security;

(C) with request to budget requests and appropriations for Federal programs relating to energy security—

(i) consult with the President and the Director of the Office of Management and Budget with respect to each major Federal budgetary decision relating to energy security of the United States;

(ii) based on priorities established by the President, provide to the heads of departments containing agencies or organizations within the energy community, and to the heads of such agencies and organizations, guidance for use in developing the budget for Federal programs relating to energy security;

(iii) based on budget proposals provided to the Director by the heads of agencies and organizations described in clause (ii), develop and determine an annual consolidated budget for Federal programs relating to energy security; and

(iv) present the consolidated budget, together with any recommendations of the Director and any heads of agencies and organizations described in clause (ii), to the President for approval;

(D) establish and meet regularly with a council of business and labor leaders to develop and provide to the President and Congress recommendations relating to the impact of energy supply and prices on economic growth;

(E) submit to Congress an annual report that describes the progress of the United States toward the goal of achieving full energy independence; and

(F) carry out such other responsibilities as the President may assign.

(e) STAFF.—

(1) IN GENERAL.—The Director may, without regard to the civil service laws (including regulations), appoint and terminate such personnel as are necessary to enable the Director to carry out the responsibilities of the Director under this section.

(2) COMPENSATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Director may fix the compensation of personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(B) MAXIMUM RATE OF PAY.—The rate of pay for the personnel appointed by the Director shall not exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

**SEC. ____02. CREDIT FOR PRODUCTION OF QUALIFIED FLEXIBLE FUEL MOTOR VEHICLES.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

**''SEC. 45N. PRODUCTION OF QUALIFIED FLEXIBLE FUEL MOTOR VEHICLES.**

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the qualified flexible fuel motor vehicle production credit determined under this section for any taxable year is an amount equal to $100 for each qualified flexible fuel motor vehicle produced in the United States by the manufacturer during the taxable year.

''(b) QUALIFIED FLEXIBLE FUEL MOTOR VEHICLE.—For purposes of this section, the term 'qualified flexible fuel motor vehicle' means a flexible fuel motor vehicle—

''(1) the production of which is not required for the manufacturer to meet—

''(A) the maximum credit allowable for vehicles described in paragraph (2) in determining the fleet average fuel economy requirements (as determined under section 32904 of title 49, United States Code) of the manufacturer for the model year ending in the taxable year, or

''(B) the requirements of any other provision of Federal law, and

''(2) which is designed so that the vehicle is propelled by an engine which can use as a fuel a gasoline mixture of which 85 percent (or another percentage of not less than 70 percent, as the Secretary may determine, by rule, to provide for requirements relating to cold start, safety, or vehicle functions) of the volume of consists of ethanol.

''(c) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) MOTOR VEHICLE.—The term 'motor vehicle' has the meaning given such term by section 30(c)(2).

''(2) MANUFACTURER.—The term 'manufacturer' has the meaning given such term in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

''(3) REDUCTION IN BASIS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(4) NO DOUBLE BENEFIT.—The amount of any deduction or credit allowable under this chapter (other than the credits allowable under this section and section 30B) shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year.

''(5) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

''(6) TERMINATION.—This section shall not apply to any vehicle produced after December 31, 2010.

''(7) CROSS REFERENCE.—For an election to claim certain minimum tax credits in lieu of the credit determined under this section, see section 53(e).''.

(b) CREDIT ALLOWED AGAINST THE ALTERNATIVE MINIMUM TAX.—Section 38(c)(4)(B) of the Internal Revenue Code of 1986 (defining specified credits) is amended by striking the period at the end of clause (ii)(II) and inserting '', and'', and by adding at the end the following new clause:

''(iii) the credit determined under section 45N.''.

(c) ELECTION TO USE ADDITIONAL AMT CREDIT.—Section 53 of the Internal Revenue Code of 1986 (relating to credit for prior year minimum tax liability) is amended by adding at the end the following new subsection:

''(e) ADDITIONAL CREDIT IN LIEU OF FLEXIBLE FUEL MOTOR VEHICLE CREDIT.—

''(1) IN GENERAL.—In the case of a taxpayer making an election under this subsection for a taxable year, the amount otherwise determined under subsection (c) shall be increased by any amount of the credit determined under section 45N for such taxable year which the taxpayer elects not to claim pursuant to such election.

''(2) ELECTION.—A taxpayer may make an election for any taxable year not to claim any amount of the credit allowable under section 45N with respect to property produced by the taxpayer during such taxable year. An election under this subsection may only be revoked with the consent of the Secretary.

''(3) CREDIT REFUNDABLE.—The aggregate increase in the credit allowed by this section for any taxable year by reason of this subsection shall for purposes of this title (other than subsection (b)(2) of this section) be treated as a credit allowed to the taxpayer under subpart C.''.

(d) CONFORMING AMENDMENTS.—Section 38(b) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of paragraph (29), by striking the period at the end of paragraph (30) and inserting a comma, and by adding at the end the following new paragraph:

''(31) the qualified flexible fuel motor vehicle production credit determined under section 45N, plus''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 45N. Production of qualified flexible fuel motor vehicles''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to motor vehicles produced in model years ending after the date of the enactment of this Act.

**SEC. ___03. INCENTIVES FOR THE RETAIL SALE OF ALTERNATIVE FUELS AS MOTOR VEHICLE FUEL.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by inserting after section 40A the following new section:

**''SEC. 40B. CREDIT FOR RETAIL SALE OF ALTERNATIVE FUELS AS MOTOR VEHICLE FUEL.**

''(a) GENERAL RULE.—The alternative fuel retail sales credit for any taxable year is the applicable amount for each gallon of alternative fuel sold at retail by the taxpayer during such year.

''(b) APPLICABLE AMOUNT.—For purposes of this section, the applicable amount shall be determined in accordance with the following table:

| **''In the case of any sale:** | **The applicable amount for each gallon is:** |
|---|---|
| Before 2009 | 35 cents |
| During 2009 or 2010 | 20 cents |
| During 2011 | 10 cents.'' |

''(c) DEFINITIONS.—For purposes of this section—

''(1) ALTERNATIVE FUEL.—The term 'alternative fuel' means any fuel at least 85 percent (or another percentage of not less than 70 percent, as the Secretary may determine, by rule, to provide for requirements relating to cold start, safety, or vehicle functions) of the volume of which consists of ethanol.

''(2) SOLD AT RETAIL.—

''(A) IN GENERAL.—The term 'sold at retail' means the sale, for a purpose other than resale, after manufacture, production, or importation.

''(B) USE TREATED AS SALE.—If any person uses alternative fuel (including any use after importation) as a fuel to propel any qualified alternative fuel motor vehicle (as defined in this section) before such fuel is sold at retail, then such use shall be treated in the same manner as if such fuel were sold at retail as a fuel to propel such a vehicle by such person.

''(3) QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.—The term 'new qualified alternative fuel motor vehicle' means any motor vehicle—

''(A) which is capable of operating on an alternative fuel,

''(B) the original use of which commences with the taxpayer,

''(C) which is acquired by the taxpayer for use or lease, but not for resale, and

''(D) which is made by a manufacturer.

''(d) ELECTION TO PASS CREDIT.—A person which sells alternative fuel at retail may elect to pass the credit allowable under this section to the purchaser of such fuel or, in the event the purchaser is a tax-exempt entity or otherwise declines to accept such credit, to the person which supplied such fuel, under rules established by the Secretary.

''(e) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(f) TERMINATION.—This section shall not apply to any fuel sold at retail after December 31, 2011.''.

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit) (as amended by section 3(d)) is amended by adding at the end the following new paragraph:

''(32) the alternative fuel retail sales credit determined under section 40B(a).''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 40A the following new item:

''Sec. 40B. Credit for retail sale of alternative fuels as motor vehicle fuel''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold at retail after the date of enactment of this Act, in taxable years ending after such date.

**SEC. ___04. ALTERNATIVE DIESEL FUEL CONTENT OF DIESEL.**

(a) FINDINGS.—Congress finds that—

(1) section 211(o) of the Clean Air Act (42 U.S.C. 7535(o)) (as amended by section 1501 of the Energy Policy Act of 2005 (Public Law 109–58)) established a renewable fuel program under which entities in the petroleum sector are required to blend renewable fuels into motor vehicle fuel based on the gasoline motor pool;

(2) the need for energy diversification is greater as of the date of enactment of this Act than it was only months before the date of enactment of the Energy Policy Act (Public Law 109–58; 119 Stat. 594); and

(3)(A) the renewable fuel program under section 211(o) of the Clean Air Act requires a small percentage of the gasoline motor pool, totaling nearly 140,000,000,000 gallons, to contain a renewable fuel; and

(B) the small percentage requirement described in subparagraph (A) does not include the 40,000,000,000-gallon diesel motor pool.

(b) ALTERNATIVE DIESEL FUEL PROGRAM FOR DIESEL MOTOR POOL.—Section 211 of the Clean Air Act (42 U.S.C. 7545) is amended by inserting after subsection (o) the following:

''(p) ALTERNATIVE DIESEL FUEL PROGRAM FOR DIESEL MOTOR POOL.—

''(1) DEFINITION OF ALTERNATIVE DIESEL FUEL.—

''(A) IN GENERAL.—In this subsection, the term 'alternative diesel fuel' means biodiesel (as defined in section 312(f) of the Energy Policy Act of 1992 (42 U.S.C. 13220(f))) and any blending components derived from alternative fuel (provided that only the alternative fuel portion of any such blending component shall be considered to be part of the applicable volume under the alternative diesel fuel program established by this subsection).

''(B) INCLUSIONS.—The term 'alternative diesel fuel' includes a diesel fuel substitute produced from—

''(i) animal fat;

''(ii) vegetable oil;

''(iii) recycled yellow grease;

''(iv) thermal depolymerization;

''(v) thermochemical conversion;

''(vi) the coal-to-liquid process (including the Fischer-Tropsch process); or

''(vii) a diesel-ethanol blend of not less than 7 percent ethanol.

''(2) ALTERNATIVE DIESEL FUEL PROGRAM.—

''(A) REGULATIONS.—

''(i) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Administrator shall promulgate regulations to ensure that diesel sold or introduced into commerce in the United States (except in noncontiguous States or territories), on an annual average basis, contains the applicable volume of alternative diesel fuel determined in accordance with subparagraph (B).

''(ii) PROVISIONS OF REGULATIONS.—Regardless of the date of promulgation, the regulations promulgated under clause (i)—

''(I) shall contain compliance provisions applicable to refineries, blenders, distributors, and importers, as appropriate, to ensure that the requirements of this paragraph are met; but

''(II) shall not—

''(aa) restrict geographic areas in which alternative diesel fuel may be used; or

''(bb) impose any per-gallon obligation for the use of alternative diesel fuel.

''(iii) REQUIREMENT IN CASE OF FAILURE TO PROMULGATE REGULATIONS.—If the Administrator fails to promulgate regulations under clause (i), the percentage of alternative diesel fuel in the diesel motor pool sold or dispensed to consumers in the United States, on a volume basis, shall be 0.6 percent for calendar year 2008.

''(B) APPLICABLE VOLUME.—

''(i) CALENDAR YEARS 2008 THROUGH 2015.—For the purpose of subparagraph (A), the applicable volume for any of calendar years 2008 through 2015 shall be determined in accordance with the following table:

| ''**Applicable volume of Alternative diesel fuel in diesel motor pool (in millions of gallons):** | **Calendar year:** |
|---|---|
| 250 | 2008 |
| 500 | 2009 |
| 750 | 2010 |
| 1,000 | 2011 |
| 1,250 | 2012 |
| 1,500 | 2013 |
| 1,750 | 2014 |
| 2,000 | 2015. |

''(ii) CALENDAR YEAR 2016 AND THEREAFTER.—The applicable volume for calendar year 2016 and each calendar year thereafter shall be determined by the Administrator, in coordination with the Secretary of Agriculture and the Secretary of Energy, based on a review of the implementation of the program during calendar years 2008 through 2015, including a review of—

''(I) the impact of the use of alternative diesel fuels on the environment, air quality, energy security, job creation, and rural economic development; and

''(II) the expected annual rate of future production of alternative diesel fuels to be used as a blend component or replacement to the diesel motor pool.

''(iii) MINIMUM APPLICABLE VOLUME.—For the purpose of subparagraph (A), the applicable volume for calendar year 2016 and each calendar year thereafter shall be equal to the product obtained by multiplying—

''(I) the number of gallons of diesel that the Administrator estimates will be sold or introduced into commerce during the calendar year; and

''(II) the ratio that—

''(aa) 2,000,000,000 gallons of alternative diesel fuel; bears to

''(bb) the number of gallons of diesel sold or introduced into commerce during calendar year 2015.

''(3) APPLICABLE PERCENTAGES.—

''(A) PROVISION OF ESTIMATE OF VOLUMES OF DIESEL SALES.—Not later than October 31 of each of calendar years 2007 through 2015, the Administrator of the Energy Information Administration shall provide to the Administrator an estimate, with respect to the following calendar year, of the volumes of diesel projected to be sold or introduced into commerce in the United States.

''(B) DETERMINATION OF APPLICABLE PERCENTAGES.—

''(i) IN GENERAL.—Not later than November 30 of each of calendar years 2008 through 2015, based on the estimate provided under subparagraph (A), the Administrator shall determine and publish in the Federal Register, with respect to the following calendar year, the alternative diesel fuel obligation that ensures that the requirements of paragraph (2) are met.

''(ii) REQUIRED ELEMENTS.—The alternative diesel fuel obligation determined for a calendar year under clause (i) shall—

''(I) be applicable to refineries, blenders, and importers, as appropriate;

''(II) be expressed in terms of a volume percentage of diesel sold or introduced into commerce in the United States; and

''(III) subject to subparagraph (C), consist of a single applicable percentage that applies to all categories of persons described in subclause (I).

''(C) ADJUSTMENTS.—In determining the applicable percentage for a calendar year, the Administrator shall make adjustments to prevent the imposition of redundant obligations on any person described in subparagraph (B)(ii)(I).

''(4) CREDIT PROGRAM.—

''(A) IN GENERAL.—The regulations promulgated pursuant to paragraph (2)(A) shall provide for the generation of an appropriate amount of credits by any person that refines, blends, or imports diesel that contains a quantity of alternative diesel fuel that is greater than the quantity required under paragraph (2).

''(B) USE OF CREDITS.—A person that generates a credit under subparagraph (A) may use the credit, or transfer all or a portion of the credit to another person, for the purpose of complying with regulations promulgated pursuant to paragraph (2).

''(C) DURATION OF CREDITS.—A credit generated under this paragraph shall be valid during the 1-year period beginning on the date on which the credit is generated.

''(D) INABILITY TO GENERATE OR PURCHASE SUFFICIENT CREDITS.—The regulations promulgated pursuant to paragraph (2)(A) shall include provisions allowing any person that is unable to generate or purchase sufficient credits under subparagraph (A) to meet the requirements of paragraph (2) by carrying forward a credit generated during a previous year on the condition that the person, during the calendar year following the year in which the alternative diesel fuel deficit is created—

''(i) achieves compliance with the alternative diesel fuel requirement under paragraph (2); and

''(ii) generates or purchases additional credits under subparagraph (A) to offset the deficit of the previous year.

''(5) WAIVERS.—

''(A) IN GENERAL.—The Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, may waive the requirements of paragraph (2) in whole or in part on receipt of a petition of 1 or more States by reducing the national quantity of alternative diesel fuel for the diesel motor pool required under paragraph (2) based on a determination by the Administrator, after public notice and opportunity for comment, that—

''(i) implementation of the requirement would severely harm the economy or environment of a State, a region, or the United States; or

''(ii) there is an inadequate domestic supply of alternative diesel fuel.

''(B) PETITIONS FOR WAIVERS.—Not later than 90 days after the date on which the Administrator receives a petition under subparagraph (A), the Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, shall approve or disapprove the petition.

''(C) TERMINATION OF WAIVERS.—

''(i) IN GENERAL.—Except as provided in clause (ii), a waiver under subparagraph (A) shall terminate on the date that is 1 year after the date on which the waiver is provided.

''(ii) EXCEPTION.—The Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, may extend a waiver under subparagraph (A), as the Administrator determines to be appropriate.''.

(c) PENALTIES AND ENFORCEMENT.—Section 211(d) of the Clean Air Act (42 U.S.C. 7545(d)) is amended—

(1) in paragraph (1), by striking ''or (o)'' each place it appears and inserting ''(o), or (p)''; and

(2) in paragraph (2), by striking ''and (o)'' each place it appears and inserting ''(o), and (p)''.

(d) TECHNICAL AMENDMENTS.—Section 211 of the Clean Air Act (42 U.S.C. 7545) is amended—

(1) in subsection (i)(4), by striking ''section 324'' each place it appears and inserting ''section 325'';

(2) in subsection (k)(10), by indenting subparagraphs (E) and (F) appropriately;

(3) in subsection (n), by striking ''section 219(2)'' and inserting ''section 216(2)'';

(4) by redesignating the second subsection (r) and subsection (s) as subsections (s) and (t), respectively; and

(5) in subsection (t)(1) (as redesignated by paragraph (4)), by striking ''this subtitle'' and inserting ''this part''.

**SEC. ___05. EXCISE TAX CREDIT FOR CELLULOSIC BIOMASS ETHANOL.**

(a) IN GENERAL.—Paragraph (2) of section 6426(b) of the Internal Revenue Code of 1986 (relating to alcohol fuel mixture credit) is amended by adding at the end the following new subparagraph:

''(C) CELLULOSIC BIOMASS ETHANOL.—In the case of an alcohol fuel mixture consisting of cellulosic biomass ethanol (as defined in section 211(o)(1)(A) of the Clean Air Act), the applicable amount is equal to the product of—

''(i) the amount specified in subparagraph (A), times

''(ii) the equivalent number of gallons of renewable fuel specified in section 211(o)(4) of such Act.''.

(b) CONFORMING AMENDMENT.—Section 6426(b)(2)(A) of such Code is amended by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after the date of the enactment of this Act.

**SEC. ___06. INCENTIVE FOR FEDERAL AND STATE FLEETS FOR MEDIUM AND HEAVY DUTY HYBRIDS.**

Section 301 of the Energy Policy Act of 1992 (42 U.S.C. 13211) is amended—

(1) in paragraph (3), by striking ''or a dual fueled vehicle'' and inserting '', a dual fueled vehicle, or a medium or heavy duty vehicle that is a hybrid vehicle'';

(2) by redesignating paragraphs (11), (12), (13), and (14) as paragraphs (12), (14), (15), and (16), respectively;

(3) by inserting after paragraph (10) the following:

''(11) the term 'hybrid vehicle' means a vehicle powered both by a diesel or gasoline engine and an electric motor that is recharged as the vehicle operates;''; and

(4) by inserting after paragraph (12) (as redesignated by paragraph (2)) the following:

''(13) the term 'medium or heavy duty vehicle' means a vehicle that—

''(A) in the case of a medium duty vehicle, has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds; and

''(B) in the case of a heavy duty vehicle, has a gross vehicle weight rating of more than 14,000 pounds;''.

**SEC. ___07. PUBLIC ACCESS TO FEDERAL ALTERNATIVE REFUELING STATIONS.**

(a) DEFINITIONS.—In this section:

(1) ALTERNATIVE FUEL REFUELING STATION.—The term ''alternative fuel refueling station'' has the meaning given the term ''qualified alternative fuel vehicle refueling property'' in section 30C(c)(1) of the Internal Revenue Code of 1986.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(b) ACCESS TO FEDERAL ALTERNATIVE REFUELING STATIONS.—Not later than 18 months after the date of enactment of this Act—

(1) except as provided in subsection (d)(1), any Federal property that includes at least 1 fuel refueling station shall include at least 1 alternative fuel refueling station; and

(2) except as provided in subsection (d)(2), any alternative fuel refueling station located on property owned by the Federal government shall permit full public access for the purpose of refueling using alternative fuel.

(c) DURATION.—The requirements described in subsection (b) shall remain in effect until the sooner of—

(1) the date that is 7 years after the date of enactment of this Act; or

(2) the date on which the Secretary determines that not less than 5 percent of the commercial refueling infrastructure in the United States offers alternative fuels to the general public.

(d) EXCEPTIONS.—

(1) WAIVER.—Subsection (b)(1) shall not apply to any Federal property under the jurisdiction of a Federal agency if the Secretary determines that alternative fuel is not reasonably available to retail purchasers of the fuel, as certified by the head of the agency to the Secretary.

(2) NATIONAL SECURITY EXEMPTION.—Subsection (b)(2) does not apply to property of the Federal government that the Secretary, in consultation with the Secretary of Defense, has certified must be exempt for national security reasons.

(e) VERIFICATION OF COMPLIANCE.—The Secretary shall—

(1) monitor compliance with this section by all Federal agencies; and

(2) annually submit to Congress a report describing the extent of compliance with this section.

**SEC. ___08. PURCHASE OF CLEAN FUEL BUSES.**

(a) IN GENERAL.—Chapter 53 of title 49, United States Code, is amended by inserting after section 5325 the following:

**''§ 5326. Purchase of clean fuel buses**

''(a) DEFINITION OF CLEAN FUEL BUS.—In this section, the term 'clean fuel bus' means a vehicle that—

''(1) is capable of being powered by—

''(A) compressed natural gas;

''(B) liquefied natural gas;

''(C) 1 or more batteries;

''(D) a fuel that is composed of at least 85 percent ethanol (or another percentage of not less than 70 percent, as the Secretary may determine, by rule, to provide for requirements relating to cold start, safety, or vehicle functions);

''(E) electricity (including a hybrid electric or plug-in hybrid electric vehicle);

''(F) a fuel cell; or

''(G) ultra-low sulfur diesel; and

''(2) has been certified by the Administrator of the Environmental Protection Agency to significantly reduce harmful emissions, particularly in a nonattainment area (as defined in section 171 of the Clean Air Act (42 U.S.C. 7501)).

''(b) PURCHASE OF BUSES.—A bus purchased using funds made available from the Mass Transit Account of the Highway Trust Fund shall be a clean fuel bus.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 53 is amended by inserting after the item relating to section 5325 the following:

''5326. Clean fuel buses''.

**SEC. ___09. DOMESTIC FUELS INFRASTRUCTURE FOR THE DEPARTMENT OF DEFENSE.**

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a program to evaluate the commercial and technical viability of advanced technologies for the production of alternative transportation fuels having applications for the Department of Defense. The program shall include the construction and operation of testing facilities in accordance with subsection (d).

(b) ALTERNATIVE TRANSPORTATION FUELS DEFINED.—For purposes of this section, the term ''alternative transportation fuels'' means—

(1) denatured ethanol and other alcohols;

(2) mixtures containing at least 85 percent (or another percentage of not less than 70 percent, as the Secretary may determine, by rule, to provide for requirements relating to cold start, safety, or vehicle functions) by volume of denatured ethanol, particularly ethanols derived from cellulosic biomass;

(3) coal-derived liquid fuels, including Fischer-Tropsch fuels;

(4) fuels (other than alcohol) derived from biological materials, including fuels derived from vegetable oils, animal fats, thermal depolymerization, or thermalchemical conversion; and

(5) any other fuel the Secretary determines, by rule, is substantially not petroleum and would yield substantial energy security benefits and substantial environmental benefits.

(c) COORDINATION OF EFFORTS.—

(1) IN GENERAL.—The Secretary of Defense shall carry out the program required by this section through the Under Secretary of Defense for Acquisition, Technology, and Logistics and in consultation with the Director of Defense Research and Engineering, the Advanced Systems and Concepts Office, the Secretary of Agriculture, and the Secretary of Energy.

(2) ROLE OF BIOMASS RESEARCH AND DEVELOPMENT TECHNOLOGIC ADVISORY COMMITTEE.—The consultations under paragraph (1) shall include the participation of the Biomass Research and Development Technical Advisory Committee established under section 306 of the Biomass Research and Development Act of 2000 (title III of Public Law 106–224; 7 U.S.C. 8101 note).

(d) FACILITIES FOR EVALUATING PRODUCTION OF ALTERNATIVE TRANSPORTATION FUELS.—

(1) IN GENERAL.—In carrying out the program required by this section, the Secretary of Defense shall provide for the construction or capital modification of—

(A) not more than 3 facilities for the purposes of evaluating the production from cellulosic biomass of alternative transportation fuels having applications for the Department of Defense; and

(B) not more than 3 facilities for the purposes of evaluating the production from coal of alternative transportation fuels having applications for the Department of Defense, with not less than one of such facilities utilizing coal resources with a ranking by the American Society for Testing and Materials of high volatile bituminous B and C.

(2) LOCATION OF FACILITIES.—The facilities constructed under paragraph (1) for the purposes of cellulosic biomass shall—

(A) afford the efficient use of a diverse range of fuel sources; and

(B) give initial preference to existing domestic facilities with current or potential capacity for cellulose or coal conversion.

(3) CAPACITY OF FACILITIES.—Each facility constructed under paragraph (1) shall have the flexibility for producing commercial volumes of alternative transportation fuels such that when the facility demonstrates economic viability of the process it can provide commercial production for the region in which it is located.

(4) AUTHORITY TO ENTER INTO TRANSACTIONS FOR FACILITY CONSTRUCTION.—The Secretary of Defense shall seek to construct the facilities required by paragraph (1) at the lowest cost practicable. The Secretary may make grants, enter into agreements, and provide loans or loan guarantees to corporations, cooperatives, and consortia of such entities for such purposes.

(5) EVALUATIONS AT FACILITIES.—Not later than 5 years after the date of enactment of this Act, the Secretary of Defense shall begin at the facilities described in paragraph (1) evaluations of the technical and commercial viability of different processes of producing alternative transportation fuels having Department of Defense applications from cellulosic biomass or coal.

(e) PROGRAM MILESTONES.—In carrying out the program required by this section, the Secretary of Defense shall meet the following milestones:

(1) SELECTION OF TESTING PROCESSES.—Not later than 180 days after the date of enactment of this Act, the Secretary shall select processes for evaluating the technical and commercial viability of producing alternative fuels from cellulosic biomass or coal.

(2) INITIATION OF WORK AT EXISTING FACILITIES.—Not later than one year after the date of enactment of this Act, the Secretary shall enter into agreements to carry out testing under this section at existing facilities.

(3) CONSTRUCTION AGREEMENTS.—Not later than one year after the date of enactment of this Act, the Secretary shall enter into agreements for the capital modification or construction of facilities under subsection (d)(1).

(4) COMPLETION OF ENGINEERING AND DESIGN WORK.—Not later than three years after the date of enactment of this Act, the Secretary shall complete capital modifications of existing facilities and the engineering and design work necessary for the construction of new facilities under this section.

(f) REPORT ON PROGRAM.—Not later than 18 months after the date of enactment of this Act, and annually thereafter for the next 5 years, the Secretary of Defense shall, in consultation with the Under Secretary of Defense for Acquisition, Technology, and Logistics, submit a report on the implementation and results of the program required by this section to—

(1) the Committees on Armed Services, Energy and Natural Resources, Agriculture, and Appropriations of the Senate; and

(2) the Committees on Armed Services, Energy and Commerce, Agriculture, and Appropriations of the House of Representatives.

(g) FUNDING.—

(1) IN GENERAL.—Of the amounts authorized to be appropriated under this section, $250,000,000 may be available for the program

required by this section for fiscal years 2007 through 2012.

(2) AVAILABILITY.—Amounts available under paragraph (1) shall remain available until expended.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition and Forestry be authorized to conduct a hearing during the session of the Senate on July 26, 2006, at 9:30 a.m. In SR–328A, Russell Senate Office Building. The purpose of this committee hearing will be to consider the following nominations: Nancy Johner to be under Secretary of Agriculture for Food, Nutrition, and Consumer Services for the Department of Agriculture and to be a Member of the Board of Directors of the Commodity Credit Corporation; Bruce Knight to be under Secretary of Agriculture for Marketing and Regulatory Programs for the Department of Agriculture and to be a Member of the Board of Directors of the Commodity Credit Corporation; Margo McKay to be an Assistant Secretary of Agriculture for Civil Rights for the Department of Agriculture; and Michael Dunn to be a Commissioner of the Commodity Futures Trading Commission.

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

COMMITTEE ON FINANCE

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session on Wednesday, July 26, 2006, at 2 p.m., in 215 Dirksen Senate Office Building, to hear testimony on ''A Closer Look at the Size and Sources of the Tax Gap.''

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

COMMITTEE ON FOREIGN RELATIONS

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 26, 2006, at 2:30 p.m. to hold a nominations hearing.

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

COMMITTEE ON THE JUDICIARY

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet to conduct a hearing on ''FISA for the 21st Century'' on Wednesday, July 26, 2006, at 9 a.m. in Dirksen Senate Office Building Room 226.

*Witness list*

Panel I: LTG Michael V. Hayden, Director of Central Intelligence Agency, Office of the Director of National Intelligence, Langley, VA; LTG Keith B. Alexander, Director of the National Security Agency, Chief of the Central Security Service, Washington, DC; Steven Bradbury, Acting Assistant Attorney General, Office of Legal Counsel, Department of Justice, Washington, DC.

Panel II: Bryan Cunningham, Partner, Morgan & Cunningham LLC, Denver, CO; Jim Dempsey, Policy Director, Center for Democracy & Technology, Washington, DC; John Schmidt, Partner, Mayer, Brown, Rowe & Maw LLP, Chicago, IL; Mary DeRosa, Senior Fellow, Johns Hopkins Center for Strategic and International Studies, Technology and Public Policy Program, Washington, DC.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on July 26, 2006, at 10 a.m. to hold a closed meeting.

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

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs' Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia be authorized to meet on Wednesday, July 26, 2006, at 3:30 p.m. for a hearing entitled, STOP!: A Progress Report on Protecting and Enforcing Intellectual Property Rights Here and Abroad.

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

## PRIVILEGES OF THE FLOOR

Mr. BINGAMAN. On behalf of Senator BAUCUS, I ask unanimous consent that John Schiltz and Tara Rose, interns with the Committee on Finance, be granted floor privileges for the consideration of this Energy bill.

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

Mr. BINGAMAN. I ask unanimous consent Lauren Guidice and Marcus Williams, interns with the Energy and Natural Resources Committee staff, be granted floor privileges during the remainder of the debate.

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

## FOREIGN INVESTMENT AND NATIONAL SECURITY ACT OF 2006

Mr. SHELBY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 474, S. 3549.

The PRESIDING OFFICER. The clerk will report the bill by title.

The bill clerk read as follows:

A bill (S. 3549) to amend the Defense Production Act of 1950, to strengthen Government review and oversight of foreign investment in the United States, to provide for enhanced Congressional oversight with respect thereto, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCAIN. Mr. President, today the Senate will pass S. 3549, the Foreign Investment and National Security Act of 2006. While I have reservations over the legislation as currently drafted, I have agreed to allow the bill to proceed to conference, given the assurances by the Chairman of the Senate Banking Committee, Senator SHELBY, that he will work to address the concerns that I have raised.

The Committee on Foreign Investment in the United States—known as CFIUS—was established 30 years ago to placate concerns in Congress over investments by Middle Eastern countries in American assets. Three decades later, it is once again concern over the Middle East that is driving Congress to overhaul the CFIUS process. This time, the outrage has revolved around the proposed acquisition of port terminal operations in the U.S. by Dubai Ports World, a corporation owned by the government of Dubai, one of the seven emirates that make up the United Arab Emirates.

In the war on terror, the UAE has provided American and Coalition military forces unprecedented access to its ports and territory, overflight clearances, and other critical and important logistical assistance. The UAE has played host to over 700 U.S. Navy ships at its ports, including the Port of Jebel Ali—which is managed by Dubai Ports World—and to the Air Force at al Dhafra Air Base. The country also hosts the UAE Air Warfare Center, the leading fighter training center in the Middle East. The UAE has worked with us to stop terrorist financing and money laundering. Moreover, Dubai was the first Middle Eastern entity to join the Container Security Initiative and the Department of Energy's Megaports Initiative, a program aimed at stopping illicit shipments of nuclear and other radioactive material. But all of these details seem to have been lost in the rush to stop a corporate transaction with a key ally in the war on terror.

Mr. President, there are at least two details in S. 3549 that cannot be ignored because they will not help protect our homeland. Instead, they will only harm America's economy, the strength of which is critical to our national security.

One provision that I believe merits closer scrutiny would require CFIUS to notify several congressional committees, as well as individual members of Congress, of each and every transaction submitted to CFIUS's review. This notification would be required well before CFIUS made any determination about the national security implications, if any, of the proposed transaction.

On its face, this provision would appear to be a reasonable effort to achieve transparency and accountability in the CFIUS process. However,

if this provision were enacted, a process that is meant to be a sober analysis of the national security implications of a transaction would become a politically charged debacle. What other goal would be accomplished by providing notice to the members of Congress whose States and districts are impacted by the transaction before any determination is made by CFIUS? The politicization of the CFIUS review process would discourage transactions that might be reviewed by CFIUS for fear of financial or reputational harm. This, in turn, could reduce foreign direct investment or impose a risk premium on such investment that would be detrimental to U.S. businesses seeking investment capital.

A second provision that I believe needs further clarification would require CFIUS to investigate a proposed transaction whenever the matter involves ''any possible impairment to national security'' resulting from the acquisition of critical infrastructure or ''the possibility of an impairment to national security'' arising out of any transaction reviewed by CFIUS. Under these standards, many transactions that pose negligible or no risk to national security will nonetheless be forced into an extended 45-day investigation in addition to the initial 30-day review period. According to the Department of Treasury, these standards will lead to a significant increase in the number of investigations conducted by CFIUS. I strongly support a full and fair review of each transaction submitted to CFIUS, and I believe that a transaction that poses a risk to our national security should not be approved, but that is not what the mandatory 45-day investigation provisions would accomplish. In my view, it would be better to use CFIUS resources to investigate transactions that raise genuine national security concerns.

I appreciate the interest of Senator SHELBY and others to modify the CFIUS process, and I certainly do not doubt the sincerity of their desire to protect our Nation from threats abroad. That is why I am confident that my concerns with the legislation will be addressed in conference. If they are not, then I will be forced to object to the conference report.

Mr. SHELBY. Mr. President, I ask unanimous consent that the amendment at the desk be agreed to, the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 4703) was agreed to, as follows:

On page 3, line 8, strike ''written notification'' and insert the following: ''a written request for review by a person involved in the transaction, or by one or more members of CFIUS,''.

On page 3, line 10, strike ''under this section'' and insert ''in accordance with paragraph (1)(A)''.

On page 3, line 24, strike ''entity'' and insert ''person''.

On page 4, beginning on line 19, strike ''additional assurances'' and insert ''assurances provided or renewed with the approval of CFIUS''.

On page 4, line 22, strike ''and'' and insert ''or''.

On page 5, line 2, insert before the period the following: '', and the issues that could result in an impairment to national security are not resolved through negotiation of assurances between one or more members of CFIUS and the entities involved in the transaction''.

On page 5, strike line 22 and all that follows through page 6, line 6 and insert the following:

''(4) MONITORING OF WITHDRAWN TRANSACTIONS.—If the notification or filing with respect to a proposed transaction is withdrawn or rescinded, CFIUS shall continue to monitor such transaction, unless the transaction is terminated by agreement of the parties to the transaction. If CFIUS has reason to believe that the proposed transaction has not been so terminated, CFIUS shall initiate a review or investigation under this section if the parties do not resubmit the notification or filing within an appropriate period of time.''.

On page 6, strike lines 7 through 23 and insert the following:

''(5) MANDATORY NOTIFICATION RELATED TO CERTAIN TRANSACTIONS AFFECTING NATIONAL SECURITY.—The chairperson and vice chairperson of CFIUS shall, not later than 90 days after the date of enactment of the Foreign Investment and National Security Act of 2006, issue rules, including the imposition of appropriate penalties for failure to comply with this paragraph, that require each person controlled by or acting on behalf of a foreign government to notify the chairperson of CFIUS in writing of any proposed transaction involving such person and United States critical infrastructure relating to United States national security.''.

On page 8, line 17, strike ''(or longer)''.

On page 9, line 3, strike ''AND CLASSIFICATIONS''.

On page 9, line 15, strike ''and classifying''.

On page 10, line 17, strike ''and classification''.

On page 15, line 1, strike ''ranking'' and insert ''assessments''.

On page 16, line 5, strike ''ADDITIONAL''.

On page 17, line 6, insert ''of CFIUS'' after ''vice chairperson''.

On page 19, line 12, strike ''transaction'' and all that follows through line 16 and insert ''transaction; and''.

On page 20, line 3, insert ''does or'' before ''does not''.

On page 23, strike lines 21 through 24.

On page 24, line 1, strike ''(vi)'' and insert ''(v)''.

On page 24, line 10, strike ''(vii)'' and insert ''(vi)''

On page 24, line 17, strike ''(vii)'' and insert ''(vii)''.

On page 27, line 4, strike ''the term'' and insert the following: ''the term 'assurances' means any term, understanding, commitment, agreement, or limitation, however described, that relates to ameliorating in any way the potential effect of a transaction on the national security;

''(2) the term''.

On page 27, line 12, strike ''(2)'' and insert ''(3)''.

On page 27, line 19, strike ''(3)'' and insert ''(4)''.

On page 27, line 22, strike ''(4)'' and insert ''(5)''.

On page 27, line 25, strike the period and all that follows through ''The term includes'' on page 28, line 1 and insert '', and includes''.

On page 28, line 5, strike ''(5)'' and insert ''(6)''.

On page 28, line 11, strike ''(6)'' and insert ''(7)''.

On page 28, line 14, strike ''(7)'' and insert ''(8)''.

The bill (S. 3549), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3549

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Foreign Investment and National Security Act of 2006''.

**SEC. 2. AMENDMENTS TO THE DEFENSE PRODUCTION ACT OF 1950.**

Section 721 of the Defense Production Act of 1950 (50 U.S.C. App. 2170) is amended to read as follows:

**''SEC. 721. REVIEW AND INVESTIGATION OF TRANSACTIONS INVOLVING FOREIGN PERSONS AND GOVERNMENTS.**

''(a) REVIEW OF TRANSACTIONS INVOLVING FOREIGN PERSONS AND GOVERNMENTS.—

''(1) REVIEWS REQUIRED.—

''(A) IN GENERAL.—CFIUS shall review any transaction proposed or pending on or after the date of enactment of this section by, with, or on behalf of a foreign person or foreign government which could result in foreign control of a person engaged in interstate commerce in the United States, for which a review is requested, in the manner prescribed by regulations promulgated under this section.

''(B) PURPOSES.—The purpose of such review shall be to determine the effect on national security of such transaction, whether an investigation of such transaction is required under subsection (b), or both.

''(2) TIMING OF REVIEWS.—

''(A) IN GENERAL.—A review of a proposed or pending transaction described in paragraph (1) shall be completed not later than 30 days after the date of receipt by CFIUS of a written request for review by a person involved in the transaction, or by one or more members of CFIUS, of the proposed or pending transaction, as prescribed by regulations promulgated in accordance with paragraph (1)(A).

''(B) EXTENSIONS UPON REQUEST.—Upon written request by the Secretary, Deputy Secretary, or Under Secretary, or the equivalent thereof, of one or more of the agencies that make up CFIUS (including any agency described in subsection (c)(4)(I)) for additional time to review a case, the 30-day period described in subparagraph (A) shall be extended by not longer than an additional 30 days, if the Secretary, Deputy Secretary, or Under Secretary, or the equivalent thereof, concludes that there is credible evidence to believe that if permitted to proceed with the transaction, the foreign acquiring person may take action that threatens to impair the national security.

''(b) INVESTIGATIONS OF CERTAIN TRANSACTIONS.—

''(1) IN GENERAL.—CFIUS shall undertake an investigation to determine the effects on national security of any transaction described in subsection (a)(1) proposed or pending on or after the date of enactment of this section—

''(A) which would—

''(i) result in control of any person engaged in interstate commerce in the United States by a foreign government, or a person acting by, with, or on behalf of a foreign government; or

''(ii) result in control of any critical infrastructure of or within the United States by,

with, or on behalf of any foreign person, if CFIUS determines that any possible impairment to national security has not been mitigated by assurances provided or renewed with the approval of CFIUS, as described in subsection (i), during the review period under subsection (a); or

''(B) if the review by CFIUS under subsection (a) produces sufficient information to indicate the possibility of an impairment to national security, after consideration of the factors listed in subsection (g), and the issues that could result in an impairment to national security are not resolved through negotiation of assurances between one or more members of CFIUS and the entities involved in the transaction.

''(2) TIMING OF INVESTIGATIONS.—An investigation required to be undertaken under this subsection—

''(A) shall commence at such time as CFIUS determines under subsection (a) that such investigation is required, as prescribed by regulations promulgated pursuant to this section; and

''(B) shall be completed not later than 45 days after the date of its commencement.

''(3) RESUBMITTED FILINGS.—An investigation of a transaction under this subsection which is interrupted because the notification or filing is withdrawn by the applicant, and which is subsequently resubmitted, shall require up to a 45-day investigation from the date on which CFIUS receives the new submission. The investigation shall include a review of the rationale for the withdrawal and resubmission of the proposed transaction to CFIUS.

''(4) MONITORING OF WITHDRAWN TRANSACTIONS.—If the notification or filing with respect to a proposed transaction is withdrawn or rescinded, CFIUS shall continue to monitor such transaction, unless the transaction is terminated by agreement of the parties to the transaction. If CFIUS has reason to believe that the proposed transaction has not been so terminated, CFIUS shall initiate a review or investigation under this section if the parties do not resubmit the notification or filing within an appropriate period of time.''

''(5) MANDATARY NOTIFICATION RELATED TO CERTAIN TRANSACTIONS AFFECTING NATIONAL SECURITY.—The chairperson and vice chairperson of CFIUS shall, not later than 90 days after the date of enactment of the Foreign Investment and National Security Act of 2006, issue rules, including the imposition of appropriate penalties for failure to comply with this paragraph, that require each person controlled by or acting on behalf of a foreign government to notify the chairperson of CFIUS in writing of any proposed transaction involving such person and United States critical infrastructure relating to United States national security.''

''(c) COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES.—

''(1) ESTABLISHMENT.—There is established the Committee on Foreign Investment in the United States, which shall serve as the President's designee for all purposes under this section.

''(2) CHAIRPERSON.—The Secretary of the Treasury shall serve as the chairperson of CFIUS.

''(3) VICE CHAIRPERSON.—The Secretary of Defense shall serve as the vice chairperson of CFIUS.

''(4) MEMBERSHIP.—The members of CFIUS shall include—

''(A) the Secretary of the Treasury;

''(B) the Secretary of State;

''(C) the Secretary of Defense;

''(D) the Secretary of Commerce;

''(E) the Secretary of Homeland Security;

''(F) the Attorney General of the United States;

''(G) the Director of the Office of Management and Budget;

''(H) the Director of National Intelligence; and

''(I) the heads of those other executive departments or agencies as the President determines appropriate, on a case-by-case basis.

''(5) REFERRAL TO APPROPRIATE MEMBERS OF CFIUS.—Upon receipt of notification of a proposed or pending transaction under this section, the chairperson of CFIUS shall assign the appropriate member of CFIUS to lead the review and investigation of such proposed or pending transaction under this section.

''(6) INTELLIGENCE REVIEWS.—The Director of National Intelligence shall—

''(A) direct the intelligence community, to collect and analyze information related to any proposed or pending transaction pursuant to this section, and to prepare a report of its findings, which the Director shall make available to members of CFIUS not later than 15 days after the date of the commencement by CFIUS of a 30-day review of any such transaction under subsection (a), and before the commencement of any investigation under subsection (b); and

''(B) ensure that the intelligence community remains engaged in the collection, analysis, and dissemination to CFIUS of any additional relevant information that may become available during the course of any investigation conducted under subsection (b) with respect to a transaction.

''(7) ASSESSMENTS OF FOREIGN COUNTRIES FOR USE IN REVIEWS AND INVESTIGATIONS.—

''(A) IN GENERAL.—Not later than 120 days after the date of enactment of the Foreign Investment and National Security Act of 2006, the chairperson and vice chairperson of CFIUS, in consultation with the Secretary of State, the Secretary of Commerce, the Secretary of Energy, the Chairman of the Nuclear Regulatory Commission, and the Director of National Intelligence, shall develop and implement a system for assessing individual countries, including—

''(i) an assessment of the adherence of the country to nonproliferation control regimes, including treaties and multilateral supply guidelines, which shall draw on, but not be limited to, the annual report on Adherence to and Compliance with Arms Control, Nonproliferation and Disarmament Agreements and Commitments required by section 403 of the Arms Control and Disarmament Act;

''(ii) an assessment of the relationship of such country with the United States, specifically on its record on cooperating in counter-terrorism efforts, which shall draw on, but not be limited to, the report of the President to Congress under section 7120 of the Intelligence Reform and Terrorism Prevention Act of 2004; and

''(iii) an assessment of the potential for transshipment or diversion of technologies with military applications, including an analysis of national export control laws and regulations.

''(B) CONFIDENTIALITY.—The assessment system required by subparagraph (A) and any information or documentary material maintained or developed thereunder—

''(i) shall be used solely by those agencies involved in reviewing and investigating acquisitions, mergers, and takeovers pursuant to this section;

''(ii) may not be made available to the public; and

''(iii) shall be exempt from disclosure under section 552 of title 5, United States Code.

''(8) STAFF OF CFIUS.—Employees of the Department of the Treasury who serve as staff for CFIUS shall report directly to the Deputy Secretary of the Treasury, and shall perform no official functions other than as CFIUS staff.

''(d) ACTION BY THE PRESIDENT.—

''(1) IN GENERAL.—Subject to subsection (e), the President may take such action for such time as the President considers appropriate to suspend or prohibit any transaction which would result in control of any critical infrastructure or person engaged in interstate commerce in the United States, proposed or pending on or after the date of enactment of this section, by or with a foreign person or government, so that such control will not threaten to impair the national security.

''(2) ANNOUNCEMENT BY THE PRESIDENT.—The President shall announce the decision on whether or not to take action pursuant to this subsection not later than 15 days after an investigation described in subsection (b) is completed.

''(3) ENFORCEMENT.—The President may direct the Attorney General to seek appropriate relief, including divestment relief, in the district courts of the United States in order to implement and enforce this subsection.

''(e) FINDINGS OF THE PRESIDENT.—The President may exercise the authority conferred by subsection (d) only if the President finds that—

''(1) there is credible evidence that leads the President to believe that the foreign interest exercising control might take action that threatens to impair the national security; and

''(2) provisions of law, other than this section and the International Emergency Economic Powers Act, do not, in the judgment of the President, provide adequate and appropriate authority for the President to protect the national security in the matter before the President.

''(f) ACTIONS AND FINDINGS NONREVIEWABLE.—The actions of the President under subsection (d) and the findings of the President under subsection (e) shall not be subject to judicial review.

''(g) FACTORS TO BE CONSIDERED.—For purposes of determining whether to take action under subsection (d) and for purposes of reviews and investigations under this section, the President and CFIUS, respectively, shall consider, among other factors—

''(1) potential effects on United States critical infrastructure, including major energy assets;

''(2) potential effects on United States critical technologies;

''(3) domestic production needed for projected national defense requirements;

''(4) the capability and capacity of domestic industries to meet national defense requirements, including the availability of human resources, products, technology, materials, and other supplies and services;

''(5) the control of domestic industries and commercial activity by foreign citizens as it affects the capability and capacity of the United States to meet the requirements of national security;

''(6) the potential effects of the proposed or pending transaction on sales of military goods, equipment, or technology to any country—

''(A) identified by the Secretary of State—

''(i) under section 6(j) of the Export Administration Act of 1979, as a country that supports terrorism;

''(ii) under section 6(l) of the Export Administration Act of 1979, as a country of concern regarding missile proliferation; or

''(iii) under section 6(m) of the Export Administration Act of 1979, as a country of concern regarding the proliferation of chemical and biological weapons;

''(B) identified by the Secretary of Defense as posing a potential regional military

threat to the interests of the United States; or

''(C) listed under section 309(c) of the Nuclear Non-Proliferation Act of 1978, on the 'Nuclear Non-Proliferation-Special Country List' (15 C.F.R. Part 778, Supplement No. 4) or any successor list;

''(7) the potential effects of the proposed or pending transaction on United States international technological leadership in areas affecting United States national security;

''(8) the long term projection of United States requirements for sources of energy and other critical resources and materials; and

''(9) the assessments developed under subsection (c)(7) of the country in which the foreign persons acquiring United States entities are based.

''(h) CONFIDENTIALITY OF INFORMATION.—

''(1) IN GENERAL.—Any information or documentary material filed with CFIUS pursuant to this section shall be exempt from disclosure under section 552 of title 5, United States Code, and no such information or documentary material may be made public, except as may be relevant to any administrative or judicial action or proceeding.

''(2) NOTIFICATION TO GOVERNOR.—Notwithstanding paragraph (1), CFIUS shall notify the Governor of any State regarding a transaction involving critical infrastructure in that State for the purpose of discussing any security concerns that arise or may arise from that transaction. Information or documentary material made available to a Governor under this paragraph may not be made public, including under any law of a State pertaining to freedom of information or otherwise, but the exception in paragraph (3) for disclosures to either House of Congress or Congressional Committees shall not apply to Governors who receive information under this paragraph.

''(3) DISCLOSURE.—Nothing in this subsection shall be construed to prevent disclosure to either House of Congress or to any duly authorized committee or subcommittee of Congress.

''(i) ASSURANCES.—

''(1) IN GENERAL.—This subsection shall govern the provision of any assurances to one or more agencies of the United States in connection with the review or investigation of, or any Presidential decision concerning, any transaction under this section.

''(2) CONDITION TO DETERMINATION.—Any such assurances shall be deemed to be a continuing covenant of the persons on whose behalf such review is sought (and of all persons controlling such person), the observance of which shall be a condition of the determination of CFIUS, the President, or both, on whether to take any action with respect to such transaction.

''(3) CONTRACT WITH THE UNITED STATES.—Such assurances shall be embodied in an agreement executed by the foreign person or foreign government on whose behalf a review of a transaction is sought under this section and the chairperson or vice chairperson of CFIUS, on behalf of the United States.

''(4) MONITORING OF AGREEMENT.—Compliance with assurances provided under this subsection shall be monitored, and may be investigated, in the same manner as a violation of a civil statute, by the agency designated by the chairperson of CFIUS, in consultation with the vice chairperson of CFIUS and the Attorney General of the United States.

''(5) GRANT OF JURISDICTION; REMEDIES.—The United States District Court for the District of Columbia shall have jurisdiction to enforce an agreement referred to in this subsection upon application by the Attorney General. Available remedies shall include divestiture, injunctive relief, enforcing the terms of such agreement, and monetary damages, as appropriate.

''(j) NOTICE AND REPORTS TO CONGRESS.—

''(1) NOTICE REGARDING REVIEWS.—

''(A) NOTICE AT INITIATION OF REVIEW.—CFIUS shall transmit written notice of a proposed or pending transaction subject to this section to the members of Congress specified in paragraph (3)(C), not later than 10 days after the date of receipt of a notice of such proposed or pending transaction, including the identities of all parties involved and any foreign government ownership or control of any such party.

''(B) CERTIFICATION AT COMPLETION OF REVIEW.—Upon completion of a review under subsection (a), the chairperson and vice chairperson of CFIUS and the head of the lead agency assigned under subsection (c)(5), shall transmit a certified notice to the members of Congress specified in paragraph (3)(C).

''(2) NOTICE REGARDING INVESTIGATIONS.—

''(A) NOTICE AT INITIATION OF INVESTIGATIONS.—Upon commencement of an investigation under subsection (b), CFIUS shall notify in writing the members of Congress specified in paragraph (3)(C).

''(B) CERTIFICATION AT COMPLETION OF INVESTIGATIONS.—As soon as practicable after completion of an investigation under subsection (b), the chairperson and vice chairperson of CFIUS and the head of the lead agency assigned under subsection (c)(5), shall transmit to the members of Congress specified in paragraph (3)(C) a certified written report (consistent with the requirements of subsection (h)) on the results of the investigation, unless the matter under investigation has been sent to the President for decision.

''(3) CERTIFICATIONS.—

''(A) IN GENERAL.—Each certified notice and report required by this subsection shall be submitted to the members of Congress specified in subparagraph (C), and shall include—

''(i) information on whether or not an investigation occurred under subsection (b) and has been completed;

''(ii) a description of the actions taken by CFIUS with respect to the transaction; and

''(iii) identification of the determinative factors considered under subsection (g).

''(B) CONTENT OF CERTIFICATION.—Each notice required to be certified by this subsection shall be signed by the chairperson and vice chairperson of CFIUS and the head of the lead agency assigned under subsection (c)(5), and shall contain a specific attestation of each such person that, in the determination of CFIUS, the transaction that is the subject of the notice does or does not impair the national security.

''(C) MEMBERS OF CONGRESS.—The notices and reports required by this subsection shall be transmitted to—

''(i) the Majority Leader and the Minority Leader of the Senate;

''(ii) the chair and ranking member of the Committee on Banking, Housing, and Urban Affairs of the Senate and of any committee of the Senate having oversight over the agency assigned to lead a review or investigation under subsection (c)(5);

''(iii) the Speaker and the Minority Leader of the House of Representatives; and

''(iv) the chair and ranking member of the Committee on Financial Services of the House of Representatives and of any committee of the House of Representatives having oversight over the agency assigned to lead a review or investigation under subsection (c)(5).

''(D) TRANSMITTAL TO OTHER MEMBERS OF CONGRESS.—The Majority Leader or the Minority Leader, in the case of the Senate, and the Speaker or the Minority Leader, in the case of the House of Representatives, may provide the notices and reports required by this paragraph regarding a proposed or pending transaction involving critical infrastructure—

''(i) in the case of the Senate, to members of the Senate from the State in which such critical infrastructure is located; and

''(ii) in the case of the House of Representatives, to a member from a Congressional District in which such critical infrastructure is located.

''(E) LIMITATION ON DELEGATION OF CERTIFICATIONS.—Notices and reports required to be certified under this subsection shall be signed by the chairperson and vice chairperson of CFIUS, and such certification requirement may not be delegated.

''(4) ANNUAL REPORTS.—

''(A) REPORT REQUIRED.—The Secretary of the Treasury, on behalf of and after consultation with the members of CFIUS, shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, on or before March 15 of each year, a written report on the policy of the United States with respect to the preservation of the Nation's defense production and critical infrastructure. The Secretary shall appear before both committees to provide testimony on such reports.

''(B) CONTENTS OF REPORT.—Each report submitted under subparagraph (A) shall contain—

''(i) an analysis of each transaction involving a foreign person or foreign government affecting national security that has occurred during the preceding year to which the report relates, including the nature of the acquisitions and the effect or potential impact of such acquisitions on the United States defense industrial base and critical infrastructure;

''(ii) a similar updated analysis for any transaction that occurred during the 4 years immediately preceding the year dealt with in the report in clause (i), including a separate section discussing the impact of transactions involving foreign governments or persons acting on behalf of or in concert with foreign governments;

''(iii) a detailed discussion of all perceived risks to national security or United States critical infrastructure that CFIUS will take into account in its deliberations during the year in which the report is delivered to the committees;

''(iv) a table showing on a cumulative basis, by sector, product, and country of foreign ownership, the number of acquisitions reviewed, investigated, or both, by CFIUS, to provide a census of production potentially relevant to the Nation's defense industrial base owned or controlled by foreign persons or foreign governments;

''(v) an evaluation of whether there is credible evidence of a coordinated strategy by 1 or more countries or companies to acquire critical infrastructure of or within the United States or United States companies involved in research, development, or production of critical technologies for which the United States is a leading producer;

''(vi) an evaluation of whether there are industrial espionage activities directed or directly assisted by foreign governments against private United States companies aimed at obtaining commercial secrets related to critical technologies or critical infrastructure; and

''(vii) such other matters as are necessary to give a complete disclosure and analysis of the work of CFIUS during the year to which the report relates.

''(C) CLASSIFIED REPORTS.—The evaluations required by clauses (v) and (vi) of subparagraph (B) may be classified. If they are submitted in classified form, an unclassified version of such evaluations shall be made available to the public.

''(D) OTHER INFORMATION WITHHELD FROM PUBLIC REPORTS.—

''(i) PROPRIETARY INFORMATION.—The chairperson of CFIUS, in consultation with the vice chairperson of CFIUS, may withhold from public release other such information as the chairperson determines is proprietary information.

''(ii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall prohibit such information from being provided to relevant Committees of Congress.

''(5) APPEARANCES BEFORE CONGRESS.—The chairperson and vice chairperson of CFIUS, and the heads of such additional CFIUS member agencies specified in a written request by the Chairman of the Committee on Banking, Housing, and Urban Affairs of the Senate shall annually appear before the Committee on Banking, Housing, and Urban Affairs and the Committee on Financial Services of the House of Representatives to provide testimony on the activities of CFIUS.

''(k) REGULATIONS.—

''(1) IN GENERAL.—The Secretary shall issue regulations to carry out this section. Such regulations shall, to the extent possible, minimize paperwork burdens and shall, to the extent possible, coordinate reporting requirements under this section with reporting requirements under any other provision of Federal law.

''(2) REGULATIONS RELATING TO DEFINITIONS.—Not later than 30 days after the date of enactment of the Foreign Investment and National Security Act of 2006, the Secretary of the Treasury and the Secretary of Defense shall jointly agree to and issue rules concerning the manner in which the definition of the term 'critical infrastructure' in subsection (m)(2) shall be applied to particular acquisitions, mergers, and takeovers, for purposes of the mandatory investigation requirement of subsection (b)(1)(A), except that, until such rules are issued in final form and become effective, such definition shall be applied without regard to any such rules (whether proposed or otherwise).

''(l) EFFECT ON OTHER LAW.—Nothing in this section shall be construed to alter or affect any existing power, process, regulation, investigation, enforcement measure, or review provided by any other provision of law, including the International Emergency Economic Powers Act, or of the President or Congress.

''(m) DEFINITIONS.—As used in this section—

''(1) the term 'assurances' means any term, understanding, commitment, agreement, or limitation, however described, that relates to ameliorating in any way the potential effect of a transaction on the national security;

''(2) the term 'critical infrastructure' means, subject to rules issued under subsection (k)(2), any systems and assets, whether physical or cyber-based, so vital to the United States that the degradation or destruction of such systems or assets would have a debilitating impact on national security, including national economic security and national public health or safety;

''(3) the term 'critical technologies' means technologies identified under title VI of the National Science and Technology Policy, Organization, and Priorities Act of 1976, or other critical technology, critical components, or critical technology items essential to national defense identified pursuant to this section;

''(4) the terms 'Committee on Foreign Investment in the United States' and 'CFIUS' mean the committee established under subsection (c);

''(5) the term 'foreign government' means any government or body exercising governmental functions, other than the Government of the United States or of a State or political subdivision thereof, and includes national, State, provincial, and municipal governments, including their respective departments, agencies, government-owned enterprises, and other agencies and instrumentalities;

''(6) the term 'foreign person' means any non-United States national, any organization owned or controlled by such a person, and any entity organized under the laws of a country other than the United States, and any entity owned or controlled by such entity;

''(7) the term 'intelligence community' has the same meaning as in section 3 of the National Security Act of 1947 (50 U.S.C. 401a); and

''(8) the term 'transaction' means a proposed or pending merger, acquisition, or takeover''.

## FUNDING AUTHORITY FOR EVACUEES OF LEBANON

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 3741 introduced earlier today.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 3741) to provide funding authority to facilitate the evacuation of persons from Lebanon, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. BENNETT. I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The bill (S. 3741) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3741

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. FUNDING AUTHORITY.**

(a) TRANSFER AUTHORITY.—

(1) AUTHORITY.—

(A) IN GENERAL.—Upon a determination by the Secretary of State described in subparagraph (B), the Secretary may transfer to the ''Emergencies in the Diplomatic and Consular Service'' account from unobligated amounts in any account under the ''Administration of Foreign Affairs'' heading such sums as may be necessary—

(i) to cover the costs of facilitating the evacuation under section 4 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2671) of persons from Lebanon on or after July 16, 2006; and

(ii) to replenish the ''Emergencies in the Diplomatic and Consular Service'' account up to the level of funding that existed in such account on July 15, 2006.

(B) DETERMINATION.—A determination referred to in subparagraph (A) is a determination that additional funding for the ''Emergencies in the Diplomatic and Consular Service'' account is necessary as a result of the extraordinary costs of facilitating the evacuation under section 4 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2671) of persons from Lebanon on or after July 16, 2006.

(C) TREATMENT OF FUNDS.—Amounts transferred under subparagraph (A) shall be merged with amounts in the ''Emergencies in the Diplomatic and Consular Service'' account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such account.

(2) NOTIFICATION REQUIREMENT.—

(A) IN GENERAL.—Except as provided under subparagraph (B), not later than 5 days before transferring funds under paragraph (1), the Secretary of State shall notify the appropriate congressional committees of the proposed transfer.

(B) EXIGENT CIRCUMSTANCES WAIVER.—The Secretary may waive the requirement under subparagraph (A) if exigent circumstances exist. In the event of such a waiver, the Secretary shall provide notice of the transfer of funds to the appropriate congressional committees as early as practicable, but in no event later than 3 days after such transfer, including an explanation of the circumstances necessitating such waiver.

(C) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this paragraph, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

(b) USE OF CERTAIN FUNDS.—Amounts appropriated or otherwise made available by chapter 8 of title II of division B of Public Law 109–148 under the heading ''EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE'' and any other unobligated amounts in the ''Emergencies in the Diplomatic and Consular Service'' account may be made available to cover the costs of facilitating the evacuation under section 4 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2671) of persons from Lebanon on or after July 16, 2006.

## CARL D. PERKINS CAREER AND TECHNICAL EDUCATION IMPROVEMENT ACT OF 2005—CONFERENCE REPORT

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the conference report to accompany S. 250, the Carl D. Perkins vocational education bill.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 250) to amend the Carl D. Perkins Vocational and Technical Education Act of 1998 to improve the Act, having met, have agreed that the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment and the House agree to the same; that the House recede from its amendment to the title of the bill, signed by a majority of the conferees on the part of both Houses.

There being no objection, the Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 25, 2006.)

Mr. ENZI. Mr. President, I rise today in support of the conference report to accompany S. 250, the Carl D. Perkins Career and Technical Education Improvement Act of 2006.

This legislation reflects a lengthy bipartisan effort to strengthen and improve Federal programs designed to support career and technical education. I am very pleased to have worked with my friend and colleague from Massachusetts, Senator KENNEDY, from introduction of the bill in the Senate through today's consideration of the conference report.

This legislation was reported favorably by the Senate Health, Education, Labor, and Pensions Committee last Spring by a unanimous vote. The following day it passed the Senate on a vote of 99 to 0. I am encouraged by the broad support for this legislation and I am pleased to be able to recommend passage of this conference report.

This legislation is important for three reasons. The first reason is the added emphasis on academic achievement. I commend the President and the Governors for raising the issue of high school reform, and I believe this legislation is an important part of that process. Improving and strengthening the academic focus of the Perkins Act is part of a much larger effort to ensure that today's students will be ready for tomorrow's reality, whether it is in college or the workplace.

In 1998, when Congress last reauthorized the Perkins program, additional emphasis on student academic achievement was incorporated into the bill. That emphasis was critical, and the results have been demonstrated in the program. More Perkins students are performing better on national reading and math assessments than ever before. The National Assessment of Adult Literacy, released earlier this year, pointed out that career and technical education students perform better than their peers in both reading and math comprehension.

Another recent study of Arizona career and technical education students showed that students in career and technical training courses were more likely to meet State math proficiency levels than students not enrolled in technical training courses. That is good, because today's jobs are requiring stronger academic preparation than ever before, especially in math and science.

We are also facing a significant problem in terms of today's students completing high school and earning a secondary education degree. A significant amount of research, many college instructors, and employers agree that far too many high school graduates are not prepared for college-level classes and many more do not have the skills to advance beyond entry level jobs.

Only 68 percent of the students entering the ninth grade 4 years ago are expected to graduate this year. For minority students, this number hovers around 50 percent. In addition, we continue to experience an overall dropout rate of 11 percent per year.

The Perkins Act emphasizes high school completion by making academic courses more relevant. According to the National Assessment of Vocational Education, now 2 years old, career and technical education students are three times more likely to apply academic skills to job related tasks than students in academic courses.

The Perkins program can help address the ''wasted senior year'' by helping to improve student academic achievement. It does that by linking learning to relevant applications and tasks. Students that are excited about learning will always do better, and a great way to get students excited about learning is to show them how they will use the skills they are learning in real life.

For many students, understanding how they will use the skills they learn can mean the difference between completing a high school degree and dropping out. For others, it means greater investment in their studies than they might otherwise have. Making learning relevant is one of the best ways to ensure students stay interested in their coursework, while also preparing them for college and the workforce.

In the bill we are now considering, we have made academic achievement one of several core indicators of performance for programs receiving funds from this act. As States are elevating their expectations for students under No Child Left Behind, we anticipate that career and technical education students will benefit from those same high expectations. We believe that career and technical education programs should be able to take credit for helping students improve their academic achievement in core subject areas, like reading, math, and science.

This legislation also emphasizes the connection to postsecondary education. Many of today's high school students are entering college behind the curve before they even start. Almost a third of all college students are taking some remedial education courses before graduating. We need to make sure that more high school students are receiving the instruction they need before they leave high school in order to be successful in college.

The impact of the need for remedial academic instruction has dramatic consequences. As many as three in four students requiring remedial reading instruction will not complete a postsecondary degree program. Over 60 percent of students requiring remedial math education will not complete a postsecondary degree.

The Perkins program is in a unique position to help prevent the need for additional remedial education at the postsecondary level. Because the program provides funds for both secondary and postsecondary schools, programs are more coordinated, and students have broader exposure to postsecondary education before leaving high school. A number of programs enabling students to earn concurrent credits for high school and college are springing up within the Perkins program, helping students prepare for college and reduce their time to graduation from a postsecondary degree certificate or degree program.

In Casper, WY, right now, the community college and the school district are working on plans to create a hybrid career and technical education center, which will help students earn credit toward a college degree, learn relevant job skills, and meet challenging State academic standards, all through a single sequence of courses. This legislation encourages more schools to begin innovative programs like the one being developed in Casper.

The second reason this legislation is important is because it will help ensure we are preparing students for tomorrow's workforce. We are in the midst of a skills revolution. It is estimated that today's students leaving high school or college will have 14 different careers in their lifetimes. It is also estimated that the top 10 jobs 10 years from now haven't been invented yet. The question that faces all of us, put simply, is ''got skills?''

We must equip our workers with the skills the technology-driven economy demands. We need to prepare our students for tomorrow's economy in order to remain competitive in the global marketplace. Nations such as China and India are rapidly catching up to our institutions in terms of quality, and they have a much larger student body from which to draw. The only way we can compete in the changing economy is to graduate students with the highest quality of academic and technical skills.

Earlier this month on the Senate floor we discussed the need for skills training and its impact on wages. I made a speech to the effect that the problem we are facing is one of minimum skills—not minimum wages. The effect may be low wages, but the cause is low skills. We need to address those workers who have few, if any, of the skills they need to compete for a better job and command higher wages. We need to start thinking in terms of skills, the kinds of skills that will help students support themselves and their families in the future.

Research shows that high school dropouts have an unemployment rate two times higher than high school graduates, and three times higher than college graduates. Over time, the earning differential between high school and college graduates has increased as well. In 1980, college graduates earned 50 percent more during their lifetime than high school graduates. Today this differential has increased to 100 percent and continues to expand.

The programs supported by the Perkins Act help students learn and develop the skills they need to compete

in the workforce. In the bill before us, we have emphasized the need to prepare students for placement in high skill, high wage, or high demand occupations. These are the types of jobs that will ensure a stronger future for students and will help them become self-sufficient.

Eighty percent of the jobs created over the next 10 years will require some postsecondary education. However, the majority of those jobs will require less than a 4-year degree. This is a critical issue, and we need to start now to meet the needs of the future workforce. I believe that a stronger, more effective Perkins program is an important way to address this issue.

By 2010 we face a projected skilled worker shortage of 5.3 million workers. That's 5.3 million American jobs that can't be filled because our workers don't have the right skills. That is why career and technical education funds are so critical to the supply of skilled labor in this country. These are precisely the types of careers for which the Perkins program is preparing students. Career and technical programs in this country are preparing students with the skills to succeed in health care, information technology, trade, manufacturing, and a host of other careers.

One of the most critical improvements we have made to the Perkins program in this bill is to strengthen the connection of career and technical education programs to the needs of businesses. If we are going to help fill the growing need for skilled workers, we need to ensure Perkins programs are coordinating their instruction with current practices in industry and the needs of the local workforce.

Thousands of examples are available of schools connecting with businesses to help develop the right curriculum for available high skill, high wage jobs. At a roundtable I chaired earlier this year on high school redesign issues, several of the participants described programs that linked academic programs at the high school or community college with the needs of the employers in the area. One such example was a program that prepared students to work in a nearby nuclear energy plant. The area high school offered classes so students in the area could begin the technical training to get a job at the nuclear powerplant, earning more than $40,000 a year to start.

That's the type of relevant instruction that we need to encourage and that we are encouraging through this conference report. I expect that the students performing well in their nuclear power management and safety class are also performing well on State math and science assessments.

The final reason that this legislation is important is because it provides a foundation for the redesign of Federal education policy. We need to structure Federal education policies that provide students and adult learners have access to lifelong education opportunities. In this 21st century economy, learning never ends, and school is never out.

The Perkins Act is one part of a ''three-legged stool'' of Federal education and training programs, all of which we will have considered during this Congress. The other two key pieces of this approach are the Workforce Investment Act, and the Higher Education Act. This is the first of those three bills to make it through conference, but I hope we will quickly follow with the others.

If we are going to stay competitive, Federal education programs need to help support seamless transitions from education to the workforce, throughout life, from preschool through postsecondary education and beyond. The conference report we are considering takes the first step in that direction by emphasizing the connection between academic and technical education and the workforce and postsecondary education. The Workforce Investment Act and the Higher Education Act will be the next critical steps in ensuring that American students are prepared for today and tomorrow's careers, many which haven't been invented yet.

Today's students are more and more likely to return to school throughout their lives for additional training. Some estimates suggest that as many as 75 percent of today's workers will need additional training just to stay current with their jobs. The modern college student reflects this trend perfectly. Today's average college student is likely to be older than 24, independent, and more likely to be female. They are also likely to have transferred institutions at least once in their postsecondary career.

That snapshot reflects the reality that today's college students are there for training and technical skills acquisition more than anything else. Postsecondary education is one of the fastest means to advancement in today's economy. With a postsecondary education, workers are more likely to keep their jobs and take advantage of opportunities to grow and advance in the workforce, or transition to another occupation as the workforce changes.

Federal policy needs to reflect the 21st century reality: we are in the midst of a jobs revolution. We are going to experience dramatic changes in the workforce over the next 10 to 15 years, and we need to start now if we are going to adapt Federal education and training policy to meet the coming crisis of too few workers with too few skills.

I am pleased that this legislation is now at the final stage of the process. We were able to move this bill quickly through committee and the floor because we were able to work in a bipartisan manner to reauthorize a program that the members of the Health, Education, Labor, and Pensions Committee feel is an important part of the federal education and training system. Although the intervening work took much longer than I would have liked, I am happy to see the conference report taken up in the Senate.

I want to thank Senator KENNEDY and his staff for their hard work, and for the hard work of the Senate conferees. I specifically want to thank Carmel Martin, JD Larock, and Jane Oates from Senator KENNEDY's staff. Although I understand Jane has moved on to greener pastures, she had a significant role to play in helping the legislation get to this point. I also want to thank Mr. MCKEON and Mr. MILLER, as well as the other House conferees, for helping us get to this point, and their staffs: Whitney Rhoades, Stephanie Milburn, Krisann Pearce, Lisa Ross, Denise Forte, Lloyd Horwich and many others. Finally, I want to thank my own staff—Scott Fleming, Beth Buehlmann, Lisa Schunk, Ilyse Schuman and Katherine McGuire—for helping me to move this bill all the way through the legislative process. They have spent many long hours seeking agreement on the provisions of the conference report and have done stellar work.

Mr. President, I urge my colleagues to support adoption of the conference report.

Mr. KENNEDY. Mr. President, I am pleased that we are acting on this bipartisan legislation to reauthorize the Perkins Career and Technical Education Act, and I commend the chairman of our committee, Senator ENZI, for his willingness to have an open, bipartisan process for this legislation. His leadership and the impressive work of his staff helped guide this bill successfully through the conference, and they deserve great credit for their leadership.

One of our highest priorities in Congress is to expand educational opportunities for every American. In this age of globalization, every citizen deserves a chance to acquire the education and skills needed to participate in the modern economy, to fulfill their hopes and dreams, raise healthy families, and contribute to their communities. We will be a fairer and stronger America when every citizen takes part.

In the global economy, the contributions of every American matter. We must equip all our citizens to compete, not by lowering their pay and sending their jobs overseas but by increasing their skills. Career and technical education does that, by preparing students and adults for 21st century jobs. With this reauthorization, career and technical programs will continue to have a vital role in transforming the lives of students and workers, and we will have a stronger economy as a result.

Since the passage of the Smith-Hughes Act in 1917, the Federal Government has recognized the important role of career and technical education in the life of the Nation. As the needs of American business and industry have evolved, the revisions made to the Act over the years have reflected those changes. It is clear that vocational education is no longer the 1950s

version. It has evolved from shop classes into courses that use cutting-edge technology and focus on emerging and growing fields that will become the jobs of the future. That is why we now call it career and technical education, and I am pleased to see that change reflected in the new title of this bill.

The Perkins Career and Technical Education Act gives both students and adults the academic course work and training they need to be competitive in the job market. The reauthorization of this legislation is especially important, since more and more people are taking advantage of Perkins programs. Between 2002 and 2004, enrollment in career and technical education programs rose by 26 percent nationally. Enrollment in Tech Prep, the Perkins program that supports some of the most creative efforts in the field, rose by more than a third. Nearly all high school students will take at least one career or technical course during their years in school. About half of all high school students and a third of all college students are involved in vocational programs as a major part of their studies.

Perkins helps adults as well. In 2004, 6 million adults were enrolled in such programs at community, technical, and other colleges, learning new skills and improving opportunities for employment. About 40 million adults participate in short-term occupational training.

Perkins programs do not just help one type of person. New immigrants, struggling adults, women seeking jobs outside the home for the first time—all benefit from the specially designed programs funded by the Perkins Act.

These programs help every kind of learner. In 2004, 10 million middle and high school students were taking courses that enabled them to explore a career and be prepared to succeed in the workplace. The students are from many different backgrounds—from rural and urban areas, from schools large and small, and they studied fields such as agriculture, technology, health occupations, skilled trades and business.

No matter where they are from, the data are clear. Perkins programs are helping them build a better life. According to the most recent National Assessment of Vocational Education by the Department of Education, students earned almost 2 percent more for each high school occupational course they took. That is about $450 per course based on average earnings of $24,000. That adds up, especially for the 45 percent of all high school graduates who take three or more occupational courses.

The data also show that participants in career and technical education at the postsecondary level can benefit from just 1 year's worth of courses. Even those who did not attain a credential still earned between 5 and 8 percent more than high school graduates with similar characteristics.

Today, career and technical education students are better prepared for college. Almost two-thirds of all high school graduates of career and technical programs now enter some form of postsecondary education. When these programs are combined with a college prep curriculum, that number rises to 82 percent.

That is good progress, but we need to do even more. According to a study released last week by the Department of Education, career and technical education students are less likely to take advanced math courses like trigonometry, precalculus, and calculus compared to other high school students. In college, they tend to earn fewer academic credits, and fewer credits overall. And only one-quarter of career and technical education students graduate with a bachelor's degree—most earn associate's degrees or certificates.

That is why the improvements we have made in this reauthorization are so important.

We have maintained our commitment to Tech Prep. Students can enroll as early as the ninth grade in high-tech programs that lead to an associate's degree. Tech Prep is a vital bridge that connects high school to college for many students, and I welcome its role in this bill.

Our focus is on career and technical education programs that lead to increased graduation rates, professional credentials, apprenticeships, and college opportunities. To do so, we have a strong accountability system that measures the progress that programs are making toward these goals.

We have doubled our emphasis on making sure that career and technical education programs reach those who too often have been left out, such as girls, women, and homemakers seeking jobs for the first time.

We have also addressed the needs of career and technical education teachers by giving them new opportunities to spend time in the industries they are teaching about. In a world where cell phones and computers become obsolete in a year, these teachers need the best possible training so that they can continue to prepare students for success. They are preparing the next generation for the workforce, and their knowledge-base must be state of the art.

This reauthorization is a signal to the millions of Americans who benefit from career and technical education that the Federal Government understands how important these programs are. Massachusetts alone has more than 100,000 students at the secondary and postsecondary level participating in Perkins programs. Our Commonwealth's support of technical training is far-reaching today and is rooted in our longstanding commitment to technical education.

At the beginning of the 20th century, Worcester was a national leader in the development of trade and vocational education. Worcester Boys Trade School, founded in 1910, was among the first vocational schools in the Nation, training young men to be machinists, and fulfilling its mission of graduating ''well informed citizens and good workmen.'' Today, Worcester Vocational High School has a waiting list of 300 students. In 2005, 93 percent of its students passed the State assessment.

In August, it will move to a new state-of-the-art facility that will accommodate 1,500 day students and 3,000 working adults in afternoon and evening classes. Without Perkins funding, much of this would not have been possible.

Perkins also supports high school programs that partner with community colleges and local businesses to provide students with the academic and technical skills they need to continue their education or to compete for high-skill, high-wage jobs immediately. The outcomes of these programs are extraordinary. In Massachusetts, 96 percent of the students in the class of 2006 in career and technical education programs passed the MCAS and earned their competency determination. Already, 90 percent of the class of 2007 have done so. Over the last 2 years, every one of the seniors at Blackstone Valley Tech in Upton has passed the MCAS and graduated on time. Last year, it was recognized as a Vanguard Model School by the Massachusetts Insight Education and Research Institute for its efforts to improve student achievement. It was the first vocational technical school to receive this honor.

Because of Perkins, more than 12,000 career and technical education students at risk of failing he MCAS were placed in structured internships at over 5,600 employer sites last year. These internships use work-based learning plans to guide students' learning and productivity on the job, and to measure the impact of the internship on student achievement.

Because of Perkins, every community college in Massachusetts has been able to hire instructional support staff and provide adaptive equipment for students with disabilities enrolled in technical education programs.

Because of Perkins, career and technical educators throughout the Commonwealth receive needed professional development and gain access to curriculum-related resources, technical assistance, and training in a wide range of activities.

Massachusetts's career and technical education programs are impressive, and they are successful because of the Perkins Act. We are proud of the vitality of our career and technical education programs in Massachusetts, and we know they are just a small number of the many strong programs supported by the Perkins Act across the country.

I am pleased that we were able to work together with the House to produce this bipartisan legislation. I commend Chairman ENZI, Chairman

MCKEON, and all the conferees and their staff for their good work on this needed legislation.

Special thanks go to Scott Fleming, Beth Buehlmann, Lisa Schunk, and Kelly Hastings with Senator ENZI; Allison Dembeck with Senator GREGG; Meredith Davis with Senator FRIST; David Cleary with Senator ALEXANDER; Celia Sims with Senator BURR; Glee Smith with Senator ISAKSON; Lindsay Morris with Senator DEWINE; Lindsay Hunsicker with Senator ENSIGN; Juliann Andreen with Senator HATCH; Liz Stillwell with Senator SESSIONS; Jennifer Swenson with Senator ROBERTS; Mary Ellen McGuire with Senator DODD; Rob Barron with Senator HARKIN; Dvora Lovinger and Robin Juliano with Senator MIKULSKI; Sherry Kaiman with Senator JEFFORDS; Michael Yudin with Senator BINGAMAN; Jamie Fasteau and Jill Feldstein with Senator MURRAY; Mildred Otero with Senator CLINTON; Kristen Romero and Amy Gaynor from Legislative Counsel, Denise Forte, Lloyd Horwich, and Whitney Rhoades on the House Education Committee, and Carmel Martin, J.D. LaRock, and Liz Maher of my staff.

I especially recognize Jane Oates, who worked on my staff for 8 years and whose expertise, leadership, and persistence ensured that the committee produced a strong, bipartisan reauthorization. Jane's efforts on Perkins are indicative of how she handles all things in life: always giving 100 percent, always being a voice for the voiceless, always committed to finding a solution. Though Jane has not been directly involved in these last few months of the process, her good work in the early stages of this bill has guided my staff and the rest of the committee through conference and to final passage today. Thank you, Jane, for all you have done for the millions of students who benefit from Perkins every year for showing all of us in the Senate how to get the job done.

Mr. DODD. Mr. President, I am here today to support the reauthorization of an education bill designed to ensure the competitiveness of our country's workforce, the Carl D. Perkins Career and Technical Education Act, Perkins. Essential to strengthening the workforce, Perkins not only prepares youth and adults for the careers of today, it prepares them for the careers of tomorrow. It is the first line of defense in ensuring America's competitive advantage worldwide.

We have heard a lot lately about American students losing their competitive edge. In math and science Americans score near the bottom of all industrialized nations on international exams. Our college drop-out rate is one of the highest in the world. We have dropped from first to fifth in the percentage of young adults with a college degree. Singapore has displaced the United States as the leading economy in information technology competitiveness. And the number of patents awarded to Americans is declining. All of this is having a detrimental effect on our global competitiveness.

Clearly, we need to increase our competitiveness from within. The conference agreement before us will help us to do that.

This reauthorization does a number of important things. First and foremost, it emphasizes accountability and improved results. Second, it improves monitoring and enforcement. Third, it disaggregates performance goals and report information by special populations so no one will fall through the cracks. And fourth, it strengthens the ties between industry, high schools, and higher education by ensuring that teachers are well-trained, students are academically ready for college, and high schools are training students for the actual needs of their communities.

The premise of this legislation is that high schools, industry, and higher education institutions need to work together to provide our workforce with the skills they need in order to achieve and compete in the 21st century. This bill works to ensure that American students are not just getting a world class education, but the best education in the world.

I would be remiss in my remarks if I did not mention the President's proposed elimination of the Perkins program in his annual budget for the second year in a row. I hope that the administration understands that our decision to move this legislation forward reflects our unwavering commitment to career and technical education. We will not let this program fall by the wayside. Perkins will not be eliminated.

We often hear the pledge that we will leave no child behind. May I suggest that we also make every effort to ensure that we leave no career and technical education student behind? Passage of these important provisions today will go a long way toward ensuring that career and vocational education students are not left behind in the classroom, that they are being held to high academic standards, that their teachers are provided with the training they need to keep up to date with the latest industry needs, and that high schools, industry and higher education work seamlessly together to provide our workforce with the skills that they need to maintain America's economic dominance in the 21st century.

Career and technical programs are an essential part of keeping students in school and helping our nation train its workforce. And while I would not consider the conference agreement before us perfect, I am confident that it will go a long way in helping another generation of Americans succeed, and in doing so, strengthen the American economy and increase our competitiveness worldwide.

Ms. MIKULSKI. Mr. President, I rise in support of the Carl D. Perkins Career and Technical Education Improvement Act of 2005. To compete in this global economy, we need to make sure our students have 21st century skills for 21st century jobs. Vocational and technical education is an extremely important part of this effort. The Perkins Act, which provides $1.3 billion to help train more than 10 million Americans across the country, is a vital investment in our Nation's high schools, community colleges, and our students.

The Carl D. Perkins Career and Technical program gives a boost to America's workforce development system by providing funds to schools that teach technical skills ranging from auto shop to computer programming. The Perkins Act also supports practical career programs and links between secondary and postsecondary education, helping students to move up the opportunity ladder and prepare them for high-skill, high-wage jobs. Students who have completed Perkins-supported programs are better prepared not only for higher education but for the workplace.

The President has proposed eliminating funding for all vocational and technical education programs. This is the wrong way to go. If Perkins was eliminated, high schools, technical schools, and community colleges in every State would suffer. In Maryland, our schools would lose almost $19 million. Last year, we had more than 150,000 students enrolled in career and technical programs in Maryland. In the United States, 97 percent of high school students take at least one career and technical education course. One-third of college students are involved in career and technical programs. And almost 40 million adults attend short-term occupational training. If these schools had to close their doors or shut down their vocational programs, where would these students go to learn the skills they need to get good paying jobs?

Vocational and technical education provides students across the country with opportunities to develop academic and technical skills that are critical for economic and workforce development. It is our job in the senate to make sure these opportunities are there for the people who need them and to invest in our human capital to create a world class workforce. That is why I strongly support this bipartisan bill and I oppose any cuts to the Perkins Career and Technical Education programs.

Mr. BINGAMAN. Mr. President, I rise today to support the conference report accompanying S. 250, the Carl D. Perkins Career and Technical Education Act of 2006. More than ever, this country needs rigorous, relevant career and technical education programs to help students prepare for postsecondary education and to address the shortage of highly skilled workers necessary to meet the demands of the contemporary workforce. A skilled and flexible workforce is essential to building a strong and dynamic economy and to maintaining our country's ability to compete in a global economy.

According to a recent report issued by the National Academy of Sciences, the scientific and technical building blocks of this Nation's economic strength are eroding at a time when many other nations are gathering strength. As much as 85 percent of this country's per capita growth in income since World War II has come from science and technology. The National Academies projected that while the U.S. economy is doing well today, current trends indicate that the U.S. may not fare as well in the future, particularly in the areas of science and technology, where innovation is spurred and high-wage jobs follow.

We must produce students who are prepared to meet the challenges of the 21st century workforce. I believe this bill provides real opportunities to meet those challenges.

In order to meet those challenges, however, career and technical education—CTE—must be academically rigorous and enhance students' critical thinking and applied skills. I believe this bill makes a number of significant improvements to ensure that CTE students participate in a rigorous and challenging curriculum, and realize positive educational and employment outcomes.

For example, the bill integrates challenging academic and technical standards, aligned with No Child Left Behind and nationally-recognized industry standards, into CTE instruction. In addition, the bill strengthens educational and career pathways for students beyond high school and makes significant strides in building alliances among high schools, 2- and 4-year colleges, business and industry, and community organizations. Further, the bill expands career guidance and academic counseling services so that students have a career plan and career objectives.

Well-prepared CTE teachers and good professional development are essential components of an effective, rigorous CTE curriculum. CTE teachers must possess the knowledge and skills to teach effectively. Hence, this bill dedicates resources to promoting the leadership, initial preparation, and professional development of career and technical education teachers to foster effective practices.

This bill is designed to improve student educational and employment outcomes, including their technical and workplace knowledge and skills. But, we must be able to measure how well CTE programs are meeting the needs of its students. Accordingly, the legislation will require states to identify core indicators of performance that include measures of student achievement on technical assessments and attainment of career and technical skill proficiencies.

Thus, it is essential to develop valid and reliable assessments of technical and career competencies that are aligned with national industry standards and integrate industry certification assessments, if available and appropriate. To address this need for high-quality technical assessments, this bill permits State leadership funds to be used to develop valid and reliable assessments of technical skills that are integrated with industry certification assessments where available.

In addition, the bill includes several new provisions for data collection, utilization, and analysis, including provisions which allow the State allocation to be used to support and develop State data systems, and State leadership funds to be used to develop and enhance data systems to collect and analyze data on postsecondary and employment outcomes.

I am also pleased that this bill makes significant improvements to help Crownpoint Institute of Technology. Crownpoint plays a critical role in ensuring Native American students have the education, skills, and training necessary to compete in the global economy, and this bill helps Crownpoint get the funding they need to serve their students.

Yet, increasing academic and technical rigor alone is not enough to prepare students to enter into and compete in the 21st century workforce. The learning environment students experience also heavily impacts academic performance and student outcomes. When smaller learning communities are in place, students benefit greatly: they experience a greater sense of belonging to their schools and they have fewer discipline, crime, violence, and substance abuse problems.

I would like to highlight two high schools in my home State of New Mexico which demonstrate some of the best practices of rigorous and innovative career and technical education. Rio Rancho High School has served as a model example of how academic rigor, hands-on-learning, strong professional development, defined career pathways, and robust alliances are elements of a successful, quality CTE program. Rio Rancho has created academies of study for all students, which allow students to: pursue career pathways to postsecondary education and beyond; take core courses geared toward interests, skills, and competitive careers; form partnerships with instructors; and become part of a smaller learning community within the larger high school. These academies allow students to explore personal strengths and interests in relationship to career planning and job markets. Rio Rancho has been designated as a Microsoft Center of Innovation and Time Magazine has called Rio Rancho one of the ten most innovative career and technical schools in the Nation.

Another great example of innovative career and technical education can be found at Albuquerque High School. In just a couple of years, the career academies at Albuquerque High School have demonstrated very positive student outcomes. The first students in Albuquerque's Academy of Advanced Technology have lower dropout rates and improved academic achievement.

Accordingly, this legislation recognizes that smaller learning communities and career academies are critical educational investments. As Rio Rancho and Albuquerque High Schools demonstrate, rigorous career and technical education and smaller learning environments enhance students' achievement and motivation to learn.

Unfortunately, the formula as drafted in this bill will have a very negative impact on career and technical education programs in many of our States. While I support the improvements sought in this bill, I am very disappointed that states like New Mexico, Mississippi, Pennsylvania, Iowa, Kansas, Ohio, Wisconsin, Illinois, Connecticut, Louisiana, Alabama, Missouri, and Idaho, just to name a few, will face significant cuts in funding next year alone. In fact, these cuts hit the poorest States in this country the hardest. Assuming this program receives level funding in appropriations in fiscal year 2007, 24 States lose money. If there are any cuts to the program at all, more than 30 States could lose under this formula.

These losses are very real to the students participating in career and technical education at our high schools and community colleges. A junior in high school pursuing a career in medical technology might not be able to finish her program in her senior year if funding is yanked.

Our students depend on programs like Perkins to provide them with essential job skills and training. It is not only unfair to pull funding from our students, but unwise to cut funding from so many States. Strong career and technical education programs are critical to this Nation if we are to ensure a skilled and educated workforce. This formula is simply a step in the wrong direction.

Many of us talk about ensuring America's students are prepared to meet the challenges of the 21st century workforce. We talk about protecting America's competitive edge in the global economy. I firmly believe, however, that taking career and technical education programs away from some of our most needy students does not enhance our economic security. Simply, a loss of funding means a loss of services to students.

Nevertheless, I firmly believe there are many positive aspects of this legislation, and despite the funding formula, I support the overall bill. Effective career and technical education programs are necessary to build a strong and dynamic economy and to maintain a competitive American workforce, and therefore, I support the passage of this legislation.

Mr. REED. Mr. President, I support final passage of S. 250, the Carl D. Perkins Career and Technical Education Improvement Act of 2006.

This important legislation, which reauthorizes the Carl D. Perkins Vocational and Technical Education Act of

1998, will help strengthen both the workforce in my home State of Rhode Island and across the Nation and ensure that our students have the necessary skills and tools to access high-quality, high-wage employment and compete in an ever-expanding global economy.

I am pleased that Congress will reaffirm its overwhelming bipartisan and bicameral support for this program, especially in light of the President's efforts in his last two budget proposals to eliminate funding for Perkins. For the 2006–2007 school year, our State, which is home to 10 Career and Technical Centers and 54 high schools and colleges offering career and technical education programs, would stand to lose an estimated $6.3 million in Perkins basic state and tech prep funding under the President's proposed budget. These cuts are unjustifiable, especially at a time when it is ever more critical that we provide a robust link between students and a highly skilled workforce American business depends on to thrive.

As a cosponsor of the Senate version of this bill, I am pleased that many of its comprehensive provisions on the recruitment, preparation, support, and professional development of career and technical education teachers, which I authored, have been included in the final version of the bill before us today. I believe having a well-trained, qualified, and effective teacher in every classroom is the key for ensuring that students participating in career and technical education programs will achieve their fullest academic and career goals and aspirations.

The bill also contains a number of provisions that address the concerns raised by educators in Rhode Island. First, S. 250 does not combine the tech prep program with the basic State grant program at the Federal level as the House bill proposed. Second, the bill authorizes use of State administration funding at up to 5 percent, funding which supports such essential activities as developing a State plan, monitoring career and technical education program efficiency, and providing technical assistance to districts. Third, S. 250 adds a new State leadership incentive grant I authored for school districts and postsecondary institutions that elect to pool their funds for innovative initiatives, including improving the professional development of career and technical educators and establishing and enhancing systems for accountability data collection.

I thank my colleagues, Senators KENNEDY and ENZI, and their staffs, for their work on this legislation and moving it toward final passage.

I am pleased to support this legislation. A highly skilled workforce not only grows our economy, but maintains our Nation's competitive edge in the world. I look forward to the President quickly signing this bill into law—which will hopefully signal a turnaround in his support for Perkins career and technical education programs—to help ensure that our students remain competitive and have the academic and technical tools to succeed.

Mrs. CLINTON. Mr. President, I am very pleased today to support the Carl D. Perkins Career and Technical Education Improvement Act. I was proud to cosponsor this legislation in the Senate, and I am proud that the Congress is on the eve of passing it into law.

I am extremely pleased that this bill was written in a bipartisan fashion. I want to thank Senator ENZI, Senator KENNEDY, Congressman MCKEON, and Congressman MILLER for working so hard on this legislation. I hope that the HELP Committee will approach other education bills in the same bipartisan process.

The legislation recognizes the important role of career and technical education in the preparation of today's workforce. It rejects the Bush administration's proposal to eliminate the Perkins program, a proposal that would cost New York approximately $65 million a year. The bill before us today is evidence of the strong bipartisan commitment to maintaining and strengthening Perkins.

The Perkins program plays a key role in helping young people and people returning to school gain the skills they need to land high-quality jobs. Perkins is the largest Federal investments in our Nation's high schools. Over 66 percent of all public high schools have at least one vocational and technical education program and 96 percent of high school students in this country take at least one vocational or technical course while in high school.

The Perkins program also plays a key role in postsecondary education. According to the National Center for Education Statistics, nearly 38 percent of all degree-seeking undergraduates are pursuing vocational careers. These programs play a key role in educating our workforce and census data consistently shows that people with higher educational attainment have higher median incomes.

In New York, the demand for business career and technical education programs increased by 44 percent between the 2002–2003 school year and the 2003–2004 school year. In New York City, there was a 211-percent increase in enrollment in the approved business program and a 55-percent increase in the technology and communications programs. And the vast majority of these students are succeeding academically. Eighty-five percent of New York students who completed a career and technical education program passed all of the required regent's exams.

The Carl D. Perkins Career and Technical Education Improvement Act takes the next step in strengthening career and technical education for the 21st century. I am particularly pleased that this bill improves programs and services for women and girls pursuing nontraditional occupations. Families, industries, and our economy as a whole benefit when women and girls pursue non-traditional, traditionally ''male'' careers—in technology, math, science, and the construction and building trades. Unfortunately, women continue to be significantly underrepresented in these fields. For example, while the number of female carpenters has tripled since 1972, women still represent only 1.7 percent of all carpenters. You can say the same about many other high-skill, high-wage trades.

Many of these skilled trades industries are experiencing a significant labor shortage and experts expect these shortages to get worse over the next two decades as many workers retire. If women were to enter these professions, most of which are unionized and pay a livable paycheck and benefits, women would increase their earnings and standard of living for their families. For example, a journey-level electrician will make over half a million dollars more than a typical cashier in a 30-year career.

This bill requires States to measure students' participation and completion in career and technical programs in nontraditional fields and to disaggregate their data on performance by gender and race. In addition, programs will be required to prepare special populations for high-skill, high-wage occupations that will lead to self-sufficiency. These important provisions will go a long way toward helping more women achieve economic security for their families.

The bill also provides comprehensive professional development for career and technical education teachers and aligns secondary and postsecondary indicators with those established in other programs to ultimately reduce paperwork.

Finally, I am pleased that the bill maintains Tech Prep as a separate program, maintaining the position proposed in the Senate bill. Innovative Tech Prep programs in New York have made a real difference in the lives of students. For example, the Syracuse City Health Center Tech Prep program reduced the achievement gap between ethnic groups—white versus non-white—to 2.8 percent. And at least 65 percent of students in the Syracuse City Health Careers Tech Prep program enroll in health-related professions, where New York has a critical shortage, after high school. In New York State, the average age of nurses is 47 and 80 percent of current nurses will reach retirement age within 10 years.

The Perkins program is extremely important—not just for the numbers of students it serves but for the communities that benefit from a better prepared workforce as a result of these programs. This is why for the last 4 years I have spearheaded a bipartisan letter to the Senate Appropriations Committee requesting additional funding for Perkins. Indeed, I hope that in this budget cycle we will continue to

provide adequate funding for the Perkins program.

For all of these reasons, I am thrilled that Congress continues its strong support for this critical program by passing this legislation today.

Mr. BENNETT. I ask unanimous consent that the conference report be agreed to and the motion to reconsider be laid upon the table and that any statements be printed in the RECORD.

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

The conference report was agreed to.

## EXECUTIVE SESSION

### EXECUTIVE CALENDAR

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar: Nos. 771, 772, 774, 775, 776, 777, 778, 779, 780, 781, 782, and 785. I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table, and that the President be immediately notified of the Senate's action, and then the Senate return to legislative session.

Before the Chair rules, I note for the record that with respect to Calendar No. 779, the Mishkin nomination, if a vote were held, Senator BUNNING is opposed to the nomination and would have been recorded as a ''no'' on confirmation.

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

The nominations considered and confirmed are as follows:

REFORM BOARD (AMTRAK)

R. Hunter Biden, of Delaware, to be a Member of the Reform Board (Amtrak) for a term of five years.

Donna R. McLean, of the District of Columbia, to be a Member of the Reform Board (Amtrak) for a term of five years.

IN THE COAST GUARD

The following named officers for appointment in the United States Coast Guard to the grade indicated under Title 14, U.S.C., Section 271:

*To be rear admiral*

Rear Adm. (lh) Gary T. Blore, 3199
Rear Adm. (lh) John P. Currier, 0852
Rear Adm. (lh) Joel R. Whitehead, 5138

EXPORT-IMPORT BANK OF THE UNITED STATES

James Lambright, of Missouri, to be President of the Export-Import Bank of the United States for a term expiring January 20, 2009, vice Philip Merrill, resigned.

Linda Mysliwy Conlin, of New Jersey, to be First Vice President of the Export-Import Bank of the United States for a term expiring January 20, 2009.

J. Joseph Grandmaison, of New Hampshire, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 2009. (Reappointment)

FEDERAL HOUSING FINANCE BOARD

Geoffrey S. Bacino, of Illinois, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2013.

FEDERAL RESERVE SYSTEM

Frederic S. Mishkin, of New York, to be a Member of the Board of Governors of the Federal Reserve System for the unexpired term of fourteen years from February 1, 2000.

DEPARTMENT OF THE TREASURY

Edmund C. Moy, of Wisconsin, to be Director of the Mint for a term of five years.

DEPARTMENT OF EDUCATION

Lawrence A. Warder, of Texas, to be Chief Financial Officer, Department of Education.

Troy R. Justesen, of Utah, to be Assistant Secretary for Vocational and Adult Education, Department of Education.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Ronald S. Cooper, of Virginia, to be General Counsel of the Equal Employment Opportunity Commission for a term of four years.

## ORDERS FOR THURSDAY, JULY 27, 2006

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. on Thursday, July 27. I further ask that following the prayer and the pledge, the morning hour be deemed to have expired, the Journal of the proceedings be approved to date, the time for the two leaders be reserved, and the Senate proceed to the consideration of S. 3711, the Gulf of Mexico Energy Security bill, as under the previous order.

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

## PROGRAM

Mr. BENNETT. Mr. President, today, we invoked cloture on the motion to proceed to the Gulf of Mexico Energy Security bill, and we have had a full day of debate.

Tomorrow, we will be on the bill and Members are encouraged to come to the floor and speak. Again, this is a very carefully crafted bipartisan bill. It is very targeted and will move us closer to energy independence. So we hope we can finish the bill at the earliest time.

We have other important issues to address before we finish our work prior to the August adjournment. Therefore, the leader hopes that we can continue to work on other measures as we process this important energy security measure.

## RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BENNETT. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 7:23 p.m., recessed until Thursday, July 27, 2006, at 9:30 a.m.

## CONFIRMATIONS

Executive nominations confirmed by the Senate: Wednesday, July 26, 2006:

REFORM BOARD (AMTRAK)

R. HUNTER BIDEN, OF DELAWARE, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS.

DONNA R. MCLEAN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS.

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES COAST GUARD TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 271:

*To be rear admiral*

REAR ADM. (LH) GARY T. BLORE
REAR ADM. (LH) JOHN P. CURRIER
REAR ADM. (LH) JOEL R. WHITEHEAD

EXPORT-IMPORT BANK OF THE UNITED STATES

JAMES LAMBRIGHT, OF MISSOURI, TO BE PRESIDENT OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JANUARY 20, 2009.

LINDA MYSLIWY CONLIN, OF NEW JERSEY, TO BE FIRST VICE PRESIDENT OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JANUARY 20, 2009.

J. JOSEPH GRANDMAISON, OF NEW HAMPSHIRE, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JANUARY 20, 2009.

FEDERAL HOUSING FINANCE BOARD

GEOFFREY S. BACINO, OF ILLINOIS, TO BE A DIRECTOR OF THE FEDERAL HOUSING FINANCE BOARD FOR A TERM EXPIRING FEBRUARY 27, 2013.

FEDERAL RESERVE SYSTEM

FREDERIC S. MISHKIN, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR THE UNEXPIRED TERM OF FOURTEEN YEARS FROM FEBRUARY 1, 2000.

DEPARTMENT OF THE TREASURY

EDMUND C. MOY, OF WISCONSIN, TO BE DIRECTOR OF THE MINT FOR A TERM OF FIVE YEARS.

DEPARTMENT OF EDUCATION

LAWRENCE A. WARDER, OF TEXAS, TO BE CHIEF FINANCIAL OFFICER, DEPARTMENT OF EDUCATION.

TROY R. JUSTESEN, OF UTAH, TO BE ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

RONALD S. COOPER, OF VIRGINIA, TO BE GENERAL COUNSEL OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM OF FOUR YEARS.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted Committee of the Senate.